

Natura &Co Holding S.A.

Individual and Consolidated
Interim Accounting Information (ITR)
For the three-month period ended
March 31, 2022
Independent Auditors' Report



(A free translation of the original in Portuguese)

Report on review of parent company and consolidated interim financial statements

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

Introduction

We have reviewed the accompanying interim statement of financial position of Natura &Co Holding S.A. ("Company") as at 31 March 2022 and the related statements of income and comprehensive income for the quarter then ended, and the statements of changes in shareholders' equity and cash flows for the quarter then ended, as well as the accompanying consolidated interim statement of financial position of Natura &Co Holding S.A. and its subsidiaries ("Consolidated") as at 31 March 2022 and the related consolidated statements of income and comprehensive income for the quarter then ended, and the consolidated statements of changes in shareholders' equity and cash flows for the quarter then ended, and explanatory notes.

Management is responsible for the preparation and presentation of these parent company and consolidated interim financial statements 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, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these interim financial statements 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 financial 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 did 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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.



Natura &Co Holding S.A.

Other matters

Statements of value added

The interim financial statements referred to above include the parent company and consolidated statements of value added for the quarter ended 31 March 2022. These statements are the responsibility of the Company's management and are presented as supplementary information. These statements have been subjected to review procedures performed together with the review of the interim financial statements for the purpose of concluding whether they are reconciled with the interim financial statements 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 financial statements taken as a whole.

São Paulo, 5 May 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 MARCH 31, 2022 AND DECEMBER 31, 2021

(In thousands of Brazilian reais - R\$)

ASSETS	Note	Parent		Consolidated		LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent		Consolidated	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021			March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
CURRENT						CURRENT					
Cash and cash equivalents	6	4.658	4.289	3.038.524	4.007.257	Borrowings, financing and debentures	19	-	-	3.863.522	945.069
Short-term investments	7	135.441	228.694	1.498.190	1.978.740	Lease	18	-	-	847.307	1.005.523
Trade accounts receivable	8	-	-	2.893.467	3.476.359	Trade accounts payable and reverse factoring operation	20	3.041	5.688	5.490.082	6.770.579
Trade accounts receivable - Related parties	32	52.205	190.522	-	-	Trade accounts payable - Related parties	32	2.971	60.171	-	-
Inventories	9	-	-	5.117.797	5.403.526	Dividends and interest on shareholders' equity payable	24	180.772	180.772	180.772	180.772
Recoverable taxes	10	-	-	991.298	973.269	Payroll, profit sharing and social charges		28.413	19.431	951.320	1.255.348
Income tax and social contribution		102.589	118.068	274.776	564.486	Tax liabilities	21	1.574	654	587.663	766.430
Derivative financial instruments		-	-	59.270	81.159	Income tax and social contribution		-	-	297.735	365.457
Other current assets	14	20.324	6.397	875.685	912.160	Derivative financial instruments		-	89	545.849	458.492
		<u>315.217</u>	<u>547.970</u>	<u>14.749.007</u>	<u>17.396.956</u>	Provision for tax, civil and labor risks	22	-	-	204.823	230.097
Assets held for sale	13	-	-	-	52.921	Other current liabilities	23	7	509	1.316.477	1.716.110
Total current assets		<u>315.217</u>	<u>547.970</u>	<u>14.749.007</u>	<u>17.449.877</u>	Total current liabilities		<u>216.778</u>	<u>267.314</u>	<u>14.285.550</u>	<u>13.693.877</u>
NON-CURRENT						NON-CURRENT					
Recoverable taxes	10	-	-	1.330.977	1.349.624	Borrowings, financing and debentures	19	-	-	8.003.454	11.771.763
Income tax and social contribution		-	-	117.407	84.729	Lease	18	-	-	2.214.365	2.542.339
Deferred income tax and social contribution	11	5.190	-	3.037.729	2.954.074	Payroll, profit sharing and social charges		13.832	17.544	46.299	53.748
Judicial deposits	12	13	13	595.134	585.284	Tax liabilities	21	-	-	108.175	114.797
Derivative financial instruments		-	-	-	893.970	Deferred income tax and social contribution	11	7.180	-	803.949	994.041
Short-term investments	7	-	-	42.671	36.921	Derivative financial instruments		-	-	434.856	-
Other non-current assets	14	844	848	1.468.083	1.763.051	Provision for tax, civil and labor risks	22	1.016	-	1.632.581	1.768.744
Total non-current assets		<u>6.047</u>	<u>861</u>	<u>6.592.001</u>	<u>7.667.653</u>	Other non-current liabilities	23	715	713	854.365	942.456
						Total non-current liabilities		<u>22.743</u>	<u>18.257</u>	<u>14.098.044</u>	<u>18.187.888</u>
						TOTAL LIABILITIES					
								<u>239.521</u>	<u>285.571</u>	<u>28.383.594</u>	<u>31.881.765</u>
						SHAREHOLDERS' EQUITY					
Investments	15	23.739.247	28.281.178	-	-	Capital stock	24	12.484.306	12.481.683	12.484.306	12.481.683
Property, plant and equipment	16	-	-	4.816.791	5.377.408	Treasury shares		(263.360)	(151.342)	(263.360)	(151.342)
Intangible	17	955	1.132	23.288.854	26.857.583	Capital reserves		10.323.538	10.478.804	10.323.538	10.478.804
Right of use	18	-	-	2.777.286	3.095.969	Legal profit reserve		865.073	871.223	865.073	871.223
Total non-current assets		<u>23.746.249</u>	<u>28.283.171</u>	<u>37.474.932</u>	<u>42.998.613</u>	Accumulated losses		(643.092)	-	(643.092)	-
						Other comprehensive income		<u>1.055.480</u>	<u>4.865.202</u>	<u>1.055.480</u>	<u>4.865.202</u>
						Shareholders' equity attributed to the Company's shareholders		<u>23.821.945</u>	<u>28.545.570</u>	<u>23.821.945</u>	<u>28.545.570</u>
						Non-controlling interest in shareholders' equity of subsidiaries		-	-	18.400	21.155
						Total shareholders' equity		<u>23.821.945</u>	<u>28.545.570</u>	<u>23.840.345</u>	<u>28.566.725</u>
TOTAL ASSETS		<u>24.061.466</u>	<u>28.831.141</u>	<u>52.223.939</u>	<u>60.448.490</u>	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>24.061.466</u>	<u>28.831.141</u>	<u>52.223.939</u>	<u>60.448.490</u>

*The accompanying notes are an integral part of the Financial Statements.

NATURA & CO HOLDING S.A.

STATEMENT OF INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$, except for earnings per share)

	Note	Parent		Consolidated	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
NET REVENUE	26	-	-	8.253.296	9.455.073
Cost of Sales	27	-	-	(2.945.608)	(3.322.467)
GROSS PROFIT		-	-	5.307.688	6.132.606
OPERATING (EXPENSES) INCOME					
Selling, Marketing and Logistics expenses	27	-	-	(3.685.454)	(4.007.445)
Administrative, R&D, IT and Project expenses	27	(60.947)	(24.616)	(1.533.300)	(1.627.686)
Impairment loss on trade receivables	8	-	-	(163.752)	(239.345)
Share of profits (losses) from subsidiaries	15	(566.108)	(125.979)	-	-
Other operating expenses, net	30	-	-	(58.713)	(125.432)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL RESULT		(627.055)	(150.595)	(133.531)	132.698
Financial income	29	9.935	6.160	1.354.372	1.038.944
Financial expenses	29	(23.983)	(10.734)	(1.740.939)	(1.266.850)
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(641.103)	(155.169)	(520.098)	(95.208)
Income tax and social contribution	11	(1.989)	-	(82.488)	(90.093)
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(643.092)	(155.169)	(602.586)	(185.301)
DISCONTINUED OPERATIONS					
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS		-	-	(39.587)	28.749
NET LOSS FOR THE PERIOD		(643.092)	(155.169)	(642.173)	(156.552)
ATTRIBUTABLE TO					
The Company's shareholders		(643.092)	(155.169)	(643.092)	(155.169)
Non-controlling shareholders		-	-	919	(1.383)
		(643.092)	(155.169)	(642.173)	(156.552)
LOSS PER SHARE IN THE PERIOD -R\$					
Basic	31	(0,4694)	(0,1129)	(0,4694)	(0,1129)
Diluted	31	(0,4694)	(0,1120)	(0,4694)	(0,1120)

*The accompanying notes are an integral part of the Financial Statements.

NATURA & CO HOLDING S.A.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
NET LOSS FOR THE PERIOD		(643.092)	(155.169)	(642.173)	(156.552)
Other comprehensive income to be reclassified to income statement in subsequent periods:					
Conversion of financial statements of controlled companies abroad	15	(3.642.242)	1.489.361	(3.645.916)	1.490.796
Exchange rate effect on the conversion from hyperinflationary economy	15	(65.922)	28.407	(65.922)	28.407
Earnings (losses) from cash flow hedge operations	5.3	89	-	(446.241)	(59.500)
Tax effects on (losses) earnings from cash flow hedge operations	11	(30)	-	151.422	19.845
Equity in losses from cash flow hedge operation	5.3	(446.330)	(59.500)	-	-
Equity in tax effects on earnings from cash flow hedge operations	11	151.452	19.845	-	-
		<u>(4.646.075)</u>	<u>1.322.944</u>	<u>(4.648.830)</u>	<u>1.322.996</u>
Comprehensive income for the period, net of tax effects					
ATTRIBUTABLE TO					
The Company's shareholders		(4.646.075)	1.322.944	(4.646.075)	1.322.944
Noncontrolling shareholders		-	-	(2.755)	52
		<u>(4.646.075)</u>	<u>1.322.944</u>	<u>(4.648.830)</u>	<u>1.322.996</u>

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NATURA & CO HOLDING S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

Note	Capital Reserves						Legal profit reserve		Retained (losses) earnings	Equity appraisal adjustment		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			Other comprehensive income				
							Tax Incentives	Retained earnings						
BALANCES AS OF DECEMBER 31, 2020	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	
Net loss for the period	-	-	-	-	-	-	-	-	(155.169)	-	(155.169)	(1.383)	(156.552)	
Exchange rate effect on the conversion from hyperinflationary economy	-	-	-	-	-	-	-	-	-	28.407	28.407	-	28.407	
Other comprehensive income	-	-	-	-	-	-	-	-	-	1.449.706	1.449.706	1.435	1,451,141	
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(155.169)	1.478.113	1.322.944	52	1,322,996	
Share repurchase	-	(32.091)	-	-	-	-	-	-	-	-	(32.091)	-	(32.091)	
Transactions in stock and restricted shares option plans:														
Provision for stock and restricted shares option plans	24	-	-	-	-	-	-	-	-	-	-	-	-	
Exercise of stock and restricted shares option plans	24	17.687	34.042	-	-	(13.386)	-	(2.188)	-	-	36.155	-	36.155	
BALANCES AS OF MARCH 31, 2021	12.395.686	(9.716)	10.671.605	362.059	97.151	(92.066)	113.302	4.676	(915.106)	6.063.744	28.691.335	22.833	28.714.168	
BALANCES AS OF DECEMBER 31, 2021	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	-	-	-	-	-	-	-	-	(643.092)	-	(643.092)	919	(642.173)	
Exchange rate effect on the conversion from hyperinflationary economy	-	-	-	-	-	-	-	-	-	(65.922)	(65.922)	-	(65.922)	
Other comprehensive income	-	-	-	-	-	-	-	-	-	(3.937.061)	(3.937.061)	(3.674)	(3,940,735)	
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(643.092)	(4.002.983)	(4,646,075)	(2,755)	(4,648,830)	
Share repurchase	-	(120.300)	-	-	-	-	-	-	-	-	(120.300)	-	(120.300)	
Transactions in stock and restricted shares option plans:														
Provision for stock and restricted shares option plans	24	-	-	-	53.158	-	-	-	-	-	53.158	-	53.158	
Exercise of stock and restricted shares option plans		2.623	8.282	-	(23.457)	-	-	2.144	-	-	(10.408)	-	(10,408)	
Reclassification of hyperinflationary economy adjustment effect		-	(126.473)	-	(58.494)	-	-	(8.294)	-	193.261	-	-	-	
BALANCES AS OF MARCH 31, 2022	12.484.306	(263.360)	9.894.936	362.059	158.609	(92.066)	-	865.073	(643.092)	1.055.480	23.821.945	18.400	23.840.345	

*The accompanying notes are an integral part of the Financial Statements.

NATURA & CO HOLDING S.A.

STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

Note	Parent		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss for the period			(642.173)	(156.552)
Adjustments to reconcile net income (loss) for the period with net cash generated by (used in) operating activities:				
Depreciation and amortization	16, 17 and 18	176	649.267	696.375
Interest and exchange variation on short-term investments		(6.192)	(86.210)	(74.934)
Earnings from swap and forward derivative contracts		5.266	974.949	(343.211)
Provision (reversal) for tax, civil and labor risks		1.016	13.010	23.535
Inflation adjustment of judicial deposits		-	(8.221)	(1.370)
Inflation adjustment of provision for tax, civil and labor risks	22	-	11.087	10.798
Deferred income tax and social contribution		1.990	(256.072)	90.093
Income from sale and write-off of property, plant and equipment, lease and non-current assets held for sale	13, 16 and 17	-	9.880	20.048
Share of profits (losses) from subsidiaries	15	566.108	-	-
Interest and exchange rate variation on leases	18	-	47.779	(174.487)
Interest and exchange rate variation on borrowings, financing and debentures, net of acquisition costs	19	-	(727.498)	580.211
Inflation adjustment and exchange rate variation on other assets and liabilities		844	2.186	10.858
Provision for losses from property, plant and equipment, intangible and leases	16, 17 and 18	-	-	(354)
Provision (reversal of provision) for stock option plans		40.127	40.127	(7.625)
Provision for losses with trade accounts receivables, net of reversals	8	-	163.752	225.417
Provision for inventory losses, net of reversals	9	-	76.533	120.888
Reversal for the provision for carbon credits		-	(3.987)	772
Effect from hyperinflationary economy		-	68.942	4.987
Other adjustments to reconcile net (loss) profit		-	-	(1.201)
		(33.757)	333.351	1.024.248
(INCREASE) DECREASE IN ASSETS				
Trade accounts receivable and related parties		(16.148)	338.306	312.379
Inventories		-	40.808	(599.479)
Recoverable taxes		-	(142.910)	(16.004)
Other assets		2.982	340.277	(121.052)
Subtotal		(13.166)	576.481	(424.156)
INCREASE (DECREASE) IN LIABILITIES				
Domestic and foreign trade accounts payable and related parties		(59.882)	(579.675)	(445.135)
Payroll, profit sharing and social charges, net		5.270	(342.689)	(168.153)
Tax liabilities		920	(207.330)	(34.570)
Other liabilities		(27.779)	(520.437)	(573.594)
Subtotal		(81.471)	(1.650.131)	(1.221.452)
CASH USED IN OPERATING ACTIVITIES				
		(128.394)	(740.299)	(621.360)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES				
Payment of income tax and social contribution		(1.395)	(150.250)	(177.085)
Release of judicial deposits		-	(1.729)	9.600
Payments related to tax, civil and labor lawsuits	22	-	(50.644)	(12.756)
Proceeds (payments) due to settlement of derivative transactions		(934)	13.144	(33.578)
Payment of interest on lease	18	-	(51.464)	(50.830)
Payment of interest on borrowings, financing and debentures	19	-	(211.706)	(324.814)
NET CASH USED IN OPERATING ACTIVITIES				
		(130.723)	(1.192.948)	(1.210.823)
CASH FLOW FROM INVESTING ACTIVITIES				
Additions of property, plant and equipment and intangible		-	(309.548)	(332.627)
Proceeds from sale of property, plant and equipment, intangible and non-current assets held for sale		-	597	39.838
Application of short-term investments		(161.299)	(2.191.667)	(1.688.400)
Redemption of short-term investments		248.391	2.566.122	2.055.238
Redemption of interest on short-term investments		12.353	940	9.547
Receipt of dividends from subsidiaries	32	153.656	168.612	-
NET CASH GENERATED BY INVESTING ACTIVITIES				
		253.101	103.740	83.596
CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of lease - principal	18	-	(272.784)	(301.420)
Repayment of borrowings, financing and debentures - principal	19	-	(238.574)	(623.273)
New borrowings, financing, and debentures	19	-	1.181.421	133.980
Acquisition of treasury shares, net of receipt of option strike price		(120.300)	(120.300)	4.064
Receipt of funds due to settlement of derivative transactions		(4.332)	3.738	52.684
Capital increase		2.623	2.623	-
NET CASH GENERATED BY (USED IN) FINANCING ACTIVITIES				
		(122.009)	556.124	(733.965)
Effect of exchange rate variation on cash and cash equivalents		-	(435.649)	365.879
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		369	(968.733)	(1.495.313)
Opening balance of cash and cash equivalents	6	4.289	4.007.257	5.821.672
Closing balance of cash and cash equivalents	6	4.658	3.038.524	4.326.359
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		369	(968.733)	(1.495.313)

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

NATURA & CO HOLDING S.A.

STATEMENT OF VALUE ADDED
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
INCOME		-	-	10.248.470	10.455.465
Sale of goods, products and services		-	-	10.236.441	10.668.447
Provision for doubtful accounts, net of reversals	8	-	-	41.946	(78.969)
Other operating expenses, net		-	-	(29.917)	(134.013)
GOODS ACQUIRED FROM THIRD PARTIES		(37.661)	(4.169)	(6.578.884)	(7.661.141)
Cost of products sold and services rendered		-	-	(3.321.068)	(3.889.945)
Materials, electricity, outsourced services and other		(37.661)	(4.169)	(3.257.816)	(3.771.196)
GROSS VALUE ADDED		(37.661)	(4.169)	3.669.586	2.794.324
RETENTIONS		(176)	-	(649.267)	(696.376)
Depreciation and amortization	16, 17 and 18	(176)	-	(649.267)	(696.376)
VALUE ADDED PRODUCED BY THE COMPANY		(37.837)	(4.169)	3.020.319	2.097.948
TRANSFERRED VALUE ADDED		(556.173)	(119.819)	1.354.372	1.080.698
Equity in subsidiaries	15	(566.108)	(125.979)	-	-
Financial income - including inflation adjustments and exchange rate variatio	29	9.935	6.160	1.354.372	1.080.698
TOTAL VALUE ADDED TO DISTRIBUTE		(594.010)	(123.988)	4.374.691	3.178.646
DISTRIBUTION OF VALUE ADDED		(594.010)	(123.988)	4.374.691	3.178.646
Payroll and social charges	28	23.109	20.447	1.818.447	1.934.066
Taxes, fees and contributions		1.990	-	1.449.002	96.692
Financial expenses and rentals		23.983	10.734	1.749.416	1.304.440
Retained losses		(643.092)	(155.169)	(643.092)	(155.169)
Dividends declared		-	-	-	(1.383)
Minority holders' share in retained profit		-	-	918	-

*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 THREE-MONTH PERIOD ENDED MARCH 31, 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 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 three-month period ended March 31, 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 this information, 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 May 4, 2022.

