

Natura &Co Holding S.A.

Interim Accounting Information (ITR)

Individual and Consolidated

For the three-month period ended

March 31, 2024

Independent Auditor's 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 2024 and the related statements of profit or loss, comprehensive income, 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 2024 and the related consolidated statements of profit or loss, comprehensive income, the consolidated statements of changes in shareholders' equity and cash flows for the quarter then ended, and notes, comprising other explanatory information.

Management is responsible for the preparation and fair 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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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 do not present fairly, in all material respects, the financial position of Natura &Co Holding S.A. and of Natura &Co Holding S.A.



Natura &Co Holding S.A.

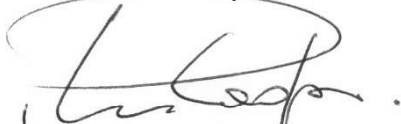
and its subsidiaries as at 31 March 2024, and the parent company financial performance for the quarter then ended and its cash flows for the quarter then ended, as well as the consolidated financial performance for the quarter then ended and the consolidated cash flows for quarter then ended, in accordance with CPC 21 and IAS 34.

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 2024. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim 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 that they are consistent with the parent company and consolidated interim financial statements taken as a whole.

São Paulo, 13 May 2024



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

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Sérgio Antonio Dias da Silva
Signed by: SÉRGIO ANTONIO DIAS DA SILVA/2885747748
CPF: 0285747748
Signing Time: 13 de maio de 2024 19:43 BRT
O: ICP-Brasil, OU: Secretaria da Receita Federal do Brasil - RFB
C: BR
Issuer: AC SERRASIA RFB v3

Sérgio Antonio Dias da Silva
Contador CRC 1RJ062926/O-9

NATURA & CO. HOLDING S.A.

STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2024 AND DECEMBER 31, 2023

(In thousands of Brazilian reais - R\$)

ASSETS	Note	Parent		Consolidated	
		03/2024	12/2023	03/2024	12/2023
CURRENT					
Cash and cash equivalents	6	950	1,079	4,190,644	3,750,944
Short-term investments	7	145,888	1,579,899	1,665,371	4,024,056
Trade accounts receivable	8	2,562	2,562	3,698,858	3,524,395
Accounts receivable - sale of subsidiary		-	-	-	22,915
Trade accounts receivable - Related parties	32	49,415	150,815	-	-
Inventories	9	-	-	3,709,506	3,087,395
Recoverable taxes	10	60,568	52,367	705,762	608,530
Income tax and social contribution		-	-	246,526	175,563
Derivative financial instruments	5	-	-	94,742	188,997
Other current assets	14	9,468	15,545	778,235	604,427
		268,851	1,802,267	15,089,644	15,987,222
Assets held for sale	13	-	-	92,913	-
Total current assets		268,851	1,802,267	15,182,557	15,987,222
NON-CURRENT					
Accounts receivable - sale of subsidiary		-	-	332,494	806,582
Recoverable taxes	10	-	-	1,031,821	1,112,407
Deferred income tax and social contribution	11	27,129	47,948	2,421,377	2,200,695
Judicial deposits	12	-	-	382,217	408,030
Derivative financial instruments	5	-	-	84,657	89,453
Long-term investments	7	-	-	37,781	36,698
Other non-current assets	14	-	-	1,021,482	1,027,679
		27,129	47,948	5,311,829	5,681,544
Investments	15	23,117,981	22,056,486	-	-
Property, plant and equipment	16	-	-	3,405,179	3,457,574
Intangible	17	-	-	16,730,577	16,569,866
Right of use	18	660	773	1,016,252	1,050,809
Total non-current assets		23,145,770	22,105,207	26,463,837	26,759,793
TOTAL ASSETS					
		23,414,621	23,907,474	41,646,394	42,747,015

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent		Consolidated	
		03/2024	12/2023	03/2024	12/2023
CURRENT					
Borrowings, financing and debentures	19	-	-	128,090	163,844
Lease	18	339	341	307,351	298,600
Trade accounts payable and reverse factoring operatio	20	41,867	31,033	5,350,677	5,302,478
Trade accounts payable - Related parties	32	187,355	333,116	-	-
Dividends and interest on shareholders' equity payable	24	1,018,288	294,231	1,018,288	294,231
Payroll, profit sharing and social charges		50,886	19,881	1,138,553	1,019,688
Tax liabilities	21	35,132	83,762	593,313	634,760
Income tax and social contribution		-	-	225,303	908,442
Derivative financial instruments	5	-	-	132,777	329,676
Provision for tax, civil and labor risks	22	-	-	593,035	491,301
Other current liabilities	23	6,946	31,984	808,676	970,479
Total current liabilities		1,340,813	794,348	10,296,063	10,413,499
NON-CURRENT					
Borrowings, financing and debentures	19	-	-	6,059,054	5,947,858
Lease	18	376	483	756,885	851,840
Payroll, profit sharing and social charges		363	4,230	17,520	16,069
Tax liabilities	21	-	-	161,022	127,194
Deferred income tax and social contribution	11	-	-	361,124	328,090
Income tax and social contribution		-	-	418,434	380,176
Provision for tax, civil and labor risks	22	1,121	1,097	884,956	875,291
Other non-current liabilities	23	1,268	4,077	603,941	686,533
Total non-current liabilities		3,128	9,887	9,262,936	9,213,061
TOTAL LIABILITIES		1,343,941	804,235	19,558,999	19,626,550
SHAREHOLDERS' EQUITY					
Capital stock	24	12,484,515	12,484,515	12,484,515	12,484,515
Treasury shares		(83,776)	(164,236)	(83,776)	(164,236)
Capital reserves		10,420,288	10,558,567	10,420,288	10,558,567
Profit Reserve		51,703	780,308	51,703	780,308
Accumulated losses		(934,816)	-	(934,816)	-
Equity appraisal adjustment		132,766	(555,915)	132,766	(555,915)
Shareholders' equity attributed to the Company's shareholders		22,070,680	23,103,239	22,070,680	23,103,239
Non-controlling interest in shareholders' equity of		-	-	16,715	17,226
Total shareholders' equity		22,070,680	23,103,239	22,087,395	23,120,465
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23,414,621	23,907,474	41,646,394	42,747,015

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

NATURA & CO HOLDING S.A.

STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
(In thousands of Brazilian reais - R\$, except for earnings per share)

	Note	Parent		Consolidated	
		03/2024	03/2023	03/2024	03/2023
NET REVENUE	26	-	-	6,105,253	6,471,531
Cost of Sales	27	-	-	(2,127,080)	(2,313,187)
GROSS PROFIT		-	-	3,978,173	4,158,344
OPERATING (EXPENSES) INCOME					
Selling, marketing and logistics expenses	27	-	-	(2,497,075)	(2,543,791)
Administrative, R&D, IT and project expenses	27	(39,050)	2,181	(1,043,043)	(1,162,197)
Impairment loss on trade receivables	8	-	-	(235,884)	(215,472)
Share of profits (losses) from subsidiaries	15	(856,228)	(654,656)	-	-
Other operating income (expenses), net	30	(473)	(1,004)	(46,936)	(50,709)
OPERATING (LOSS) PROFIT BEFORE FINANCIAL RESULTS		(895,751)	(653,479)	155,235	186,175
Financial results	29	5,037	2,255	(361,215)	(460,150)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(890,714)	(651,224)	(205,980)	(273,975)
Income tax and social contribution	11	(36,708)	(1,204)	(237,073)	(122,222)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(927,422)	(652,428)	(443,053)	(396,197)
DISCONTINUED OPERATIONS					
LOSS FROM DISCONTINUED OPERATIONS	36	(7,394)	-	(492,073)	(255,957)
LOSS FOR THE PERIOD		(934,816)	(652,428)	(935,126)	(652,154)
ATTRIBUTABLE TO					
The Company's shareholders		(934,816)	(652,428)	(934,816)	(652,428)
Non-controlling shareholders		-	-	(310)	274
LOSS PER SHARE FOR THE PERIOD - R\$					
Basic	31	(0.6765)	(0.4750)	(0.6765)	(0.4750)
Diluted	31	(0.6765)	(0.4750)	(0.6765)	(0.4750)

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NATURA & CO HOLDING S.A.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		03/2024	03/2023	03/2024	03/2023
LOSS FOR THE PERIOD		(934,816)	(652,428)	(935,126)	(652,154)
Other comprehensive loss to be reclassified to income statement in subsequent periods:					
Conversion of financial statements of controlled companies abroad	15	375,063	150,369	374,861	150,185
Exchange rate effect on the conversion from hyperinflationary economy	15	300,114	143,865	300,114	143,865
Earnings (losses) from cash flow hedge operations	5.1	-	-	25,961	(7,324)
Tax effects on earnings (losses) from cash flow hedge operations	11	-	-	(5,750)	1,341
Equity in earnings (losses) from cash flow hedge operation	5.1	25,961	(7,324)	-	-
Equity in tax effects on earnings (losses) from cash flow hedge operations	11	(5,750)	1,341	-	-
Other comprehensive income (loss) not reclassified for the income (loss) of the periods in subsequent periods:					
Actuarial earnings (losses)		-	-	(1,892)	-
Tax effects on earnings (losses) from actuarial		-	-	(4,815)	-
Equity on actuarial earnings (losses)		(1,892)	-	-	-
Equity on tax effects on actuarial earnings (losses)		(4,815)	-	-	-
Comprehensive loss for the periods, net of tax effects		<u>(246,135)</u>	<u>(364,177)</u>	<u>(246,647)</u>	<u>(364,087)</u>
ATTRIBUTABLE TO					
The Company's shareholders		(246,135)	(364,177)	(246,135)	(364,177)
Noncontrolling shareholders		-	-	(512)	90
		<u>(246,135)</u>	<u>(364,177)</u>	<u>(246,647)</u>	<u>(364,087)</u>

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NATURA &CO HOLDING S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
(in thousands of Brazilian reais - R\$)

		Capital Reserves						Equity appraisal adjustment					
Note	Capital stock	Treasury shares	Share premium	Special reserve	Additional paid-in capital	Income (loss) from transactions with non-controlling shareholders	Legal profit reserve	Accumulated losses	Capital transactions	Other comprehensive Income (loss)	Shareholders' equity attributed to controlling shareholders	Non-Controlling Shareholders	Total shareholders' equity
							Retained earnings						
BALANCES AS OF JANUARY 1, 2022													
	12,484,424	(262,360)	9,894,936	362,059	375,956	(92,066)	-	(1,994,555)	-	1,564,340	22,332,734	18,450	22,351,184
Loss for the period	-	-	-	-	-	-	-	(652,428)	-	-	(652,428)	274	(652,154)
Exchange rate effect on the conversion from hyperinflationary economy	-	-	-	-	-	-	-	-	-	143,865	143,865	-	143,865
Other comprehensive income	-	-	-	-	-	-	-	-	-	144,386	144,386	(184)	144,202
Total comprehensive income for the periods	-	-	-	-	-	-	-	(652,428)	-	288,251	(364,177)	90	(364,087)
Transactions in stock and restricted shares option plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for stock and restricted shares option plans	-	-	-	-	54,670	-	-	-	-	54,670	-	-	54,670
Exercise of stock and restricted shares option plans	24	54	-	-	(15,232)	-	-	(358)	-	-	(15,536)	-	(15,536)
BALANCES AS OF MARCH 31, 2023													
	12,484,478	(262,360)	9,894,936	362,059	415,394	(92,066)	-	(2,647,341)	-	1,852,591	22,007,691	18,540	22,026,231
BALANCES AS OF DECEMBER 31, 2023													
	12,484,515	(164,236)	9,894,936	362,059	301,572	-	780,308	-	616,475	(1,172,390)	23,103,239	17,226	23,120,465
Loss for the period	-	-	-	-	-	-	-	(934,816)	-	-	(934,816)	(309)	(935,125)
Exchange rate effect on the conversion from hyperinflationary economy	-	-	-	-	-	-	-	-	-	300,114	300,114	-	300,114
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	388,567	388,567	(202)	388,365
Total comprehensive income (loss) for the periods	-	-	-	-	-	-	-	(934,816)	-	688,681	(246,135)	(511)	(246,646)
Transactions in stock and restricted shares option plans:													
Provision for stock and restricted shares option plans	24	-	-	-	2,265	-	-	-	-	-	2,265	-	2,265
Exercise of stock and restricted shares option plans	24	-	80,460	-	(102,589)	-	1,439	-	-	-	(20,690)	-	(20,690)
Income tax on shares option plans		-	-	-	(3,532)	-	-	-	-	-	(3,532)	-	(3,532)
Transfer of grant plans to labor obligations due to the conversion of ADRs into Phantom shares		-	-	-	(34,423)	-	-	-	-	-	(34,423)	-	(34,423)
Additional dividends from fiscal year 2023		-	-	-	-	-	(685,190)	-	-	-	(685,190)	-	(685,190)
Interest on equity		-	-	-	-	-	(44,854)	-	-	-	(44,854)	-	(44,854)
BALANCES AS OF MARCH 31, 2024													
	12,484,515	(83,776)	9,894,936	362,059	163,293	-	51,703	(934,816)	616,475	(483,709)	22,070,680	16,715	22,087,395
*The accompanying notes are an integral part of the Interim Accounting Information.													

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NATURA &CO HOLDING S.A.

STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		03/2024	03/2023	03/2024	03/2023
CASH FLOW FROM OPERATING ACTIVITIES					
Loss for the periods		(934,816)	(652,428)	(935,126)	(652,154)
Adjustments to reconcile loss for the periods with net cash generated by (used in)					
Depreciation and amortization	16, 17 and 18	103	727	392,190	416,032
Interest and exchange variation on short-term investments	29	(4,581)	(408)	(24,498)	(190,733)
Loss from swap and forward derivative contracts	5	-	-	9,509	365,861
Increase (reversion) of provision for tax, civil and labor risks	22	-	-	49,673	(20,529)
Monetary adjustment of judicial deposits	12	-	-	(6,634)	(8,053)
Monetary adjustment of provision for tax, civil and labor risks	22	24	21	15,243	15,854
Income tax and social contribution		36,708	1,204	237,073	122,224
Income from sale and write-off of property, plant and equipment and intangible	13, 16 and 17	10	-	43,441	32,169
Share of profits (losses) from subsidiaries	15	856,228	514,322	-	-
Interest and exchange rate variation on leases	18	26	23	43,346	33,750
Interest and exchange rate variation on borrowings, financing and debentures, net	19	-	-	114,182	109,254
Adjustment and exchange rate variation on other assets and liabilities		-	(92)	-	741
Provision (reversal) for losses on property, plant and equipment, intangible assets and	30	-	-	46,664	-
Provision for impairment	30	-	-	-	(31,076)
Increase (reversion) of provision for stock option plans		(19,865)	39,438	(21,957)	(15,232)
Provision for losses with trade accounts receivables, net of reversals	8	-	-	235,884	215,798
Provision for inventory losses, net of reversals	9	-	-	91,575	145,658
Provision for carbon credits		-	-	12,240	(7,210)
Effect from hyperinflationary economy		-	-	223,534	95,395
		(66,163)	(97,193)	526,339	627,149
DECREASE (INCREASE) IN ASSETS					
Trade accounts receivable and related parties		206,917	368	(385,092)	(235,393)
Inventories		-	-	(677,574)	(502,346)
Recoverable taxes		(8,201)	-	(9,250)	(98,874)
Other assets		614	4,633	(219,081)	(59,012)
Subtotal		199,330	5,001	(1,290,997)	(895,625)
INCREASE (DECREASE) IN LIABILITIES					
Domestic and foreign trade accounts payable and related parties		(134,927)	(4,861)	(7,920)	(485,095)
Payroll, profit sharing and social charges, net		(7,285)	(33,352)	74,269	(86,482)
Tax liabilities		(54,617)	90	(20,481)	32,023
Other liabilities		(27,847)	(38,462)	(210,814)	(58,385)
Subtotal		(224,676)	(76,585)	(164,946)	(597,939)
CASH GENERATED BY (USED IN) OPERATING ACTIVITIES		(91,509)	(168,777)	(929,604)	(865,815)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES					
Payment of income tax and social contribution		-	(221)	(141,080)	(124,632)
Release of judicial deposits net of withdrawals	12 and 22	-	-	13,422	7,011
Payments related to tax, civil and labor lawsuits	22	-	-	(34,725)	(11,161)
Payments due to settlement of derivative transactions		-	-	(38,308)	(90,185)
Payment of interest on lease	18	(26)	(23)	(42,682)	(31,571)
Payment of interest on borrowings, financing and debentures	19	-	-	(164,310)	(200,405)
Operating Activities - discontinued operations		-	140,334	(386,668)	(267,796)
CASH GENERATED BY (USED IN) OPERATING ACTIVITIES		(91,536)	(28,687)	(1,723,955)	(1,584,554)
CASH FLOW FROM INVESTING ACTIVITIES					
Additions of property, plant and equipment and intangible		-	80	(119,879)	(218,544)
Proceeds from sale of property, plant and equipment and intangible		-	-	-	1,389
Short-term acquisition		(381,441)	(2,500)	(6,926,823)	(2,087,377)
Redemption of short-term investments		1,827,790	23,359	9,194,046	2,306,522
Redemption of interest on short-term investments		(7,757)	2,363	114,859	50,143
Capital increase in subsidiaries	15	(1,347,077)	(150,000)	-	-
Receipt of dividends from subsidiaries	15	-	150,000	-	-
Investing activities - discontinued operations		-	-	-	(83,064)
CASH (GENERATED BY) USED IN INVESTING ACTIVITIES		91,515	23,302	2,262,203	(30,931)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of lease - principal	18	(109)	(51)	(114,541)	(86,428)
Repayment of borrowings, financing and debentures - principal	19	-	-	(25,941)	(86,250)
New borrowings, financing, and debentures	19	-	-	28,933	5,908
Acquisition of treasury shares, net of receipt of option strike price		-	-	-	-
Payment of dividends and interest on equity		-	(15)	-	(15)
Receipt (payment) of funds due to settlement of derivative transactions		-	-	(56,487)	(7,348)
Capital increase		-	54	-	54
Financing activities - discontinued operations		-	-	-	(167,569)
NET CASH USED IN FINANCING ACTIVITIES		(109)	(12)	(168,036)	(341,648)
Effect of exchange rate variation on cash and cash equivalents		-	-	69,488	(14,077)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(129)	(5,397)	439,700	(1,971,210)
Opening balance of cash and cash equivalents		1,079	5,566	3,750,944	4,195,713
Closing balance of cash and cash equivalents		950	169	4,190,644	2,224,503
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(129)	(5,397)	439,700	(1,971,210)

*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, 2024 AND 2023
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		03/2024	03/2023	03/2024	03/2023
INCOME		(473)	-	7,443,346	7,912,960
Sale of goods, products and services		-	-	7,911,285	8,250,853
Provision for doubtful accounts, net of reversals	8	-	-	(235,884)	(215,640)
Other operating expenses, net		(473)	-	(232,055)	(122,253)
GOODS ACQUIRED FROM THIRD PARTIES		(31,574)	(8,559)	(5,029,481)	(4,979,680)
Cost of products sold and services rendered		-	-	(2,806,231)	(2,768,004)
Materials, electricity, outsourced services and other		(31,574)	(8,559)	(2,176,586)	(2,211,676)
Impairment		-	-	(46,664)	-
GROSS VALUE ADDED		(32,047)	(8,559)	2,413,865	2,933,280
RETENTIONS		370	(727)	(345,254)	(376,350)
Depreciation and amortization	16, 17 e 18	370	(727)	(345,254)	(376,350)
VALUE ADDED PRODUCED BY THE COMPANY		(31,677)	(9,286)	2,068,611	2,556,930
TRANSFERRED VALUE ADDED		(850,446)	(652,503)	184,503	306,989
Equity in subsidiaries	15	(856,228)	(654,656)	-	-
Financial income - including inflation adjustments and exchange rate variation	29	5,782	2,153	184,503	306,989
TOTAL VALUE ADDED TO DISTRIBUTE - DISCONTINUED OPERATIONS		(882,123)	(661,789)	2,253,114	2,863,919
TOTAL VALUE ADDED TO DISTRIBUTE - DISCONTINUED OPERATIONS		(7,394)	-	(492,073)	(255,957)
TOTAL VALUE ADDED TO DISTRIBUTE		(889,517)	(661,789)	1,761,041	2,607,962
TOTAL DISTRIBUTION OF VALUE ADDED		(889,517)	(661,789)	1,761,040	2,607,962
DISTRIBUTION OF VALUE ADDED - DISCONTINUED OPERATIONS		(889,517)	(661,789)	1,761,040	2,607,962
Payroll and social charges	28	5,697	(10,463)	1,067,330	1,197,996
Payroll and social charges		5,276	(14,164)	812,946	919,860
Benefits		244	3,550	153,568	152,834
FGTS		177	151	100,816	125,302
Taxes, fees and contributions		38,384	1,204	1,076,473	1,284,326
Federal		38,384	1,204	(246,482)	(82,063)
State		-	-	1,322,849	1,366,038
Municipal		-	-	105	351
Thrd-part capital remuneration		1,218	(102)	552,364	777,793
Interest		1,218	(102)	545,718	767,139
Rentals		-	-	6,646	10,654
Equity remuneration		(934,816)	(652,428)	(935,126)	(652,154)
Losses for the year / retained profits		(934,816)	(652,428)	(935,126)	(652,154)

*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, 2024

(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, as a partner or shareholder, 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. 1188, Vila Jaguará, CEP 05106-000. Natura &Co and its subsidiaries are hereinafter referred to as the "Company". In addition, Natura &Co traded American Depositary Receipts (ADRs) on the New York Stock Exchange (NYSE) under the ticker "NTCO", however, on January 18, 2024, the Company's management approved the delisting from the NYSE, which is in line with its long-term strategy of simplifying its operations.

