

Natura &Co Holding S.A.

Parent Company and Consolidated

Interim Financial statement

For the nine-months period ended September
30, 2023 and report on review



(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 30 September 2023 and the related statements of profit or loss and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in shareholders' equity and cash flows for the nine-month period 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 30 September 2023 and the related consolidated statements of profit or loss and comprehensive income for the quarter and nine-month period then ended, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and explanatory notes.

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 on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim 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. and its subsidiaries as at 30 September 2023, and the parent company financial performance for the quarter and nine-month period then ended and its cash flows for the nine-month period then ended, as

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Natura &Co Holding S.A.

well as the consolidated financial performance for the quarter and nine-month period then ended and the consolidated cash flows for the nine-month period then ended, in accordance with CPC 21 and IAS 34.

Other matters

Statement of value added

The interim financial statements referred to above include the parent company and consolidated statements of value added for the nine-month period ended 30 September 2023. These statements are the responsibility of the Company's management and are presented as supplementary information. These statements have been subjected to review procedures performed together with the review of the interim financial statements for the purpose 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 November 2023

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

DocuSigned by:

Signed By: LEANDRO MAURO ARDITO:15700965895
CPF: 15700965895
Signing Time: 13 de novembro de 2023 | 23:09 BRT

Leandro Mauro Ardito
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Contador CRC 1SP188307/O-0

NATURA & CO HOLDING S.A.

STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2023 AND DECEMBER 31, 2022
(In thousands of Brazilian reais - R\$)