The individual and consolidated interim accounting information was prepared based on historical cost, except for derivative instruments and short-term investments recognized in other current and non-current assets recognized in other liabilities 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.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 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, Financial Instruments, for hedge accounting on 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 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 three-month comparative period ended March 31, 2021 (except for the aforementioned rules and amendments, which did not have a significant effect on the Company's individual and consolidated interim accounting information).

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 accounting information for the three-month period ended March 31, 2022 have not changed significantly.

5. FINANCIAL RISK MANAGEMENT

The information regarding the general considerations and policies of the Company was presented in note 5.1 of the Company's annual financial statements for the year ended December 31, 2021, in note 6.1. and there are no changes for the three-month period ended March 31, 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, recently announced sanctions on certain sectors and parts of industry in Russia. These and any additional sanctions, as well as any possible responses that may be provided by the governments of Russia or other jurisdictions, could adversely affect the Company's business.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

So far, the conflict resulted in the suspension of The Body Shop and Aesop's operations in Russia and the Russian plant's exports to other countries in the region, which began to be supplied by the Company's unit in Poland. Avon, however, continues to supply its dealer network in Russia. Administrative operations in Ukraine that were performed inside the Company's facilities are temporarily idle considering the impossibility of guaranteeing the safety of local workers. The Company cannot predict the duration of idleness, as this will depend on the remaining course of the conflict and the establishment of safe and stable operational and logistical conditions. As of the date of this interim accounting information, the Company confirms that the facilities, as well as the assets and inventories held therein, have not been damaged and are in an adequate condition to be operated and sold as safety conditions improve.

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 5% of consolidated net revenue.

Regarding operations in Russia, on the date of this interim accounting information, no significant impacts were identified that affect the business model for the management of 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).

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 March 31, 2022. This effect, however, is not 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 for making payments and receipts, at the date of the interim accounting information, there are no significant impacts on the liquidity of the operations in this location.

As a result of the developments of the conflict in the quarter, 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 cash flow hedge reserve amounts as a result of loss of effectiveness of derivatives recognized by hedge accounting or by the loss of expectation that transactions evaluated as highly probable will actually occur.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

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 Management assesses based on the best available information.

5.2 COVID-19 Impacts

The Company continues to monitor the effects of the Covid-19 pandemic in the markets it operates, especially with regards to 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 quarter of 2022, when compared to the end of 2021 and the first quarter of 2021. During the first quarter 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 March 31, 2022 and December 31, 2021:

Description	Consolidated	
	March 31, 2022	December 31, 2021
Financial derivatives	(912,108)	516,386
Operating derivatives	(9,327)	251
Total	(921,435)	516,637

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

Financial derivatives

Consolidated Description	Fair value		Gains (losses) of fair value adjustment	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Swap agreements^{a)}				
Asset portion:				
Dollar purchased position	5,583,407	6,881,981	512,863	978,350
Liability portion:				
Post-fixed CDI Rate:				
Position sold in CDI	(6,489,996)	(6,348,442)	(786,341)	(823,887)
Forward contracts (NDF):				
Liability position:				
Post-fixed CDI Rate:	(8,562)	(137)	(1,482)	(137)
Short position at interbank rate	3,043	(17,016)	(191)	94
Total derivative instruments, net:	(912,108)	516,386	(275,151)	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.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

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

	Consolidated
Balance as of December 31, 2020	1,846,777
Losses from swap and forward derivative contracts	441,554
Payment of funds due to settlement of derivative transactions – operational activity	(1,570,584)
Proceeds received due to settlements – financing activity	9,040
Translation adjustment	(210,150)
Balance as of December 31, 2021	516,637
Losses from swap and forward derivative contracts	(974,949)
Payment of funds due to settlement of derivative transactions – operational activity	(13,144)
Proceeds received due to settlements – financing activity	(3,738)
Translation adjustment	(446,241)
Balance as of March 31, 2022	(921,435)

For derivative financial instruments held by the Company on March 31, 2022 and December 31, 2021 and 2020, 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

The positions of derivative instruments designated as outstanding cash flow hedge on March 31, 2022 are set out below.

	Consolidated				
	Subject to hedging	Notional currency	Fair value	Accumulated gains (losses)	Gains (losses) for the 3-month period
Currency swap – US\$/R\$	Currency	BRL	(906,588)	(393,609)	(426,686)
Forward agreements (The Body Shop and Avon)	Currency	BRL	(271)	(271)	(271)
Forward agreements (Natura)	Currency	BRL	(26,445)	(19,365)	(19,373)
Forward agreements and swap (Avon)	Currency	BRL	89	89	89
Total			(933,215)	(413,156)	(446,241)

5.5 "Operating" derivatives - Consolidated

As of March 31, 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	
	March 31, 2022	December 31, 2021
Net position in GBP and USD	(69)	(404)
Forward contracts	(9,258)	655
Total of derivative instruments, net	(9,327)	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

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

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 pieces of information adopted by the market in a direct (i.e., as prices) or indirect (i.e., 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 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;
- (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 three-month period ended March 31, 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	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Cash and banks	4,658	4,289	2,558,682	3,349,398
Certificate of bank deposits ^(a)	-	-	31,005	7,639
Repurchase operations ^(b)	-	-	448,837	650,220
	4,658	4,289	3,038,524	4,007,257

- a) As of March 31, 2022, investments in Certificate of Bank Deposits ("CDB") bear interest at an average rate of 107.7% of the CDI (103.0% as of December 31, 2021) with daily maturities redeemable with the issuer itself, without significative loss of value.
- b) 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 March 31, 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 THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

7. SHORT-TERM INVESTMENTS

	Parent		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Exclusive Investment fund ^(a)	135,441	228,694	-	-
Mutual investment funds ^(b)	-	-	792,670	896,212
Treasury bills ^(c)	-	-	594,113	646,586
Government securities (LFT) ^(d)	-	-	111,370	435,898
Fundo Dynamo Beauty Ventures Ltd.	-	-	42,671	36,921
Restricted cash	-	-	37	44
	<u>135,441</u>	<u>228,694</u>	<u>1,540,861</u>	<u>2,015,661</u>
Current	135,441	228,694	1,498,190	1,978,740
Non-current	-	-	42,671	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 March 31, 2022, related to the "Crer para Ver" line within the exclusive investment fund is R\$ 98,050 (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 March 31, 2022, investments in treasury bills are remunerated at an average rate of 116.6% of the CDI (120.0% as of December 31, 2021).
- (d) As of March 31, 2022, investments in Government securities (LFT) are remunerated at an average rate of 101.4% 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 March 31, 2022 and December 31, 2021 is as follows:

	Consolidated	
	March 31, 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 THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

8. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	March 31, 2022	December 31, 2021
Trade accounts receivable	3,305,502	3,930,340
(-) Allowance for expected credit losses	(412,035)	(453,981)
	<u>2,893,467</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 March 31, 2022 and December 31, 2021:

	Consolidated			
	March 31, 2022		December 31, 2021	
	Trade accounts receivable	Allowance for expected credit losses	Trade accounts receivable	Allowance for expected credit losses
Current	2,047,343	(78,713)	2,488,412	(80,087)
Past due:				
Up to 30 days	801,915	(58,359)	937,227	(68,782)
31 to 60 days	107,326	(43,130)	140,757	(56,784)
61 to 90 days	92,944	(48,597)	97,713	(49,731)
91 to 180 days	255,974	(183,236)	266,231	(198,597)
	<u>3,305,502</u>	<u>(412,035)</u>	<u>3,930,340</u>	<u>(453,981)</u>

The changes in the allowance for expected credit losses for the three-month period ended March 31, 2022 and 2021 are as follows:

	Consolidated
Balance as of December 31, 2020	<u>(432,108)</u>
Additions, net of reversals	(225,417)
Write-offs ^(a)	435,511
Translation adjustment	(18,877)
Balance as of March 31, 2021	<u>(240,891)</u>
Balance as of December 31, 2021	<u>(453,981)</u>
Additions, net of reversals	(163,752)
Write-offs ^(a)	166,017
Translation adjustment	39,681
Balance as of March 31, 2022	<u>(412,035)</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	
	March 31, 2022	December 31, 2021
Finished products	4,255,597	4,619,237
Raw materials and packaging	1,179,530	1,166,681
Auxiliary materials	190,965	195,364
Products in progress	54,110	38,189
(-) Allowance for inventory losses	(562,405)	(615,945)
	<u>5,117,797</u>	<u>5,403,526</u>

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

The changes in the allowance for inventory losses for the three-month period ended March 31, 2022 and 2021 are as follows:

	Consolidated
Balance as of December 31, 2020	(602,314)
Additions, net of reversals ^(a)	(120,888)
Write-offs ^(b)	464,221
Translation adjustment	(26,277)
Balance as of March 31, 2021	(285,258)
Balance as of December 31, 2021	(615,945)
Additions, net of reversals ^(a)	(76,533)
Write-offs ^(b)	58,330
Translation adjustment	71,743
Balance as of March 31, 2022	(562,405)

- 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	
	March 31, 2022	December 31, 2021 ^(*)
ICMS on purchase of goods ^(a)	755,468	732,853
Taxes on purchase of goods – foreign subsidiaries	268,305	313,214
ICMS on purchases of property, plant and equipment and purchase of goods	12,101	12,138
PIS and COFINS on purchase of property, plant and equipment and purchase of goods ^(b)	972,532	984,737
Withholding PIS, COFINS and CSLL	1,671	1,673
Tax on Manufactured Goods - IPI ^(c)	125,826	114,179
Other	186,372	164,099
	2,322,275	2,322,893
Current ^(*)	991,298	973,269
Non-current	1,330,977	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 THREE-MONTH PERIOD ENDED MARCH 31, 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 three-month period ended March 31, 2022 was 16% negative. This percentage is based on a loss before tax of R\$ 520,098 and an income tax credit of R\$ 82,488. The main components that cause the effective rate to deviate from the nominal income tax rate of 34% are different income by country, tax loss carryforwards from certain jurisdictions that cannot benefit from deferred income tax assets, and permanent effects related to withholding income tax arising from transactions between group entities offset by favorable net permanent items, including investment subsidies and other incentives.

The effective rate calculated by the Company for the three-month period ended March 31, 2021 was negative by 95%. This percentage is based on a loss before tax of R\$95,208 and income tax expense of R\$90,093. The main components that cause the effective rate to deviate from the nominal income tax rate of 34% are the tax losses of certain jurisdictions that cannot benefit from the deferred income tax assets, permanent effects related to the income tax withheld at source originated in transactions between the group companies that cannot be used and the additional recognition of deferred income tax liability arising from the announcement made by the Government of England that the nominal rate would not be reduced from 19% to 17%. Excluding the adverse effects of reconciling items that resulted primarily from tax jurisdictions in which the Company is currently unable to obtain an income tax benefit, the Company's effective tax rate would be approximately 29.5%.

The changes in deferred income tax and social contribution asset and liability for the three-month period ended March 31, 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	(22,222)	(26,190)
Transfer between income tax and deferred social contribution – assets and liabilities	(108,749)	108,749
Reserve for grant of options and restricted shares	528	7,097
Other comprehensive income impact	1,051	(19,273)
Translation adjustment	60,363	30,812
Balance as of March 31, 2021	1,270,696	(1,186,850)
Balance as of December 31, 2021	2,954,074	(994,041)
Effect on income statement	253,225	2,847
Transfer between deferred income tax and social contribution liabilities and assets	(21,164)	21,164
Reserve for grant of options and restricted shares	1,841	-
Other comprehensive income impact	151,422	-
Translation adjustment	(301,669)	166,081
Balance as of March 31, 2022	3,037,729	(803,949)

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 March 31, 2022 and December 31, 2021 are as follows:

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

	Consolidated	
	March 31, 2022	December 31, 2021
Unaccrued tax proceedings ^(a)	274,919	273,295
Accrued tax proceedings ^(b)	277,778	266,828
Unaccrued civil proceedings	6,198	8,212
Accrued civil proceedings	2,372	2,821
Unaccrued labor proceedings	11,771	11,970
Accrued labor proceedings	22,096	22,158
Total Judicial deposits	595,134	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 three-month period ended March 31, 2022 and 2021 are as follows:

	Consolidated
Balance as of December 31, 2020	566,190
New deposits	6,479
Redemptions	(14,609)
Inflation adjustment	1,370
Payments / write-offs for expenses	(1,048)
Translation adjustment	(422)
Balance as of March 31, 2021	557,960
Balance as of December 31, 2021	585,285
New deposits	4,559
Redemptions	(459)
Inflation adjustment	8,221
Payments / write-offs for expenses	(2,372)
Translation adjustment	(100)
Balance as of March 31, 2022	595,134

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 three-month period ended March 31, 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	5,150
Balance as of March 31, 2021	160,601
Balance as of December 31, 2021	52,921
Transfers from property, plant and equipment, other assets and liabilities	(53,691)
Translation adjustment	770
Balance as of March 31, 2022	-

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

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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.

As a result of the reclassification, the total amount transferred to property, plant and equipment, before the recognition of the additional depreciation referred to in the previous paragraph, is R\$54,791. The additional depreciation recognized in the income statement on transfer is R\$6,001.

14. OTHER CURRENT AND NON-CURRENT ASSETS

	Parent		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Marketing and advertising advances	-	-	124,305	80,078
Supplier advances	145	6,215	311,823	350,830
Employee advances	82	187	25,872	17,402
Rent advances and guarantee deposit ^(a)	-	-	147,433	172,465
Advance insurance expenses	19,092	-	138,469	160,911
Overfunded pension plan ^(b)	-	-	873,720	1,043,799
Customs broker advances - Import taxes	-	-	42,130	60,739
Sublease receivables ^(c)	-	-	281,554	347,174
Carbon credits	-	-	10,543	11,479
Receivables from service providers ^(d)	-	-	142,760	162,268
Other	1,849	843	245,159	268,066
	21,168	7,245	2,343,768	2,675,211
Current	20,324	6,397	875,685	912,160
Non-current	844	848	1,468,083	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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15. INVESTMENTS

	Parent	
	March 31, 2022	December 31, 2021
Investments in subsidiaries, net of losses	23,739,247	28,281,178

Information on and changes in the balances for the three-month period ended March 31, 2022 and for the fiscal year ended December 31, 2021 are as follows:

	March 31, 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)	5,765,477	(4,212,189)	5,437,266	6,990,554
Shareholders' equity interest (unsecured liabilities)	5,765,477	(4,212,189)	5,437,266	6,990,554
Fair value adjustment of acquired assets and liabilities	-	4,131,821	-	4,131,821
Tax benefit from income tax of subsidiaries ^(b)	-	376,519	-	376,519
Goodwill	-	12,240,353	-	12,240,353
Total	5,765,477	12,536,504	5,437,266	23,739,247
Net income (loss) for the period of subsidiaries	(64,017)	(541,828)	39,737	(566,108)
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	(64,017)	(541,828)	39,737	(566,108)
Translation adjustment	(1,668,375)	(942,108)	(1,031,759)	(3,642,242)
Effect of hyperinflationary economy adjustment	(39,995)	(25,927)	-	(65,922)
Contribution by the controlling company for purchase option plans granted to executive officers of the subsidiaries and other reserves net of tax effects	15,876	11,373	-	27,249
Hedge accounting net of tax effects	(294,878)	-	-	(294,878)
Other movement	(30)	-	-	(30)
Balance as of March 31, 2022	5,765,477	12,536,504	5,437,266	23,739,247

- 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\$1,627,317 (R\$2,150,963 as of March 31, 2021) and Aesop R\$ 125,753 (R\$153,542 as of March 31, 2021), according to note 18.
- 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)

	March 31, 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)	7,805,623	(5,583,437)	6,196,885	8,419,071
Shareholders' equity interest (unsecured liabilities)	7,805,623	(5,583,437)	6,196,885	8,419,071
Fair value adjustment of acquired assets and liabilities	-	5,480,798	-	5,480,798
Tax benefit from income tax of subsidiaries ^(b)	-	307,470	-	307,470
Goodwill	-	13,934,798	-	13,934,798
Total	7,805,623	14,139,629	6,196,885	28,142,137
Net Income (loss) for the period of subsidiaries	229,228	(396,539)	41,332	(125,979)
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	229,228	(396,539)	41,332	(125,979)
Translation adjustment	798,000	345,291	513,796	1,657,087
Unrealized losses on conversion of intercompany balances in foreign currency	-	(182,571)	-	(182,571)
Effect of hyperinflationary economy adjustment	41,064	-	-	41,064
Contribution by the controlling company for purchase option plans granted to executive officers of the subsidiaries and other reserves net of tax effects	16,524	-	-	16,524
Hedge accounting net of tax effects	(39,655)	-	-	(39,655)
Dividends and interest on own capital	(168,612)	-	-	(168,612)
Balance as of March 31, 2021	7,805,623	14,139,629	6,196,885	28,142,137