The brands under the Company's management include "Natura" and "Avon". In addition to using the retail, e-commerce, business-to-business (B2B) and franchise markets as product sales channels, its subsidiaries stand out for their direct sales channel, carried out mainly by consultants.

1.1 Sale of the former subsidiaries Aesop and The Body Shop

As disclosed in the financial statements for the year ended December 31, 2023, in that year the Company concluded the sale of the former subsidiaries Natura Brazil Pty Ltd. (hereinafter referred to as "Aesop") and Natura International B.V. (hereinafter referred to as "The Body Shop"). The respective accounting effects associated with sales were presented in the financial statements for that year and did not impact the comparative period of March 31, 2023, presented in this interim accounting information.

The respective results of discontinued operations for the three-month periods ended March 31, 2024 and 2023 are presented in explanatory note no. 36.

Additionally, the Company restated the balances of the income statement, statement of cash flows and corresponding explanatory notes for the period ended March 31, 2023, so that the disclosures relate to the operations that were discontinued on that balance sheet date for the last period presented.

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, 2024, 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") and equivalent to International Accounting Standard ("IAS") 34 - Interim Financial Reporting.

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

The individual and consolidated interim accounting information was approved by the Board of Directors and authorized for issuance at a meeting held on May 9th, 2024.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

The accounting information, individual and consolidated, was prepared based on historical cost, except for items measured at fair value as a contra entry to profit or loss, which include (i) derivative financial instruments; (ii) contingent consideration arising from the sale of the former subsidiary The Body Shop; (iii) other financial investments; and (iv) financial liabilities designated as fair value hedge objects.

The individual and consolidated interim accounting information is expressed in thousands of Reais ("R\$"), rounded to the nearest thousand, disclosures of amounts in other currencies, when necessary, are also made in thousands. Items published in other currencies are duly identified, where applicable.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of this individual and consolidated interim accounting information are consistent with those applied and disclosed in explanatory note no. 3 of the Company's audited individual and consolidated financial statements for the year ended December 31, 2023, issued on March 11, 2024, as well as those applied for the three-month comparative period ending March 31, 2023, except for standards and changes effective from January 1, 2024

Among these changes effective from January 1, 2024, we highlight the changes to CPC 26 (R1) – Non-current liabilities with restrictive clauses ("covenants"), equivalent to IAS 1, CPC 06 (R2) – Lease liabilities and leaseback ("leaseback"), equivalent to International Financial Reporting Standard ("IFRS") 16, and CPC 40 (R1) and CPC 03 (R2) – Supplier financing agreements ("reverse factoring operations"), equivalent to IFRS 7 and IAS 7, respectively, which were considered in the preparation of this interim, individual and consolidated accounting information, with, however, no effects on the nature and detail of the information.

This individual and consolidated interim accounting information must be read together with the individual and consolidated financial statements for the year ended December 31, 2023.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The areas that require a higher level of judgment and are more complex, as well as the areas in which assumptions and estimates are material to the interim accounting information were presented in the Company's individual and consolidated financial statements for the year ended December 31, 2023, in explanatory note no. 4.

The estimates and assumptions used in the preparation of the interim, individual and consolidated accounting information for the three-month period ended March 31, 2024 have not changed significantly compared with the estimates and assumptions as of December 31, 2023.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

5. FINANCIAL RISK MANAGEMENT

The information regarding the general considerations and policies was presented in explanatory note no. 5.1 of the Company's individual and consolidated financial statements for the year ended December 31, 2023, and there are no changes for the three-month period ended March 31, 2024.

The Company continues to monitor developments in the conflict between Russia and Ukraine to assess any possible future impacts that may arise because of the ongoing crisis, including the reduction in recoverable value of financial and non-financial assets, which the Company's Management assesses based on the best available information. At the date of this interim accounting information, individual and consolidated, the effects of the conflict on the equity and financial position and performance of operations were not material.

5.1 Market risks and hedge accounting

The Company classifies derivative financial instruments as financial derivatives and operational derivatives. Financial derivatives include swaps or forwards used to hedge exchange rate or interest rate risks related to loans, financing, debt securities and loans between related parties. Operational derivatives include forward contracts used to hedge the exchange rate risk of the Company's operational activities (such as import and export transactions).

As of March 31, 2024 and December 31, 2023, derivative contracts are maintained directly with financial institutions and not through stock exchanges and are not subject to margin deposits to guarantee these operations.

Consolidated	Fair value		Fair value adjustment gain (loss)	
Description	March 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
Swap contracts: ^(a)				
Asset portion:				
IPCA long position	854,600	876,664	(2,982)	19,457
Liability portion:				
Post-fixed CDI rate:				
Short position on CDI	(797,831)	(824,344)	-	-
NDF and forward contracts:				
Liability portion:				
Post-fixed CDI rate:				
Natura Cosméticos Position	(3,610)	(5,878)	(707)	(2,090)
Natura Indústria Position	(12,928)	(28,856)	(12,928)	(28,856)
Natura Mexico (Latam) Position	369	320	89	151
Avon Industrial Position	(883)	(3,702)	(883)	(3,702)
Avon Internacional Position	9,374	(43,248)	(22,363)	(28,633)
Natura Luxembourg Position	(2,469)	(22,182)	(644)	180
Total derivative financial instruments, net:	46,622	(51,226)	(40,418)	(43,493)

a) Swap operations consist of exchanging exchange rate variation for a correction related to a percentage of the variation in Interbank Deposit Certificates (post-fixed CDI), in the case of Brazil.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

Below are the changes in net derivatives balances for the three-month period ended March 31, 2024, and for the year ended December 31, 2023:

	Consolidated
Balance as of December 31, 2022	(796,877)
Effect arising from "swap" and "forward" derivative transaction contracts (not realized)	(365,861)
Payment of funds due to settlement of derivatives – operational activity	90,185
Collection of funds due to settlements of derivatives – financing activity	7,348
Losses in cash flow hedge operations (other comprehensive income)	(7,324)
Balance as of March 31, 2023	(1,072,529)
Balance as of December 31, 2023	(51,226)
Losses from swap and forward derivative contracts in the result of the period	(9,509)
Payment of funds due to settlement of derivative transactions - operational activity	38,308
Payment of funds due to settlements of derivatives transactions - financing activity	56,487
Gains in cash flow hedge operations (other comprehensive income)	20,211
Other movements	(7,649)
Balance as of March 31, 2024	46,622

The Company carries out the formal designation for hedge accounting of certain financial and operational derivatives described above in accordance with the Company's risk management policy. The fair value of derivatives designated for cash flow and fair value hedge accounting, as well as gains and losses for the three-month period ended March 31, 2024 are presented below (consolidated interim accounting information):

				Other comprehensive income	
				Accumulated gains (losses)	Gains (losses) for the three-month period
Currency swap – US\$/R\$ - Natura Cosméticos	Currency and interest rate	BRL	(3,936)	(914)	1,176
Forward agreements (Avon industrial)	Currency	BRL	(883)	(883)	2,819
Forward agreements (Natura Dist. Mexico)	Currency	BRL	369	89	(250)
Forward agreements (Natura Industria)	Currency	BRL	(5,759)	(5,759)	15,738
Forward agreements (Avon International)	Currency	BRL	8,300	6,479	6,478
Total			(1,909)	(988)	25,961

The movement in hedge reserves recorded in other comprehensive income is shown below:

	Consolidated
Cash flow hedge balance on December 31, 2022	(498,578)
Change in the fair value recognized in OCI	(7,324)
Tax effects on the fair value of the hedging instrument	1,341
Cash flow hedge balance on March 31, 2023	(504,561)
Balance as of December 31, 2023	(3,880)
Change in the fair value recognized in OCI	25,961
Tax effects on the fair value of the hedging instrument	(5,750)
Cash flow hedge balance on March 31, 2024	16,331

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

5.2 Fair value estimate

The Company's financial assets and liabilities substantially comprise assets and liabilities classified at level 2 of the fair value measurement hierarchy, whose assessment is based on techniques that, in addition to the quoted prices included at level 1, use other information adopted by the direct market (such as prices) or indirectly (such as driven by prices). When measuring, the carrying value represents a reasonable approximation of the fair value, as described below:

- (i) the balances of cash and cash equivalents, trade accounts receivable, accounts payable to suppliers and other current liabilities are equivalent to their carrying amounts, mainly due to the short-term maturities of these instruments;
- (ii) the balances of the short-term investments: a) measured at amortized cost approximate their fair values as a result of the transactions to be conducted at floating interest rates; and b) measured at fair value through profit or loss are 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) except for the real estate receivables certificates, which are measured at fair value due to the designation as fair value hedge accounting, 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.

The fair value of the investment in the Fundo Dynamo Beauty Ventures Ltda. ("DBV Fund"), classified at level 3 of the fair value hierarchy is calculated based on information on the net value of the investment in the Fund (NAV) calculated by the Fund's manager based on valuation assumptions consistent with the accounting practices adopted in Brazil and IFRS, adjusted to reflect the fair value assumptions applicable to the nature of the Company's investment. The Company's valuation considers inputs not observable in the model, to reflect the contractual restrictions on this investment for early redemption of the security in the market. The significant unobservable inputs used in the fair value estimate reflect a discount due to the lack of liquidity of the security, which represent the values that the Company determined that market agents would consider for these discounts when defining the investment price.

As part of the sales contract with the acquirer of the former subsidiary The Body Shop, a contingent consideration was agreed, stipulating additional cash payments to the Company of up to £30,000 in 2025 and £60,000 in 2026, if certain performance measures are achieved by the operation of The Body Shop in fiscal years 2024 and 2025.

Based on the Company's Management's analysis and information available as of December 31, 2023, there were no indications or other evidence as of that date that the performance measures associated with such accounts receivable would not be achieved.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

During the year 2024, information became public that under the guidance of its new controllers, the former subsidiary The Body Shop had filed for judicial recovery in the United Kingdom, covering operations in that country in the request. Receiving this information led the Company's management to assess whether such an event after the balance sheet date would affect the financial statements.

However, in April 2024, when the joint administrators of The Body Shop issued their proposals for the administration, such proposal contained information that affect the fair value assessment of the receivable.

Based on these facts and circumstances, the Company's Management assessed that the information that supported the measurement of the fair value of these receivables on December 31, 2023 may no longer be considered reliable for the purposes of determining the current fair value of the receivable. Therefore, although it is not necessary to make any adjustments to the financial statements for the year ended December 31, 2023, the entire contingent consideration recorded was provisioned for loss on March 31, 2024, with the respective impact affecting the income statement, in line with discontinued operations worth approximately R\$330 million (net of income tax).

Regarding the deferred fixed consideration owed by the acquirer (Aurelius Group) the Company did not identify signs that the counterparty's credit risk would have increased significantly to the point of requiring the recognition of expected credit losses on December 31, 2023.

The Company's Management continues to monitor the evolution of the operations of the former subsidiary The Body Shop to assess whether they affect the fair value of the receivable and give rise to accounting adjustments in the financial statements of future periods.

There was no transfer between measurement levels in the fair value hierarchy in the three-month periods ended March 31, 2024 and 2023 for these assets and liabilities.

Additionally, during the three-month period, there were no material effects on the fair value of financial assets and liabilities as a result of an 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 assessment.

6. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Cash and bank deposits	950	1,079	2,569,269	2,113,566
Certificate of bank deposits	-	-	399,962	203,561
Repurchase operations ^(a)	-	-	1,221,413	1,433,817
	950	1,079	4,190,644	3,750,944

- a) Repurchase operations are securities issued by banks with the commitment of repurchasing the securities by the issuing banks themselves, and resale by the client, with defined rates, pre-determined terms, backed by private or public securities depending on the banks' availability and are registered at the Securities Custody and Financial Settlement Center ("CETIP"). These applications are highly liquid with a redemption period of up to 90 days. Repurchase agreements are short-term and highly liquid investments. As of March 31, 2024 and December 31, 2023, repurchase operations are remunerated at an average rate of 100% of the CDI.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

7. SHORT-TERM INVESTMENTS

	Parent		Consolidated	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Exclusive Investment fund ^(a)	145,888	1,579,899	-	-
Mutual investment funds ^(b)	-	-	488,534	2,329,118
Treasury bills ^(c)	-	-	416,989	392,253
Government securities (LFT) ^(d)	-	-	731,281	1,272,445
Dynamo Beauty Ventures Ltd, Fund	-	-	37,781	36,698
Restricted cash	-	-	28,567	30,240
	145,888	1,579,899	1,703,152	4,060,754
Current	145,888	1,579,899	1,665,371	4,024,056
Non-current	-	-	37,781	36,698

- a) The Company concentrates part of its investments in an exclusive investment fund, which holds shares in the Essential Investment Fund.

The values of the shares held by the Company are presented under the heading "Exclusive Investment Fund" in 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 Instituto Natura's share, and the values of its portfolio were segregated by type of investment and classified as equivalent to cash and securities, based on the accounting practices adopted by the Company. For consolidated presentation purposes, the balance of exclusive investment funds, as well as the positions of other subsidiaries, are presented according to the financial component.

On March 31, 2024, the Crer Para Ver line represented R\$77,503 (R\$94,322 on December 31, 2023) in the Exclusive Investment Fund.

- b) Mutual investment funds refer to the financial investments of some of the Company's subsidiaries, which are concentrated in the Company's entities in Argentina, Chile, Colombia, and Mexico.
- c) As of March 31, 2024, investments in Financial Letters are remunerated at an average rate of 109.84% of the CDI (108.15% as of December 31, 2023).
- d) On March 31, 2024, investments in Public Securities (LFT) are remunerated at an average rate of 100.73% of the CDI (100.75% of the CDI on December 31, 2023).

The composition of the securities that make up the portfolio of the Essential Investment Fund, in which the Company holds 100% interest, as of March 31, 2024 and December 31, 2023, is as follows:

	Consolidated	
	March 31, 2024	December 31, 2023
Certificate of bank deposits	716	644
Repurchase operations (cash and cash equivalents)	1,221,126	1,433,487
Treasury bills	416,990	392,253
Government securities (LFT)	731,281	1,272,445
	2,370,113	3,098,829

These amounts are consolidated with the Company's other investments of the same nature 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, 2024

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

8. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	March 31, 2024	December 31, 2023
Trade accounts receivable	4,183,745	3,893,880
(-) Expected credit losses	(484,887)	(369,485)
	3,698,858	3,524,395

Maximum exposure to credit risk on the date of the interim financial statements is the carrying amount of each maturity date range, net of the expected credit losses. The following table shows trade accounts receivable by exposure to the allowance for expected credit losses as of March 31, 2024 and December 31, 2023:

	Consolidated			
	March 31, 2024		December 31, 2023	
	Trade accounts receivable	Expected credit losses ^(a)	Trade accounts receivable	Expected credit losses
Current	3,411,346	(170,141)	3,150,046	(111,784)
Past due:				
Up to 31 days	301,902	(43,575)	348,851	(48,397)
From 31 to 60 days	119,601	(53,750)	89,271	(32,502)
From 61 to 90 days	126,667	(78,834)	66,496	(31,128)
From 91 to 180 days	178,275	(95,482)	197,438	(104,463)
Over 180 days	45,954	(43,105)	41,778	(41,211)
	4,183,745	(484,887)	3,893,880	(369,485)

a) Based on the fact that the former subsidiary The Body Shop filed for administration in the United Kingdom in 2024 (mentioned in explanatory note no. 5.2), the Company determined that there was a significant increase in credit risk, which requires the recognition of recoverability losses of receivables worth approximately R\$92 million.

The changes for expected credit losses for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Consolidated
Balance as of December 31, 2022	(431,151)
Transfer to non-current assets held for sale	1,527
Additions, net of reversals	(215,640)
Write-offs ^(a)	173,455
Translation adjustment	54,347
Balance as of March 31, 2023	(417,462)
Balance as of December 31, 2023	(369,485)
Additions, net of reversals	(235,884)
Write-offs ^(a)	125,851
Translation adjustment	(5,369)
Balance as of March 31, 2024	(484,887)

a) Refers to securities overdue for more than 180 days that are written off when the Company has no expectation of recovery of accounts receivable from customers and sales of the customer portfolio.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

9. INVENTORIES

	Consolidated	
	March 31, 2024	December 31, 2023
Finished products	2,890,457	2,390,999
Raw materials and packaging	996,442	882,514
Auxiliary materials	264,914	224,370
Products in progress	56,962	41,604
(-) Inventory losses	(499,269)	(452,092)
	3,709,506	3,087,395

The movement for losses on inventory realization for the three-month periods ended March 31, 2024 and 2023 is represented as follows:

	Consolidated
Balance as of December 31, 2022	(491,959)
Transfer to non-current assets held for sale	4,890
Additions, net of reversals ^(a)	(150,594)
Write-offs ^(b)	95,228
Translation adjustment	4,797
Balance as of March 31, 2023	(537,638)
Balance as of December 31, 2023	(452,092)
Additions, net of reversals ^(a)	(91,575)
Write-offs ^(b)	83,805
Translation adjustment	(39,407)
Balance as of March 31, 2024	(499,269)

- a) This refers to the recognition of the 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 losses had already been registered, where the Company has no expectation of sales/recoverability.

10. RECOVERABLE TAXES

	Consolidated	
	March 31, 2024	December 31, 2023
ICMS on purchase of goods ^(a)	525,778	561,224
Taxes on purchase of goods – foreign subsidiaries	245,539	214,699
ICMS on acquisition of fixed assets	14,677	15,912
PIS/COFINS on acquisition of fixed assets and acquisition of inputs ^(b)	647,262	620,631
Tax on Industrialized Products – IPI ^(c)	133,622	127,127
Other	170,705	181,344
	1,737,583	1,720,937
Current	705,762	608,530
Non-current	1,031,821	1,112,407

- a) Tax credits referring to the tax on the circulation of goods, interstate and intercity transport and communication services (ICMS) were generated mainly by purchases, whose tax rate is higher than the average sales. The Company expects to realize these credits in the normal course of operations through offsetting with sales operations in the domestic market.
- b) Accumulated PIS and COFINS tax credits basically arise from credits on purchases of raw materials used in production and acquisition of fixed assets, as well as credits arising from the exclusion of ICMS from the PIS/COFINS calculation base. The realization of these credits normally occurs through offsetting with sales operations in the domestic market.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

- c) The balance will be used to offset IPI (Tax on Industrialized Products) payable in future operations of the Company.

11. INCOME TAX AND SOCIAL CONTRIBUTION

The effective rate calculated by the Company in the three-month period ended on March 31, 2024 was negative 115.10%. This percentage is based on the pre-tax loss of R\$205,980 and the income tax expense of R\$237,073. The main components that cause the effective rate to deviate from the nominal income tax rate of 34% are the mix of results before taxes by country, tax losses that could not be benefited by the respective deferred tax, differences in nominal tax rates of income tax for subsidiaries abroad and various permanent tax effects in local jurisdictions that increase the respective tax obligations, including withholding taxes arising from transactions between group companies that could not be benefited. Otherwise, important permanent tax benefits, such as investment subsidies and other incentives, contribute positively to providing reductions in tax obligations and the composition of the rate.

The effective rate calculated by the Company in the three-month period ended March 31, 2023 was negative 44.61%. This percentage is based on the pre-tax loss of R\$273,975 and the income tax expense of R\$122,222. The main components that cause the effective rate to deviate from the nominal income tax rate of 34% are the mix of results before taxes by country, the tax losses that could not be benefited by the respective deferred income tax and the differences in nominal income tax rates for subsidiaries abroad, in addition to important permanent tax benefits, such as investment subsidies and other incentives.