ASSETS	Note	Parent		Consolidated		LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent		Consolidated	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022			September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
CURRENT						CURRENT					
Cash and cash equivalents	6	997	5.566	3.292.480	4.195.713	Borrowings, financing and debentures	19	-	-	141.128	331.151
Short-term investments	7	10.675	24.264	3.480.871	1.800.439	Lease	18	315	193	628.546	878.448
Trade accounts receivable	8	2.562	-	3.406.585	3.502.399	Trade accounts payable and reverse factoring operations	20	5.842	6.451	5.516.965	6.375.930
Trade accounts receivable - Related parties	32	63.274	66.329	-	-	Trade accounts payable - Related parties	32	280.092	64.576	-	-
Inventories	9	-	-	4.362.898	4.516.874	Dividends and interest on shareholders' equity payable	24	244	260	244	260
Recoverable taxes	10	32.109	38.902	1.212.613	911.410	Payroll, profit sharing and social charges		12.135	51.485	1.072.729	1.276.977
Income tax and social contribution		-	-	190.264	196.143	Tax liabilities	21	12.113	12.191	518.499	828.125
Derivative financial instruments	5	-	-	134.661	235.114	Income tax and social contribution		-	-	197.529	70.294
Other current assets	14	3.721	13.562	926.028	763.384	Derivative financial instruments	5	-	-	127.077	1.613.968
		<u>113.338</u>	<u>148.623</u>	<u>17.006.400</u>	<u>16.121.476</u>	Provision for tax, civil and labor risks	22	-	-	421.311	463.655
Assets held for sale	13 and 36	-	-	456.705	51	Other current liabilities	23	6.741	23.113	986.337	1.499.060
Total current assets		<u>113.338</u>	<u>148.623</u>	<u>17.463.105</u>	<u>16.121.527</u>	Total current liabilities		<u>317.482</u>	<u>158.269</u>	<u>9.610.365</u>	<u>13.337.868</u>
NON-CURRENT						NON-CURRENT					
Recoverable taxes	10	-	-	880.887	1.356.868	Borrowings, financing and debentures	19	-	-	6.069.775	13.261.135
Deferred income tax and social contribution	11	142.766	150.167	2.677.285	3.519.515	Lease	18	616	352	1.497.943	2.392.289
Judicial deposits	12	-	-	401.159	457.550	Payroll, profit sharing and social charges		4.441	6.029	6.012	26.152
Derivative financial instruments		-	-	81.235	773.251	Tax liabilities	21	-	-	125.528	117.358
Long-term investments	7	-	-	34.543	35.235	Deferred income tax and social contribution	11	-	-	3.244.415	934.414
Other non-current assets	14	-	-	902.828	1.252.437	Income tax and social contribution	0	-	-	375.396	448.532
		<u>142.766</u>	<u>150.167</u>	<u>4.977.937</u>	<u>7.394.856</u>	Derivative financial instruments	5	-	-	-	191.274
Investments	15	28.113.555	22.215.420	-	-	Provision for tax, civil and labor risks	22	1.092	1.051	851.738	873.618
Property, plant and equipment	16	-	-	3.859.197	4.966.150	Other non-current liabilities	23	17.786	17.750	744.370	751.566
Intangible	17	-	1.445	22.297.146	23.260.970	Total non-current liabilities		<u>23.935</u>	<u>25.182</u>	<u>12.915.177</u>	<u>18.996.338</u>
Right of use	18	896	530	1.973.401	2.941.887	TOTAL LIABILITIES		<u>23.935</u>	<u>25.182</u>	<u>12.915.177</u>	<u>18.996.338</u>
Total non-current assets		<u>28.257.217</u>	<u>22.367.562</u>	<u>33.107.681</u>	<u>38.563.863</u>	SHAREHOLDERS' EQUITY	24				
						Capital stock		12.484.515	12.484.424	12.484.515	12.484.424
						Treasury shares		(164.690)	(262.360)	(164.690)	(262.360)
						Capital reserves		10.427.721	10.540.885	10.427.721	10.540.885
						Legal profit reserve		-	-	-	-
						Accumulated losses		3.739.242	(1.994.555)	3.739.242	(1.994.555)
						Other comprehensive income		1.542.350	1.564.340	1.542.350	1.564.340
						Shareholders' equity attributed to the Company's shareholders		<u>28.029.138</u>	<u>22.332.734</u>	<u>28.029.138</u>	<u>22.332.734</u>
						Non-controlling interest in shareholders' equity of subsidiaries		-	-	16.106	18.450
						Total shareholders' equity		<u>28.029.138</u>	<u>22.332.734</u>	<u>28.045.244</u>	<u>22.351.184</u>
TOTAL ASSETS		<u>28.370.555</u>	<u>22.516.185</u>	<u>50.570.786</u>	<u>54.685.390</u>	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>28.370.555</u>	<u>22.516.185</u>	<u>50.570.786</u>	<u>54.685.390</u>

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

NATURA & CO HOLDING S.A.

STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian reais - R\$, except for earnings per share)