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

16. PROPERTY, PLANT AND EQUIPMENT

	Useful life range (In years)	Consolidated					March 31, 2022
		December 31, 2021	Additions	Write-offs	Transfers	Translation adjustment	
Cost:							
Vehicles	2 to 5	38,902	-	(3,361)	-	(13,476)	22,065
Tooling	3	191,840	-	-	42	(160)	191,722
Tools and accessories	3 to 20	110,998	1,049	-	694	(44,028)	68,713
Facilities	3 to 60	303,452	-	(311)	1,577	(11,447)	293,271
Machinery and accessories	3 to 15	1,959,943	5,197	(9,841)	43,921	(343,024)	1,656,196
Leasehold improvements	2 to 20	1,128,504	5,416	(10,689)	6,047	(145,948)	983,330
Buildings	14 to 60	1,982,245	965	(67)	47,401	(319,804)	1,710,740
Furniture and fixtures	2 to 25	660,126	14,319	(11,300)	8,599	(92,961)	578,783
Land	-	628,373	-	-	20,124	(65,398)	583,099
IT equipment	3 to 15	634,580	8,139	(25,825)	16,012	(117,585)	515,321
Other assets	-	31,636	-	(43)	-	(1,742)	29,851
Projects in progress	-	561,488	91,477	(651)	(81,045)	(81,375)	489,894
Total cost		8,232,087	126,562	(62,088)	63,372	(1,236,948)	7,122,985
Depreciation value:							
Vehicles		(9,457)	(2,816)	3,269	(17)	10,255	1,234
Tooling		(174,164)	(1,850)	-	-	119	(175,895)
Tools and accessories		(65,740)	(6,764)	-	-	39,836	(32,668)
Facilities		(183,420)	(3,970)	282	-	4,844	(182,264)
Machinery and accessories		(728,408)	(43,950)	9,334	(1,177)	227,855	(536,346)
Leasehold improvements		(602,622)	(34,313)	9,564	(118)	91,561	(535,928)
Buildings		(298,327)	(25,674)	67	(10,902)	144,398	(190,438)
Furniture and fixtures		(369,610)	(22,816)	9,509	993	58,776	(323,148)
IT equipment		(392,095)	(24,029)	25,824	124	88,738	(301,438)
Other assets		(30,836)	(556)	42	-	2,047	(29,303)
Total depreciation		(2,854,679)	(166,738)	57,891	(11,097)	668,429	(2,306,194)
Net total		5,377,408	(40,176)	(4,197)	52,275	(568,519)	4,816,791

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

	Useful life range (In years)	Consolidated						March 31, 2021
		December 31, 2020	Additions	Write-offs	Write-offs Impairment	Transfers	Translation adjustment	
Cost:								
Vehicles	2 to 5	79,227	523	(10,649)	-	6,908	2,835	78,844
Tooling	3	187,852	-	-	-	28	41	187,921
Tools and accessories	3 to 20	85,678	1,983	(129)	-	707	(24,709)	63,530
Facilities	3 to 60	293,471	3	(402)	-	2,685	3,196	298,953
Machinery and accessories	3 to 15	1,819,693	2,442	(17,971)	-	27,396	(5,219)	1,826,341
Leasehold improvements	2 to 20	963,957	8,972	(8,695)	310	27,921	57,933	1,050,398
Buildings	14 to 60	1,899,176	892	(3)	-	(3,198)	67,124	1,963,991
Furniture and fixtures	2 to 25	566,548	2,936	(1,590)	33	10,922	29,581	608,430
Land	-	661,613	-	(1,203)	-	-	12,855	673,265
IT equipment	3 to 15	543,772	15,603	(4,882)	-	28,679	24,103	607,275
Other assets	-	36,687	-	(891)	-	-	473	36,269
Projects in progress	-	408,385	70,844	(20,280)	-	(89,793)	18,953	388,109
Total cost		7,546,059	104,198	(66,695)	343	12,255	187,166	7,783,326
Depreciation value:								
Vehicles		(33,042)	(5,869)	10,028	-	(5,898)	667	(34,114)
Tooling		(166,536)	(2,203)	-	-	-	(41)	(168,780)
Tools and accessories		(39,159)	(9,501)	129	-	-	26,285	(22,246)
Facilities		(176,726)	(3,991)	389	-	(2,951)	(1,426)	(184,705)
Machinery and accessories		(578,762)	(44,557)	17,487	-	(1)	54,094	(551,739)
Leasehold improvements		(480,554)	(35,723)	9,703	-	(5,639)	(21,050)	(533,263)
Buildings		(179,729)	(21,368)	15	-	-	26,643	(174,439)
Furniture and fixtures		(318,611)	(22,955)	3,542	-	(717)	(14,464)	(353,205)
IT equipment		(311,856)	(26,483)	5,415	-	(8,239)	(5,564)	(346,727)
Other assets		(26,027)	(5,783)	699	-	-	(2,925)	(34,036)
Total depreciation		(2,311,002)	(178,433)	47,407	-	(23,445)	62,219	(2,403,254)
Net total		5,235,057	(74,235)	(19,288)	343	(11,190)	249,385	5,380,072

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

17. INTANGIBLE ASSETS

	Useful life range (In years)	Consolidated					March 31, 2022
		December 31, 2021	Additions	Write-offs	Transfers	Translation adjustment	
Cost:							
Software	2,5 to 10	2,492,616	14,411	(11,549)	44,327	(367,989)	2,171,816
Trademarks and patents (defined useful life)	20 to 25	889,834	-	-	-	(142,149)	747,685
Trademarks and patents indefinite useful life)	-	5,888,623	-	-	-	(1,136,240)	4,752,383
Goodwill Avon	-	13,381,191	-	-	-	(1,139,591)	12,241,600
Goodwill Emeis Brazil Pty Ltd.	-	143,180	-	-	-	(17,427)	125,753
Goodwill The Body Shop	-	2,063,672	-	-	-	(436,355)	1,627,317
Goodwill acquisition of The Body Shop stores	-	1,456	-	-	-	-	1,456
Relationship with retail clients	10	2,880	-	-	-	(343)	2,537
Key money (indefinite useful life)	-	24,985	-	-	-	(3,071)	21,914
Key money (defined useful life)	3 to 18	14,363	-	(3,349)	-	(2,203)	8,811
Relationship with franchisees and sub franchisees and sales representatives	7 to 15	2,990,558	-	-	-	(389,565)	2,600,993
Technology developed (by acquired subsidiary)	5	1,580,808	-	-	-	(266,320)	1,314,488
Other intangible assets and intangible under development	2 to 10	277,776	38,059	(1)	(43,180)	(39,485)	233,169
Total cost		29,751,942	52,470	(14,899)	1,147	(3,940,738)	25,849,922
Accumulated amortization:							
Software		(1,369,767)	(93,681)	11,439	316	320,836	(1,130,857)
Trademarks and patents		(143,186)	(9,901)	-	-	26,637	(126,450)
Key money		(16,517)	-	3,233	-	2,374	(10,910)
Relationship with retail clients		(3,218)	(45)	-	-	626	(2,637)
Relationship with franchisees and sub franchisees		(729,049)	(57,838)	-	-	89,315	(697,572)
Technology developed		(632,326)	(73,523)	-	-	114,327	(591,522)
Other intangible assets		(296)	(389)	-	(47)	(388)	(1,120)
Total accrued amortization		(2,894,359)	(235,377)	14,672	269	553,727	(2,561,068)
Net total		26,857,583	(182,907)	(227)	1,416	(3,387,011)	23,288,854

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	Useful life range (In years)	Consolidated						March 31, 2021
		December 31, 2020	Additions	Write-offs	Reversal (provision) of Impairment	Transfers	Translation adjustment	
Cost:								
Software	2,5 to 10	2,059,150	8,527	(8,827)	11	64,666	32,395	2,155,922
Trademarks and patents (defined useful life)	20 to 25	894,578	-	-	-	-	49,779	944,357
Trademarks and patents indefinite useful life)	-	5,747,057	-	-	-	-	448,833	6,195,890
Goodwill Avon	-	13,299,849	-	-	-	-	634,949	13,934,798
<i>Goodwill</i> Emeis Brazil Pty Ltd.	-	142,090	-	-	-	-	11,452	153,542
<i>Goodwill</i> The Body Shop	-	1,946,741	800	-	-	-	203,422	2,150,963
<i>Goodwill</i> acquisition of The Body Shop stores	-	1,456	-	-	-	-	-	1,456
Relationship with retail clients	10	2,785	-	-	-	-	235	3,020
Key money (indefinite useful life)	-	26,769	-	-	-	-	1,689	28,458
Key money (defined useful life)	3 to 18	10,860	2,500	-	-	(5,555)	(186)	7,619
Relationship with franchisees and sub franchisees and sales representatives	7 to 15	2,959,519	-	-	-	-	180,831	3,140,350
Technology developed (by acquired subsidiary)	5	1,595,041	-	-	-	-	78,428	1,673,469
Other intangible assets and intangible under development	2 to 10	108,275	28,754	-	-	(57,431)	60,795	140,393
Total cost		28,794,170	40,581	(8,827)	11	1,680	1,702,622	30,530,237
Accumulated amortization:								
Software		(1,022,498)	(89,404)	8,061	-	3,955	11,554	(1,088,332)
Trademarks and patents		(100,043)	(13,882)	-	-	-	(3,409)	(117,334)
Key money		(8,871)	(185)	6	-	1,667	(450)	(7,833)
Relationship with retail clients		(2,839)	(75)	-	-	-	(210)	(3,124)
Relationship with franchisees and sub franchisees		(419,061)	(75,493)	-	-	-	(31,903)	(526,457)
Technology developed		(319,009)	(82,477)	-	-	-	(16,882)	(418,368)
Other intangible assets		(4,721)	(309)	-	-	-	(57,735)	(62,765)
Total accrued amortization		(1,877,042)	(261,825)	8,067	-	5,622	(99,035)	(2,224,213)
Net total		26,917,128	(221,244)	(760)	11	7,302	1,603,587	28,306,024

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(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			March 31, 2022
			Additions	Write-offs	Translation adjustment	
Cost:						
Vehicles	3	168,062	7,229	(11,317)	(17,415)	146,559
Machinery and equipment	3 to 10	33,629	4,280	(224)	(6,581)	31,104
Buildings	3 to 10	1,543,018	138,016	(47,453)	(136,502)	1,497,079
IT equipment	10	31,803	105	(86)	(3,219)	28,603
Retail stores	3 to 10	3,417,595	122,149	(91,661)	(494,748)	2,953,335
Tools and accessories	3	1,053	-	(415)	(135)	503
Total cost		5,195,160	271,779	(151,156)	(658,600)	4,657,183
Depreciation value:						
Vehicles		(91,509)	(9,036)	10,481	8,590	(81,474)
Machinery and equipment		(17,133)	(2,627)	224	3,573	(15,963)
Buildings		(507,045)	(68,797)	40,929	61,515	(473,398)
IT equipment		(24,410)	(1,850)	85	2,166	(24,009)
Retail stores		(1,458,512)	(164,748)	91,647	246,757	(1,284,856)
Tools and accessories		(582)	(94)	415	64	(197)
Total accrued depreciation		(2,099,191)	(247,152)	143,781	322,665	(1,879,897)
Net total		3,095,969	24,627	(7,375)	(335,935)	2,777,286

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

	Useful life in Years ^(a)	December 31, 2020	Additions	Consolidated Write-offs	Transfers ^(b)	Translation adjustment	March 31, 2021
Cost:							
Vehicles	3	157,867	13,860	(7,386)	-	2,947	167,288
Machinery and equipment	3 to 10	53,048	2,011	(17,431)	-	2,729	40,357
Buildings	3 to 10	1,616,833	77,660	(158,871)	-	(35,032)	1,500,590
IT equipment	10	30,000	181	(790)	-	2,671	32,062
Retail stores	3 to 10	3,338,104	120,586	(251,695)	3,888	255,374	3,466,257
Tools and accessories	3	3,187	-	-	-	(1,079)	2,108
Total cost		5,199,039	214,298	(436,173)	3,888	227,610	5,208,662
Depreciation value:							
Vehicles		(63,422)	(14,360)	6,231	-	(237)	(71,788)
Machinery and equipment		(21,045)	(3,130)	8,819	-	(804)	(16,160)
Buildings		(399,765)	(66,538)	51,278	-	(6,768)	(421,793)
IT equipment		(19,161)	(1,467)	787	-	(1,759)	(21,600)
Retail stores		(1,291,346)	(170,393)	263,647	-	(90,222)	(1,288,314)
Tools and accessories		(2,253)	(230)	1,626	-	(186)	(1,043)
Total accrued depreciation		(1,796,992)	(256,118)	332,388	-	(99,976)	(1,820,698)
Net total		3,402,047	(41,820)	(103,785)	3,888	127,634	3,387,964

- 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.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

	Consolidated	
	March 31, 2022	March 31, 2021
Amounts recognized in the statement of income for the three-month period ended March 31, 2022 and 2021:		
Financial expense on lease	47,779	54,621
Amortization of right of use	247,152	256,118
Appropriation in the result of variable lease installments not included in the measurement of lease liabilities	16,503	15,172
Sublease revenue	(6,551)	(8,073)
Short-term lease expenses and low-value assets	20,730	27,480
Benefits granted by lessor related to Covid-19	(5,138)	(16,479)
Other lease-related expenses	14,440	11,426
Total	334,915	340,265
Amounts recognized in the financing activities in the cash flow statement:		
Lease payments (principal)	272,784	301,420
Amounts recognized in the operating activities in the cash flow statement:		
Lease payments (interest)	51,464	50,830
Variable lease payments, not included in the measurement of lease liabilities	18,055	3,524
Short-term and low-value assets lease payments	17,177	22,803
Other lease-related payments	22,360	10,672
Total	381,840	389,249

b) Lease liability

	Consolidated	
	March 31, 2022	December 31, 2021
Current	847,307	1,005,523
Non-current	2,214,365	2,542,339
Total	3,061,672	3,547,862

Below are the changes in lease liability balances for the three-month period ended March 31, 2022 and 2021:

	Consolidated
Balance as of December 31, 2020	3,858,455
New contracts and modifications	157,425
Payments (principal)	(301,420)
Payments (interest)	(50,830)
Appropriation of financial charges	54,621
Write-offs ^(a)	(332,893)
Translation adjustment	535,255
Balance as of March 31, 2021	3,920,613
Balance as of December 31, 2021	3,547,862
New agreements and modifications	258,088
Payments (principal amount)	(272,784)
Payments (interest)	(51,464)
Appropriation of financial charges	47,779
Write-offs ^(a)	(1,322)
Translation adjustment	(466,487)
Balance as of March 31, 2022	3,061,672

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

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

	Consolidated	
	March 31, 2022	December 31, 2021
Less than a year	977,909	1,154,697
One to five years	1,973,320	2,086,269
More than five years	639,261	829,511
Total expected cash flow	3,590,490	4,070,477
Interest to be incurred	(528,818)	(522,615)
Total balance	3,061,672	3,547,862

19. BORROWING, FINANCING AND DEBENTURES

	Ref.	Consolidated	
		March 31, 2022	December 31, 2021
Local currency:			
Financing Agency for Studies and Projects FINEP		36,918	44,193
Debentures	A	1,889,945	1,922,732
Working capital – The Body Shop Operation	B	439,812	526,743
Working capital – Avon and Natura & Co Luxembourg operations		993,868	164,491
Notes – Avon ⁽¹⁾	C	3,540,842	4,255,958
Total in local currency		6,901,385	6,914,117
Foreign currency:			
Representative debt securities ("Notes")	D	4,727,568	5,523,287
Resolution n° 4131/62	E	238,023	279,428
Total in foreign currency		4,965,591	5,802,715
Grand total		11,866,976	12,716,832
Current		3,863,522	945,069
Non-current		8,003,454	11,771,763
Debentures			
Current		316,779	350,145
Non-current		1,573,166	1,572,587

⁽¹⁾ Balances recorded at estimated fair value resulting from business combinations with subsidiary Avon.

NATURA & CO HOLDING S.A.

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(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	May 2028	Interest of 4.125% p.a.	5.79%	"Aval" Guarantee from Natura &Co
E	Dollar	May 2022	Sonia + interest of 1.1% p.a.	Sonia + interest 1.1% of p.a.	"Aval" Guarantee from subsidiary Indústria e Comércio de Cosméticos Natura Ltda.

Changes in the balances of borrowing, financing and debentures for the three-month period ended March 31, 2022 and 2021 are as follows:

	Parent	Consolidated
Balance as of December 31, 2020	515,966	13,822,913
New borrowing and financing	-	133,980
Repayment	-	(623,273)
Appropriation of financial charges and funding costs	8,140	178,845
Financial charges payment	-	(324,814)
Exchange rate variation	-	401,366
Translation adjustment	-	421,874
Balance as of March 31, 2021	524,106	14,010,891
Balance as of December 31, 2021	-	12,716,832
New borrowing and financing ^(a)	-	1,181,421
Repayment	-	(238,574)
Appropriation of financial charges and funding costs	-	144,408
Financial charges payment	-	(211,706)
Exchange rate variation	-	(871,906)
Translation adjustment	-	(853,499)
Balance as of March 31, 2022	-	11,866,976

- a) 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.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

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

	Consolidated	
	March 31, 2022	December 31, 2021
2023	194,184	2,812,260
2024	1,796,337	2,249,609
2025 onwards	6,012,933	6,709,894
Total	8,003,454	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 December 31, 2021 and 2020, the Company was in compliance with such covenants.

20. TRADE ACCOUNTS PAYABLE AND REVERSE FACTORING OPERATIONS

	Parent		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Domestic trade accounts payable	2,111	3,537	4,441,611	5,248,462
Foreign trade accounts payable ^(a)	930	2,151	811,929	1,104,189
Subtotal	3,041	5,688	5,253,540	6,352,651
Reverse factoring operations ^(b)	-	-	236,542	417,928
Total	3,041	5,688	5,490,082	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.

21. TAX LIABILITIES

	Parent		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
ICMS (ordinary)	-	-	123,782	150,396
ICMS-ST provision ^(a)	-	-	58,771	58,188
Taxes on invoicing abroad	-	-	216,881	340,648
Withholding tax (IRRF)	-	-	124,066	148,081
Other taxes payable - foreign subsidiaries	-	-	112,638	138,461
Income tax	1,356	446	15,659	7,062
PIS and COFINS payable	156	144	156	144
INSS and service tax (ISS) payable	62	64	32,983	29,359
Other	-	-	10,902	8,888
Total	1,574	654	695,838	881,227
Current	1,574	654	587,663	766,430
Non-current	-	-	108,175	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.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

22. PROVISION FOR TAX, CIVIL AND LABOR RISKS

The Company is involved in certain legal issues arising in the normal course of its business, which include civil, tax, social security, labor, business and other proceedings.

The Company's Management believes that, based on the elements existing on the base date of these financial statements, the provision for tax, civil, labor, commercial and other risks is sufficient to cover possible losses on administrative and legal proceedings, as shown below.