The movement of deferred income tax and social contribution assets and liabilities for the three-month periods ended March 31, 2024 and 2023 is represented as follows:

	Parent	Consolidated	
	Assets	Assets	Liabilities
Balance as of December 31, 2022	150,167	3,519,515	(934,414)
Effect on income statement	(1,204)	122,160	32,967
Transfer between deferred income tax and social contribution liabilities and assets	-	7,612	(7,612)
Transfer to assets held for sale	-	(155,309)	24,933
Reserve for grant of options and restricted shares	-	(10,730)	767
Effect other comprehensive income	-	1,341	-
Translation adjustment	-	(21,841)	4,205
Balance as of March 31, 2023	148,963	3,462,748	(879,154)
Balance as of December 31, 2023	47,948	2,200,695	(328,090)
Effect on income statement	(31,245)	1,446	(27,038)
Transfer between deferred income tax and social contribution liabilities and assets	-	6,654	(6,654)
Write-off associated with discontinued operation	-	169,511	-
Reserve for granting options and restricted shares	10,426	21,321	(4)
Effect other comprehensive income	-	(5,750)	-
Translation adjustment	-	27,500	662
Balance as of March 31, 2024	27,129	2,421,377	(361,124)

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

The Company considered the effective tax rate projections including the effects of continued and discontinued operations when determining the tax effects applicable to the three-month period ended March 31, 2024.

Management monitors the performance of all its entities and evaluates whether deferred income tax assets can be realized from four sources of use: potential tax loss offset, reversal of taxable temporary differences, tax planning opportunities (which can include corporate movements) and projection of future taxable profits. The Company does not have a record of deferred income tax assets that cannot be supported by one or more of these sources of realization.

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 maintained by the Company on March 31, 2024 and December 31, 2023 are represented as follows:

	Consolidated	
	March 31, 2024	December 31, 2023
Unaccrued tax proceedings ^{a)}	224,522	228,331
Accrued tax proceedings	139,945	154,077
Unaccrued civil proceedings	4,605	5,462
Accrued civil proceedings	84	1,453
Unaccrued labor proceedings	12,239	10,018
Accrued labor proceedings	822	8,689
Total judicial deposits	382,217	408,030

a) The tax proceedings related to these judicial deposits refer, substantially, to ICMS-ST.

Changes in judicial deposits balances for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Consolidated
Balance as of December 31, 2022	457,550
New deposits	7,011
Redemptions in favor of the Company	(14,022)
Monetary correction	8,053
Application in cases settled	(46,685)
Translation adjustment	(81)
Balance as of March 31, 2023	411,826
Balance as of December 31, 2023	408,030
New deposits	4,302
Redemptions in favor of the Company	(17,724)
Monetary correction	6,634
Application in cases settled	(19,025)
Balance as of March 31, 2024	382,217

In addition to judicial deposits, the Company has guarantee insurance policies and letters of guarantee for some legal proceedings.

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

13. NON-CURRENT ASSETS HELD FOR SALE

Below is the balance movement for the three-month periods ending March 31, 2024 and 2023:

	Consolidated
Balance as of December 31, 2022	51
Transfers of assets held for sale ^(a)	2,582,455
Balance as of March 31, 2023	2,582,506
Balance as of December 31, 2023	-
Other transfers ^(b)	139,577
Impairment ^(c)	(46,664)
Balance as of March 31, 2024	92,913

- a) These transfers include the value of the assets of the former subsidiary Aesop, the sale of which was assessed as highly probable in the quarter ended March 31, 2023. The interest in said entity was sold during the quarter ended September 30, 2023.
- b) The other transfers include properties of the subsidiary Avon, located in the United Kingdom.
- c) Reflects the recognition of loss due to reduction in the recoverable value of properties of the subsidiary Avon, located in the United Kingdom, transferred to non-current assets held for sale and, being tested for impairment purposes upon transfer and consequent measurement at the lower of fair value deducted from selling costs and previous book value.

Further details about the sale of the former subsidiary Aesop, as well as the results of discontinued operations for the three-month period ending March 31, 2024 and 2023 are presented in explanatory note no. 36.

14. OTHER CURRENT AND NON-CURRENT ASSETS

	Parent		Consolidated	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Marketing and advertising advances ^(a)	-	-	157,343	43,150
Supplier advances	-	308	229,105	203,193
Employee advances	-	64	10,343	19,297
Rent advances and guarantee deposit ^(b)	-	-	15,409	20,284
Advance insurance expenses	9,342	14,013	98,292	110,355
Overfunded pension plan ^(c)	-	-	750,052	723,130
Customs broker advances - Import taxes	-	-	53,376	43,316
Sublease receivables ^(d)	-	-	159,363	180,440
Carbon credits	-	-	15,168	13,970
Receivables from service providers ^(e)	-	-	119,372	109,639
Other	126	1,160	191,894	165,332
	9,468	15,545	1,799,717	1,632,106
Current	9,468	15,545	778,235	604,427
Non-current	-	-	1,021,482	1,027,679

- a) Refers to marketing actions advances, including for the TV marketing campaign for 2024.
- b) Substantially refers to (i) advances on rental contracts that were not included in the initial measurement of the lease liability / right of use of the subsidiary Avon, in accordance with the exemptions provided for in CPC 06 (R2) / (IFRS 16).
- c) Pension plan arising from the acquisition of Avon. The variation in the balance refers to the revision in mortality tables offset by the impact of exchange rate variation due to the appreciation of the real.
- d) Refers to the sublease receivable for the office that the subsidiary Avon has in New York.
- e) Refers to receivables mainly arising from cargo damage that occurred with transport companies and insurance companies.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

15. INVESTMENTS

Investments in subsidiaries, net of losses

Parent	
March 31, 2024	December 31, 2023
23,117,981	22,056,486

Information and changes in the balances for the three-month period ended March 31, 2024 and 2023 are as follows:

	March 31, 2024			
	Natura Cosméticos S.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)	9,469,613	(8,905,714)	7,635,636	8,199,535
Shareholders' equity interest (unsecured liabilities)	9,469,613	(8,905,714)	7,635,636	8,199,535
Fair value adjustment of acquired assets and liabilities	119,365	3,085,697	244,822	3,449,884
Goodwill	4,909,868	3,708,631	2,850,063	11,468,562
Total	14,498,846	(2,111,386)	10,730,521	23,117,981
Balance as of December 31, 2023	14,230,563	(1,108,081)	8,934,004	22,056,486
Share of profit (loss) of equity investees	(63,439)	(701,789)	147,078	(618,150)
Share of profit (loss) of equity investees of assets arising from business combination	(51,498)	(178,375)	(8,205)	(238,078)
Translation adjustment	26,994	(107,164)	147,823	67,653
Translation adjustment from equity investees from business combination	(12,948)	170,214	162,744	320,010
Unrealized losses on translation adjustment - OCI	-	(12,602)	-	(12,602)
Effect of hyperinflationary economy adjustment	271,940	28,174	-	300,114
Contribution by the controlling company for purchase option plans granted to executive officers of the subsidiaries and other reserves net	19,988	(32,506)	-	(12,518)
Hedge accounting net of taxes	13,732	6,479	-	20,211
Dividends and INE	(105,517)	-	-	(105,517)
Actuarial losses of equity investees	(6,705)	-	-	(6,705)
Capital Increase	-	-	1,347,077	1,347,077
Business combination from common control entity	(108,851)	108,851	-	-
Goodwill from future profitability associated with transferred subsidiary (Avon Chile) ^(a)	284,587	(284,587)	-	-
Balance as of March 31, 2024	14,498,846	(2,111,386)	10,730,521	23,117,981

- a) During the three-month period ended March 31, 2024, the Company conducted restructuring transactions involving the transfer of Avon Chile between its subsidiaries. By carrying out this transfer, the Company consequently reallocated the goodwill balances arising from the acquisition of this operation (the underlying assets) which are responsible for the recovery of this associated goodwill from its continuing operations. This relocation did not change the Company's equity position or, total balance of investments or affect the net assets of the investees.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

	March 31, 2023			
	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)	6,076,517	(6,654,184)	5,803,478	5,225,811
Shareholders' equity interest (unsecured liabilities)	6,076,517	(6,654,184)	5,803,478	5,225,811
Fair value adjustment of acquired assets and liabilities	-	3,963,779	-	3,963,779
Tax benefit from income tax of subsidiaries	-	373,811	-	373,811
Goodwill	-	12,321,790	-	12,321,790
Total	6,076,517	10,005,196	5,803,478	21,885,191
Net Income (loss) for the period of subsidiaries	(12,158)	(661,204)	18,706	(654,656)
Balances as of December 31, 2022	5,992,009	10,500,599	5,722,812	22,215,420
Share of profit (loss) of equity investees	(12,158)	(661,204)	18,706	(654,656)
Translation adjustment	89,983	148,428	(88,042)	150,369
Capital increase / Investment by the Parent Company – Reserve	-	-	150,000	150,000
Effect of hyperinflationary economy adjustment	144,615	(750)	-	143,865
Contribution by the controlling company for purchase option plans granted to executive officers of the subsidiaries and other reserves net of tax effects	15,458	21,283	-	36,741
Hedge accounting net of tax effects	(2,818)	(3,165)	-	(5,983)
Distribution of dividends	(150,000)	-	-	(150,000)
Other impacts	(572)	5	2	(565)
Balance as of March 31, 2023	6,076,517	10,005,196	5,803,478	21,885,191

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

16. PROPERTY, PLANT AND EQUIPMENT

		Consolidated						
	Useful life range (In years)	December 31, 2023	Additions	Write-offs	Transfers	Transfer to asset held for sale	Translation adjustment	March 31, 2024
Cost:								
Vehicles	2 to 5	47,737	-	(405)	-	-	21,610	68,942
Tooling	3	211,026	-	-	-	-	107	211,133
Tools and accessories	3 to 20	181,730	1,403	(980)	-	-	8,533	190,686
Facilities	3 to 60	339,435	2	(85)	-	-	2,499	341,851
Machinery and accessories	3 to 15	2,200,219	1,115	(15,077)	6,169	(100,393)	185,955	2,277,988
Leasehold improvements	2 to 20	138,433	1,711	(4,419)	4,172	-	3,353	143,250
Buildings	14 to 60	1,130,440	1,617	-	7,135	(176,532)	113,922	1,076,582
Furniture and fixtures	2 to 25	158,826	1,357	(1,064)	2,434	(3,613)	6,518	164,458
Land	-	389,874	-	-	-	(16,554)	2,399	375,719
IT equipment	3 to 15	394,355	759	(1,057)	2,334	(4,532)	18,283	410,142
Other assets	-	25,460	-	-	-	(27)	788	26,221
Projects in progress	-	498,295	46,383	(9,686)	(22,168)	(421)	9,583	521,986
Total cost		5,715,830	54,347	(32,773)	76	(302,072)	373,550	5,808,958
Depreciation value:								
Vehicles		(22,887)	(1,942)	405	-	-	(8,788)	(33,212)
Tooling		(188,400)	(2,208)	-	-	-	(40)	(190,648)
Tools and accessories		(62,406)	(2,682)	518	-	-	(8,028)	(72,598)
Facilities		(207,339)	(3,944)	84	-	-	(1,812)	(213,011)
Machinery and accessories		(1,188,622)	(37,622)	11,074	(15)	73,188	(122,122)	(1,264,119)
Leasehold improvements		5,854	(8,874)	4,223	(59)	-	(2,720)	(1,576)
Buildings		(160,812)	(13,385)	-	-	81,398	(74,706)	(167,505)
Furniture and fixtures		(80,995)	(4,037)	963	(2)	3,429	(5,364)	(86,006)
IT equipment		(328,257)	(11,877)	946	-	4,532	(15,899)	(350,555)
Other assets		(24,392)	(184)	-	-	27	-	(24,549)
Total depreciation		(2,258,256)	(86,755)	18,213	(76)	162,574	(239,479)	(2,403,779)
Net total		3,457,574	(32,408)	(14,560)	-	(139,498)	134,071	3,405,179

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

		Consolidated						
	Useful life range (in years)	31/12/2022	Additions	Write-offs	Transfers	Transfer to asset held for sale	Translation adjustment	March 31, 2023
Cost:								
Vehicles	2 to 5	74,362	4,451	(1,085)	-	-	(8,385)	69,343
Tooling	3	204,177	-	-	-	-	20	204,197
Tools and accessories	3 to 20	175,452	3,114	-	209	-	94	178,869
Facilities	3 to 60	307,448	1,210	(138)	569	-	(1,002)	308,087
Machinery and accessories	3 to 15	2,272,136	11,997	(3,449)	33,802	(15,540)	(2,233)	2,296,713
Leasehold improvements	2 to 20	1,128,086	5,145	(13,702)	5,798	(580,932)	(6,865)	537,530
Buildings	14 to 60	1,916,939	3,313	(112)	(2,561)	-	(11,647)	1,905,932
Furniture and fixtures	2 to 25	674,062	4,955	(16,045)	3,690	(92,984)	(5,726)	567,952
Land	-	645,657	-	-	-	-	3,431	649,088
IT equipment	3 to 15	627,770	2,703	(5,526)	6,214	(51,233)	(8,332)	571,596
Other assets	-	26,230	-	-	-	-	146	26,376
Projects in progress	-	580,627	91,160	(23,715)	(46,529)	(38,819)	(9,916)	552,808
Total cost		8,632,946	128,048	(63,772)	1,192	(779,508)	(50,415)	7,868,491
Depreciation value:								
Vehicles		(38,070)	(4,894)	872	-	-	3,187	(38,905)
Tooling		(179,485)	(2,208)	-	-	-	(17)	(181,710)
Tools and accessories		(135,440)	(5,484)	-	-	-	(597)	(141,521)
Facilities		(201,307)	(4,139)	204	(22)	-	(3,320)	(208,584)
Machinery and accessories		(1,118,339)	(47,739)	4,034	(30)	7,766	(15,556)	(1,169,864)
Leasehold improvements		(626,431)	(2,024)	11,264	(251)	355,858	(7,510)	(269,094)
Buildings		(455,402)	(44,125)	404	-	-	6,425	(492,698)
Furniture and fixtures		(408,832)	(20,768)	14,908	(148)	62,215	5,344	(347,281)
IT equipment		(475,668)	(18,271)	5,112	(1,206)	30,294	6,029	(453,710)
Other assets		(27,822)	(149)	-	-	-	790	(27,181)
Total depreciation		(3,666,796)	(149,801)	36,798	(1,657)	456,133	(5,225)	(3,330,548)
Net total		4,966,150	(21,753)	(26,974)	(465)	(323,375)	(55,640)	4,537,943

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

17. INTANGIBLE ASSETS

		Consolidated					
	Useful life range (In years)	December 31, 2023	Additions	Write-offs	Transfers	Translation adjustment	March 31, 2024
Cost							
Software	2.5 to 10	2,104,028	65,532	(7,835)	(3,875)	81,442	2,239,292
Trademarks and patents (defined useful life)	20 to 25	618,385	-	-	-	19,786	638,171
Trademarks and patents (indefinite useful life)	-	2,350,528	-	-	-	58,624	2,409,152
Goodwill Avon	-	11,253,458	-	-	-	215,103	11,468,561
Goodwill Singu Stores aquisition	-	52,049	-	-	-	-	52,049
Relationship with retail clients	10	203	-	-	-	113	316
Relationship with franchisees and sub franchisees and sales representatives	14 to 15	1,928,421	-	-	-	30,130	1,958,551
Technology developed (by acquired subsidiary)	-	1,351,930	-	-	-	43,243	1,395,173
Other intangible assets and intangible under development	-	5,399	-	(1,448)	2,731	16	6,698
Total cost		19,664,401	65,532	(9,283)	(1,144)	448,457	20,167,963
Accumulated amortization:							
Software		(1,014,595)	(94,542)	7,134	2,358	(71,518)	(1,171,163)
Trademarks and patents		(123,677)	(7,908)	-	-	(4,026)	(135,611)
Relationship with retail clients		(202)	-	-	-	(114)	(316)
Relationship with franchisees and sub franchisees and sales representatives		(869,119)	(54,656)	-	-	(13,924)	(937,699)
Technology developed		(1,081,545)	(70,463)	-	-	(34,600)	(1,186,608)
Other intangible assets		(5,397)	-	1,448	(2,731)	691	(5,989)
Total accrued amortization		(3,094,535)	(227,569)	8,582	(373)	(123,491)	(3,437,386)
Net total		16,569,866	(162,037)	(701)	(1,517)	324,966	16,730,577

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

	Useful life range (In years)	Consolidated						March 31, 2023
		31/12/2022	Additions	Write-offs	Transfers	Transfer to asset held for sale	Translation adjustment	
Cost:								
Software	2.5 to 10	2,949,813	43,453	(1,508)	6,691	(96,956)	(37,649)	2,863,844
Trademarks and patents (defined useful life)	20 to 25	813,204	420	-	-	(139,869)	(17,952)	655,803
Trademarks and patents (indefinite useful life)	-	4,818,030	-	-	-	-	156,846	4,974,876
Goodwill Avon	-	12,307,865	-	-	-	-	13,925	12,321,790
Goodwill Emeis Brazil Pty Ltd.	-	124,315	-	-	-	(124,315)	-	-
Goodwill The Body Shop	-	1,645,527	-	-	-	-	78,166	1,723,693
Goodwill acquisition of The Body Shop stores	-	1,456	-	-	-	-	7	1,463
Relationship with retail clients	10	2,583	57	-	-	(2,255)	(58)	327
Key money (indefinite useful life)	-	22,313	390	-	-	-	(76)	22,627
Key money (defined useful life)	3 to 18	7,828	-	(1,575)	-	-	(56)	6,197
Relationship with franchisees and sub franchisees and sales representatives	14 to 15	2,676,563	-	(5,731)	-	-	(25,784)	2,645,048
Technology developed (by acquired subsidiary)	-	1,457,039	-	-	-	-	(38,341)	1,418,698
Other intangible assets and intangible under development	-	133,403	22,699	(401)	(5,102)	-	9,499	160,098
Total cost		26,959,939	67,019	(9,215)	1,589	(363,395)	138,527	26,794,464
Accumulated amortization:								
Software		(1,720,169)	(112,140)	1,061	(1,124)	75,819	38,077	(1,718,476)
Trademarks and patents		(169,620)	(8,715)	-	-	55,095	5,470	(117,770)
Relationship with retail clients		(10,103)	-	1,194	-	-	(1,284)	(10,193)
Key money		(2,968)	(57)	-	-	2,255	58	(712)
Relationship with franchisees and sub franchisees and sales representatives		(918,994)	(87,759)	-	-	-	28,350	(978,403)
Technology developed		(874,225)	(72,530)	-	-	-	24,599	(922,156)
Other intangible assets		(2,890)	(1,297)	-	-	-	(55)	(4,242)
Total accrued amortization		(3,698,969)	(282,498)	2,255	(1,124)	133,169	95,215	(3,751,952)
Net total		23,260,970	(215,479)	(6,960)	465	(230,226)	233,742	23,042,512

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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

		Consolidated					
	Useful life range (In years) ^(a)	December 31, 2023	Additions	Write-offs	Transfer to asset held for sale	Translation adjustment	March 31, 2024
Cost:							
Vehicles	3	159,169	10,020	(2,765)	-	7,634	174,058
Machinery and equipment	3 to 10	37,881	32	(657)	-	(130)	37,126
Buildings	3 to 10	1,500,669	31,418	(49,760)	-	28,389	1,510,716
IT equipment	10	23,145	976	(719)	-	15	23,417
Retail stores	3 to 10	146,994	11,843	(7,213)	-	70	151,694
Software	3 to 4	19,130	-	-	3,811	141	23,082
Total cost		1,886,988	54,289	(61,114)	3,811	36,119	1,920,093
Depreciation value:							
Vehicles		(76,487)	(12,757)	2,407	-	4,672	(82,165)
Machinery and equipment		(13,444)	(2,441)	657	-	(744)	(15,972)
Buildings		(627,752)	(54,285)	25,583	-	(26,615)	(683,069)
IT equipment		(18,603)	(1,096)	712	-	2,501	(16,486)
Retail stores		(90,939)	(5,592)	3,575	-	(181)	(93,137)
Software		(8,954)	(1,695)	-	(2,294)	(69)	(13,012)
Total accrued depreciation		(836,179)	(77,866)	32,934	(2,294)	(20,436)	(903,841)
Net total		1,050,809	(23,577)	(28,180)	1,517	15,683	1,016,252

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

	Useful life in Years ^(a)	December 31, 2022	Additions	Consolidated			March 31, 2023
				Write-offs ^(b)	Transfer to asset held for sale	Translation adjustment	
Cost:							
Vehicles	3	164,661	7,114	(314)	-	10,708	182,169
Machinery and equipment	3 to 10	31,216	3,715	(49)	-	(262)	34,620
Buildings	3 to 10	1,570,088	60,927	(1,084)	-	62,424	1,692,355
IT equipment	10	29,052	675	(33)	-	(1,680)	28,014
Retail stores	3 to 10	3,361,432	62,228	(122,238)	(1,388,973)	441	1,912,890
Software	3 to 4	13,527	-	-	-	(54)	13,473
Tools and accessories	3	498	-	-	-	1	499
Total cost		5,170,474	134,659	(123,718)	(1,388,973)	71,578	3,864,020

Depreciation value:

Vehicles	(105,457)	(10,638)	37	-	1,459	(114,599)
Machinery and equipment	(13,787)	(2,203)	4	-	901	(15,085)
Buildings	(556,655)	(58,716)	90	-	(67,685)	(682,966)
IT equipment	(23,957)	(1,521)	33	-	2,466	(22,979)
Retail stores	(1,525,308)	(97,093)	108,508	563,908	20,273	(929,712)
Software	(3,121)	(987)	-	-	14	(4,094)
Tools and accessories	(302)	(40)	1	-	6	(335)
Total accrued depreciation	(2,228,587)	(171,198)	108,673	563,908	(42,566)	(1,769,770)
Net total	2,941,887	(36,539)	(15,045)	(825,065)	29,012	2,094,250

- 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) Store write-offs were associated with the transformation plan of the former subsidiary The Body Shop.