	Note	Parent		Parent		Consolidated		Consolidated	
		July 1, 2023 to September 30, 2023	July 1, 2022 to September 30, 2022	January 1, 2023 to September 30, 2023	January 1, 2022 to September 30, 2022	July 1, 2023 to September 30, 2023	July 1, 2022 to September 30, 2022	January 1, 2023 to September 30, 2023	January 1, 2022 to September 30, 2022
NET REVENUE	26	-	-	-	-	7.517.260	8.401.159	22.610.958	24.120.309
Cost of Sales	27	-	-	-	-	(2.610.993)	(3.177.329)	(7.793.624)	(9.216.929)
GROSS PROFIT		-	-	-	-	4.906.267	5.223.830	14.817.334	14.903.380
OPERATING (EXPENSES) INCOME									
Selling, marketing and logistics expenses	27	-	-	-	-	(3.251.962)	(3.613.143)	(9.751.909)	(10.342.316)
Administrative, R&D, IT and project expenses	27	(15.363)	(35.124)	(53.695)	(252.861)	(1.275.426)	(1.381.475)	(4.057.422)	(4.281.688)
Impairment loss on trade receivables	8	-	-	-	-	(142.769)	(151.186)	(460.607)	(464.598)
Share of profits (losses) from subsidiaries	15	7.010.576	(459.984)	5.696.939	(1.657.460)	-	-	-	-
Other operating income (expenses), net	30	4.272	-	5.754	12.326	(284.759)	(101.693)	(700.726)	(202.792)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL RESULT		6.999.485	(495.108)	5.648.998	(1.897.995)	(48.649)	(23.667)	(153.330)	(388.014)
Financial result	29	(6.400)	6.034	(3.696)	(894)	(1.064.904)	(549.688)	(1.943.321)	(1.340.780)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		6.993.085	(489.074)	5.645.302	(1.898.889)	(1.113.553)	(573.355)	(2.096.651)	(1.728.794)
Income tax and social contribution	0	31.456	(70.703)	4.373	(70.703)	961.953	110.669	780.559	(87.357)
LOSS (PROFIT) FOR THE PERIODS FROM CONTINUING OPERATIONS		7.024.541	(559.777)	5.649.675	(1.969.592)	(151.600)	(462.686)	(1.316.092)	(1.816.151)
DISCONTINUED OPERATIONS									
(LOSS) PROFIT FROM DISCONTINUED OPERATIONS	36	(112)	-	(9.524)	-	7.175.592	(96.786)	6.956.022	(152.465)
PROFIT (LOSS) FOR THE PERIODS		7.024.429	(559.777)	5.640.151	(1.969.592)	7.023.992	(559.472)	5.639.930	(1.968.616)
ATTRIBUTABLE TO									
The Company's shareholders		7.024.429	(559.777)	5.640.151	(1.969.592)	7.024.429	(559.777)	5.640.151	(1.969.592)
Non-controlling shareholders		-	-	-	-	(437)	305	(221)	976
PROFIT (LOSS) PER SHARE IN THE PERIODS -R\$									
Basic	31	5,1002	(0,4073)	4,0934	(1,4356)	5,1002	(0,4072)	4,0934	(1,4356)
Diluted	31	5,1002	(0,4073)	4,0934	(1,4356)	5,1002	(0,4072)	4,0934	(1,4356)

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

NATURA & CO HOLDING S.A.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian reais - R\$)

Note	Parent		Parent		Consolidated		Consolidated		
	July 1, 2023 to September 30, 2023	July 1, 2022 to September 30, 2022	January 1, 2023 to September 30, 2023	January 1, 2022 to September 30, 2022	July 1, 2023 to September 30, 2023	July 1, 2022 to September 30, 2022	January 1, 2023 to September 30, 2023	January 1, 2022 to September 30, 2022	
PROFIT (LOSS) FOR THE PERIOD	7.024.429	(559.777)	5.640.151	(1.969.592)	7.023.992	(559.472)	5.639.930	(1.968.616)	
Other comprehensive income (loss) to be reclassified to income statement in subsequent periods:									
Conversion of financial statements of controlled companies abroad	15	(236.877)	(549.711)	(786.385)	(3.035.690)	(236.671)	(550.995)	(788.508)	(3.040.412)
Exchange rate effect on the conversion from hyperinflationary economy	15	59.415	(13.929)	280.233	(28.529)	59.415	(13.929)	280.233	(28.529)
Earnings (losses) from cash flow hedge operations	15	-	-	-	89	887.651	(269.284)	739.089	(923.676)
Tax effects on earnings (losses) from cash flow hedge operations	11	-	-	-	-	(304.366)	91.442	(254.927)	315.188
Equity in earnings (losses) from cash flow hedge operation	15	887.651	(269.284)	739.089	(923.765)	-	-	-	-
Equity in tax effects on earnings (losses) from cash flow hedge operations	11	(304.366)	91.442	(254.927)	315.188	-	-	-	-
Comprehensive loss for the periods, net of tax effects	7.430.252	(1.301.259)	5.618.161	(5.642.299)	7.430.021	(1.302.238)	5.615.817	(5.646.045)	
ATTRIBUTABLE TO									
The Company's shareholders	7.430.252	(1.301.259)	5.618.161	(5.642.299)	7.430.252	(1.301.259)	5.618.161	(5.642.299)	
Noncontrolling shareholders	-	-	-	-	(231)	(979)	(2.344)	(3.746)	
	7.430.252	(1.301.259)	5.618.161	(5.642.299)	7.430.021	(1.302.238)	5.615.817	(5.646.045)	