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	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	9,617	48,378	46,895	5,803	27,025	16,903	-	-	83,537	71,084
Reversals ⁽¹⁾	(696)	(21,890)	(4,864)	(29,541)	(8,814)	(13,850)	(56,153)	(11,017)	(70,527)	(76,298)
Payments	(1,658)	(2)	(37,204)	(13,641)	(11,782)	(7,607)	-	-	(50,644)	(21,250)
Inflation adjustment	3,506	2,926	1,157	272	1,371	1,798	5,053	5,802	11,087	10,798
Translation adjustment	(43,973)	17,208	(34,510)	17,545	(22,119)	13,134	(14,557)	4,285	(115,159)	52,172
Transfers ⁽²⁾	(18,095)	(383)	(1,764)	-	127	(988)	-	-	(19,731)	(1,371)
Balance as of March 31	810,793	978,008	275,400	199,811	219,282	260,729	531,928	796,763	1,837,404	2,235,311
Current									204,823	176,704
Non-current									1,632,581	2,058,607

⁽¹⁾ Reversals mainly refer to adhesion to State tax amnesty programs and change of labor proceedings estimates.

⁽²⁾ The business combination amounts as of March 31, 2022 are segregated between tax (R\$499,576), civil (R\$10,897) and labor (R\$21,455) proceedings.

22.1.1 Civil, commercial and other

As of March 31, 2022, the Company is a party to civil, commercial and other lawsuits and proceedings, mainly related to indemnification claims. Provisions are periodically reviewed based on the evolution of proceedings and the evolution of case law to reflect the best estimate.

a) Disputes related to talc

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 March 31, 2022, there were 158 individual cases pending against Avon International and during the three-month period ended March 31, 2022, 13 new cases were started and 6 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.

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22.1.2 Labor

The Company, as of March 31, 2022, is a party in labor claims filed by former employees and service providers, mainly related to the payment of severance pay, overtime, salary premiums and monies owed as a result of subsidiary liability and discussion about the recognition of any employment relationship. None of these processes is individually relevant. Provisions are periodically reviewed based on the progress of lawsuits and history of losses on labor claims to reflect the best estimate.

22.2. Contingencies assessed as possible risk of loss

The contingent liabilities for which the probability of disbursing funds that incorporate economic benefits is assessed as possible are presented below:

	Consolidated	
	March 31, 2022	December 31, 2021
Tax	9,303,586	9,884,541
Civil	148,777	128,479
Labor	181,824	180,838
Total contingent liabilities	9,634,187	10,193,858

23. OTHER LIABILITIES

	Consolidated	
	March 31, 2022	December 31, 2021
Pension and post-employment health care plans ^(a)	614,550	673,458
Deferred revenue from performance obligations with customers ^(b)	312,005	393,046
Provisions for incentives to consultants	222,131	286,791
Provisions for operating expenses (marketing / technology, etc.) ^(c)	500,517	601,841
Provision for store renovation	93,148	105,165
Crer Para Ver ^(d)	93,748	90,655
Provisions for rentals ^(e)	36,154	55,500
Provision for restructuring ^(f)	53,668	103,760
Long-term incentives ^(g)	4,728	6,302
Insurance payables	65,805	127,413
Other Liabilities ^(h)	174,388	214,635
Total	2,170,842	2,658,566
Current	1,316,477	1,716,110
Non-current	854,365	942,456

- a) As of March 31, 2022, there is R\$389,874 (R\$445,804 as of December 31, 2021) referring to pension plans, and R\$35,096 referring to post-employment plans (R\$34,774 as of December 31, 2021) of subsidiary Avon, and R\$127,622 (R\$124,649 as of December 31, 2021) referring to post-employment assistance plans of the subsidiary Natura Cosméticos and R\$61,958 (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\$186,450 (R\$235,308 as of December 31, 2021) is referring to subsidiary Avon, R\$95,432 (R\$121,341 as of December 31, 2021) referring to the consolidated subsidiary Natura Cosméticos and R\$30,123 (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.

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- 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 and changes in the organizational structure substantially of the subsidiary Avon.
- 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.

24. SHAREHOLDER'S EQUITY

24.1 Treasury shares

On March 31, 2022, the item "Treasury shares" has the following composition:

	Number of shares	R\$ (In thousands)	Average price per share - R\$
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 March 31, 2022	9,977,655	263,360	26.39

The minimum and maximum cost of the balance of treasury shares on March 31, 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 period ended March 31, 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

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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.

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 three-month period ended March 31, 2022:

- Natura & Co Latam – 57.6%
- Avon International – 22.3%
- The Body Shop – 12.3%
- Aesop – 7.8%

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

25.1 Operating segments

	March 31, 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	4,751,521	393,304	(219,596)	-	1,081,927	(1,363,219)	(21,106)	(128,690)
Avon International ¹	1,841,975	40,847	(178,407)	(39,587)	146,558	(263,983)	(37,036)	(331,608)
The Body Shop ¹	1,017,406	64,656	(177,419)	-	13,802	(32,990)	(10,452)	(142,403)
Aesop International ¹	642,394	139,717	(73,845)	-	16,172	(42,109)	(12,517)	27,418
Corporate expenses	-	(122,787)	-	-	95,913	(38,638)	(1,377)	(66,890)
Consolidated	8,253,296	515,737	(649,267)	(39,587)	1,354,372	(1,740,939)	(82,488)	(642,173)

	March 31, 2021							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	5,185,945	574,380	(213,329)	-	764,596	(867,170)	(82,272)	176,205
Avon International ¹	2,363,473	(22,322)	(218,962)	(28,749)	247,756	(324,543)	(19,145)	(308,467)
The Body Shop ¹	1,319,731	194,198	(190,658)	-	20,241	(44,659)	2,007	(18,871)
Aesop International ¹	585,924	156,487	(73,246)	-	49	(18,960)	(18,741)	45,589
Corporate expenses	-	(73,669)	(181)	-	6,302	(11,518)	28,058	(51,008)
Consolidated	9,455,073	829,074	(696,376)	(28,749)	1,038,944	(1,266,850)	(90,093)	(156,552)

	March 31, 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	16,979,586	27,220,035	6,448,606	8,635,216	18,060,879	29,580,551	7,462,550	8,794,843
Avon International ¹	11,834,945	14,481,649	4,235,622	2,014,100	14,286,498	17,512,750	2,783,907	5,100,109
The Body Shop ¹	6,531,943	8,376,021	1,736,656	1,933,662	8,166,363	10,813,064	1,690,622	2,485,200
Aesop International ¹	1,285,774	2,146,234	481,348	513,293	1,520,514	2,542,125	610,451	648,695
Corporate expenses	842,684	-	1,383,318	1,001,773	964,359	-	1,146,347	1,159,041
Consolidated	37,474,932	52,223,939	14,285,550	14,098,044	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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25.2 Net revenue and non-current assets by geographic region

	Net revenue		Non-current assets	
	March 31, 2022	March 31, 2021	March 31, 2022	December 31, 2021
Asia	880,179	972,133	1,028,849	1,216,942
North America	1,337,592	1,509,298	5,711,432	6,459,026
Mexico	852,514	975,921	3,248,572	3,640,644
Other	485,077	533,377	2,462,860	2,818,382
South America	3,653,455	3,944,391	13,582,147	14,250,548
Brazil	2,235,662	2,307,665	11,622,765	11,953,325
Argentina	634,509	621,252	795,173	1,036,205
Other	783,284	1,015,474	1,164,209	1,261,018
Europe, Middle East and Africa (EMEA)	2,194,003	2,850,110	15,623,839	19,276,178
United Kingdom	723,664	1,017,744	9,725,304	12,162,597
Other	1,470,340	1,832,366	5,898,534	7,113,581
Oceania	188,068	179,141	1,528,665	1,795,919
Consolidated	8,253,296	9,455,073	37,474,932	42,998,613

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

26. REVENUE

	Consolidated	
	March 31, 2022	March 31, 2021
Gross revenue:		
Direct Selling	7,989,252	9,580,631
Retail	1,166,641	796,079
Online	739,063	815,170
Other sales	747,066	867,386
Subtotal	10,642,022	12,059,266
Returns and cancellations	(130,933)	(137,910)
Commercial discounts and rebates	(274,648)	(243,742)
Taxes on sales	(1,983,145)	(2,222,541)
Subtotal	(2,388,726)	(2,604,193)
Total net revenue	8,253,296	9,455,073

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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	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Cost of sales	-	-	2,945,608	3,322,467
Selling, marketing and logistics expenses	-	-	3,685,454	4,007,445
Administrative, R&D, IT, and project expenses	60,947	24,616	1,533,300	1,627,686
Total	60,947	24,616	8,164,362	8,957,598
Classified by nature				
Cost of sales	-	-	2,945,608	3,322,467
Raw material/packaging material/resale	-	-	2,493,433	3,008,015
Employee benefits expense (note 28)	-	-	141,733	135,340
Depreciation and amortization	-	-	59,190	54,410
Other	-	-	251,252	124,702
Selling, marketing and logistics expenses	-	-	3,685,454	4,007,445
Logistics costs	-	-	556,774	653,055
Personnel expenses (note 28)	-	-	1,090,024	1,122,513
Marketing, sales force and other selling expenses	-	-	1,709,589	1,895,685
Depreciation and amortization	-	-	329,067	336,192
Administrative, R&D, IT and project expenses	60,947	24,616	1,533,300	1,627,686
Innovation expenses	-	-	76,615	65,037
Personnel expenses (note 29)	25,576	21,833	639,403	724,965
Other administrative expenses	35,195	2,783	556,272	531,910
Depreciation and amortization	176	-	261,010	305,774
Total	60,947	24,616	8,164,362	8,957,598

28. EMPLOYEE BENEFITS

	Parent		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Payroll, profit sharing and bonuses	14,094	14,409	1,373,447	1,470,600
Pension Plan	-	-	64,400	65,568
Share-based payments and charges on restricted shares	8,311	5,176	23,484	52,262
Health care, food and other benefits	449	760	178,645	165,076
Charges, taxes and social contributions	255	102	178,471	180,560
INSS	2,467	1,386	52,713	48,752
Total	25,576	21,833	1,871,160	1,982,818

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 expense related to stock options, restricted shares and performance shares, including social charges, recognized in the three-month period ended March 31, 2022, was R\$8,311 and R\$23,484 for parent company and consolidated (R\$5,176 and R\$52,262 as of March 31, 2021), respectively.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

2022 Grants

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

Grants for 2021 and earlier

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

	Purchase Options and Strategy Acceleration Plan
	Options (thousands)
Balance as of December 31, 2020	17,245
Canceled / Exercised	(718)
Balance as of March 31, 2021	16,527

	Purchase Options and Strategy Acceleration Plan
	Options (thousands)
Balance as of December 31, 2021	20,137
Canceled / Exercised	(325)
Balance as of March 31, 2022	19,812

	Restricted shares (thousands)	Performance shares (thousands)
Balance as of December 31, 2020	6,960	637
Canceled	(5)	-
Exercised	(1,272)	-
Balance as of March 31, 2021	5,683	637

	Restricted shares (thousands)	Performance shares (thousands)
Balance as of December 31, 2021	5,494	8,045
Canceled / Exercised	(2,464)	(347)
Balance as of March 31, 2022	3,030	7,698

NATURA & CO HOLDING S.A.

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

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 shown already considering the stock split approved at the Extraordinary Shareholders Meeting held on September 17, 2019;
- 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 three-month period ended March 31, 2022 have the following maturity dates, fair values and strike prices:

As of March 31, 2022 – Stock options

Grant date	Conditions for acquisition of right as of the grant date	Strike price	Fair value	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	1.0	104
July 28, 2015 (Strategy acceleration)	4 to 5 years of service	12.77	6.20 to 6.23	495	1.3	495
March 15, 2016	2 to 4 years of service	12.71	7.16 to 7.43	93	2.0	93
July 11, 2016 (Strategy acceleration)	4 to 5 years of service	11.28	6.84 to 6.89	1,540	2.3	1,540
March 10, 2017	2 to 4 years of service	12.46	6.65 to 6.68	378	2.9	378
March 10, 2017 (Strategy acceleration)	4 to 5 years of service	12.46	6.87 to 6.89	1,890	2.9	1,890
March 12, 2018	2 to 4 years of service	16.83	7.96 to 8.21	1,537	4.0	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	4.0	1,900
April 12, 2019	2 to 4 years of service	23.41	11.71 to 11.82	1,425	5.0	907
April 12, 2019 (Strategy acceleration)	4 to 5 years of service	23.41	11.51 to 11.71	1,900	5.0	-
March 31, 2021	4 to 5 years of service	48.98	29.08 to 29.81	1,100	9.0	-
December 17, 2021	3 to 4 years of service	27.28	17.58 to 18.16	5,550	9.7	-
				<u>19,812</u>		<u>8,844</u>

As of March 31, 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	1.0
March 27, 2020 – Co-Investment Plan	1 to 3 years of service	652	29.00	1.1
March 31, 2021	1 to 3 years of service	2,100	48.13	2.1
		<u>3,030</u>		

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

As of March 31, 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)
May 21, 2019	Achievement of performance conditions, 3 years of service plus an additional holding period of 1 year for certain awards.	539	28.10 to 45.70	0.2 to 1.2	539
September 30, 2020	Achievement of performance conditions, 2.5 years of service plus an additional holding period of 1 year for certain awards.	4,067	48.56 to 73.46	1.1 to 2.1	4,067
March 31, 2021	Achievement of performance conditions, 3 years of service plus an additional holding period of 1 year for certain awards.	3,092	46.57 to 50.98	2.1 to 3.1	3,092
		7,698			7,698

As of March 31, 2022, the market price was R\$26.05 (R\$48.14 as of March 31, 2021) per share.

29. FINANCE INCOME (EXPENSES)

	Parent		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
FINANCE INCOME:				
Interest on short-term investments	6,192	4,042	86,210	45,481
Gains on monetary and exchange rate variations ^(a)	2,490	2,118	1,092,906	290,367
Gains on swap and forward transactions ^(c)	-	-	109,199	662,309
Gains on swap and forward derivatives mark to market	-	-	7,977	1,181
Hyperinflationary economy adjustment (Argentina)	-	-	29,526	20,726
Other finance income	1,253	-	28,554	18,880
Subtotal	9,935	6,160	1,354,372	1,038,944
FINANCE EXPENSES:				
Interest on financing	-	(8,140)	(140,043)	(169,176)
Interest on leases	-	-	(47,779)	(54,621)
Losses from monetary and exchange rate variations ^(b)	(1,031)	-	(306,012)	(661,162)
Losses on swap and forward transactions ^(d)	(5,266)	-	(1,090,919)	(259,907)
Losses on swap and forward derivatives mark to market	-	-	(1,206)	(1,763)
Adjustment of provision for tax, civil and labor risks and tax liabilities	-	-	(11,087)	(10,028)
Appropriation of funding costs (debentures and notes)	-	-	(4,365)	(2,630)
Interest on pension plan	-	-	(979)	(3,079)
Hyperinflationary economy adjustment (Argentina)	-	-	(85,372)	(36,585)
Other finance expenses	(17,686)	(2,594)	(53,177)	(67,899)
Subtotal	(23,983)	(10,734)	(1,740,939)	(1,266,850)
Net finance income (expenses), net	(14,048)	(4,574)	(386,567)	(227,906)

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

(*) Of the balances originally presented as of March 31, 2021, certain financial income and expenses have been reclassified for better presentation. This reclassification does not affect the originally presented financial income and expense.

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	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<u>(a) Gains on monetary and exchange rate variations</u>	<u>2,490</u>	<u>2,118</u>	<u>1,092,906</u>	<u>290,367</u>
Gains on exchange rate variation on borrowings, financing and debentures	-	-	876,878	30,673
Exchange rate variation on imports	-	-	4,832	15,947
Exchange rate variation on export receivables	2,490	2,118	13,683	43,929
Exchange rate variation on accounts payable from foreign subsidiaries	-	-	69,666	90,679
Exchange variations of bank accounts in foreign currency	-	-	127,847	109,139
<u>(b) Losses from monetary and exchange rate variations</u>	<u>(1,031)</u>	<u>-</u>	<u>(306,012)</u>	<u>(661,162)</u>
Losses from exchange rate variation on borrowings (i)	-	-	(4,972)	(439,621)
Exchange rate variation on imports	-	-	(9,868)	(10,920)
Exchange rate variation on export receivables	(1,031)	-	(53,216)	(23,639)
Exchange rate variation on accounts payable from foreign subsidiaries	-	-	(95,327)	(85,646)
Exchange rate variation on financing	-	-	(142,629)	(101,336)
<u>(c) Gains on swap and forward transactions</u>	<u>-</u>	<u>-</u>	<u>109,199</u>	<u>662,309</u>
Revenue from swap exchange coupons (ii)	-	-	93,186	171,676
Gains on exchange variations on swap instruments (ii)	-	-	16,013	490,633
<u>(d) Losses on swap and forward transactions</u>	<u>(5,266)</u>	<u>-</u>	<u>(1,090,919)</u>	<u>(259,907)</u>
Losses from exchange rate variation on swap instruments (ii)	-	-	(891,915)	(94,824)
Financial costs of swap instruments (ii)	(5,266)	-	(199,004)	(165,083)

(*) The original amounts presented in these lines as of March 31, 2021, were reclassified to give a better disclosure. This reclassification does not impact the subtotal amounts of the respective groups, or any line presented in the finance income (expenses) tables originally presented and included in the previous table.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

30. OTHER OPERATING EXPENSES, NET

	Consolidated	
	March 31, 2022	March 31, 2021
Other operating income, net		
Result on write-off of property, plant and equipment	-	10,135
Tax credits	17,373	10,461
Tax benefit from amnesty program ^(a)	30,337	-
Revenue with sale of customer portfolio	5,308	-
Other operating income	4,846	6,974
Total other operating income	57,864	27,570
Other operating expenses, net		
Result on write-off of property, plant and equipment	(1,751)	-
Crer para Ver ^(b)	(11,712)	(8,795)
Expenses with sale of customer portfolio	-	(3,964)
Transformation and integration plan ^(c)	(80,119)	(134,142)
Tax contingencies	(1,695)	(1,880)
Other operating expenses	(21,300)	(4,221)
Total other operating expenses	(116,577)	(153,002)
Other operating income (expenses), net	(58,713)	(125,432)

- a) Refers to tax benefits in Brazil from the inclusion in some states tax amnesty programs by the subsidiary Avon Cosméticos Ltda.
- b) Allocation of operating profit from sales of the "Crer para Ver" line of non-cosmetic products to Instituto Natura, specifically directed to social projects for developing the quality of education.
- c) Expenses related to the implementation of the transformation plan of subsidiary The Body Shop and the integration of subsidiary Avon Products Inc., which is supported by five pillars, namely: (1) making the brand younger; (2) optimizing the retail and direct sale operations; (3) improving the omni-channel; (4) improving operational efficiency; and (5) redesigning the organization.