Amounts recognized in the statement of income for the three-month period ended March 31, 2024 and 2023:

	Consolidated March 31, 2024	Consolidated March 31, 2023
Financial expense on lease	43,346	32,797
Amortization of right of use	77,866	67,276
Appropriation in the result of variable lease installments not included in the measurement of lease liabilities	1,553	1,267
Sublease revenue	(3,424)	(4,864)
Short-term lease expenses and low-value assets	4,836	2,438
Benefits granted by lessor related to Covid-19	2	(82)
Total	124,179	98,832

Amounts recognized in the financing activities in the cash flow statement:

Lease payments (principal)	114,541	101,310
Amounts recognized in the operating activities in the cash flow statement:		
Lease payments (principal)	42,682	34,028
Variable lease payments, not included in the measurement of lease liabilities	1,553	1,267
Short-term and low-value assets lease payments	299	675
Total	159,075	137,280

b) Lease liability

	Consolidated March 31, 2024	Consolidated March 31, 2023
Current	307,351	298,600
Non-current	756,885	851,840
Total	1,064,236	1,150,440

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

Below are the changes in lease liability balances for the three-month period ended March 31, 2024 and 2023:

	Consolidated
Balance as of December 31, 2022	3,270,737
Transfer to non-current asset held for sale	(891,098)
New contracts and modifications	145,490
Payments (principal)	(205,657)
Payments (interest)	(46,992)
Appropriation of financial charges	46,714
Write-offs ^(a)	(215)
Translation adjustment	(39,282)
Balance as of March 31, 2023	2,279,697
Balance as of December 31, 2023	1,150,440
New agreements and modifications	51,548
Payments (principal)	(114,541)
Payments (interest)	(42,682)
Appropriation of financial charges	43,346
Write-offs ^(a)	(28,137)
Translation adjustment	4,262
Balance as of March 31, 2024	1,064,236

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

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

	Consolidated	
	March 31, 2024	December 31, 2023
Less than a year	408,682	401,217
One to five years	825,403	912,529
More than five years	118,615	135,207
Total expected cash flow	1,352,700	1,448,953
Interest to be incurred	(288,464)	(298,513)
Total balance	1,064,236	1,150,440

19. BORROWING, FINANCING AND DEBENTURES

	Consolidated	
Ref.	March 31, 2024	December 31, 2023
Financing Agency for Studies and Projects FINEP	3,546	3,546
Debentures	A 1,901,101	1,962,188
Commercial Notes	B 500,956	517,534
Working capital – Avon	-	1,832
Notes – Avon ⁽¹⁾	C 134,433	129,535
Notes – Natura & Co Luxembourg	D 3,647,108	3,497,067
Total	6,187,144	6,111,702
Current	128,090	163,844
Non-current	6,059,054	5,947,858
Debentures		
Current	75,290	68,189
Non-current	1,854,845	1,852,699

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

⁽¹⁾ Balances recognized at fair value in the business combination with subsidiary Avon and subsequently measured at amortized cost.

Ref.	Currency	Maturity	Charges	Effective interest rate	Guarantees
A	Brazilian Real	July 2027 to September 2032	CDI + 1.65%; CDI + 0.8%; IPCA + 6.8% and IPCA + 6.9% with bi-annual payments	CDI+1.65%, CDI+0.8%, CDI+1.34% e CDI+1.60%	Guarantee of Natura &Co Holding S.A.
B	Brazilian Real	September 2025	CDI interest + 1.55% with bi-annual payments.	CDI+1.55%	Guarantee of Natura &Co Holding S.A.
C	US Dollar	March 2043	Interest of 8.45% of p.a. with bi-annual payments	8.45% p.a.	None
D	US Dollar	May 2028	Interest of 4.125% p.a. with bi-annual payments	4.125%	Guarantee of Natura &Co Holding S.A.

Changes in the balances of borrowing, financing and debentures for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Consolidated
Balance as of December 31, 2022	13,592,286
New borrowing and financing	5,908
Repayment	(86,250)
Appropriation of financial charges, net of costs of new borrowing and financing	246,554
Financial charges payment	(200,405)
Exchange rate variation	(137,300)
Translation adjustment	(165,843)
Balance as of March 31, 2023	13,254,950
Balance as of December 31, 2023	6,111,702
New borrowing and financing	28,933
Repayment	(25,941)
Appropriation of financial charges, net of costs of new borrowing and financing	114,099
Financial charges payment	(164,310)
Exchange rate variation	83
Translation adjustments	122,578
Balance as of March 31, 2024	6,187,144

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

	Consolidated	
	March 31, 2024	December 31, 2023
2025	590,797	596,254
2027 onwards	5,468,257	5,351,604
Total	6,059,054	5,947,858

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

19.1 Covenants

As of March 31, 2024 and December 31, 2023, the Company and its subsidiaries no longer have the obligation to calculate and disclose restrictive clauses (covenants), which establish the maintenance of minimum financial indicators resulting from the quotient of dividing the net debt of treasury by the EBITDA of the last 12 months, function of the maturity and early settlement of the 9th and 10th series of debentures in December 2023.

The Company also has covenants related to non-financial indicators according to each contract. The Company is in compliance with such covenants as of March 31, 2024, and December 31, 2023.

20. TRADE ACCOUNTS PAYABLE AND REVERSE FACTORING OPERATIONS

	Parent		Consolidated	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Domestic trade accounts payable	4,591	23,307	4,317,966	4,058,832
Foreign trade accounts payable ^(a)	37,276	7,726	539,637	588,685
Subtotal	41,867	31,033	4,857,603	4,647,517
Reverse factoring operations ^(b)	-	-	493,074	654,961
Total	41,867	31,033	5,350,677	5,302,478

a) Refers to imports mainly denominated in US dollars, Euros and British pounds.

b) The Company has contracts signed with first-line financial institutions, mainly Banco Itaú Unibanco S.A. to directly structure a reverse factoring operation with the Company's main suppliers. Further details of these operations are included in explanatory note no. 3.15 of the Financial Statements as of December 31, 2023.

21. TAX LIABILITIES

	Parent		Consolidated	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
ICMS (ordinary)	-	-	259,255	216,882
ICMS-ST provision ^(a)	-	-	64,271	63,722
Taxes on invoicing abroad	-	-	128,332	150,706
Withholding tax	-	-	143,651	118,133
Other taxes payable - foreign subsidiaries	-	-	101,055	102,537
Income tax	16,821	23,084	16,821	23,084
PIS and COFINS payable	13,946	60,678	13,946	60,678
INSS and service tax (ISS) payable	-	-	6,156	5,603
Other	4,365	-	20,848	20,609
Total	35,132	83,762	754,335	761,954
Current	35,132	83,762	593,313	634,760
Non-current	-	-	161,022	127,194

a) The Company is having 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 explanatory note no. 12.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024
(Amounts in thousands of Reais - R\$, except as mentioned otherwise)

22. PROVISION FOR TAX, CIVIL AND LABOR RISKS

22.1 Contingencies assessed as probable risk of loss

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

	Consolidated									
	Tax		Civil		Labor		Contingent liabilities (business combination)		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024 ⁽²⁾	March 31, 2023	March 31, 2024	March 31, 2023
Balance at the beginning of the year	166,723	187,052	626,582	557,675	187,304	186,118	385,981	406,428	1,366,590	1,337,273
Additions	15,201	3,448	190,924	146,942	34,812	13,761	-	-	240,937	164,151
Reversals	(563)	(3,036)	(3,120)	(9,718)	(290)	(14,500)	(3,124)	(23,987)	(7,097)	(51,241)
Payments/utilization of judicial deposits ⁽¹⁾	(18,147)	(46,789)	(104,260)	(131,942)	(32,009)	(7,063)	-	-	(154,416)	(185,794)
Inflation adjustment	4,522	2,512	2,047	4,974	1,832	1,266	6,842	7,102	15,243	15,854
Translation adjustments	268	(692)	14,018	(11,839)	1,526	(2,599)	922	(11,998)	16,734	(27,128)
Transfers	-	-	-	-	-	19	-	-	-	19
Balance as of March 31, 2024	168,004	142,495	726,191	556,092	193,175	177,002	390,621	377,545	1,477,991	1,253,134
Current	4,839	-	566,062	442,833	22,134	11,172	-	-	593,035	454,005
Non-current	163,165	142,495	160,129	113,259	171,041	165,830	390,621	377,545	884,956	799,129

⁽¹⁾ As of March 31, 2024, tax payments mainly refer to the agreement between the entity Natura Cosméticos and Paraíba State, relating to the judicial process to increase the value-added margin on the ICMS-ST base calculation, that results in the closing of the process, considering judicial deposits (R\$17,177 redeemed in favor of the Company and additional R\$11,470 to settle the claim).

Labor payments mainly refer to the closure of lawsuits filed by former employees and service providers of the subsidiary Natura Cosméticos. None of these processes is individually relevant.

⁽²⁾ As of March 31, 2024, contingent liabilities from business combination with Avon are segregated between tax (R\$386,277) and labor contingencies (R\$4,344).

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

a) Disputes related to talc (Civil)

The subsidiary Avon has been named as a defendant in numerous personal injury lawsuits filed in U.S. courts, alleging that certain talc products the company sold in the past were contaminated with asbestos. Many of these actions involve several co-defendants, including manufacturers of cosmetics and manufacturers of other products that, unlike the subsidiary Avon's products, were designed to contain asbestos.

In December 2022, a case titled Chapman, et al, v, Avon Products, Inc. et al., No, 22STCV05968, resulted in an adverse jury verdict after a trial, with the jury awarding the plaintiffs a total of US\$36.0 million in compensatory damages and US\$10.3 million in punitive damages against the subsidiary Avon. The Company believes it has strong grounds to seek the annulment of the judgment in this case and in January 2023 began the process of appealing the verdict seeking annulment in the trial court. On March 1, 2023, following post-trial arguments, the trial court issued a conditional order reducing the compensatory damages award against the subsidiary Avon to US\$29.3 million. The plaintiffs have challenged the reduction of the award to the subsidiary Avon and have asserted that the reduction should only apply to the subsidiary Avon's co-defendant. The trial court has resolved this issue in the plaintiffs' favor and the case is on appeal.

As of March 31, 2024, there were 398 individual cases pending against the subsidiary Avon Products, Inc. (during the three month-period ended March 31, 2024, 38 new cases were started and 12 were dismissed, settled, or otherwise resolved).

22.2. Contingent liabilities assessed as possible risk of loss

The Company has administrative and judicial contingencies, related to certain tax positions adopted on the IRPJ and CSLL calculation, for which the expectation of loss, evaluated by Company Management and supported by its legal advisors, that will probably be accepted on Superior Court last instance decision, aligned with the ICPC 22/IFRIC 23 dispositions.

The Company has mainly tax contingencies, related to other taxes, evaluated by Company Management and supported by its legal advisors, and classified as possible. Therefore no provision has been recorded for those cases for which losses are considered possible, as set forth in the table below:

	Consolidated	
	March 31, 2024	December 31, 2023
Tax	11,088,650	10,375,764
Civil	307,191	246,500
Labor	292,819	169,463
Total contingent liabilities	11,688,660	10,791,727

The increase in balance is mainly associated to (i) monetary correction of processes as of December 31, 2023, and (ii) infraction notices received during the quarter ended March 31, 2024 related to the PIS and COFINS exclusion from its own tax basis, and IPI and ICMS-ST charges in the approximate amount of R\$ 461 million.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

23. OTHER LIABILITIES

	Parent		Consolidated	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Pension and post-employment health care plans ^(a)	-	-	503,613	515,901
Deferred revenue from performance obligations with customers ^(b)	-	-	117,335	131,113
Provision for incentives to consultants	-	-	141,968	153,692
Provision for operating expenses (marketing / technology, etc.) ^(c)	-	-	359,760	482,287
Crer Para Ver ^(d)	-	-	37,713	47,571
Provision for restructuring ^(e)	7,074	15,682	82,932	113,440
Insurance payables	1,140	19,719	58,771	84,032
Other liabilities ^(f)	-	660	110,525	128,976
Total	8,214	36,061	1,412,617	1,657,012
Current	6,946	31,984	808,676	970,479
Non-current	1,268	4,077	603,941	686,533

- a) As of March 31, 2024, there is R\$243,758 (R\$253,606 as of December 31, 2023) referring to pension plans, and R\$802 referring to post-employment plans (R\$567 as of December 31, 2023) of subsidiary Avon International, and R\$203,463 (R\$209,288 as of December 31, 2023) referring to post-employment healthcare plans of the subsidiary Natura Cosméticos and R\$55,590 (R\$52,441 as of December 31, 2023) referring to post-employment healthcare 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\$69,471 (R\$88,017 as of December 31, 2023) refers to the subsidiary Avon, R\$36,739 (R\$31,089 as of December 31, 2023) refers to the consolidated subsidiary Natura Cosméticos and R\$11,125 (R\$12,007 as of December 31, 2023) refers to the subsidiary Natura & Co International.
- c) Refers to the Company's operating provisions arising mainly from expenses in connection with the provision of technology, marketing, and advertising services.
- d) Contribution of the social program to the development of the quality of education.
- e) Provision for costs directly related to the integration plan and changes in the organizational structure of the subsidiary Avon and Group corporate structure review.
- f) Refers to miscellaneous provisions such as indemnities and non-current contractual obligations.

24. SHAREHOLDER'S EQUITY

24.1 Treasury shares

As of March 31, 2024 and December 31, 2023, item "Treasury shares" has the following composition:

	Number of shares	R\$ (In thousands)	Average price per share - R\$
Balance as of December 31, 2022	9,913,855	262,360	26.46
Used	-	-	-
Balance as of March 31, 2023	9,913,855	262,360	26.46
Balance as of December 31, 2023	6,204,048	164,236	26.47
Used ^(a)	(3,040,833)	(80,460)	26.46
Balance as of March 31, 2024	3,163,215	83,776	26.48

- a) Changes are related to the transference of shares related to the Long-Term Incentive plan that had a vesting period ended March 31, 2024.

There were no changes in minimum and maximum cost of the balance of treasury shares on March 31, 2024, considering that there was no new share acquisition on the quarter.

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

24.2 Additional dividend distribution

On March 11, 2024, the Company's Board of Directors approved a proposed dividend in addition to the minimum dividend in addition, related to the year ended December 31, 2023, in the total amount of R\$ 685,190, equivalent to the remuneration of R\$ 0.4940 per share, excluding treasury shares. Such dividends were paid on April 19, 2024.

24.3 Interests on own equity from fiscal year 2024

On March 28, 2024, the Company's Board of Directors approved the distribution of interest on equity in the amount of R\$44,853, corresponding to an estimated gross value of R\$0.0324 per share (excluding treasury shares), with retention of 15% (fifteen percent) withholding tax, resulting in interest on equity in the net amount of R\$38,125, corresponding to an estimated net value of R\$0.0275 per share (excluding treasury shares), except for this retention, shareholders are legal entities proven to be immune or exempt. Payment of interest on equity will be made during the 2024 fiscal year, on a date to be duly determined by the Company's management.

25. INFORMATION ON SEGMENTS

As a result of the sale of The Body Shop, the balance of the investee is not included on the Consolidated Balance, and the results arising from this segment were classified as discontinued operations in the income statement for the three-months period ended March 31, 2024 and 2023.

The other operating segments did not change their composition and information by geographic area in relation to those disclosed in the financial statements for the year ended December 31, 2023.

Net revenue by segment is as follows for the three-month period ended March 31, 2024:

- Natura & Co Latam – 77.1%
- Avon International – 22.9%

The following tables summarize the financial information related to the three-month periods ended March 31, 2024 and 2023 and the year ended December 31, 2023.

25.1 Operating segments

	March 31, 2024					
	Reconciliation to net Income (loss) for the period					
	Net revenue	Performance assessed by the company	Depreciation and amortization	Discontinued operations	Financial results	Income tax
Natura & Co Latam	4,704,554	730,650	(226,452)	(4,406)	(280,392)	(170,752)
Avon International ¹	1,396,667	(111,220)	(165,614)	(184,392)	(267,624)	(13,523)
Corporate expenses	4,032	(72,006)	(123)	(303,275)	186,801	(52,798)
Consolidated	6,105,253	547,424	(392,189)	(492,073)	(361,215)	(237,073)

	March 31, 2023					
	Reconciliation to net Income (loss) for the period					
	Net revenue	Performance assessed by the company	Depreciation and amortization	Discontinued operations	Financial results	Income tax
Natura & Co Latam	4,863,654	637,551	(226,864)	-	(374,447)	(73,954)
Avon International ¹	1,606,607	40,457	(189,119)	(142,006)	(171,123)	(26,927)
The Body Shop ¹	-	-	-	(135,471)	-	-
Aesop ¹	-	-	-	21,520	-	-
Corporate expenses	1,270	(75,850)	-	-	85,420	(21,341)
Consolidated	6,471,531	602,158	(415,983)	(255,957)	(460,150)	(122,222)

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

	March 31, 2024				December 31, 2023			
	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Non-current assets	Total assets	Current liabilities	Non-current liabilities
Natura & Co Latam	17,768,163	27,829,151	6,467,031	4,564,193	18,240,916	23,253,227	6,914,476	4,324,263
Avon International ¹	7,941,645	10,261,562	3,066,262	957,816	8,008,108	10,608,234	2,792,255	977,003
Corporate balances	754,029	3,555,681	762,770	3,740,927	510,769	8,885,554	706,768	3,911,785
Consolidated	26,463,837	41,646,394	10,296,063	9,262,936	26,759,793	42,747,015	10,413,499	9,213,051

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

25.2 Net revenue and non-current assets by geographic region

	Net revenue		Non-current assets	
	March 31, 2024	March 31, 2023	March 31, 2024	December 31, 2023
Asia	294,274	351,740	592,917	572,168
North America	1,112,800	996,091	4,148,489	3,956,986
Mexico	757,896	814,049	4,077,372	3,883,804
Other	354,905	182,041	71,117	73,182
South America	3,589,372	3,790,652	13,590,979	14,015,695
Brazil	2,674,061	2,572,760	10,384,962	10,933,917
Argentina	526,892	566,072	365,049	261,155
Other	388,418	651,821	2,840,968	2,820,623
Europe, Middle East and Africa (EMEA)	1,108,807	1,333,049	8,131,452	8,214,944
United Kingdom	119,681	129,689	5,043,313	5,132,107
Other	989,126	1,203,360	3,088,139	3,082,837
Consolidated	6,105,253	6,471,531	26,463,837	26,759,793

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

26. REVENUE

	Consolidated	
	March 31, 2024	March 31, 2023
Gross revenue:		
Direct selling	7,197,754	7,441,362
Retail	256,080	192,340
Online	295,598	296,985
Other sales	289,527	436,915
Subtotal	8,038,959	8,367,588
Returns and cancellations	(125,534)	(113,562)
Commercial discounts and rebates	(2,140)	(3,173)
Taxes on sales	(1,806,032)	(1,779,322)
Subtotal	(1,933,706)	(1,896,057)
Total net revenue	6,105,253	6,471,531

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

27. OPERATING EXPENSES AND COST OF SALES

Classified by function

Cost of sales
Selling, marketing and logistics expenses
Administrative, R&D, IT, and project expenses
Total

Parent		Consolidated	
March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
-	-	2,127,080	2,313,187
-	-	2,497,075	2,543,791
39,050	(2,181)	1,043,043	1,162,197
39,050	(2,181)	5,667,198	6,019,175

Classified by nature

Cost of sales

Raw material/packaging material/resale
Employee benefits expense (note no. 28)
Depreciation and amortization
Other

-	-	2,127,080	2,313,187
-	-	1,871,265	2,018,120
-	-	122,726	139,977
-	-	41,550	43,196
-	-	91,539	111,894

Selling, marketing and logistics expenses

Logistics costs
Personnel expenses (note no. 28)
Marketing, sales force and other selling expenses
Depreciation and amortization

-	-	2,497,075	2,543,791
-	-	478,382	520,970
-	-	581,391	647,635
-	-	1,299,199	1,259,125
-	-	138,103	116,061

Administrative, R&D, IT and project expenses

Innovation expenses
Personnel expenses (note no. 28)
Other administrative expenses
Depreciation and amortization

39,050	(2,181)	1,043,043	1,162,197
-	-	47,143	42,747
7,373	(9,112)	431,501	462,814
31,574	6,204	351,862	388,835
103	727	212,537	267,802

Total

39,050	(2,181)	5,667,198	6,019,175
---------------	----------------	------------------	------------------

28. EMPLOYEE BENEFITS

Payroll, profit sharing and bonuses
Supplementary pension plan
Share-based payments and charges on restricted shares, net of tax
Health care, food and other benefits
Charges, taxes and social contributions
Social security charges
Total

Parent		Consolidated	
March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
14,664	(14,164)	823,626	869,397
-	-	29,165	19,671
(9,388)	2,996	(10,680)	50,463
244	554	124,403	133,163
177	151	100,816	125,302
1,676	1,351	68,288	52,430
7,373	(9,112)	1,135,618	1,250,426

28.1 Share-based payments

Detailed information regarding share-based payment plans was presented in the Company's financial statements for the year ended December 31, 2023, in explanatory note no. 28.