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

NATURA & CO. HOLDING S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian reais - R\$)

Note	Capital Reserves							Equity appraisal adjustment		Shareholders' equity attributed to controlling shareholders	Non-Controlling Shareholders	Total shareholders' equity
	Capital stock	Treasury shares	Share premium	Special reserve	Additional paid-in capital	Income from transactions with non-controlling shareholders	Legal profit reserve	Retained losses	Other comprehensive income			
						Retained earnings						
BALANCES AS OF JANUARY 1, 2022	12.481.683	(151.342)	10.021.409	362.059	187.402	(92.066)	871.223	-	4.865.202	28.545.570	21.155	28.566.725
Loss for the periods	-	-	-	-	-	-	-	(1.969.592)	-	(1.969.592)	976	(1.968.616)
Exchange rate effect on the conversion from hyperinflationary economy	-	-	-	-	-	-	-	-	(28.529)	(28.529)	-	(28.529)
Other comprehensive income	-	-	-	-	-	-	-	-	(3.644.178)	(3.644.178)	(4.722)	(3.648.900)
Total comprehensive income for the periods	-	-	-	-	-	-	-	(1.969.592)	(3.672.707)	(5.642.299)	(3.746)	(5.646.045)
Share repurchase	-	(120.300)	-	-	-	-	-	-	-	(120.300)	-	(120.300)
Transactions in stock and restricted shares option plans:												
Provision for stock and restricted shares option plans	24	-	-	-	205.056	-	-	-	-	205.056	-	205.056
Exercise of stock and restricted shares option plans	24	5.872	9.282	-	(22.135)	-	3.911	-	-	(3.070)	-	(3.070)
Reclassification of hyperinflationary economy adjustment effect		-	-	(126.473)	-	(58.494)	(8.294)	-	193.261	-	-	-
BALANCES AS OF SEPTEMBER 30, 2022	12.487.555	(262.360)	9.894.936	362.059	311.829	(92.066)	866.840	(1.969.592)	1.385.756	22.984.957	17.409	23.002.366
BALANCES AS OF JANUARY 1, 2023	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
Net income for the periods	-	-	-	-	-	-	-	5.640.151	-	5.640.151	(221)	5.639.930
Exchange rate effect on the conversion from hyperinflationary economy	-	-	-	-	-	-	-	-	280.233	280.233	-	280.233
Other comprehensive income	-	-	-	-	-	-	-	-	(302.223)	(302.223)	(2.123)	(304.346)
Total comprehensive income for the periods	-	-	-	-	-	-	-	5.640.151	(21.990)	5.618.161	(2.344)	5.615.817
Transactions in stock and restricted shares option plans:												
Provision for stock and restricted shares option plans	0	-	-	-	116.312	-	-	-	-	116.312	-	116.312
Exercise of stock and restricted shares option plans	24	91	97.670	-	(229.476)	-	-	93.646	-	(38.069)	-	(38.069)
BALANCES AS OF SEPTEMBER 30, 2023	12.484.515	(164.690)	9.894.936	362.059	262.792	(92.066)	-	3.739.242	1.542.350	28.029.138	16.106	28.045.244

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

NATURA & CO HOLDING S.A.

STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian reais - R\$)

Note	Parent		Consolidated	
	January 1, 2023 to September 30, 2023	January 1, 2022 to September 30, 2022	January 1, 2023 to September 30, 2023	January 1, 2022 to September 30, 2022
CASH FLOW FROM OPERATING ACTIVITIES				
Profit (loss) for the periods	5.640.151	(1.969.592)	5.639.930	(1.968.616)
Adjustments to reconcile profit (loss) for the periods with net cash generated by (used in) operating activities:				
Depreciation and amortization	16, 17 and 18	1.657	1.083	1.730.520
Interest and exchange variation on short-term investments	29	(743)	(14.071)	(642.271)
Loss from swap and forward derivative contracts	5	-	5.266	1.741.801
Increase (reversion) of provision for tax, civil and labor risks	22	-	989	53.566
Monetary adjustment of judicial deposits	12	-	-	(20.510)
Monetary adjustment of provision for tax, civil and labor risks	22	41	55	58.539
Income tax and social contribution		(4.373)	70.703	(780.559)
Income from sale and write-off of property, plant and equipment and intangible	13, 16 and 17	-	-	(130.036)
Share of (profits) losses from subsidiaries	15	(5.696.939)	1.657.460	-
Interest and exchange rate variation on leases	18	83	20	121.065
Interest and exchange rate variation on borrowings, financing and debentures, net of acqui	19	-	-	437.022
Adjustment and exchange rate variation on other assets and liabilities		431	170	2.162
Provision for impairment	30	-	-	25.103
Increase (reversion) of provision for stock option plans		24.550	194.348	78.152
Provision for losses with trade accounts receivables, net of reversals	8	-	-	460.607
Provision for inventory losses, net of reversals	9	-	-	299.516
Provision for carbon credits		-	-	(11.245)
Effect from hyperinflationary economy		-	-	245.484
Other adjustments to reconcile net income for the period		-	-	(206.228)
		(35.142)	(53.569)	9.102.618
				1.514.289
DECREASE (INCREASE) IN ASSETS				
Trade accounts receivable and related parties		95	(7.599)	(628.924)
Inventories		-	-	(752.740)
Recoverable taxes		-	-	61.768
Other assets		17.268	21.254	491.401
Subtotal		17.363	13.655	(828.495)
				(502.649)
INCREASE (DECREASE) IN LIABILITIES				
Domestic and foreign trade accounts payable and related parties		214.874	(53.844)	(515.727)
Payroll, profit sharing and social charges, net		(40.938)	(20.338)	(82.792)
Tax liabilities		(78)	(68)	(239.192)
Other liabilities		(16.370)	(56.439)	(274.180)
Subtotal		157.488	(130.689)	(1.111.891)
				(858.877)
CASH GENERATED BY (USED IN) OPERATING ACTIVITIES				
		139.709	(170.603)	7.162.232
				152.763
OTHER CASH FLOWS FROM OPERATING ACTIVITIES				
Payment of income tax and social contribution		-	(2.568)	(279.669)
Release of judicial deposits net of withdrawals	12 and 22	-	-	23.642
Payments related to tax, civil and labor lawsuits	22	-	-	(51.935)
Payments due to settlement of derivative transactions		-	(934)	(1.520.622)
Payment of interest on lease	18	(83)	(20)	(120.692)
Payment of interest on borrowings, financing and debentures	19	-	-	(997.443)
Operating Activities - discontinued operations		-	-	(7.289.148)
		139.626	(174.125)	(3.073.635)
				(1.028.352)
CASH FLOW FROM INVESTING ACTIVITIES				
Additions of property, plant and equipment and intangible		-	(2.031)	(741.263)
Proceeds from sale of property, plant and equipment and intangible		-	-	16.725
Short-term acquisition		(45.550)	(174.700)	(12.220.644)
Redemption of short-term investments		57.250	301.833	10.625.482
Redemption of interest on short-term investments		2.632	15.230	101.164
Capital increase in subsidiaries		(308.377)	153.656	-
Receipt of dividends from subsidiaries	32	150.000	-	-
Investing activities - discontinued operations		-	-	12.254.162
		(144.045)	293.988	10.035.626
				(70.658)
CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of lease - principal	18	(225)	(48)	(553.864)
Repayment of borrowings, financing and debentures - principal	19	-	-	(8.185.865)
New borrowings, financing, and debentures	19	-	-	1.506.701
Acquisition of treasury shares, net of receipt of option strike price		-	(120.300)	-
Payment of dividends and interest on equity		(16)	-	(16)
Receipt (payment) of funds due to settlement of derivative transactions		-	(4.332)	(367.786)
Capital Increase		91	5.872	91
Financing activities - discontinued operations		-	-	(166.180)
		(150)	(118.808)	(7.766.919)
				656.714
Effect of exchange rate variation on cash and cash equivalents		-	-	(98.305)
				(312.672)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS				
		(4.569)	1.055	(903.233)
				(754.968)
Opening balance of cash and cash equivalents		5.566	4.289	4.195.713
Closing balance of cash and cash equivalents		997	5.344	3.292.480
				3.252.289
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS				
		(4.569)	1.055	(903.233)
				(754.968)