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	
	March 31, 2022	March 31, 2021
Loss attributable to the Company's controlling shareholders	(643,092)	(155,169)
Weighted average of the number of issued common shares	1,379,706,174	1,375,484,203
Weighted average number of shares in treasury	(9,632,014)	(808,328)
Weighted average of the number of outstanding common shares	1,370,074,160	1,374,675,875
Basic loss per share – R\$	(0.4694)	(0.1129)

Diluted earnings 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 three-month periods ended March 31, 2022 and 2021, any adjustment would have an anti-dilution effect and, therefore, the diluted loss per share is equal to the basic loss per share.

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.

NATURA & CO HOLDING S.A.

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

32.1. Receivables and payables with related parties

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

	Parent	
	March 31, 2022	December 31, 2021
Current Assets:		
Natura Cosméticos S.A. ^{(a) (b)}	7,690	153,656
Avon Products, Inc ^(b)	24,060	20,223
Natura Cosméticos S.A. – Argentina ^(a)	3,651	4,302
Natura Cosméticos S.A. – Chile ^(a)	-	609
Natura Cosméticos S.A. – Perú ^(a)	455	567
Natura Cosméticos S.A – Colombia ^(a)	320	377
The Body Shop International ^(b)	12,700	7,416
Aesop UK ^(a)	2,467	2,836
Natura Biosphera	29	-
The Body Shop Brasil Franquias	28	-
Ind e Com Cosméticos Natura Ltda	805	-
Natura Dist de Mexico ^(a)	-	536
Total current assets	52,205	190,522
Current Liabilities:		
Natura Cosméticos S.A. ^(a)	2,393	1,882
Indústria e Comércio de Cosméticos Natura Ltda. ^(a)	561	188
Natura Comercial	17	-
Avon Products, Inc ^(a)	-	37,784
The Body Shop International	-	19,959
Aesop UK	-	358
Total current liabilities	2,971	60,171

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

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

32.2. Uncontrolled and unconsolidated transactions with related parties

Instituto Natura holds shares in the Essential Investment Fund. As of March 31, 2022, the balance is R\$ 6,930 (R\$ 8,850 as of March 31, 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 a processing center for 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", the netbook value was R\$ 71,895 in the three-month period ended March 31, 2022 (R\$60,998 under item Buildings of Property, Plant and Equipment, as of December 31, 2021) and in the three-month period ended March 31, 2022, the amount paid as lease was R\$4,014 (R\$3,560 for the three month period ended March 31, 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 shareholder members of the controlling group parent

NATURA & CO HOLDING S.A.

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

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 three-month period ended March 31, 2022.

On May 12, 2021, a transaction was entered into between 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\$5,501 and the total amount paid as rent was R\$496.

In the three-month period ended March 31, 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 the amount of R\$8,000 (R\$10,000 for the three-month period ended March 31, 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:

	March 31, 2022			March 31, 2021		
	Compensation			Compensation		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors	3,701	5,382	9,083	3,715	2,790	6,505
Executive Board	9,283	13,140	22,423	10,169	14,554	24,723
	12,984	18,522	31,506	13,884	17,344	31,228

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.

33. COMMITMENTS

33.1 Contracts related to supply

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

	Consolidated	
	March 31, 2022	December 31, 2021
Less than one year	884,477	929,288
One to five years	277,276	460,081
Above 5 years	104,369	10,738
Total	1,266,122	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 March 31, 2022 and December 31, 2021, insurance coverage is as follows:

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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

Item	Type of coverage	Amount Insured	
		March 31, 2022	December 31, 2021
Industrial complex and administrative sites	Any damages to buildings, facilities, inventories, and machinery and equipment	5,206,353	6,008,031
Vehicles	Fire, theft and collision for the vehicles insured by the Company	217,641	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	88,588	103,857
Civil liability	Protection against error or complaints in the exercise of professional activity that affect third parties	2,075,791	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 additional information on transactions related to the cash flow statement:

	Parent		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<u>Non-cash items</u>				
Hedge accounting, net of tax effects	59	-	(294,819)	39,655
Net effect of acquisition of property, plant and equipment and intangible assets not yet paid	-	-	130,516	187,848

36. SUBSEQUENT EVENTS

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, subject to interest of 6.125% per annum, which are guaranteed by Natura & Co and by the subsidiary Natura Cosméticos. The proceeds are intended for the refinancing of certain short and medium-term debts of the Company, including the redemption of the senior notes due in March 2023 issued by the subsidiary Avon.

São Paulo, May 5, 2022.

Q1-22: Performance impacted by the continued Avon transformation, challenging global environment and tough comparable base

Progress on fundamentals with resumption of growth at Natura¹ and sequential improvements at Avon

- **Q1 consolidated net revenue** totalled R\$8.3 billion, -12.7% vs Q1-21 in BRL due to the appreciation of the Brazilian Real, and -4.6% in constant currency ("CC"), on the back of a very strong comparable base in Q1-21 (+25.8% in BRL and +8.1% at CC vs. Q1-20). As expected, this quarter was also impacted by rising inflation affecting discretionary spend in key markets, cost pressures in the supply chain and first effects of the war in Ukraine. Compared to Q1-20, which excludes some of the one-off effects from the pandemic, Natura &Co's performance is broadly in line with global CFT peers at +9.8%, and compared to Q1-19, Natura &Co is above CFT² peers at 11.9% in BRL.
- **Q1 adjusted EBITDA** stood at R\$595.9 million with margin of 7.2% (-300 bps), mainly due to cost and inflationary pressures and sales deleverage at Avon in Latam and The Body Shop. Avon was impacted by its ongoing transformation, including intentional portfolio optimization, mainly in Fashion & Home. The Body Shop was impacted by the absence of one-off pandemic related aid that increased EBITDA last year, channel mix and sales deleverage in key markets. Synergies with Avon integration continued in line with plan, delivering US\$66.2 million in the quarter, across procurement, logistics and administrative functions.
- **Solid quarter-end cash position of R\$4.5 billion**, with net debt-to-EBITDA of 2.13x in the quarter vs. 1.18x in Q1-21 and 1.52x in Q4-21, as expected. Successful issuance of a US\$600 million bond in April, with a 6% coupon maturing in 2029, to refinance Avon's 2023 bond and other debts with no impact on leverage ratio.
- **2024 EBITDA margin guidance reaffirmed; achievement of medium-term top line and leverage guidance now expected in 2024** (vs. 2023 previously), in light of recent deterioration in the macro-economic and geopolitical environment, impacting consumer spending and demand.

Consolidated Financial Results (R\$ million)	Q1-22	Q1-21	Δ	CFT peers net revenue comparison			
Net Revenue	8,253.3	9,455.1	-12.7%	Net revenue % change ^a	Q1-22 vs. Q1-21	Q1-22 vs. Q1-20	Q1-22 vs. Q1-19
Constant Currency Change			-4.6%	Natura &Co	-12.7%	9.8%	11.9%
Gross Profit	5,307.7	6,130.7	-13.4%	Average Global CFT Peers ²	3.8%	12.8%	5.6%
Gross Margin	64.3%	64.8%	-50 bps	^a In reported currency			
Reported EBITDA	515.7	829.1	-37.8%				
Reported EBITDA Margin	6.2%	8.8%	-260 bps				
Adjusted EBITDA	595.9	963.2	-38.1%				
Adjusted EBITDA Margin	7.2%	10.2%	-300 bps				
Net Income (loss) attributable to controlling shareholders	(643.1)	(155.2)	314.4%				
Net Margin	-7.8%	-1.6%	-620 bps				

Roberto Marques, Group CEO and Executive Chairman of Natura &Co, declared:

"As indicated in our Q3 and Q4-21 results, Natura &Co continued to face a challenging environment in Q1-22, on top of a very tough comp and unfavourable currency movements. Our performance reflects intentional ongoing changes at the Avon business, such as portfolio simplification and the new commercial model implementation, as well as the impacts of the war in Ukraine, which added to inflationary pressures and affected consumer demand, besides some lingering effects of the Covid-19 pandemic.

This combination resulted in lower sales and profitability in the quarter compared to Q1-21, partly reflecting our greater exposure to Latin America and Europe, while global beauty growth today is driven mainly by Asia and North America, but we also saw some positive signs: In Brazil, Natura posted revenue growth even with a strong comparable base, thanks to a product offer that better addresses current demand, while Avon saw an improvement in its underlying performance. This was evidenced by productivity gains in the beauty category in the quarter for the first time since we implemented the new commercial model at Avon Brazil, and performance improved month after month throughout the quarter. Avon International's new commercial model is contributing to improvement in some key performance indicators, with productivity growth and stable activity, excluding Russia and Ukraine, although operations across Europe have been impacted by the war, resulting in a drop in consumer confidence and purchasing power linked to inflationary pressure. The Body Shop faced a particularly difficult quarter due to weak consumer demand in Europe as well as channel mix effect, while Aēsop continued to grow, mainly in Asia and North America, delivering another quarter of double-digit growth in constant currency.

We expect the environment to remain challenging in Q2 and will continue to take measures including further cost containment and strict financial discipline on investments in order to protect our profitability and cash generation. We also expect to see further gains from Avon's transformation in the second half of 2022, with continued improvement in its fundamentals and leading indicators, which are already heading in the right direction, in addition to a more favourable comparable base for the group.

The company is reaffirming its EBITDA margin target in 2024 despite the outbreak of the war in Ukraine and the recent deterioration in the macroeconomic and geopolitical environment, which are impacting consumer spending and demand. However,

¹ The Natura brand in Latam posted revenue growth of +5.3% at constant currency.

² Cosmetics, Fragrance and Toiletries market performance: Company estimate based on global peers' net revenue vs prior years of approximately +5.6% in Q1-22 vs. Q1-19 (in reported FX), as reported by the companies or estimates published on Bloomberg for those who have not yet reported

in light of these effects, the company now expects to achieve its consolidated net revenue and leverage targets in 2024, from 2023 previously.”

Key Financial Results per Business Unit

	Q1-22 vs. Q1-21				
	Net Revenue (R\$ million)	Δ % Reported Currency	Δ % CC	Adj. EBITDA Margin	Δ Adj. EBITDA
Consolidated	8,253.3	-12.7%	-4.6%	7.2%	-300 bps
Natura &Co Latam	4,751.5	-8.4%	-2.1%	9.0%	-320 bps
Avon International	1,842.0	-22.1%	-10.1%	4.4%	30 bps
The Body Shop	1,017.4	-22.9%	-16.0%	6.4%	-830 bps
Aesop	642.4	9.6%	21.3%	21.7%	-500 bps

- **Natura &Co Latam:** With market share of 12.3% in 2021 (-0.3pp vs 2020), Natura &Co Latam maintained its market leadership in Latin America and even expanded the gap with the number 2 player, according to Euromonitor. The Group also became the CFT market leader in Hispanic markets with 11.9% share (+0.7pp), supported by gains in Mexico, Argentina, Chile and Peru, and maintained leadership in Brazil with 16.1% share (-0.9 pp).

- **Natura brand in Latam:** Net revenue was down -1.9% in Q1-22 in BRL and up a solid +5.3% at CC, reflecting the appreciation of the BRL versus Hispanic market currencies. **In Brazil**, net revenue was +3.1% in Q1-22 (+27.5% vs. Q1-19), with significant market share gain in the quarter, according to Kantar, on the back of a strong comparable in Q1-21. Productivity per consultant resumed growth, gaining a strong +10.5%. **In Hispanic markets**, net revenue was -8.7% in Q1-22 in BRL and +8.0% at CC, despite a very strong comparable base. Growth was mainly driven by Argentina and Colombia, supported by an increase in the number of consultants and improved productivity. Compared to Q1-19, revenue was up by +84.3% in BRL (+79.8% at CC).

- **Avon brand in Latam:** Net revenue was down -16.3% in Q1-22 in BRL (-11.1% at CC). **In Brazil**, net revenue improved sequentially since Q3-21 but was still down -17.0% in Q1-22. This was mainly due to a -32.3% drop in Fashion and Home sales, driven mainly by retail reopening which gave other shopping alternatives to consumers of these categories, in addition to intentional portfolio pruning, while beauty sales declined -9.7%. Measures adopted since October resulted in improved KPIs, including productivity growth in the beauty category in Q1, improving month after month and reaching positive double-digit growth in March for the first time since the new commercial model was implemented. **In Hispanic markets**, net revenue was -16.0% in Q1-22 in BRL (-7.9% at CC), reflecting a very strong comparable base in Q1-21 (+35.1% in BRL and +15.0% at CC) and a decline in Fashion and Home sales. The new commercial model is showing significant progress in Ecuador, with activity and productivity growth in nearly all campaigns in Q1 vs. last year, as well in Central America, with a sequential increase in activity and higher recruitment.

- **Natura &Co Latam’s Q1 adjusted EBITDA margin** was 9.0%, -320 bps vs Q1-21, on the back of a strong comparable base. Synergies, revenue management and strict financial discipline partially offset the impact of sales deleverage at Avon, raw material inflation and FX headwinds. EBITDA margin at Avon was impacted by the continued effects of the transformation plan, higher inflation and higher logistics expenses.

• Avon International

- **Q1 net revenue** was down -22.1% in BRL (-10.1% at CC), mainly impacted by the war in Ukraine, lower disposable income in Europe³ from rising inflation and fewer representatives, reflecting a higher comparable base last year when the channel benefited from lockdowns, as well as intentional optimization linked to the implementation of the new commercial model. We continue to see progress on Avon’s business fundamentals, including sequentially higher productivity since the roll out of the new commercial model (14 markets), with an increase of +9.1% in productivity and stable activity (excluding Russia and Ukraine).

- **Q1 adjusted EBITDA margin** stood at 4.4%, +30 bps vs Q1-21, a major achievement, despite headwinds in CEE markets caused by the war in Ukraine, supported by strict financial discipline and structural savings from the simplification of the operating model. This offset continued impacts from inflation and higher commodity prices as well as initial war-related effects.

• The Body Shop

- **Q1 net revenue** declined -22.9% in BRL (-16.0% at CC), mainly impacted by expected channel rebalancing, with retail recovery not enough to offset the declines in TBS At Home, e-commerce and head franchisees, as well as lower disposable income in Europe⁴. **In the UK**, revenue declined -26.3% vs Q1-21 but is up by +8.0% vs. Q1-19 and +5.1% vs. Q1-20. Our stores and e-commerce combined are up about 2% vs 2019, in line with market data for health and beauty⁴ in this period. After outperforming during lockdowns, The Body Shop At Home saw a steep decline in consultant numbers as economies reopened, and franchisees are slowly recovering from lockdowns. In addition, footfall in stores was lower compared to pre-pandemic levels, which is also in line with UK retail data⁵.

- **Q1 adjusted EBITDA margin** was 6.4%, -830 bps vs Q1-21, mainly due to one-off pandemic-related support last year and

³ Since demand for energy is inelastic in the short run, those large price increases imply significant declines in households’ purchasing power, which will need to be absorbed through (i) reduced consumption of non-energy goods and services, (ii) a reduction in savings or (iii) an increase in income.” Source: European Central Bank Economic Bulletin, issue 3, 2022.

⁴ According to the British Retail Consortium for the health and beauty market

⁵ According to a benchmark by New West End Company that shows UK retail footfall to be below 2019 levels by c.13% to c.34%

channel mix rebalancing, notably franchisees. EBITDA margin is expected to recover in H2, driven by positive prospects in franchisees, the most profitable channel, and own-stores, supported by the continuing roll-out of the new concept stores and product launches. Franchisees and stores should benefit from higher vaccination, less restrictions, more trading days and rise in tourist numbers, which will drive higher footfall.

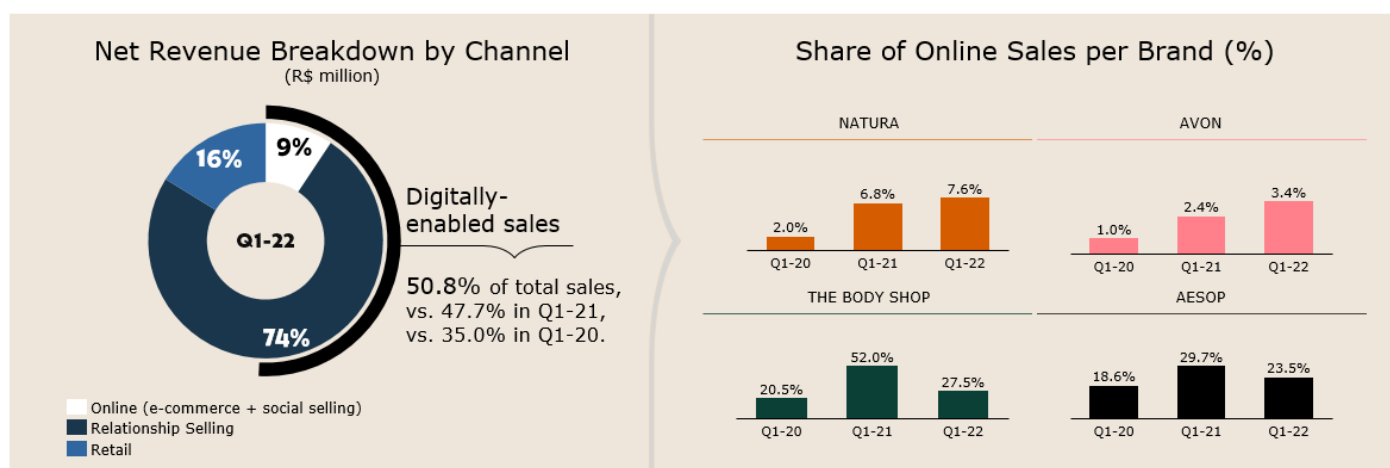
Aesop

- **Q1 net revenue** increased +9.6% in BRL (+21.3% at CC, accelerating compared to Q4-21). All markets delivered double-digit growth, led by North America and APAC. Aesop consistently posted superior sales growth relative to global luxury brands.
- **Q1 adjusted EBITDA margin** of 21.7%, -500 bps compared to Q1-21, mainly due to planned higher investments in digital, categories and geographies to drive future sustainable growth.

Digital Sales

Digitally-enabled sales, which include online sales (e-commerce + social selling) and relationship selling using our main digital apps reached 50.8% of total revenue, compared to 47.7% in Q1-21 and to 35.0% pre-pandemic (Q1-20), driven by continued growth at Natura and Avon.

Relationship selling using apps: At Avon International, adoption of the Avon On app has posted consistent and sustained growth over the last 9 quarters, reaching 16%, or 5x pre-pandemic levels. At Natura in Latam, the average number of consultants sharing content increased by nearly 5x compared to pre-pandemic levels (Q1-20). Orders through the 1.5 million+ consultant online stores increased by 81% in the region and stood at 3x above their Q1-20 levels.