The expense (income) relating to stock option plans, restricted shares and performance shares, including social security charges, recognized in the three-month period ended March 31, 2024, was income of R\$(9,388) and R\$ (10,680) for parent company and consolidated (expense of R\$2,996 and R\$50,463 on March 31, 2023), respectively.

NATURA & CO HOLDING S.A.

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

NYSE delisting

On January 18, 2024, the Company announced the approval of the secondary delisting on the NYSE while maintaining the primary listing on the B3 stock exchange in São Paulo.

As a result, the ADRs were also delisted and converted into B3 phantom shares. In practice, this means that the ADR holder will receive payment in cash during the vesting period, which is determined by the price on B3 on that date. Each ADR is equivalent to 2 B3 shares. All shares for which the vesting period had not been completed were adjusted in numbers to reflect this ratio, so that the value did not change.

According to IFRS 2 (CPC 10 R1 – Share-Based Payment), B3's phantom shares are considered share-based payments settled in cash. The change from payment settled in shares (prior classification of ADRs before delisting) to settled in cash results in the recognition of a liability that reflects the Company's obligation to make the payment upon vesting.

The initial measurement of the liability is based on the fair value of the underlying B3 shares and takes into account the extent of service provision to date.

Fair value is generally determined using the Black-Scholes or Stochastic model, depending on the type of premium. The stochastic model is used to value premiums under market conditions in order to incorporate a fair value discount factor for the probability of achieving the relevant targets. To value awards that are not subject to a market-based performance condition and have a fixed term, the Black-Scholes valuation model is used.

There was no impact on income as a result of the initial recognition of the liability and the value of the liability was reclassified from equity. At each closing and, finally, on the settlement date, the fair value of the liability is remeasured. Liability remeasurements are recognized in profit or loss.

New plans 2024

During the current quarter, the main plans assigned were as follows:

- a) 6,749,122 restricted share units (RSUs), 2,993,465 of which are B3 phantom shares, which will be exercisable at the end of the three-year period, as long as the participant remains employed during the grace period;
- b) 1,521,212 restricted shares, 336,503 of which are B3 phantom shares, which are generally exercisable in installments of one to three years, as long as the participant remains employed during the grace period. These actions are known as "Matching Awards," whereby eligible employees choose to invest part of their Profit-Sharing Program pay toward the purchase of shares in the Company. The Company will then grant Matching Awards to match these acquired shares;
- c) 376,106 RSUs, 326,568 of which are B3 phantom shares, which will be exercisable immediately and will be released to participants in March 2025.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

29. FINANCIAL RESULTS

	Parent		Consolidated	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial expenses (debt interest)	-	-	(110,942)	(241,585)
Financial investments and others income	4,581	408	156,111	190,373
Exchange variations on financial activities, net	-	-	28,392	116,666
Losses with derivatives on exchange rate variations on financial activities, net	-	-	(8,779)	(127,412)
Losses on derivatives on interest payments and other financial activities, net	-	-	(730)	(218,417)
Adjustment of provision for tax, civil and labor risks and tax liabilities	-	980	(15,243)	(15,854)
Lease expenses	(26)	(23)	(43,346)	(32,797)
Other financial income (expenses)	1,201	(585)	(70,926)	(77,335)
Hyperinflationary economy adjustment	-	-	(97,804)	(41,223)
Other gains (losses) from exchange rate variation on operating activities ^(a)	(719)	1,475	(197,948)	(12,566)
Financial results	5,037	2,255	(361,215)	(460,150)

- a) Refers substantially to FX exchange losses on investments in US dollars by the subsidiary Natura Argentina.

30. OTHER OPERATING EXPENSES, NET

	Consolidated	
	March 31, 2024	March 31, 2023
Other operating income, net		
Crer para Ver ^(a)	-	6,727
Tax credits ^(b)	113,111	4,877
Reversal of provision for tax contingencies	3,124	23,987
Reversal of provision for impairment	-	31,076
Other operating income	12,176	-
Total other operating income	128,411	66,667
Other operating expenses, net		
Result in the write-off of fixed assets	(919)	(1,951)
Crer para Ver ^(a)	(13,555)	-
Provision for impairment	(46,664)	-
Transformation and integration plan ^(c)	(88,830)	(83,045)
Increase on provision for tax contingencies	(9,739)	-
Other operating expenses	(15,640)	(32,379)
Total other operating expenses	(175,347)	(117,376)
Other operating income (expenses), net	(46,936)	(50,709)

- a) Allocation of the operating profit obtained from sales of the line of non-cosmetic products called "Crer Para Ver" to the Natura Institute, specifically intended for social projects aimed at developing the quality of education.
- b) Refers mainly to PIS and COFINS credits.
- c) Expenses related to the execution of the Natura & Co Latam integration plan ("ELO project") and integration of the subsidiary Avon Internacional.

31. EARNINGS PER SHARE

NATURA & CO HOLDING S.A.

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

The basic result per share is calculated by dividing the profit or loss attributable to the Company's shareholders by the weighted average number of common shares in circulation, excluding common shares purchased by the Company and held as treasury shares.

	Consolidated	
	March 31, 2024	March 31, 2023
Loss attributable to the Company's controlling shareholders	(934,816)	(652,428)
Weighted average of the number of issued common shares	1,385,675,623	1,383,206,405
Weighted average treasury shares	(3,753,469)	(9,797,889)
Weighted average of the number of outstanding common shares	1,381,922,154	1,373,408,516
Loss per share – R\$	(0.6765)	(0.4750)

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding, assuming conversion of all potential common shares that would cause dilution. Considering that the Company recorded a loss in the three-month periods ended March 31, 2024 and 2023, 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.

32.1. Receivables and payables with related parties

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

	Parent	
	March 31, 2024	December 31, 2023
Current assets:		
Natura Cosméticos S.A. ^(b)	-	103,557
Avon Products, Inc. ^(a)	16,870	41,152
Natura Cosméticos S.A. – Argentina ^(a)	3,830	3,630
Natura Cosméticos S.A. – Perú ^(a)	479	465
Natura Cosméticos S.A. – Colombia ^(a)	338	327
Indústria e Comércio de Cosméticos Natura Ltda. ^(b)	99	96
Natura &Co Luxembourg Holdings S.A.R.L. ^(c)	27,799	1,550
Natura &Co Luxembourg ^(b)	-	38
Total current assets	49,415	150,815
Current liabilities:		
Natura Cosméticos S.A. ^{(b) and (d)}	40,389	52,543
Indústria e Comércio de Cosméticos Natura Ltda. ^(a)	1,574	605
Natura Comercial ^(a)	34	14
Avon Products, Inc. ^{(a) e (b)}	145,358	117,278
Natura &Co Luxembourg S.a.r.l. ^(d)	-	162,676
Total current liabilities	187,355	333,116

a) Refers to the transfer of expenses related to restricted share purchase option plans.

b) Refers to the transfer of shared expenses.

c) Refers to reimbursement of expenses for issuing bonds.

d) Refers to the loan carried out between the companies.

In the three-month periods ended March 31, 2024 and 2023, there were no relevant transactions between the parent company and related parties that were reflected in the

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

income statement. The main transactions that occurred in the period refer to the transfer of expenses related to stock option plans and restricted shares.

32.2. Uncontrolled and unconsolidated transactions with related parties

Instituto Natura is one of the shareholders of the Essential Investment Fund and, on March 31, 2024, its balance corresponded to R\$11,825 (R\$6,994 on December 31, 2023).

On June 5, 2012, a contract was signed between Indústria e Comércio de Cosméticos Natura Ltda. and Bres Itupeva Empreendimentos Imobiliários Ltda., ("Bres Itupeva"), for the construction and rental of a goods processing, storage, and distribution center (HUB), in the city of Itupeva/SP. In 2019, Bres Itupeva assigned its credits to BRC Securitizadora S/A to whom the Company makes monthly payments. Messrs. Antônio Luiz da Cunha Seabra, Guilherme Peirão Leal and Pedro Luiz Barreiros Passos, members of the controlling block of Natura & Co Holding S.A, indirectly hold control of Bres Itupeva. The amount involved in the operation was recorded under the heading "Right of Use" of Buildings, the balance in the three-month period ended March 31, 2024 was R\$46,410 (R\$52,742 under the heading "Buildings" of Fixed Assets, on March 31 December 2023) and in the three-month period ending March 31, 2024, the amount paid as rent was R\$4,953 (R\$4,194 in the period ending March 31, 2023).

On January 8, 2021, a transaction between related parties was concluded between the Company, as lessee and owner, Indústria e Comércio de Cosméticos Natura Ltda. and Natura & Co Holding S.A., as guarantors and a specific purpose company (Bresco IX) held indirectly by Messrs. Antônio Luiz da Cunha Seabra, Guilherme Peirão Leal and Pedro Luiz Barreiros Passos, (Co-Presidents of the Board of Directors of Company and shareholders forming part of the controlling block of Natura & Co Holding S.A., the Company's controlling shareholder), in the capacity of lessor and surface owner. Said transaction was entered into with the aim of expanding the Company's distribution network and increasing its logistical efficiency through the installation of a new distribution center in the State of Alagoas. The amount involved in the operation is recorded under the heading "Right of Use" of "Buildings" in the amount of R\$43,812, and in the three-month period ended March 31, 2024 the total amount paid as rent was R\$2,668 (there was no disbursement during the three-month period ended March 31, 2023).

On May 12, 2021, the transaction was concluded between the Company, as lessee, and Bresco Logística Fundo de Investimento Imobiliário, as lessor, indirectly owned by Messrs. Antônio Luiz da Cunha Seabra, Guilherme Peirão Leal and Pedro Luiz Barreiros Passos. (Co-presidents of the Board of Directors of Natura & Co Holding S.A. and shareholders forming part of the controlling block of Natura & Co Holding S.A). Said transaction was entered into with the aim of maintaining the Company's distribution center activities in the city of Canoas, State of Rio Grande do Sul. The amount involved in the operation is recorded under the heading "Right of Use" of "Buildings" in the amount of R\$2,016 and in the three-month period ending March 31, 2024, the total amount paid as rent was R\$799 (R\$700 in the three-month period ended March 31, 2023).

In the three-month period ended March 31, 2024, the Company and its subsidiaries transferred to the Natura Institute as a donation associated with the net result from sales of the Natura Crer Para Ver product line the amount of R\$25,000 (R\$25,000 in the three-month period ended March 31, 2023).

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

The Company has a policy for transactions with related parties, in addition to an internal control structure to support the identification, monitoring and approvals of transactions between related parties.

32.3. Key management personnel compensation

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

	March 31, 2024		March 31, 2023	
	Compensation		Compensation	
	Fixed	Variable	Fixed	Variable
Board of Directors	1,760	1,333	3,093	2,616
Executive Board	5,939	19,093	25,032	5,715
	7,699	20,426	28,125	8,331
			24,177	32,508

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

Amounts include increases and/or reversals of accumulated expense recognized in prior years due to reevaluations of the number of premiums expected to be acquired and reevaluation of employer pension charges that must be paid upon acquisition.

33. COMMITMENTS

In the normal course of its business, the Company enters into long-term contracts to provide manufacturing, transportation, information technology and electrical energy services (with effective physical delivery, to supply its manufacturing activities). Contracts provide for termination clauses for non-compliance with essential obligations. Generally, the minimum contractually agreed amount is purchased and for this reason there are no liabilities recorded in addition to the amount that is recognized on an accrual basis.

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

	Consolidated	
	March 31, 2024	December 31, 2023
Less than one year	304,940	273,548
One to five years	612,245	486,961
Above 5 years	-	799
Total	917,185	761,308

34. INSURANCE

The Company adopts an insurance policy that mainly considers the concentration of risks and their relevance, taking into account the nature of its activities and the guidance of its insurance consultants. Insurance coverage, as of March 31, 2024 and December 31, 2023, is presented as follows:

NATURA & CO HOLDING S.A.

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

Item	Type of coverage	Amount insured	
		March 31, 2024	December 31, 2023
Industrial complex and administrative sites	Any damage to buildings, facilities, inventories, and machinery and equipment	4,748,670	4,694,455
Vehicles	Fire, theft and collision for the vehicles insured by the Company	25,681	24,907
Freight	Damages to products in transit	83,939	81,328
Civil liability	Protection against error or complaints in the exercise of professional activity that affect third parties	906,312	886,720
Environmental responsibility	Protection for environmental accidents that may raise complaints under environmental legislation	30,000	30,000

35. ADDITIONAL INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

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

	Parent		Consolidated	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<u>Non-cash items</u>				
Hedge accounting impact, net of tax effects	-	-	20,211	(5,983)
Undistributed dividends and interest on equity	730,044	-	730,044	-
Net effect of acquisition of property, plant and equipment and intangible assets not yet paid	-	-	85,869	86,295
Application of judicial deposits in the settlement of legal proceedings	-	-	19,025	46,685

36. DISCONTINUED OPERATIONS

As mentioned in explanatory note no. 1.1, the Company completed the sale of the former subsidiaries Aesop and The Body Shop, on August 30, 2023 and December 29, 2023, respectively. This resulted in classification as discontinued operations in the comparative income statement for the three-month period ended March 31, 2023.

The results of discontinued operations, which cover the operations of the former subsidiaries Aesop and The Body Shop, in addition to the costs related to the discontinued operation of the subsidiary Avon in North America, for the three-month periods ended March 31, 2024 and 2023 are presented below:

	March 31, 2024	March 31, 2023
Net gain on the sale of subsidiaries	21,144	-
Loss before taxes from discontinued operations	(682,728)	(290,105)
Income tax and social contribution	169,511	34,148
Losses from discontinued operations	(513,217)	(255,957)
Total of discontinued operations	(492,073)	(255,957)

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024

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

	March 31, 2024	March 31, 2023
Net revenue	-	1,549,887
Cost of sales	-	(279,797)
Gross profit	-	1,270,090
Operating (expenses)	(694,528)	(1,525,070)
Selling, marketing, and logistics expenses	-	(931,233)
Administrative, R&D, IT and projects expenses	(11,800)	(405,316)
Other operating income (expenses), net ^(a)	(682,728)	(188,521)
Operating loss before financial result	(694,528)	(254,980)
Financial results	32,944	(35,125)
Loss before taxes	(661,584)	(290,105)
Income tax and social contribution	169,511	34,148
Loss for the period	(492,073)	(255,957)

a) Comprises contingent consideration accrued for loss as of March 31, 2024, in the approximate amount R\$ 485 million (before taxes) as mentioned in explanatory note no. 5.

The net cash flows incurred by discontinued operations are presented below:

	March 31, 2024	March 31, 2023
Operational activities	(386,668)	(267,796)
Investment activities	-	(83,064)
Financing activities	-	(167,569)
Net cash consumed	(386,668)	(518,429)

37.SUBSEQUENT EVENTS

Flooding in the Brazilian State of Rio Grande do Sul

During May 2024, the state of Rio Grande do Sul in the south of Brazil was hit by a natural disaster. Significant flooding across the state has resulted in damage to third party property and displacement of populations, among other adverse effects. The Company is currently supporting its network of representatives and analyzing possible actions that may further assist the population at this time.

As of the date of these financial statements, management is assessing the potential impacts on the Company's assets that may have been affected, especially considering the existence of a distribution center in the region, where some of the Company's products are stored.

Q1-24

Natura and Avon Integration in Latam Continuing to Drive Stronger Profitability

Strong performance of Natura Brand in Brazil combined with solid margin results from the Wave 2-implemented countries led to YoY profitability evolution and more than offset Avon International margin contraction amid sales deleverage

BRL million	Q1-24					
	Consolidated		Natura &Co Latam		Avon International	
	YoY Ch. %		YoY Ch. %		YoY Ch. %	
Net revenue	6,105.3	(5.7)	4,704.6	(3.3)	1,396.7	(13.1)
Constant Currency		1.1%		3.1%		-4.7%
Gross profit	3,978.2	(4.3)	3,100.6	(0.7)	876.9	(15.3)
Gross Margin	65.2%	90 bps	65.9%	170 bps	62.8%	-160 bps
Reported EBITDA	547.4	(9.1)	730.6	14.6	(111.2)	(374.8)
Reported EBITDA margin	9.0%	-30 bps	15.5%	240 bps	-8.0%	-1050 bps
Adjusted EBITDA	682.8	4.1	666.5	5.4	74.6	(23.9)
Adjusted EBITDA margin	11.2%	110 bps	14.2%	120 bps	5.3%	-80 bps
Net income (loss)	(934.9)	43.3	-	-	-	-

01 Consolidated Net Revenue of BRL 6.1 billion, up 1.1% vs Q1-23 in constant currency (CC) (-3.9% ex-Argentina and The Body Shop – “TBS” - revenues) and down -5.7% in Brazilian Reais. The items impacting revenue are mainly explained by the following:

- **Natura &Co Latam:** Q1-24 revenues up 3.1% year on year (YoY) in CC (-2.7% ex-Argentina) led by a solid performance from Natura Brazil (+11.3% YoY) and partially offset by an 11.3% YoY decline from Avon Brazil¹. A higher indirect tax burden of ~BRL 50 million, impacted Brazilian consolidated net revenues growth in the quarter by 2p.p.. Avon Brazil also showed improving top-line trends throughout the quarter. Hispanic markets ex-Argentina posted a broadly stable performance from Natura and a steep decline from Avon (-24.5% YoY) amid Wave 2 roll-out
- **Avon International:** Q1-24 revenues down 4.7% YoY in CC. Excluding TBS revenues², top-line decreased -7.2% YoY in CC, with Beauty down 4.2% and steeper decline from Home & Style. Productivity improved YoY, but this was more than offset by reduced representative activity from fewer available reps and the continuation of weaker promotional execution as noted in Q4-23

02 Adjusted EBITDA of BRL 683 million in Q1-24 with an 11.2% margin, up by 110 basis points (bps) YoY, representing another quarter of solid profitability expansion. The margin improvement was mainly driven by:

- **Natura &Co Latam:** 120 bps YoY margin expansion reflecting 170 bps YoY gross margin and Wave 2 SG&A efficiencies, partially offset by investments related to marketing, particularly for the Natura brand, and to improving service level
- **Avon International:** 80 bps YoY margin contraction mostly explained by sales deleverage that more than offset the improvement in selling expenses as a percentage of net revenues compared to Q1-23 amid market simplification (from four to two lead regions)

03 Q1-24 Net loss of BRL 935 million compared to a net loss of BRL 652 million in the same period in 2023. Higher adjusted EBITDA and lower financial expenses were more than offset by a write-off of TBS earn-out receivables of BRL 485 million and an impairment/write-off of BRL 139 million from Avon International (also mainly explained by TBS receivables) as well as by higher tax expenses given the mix of profitable and unprofitable countries

04 Q1-24 Net Debt (excluding leasing) was BRL 275 million (compared with a net cash of BRL 1.7 billion in Q4-23) mainly driven by annual seasonality, which resulted in a cash consumption quarter of BRL -1.0 billion (showing an important YoY improvement) combined with cash tax payment related to discontinued operations

¹ Avon CFT Performance, Excluding Home & Style

² Avon International continues to produce products for TBS, following its sale. For more details please see Avon's International section

Fábio Barbosa

*Group CEO of Natura & Co, **stated***

"We are encouraged that the first quarter of the year showed positive results with a consolidated margin expansion of 110 bps vs previous year, driven by solid results from Natura & Co Latam, benefiting from the Natura and Avon integration in the region ("Wave 2"), coupled with richer country and brand mix. This more than offset the margin contraction at Avon International amid sales deleveraging. From a cash conversion perspective, seasonal cash consumption also improved on a YoY basis to BRL -1.0 billion (excluding one-off disc. Op. tax payments), compared to pro-forma (excluding TBS) of BRL -1.4 billion in the same period last year or BRL -1.8 billion reported in Q1-23.