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

NATURA & CO HOLDING S.A.

STATEMENT OF VALUE ADDED
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		January 1, 2023 to September 30, 2023	January 1, 2022 to September 30, 2022	January 1, 2023 to September 30, 2023	January 1, 2022 to September 30, 2022
INCOME		5.754	12.326	27.936.413	30.356.488
Sale of goods, products and services		-	-	28.555.081	30.395.848
Provision for doubtful accounts, net of reversals	8	-	-	56.687	24.203
Other operating expenses, net		5.754	12.326	(675.355)	(63.563)
GOODS ACQUIRED FROM THIRD PARTIES		(22.650)	(212.769)	(17.834.958)	(20.195.153)
Cost of products sold and services rendered		-	-	(9.269.417)	(10.574.586)
Materials, electricity, outsourced services and other		(22.650)	(212.769)	(8.565.541)	(9.620.567)
GROSS VALUE ADDED		(16.896)	(200.443)	10.101.455	10.161.335
RETENTIONS		(1.657)	(1.083)	(1.730.521)	(1.679.060)
Depreciation and amortization	16, 17 and 18	(1.657)	(1.083)	(1.730.521)	(1.679.060)
VALUE ADDED PRODUCED BY THE COMPANY		(18.553)	(201.526)	8.370.934	8.482.275
TRANSFERRED VALUE ADDED		5.703.572	(1.612.122)	10.278.805	4.132.440
Equity in subsidiaries	15	5.696.939	(1.657.460)	-	-
Financial income - including inflation adjustments and exchange rate variations	29	6.633	45.338	10.278.805	4.132.440
TOTAL VALUE ADDED TO DISTRIBUTE - DISCONTINUED OPERATIONS		5.685.019	(1.813.648)	18.649.739	12.614.715
TOTAL VALUE ADDED TO DISTRIBUTE - DISCONTINUED OPERATIONS		(9.524)	-	11.869.776	919.877
TOTAL VALUE ADDED TO DISTRIBUTE		5.675.495	(1.813.648)	30.519.515	13.534.592
TOTAL DISTRIBUTION OF VALUE ADDED		5.675.495	(1.813.648)	30.519.515	13.534.592
DISTRIBUTION OF VALUE ADDED - DISCONTINUED OPERATIONS		(9.524)	-	11.869.776	919.877
DISTRIBUTION OF VALUE ADDED - DISCONTINUED OPERATIONS		5.685.019	(1.813.648)	18.649.739	12.614.715
Payroll and social charges	28	29.388	39.009	4.633.974	4.670.489
Payroll and social charges		16.213	31.289	3.479.944	3.487.540
Benefits		12.406	6.526	694.560	701.911
FGTS		769	1.194	459.470	481.038
Taxes, fees and contributions		(4.381)	70.703	3.112.557	4.258.800
Federal		(4.381)	70.703	2.645.658	(376.272)
State		-	-	466.899	4.634.265
Municipal		-	-	-	807
Third-part capital remuneration		10.337	46.232	12.219.300	5.501.577
Rentals		-	-	(5.621)	28.373
Others		10.337	46.232	12.224.921	5.473.204
Equity remuneration		5.649.675	(1.969.592)	(1.316.092)	(1.816.151)
Retained (losses) earnings		5.649.675	(1.969.592)	(1.315.871)	(1.817.128)
Minority holders' share in retained profit		-	-	(221)	977