&Co Pay at Natura in Brazil posted strong growth in both number of accounts, reaching approximately 390,000, and Total Payment Volume ("TPV"), which reached R\$2.1 billion. Performance was supported by accelerated adoption of the instant payment service (Pix) launched in Q2-21 and the processing of all sales to consultants via credit card, initiated in Q3-21.

Innovation

Natura launched a refill for its Essencial fragrance, with 45% recycled glass and a 100% post-consumption recycled plastic cap. **The Body Shop** launched a new wellness collection: Breath, Boost and Sleep, with essential oils to help restore the balance between mind, body and soul.

Avon International continues to focus on and support the breakthrough Protinol technology with Anew Renewal Power Serum. Launch of Attraction, Avon's first fragrance to harness neuroscience technology to create a scent that elicits feelings of pleasure for him and for her.

Avon in Brazil launched a new fragrance brand Lov U in the grand finale of the reality show Big Brother Brazil 2022. The olfactory notes combine Pink Champagne with Rose Essential, using sustainably sourced rose petals.

Aesop continued the expansion of Skincare Plus+ range launching Exalted Eye Serum, their most enriched eye product to date with Vitamins B, C and E for targeted hydration and luminosity, further elevating the brand's skin care proposition.

Medium-term outlook

The global macroeconomic and geopolitical environment has been volatile, marked by rising inflationary pressures, supply chain disruption, currency volatility and the outbreak of the war in Ukraine, all impacting consumer spending and demand. Despite this volatility, the company is reaffirming its 2024 EBITDA margin guidance of 14% to 16%. The company now expects to achieve its consolidated net revenue target of R\$47 billion to R\$49 billion and net debt-to-EBITDA target of less than 1.0x in 2024, from 2023 currently, thus aligning all its guidance on the fiscal year ending December 31, 2024.

Our guidance assumes constant currency rates at R\$5 per USD and global GDP growth of low single-digits⁶ from 2022 through 2024 and continued recovery of key categories as countries continue to reduce Covid-19 restrictions. However, significant inflationary pressures and the war in the Ukraine are creating pressure on consumer spending and demand. The company is mindful of ongoing risks related to the current macroeconomic environment, geopolitical uncertainty and continued impact of the Covid-19 pandemic and material changes in expectations could affect the outlook.

Update on Ukraine and Russia war

From the start of the war in Ukraine, our primary concern as a global Group with operations in Russia and Ukraine has been the protection and safety of our employees and representatives facing violence and loss. We are helping our people on the ground, including our sales teams in Ukraine, and are working with organizations providing humanitarian relief such as the Red Cross and local NGOs by donating both funds and personal care products for refugees

Central and Eastern Europe is a relevant region for Avon International, for which Russia is the largest market, while Ukraine is an important market. For the Group as a whole, revenues in these two markets represented under 5% of 2021 consolidated revenue, including The Body Shop operations via head franchisees, while contribution to EBITDA is approximately 3%.

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. The Poland plant is now servicing markets previously supplied by Russia. For 135 years, Avon has stood for women, regardless of ethnicity, nationality, age, or religion. There is no financial advantage to Natura &Co being in Russia. We will continue to assess our position as the situation evolves.

Governments and authorities worldwide, including the United States and the European Union, have recently announced several sanctions on certain industry sectors and parties in Russia. These and any additional sanctions, 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 the March 31, 2022 consolidated financial statements, there are no material impacts from the above mentioned matter. Management is continuously monitoring the 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, 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



⁶ According to International Monetary Fund (IMF) projections, April 2022.

R\$ million	Profit and Loss by Business														
	Consolidated ^a			Natura &Co Latam ^b			Avon International			The Body Shop			Aesop		
	Q1-22 ^c	Q1-21 ^c	Ch. %	Q1-22 ^c	Q1-21 ^c	Ch. %	Q1-22 ^c	Q1-21 ^c	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %
Gross Revenue	10,642.0	12,059.2	(11.8)	6,286.7	6,857.2	(8.3)	2,207.4	2,835.9	(22.2)	1,426.7	1,711.1	(16.6)	721.2	654.9	10.1
Net Revenue	8,253.3	9,455.1	(12.7)	4,751.5	5,185.9	(8.4)	1,842.0	2,363.5	(22.1)	1,017.4	1,319.7	(22.9)	642.4	585.9	9.6
COGS	(2,945.6)	(3,324.4)	(11.4)	(1,915.1)	(2,047.0)	(6.4)	(744.6)	(946.2)	(21.3)	(223.2)	(279.0)	(20.0)	(62.8)	(52.1)	20.5
Gross Profit	5,307.7	6,130.7	(13.4)	2,836.5	3,138.9	(9.6)	1,097.4	1,417.3	(22.6)	794.2	1,040.7	(23.7)	579.6	533.8	8.6
Selling, Marketing and Logistics Expenses	(3,849.2)	(4,255.0)	(9.5)	(1,992.2)	(2,089.9)	(4.7)	(848.5)	(1,068.9)	(20.6)	(668.1)	(799.1)	(16.4)	(340.4)	(297.1)	14.6
Administrative, R&D, IT and Projects Expenses	(1,423.4)	(1,506.6)	(5.5)	(672.4)	(642.6)	4.6	(346.2)	(470.0)	(26.3)	(230.7)	(234.9)	(1.8)	(175.0)	(154.9)	13.0
Corporate Expenses ^d	(109.9)	(110.9)	(0.9)	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Income/ (Expenses), Net	21.4	8.7	145.8	37.0	10.6	250.3	(0.0)	(0.1)	(35.1)	(8.1)	(3.1)	156.8	1.7	1.5	15.9
Transformation / Integration Costs	(80.1)	(134.1)	(40.3)	(35.2)	(55.9)	(37.0)	(40.3)	(75.1)	(46.3)	-	-	-	-	-	-
Depreciation	649.3	696.4	(6.8)	219.6	213.3	2.9	178.4	219.0	(18.5)	177.4	190.7	(6.9)	73.8	73.2	0.8
EBITDA	515.7	829.1	(37.8)	393.3	574.4	(31.5)	40.8	22.3	83.0	64.7	194.2	(66.7)	139.7	156.5	(10.7)
Depreciation	(649.3)	(696.4)	(6.8)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Income/(Expenses), Net	(386.6)	(227.9)	69.6	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Before Taxes	(520.1)	(95.2)	446.3	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax and Social Contribution	(82.5)	(90.1)	(8.4)	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations ^e	(39.6)	28.7	(237.7)	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Net Income	(642.2)	(156.6)	310.2	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling Interest	(0.9)	1.4	(166.4)	-	-	-	-	-	-	-	-	-	-	-	-
Net Income attributable to controlling shareholders	(643.1)	(155.2)	314.4	-	-	-	-	-	-	-	-	-	-	-	-
Gross Margin	64.3%	64.8%	-50 bps	59.7%	60.5%	-80 bps	59.6%	60.0%	-40 bps	78.1%	78.9%	-80 bps	90.2%	91.1%	-90 bps
Selling, Marketing and Logistics Exp./Net Revenue	46.6%	45.0%	160 bps	41.9%	40.3%	160 bps	46.1%	45.2%	90 bps	65.7%	60.6%	510 bps	53.0%	50.7%	230 bps
Admin., R&D, IT, and Projects Exp./Net Revenue	17.2%	15.9%	130 bps	14.2%	12.4%	180 bps	18.8%	19.9%	-110 bps	22.7%	17.8%	490 bps	27.2%	26.4%	80 bps
EBITDA Margin	6.2%	8.8%	-260 bps	8.3%	11.1%	-280 bps	2.2%	0.9%	130 bps	6.4%	14.7%	-830 bps	21.7%	26.7%	-500 bps
Net Margin	(7.8)%	(1.7)%	-610 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

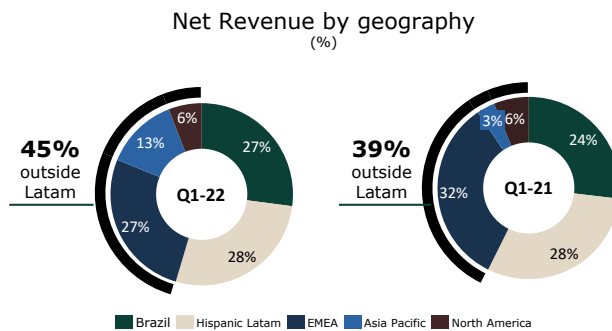
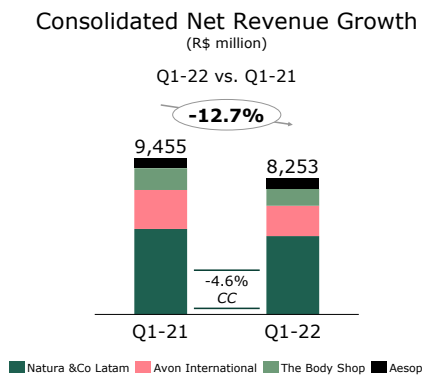
^c Includes PPA - Purchase Price Allocation effects

^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

- Q1-22 consolidated net revenue was down -12.7% in BRL (-4.6% at CC), reflecting an increasingly challenging environment across our markets and a strong comparable base, as Q1-21 was up by 25.8% in BRL (+8.1% at CC)



- With operations in 100+ countries, over 45% of Q1-22 net revenue came from outside Latam. Revenue from G12 market currencies at CC totaled 22.2% in Q1-22 vs 22.1% in Q1-21 (G12 market currencies are: GBP, EUR, USD, AUD, YEN, CAD, SEK and CHF).
- Compared to the pre-pandemic period, we have significantly outperformed the average CFT market, with 11.9% growth in Q1-22 vs. Q1-19 in reported currency. Compared to 2020, we posted 9.8% growth, broadly in line with the CFT market; our underperformance in Q1-22 vs Q1-21 is linked to our greater exposure to Latin America and Europe, while most of our global peers are more exposed to Asia and North America.

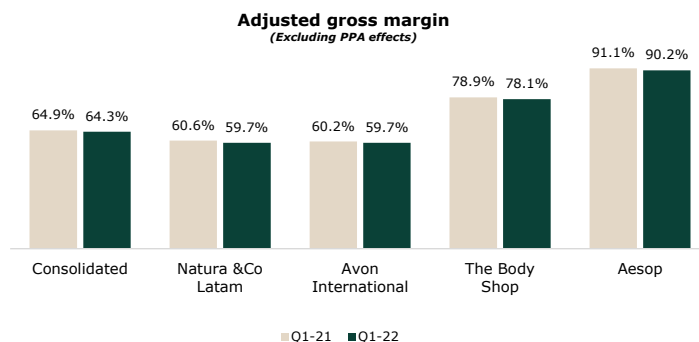
Gross margin

- Consolidated gross margin in Q1-22 stood at 64.3%, -50 bps vs. Q1-21.
- Excluding PPA effects on costs of goods sold (COGS), gross margin reached 64.3% in Q1-22, -60 bps vs Q1-21.
- 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 January 2022 commodity prices for palm oil and pulp and paper have increased 60% and 33% respectively vs January 2021, while freight costs increased by 136%. 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 accounts 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.

Q1-22: excluding PPA effects at Natura &Co Latam and Avon International

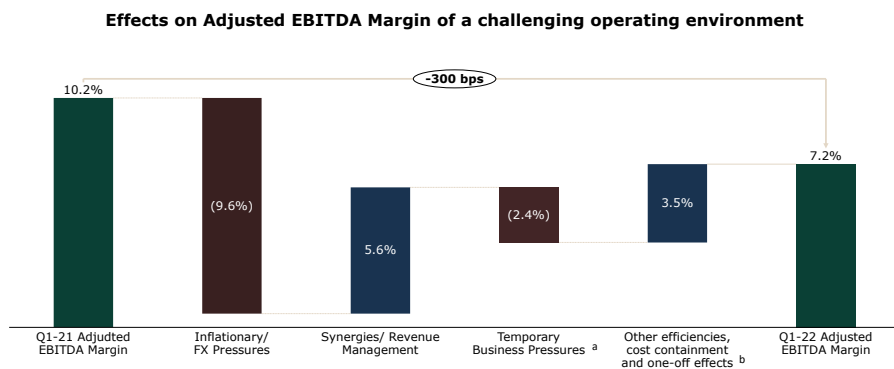
R\$ million	Consolidated			Natura &Co Latam			Avon International			The Body Shop			Aesop		
	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %
Net Revenue	8,253.3	9,455.1	(12.7)	4,751.5	5,185.9	(8.4)	1,842.0	2,363.5	(22.1)	1,017.4	1,319.7	(22.9)	642.4	585.9	9.6
COGS	(2,945.6)	(3,324.4)	(11.4)	(1,915.1)	(2,047.0)	(6.4)	(744.6)	(946.2)	(21.3)	(223.2)	(279.0)	(20.0)	(62.8)	(52.1)	20.5
Gross Profit	5,307.7	6,130.7	(13.4)	2,836.5	3,138.9	(9.6)	1,097.4	1,417.3	(22.6)	794.2	1,040.7	(23.7)	579.6	533.8	8.6
Gross Margin	64.3%	64.8%	-50 bps	59.7%	60.5%	-80 bps	59.6%	60.0%	-40 bps	78.1%	78.9%	-80 bps	90.2%	91.1%	-90 bps
PPA effect on COGS	(2.0)	(9.3)	(77.9)	(0.7)	(3.5)	(80.5)	(1.4)	(5.7)	(76.3)	-	-	-	-	-	-
Gross Profit ex-PPA	5,309.7	6,139.9	(13.5)	2,837.2	3,142.5	(9.7)	1,098.8	1,423.0	(22.8)	794.2	1,040.7	(23.7)	579.6	533.8	8.6
Gross Margin ex-PPA	64.3%	64.9%	-60 bps	59.7%	60.6%	-90 bps	59.7%	60.2%	-50 bps	78.1%	78.9%	-80 bps	90.2%	91.1%	-90 bps

- **Natura &Co Latam's** Q1-22 gross margin excluding PPA effects was 59.7% (-90 bps), impacted by raw material inflation pressure and foreign currency headwinds in Brazil, partially offset by revenue management and synergies
- **Avon International's** Q1-22 gross margin excluding PPA effects was 59.7% (-50 bps) due to higher supply chain costs, the impacts of the Russia/Ukraine war and foreign exchange headwinds, partially offset by revenue management. We estimate a negative war-related impact of 120 bps in Avon International's gross margin
- **The Body Shop's** Q1-22 gross margin stood at 78.1% (-80 bps), mainly due to the rebalancing of channels post Covid-19 lockdowns and raw material inflation pressure
- **Aesop's** Q1-22 gross margin was 90.2% (-90 bps), due mainly to changes in product and channel mix



Consolidated EBITDA

- Q1 Adjusted EBITDA was R\$595.9 million, with an adjusted margin of 7.2% (-300 bps)
- Q1 margin reflected several impacts related to a challenging operating environment:
 - 960 bps from inflationary and foreign currency pressure, partially offset by 560 bps of synergies and revenue management
 - Other temporary business pressures, notably sales deleverage, reduced margin by -240 bps
 - Other efficiencies, cost containment and one-offs of +350 bps



(a) Temporary Business Pressures: sales deleverage and commercial provisions

(b) Other efficiencies, cost containment and one-off effects: mainly cost containment and short/long term incentive provision

Q1-22: Adjusted EBITDA

R\$ million	Consolidated EBITDA			Natura &Co Latam			Avon International			The Body Shop			Aesop		
	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %
Consolidated EBITDA	515.7	829.1	(37.8)	393.3	574.4	(31.5)	40.8	22.3	83.0	64.7	194.2	(66.7)	139.7	156.5	(10.7)
Transformation / Integration Costs (1)	80.1	134.1	(40.3)	35.2	55.9	(37.0)	40.3	75.1	(46.3)	-	-	-	-	-	-
(i) Transformation costs	40.6	75.6	(46.3)	-	-	-	40.3	75.1	(46.3)	-	-	-	-	-	-
(ii) Integration costs	39.5	58.6	(32.6)	35.2	55.9	(37.0)	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	595.9	963.2	(38.1)	428.5	630.3	(32.0)	81.1	97.4	(16.7)	64.7	194.2	(66.7)	139.7	156.5	(10.7)
Adjusted EBITDA Margin	7.2%	10.2%	-300 bps	9.0%	12.2%	-320 bps	4.4%	4.1%	30 bps	6.4%	14.7%	-830 bps	21.7%	26.7%	-500 bps

1. Transformation Costs and Costs to Achieve Synergies ("CTA") of R\$80.1 million in Q1-22 include:

- Transformation costs in Q1-22 of R\$40.6 million, of which R\$40.3 million at Avon International and R\$0.3 million at corporate level.
- Integration costs (CTA) in Q1-22 of R\$39.5 million, of which R\$35.2 million at Natura &Co Latam and R\$4.3 million at corporate level.

SG&A expenses

- Excluding PPA effects, consolidated **Selling, Marketing & Logistics** expenses reached 45.8% of net revenue (+160 bps vs. Q1-21)
- Excluding PPA effects, consolidated **Administrative, R&D, IT and Project** expenses reached 16.4% of net revenue, (+130 bps vs Q1-21)
- Excluding PPA effects, SG&A expenses (both lines above combined) decreased in nominal terms by 8.5% in Q1-22 compared to Q1-21, mainly driven by financial discipline across all businesses to improve efficiency and the simplification of Avon International's operating model, including:
 - iv) Reduction and standardization of campaign cycles
 - v) Optimized resource allocation with key markets serving as hubs, and
 - vi) Strategic SKU reduction of 20%

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.

However, as a % of net revenue, SG&A expenses increased 290 bps, mainly driven by sales deleverage, principally at Natura &Co Latam and at The Body Shop.