The ongoing roll-out of Wave 2 is a pivotal step in our transformational process, and although we have experienced expected and unexpected challenges in its implementation, we continue to see sustainable improvements in key metrics such as productivity, cross selling, and better portfolio mix, resulting in gross margin improvement in all countries where Wave 2 was implemented. In Brazil, Avon still experienced headwinds impacting the top-line, but with an improving trend month over month, and we expect Avon's top-line to stabilize in the second half of the year. We also saw significant margin expansion in Peru and Colombia as Wave 2 results start to impact the P&L in full while investments in channel and other one-offs start to fade away. As expected, our integration initiative is driving improved savings in both G&A and selling expenses, although the latter is being offset by higher marketing investments and other initiatives focused on improving service levels. The solid start to the year gives us confidence that the initiatives we are implementing are beginning to deliver the expected results and we remain extremely confident with the potential of the integration of both brands in Latam.

Avon International had another challenging quarter with top-line down, impacted by a steep Fashion and Home decline and a softer impact of CFT categories. The management team is working on simplifying the market, focusing on key countries, and enhancing our portfolio with superior promotional execution. We believe these steps are crucial to stabilize revenues and keep us on track to improve profitability.

We are also continuing to evolve on the studies of a potential separation of Avon, and we will keep the market informed as soon as we conclude such studies.

Finally, and most important, our hearts and minds are with our consultants, teammates/employees, suppliers, and all stakeholders in Rio Grande do Sul in light of the recent natural disasters the region has experienced in the last couple of weeks. Since the first emergency reports, we established a calamity committee (as we did during the Pandemic), to map not only the accidents of the tragedy in our network, but also to connect as quickly as possible with emergency support institutions for those affected throughout the entire State.

The initiatives taken, includes: (i) made our social center available for social and psychological assistance, in addition to free telemedicine assistance to meet the most urgent needs of our consultants' networks; (ii) postponed payments for impacted consultants and franchisees; and (iii) gave financial and other donations support. In this challenging moment, we convey a message of solidarity and hope: together we can overcome this natural disaster.

01 Results analysis

The Group segmentation is composed of:

- **Natura &Co Latam**, which includes all the brands in Latin America: Natura, Avon and the distribution of The Body Shop; and
- **Avon International**, which includes all global markets, excluding Latin America

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

BRL million	Profit and Loss by Business											
	Consolidated ^a			Holding ^b			Natura &Co Latam ^c			Avon International		
	Q1-24 ^d	Q1-23 ^d	Ch. %	Q1-24 ^d	Q1-23 ^d	Ch. %	Q1-24 ^d	Q1-23 ^d	Ch. %	Q1-24 ^d	Q1-23 ^d	Ch. %
Gross revenue	8,039.0	8,367.6	(3.9)	4.0	1.3	217.4	6,371.9	6,445.3	(1.1)	1,663.0	1,921.0	(13.4)
Net revenue	6,105.3	6,471.5	(5.7)	4.0	1.2	227.4	4,704.6	4,863.7	(3.3)	1,396.7	1,606.6	(13.1)
COGS	(2,127.1)	(2,313.2)	(8.0)	(3.3)	(0.2)	2,045.2	(1,604.0)	(1,741.8)	(7.9)	(519.8)	(571.2)	(9.0)
Gross profit	3,978.2	4,158.3	(4.3)	0.7	1.1	(31.7)	3,100.6	3,121.9	(0.7)	876.9	1,035.4	(15.3)
Selling, marketing and logistics expenses	(2,640.5)	(2,759.3)	(4.3)	-	(0.5)	-	(2,009.9)	(2,004.0)	0.3	(630.6)	(754.8)	(16.5)
Administrative, R&D, IT and projects expenses	(987.8)	(1,091.9)	(9.5)	(3.9)	(4.6)	(15.4)	(647.5)	(715.1)	(9.5)	(336.4)	(372.2)	(9.6)
Corporate expenses	(55.3)	(70.1)	(21.2)	(55.3)	(70.1)	(21.2)	-	-	-	-	-	-
Other operating income / (expenses), net	(50.4)	34.1	(247.7)	(13.5)	(0.5)	2,537.7	103.1	34.0	203.3	(139.9)	0.6	-
Transformation / Integration / Group restructuring costs	(89.0)	(84.9)	4.9	(0.2)	(1.3)	(84.6)	(42.1)	(26.1)	61.4	(46.7)	(57.5)	(18.8)
Depreciation	392.1	416.0	(5.8)	-	-	-	226.5	226.9	(0.2)	165.6	189.1	(12.4)
EBITDA	547.4	602.2	(9.1)	(72.0)	(75.8)	(5.0)	730.6	637.6	14.6	(111.2)	40.5	(374.8)
Depreciation	(392.1)	(416.0)	(5.8)	-	-	-	-	-	-	-	-	-
Financial income / (expenses), net	(361.2)	(460.1)	(21.5)	-	-	-	-	-	-	-	-	-
Earnings before taxes	(206.0)	(273.9)	(24.8)	-	-	-	-	-	-	-	-	-
Income tax and social contribution	(237.1)	(122.2)	94.0	-	-	-	-	-	-	-	-	-
Discontinued operations ^e	(492.1)	(256.0)	92.3	-	-	-	-	-	-	-	-	-
Consolidated net (loss) income	(935.2)	(652.1)	43.4	-	-	-	-	-	-	-	-	-
Non-controlling interest	0.3	(0.3)	(213.3)	-	-	-	-	-	-	-	-	-
Net income (loss) attributable to controlling shareholders	(934.9)	(652.4)	43.3	-	-	-	-	-	-	-	-	-
Gross margin	65.2%	64.3%	90 bps	-	-	-	65.9%	64.2%	170 bps	62.8%	64.4%	-160 bps
Selling, marketing and logistics as % net revenue	(43.3)%	(42.6)%	-70 bps	-	-	-	(42.7)%	(41.2)%	-150 bps	(45.2)%	(47.0)%	180 bps
Admin., R&D, IT and projects exp. as % net revenue	(16.2)%	(16.9)%	70 bps	-	-	-	(13.8)%	(14.7)%	90 bps	(24.1)%	(23.2)%	-90 bps
EBITDA margin	9.0%	9.3%	-30 bps	-	-	-	15.5%	13.1%	240 bps	(8.0)%	2.5%	-1050 bps
Net margin	(15.3)%	(10.1)%	-520 bps	-	-	-	-	-	-	-	-	-

^a Consolidated results include Holding, Natura &Co Latam and Avon International

^b Holding results include Natura &Co International (Luxembourg) and TBS Shanghai

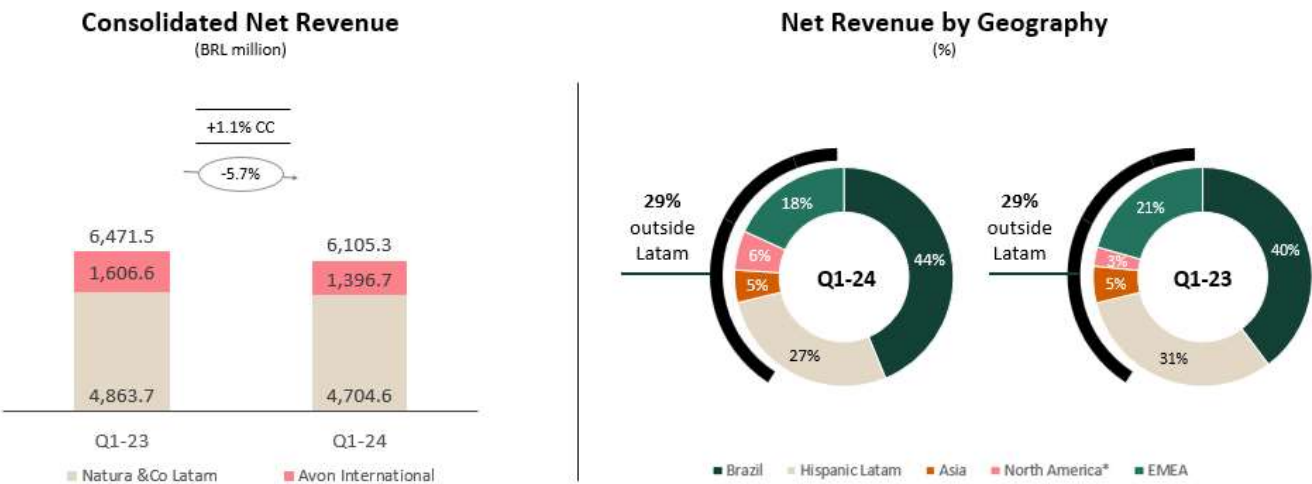
^c Natura &Co Latam: includes Natura, Avon, TBS Brazil and Hispanic Latam and &Co Pay, as well as the Natura subsidiaries in the U.S., France and the Netherlands.

^d Includes PPA – Purchase Price Allocation effects

^e Related to business separation at Avon North America

Consolidated net revenue

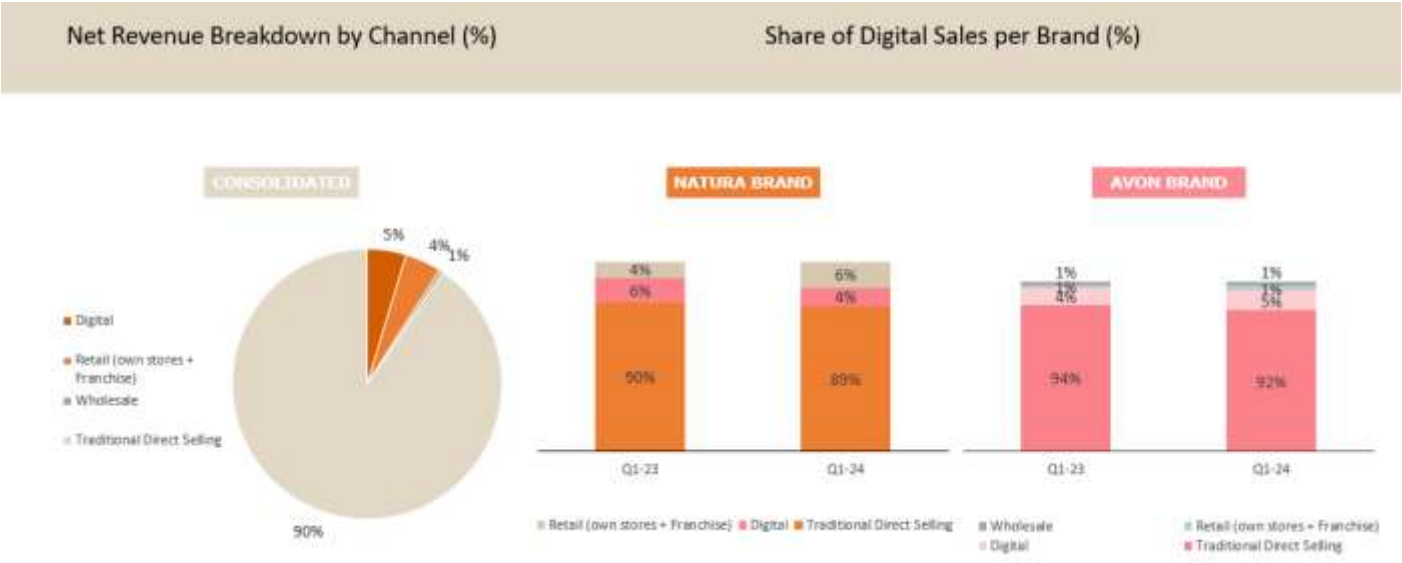
- Q1-24 consolidated net revenue was BRL 6,105 million, up 1.1% YoY in CC (-3.9% ex-Argentina and TBS) and down 5.7% in BRL, reflecting solid performance at the Natura brand partially offset by the expected reduction at Avon Latam (both Beauty and Home & Style) and high-single-digit decline at Avon International



Distribution channel breakdown

Digital sales, which include online sales and social selling, showed some deceleration in the quarter. Natura reported a 2 percentage point (p.p.) decrease to 4% of total sales, offset by the solid retail channel performance, amid omnichannel investments and strategic fundamentals buildup. By contrast, at Avon, penetration was slightly higher at 5%.

Use of digital tools: The penetration of digital tools in the consultant base reached 79.7% in Q1-24 for Natura &Co Latam. Given the change in methodology with the consolidation of a single beauty app, there is no YoY comparable base. Furthermore, at Avon International, penetration of the Avon On app (active representatives who logged in at least once in the last three campaigns) reached 36.5% in Q1-24, +4.2 p.p. vs the previous year.



Gross margin

- Consolidated gross margin was 65.2% in Q1-24, up 90 bps vs. Q1-23 mostly driven by the strong +170 bps gross margin expansion from Latam which benefited from a richer product and countries mix
- Avon International gross margin contracted by 160 bps YoY, mainly impacted by TBS. Excluding the TBS consolidation effect, the margin improved YoY as price increases and favorable product mix more than offset FX headwinds and cost pressures

Q1-24 Gross Margin

BRL million	Consolidated			Holding			Natura &Co Latam			Avon International		
	Q1-24	Q1-23	Ch. %	Q1-24	Q1-23	Ch. %	Q1-24	Q1-23	Ch. %	Q1-24	Q1-23	Ch. %
Net revenue	6,105.3	6,471.5	(5.7)	4.0	1.2	227.4	4,704.6	4,863.7	(3.3)	1,396.7	1,606.6	(13.1)
COGS	(2,127.1)	(2,313.2)	(8.0)	(3.3)	(0.2)	2,045.2	(1,604.0)	(1,741.8)	(7.9)	(519.8)	(571.2)	(9.0)
Gross profit	3,978.2	4,158.3	(4.3)	0.7	1.1	(31.7)	3,100.6	3,121.9	(0.7)	876.9	1,035.4	(15.3)
Gross margin	65.2%	64.3%	90 bps	-	-	-	65.9%	64.2%	170 bps	62.8%	64.4%	-160 bps

Operating expenses

- Consolidated **Selling, Marketing & Logistics** expenses in Q1-24 were 43.3% of net revenue (+70 bps vs. Q1-23), while consolidated **Administrative, R&D, IT and Project** expenses declined 70 bps YoY to 16.2% of net revenue. **SG&A expenses** (both lines above combined) as a percent of net revenue was flat in Q1-24 compared to same period last year mainly driven by Wave 2 efficiencies and Avon International transformational savings more than offset by Natura &Co Latam investments and Avon International sales deleverage effect
- Corporate expenses** in Q1-24 were BRL 55 million, down 21.2% YoY as the group continues its effort to streamline the holding company structure
- Other operating income/expenses** in Q1-24 were an expense of BRL 50 million, compared to an income of BRL 34 million in Q1-23. Natura &Co Latam reported income of BRL 103 million related to tax credits in the quarter which was offset by a BRL 140 million expense at Avon International mostly driven by The Body Shop accounts receivables write-off of BRL 92 million

Transformation/Integration/Group restructuring costs in Q1-24 were BRL 89 million, broadly flat YoY, reflecting slightly higher investments in Latam offset by lower transformational investments from Avon International

Q1-24 Operating Expenses

BRL million	Consolidated			Holding			Natura &Co Latam			Avon International		
	Q1-24	Q1-23	Ch. %	Q1-24	Q1-23	Ch. %	Q1-24	Q1-23	Ch. %	Q1-24	Q1-23	Ch. %
Selling, marketing and logistics expenses	(2,640.5)	(2,759.3)	(4.3)	0.0	(0.5)	-	(2,009.9)	(2,004.0)	0.3	(630.6)	(754.8)	(16.5)
Administrative, R&D, IT and project expenses	(987.8)	(1,091.9)	(9.5)	(3.9)	(4.6)	(15.4)	(647.5)	(715.1)	(9.5)	(336.4)	(372.2)	(9.6)
Corporate expenses	(55.3)	(70.1)	(21.2)	(55.3)	(70.1)	(21.2)	-	-	-	-	-	-
Other operating income / (expenses), net	(50.4)	34.1	(247.7)	(13.5)	(0.5)	2,537.7	103.1	34.0	203.3	(139.9)	0.6	(23,421.4)
Transformation / integration / group restructuring costs	(89.0)	(84.9)	4.9	(0.2)	(1.3)	(84.6)	(42.1)	(26.1)	61.4	(46.7)	(57.5)	(18.8)
Operating expenses	(3,823.0)	(3,972.1)	(3.8)	(72.9)	(77.0)	(5.3)	(2,596.4)	(2,711.2)	(4.2)	(1,153.7)	(1,183.9)	(2.6)
Selling, marketing and logistics expenses (% NR)	(43.3)%	(42.6)%	-70 bps	-	-	-	(42.7)%	(41.2)%	-150 bps	(45.2)%	(47.0)%	180 bps
Administrative, R&D, IT and project expenses (% NR)	(16.2)%	(16.9)%	70 bps	-	-	-	(13.8)%	(14.7)%	90 bps	(24.1)%	(23.2)%	-90 bps
Corporate expenses (% NR)	(0.9)%	(1.1)%	20 bps	-	-	-	-	-	-	-	-	-
Other operating income / (expenses), net (% NR)	(0.8)%	0.5%	-130 bps	-	-	-	2.2%	0.7%	150 bps	(10.0)%	0.0%	-1000 bps
Transformation/integration/group restructuring costs (% NR)	(1.5)%	(1.3)%	-20 bps	-	-	-	(0.9)%	(0.5)%	-40 bps	(3.3)%	(3.6)%	30 bps
Operating expenses (% NR)	(62.6)%	(61.4)%	-120 bps	-	-	-	(55.2)%	(55.7)%	50 bps	(82.6)%	(73.7)%	-890 bps

Consolidated EBITDA

Q1-24 Adjusted EBITDA was BRL 683 million, a slight improvement from BRL 656 million in Q1-23, with an adjusted EBITDA margin of 11.2% (+110 bps YoY). Q1-24 margin reflected:

- Solid margin expansion of +120 bps YoY at Latam, mainly driven by Wave 2 initiative and better countries mix

- Further reduction of corporate expenses, which accounted for 0.9% of net sales during the quarter, improving by 20 bps YoY
- Margin contraction of -80 bps YoY from Avon International amid sales deleverage

Q1-24: Adjusted EBITDA

BRL million	Consolidated			Holding			Natura & Co Latam			Avon International		
	Q1-24	Q1-23	Ch. %	Q1-24	Q1-23	Ch. %	Q1-24	Q1-23	Ch. %	Q1-24	Q1-23	Ch. %
Consolidated EBITDA	547.4	602.2	(9.1)	(72.0)	(75.8)	(5.0)	730.6	637.6	14.6	(111.2)	40.5	(374.8)
Transformation/Integration/Group restructuring costs	89.0	85.0	4.7	0.2	1.4	(85.7)	42.1	26.1	61.4	46.7	57.5	(18.8)
Impairment and Goodwill	46.7	-	-	-	-	-	-	-	-	46.7	-	-
Net non-recurring other (income) / expenses ¹	(0.3)	(31.1)	(98.9)	13.5	-	-	(106.3)	(31.1)	-	92.4	-	-
Adjusted EBITDA	682.8	656.0	4.1	(58.3)	(74.5)	(21.8)	666.5	632.5	5.4	74.6	98.0	(23.9)
Adjusted EBITDA margin %	11.2%	10.1%	110 bps	-	-	-	14.2%	13.0%	120 bps	5.3%	6.1%	-80 bps

Net non-recurring other (income)/expenses: related to tax credits from Natura & Co Latam, TBS receivables write-off from Avon International and expenses related to strategic projects from the Holding company

Financial income and expenses

BRL million	Q1-24	Q1-23	Ch. %
1. Financing, short-term investments and derivatives gains (losses)	64.1	(280.4)	(122.9)
1.1 Financial expenses	(110.9)	(241.6)	(54.1)
1.2 Financial income	156.1	190.4	(18.0)
1.3 Foreign exchange variations from financing activities, net	28.4	116.6	(75.6)
1.4 Gain (losses) on foreign exchange derivatives from financing activities, net	(8.8)	(127.4)	(93.1)
1.5 Gain (losses) on interest rate derivatives and other operating derivatives, net	(0.7)	(218.4)	(99.7)
2. Judicial contingencies	(14.9)	(15.9)	(6.3)
3. Other financial income and (expenses)	(410.3)	(163.9)	150.3
3.1 Lease expenses	(43.3)	(32.8)	32.0
3.2 Other	(71.3)	(77.3)	(7.8)
3.3 Other gains (losses) from exchange rate variation	(197.9)	(12.6)	26.5
3.4 Hyperinflation gains (losses)	(97.8)	(41.2)	73.1
Financial income and expenses, net	(361.1)	(460.2)	(21.5)

The table above details the main changes in financial income and expenses.