Q1-22: 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		
	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %	Q1-22	Q1-21	Ch. %
Selling, Marketing and Logistics Expenses	(3,849.2)	(4,255.0)	(9.5)	(1,992.2)	(2,089.9)	(4.7)	(848.5)	(1,068.9)	(20.6)	(668.1)	(799.1)	(16.4)	(340.4)	(297.1)	14.6
Administrative, R&D, IT and Projects Expenses	(1,423.4)	(1,506.6)	(5.5)	(672.4)	(642.6)	4.6	(346.2)	(470.0)	(26.3)	(230.7)	(234.9)	(1.8)	(175.0)	(154.9)	13.0
SG&A Expenses	(5,272.6)	(5,761.6)	(8.5)	(2,664.6)	(2,732.5)	(2.5)	(1,194.6)	(1,538.9)	(22.4)	(898.8)	(1,034.0)	(13.1)	(515.4)	(452.0)	14.0
<i>Selling, Marketing and Logistics (% of Net Revenue)</i>	46.6%	45.0%	160 bps	41.9%	40.3%	160 bps	46.1%	45.2%	90 bps	65.7%	60.6%	510 bps	53.0%	50.7%	230 bps
<i>Admin., R&D, IT, and Projects Exp. (% of Net Revenue)</i>	17.2%	15.9%	130 bps	14.2%	12.4%	180 bps	18.8%	19.9%	-110 bps	22.7%	17.8%	490 bps	27.2%	26.4%	80 bps
SG&A Expenses ex-PPA	(5,137.0)	(5,613.5)	(8.5)	(2,629.9)	(2,704.1)	(2.7)	(1,093.7)	(1,419.1)	(22.9)	(898.8)	(1,034.0)	(13.1)	(515.4)	(452.0)	14.0
<i>Selling, Marketing and Logistics ex-PPA (% of Net Revenue)</i>	45.8%	44.2%	160 bps	41.3%	39.7%	160 bps	44.2%	43.5%	70 bps	65.7%	60.6%	510 bps	53.0%	50.7%	230 bps
<i>Admin., R&D, IT, and Projects Exp. ex-PPA (% of Net Revenue)</i>	16.4%	15.1%	130 bps	14.1%	12.5%	160 bps	15.2%	16.5%	-130 bps	22.7%	17.8%	490 bps	27.2%	26.4%	80 bps

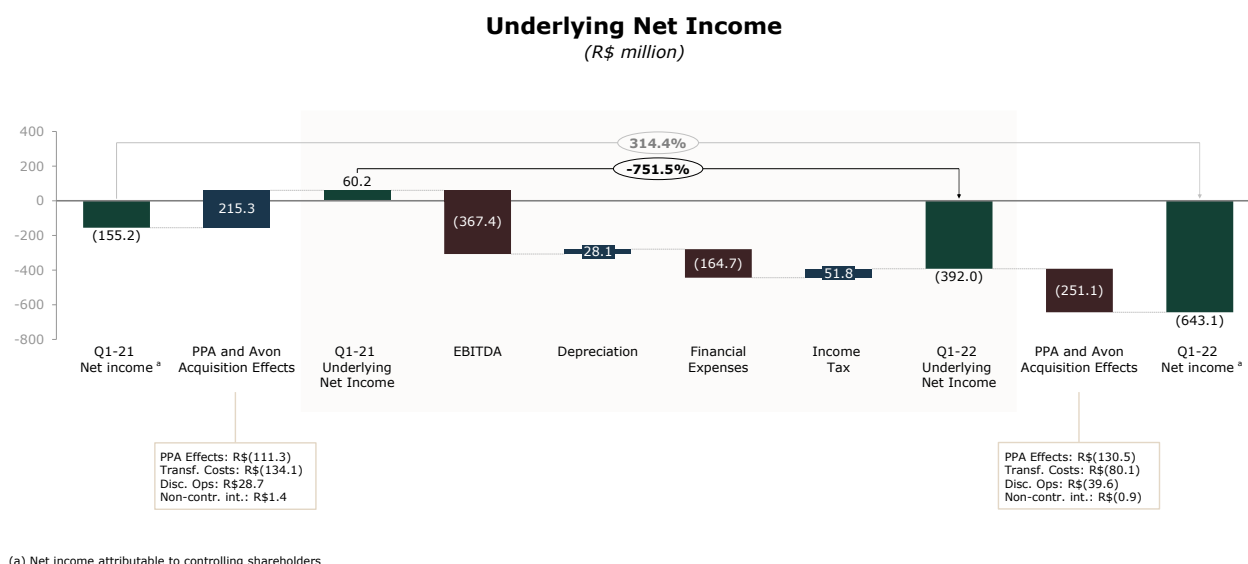
Financial income and expenses

- Net financial expenses were R\$386.6 million in Q1-22, up +69.6% vs. Q1-21, due to:
 - i) Item 1.5 - Higher expenses with swap and forward transactions, due to higher notional value of our bonds which include the recent sustainability-linked issue maturing in 2028
 - ii) Item 3.3 - Higher losses from exchange rate variation, related to foreign exchange conversion on exports and imports across the Group's many markets, in addition to losses from higher inflation in Argentina this quarter
- The above effects were partially offset by lower financial expenses (item 1.1) thanks to the Group's improved debt profile, with lower interest rates, as well as the increase in financial income (item 1.2) resulting from the increase in the CDI index in Brazil.

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

R\$ million	Q1-22	Q1-21	Ch. %
1. Financing, Short-Term Investments and Derivatives Gains/Losses	(163.6)	(130.2)	25.7
1.1 Financial Expenses	(140.0)	(169.2)	(17.3)
1.2 Financial Income	86.2	45.5	89.5
1.3 Monetary and Exchange Variations, Net	871.9	(408.9)	(313.2)
1.4 Swap and Forward Transactions Variation, Net	(875.9)	395.8	(321.3)
1.5 Income (Expenses) with swap and forward transactions	(105.8)	6.6	(1,703.0)
2. Judicial Contingencies	(11.1)	(10.1)	9.9
3. Other Financial Income and Expenses	(211.9)	(87.6)	141.9
3.1 Lease Interest Expenses	(47.8)	(54.6)	(12.5)
3.2 Other	(23.2)	(55.3)	(58.0)
3.3 Other Gains (Losses) From Exchange Rates Variation	(140.9)	22.3	(731.8)
Financial Income and Expenses, Net	(386.6)	(227.9)	69.6

Underlying net income (UNI) and net income



Q1-22 Underlying Net Income (Loss) was (R\$392.0) million, down from R\$60.2 million in Q1-21, before PPA effects and Avon acquisition-related effects of (R\$251.1) million, which include:

- i) PPA effects of (R\$130.5) million
- ii) Transformation/integration costs of (R\$80.1) million
- iii) Discontinued operations of (R\$39.6) million, and
- iv) Other effects of (R\$0.9) million

Q1-22 reported net income (loss) was (R\$643.1 million), compared to (R\$155.2) million in Q1-21, mainly due to lower EBITDA and increased financial expenses.

Free cash flow and cash position

In an effort to increase transparency, since Q4-21 we have aligned our methodology for free cash flow to better reconcile with our financial statements. Main differences relate to the allocation of exchange rate variations and financial expenses. For more details, please refer to our appendix section.

In Q1-22, free cash flow consumption of R\$2.2 billion compared to R\$1.4 billion in Q1-21 was mainly related to:

- i) Decrease in cash from operations due to lower adjusted net income
- ii) Negative exchange rate variation from translation of cash held in foreign currency, due to the appreciation of the Brazilian Real this quarter

The above was partially offset by lower investment in working capital compared to Q1-21, driven mainly by a significant reduction in inventory levels and lower interest rate on debt as a result of liability management actions, despite the CDI increase in Brazil this year.

Management is strongly focused on optimizing cash conversion in the short- and medium-term. On working capital, we will be addressing key levers in the next few quarters, on top of simplifying our portfolio structure and planning to deliver more savings in the medium term. Other priorities include optimization of capex and cash tax, as shown in the table below.

R\$ million	Q1-22	Q1-21	Ch. %
Net income (loss)	(642.2)	(156.6)	310.2
Depreciation and amortization	649.3	696.4	(6.8)
Non-cash Adjustments to Net Income	326.3	484.4	(32.7)
Adjusted Net income	333.4	1,024.2	(67.5)
Decrease / (Increase) in Working Capital	(1,073.7)	(1,645.6)	(34.8)
Inventories	40.8	(599.5)	(106.8)
Accounts receivable	338.3	312.4	8.3
Accounts payable	(579.7)	(445.1)	30.2
Other assets and liabilities	(873.1)	(913.4)	(4.4)
Cash from Operations	(740.3)	(621.4)	19.1
Income tax and social contribution	(150.3)	(177.1)	(15.2)
Interest on debt	(211.7)	(324.8)	(34.8)
Lease payments	(324.2)	(352.3)	(7.9)
Other operating activities	(39.2)	(36.7)	6.8
Capex	(309.5)	(332.6)	(6.9)
Sale of Assets	0.6	39.8	(98.5)
Exchange rate variation	(435.6)	365.9	(219.1)
Free Cash Flow	(2,210.3)	(1,439.2)	53.6
Other financing and investing activities	1,241.6	(56.2)	(2,310.8)
Cash Balance Variation	(968.7)	(1,495.3)	(35.2)

Indebtedness ratios at both Natura &Co Holding and Natura Cosméticos

- Natura &Co Holding's consolidated net debt-to-EBITDA ratio, including IFRS16 effects, was 2.13x in Q1-22 vs. 1.18 in Q1-21 and 1.52x in Q4-21. (Excluding IFRS-16: 3.06x in Q1-2 vs. 1.66x in Q1-21 and 2.19x in Q4-21.). The indebtedness ratio reflects greater cash consumption in Q1-22 and lower EBITDA.
- Natura Cosméticos' net debt-to-EBITDA ratio, including IFRS16 effects, was 1.38x in Q1-22 vs. 0.82x in Q1-21 and 0.90x in Q4-21. (Excluding IFRS-16: 1.84x in Q1-22 vs. 1.08x in Q1-21 and 1.21x in Q4-21).

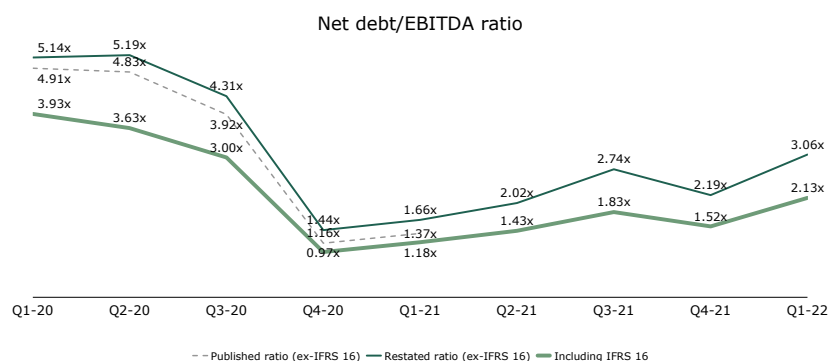
R\$ million	Natura Cosméticos S.A.		Natura &Co Holding S.A.	
	Q1-22	Q1-21	Q1-22	Q1-21
Short-Term	772.5	2,481.4	3,863.5	3,234.5
Long-Term	6,678.7	6,460.9	7,692.4	10,301.9
Gross Debt ^a	7,451.2	8,942.3	11,556.0	13,536.4
Foreign currency hedging (Swaps) ^b	628.8	(2,006.3)	627.6	(2,006.3)
Total Gross Debt	8,080.0	6,936.0	12,183.6	11,530.1
(-) Cash, Cash Equivalents and Short-Term Investment	(3,220.2)	(3,818.4)	(4,536.7)	(6,576.4)
(=) Net Debt	4,859.8	3,117.6	7,646.9	4,953.8
<i>Indebtedness ratio excluding IFRS 16 effects</i>				
Net Debt/EBITDA	1.84x	1.08x	3.06x	1.66x
Total Debt/EBITDA	3.06x	2.40x	4.88x	3.87x
<i>Indebtedness ratio including IFRS 16 effects</i>				
Net Debt/EBITDA	1.38x	0.82x	2.13x	1.18x
Total Debt/EBITDA	2.30x	1.82x	3.39x	2.75x

^a Gross debt excludes PPA impacts of R\$311.0 million in Q1-22 and R\$474.5 million in Q1-21, and excludes lease agreements

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

^c Short-Term Investments excludes non current balances

Indebtedness ratios excluding IFRS 16 effects in 2020 and Q1-21 for Natura &Co Holding were restated as of Q2-21. This has no impact on Natura Cosméticos' ratios or on reported ratios (which include the effects of IFRS 16). The graph below demonstrates the deleverage trajectory with the difference between restated ratios and those published in previous periods.



New bond issuance and liability management

Natura &Co Luxembourg completed a US\$ 600 million bond issue 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 will be used to refinance Avon's 2023 bond and certain debts of Natura Cosméticos, in line with the Group's liability management plan to improve its capital structure.

2. Performance by segment

NATURA &Co LATAM

Natura &Co Latam	Net Revenue change (%)		Operational KPIs change (%)
	Q1-22 vs. Q1-21		Q1-22 vs. Q1-21
	Reported (R\$)	Constant Currency	Consultants / Representatives ^b
Natura Latam ^a	-1.9%	5.3%	-3.0%
Natura Brazil	3.1%	3.2%	-7.5%
Natura Hispanic	-8.7%	8.0%	3.2%
Avon Latam	-16.3%	-11.1%	-15.1%
Avon Brazil	-17.0%	-17.0%	-13.7%
Avon Hispanic	-16.0%	-7.9%	-16.4%

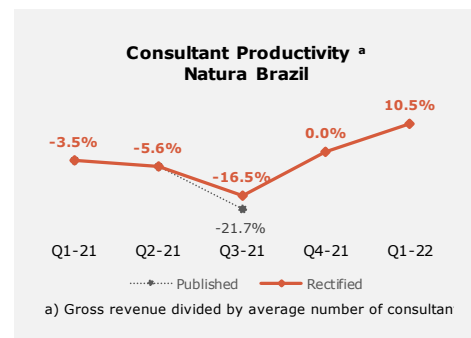
^a Natura Latam includes Natura, Avon, TBS Brazil and Hispanic Latam and Aesop Brazil

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

NATURA BRAND IN LATAM

Natura Brand in Brazil

- Sustained leadership in market share in Brazil in FY21, according to Euromonitor, despite an 0.4pp drop, but still 0.6pp above 2019.
- The Natura brand gained significant market share in the quarter, according to Kantar
- The quarter saw a continued change in consumer behavior in favor of more affordable products in beauty categories (trade-down), as well as a shift to personal care categories, mostly in mass retail channels
- Revenue growth was driven by consultant productivity, which was up by a strong +10.5% vs Q1-21 and also improved sequentially. Growth was also supported by fragrances, soap and body care, offsetting overall volume contraction
- The average available consultant base reached 1.09 million in Q1, -7.5% vs. Q1-21, which had benefited from a 14% step-up vs Q1-20



- Consultant loyalty sustained peak level reached in Q2-21, attesting to our strong value proposition
- Underscoring our sustainability-oriented innovation, Natura launched refills for Essencial, the largest fragrance brand in Brazil. Natura was a pioneer in refills in the Brazilian CFT market, having launched refills for the Ekos brand in 1984. Essencial's refill is made with 45% recycled glass and has a 100% post-consumption recycled plastic cap, resulting in a reduction of 35% waste and of 56% of carbon emissions compared to standard fragrance bottles



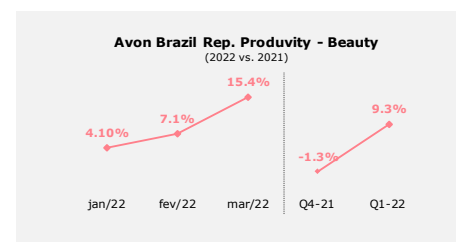
Natura Brand in Hispanic Latam

- In Q1-22, net revenue was -8.7% in BRL (+7.9% at CC), also driven by growth notably in Argentina and Colombia
- Retail and online channels saw significant growth in Q1-22
- The average available consultant base reached 0.88 million in Q1 (+3.9% vs. Q1-21), with increased productivity

AVON BRAND IN LATAM

Avon Brand in Brazil

- Q1 net revenue impacted by lower volume, partially offset by price and mix
- Representative activity improved sequentially in Q1, with an increase of +1.8% in the number of available representatives at quarter-end compared to the end of Q4-21
- Measures adopted since October resulted in improved KPIs, including productivity growth in the beauty category in Q1, improving month after month and reaching double-digit growth in March.
- Productivity of Beauty and Fashion & Home combined was positive in March



Avon Brand in Hispanic Latam

- Ecuador continues to show improvements in productivity and activity levels in nearly all campaigns in Q1
- Central America continues to show sequential increase in activity and higher recruitment
- Productivity in Hispanic markets was up in the quarter, and was higher in March

AVON INTERNATIONAL

Avon International	Net Revenue change (%)		Operational KPIs change (%)	
	Q1-22 vs. Q1-21		Q1-22 vs. Q1-21	
	Reported (R\$)	Constant Currency	Representatives	
Avon International	-22.1%	-10.1%	-11.0%	



- High single-digit increase in productivity in Q1, helped by the new commercial model, now deployed in 14 countries
- Overall representative satisfaction continues to show positive momentum compared to the previous year on the back of record service level rates and the new commercial model
- Cult/hero products and top launches including Protinol, Legendary Lengths and Attraction posted the highest growth, while Packed Gifting category continued to post sequential growth
- Social selling adoption increased sequentially to 16% vs. 15% in Q4-21, thanks to the relaunch of Avon On and more digital native new reps
- Net revenue of the Avon brand (Avon International + Latam) was -10.6% in Q1-22 vs 21

THE BODY SHOP

The Body Shop	Net Revenue change (%)		Operational KPIs				
	Q1-22 vs. Q1-21		Q1-22	Q4-21	Q1-21	Change vs. Q4-21	Change vs. Q1-21
	Reported (R\$)	Constant Currency					
The Body Shop (Total)	-22.9%	-16.0%	2,497	2,545	2,576	(48)	(79)
Own Stores			1,001	997	1,019	4	(18)
Franchise Stores			1,496	1,548	1,557	(52)	(61)



- Stores represented over half of total sales, which is more aligned with pre-Covid levels. This is up by +26 pp vs Q1-21, when several markets were in lockdown. E-commerce and At-Home sales are currently 1.3x higher than pre-pandemic levels
- Q1-22 store revenue grew +62.4% in CC vs. Q1-21, driven by improvement in store trading days and recovering footfall in many markets. The biggest driver of store revenue upside is the UK, as a majority of its stores were closed in Q1-21
- The quarter saw continued channel rebalancing, as the reopening of retail resulted in a slowdown in e-commerce and at The Body Shop At Home
- Launch of the new Wellness range in February, continuing the product rejuvenation strategy
- Deployment of the new store concept across the existing portfolio has resumed, reaching 156 in Q1 (own stores and franchise)
- Refill stations have been implemented across 552 stores (own stores and franchise)

AESOP

Aesop	Net Revenue change (%)		Operational KPIs				
	Q1-22 vs. Q1-21		Q1-22	Q4-21	Q1-21	Change vs. Q4-21	Change vs. Q1-21
	Reported (R\$)	Constant Currency					
Aesop (Total)	9.6%	21.3%	368	367	342	1	26
Signature Stores			270	269	250	1	20
Department Stores			98	98	92	0	6



- Q1-22 posted double-digit growth vs. Q1-21 in all markets, supported by new stores (+26) and also driven by the performance of signature stores (+38% in CC) and department store sales (+20% in CC)
- North America performed well across all channels
- Asia outperformed despite Covid impacts from lockdowns, mainly in China. Japan posted +19% growth in CC vs. Q1-21
- Skin care proposition elevated by the successful launch of Exalted Eye Serum, and fragrance category continues to perform strongly with roll-out of signature fragrance experiences in select doors
- China entry plans are ongoing, including investments in digital platforms
- Aesop's total online sales represented 23.5% of net revenue, down 6.2 pp vs. Q1-21, driven primarily by channel rebalancing post-Covid restrictions

3. Social and environmental performance

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

Natura &Co calls for an end to the violence in Ukraine and stands firmly with those impacted. We continue to support our people on the ground as well as all those affected by the devastation we are seeing. Meaningful help can only be achieved through a global effort, which is why we have been making donations, as well as building a network of support with our partners, franchisees, customers, and charitable organizations around the world. All Natura &Co brands are supporting relief initiatives. Collectively we have donated and helped raise more than US\$1 million to help the people of Ukraine, including refugees in neighboring countries.