Total net financial expenses were BRL -361 million in Q1-24, compared to BRL -460 million in Q1-23, following the liability management plan implemented in Q3-23 and benefitting from the proceeds from the sale of Aesop and subsequent debt repayment, which resulted in financing and short-term investments being an income versus an expense in Q1-23. By contrast, the other financial income and expenses was mostly impacted by the Argentinian peso devaluation and hyperinflation accounting.

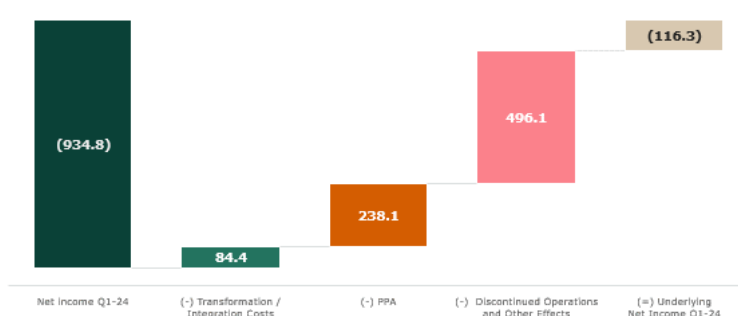
The main drivers this quarter were:

- **Item 1. Financing, short-term investments and derivatives gains (losses)** of BRL +64 million compared to BRL -280 million in Q1-23, reflecting the stronger balance sheet position with quarter end net debt position of BRL 275 million, amid normal seasonal cash consumption
- **Item 3.2. Other** which this quarter was BRL -71 million (vs. BRL -77 million in same period last year) mostly driven by BRL -11 million bank fees from strategic projects and BRL -21 million (BRL -17 million YoY) related to offshore cash transactions, reflecting Aesop proceeds that were received in USD
- **Item 3.3. Other gains (losses) from exchange rate variation** of BRL -198 million, impacted by BRL -137 million of losses related to transferring cash out from Argentina
- **Item 3.4. Hyperinflation gains (losses)** of BRL -98 million mostly related to Argentina macro scenario

Underlying net income (UNI) and net income

- Q1-24 reported net loss was BRL -935 million, compared to a net loss of BRL -652 million in Q1-23, impacted by discontinued operations, higher taxes from country mix and FX losses and hyperinflation accounting impacts
- Q1-24 Underlying Net Income, which is net income excluding transformation costs, restructuring costs, discontinued operations and PPA effects, was BRL -116 million (vs. a loss of BRL -373 million in Q1-23 or BRL -260 million excluding TBS and Aesop) as higher adjusted EBITDA and slightly lower net financial expenses more than offset higher tax expenses
- Excluding the one-off BRL -137 million of losses related to transferring cash out from Argentina, Underlying Net Income would be a profit of BRL 21 million in Q1-24

Net income to underlying net income (UNI) reconciliation



Free cash flow and cash position

R\$ million	Q1-24	Q1-23	Ch. %
Net income (loss)	(935.2)	(652.4)	43.4
Depreciation and amortization	392.1	416.0	(5.8)
Non-cash adjustments to net income	1,069.3	863.9	23.8
Discontinued Operations Results	492.1	256.0	92.3
Adjusted net income	1,018.3	883.5	15.3
Decrease / (increase) in working capital	(1,455.9)	(1,520.3)	(4.2)
Inventories	(677.6)	(502.3)	34.9
Accounts receivable	(385.1)	(235.4)	63.6
Accounts payable	(7.9)	(485.1)	(98.4)
Other assets and liabilities	(385.4)	(297.5)	29.5
Income tax and social contribution	(141.1)	(124.6)	13.2
Interest on debt and derivative settlement	(202.6)	(290.6)	(30.3)
Lease payments	(157.2)	(91.2)	72.3
Other operating activities	(21.3)	(4.2)	413.3
Cash from continuing operations	(959.9)	(1,147.5)	(16.3)
Capex	(119.9)	(218.5)	(45.1)
Sale of assets	0.0	1.4	-
Exchange rate variation on cash balance	69.5	(14.1)	(593.6)
Free cash flow - continuing operations	(1,010.3)	(1,378.7)	(26.7)
Other financing and investing activities	2,328.6	181.6	1,182.3
Operating activities - discontinued operations	(878.8)	(523.5)	67.9
Financing activities - discontinued operations	0.0	(167.6)	-
Capex - discontinued operations	0.0	(83.1)	-
Cash balance variations	439.5	(1,971.2)	(122.3)

In Q1-24, free cash flow from continuing operations was BRL -1,010 million improving BRL +368 million on a pro

Natura &co

forma YoY basis or BRL +803 million compared to Q1-23 reported cash outflow of BRL -1,813 million. The improvement was due to a combination of higher adjusted net income, slightly better working capital dynamic and lower capex, which was driven by phasing of investments.

Working capital improved YoY amid the seasonal cash consumption and was driven by:

- Improved accounts payable from higher purchases in Q1-24 compared to same period last year explained by higher inventory build-up and phasing of higher cash outflow in Q4-23 that benefited this quarter

That more than offset:

- Accounts receivable, that used BRL 385 million in Q1-24 compared to BRL 235 million in Q1-23, primarily due to higher sales in Natura Brazil linked to longer receivable terms. Additionally, an increase in cash consumption by BRL -176 million from inventory build-up for Q2-24 intended to support growing sales further impacted this line
- The Body Shop effect from the reclassification to a third party, combined with business' entrance into administration, impacted overall working capital by BRL -86 million

Indebtedness ratios at both Natura &Co Holding and Natura Cosméticos

The graph below shows the indebtedness trajectory on a quarterly basis since Q1-23.

R\$ million	Natura Cosméticos S.A.		Natura &Co Holding S.A.	
	Q1-24	Q1-23	Q1-24	Q1-23
Short-Term	80.0	131.9	128.1	289.2
Long-Term	2,354.6	7,365.7	6,059.1	12,721.8
Gross Debt ^a	2,434.6	7,497.7	6,187.1	13,011.0
Foreign currency and/or Interest hedging (Swaps and/or NDFs) ^b	(56.8)	419.7	(55.8)	445.2
Total Gross Debt	2,377.9	7,917.5	6,131.3	13,456.2
(-) Cash, Cash Equivalents and Short-Term Investment ^c	(4,657.2)	(2,705.6)	(5,856.0)	(4,048.1)
(=) Net Debt	(2,279.3)	5,211.9	275.3	9,408.2

Indebtedness ratio excluding IFRS 16 effects

Net Debt/EBITDA	-0.24x	2.23x	0.19x	7.54x
Total Debt/EBITDA	0.26x	3.39x	4.18x	10.79x

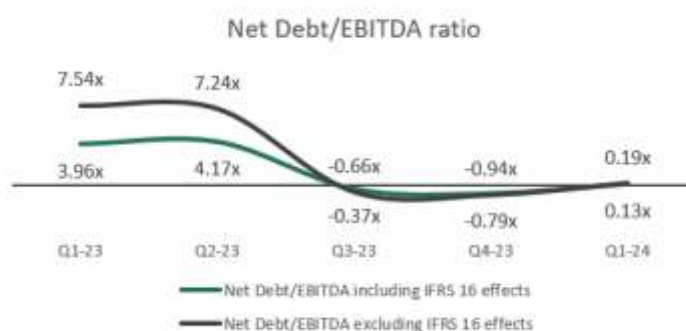
Indebtedness ratio including IFRS 16 effects

Net Debt/EBITDA	-0.23x	1.65x	0.13x	3.96x
Total Debt/EBITDA	0.25x	2.51x	3.00x	5.66x

^a Gross debt excludes PPA impacts of R\$22 million in Q1-24 and R\$244 million in Q1-23, and exclude lease agreements

^b Exchange rate and interest rate hedging instruments- Including mark-to-market effects SWAP(CRI) as well as liabilities

^c Short-Term Investments excludes non current balances



02 Natura &Co LATAM

- Brazilian revenue growth trend accelerated in Q1-24, despite the tough comp base for the Natura brand and lower price increase on a YoY basis. This performance was leveraged by a successful Natura Fragrance sales campaign launched during the quarter, which also led to a richer mix. Hispanic markets continue to show softer performance from Wave 2 adjustments, although with some acceleration from Natura in key regions such as Mexico and Peru. Profitability improvement was noteworthy with the fifth consecutive quarter of YoY expansion even with higher investments and indirect tax burden in Brazil

Wave 2 Status

- Brazil update** – the available consultants are down on a YoY basis, as expected and mentioned last quarter, but remained flat from a QoQ perspective, despite the strong seasonality of the fourth quarter. Activity continues solid, boosted by cross-selling despite maintaining two minimum order split between Avon and Natura. Those KPIs translated into accelerating revenue trends with Natura growing +11.3% and Avon losing -11.3%, even considering the higher indirect tax burden of ~BRL 50 million, which impacted Brazilian net revenue growth by 2p.p.³. Avon also showed improving top-line trends throughout the quarter
- During Q1-24, delivery service KPIs were back to pre-Wave 2 levels, even in March when volumes pick-up on the back of Mother's day preparation. The coordination of delivery time frames for Natura and Avon was also initiated. As a result, both brands now have similar average delivery times for most of the Brazilian regions. Noteworthy is the high correlation between better service level, consultant and consumer satisfaction, and productivity level
- Sales leadership were also more stable and no significant changes were made during the quarter. Inventory shortage continues to improve on a QoQ basis but remains challenging. However, from key categories perspective, those SKUs showed inventories levels back to normal and as a result, enabled healthy performance from Natura
- Hispanic Latam update** – Similar to Brazil, although in different maturity levels, Peru and Colombia distribution channels are still impacted on a YoY basis but showing recovering trends from a QoQ perspective. Productivity continues to show impressive YoY growth, partially offsetting the decreasing, but recovering, activity
- Despite all, expected and unexpected challenges faced during Wave 2 roll-out in the last year, Euromonitor data still showed a solid market share performance from Natura &Co Latam, led by the Natura brand. Strong innovation pipeline should continue to boost the brand's performance

Channel Performance in Latam

Natura &Co Latam	Net revenue change (%)			Operational KPIs change(%)
	Q1-24 vs. Q1-23			Q1-24 vs. Q1-23 ^a
	CFT Natura Δ% CC	CFT Avon Δ% CC	Home & Style Δ% CC	Δ%
Brazil	11.3%	-11.3%	-42.1%	-21.8%
Hispanic	22.3%	-11.8%	-26.1%	-19.1%
Total	14.4%	-11.6%	-31.3%	-20.4%

^a Considers the Average Available Beauty Consultants in the quarter

- Available consultants in Brazil declined 21.8% YoY to 1.6 million in Q1-24, mainly due to the exit of the least productive consultants, consistent with trends from last couple of quarters. As mentioned in the last earnings release, the consultant availability waiver implemented post-Wave 2 roll-out drove the steeper decline this quarter compared to Q4-23

³ Including BRL 50 million in Brazilian net revenues, YoY growth would be 5.9% YoY instead of 3.9% YoY

natura & co

- The Hispanic Latam region saw a 19.1% decrease in consultants YoY, but down 5.8% on a QoQ basis, still impacted by the Wave 2 preparation and implementation but pointing to the recovery trend mentioned in the “Wave 2” section. The decrease continues to be led by termination among the least productive consultants, as mentioned during the last couple of quarters
- As a result, the Latam region reported a 20.4% consolidated decrease in beauty consultants YoY, reflecting the Company's ongoing strategy to prioritize productivity evolution over number of consultants expansion

Natura Brand in Latam

- **Natura Brazil** reported an 11.3% YoY increase in Q1-24 revenues, attesting strong momentum despite the tough comp base (in Q1-23 the brand had grown +24.9% in the region) and the lower YoY price increases. The performance includes a successful Fragrance sales campaign, called “Perfumada”, which also drove richer mix
- Q1-24 retail sales in Brazil showed robust growth, fueled by solid same-store sales and a still strong pace of store openings. The brand expanded to 115 own stores (+19 compared to Q1-23) and 781 franchised stores (+113 compared to Q1-23), underscoring its potential for future growth
- Q1-24 digital sales, encompassing social selling, was up by 8.8% YoY as the brand is setting the base for its omnichannel strategy implementing fundamental changes in its ecommerce engine and commercial rules
- **Natura Hispanic Latam** reported a 22.3% Q1-24 YoY revenue increase in CC. Excluding Argentina, revenues in Hispanic markets remained broadly stable YoY in CC. Mexico, Chile and Peru top-lines showed some evolution compared to Q4-23 growth performance even with the commercial model adjustments in Mexico and the roll-out of Wave 2 in the other countries

Avon Brand in Latam (Beauty Category Only)

- **Avon Brazil** revenue declined 11.3% YoY in Q1-24 within the Beauty category. Channel decline continues to impact top-line performance, partially offset by improving productivity. Some planned SKUs reduction also drove the YoY revenue decrease but led to YoY margin expansion amid a richer mix. In addition, a slight increase in marketing investments and some product innovation (e.g. the Power Stay line) translated into some progression in Avon's brand equity in the region
- **Avon Hispanic Latam** revenue decreased 11.8% YoY and 24.1% YoY when excluding Argentina, particularly impacted by the regions where Wave 2 was rolled out. Although showing improving operational KPIs and leading to important YoY profitability expansion, top-line still posted soft performance from the planned consultants and SKUs reduction

Home & Style in Latam

- Home & Style performance mirrored last quarter trends, recording a 31.3% revenue decrease in CC from Q1-23. This decline was due to the 26.1% and 42.1% declines in the Hispanic market and in Brazil, respectively, both directly related to the planned portfolio optimization strategy and commercial incentives reduction

Natura &Co Latam

Natura &Co Latam (BRL million)	P&L		
	Q1-24	Q1-23	Ch. %
Gross revenue	6,371.9	6,445.3	(1.1)
Net revenue	4,704.6	4,863.7	(3.3)
Constant currency			3.1%
COGS	(1,604.0)	(1,741.8)	(7.9)
Gross profit	3,100.6	3,121.9	(0.7)
Gross margin	65.9%	64.2%	170 bps
Selling, marketing and logistics expenses	(2,009.9)	(2,004.0)	0.3
Administrative, R&D, IT and projects expenses	(647.5)	(715.1)	(9.5)
Other operating income / (expenses), net	103.1	34.0	203.3
Transformation / integration costs	(42.1)	(26.1)	61.4
Depreciation	226.5	226.9	(0.2)
EBITDA	730.6	637.6	14.6
EBITDA margin	15.5%	13.1%	240 bps
Integration costs	42.1	26.1	61.4
Net non-recurring other (income)/ expenses	(106.3)	(31.1)	241.9
Adjusted EBITDA	666.5	632.5	5.4
Adjusted EBITDA margin	14.2%	13.0%	120 bps

- Q1-24 Revenue was up 3.1% YoY in CC, and down 3.3% in BRL, driven by healthy growth at the Natura brand in Brazil, partially offset by the Home & Style category and by Avon adjustments across the region
- Gross margin in Q1-24 reached 65.9%, +170 bps YoY, boosted by richer mix of products and countries, and higher participation of Natura brand on total sales, despite the indirect tax burden increase of ~BRL 50 million in Brazil
- Adjusted EBITDA margin in Q1-24 reached 14.2%, +120 bps YoY increase, driven by gross margin expansion, partially offset by planned investments acceleration that led to YoY selling expenses increase. Investments are related to marketing, particularly for the Natura brand, and to improving service levels. The increase also reflects a BRL 44 million expense reallocation from G&A to Selling expenses line
- Natura & Avon integration costs were BRL 42 million in the quarter, of which ~30% were severance costs, ~13% IT and ~11% logistics investments, with the remainder being Opex investments to integrate production facilities and some legal expenses
- Argentina macro scenario continues to be uncertain and volatile. Adjusted EBITDA margin ex-Argentina was 13.2% and expanded 130 bps YoY. In addition, the table below shows the accounting effects related to the hyperinflation impact (IAS 29) in Q1-24:

	Q1-24 (ex-hyperinflation)	Hyperinflation	FX EoP	Q1-24 (reported)
Net revenues	4.650	64	-9	4.705
Adjusted EBITDA	738	-69	-3	667
% Adj. EBITDA margin	15,9%			14,2%

	Q1-23 (ex-hyperinflation)	Hyperinflation	FX EoP	Q1-23 (reported)
Net revenues	4.883	33	-53	4.864
Adjusted EBITDA	698	-53	-13	633
% Adj. EBITDA margin	14,3%			13,0%

- Emana Pay** at Natura and Avon significantly enhanced the Consultant's financials in Q1-24, establishing another profitable source of revenue alongside cosmetics. The platform secured nearly 838,000 accounts since its inception and recorded a 57% YoY growth in TPV, reaching BRL 12.4 billion in Q1-24. This growth was followed by an increase in contribution margin and net income

- Other operating KPIs continues to show that the high-usage consultants had a 10% increase in productivity, combined with a 30% reduction in default rates. Within the franchise network, the &Co Pay was integrated in 600 stores (70% of the total Natura Stores)
- In the last quarter, the on-us credit portfolio reached BRL 105 million, enhancing payment terms, reducing default rates, and optimizing capital allocation

03 Avon International

- Avon International Q1-24 revenue was down -4.7% YoY in CC. Excluding TBS revenues related to product production, top-line decreased -7.2% YoY in CC, with the Beauty category down 4.2% and a steeper decline in Home & Style. Impacted by sales deleverage, Adjusted EBITDA margin contracted 80 bps YoY to 5.3% despite expenses reductions amid transformational savings

Avon International Operational KPIs change (%) Q1-24 vs. Q1-23
Representatives
-12.0%

Avon International (BRL million)	P&L		
	Q1-24	Q1-23	Ch. %
Gross revenue	1,663.0	1,921.0	(13.4)
Net revenue	1,396.7	1,606.6	(13.1)
Constant currency			-4.7%
COGS	(519.8)	(571.2)	(9.0)
Gross profit	876.9	1,035.4	(15.3)
Gross margin	62.8%	64.4%	-160 bps
Selling, marketing and logistics expenses	(630.6)	(754.8)	(16.5)
Administrative, R&D, IT and project expenses	(336.4)	(372.2)	(9.6)
Other operating income / (expenses), net	(139.9)	0.6	-
Transformation / integration costs	(46.7)	(57.5)	(18.8)
Depreciation	165.6	189.1	(12.4)
EBITDA	(111.2)	40.6	(374.1)
EBITDA margin	-8.0%	2.5%	-1050 bps
Transformation costs	46.7	57.5	(18.8)
Impairment and Goodwill	46.7	-	-
Net non-recurring other (income) / expenses	92.4	-	-
Adjusted EBITDA	74.6	98.0	(23.9)
Adjusted EBITDA margin	5.3%	6.1%	-80 bps

- Avon International continued to manufacture products for The Body Shop following the sale of the business. As a result, from Q1-24 onwards revenues and costs from the sales of those products will be recognized in Avon's P&L (vs. considered an intercompany before). Overall, from a gross profit perspective, the effect is broadly neutral, but revenues and COGS are higher (by ~BRL 40 million in this quarter), pressuring gross margin and adjusted EBITDA margin on a YoY comparison (although in a lesser extent for adjusted EBITDA). For further details, please see the table reconciling such effects in the appendix section
- Net revenue in Q1-24 was BRL 1,397 million (-4.7% YoY in CC or -7.2% excluding TBS revenues) impacted by lower rep count (-12.0% YoY) and a continuation of weaker promotional execution mentioned in Q4-23, which will be more meaningfully adjusted from Q3-24 onwards. Available representatives decline was explained by lower appointments more than offsetting churn reduction, while productivity was up on a YoY basis
- From a category perspective, Beauty performance was also impacted by promotional execution and declined -4.2% (ex-TBS), with the exception of Fragrances, while Home & Style was down -22% amid planned portfolio reduction
- Exploring opportunities from other distribution channels, including retailers, has been a strategic priority for Avon International, which translates to improving brand awareness and equity, that also pushes appointments up. This initiative is still in early stages, but Avon is already being sold in the UK via Superdrug, in Italy via Naima stores and in Turkey via reps retail franchise stores. This early initiative has

showed improvements in sales, in regions where it is more actively exploring other distribution options

- In this sense, the business unit continues to make good progress with its digital strategy as the use of digital tools reached 36.5% of total reps (see **distribution channel breakdown section** – page 4). In addition, digital sales penetration increased by 1.7 percentage points YoY to 7.1% of total revenue
- Gross margin was 62.8%, down 160 bps YoY. Excluding the TBS consolidation effect, the margin improved YoY due to price increases and favorable product mix more than offsetting cost pressures and FX headwinds
- Adjusted EBITDA margin in Q1-24 was 5.3% (down -80 bps YoY) or 5.5% excluding TBS (-60 bps YoY), primarily impacted by sales deleverage. Despite the revenue performance, transformational savings led to a reduction of selling expenses as a percentage of net revenues mainly driven by the corporate structure simplification mentioned in Q4-23 (from four to two leading regions)
- Transformation costs in Q1-24 were BRL 42 million, mainly related to Digital and R&D transformation. This quarter, adjustments were also related to BRL 47 million impairment of a facility and BRL 92 million write-off of TBS receivables, amid the administration announcement
- From a cash conversion perspective, this first quarter was impacted by lower cash EBITDA and working capital dynamics, mainly related to a BRL 86 million impact related to The Body Shop (as mentioned in the cash flow section)

04 Social and environmental performance

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

Natura &Co released its 2023 [Integrated Annual Report](#) on April 16, 2024, which provides a comprehensive update on the environmental and social performance of Natura &Co Latin America and Avon International, as well as insights on how Natura &Co has focused on both addressing sustainability within its own business operations while also actively advocating for system-level change.

Some highlights from Natura &Co Integrated Annual Report include our Taskforce on Climate-related Financial Disclosure (TCFD). Natura &Co Holding, Natura &Co Latin America and Avon International took a consistent approach to identifying and assessing climate-related risks and opportunities and conducting climate scenario analysis. In 2024, we commenced the integration of climate-related risks and opportunities into our strategic planning processes which will be underpinned by financial impact calculations and increased business awareness to manage climate risks and opportunities.

Following Natura &Co's Commitment to Life Sustainability Vision results on pay equity and living wage shared in Q4-23, there was also progress on our packaging circularity targets – all packaging material that are reusable, recyclable or compostable increased from 82.3% to 86.2%. Although we have achieved our biodegradable formula target which increased from 95.9% to 96.1%, we are continuing to advance on improving our results.

Business Units Update

Natura &Co Latin America

Natura &Co Latin America has sustained its transformative impact, pushing forward with substantial advancements in both environmental efforts and community engagement. The company reported a significant increase in the income of its beauty consultants and progressed in emission reduction and logistics efficiency. The innovative "Natura Innovation Challenge" seeks cutting-edge carbon offsetting solutions in collaboration with Amazon communities. This challenge seeks to address key issues such as land tenure regularization and innovative payment formats for environmental services. Natura has completed its first Integrated Profit & Loss results considering the timing of integrating the Avon Latin America business, maintaining strong socio-environmental impacts with a 1:2.7 (2.7 dollars generated in socio-environmental impact per dollar of net income) impact intensity and aiming for a fourfold return by 2030.

Additionally, Natura reinforced its commitment to socio-environmental returns at the South by Southwest (SXSW) event, where it brought Amazonian issues to an international stage, engaging an audience from 97 countries. The event underscored Natura's role in leading discussions on regeneration and bio-innovation, with significant contributions from key activists and the company's Sustainability Director, Angela Pinhati. This aligns with Natura's ongoing goal to quadruple its socio-environmental return on revenue by 2030, maintaining a strong trajectory towards sustainable development and corporate responsibility.

Avon International

During International Women's Month, Avon advanced its commitment to women's empowerment with notable initiatives, including the release of the annual Global Progress for Women report, which highlighted setbacks in gender equality and safety. The report received significant attention in major media outlets, and in response, Avon strengthened its partnerships with NGOs to combat gender-based violence (GBV), highlighted by product launches like the Hydramatic Shine Lipstick, with profits supporting anti-GBV NGOs.

Avon also made strides in sustainability and ethical practices, pledging to make all packaging reusable, recyclable, or compostable by 2030 and launching product innovations such as plastic-free eyeshadows made from FSC certified paper. A notable partnership with Cotton made in Africa (CmiA) marked Avon's commitment to using ethically sourced cotton, supporting both environmental sustainability and the empowerment of women in Africa's workforce.

07 Capital Markets and Stock Performance

NTCO3 share price on the Brazilian stock exchange (B3) at the end of Q1-24 was BRL 17.88, +5.9% in the quarter. Average Daily Trading Volume (ADTV) for the quarter was BRL 183.5 million, -25.3% vs Q1-23.

On March 31, 2024, the Company’s market capitalization was BRL 24.8 billion, and the Company’s capital was comprised of 1,386,848,066 common shares.

Following the announcement of January 2024, on April 10, the Company announced the termination of the ADS program, the effective date of termination of the deposit agreement for our ADS program and of the ADS program will be August 7, 2024.

08 Fixed income

Below is a table with details of all public debt instruments outstanding per issuer as of Mar 31, 2024:

Issuer	Type	Issuance	Maturity	Principal (million)	Nominal Cost (per year)
Natura Cosméticos S.A.	Debenture - 12th Issue	10/06/2022	09/15/2027	BRL 255.9 million	DI + 0.8 per year
		10/06/2022	09/15/2029	BRL 487.2 million	IPCA + 6.80%
		10/06/2022	09/15/2032	BRL 306.9 million	IPCA + 6.90%
Natura Cosméticos S.A.	Commercial Notes	09/19/2022	09/19/2025	BRL 500.0 million	DI + 1.55 per year
Natura Cosméticos S.A.	Debenture - 11th Issue	07/21/2022	07/21/2027	BRL 826.0 million	DI + 1.65 per year
Natura &Co Luxemburg Holding (Natura Lux)	Bond - 2nd Issue (Sustainability Linked Bond)	05/03/2021	05/03/2028	US\$ 450.0 million	4.125% per year
Natura &Co Luxemburg Holding (Natura Lux)	Bonds	04/19/2022	04/19/2029	US\$ 270.0 million	6.00%
Issuer: Avon Products, Inc.	Unsecured Bonds	03/15/2013	03/15/2043	US\$ 21.8 million	8.450%(1)

(1) Coupon based on current credit ratings, governed by interest rate adjustment provisions

Ratings

Below is a table with current credit ratings:

Natura &Co Holding S.A.			
Agency	Global Scale	National Scale	Outlook
Fitch Ratings	BB+	AAA	Stable
Moody's	Ba3	-	Negative
Standard & Poor's	BB	AAA	Stable

Natura &Co Cosméticos S.A.			
Agency	Global Scale	National Scale	Outlook
Fitch Ratings	BB+	AAA	Stable
Moody's	Ba2	-	Negative
Standard & Poor's	BB	AAA	Stable

Avon International			
Agency	Global Scale	National Scale	Outlook
Fitch Ratings	BB	-	Stable
Moody's	Ba3	-	Negative
Standard & Poor's	BB-	-	Stable

Natura &Co Latam Revenue Breakdown

Natura &Co Latam	Net Revenue change (%)	
	Q1-24 vs. Q1-23	
	Reported (R\$)	Constant Currency
Natura Latam ^a	7.3%	14.4%
Natura Brazil	11.3%	11.3%
Natura Hispanic	0.4%	22.3%
Avon Beauty + Home & Style	-21.2%	-17.1%
Avon Brazil	-17.8%	-17.8%
Avon Hispanic	-23.2%	-16.6%

^a Natura Latam includes Natura Brazil, Hispanic and others

Avon International ex TBS impacts

Avon International Ex TBS	Q1-24			Q1-23
	Consolidated	TBS	Avon Ex TBS	
Net revenues	1,396.7	40.0	1,356.7	1,606.6
COGS	(519.8)	(40.0)	(479.8)	(571.2)
Gross profit	876.9	-	876.9	1,035.4
Gross margin	62.8%		64.6%	64.4%
Selling, marketing and logistics expenses	(630.6)		(630.6)	(754.8)
% of NR	-45.2%		-46.5%	-47.0%
Administrative, R&D, IT and project expenses	(336.4)		(336.4)	(372.2)
% of NR	-24.1%		-24.8%	-23.2%
Other operating income / (expenses), net	(0.8)		(0.8)	0.6
% of NR	-0.1%		-0.1%	-
Depreciation	165.6		165.6	189.1
% of NR	11.9%		12.2%	11.8%
Adjusted EBITDA	74.6		74.6	98.1
Adjusted EBITDA margin	5.3%		5.5%	6.1%

Free Cash Flow Reconciliation

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

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

Free Cash Flow	Cash Flow Reconciliation
Net income (loss)	(a)
Depreciation and amortization	(b)
Non-cash Adjustments to Net Income	(c)
Operating activities - discontinued operations	(m)
Adjusted Net income	
Decrease / (Increase) in Working Capital	(d)
Inventories	(d1)
Accounts receivable	(d2)
Accounts payable	(d3)
Other assets and liabilities	(d4)
Income tax and social contribution	(e)
Interest on debt and derivative settlement	(f)
Lease payments	(g)
Other operating activities	(h)
Cash from Operations	
Capex	(j)
Sale of Assets	(i)
Exchange rate variation	(k)
Free Cash Flow	
Other financing and investing activities	(l)
Payment of lease - principal discontinued operation	(n)
Capex - discontinued operation	(o)
Cash Balance Variation	

Consolidated Balance Sheet

ASSETS (R\$ million)	Mar-24	Dec-23	LIABILITIES AND SHAREHOLDER'S EQUITY (R\$ million)	Mar-24	Dec-23
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	4,190.6	3,750.9	Borrowings, financing and debentures	128.1	163.8
Short-term investments	1,665.4	4,024.1	Lease	307.4	298.6
Trade accounts receivable	3,698.9	3,524.4	Trade accounts payable and reverse factoring operations	5,350.7	5,302.5
Accounts receivable - sale of subsidiary	-	22.9	Dividends and interest on shareholders' equity payable	1,018.3	294.2
Inventories	3,709.5	3,087.4	Payroll, profit sharing and social charges	1,138.6	1,019.7
Recoverable taxes	705.8	608.5	Tax liabilities	593.3	634.8
Income tax and social contribution	246.5	175.6	Income tax and social contribution	225.3	908.4
Derivative financial instruments	94.7	189.0	Derivative financial instruments	132.8	329.7
Other current assets	778.2	604.4	Provision for tax, civil and labor risks	593.0	491.3
Assets held for sale	92.9	-	Other current liabilities	808.7	970.5
Total current assets	15,182.6	15,987.2	Total current liabilities	10,296.1	10,413.5
NON CURRENT ASSETS			NON CURRENT LIABILITIES		
Accounts receivable - sale of subsidiary	332.5	806.6	Borrowings, financing and debentures	6,059.1	5,947.9
Recoverable taxes	1,031.8	1,112.4	Lease	756.9	851.8
Deferred income tax and social contribution	2,421.4	2,200.7	Payroll, profit sharing and social charges	17.5	16.1
Judicial deposits	382.2	408.0	Tax liabilities	161.0	127.2
Derivative financial instruments	84.7	89.5	Deferred income tax and social contribution	361.1	328.1
Short-term investments	37.8	36.7	Derivative financial instruments	-	-
Other non-current assets	1,021.5	1,027.7	Provision for tax, civil and labor risks	1,303.4	1,255.5
Total long term assets	5,311.8	5,681.5	Other non-current liabilities	603.9	686.5
Property, plant and equipment	3,405.2	3,457.6	Total non-current liabilities	9,262.9	9,213.1
Intangible	16,730.6	16,569.9	SHAREHOLDERS' EQUITY		
Right of use	1,016.3	1,050.8	Capital stock	12,484.5	12,484.5
Total non-current assets	26,463.8	26,759.8	Treasury shares	(83.8)	(164.2)
			Capital reserves	10,420.3	10,558.5
			Profit Reserves	51.7	780.3
			Accumulated Losses	(934.8)	-
			Other comprehensive income	132.8	(555.8)
			Equity attributable to owners of the Company	22,070.7	23,103.2
			Non-controlling interest in shareholders' equity of subsidiaries	16.7	17.2
TOTAL ASSETS	41,646.4	42,747.0	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	41,646.4	42,747.0

Consolidated Income Statement- Including Purchase Price Allocation (PPA) Amortization

R\$ million	Q1-24	Q1-23	Ch. %
NET REVENUE	6,105.3	6,471.5	(5.7)
Cost of Products Sold	(2,127.1)	(2,313.2)	(8.0)
GROSS PROFIT	3,978.2	4,158.3	(4.3)
OPERATING EXPENSES			
Selling, Marketing and Logistics Expenses	(2,497.1)	(2,543.8)	(1.8)
Administrative, R&D, IT and Project Expenses	(1,043.0)	(1,162.2)	(10.3)
Impairment losses on trade receivables	(235.9)	(215.5)	9.5
Other Operating Expenses, Net	(46.9)	(50.7)	(7.4)
LOSS FROM OPERATIONS BEFORE FINANCIAL RESULT	155.2	186.2	(16.6)
Net Financials	(361.2)	(460.2)	(21.5)
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(206.0)	(274.0)	(24.8)
Income Tax and Social Contribution	(237.1)	(122.2)	94.0
(LOSS) INCOME FROM CONTINUED OPERATIONS	(443.1)	(396.2)	11.8
Income (Loss) from discontinued operations	(492.1)	(256.0)	92.2
(LOSS) INCOME FOR THE PERIOD	(935.1)	(652.2)	43.4
Attributable to controlling shareholders	(934.8)	(652.4)	43.3
Attributable to non-controlling shareholders	(0.3)	0.3	(213.1)

Purchase Price Allocation (PPA) Amortization

R\$ million	Consolidated	Natura &Co Latam	Avon International
	Q1-24	Q1-23	Q1-24 Q4-23
Net Revenue	-	-	-
Cost of Products Sold	(2.4)	(1.5)	(0.7) (0.8)
Gross Profit	(2.4)	(1.5)	(0.7) (0.8)
Selling, Marketing and Logistics Expenses	(67.1)	(64.4)	(29.7) (32.0)
Administrative, R&D, IT and Project Expense:	(71.9)	(75.5)	(70.6) (74.1)
Other Operating Income (Expenses), Net	(39.1)	28.6	(46.7) 22.9
Financial Income/(Expenses), net	(6.6)	15.8	- -
Income Tax and Social Contribution	(51.0)	16.4	- -
LOSS FROM CONTINUED OPERATIONS	(238.1)	(80.5)	(147.7) (84.1)
Depreciation	(141.4)	(141.3)	(101.0) (107.0)

Consolidated Statement of Cash Flow

	R\$ million	Mar - 24	Mar - 23
CASH FLOW FROM OPERATING ACTIVITIES			
Net (loss) income for the period		(935.1)	(652.2)
Adjustments to reconcile net (loss) income for the period with net cash used in operating activities:			
Depreciation and amortization		392.2	416.0
Interest and exchange variation on short-term investments		(24.5)	(190.7)
Loss from swap and forward derivative contracts		9.5	365.9
Increase (reversion) of provision for tax, civil and labor risks		49.7	(20.5)
Monetary adjustment of judicial deposits		(6.6)	(8.1)
Monetary adjustment of provision for tax, civil and labor risks		15.2	15.9
Income tax and social contribution		237.1	122.2
Income from sale and write-off of property, plant and equipment and intangible		43.4	32.2
Interest and exchange rate variation on leases		43.3	33.8
Interest and exchange rate variation on borrowings, financing and debentures, net of acquisition costs		114.2	109.3
Adjustment and exchange rate variation on other assets and liabilities		0.0	0.7
Provision (reversal) for losses on property, plant and equipment, intangible assets and leases		46.7	0.0
Provision for impairment		0.0	(31.1)
Increase (reversion) of provision for stock option plans		(22.0)	(15.2)
Provision for losses with trade accounts receivables, net of reversals		235.9	215.8
Provision for inventory losses, net of reversals		91.6	145.7
Provision for carbon credits		12.2	(7.2)
Effect from hyperinflationary economy		223.5	95.4
Increase (Decrease) in:			
Trade accounts receivable and related parties		(385.1)	(235.4)
Inventories		(677.6)	(502.3)
Recoverable taxes		(9.3)	(98.9)
Other assets		(219.1)	(59.0)
Domestic and foreign trade accounts payable and related parties		(7.9)	(485.1)
Payroll, profit sharing and social charges, net		74.3	(86.5)
Tax liabilities		(20.5)	32.0
Other liabilities		(210.8)	(58.4)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES		6,743.3	1,538.4
Payment of income tax and social contribution		(141.1)	(124.6)
Release of judicial deposits		13.4	7.0
Payments related to tax, civil and labor lawsuits		(34.7)	(11.2)
(Payments) proceeds due to settlement of derivative transactions		(38.3)	(90.2)
Payment of interest on lease		(42.7)	(31.6)
Payment of interest on borrowings, financing and debentures		(164.3)	(200.4)
Operating Activities Discontinued Operations		(386.7)	(267.8)
NET CASH (USED IN) OPERATING ACTIVITIES		(1,724.0)	(1,584.6)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions of property, plant and equipment and intangible		(119.9)	(218.5)
Proceeds from sale of property, plant and equipment and intangible		0.0	1.4
Short-term acquisition		(6,926.8)	(2,087.4)
Redemption of short-term investments		9,194.0	2,306.5
Redemption of interest on short-term investments		114.9	50.1
Investing activities - discontinued operations		0.0	(83.1)
NET CASH GENERATED BY (USED IN) INVESTING ACTIVITIES		2,262.2	(30.9)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease - principal		(114.5)	(86.4)
Repayment of borrowings, financing and debentures - principal		(25.9)	(86.3)
New borrowings, financing, and debentures		28.9	5.9
Acquisition of treasury shares, net of receipt of option strike price		0.0	0.0
Payment of dividends and interest on equity		0.0	(0.0)
Receipt (payment) of funds due to settlement of derivative transactions		(56.5)	(7.3)
Capital Increase		0.0	0.1
Financing activities - discontinued operations		0.0	(167.6)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(168.0)	(341.6)
Effect of exchange rate variation on cash and cash equivalents		69.5	(14.1)
DECREASE IN CASH AND CASH EQUIVALENTS		439.7	(1,971.2)
Opening balance of cash and cash equivalents		3,750.9	4,195.7
Closing balance of cash and cash equivalents		4,190.6	2,224.5
DECREASE IN CASH AND CASH EQUIVALENTS		439.7	(1,971.2)

08 Conference call *and webcast*

Natura &Co

(B3: NTCO9)

is pleased to invite you to join its Q1-24 Earnings Conference Call:

Tuesday, May 14th, 2024

08:00 a.m. | New York Time

09:00 a.m. | Brasília Time

13:00 p.m. | London Time

The broadcast will be held in Portuguese with simultaneous translation into English



natura &co



[Click here to connect to the conference call](#)

The Q1-24 Results will be available on May 13th, Monday, after B3 trading hours at the website: <http://ri.naturaeco.com/en>

09 Glossary

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

ARS: the foreign exchange market symbol for the Argentine peso

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

B3: Brazilian Stock Exchange

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

FX: foreign exchange

FY: fiscal year

G&A: General and administrative expenses

IAS 29: "Financial Reporting in Hyperinflationary Economies" requires the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy to be restated for changes in the general purchasing power of that currency so that the financial information provided is more meaningful

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

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

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

Quarter on quarter ("QoQ"): is a measuring technique that calculates the change between one fiscal quarter and the previous fiscal quarter

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

TBS: The Body Shop.

Task Force on Climate-Related Financial Disclosures ("TCFD"): climate-related disclosure recommendations enable stakeholders to understand carbon-related assets and their exposures to climate-related risks

Task force on Nature-related Financial Disclosures ("TNFD"): The TNFD Framework seeks to provide organisations and financial institutions with a risk management and disclosure framework to identify, assess, manage and report on nature-related dependencies, impacts, risks and opportunities ("nature-related issues"), encouraging organisations to integrate nature into strategic and capital allocation decision making

TPV: Total Payment Volume

UNI: Underlying Net Income, which is net income excluding transformation costs, restructuring costs, discontinued operations and PPA effects

Year-over-year ("YOY"): is a financial term used to compare data for a specific period of time with the corresponding period from the previous year. It is a way to analyze and assess the growth or decline of a particular variable over a twelve-month period

Year to date ("YTD"): refers to the period of time beginning the first day of the current calendar year or fiscal year up to the current date. YTD information is useful for analyzing business trends over time or comparing performance data to competitors or peers in the same industry

10 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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