We have aided with evacuations from Kyiv and provided psychological assistance to refugees. Many of our Associates have opened their homes to receive their colleagues and their families, whilst others are helping to get essential supplies across borders. We also continue to work with organizations providing humanitarian relief such as the Red Cross, Médecins Sans Frontières, Save the Children International, International Rescue Committee, UNHCR and Children on the Edge by donating both funds and products.

In March 2022, Natura &Co released its most comprehensive Annual Report to date, focused on the power and beauty of the collective. Each business unit tracked its progress over the past 12 months, across 31 targets, set against three pillars which form the basis for our Commitment to Life Sustainability Vision. In total, we tracked 88 metrics, bringing a wealth of additional sustainability data, and providing the most comprehensive level of transparency and accountability on the environmental and social performance of our four Business Units to date.

To address the Climate Crisis and protect the Amazon

- **Amazon:** In Q1-22 PlenaMata (DETER/INPE), which tracks deforestation in the Amazon in real-time, detected 0.09 million deforested hectares, an increase of 63% versus last year, measuring approximately 53 million trees taken down in the Brazilian Amazon rainforest. Since 2010 Natura has invested more than R\$ 2.6 billion in the region and has established relationships with over 8,155 families, already exceeding our 2030 target. Today, as a Group, we source from 64 communities based on ethical trade, in 17 countries
- **Net Zero:** After defining the baseline for our carbon emissions in Q4-21, we have aligned our reduction strategy to the 1.5°C scenario, and submitted an absolute reduction target for scopes 1, 2 and 3 to SBTi. We have also included a carbon reduction target as one of our KPIs as a long-term incentive (LTI) for our executives, for the first time. This initiative reinforces our engagement and commitment towards becoming Net Zero
- **Biodiversity:** The Convention on Biological Diversity (CBD) meeting which took place in Geneva in March 2022 was an important milestone on the road to UN Biological Conference COP15. Natura &Co had the honor of forming part of the business delegation, advocating for a stronger Post-2020 Biodiversity Framework. Our Vice President for Sustainability and Group Affairs, Marcelo Behar, offered a statement on behalf of the Finance for Biodiversity Foundation and the Business for Nature coalition at the Opening Plenary, calling for a greater level of ambition and sense of urgency

To defend Human Rights and be Human-Kind

- **International Women's Day:** Natura &Co used the power of our collective to amplify the message for peace, standing in solidarity with women everywhere, especially those facing unacceptable military aggression in Ukraine. Angela Cretu, Avon International CEO, used the day to create even more momentum and activate Avon networks across the world. We have made progress on equitable pay, with a significant reduction in our 'explained pay gap' and remaining at just -1.19% in our 'unexplained pay gap'. We have a history of creating economic opportunities for our Consultants and Representatives, arming them with tools, and support to scale their businesses, giving them flexibility and financial independence
- **Investment in key causes:** Our business units' priority this quarter was to support the victims of the war in Ukraine. Avon International focused on supporting our people in Ukraine, refugees and all those impacted by the war. Aesop has donated to various organizations, and mobilized its signature stores to donate products, along with establishing a match giving program. The Body Shop is taking action to support the victims in Ukraine, donating to Children on the Edge, and raising funds for humanitarian aid. They also have ongoing projects via Advocates for Youth to protect the rights of young LGBTQIA+ individuals.

To embrace Circularity and Regeneration

- The Aesop signature store in South Yarra, Melbourne is now hosting its first in-store product refill trial, where customers can purchase selected formulations in reusable glass bottles. Once enjoyed, the depleted bottles can be returned to the store and traded with a refilled replacement. This initiative allows for a significant reduction in plastic use and helps to lessen an individual's carbon footprint over time. In Q1 as a Group, Natura &Co reached 9.7% of recycled plastic content of all plastic used (accumulative Q1-22). The percentage reduction from Q4-21 is due to product portfolio changes in 2022
- In February, B Beauty announced that The Body Shop and 25 other leading B Corporations around the world were forming the B Corp Beauty Coalition. Together, these businesses seek to improve the sustainability standards of the wider beauty industry, enabling collaboration and exchange between companies to share better practices, implement improvement actions and publish their outcomes. Christopher Davis has been elected to the Board of the new B Corp Beauty Coalition; the Board will direct progress, define actions and publish the outcomes of the coalition's combined work

4. Capital Markets and Stock Performance

NTCO3 shares traded at R\$26.05 at the end of Q1-22 on the B3 stock exchange, +2.4% in the quarter. Average Daily Trading Volume (ADTV) for the quarter was R\$299.9 million, -14.9% vs Q1-21. NTCO traded at US\$10.92 at the end of Q4-21 on NYSE, +17.8% in the quarter.

On March 31, 2021, the Company's market capitalization was R\$35.9 billion, and the Company's capital was comprised of 1,379,737,055 common shares.

5. Fixed income

Below is a table with details of all public debt instruments outstanding per issuer as of March 31, 2021:

Issuer	Type	Issuance	Maturity	Principal (million)	Nominal Cost (per year)
Natura Cosméticos S.A.	Bond - 2nd issue (Sustainability Linked Bond)	5/3/2021	5/3/2028	US\$ 1,000.0 ⁽¹⁾	4.125%
Natura Cosméticos S.A.	Debenture - 9th issue	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
Natura Cosméticos S.A.	Debenture - 10th issue 1st series	08/29/2019	08/26/2024	BRL 95.7	DI + 1.15 per year
				BRL 686.2	DI + 1.15 per year
				BRL 394.5	DI + 1.15 per year
Avon Products, Inc.	Unsecured Bonds	12/3/2013	03/15/2023	US\$ 461.9	6.500% ⁽²⁾
Avon Products, Inc.	Unsecured Bonds	12/3/2013	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 income (loss)	(a)
Net loss for the period	(a)	Depreciation and amortization	(b)
Adjustments to reconcile net loss for the period with net cash used in operating activities:		Non-cash Adjustments to Net Income	(c)
Depreciation and amortization	(b)	Adjusted Net income	
Interest and exchange variation on short-term investments	(c)	Decrease / (Increase) in Working Capital	(d)
Earnings from swap and forward derivative contracts	(c)	Inventories	(d1)
Provision for tax, civil and labor risks	(c)	Accounts receivable	(d2)
Inflation adjustment of judicial deposits	(c)	Accounts payable	(d3)
Inflation adjustment of provision for tax, civil and labor risks	(c)	Other assets and liabilities	(d4)
Deferred income tax and social contribution	(c)	Cash from Operations	
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)
Provision for losses from property, plant and equipment, intangible and leases	(c)	Capex	(i)
Provision (reversal of provision) for stock option plans	(c)	Sale of Assets	(j)
Provision for losses with trade accounts receivables, net of reversals	(c)	Exchange rate variation	(k)
Provision for inventory losses, net of reversals	(c)	Free Cash Flow	
(Reversal) provision for the provision for carbon credits	(c)	Other financing and investing activities	(l)
Effect from hyperinflationary economy	(c)	Cash Balance Variation	
Other adjustments to reconcile net loss	(c)		
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)		
Release of judicial deposits	(h)		
Payments related to tax, civil and labor lawsuits	(h)		
Proceeds (payments) due to settlement of derivative transactions	(h)		
Payment of interest on lease	(g)		
Payment of interest on borrowings, financing and debentures	(f)		
NET CASH USED IN OPERATING ACTIVITIES			
CASH FLOW FROM INVESTING ACTIVITIES			
Cash from acquisition of subsidiary	(l)		
Additions of property, plant and equipment and intangible	(j)		
Proceeds from sale of property, plant and equipment, intangible and non-current assets held for sale	(j)		
Acquisition of short-term investments	(i)		
Redemption of short-term investments	(i)		
Redemption of interest on short-term investments	(i)		
NET CASH GENERATED BY INVESTING ACTIVITIES			
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease - principal	(g)		
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)		
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)	Mar-22	Dec-21	LIABILITIES AND SHAREHOLDER'S EQUITY (R\$ million)	Mar-22	Dec-21
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	3,038.5	4,007.3	Borrowings, financing and debentures	3,863.5	945.1
Short-term investments	1,498.2	1,978.7	Lease	847.3	1,005.5
Trade accounts receivable	2,893.5	3,476.4	Trade accounts payable and reverse factoring operations	5,490.1	6,770.6
Inventories	5,117.8	5,403.5	Dividends and interest on shareholders' equity payable	180.8	180.8
Recoverable taxes	991.3	973.3	Payroll, profit sharing and social charges	951.3	1,255.3
Income tax and social contribution	274.8	564.5	Tax liabilities	587.7	766.4
Derivative financial instruments	59.3	81.2	Income tax and social contribution	297.7	365.5
Other current assets	875.7	912.2	Derivative financial instruments	545.8	458.5
Assets held for sale	-	52.9	Provision for tax, civil and labor risks	204.8	230.1
Total current assets	14,749.0	17,449.9	Other current liabilities	1,316.5	1,716.1
NON CURRENT ASSETS			Total current liabilities	14,285.6	13,693.9
Recoverable taxes	1,331.0	1,349.6	NON CURRENT LIABILITIES		
Income tax and social contribution	117.4	84.7	Borrowings, financing and debentures	8,003.5	11,771.8
Deferred income tax and social contribution	3,037.7	2,954.1	Lease	2,214.4	2,542.3
Judicial deposits	595.1	585.3	Payroll, profit sharing and social charges	46.3	53.7
Derivative financial instruments	-	894.0	Tax liabilities	108.2	114.8
Short-term investments	42.7	36.9	Deferred income tax and social contribution	803.9	994.0
Other non-current assets	1,468.1	1,763.1	Derivative financial instruments	434.9	0.0
Total long term assets	6,592.0	7,667.7	Provision for tax, civil and labor risks	1,632.6	1,768.7
Property, plant and equipment	4,816.8	5,377.4	Other non-current liabilities	854.4	942.5
Intangible	23,288.9	26,857.6	Total non-current liabilities	14,098.0	18,187.9
Right of use	2,777.3	3,096.0	SHAREHOLDERS' EQUITY		
Total non-current assets	37,474.9	42,998.6	Capital stock	12,484.3	12,481.7
			Treasury shares	(263.4)	(151.3)
			Capital reserves	10,323.5	10,478.8
			Legal profit reserve	865.1	871.2
			Retained (losses) income	(643.1)	0.0
			Other comprehensive income	1,055.5	4,865.2
			Equity attributable to owners of the Company	23,821.9	28,545.6
			Non-controlling interest in shareholders' equity of subsidiaries	18.4	21.2
TOTAL ASSETS	52,223.9	60,448.5	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	52,223.9	60,448.5

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

R\$ million	Q1-22	Q1-21	Ch. %
NET REVENUE	8.253,3	9.455,1	(12,7)
Cost of Products Sold	(2.945,6)	(3.322,5)	(11,3)
GROSS PROFIT	5.307,7	6.132,6	(13,5)
OPERATING EXPENSES			
Selling, Marketing and Logistics Expenses	(3.685,5)	(4.007,4)	(8,0)
Administrative, R&D, IT and Project Expenses	(1.533,3)	(1.627,7)	(5,8)
Impairment losses on trade receivables	(163,8)	(239,3)	(31,6)
Other Operating Expenses, Net	(58,7)	(125,4)	(53,2)
(LOSS) INCOME FROM OPERATIONS BEFORE FINANCIAL RESULT	(133,5)	132,7	(200,6)
Financial Income	1.354,4	1.038,9	30,4
Financial Expenses	(1.740,9)	(1.266,9)	37,4
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(520,1)	(95,2)	446,3
Income Tax and Social Contribution	(82,5)	(90,1)	(8,4)
LOSS FROM CONTINUED OPERATIONS	(602,6)	(185,3)	225,2
Income (Loss) from discontinued operations	(39,6)	28,7	(237,7)
LOSS FOR THE PERIOD	(642,2)	(156,6)	310,2
Attributable to controlling shareholders	(643,1)	(155,2)	314,4
Attributable to non-controlling shareholders	0,9	(1,4)	(166,4)

PURCHASE PRICE ALLOCATION (PPA) AMORTIZATION

R\$ million	Q1-22	Q1-21
Net Revenue	-	-
Cost of Products Sold	(2.0)	(9.3)
Gross Profit	(2.0)	(9.3)
Selling, Marketing and Logistics Expenses	(66.2)	(73.5)
Administrative, R&D, IT and Project Expenses	(69.3)	(74.6)
Other Operating Income (Expenses), Net	49.0	5.5
Financial Income/(Expenses), net	18.0	12.0
Income Tax and Social Contribution	0.8	45.1
Discontinued operations	-	-
LOSS FROM CONTINUED OPERATIONS	(69.8)	(94.8)
Depreciation impact	(149.4)	(168.4)

CONSOLIDATED STATEMENT OF CASH FLOW

	R\$ million	Q1-22	Q1-21
CASH FLOW FROM OPERATING ACTIVITIES			
Net loss for the period		(642.2)	(156.6)
Adjustments to reconcile net loss for the period with net cash used in operating activities:			
Depreciation and amortization		649.3	696.4
Interest and exchange variation on short-term investments		(86.2)	(74.9)
Earnings from swap and forward derivative contracts		974.9	(343.2)
Provision for tax, civil and labor risks		13.0	23.5
Inflation adjustment of judicial deposits		(8.2)	(1.4)
Inflation adjustment of provision for tax, civil and labor risks		11.1	10.8
Deferred income tax and social contribution		(256.1)	90.1
Income from sale and write-off of property, plant and equipment, lease and non-current assets held for sale		9.9	20.0
Interest and exchange rate variation on leases		47.8	(174.5)
Interest and exchange rate variation on borrowings, financing and debentures, net of acquisition costs		(727.5)	580.2
Inflation adjustment and exchange rate variation on other assets and liabilities		2.2	10.9
Provision for losses from property, plant and equipment, intangible and leases		0.0	(0.4)
Provision (reversal of provision) for stock option plans		40.1	(7.6)
Provision for losses with trade accounts receivables, net of reversals		163.8	225.4
Provision for inventory losses, net of reversals		76.5	120.9
(Reversal) provision for the provision for carbon credits		(4.0)	0.8
Effect from hyperinflationary economy		68.9	5.0
Other adjustments to reconcile net loss		0.0	(1.2)
Increase (Decrease) in:			
Trade accounts receivable and related parties		338.3	312.4
Inventories		40.8	(599.5)
Recoverable taxes		(142.9)	(16.0)
Other assets		340.3	(121.1)
Domestic and foreign trade accounts payable and related parties		(579.7)	(445.1)
Payroll, profit sharing and social charges, net		(342.7)	(168.2)
Tax liabilities		(207.3)	(34.6)
Other liabilities		(520.4)	(573.6)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES			
Payment of income tax and social contribution		(150.3)	(177.1)
Release of judicial deposits		(1.7)	9.6
Payments related to tax, civil and labor lawsuits		(50.6)	(12.8)
Proceeds (payments) due to settlement of derivative transactions		13.1	(33.6)
Payment of interest on lease		(51.5)	(50.8)
Payment of interest on borrowings, financing and debentures		(211.7)	(324.8)
NET CASH USED IN OPERATING ACTIVITIES		(1,192.9)	(1,210.8)
CASH FLOW FROM INVESTING ACTIVITIES			
Cash from acquisition of subsidiary			
Additions of property, plant and equipment and intangible		(309.5)	(332.6)
Proceeds from sale of property, plant and equipment, intangible and non-current assets held for sale		0.6	39.8
Acquisition of short-term investments		(2,191.7)	(1,688.4)
Redemption of short-term investments		2,566.1	2,055.2
Redemption of interest on short-term investments		38.2	9.5
NET CASH GENERATED BY INVESTING ACTIVITIES		103.7	83.6
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease - principal		(272.8)	(301.4)
Repayment of borrowings, financing and debentures – principal		(238.6)	(623.3)
New borrowings, financing, and debentures		1,181.4	134.0
Acquisition of treasury shares, net of receipt of option strike price		(120.3)	4.1
Receipt of funds due to settlement of derivative transactions		3.7	52.7
Capital Increase		2.6	0.0
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		556.1	(734.0)
Effect of exchange rate variation on cash and cash equivalents		(435.6)	365.9
DECREASE IN CASH AND CASH EQUIVALENTS		(968.7)	(1,495.3)
Opening balance of cash and cash equivalents		4,007.3	5,821.7
Closing balance of cash and cash equivalents		3,038.5	4,326.4
DECREASE IN CASH AND CASH EQUIVALENTS		(968.7)	(1,495.3)

7. Conference call *and* webcast

Natura &Co (B3: NTCO3 / NYSE: NTCO)
is pleased to invite you to join its Q1-22 Earnings
Conference Call:

**Friday,
May 06th, 2022**

08:00 AM NY time
10:00 AM Brasília Time
13:00 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](#)


Q1-22 Results will be
available on May 05th, Friday,
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 April 21, 2022,
until the results are disclosed.

—
Natura &Co IR Team | ri@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.

UNI: Underlying Net Income.

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.

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