*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 NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

1. GENERAL INFORMATION

Natura &Co Holding S.A. ("Natura &Co") was incorporated on January 21, 2019, with the purpose of holding interests in other companies, whose main business is in the cosmetics, fragrance and personal hygiene segments, through the manufacturing, distribution, and sale of their products. Natura &Co is headquartered in Brazil, in the city of São Paulo, State of São Paulo, at Avenida Alexandre Colares, no 1188, Vila Jaguará, CEP 05106-000. Natura &Co and its subsidiaries are hereinafter referred to as the "Company".

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

1.1 Sale of subsidiary Aesop

On August 30, 2023, the Company concluded the sale of the subsidiary Aesop to L'Oréal for a total amount of R\$12,396,226, after obtaining all regulatory approvals. The total gain obtained on the derecognition of the subsidiary's assets and liabilities and recognized as discontinued operations net of income tax and social contribution was R\$7,231,416, which includes the reclassification of accumulated balance sheet conversion gains recognized in other comprehensive income amounting to R\$115,168.

Further details about this operation, as well as the results of discontinued operations for the nine-month periods ending September 30, 2023 and 2022 are presented in explanatory note no. 36.

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 nine-month period ended September 30, 2023, 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 shows all relevant information specific to the interim accounting information, which is consistent with that used by Management in its management and was approved by the Board of Directors and authorized for publication at a meeting held on November 7th, 2023.

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

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

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 note 3 to the Company's audited financial statements for the year ended December 31, 2022, issued on March 13, 2023, as well as those applied for the comparative nine-month period ended September 30, 2022, except for the rules and changes effective as of January 1, 2023.

Among these amendments effective as of January 1, 2023, we highlight the amendments to CPC 23, Accounting Policies, Change in Estimates and Error Correction (IAS 8, Accounting Policies, Change in Estimates and Error Correction) and CPC 26 (R1), Presentation of Financial Statements (IAS 1, Presentation of Financial Statements), in addition to amendments to IFRS Practice Statement 2, Making Materiality Judgments, educational document issued by the IASB and not published by the CPC in Brazil), where the concepts of accounting estimates and applying materiality judgments to accounting policy disclosures to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies. In the preparation of individual and consolidated interim accounting information, these concepts were considered, however, there were no material effects on the nature and detail of the information presented.

Additionally, in May 2023 IASB published amendments to IAS 12, Income taxes, determining the application of a mandatory exception in the recognition of deferred taxes on taxable profit arising from the application of the requirements of the "Pillar 2" legislation, an initiative by the Organization for Economic Cooperation and Development (OECD), through which it seeks to implement a new tax system that will consist of an "extra layer" to the domestic taxation of the countries involved, seeking to ensure the payment of a global minimum effective rate of 15% by taxpayers members of large multinational groups, regardless of their jurisdiction of residence.

As required by the amendment, the Company applied the exception for recognition and disclosure of information on deferred tax assets and liabilities related to Pillar Two income taxes.

The other amendments to the accounting standards, effective as of January 1, 2023, did not have any material impact on the Company's interim individual and consolidated accounting information.

This individual and consolidated interim accounting information should be read in conjunction with the Company's individual and consolidated financial statements for the year ended December 31, 2022.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The areas that require a higher level of judgment and have greater complexity, as well as the areas in which assumptions and estimates are material for the interim accounting information, were presented in note 4 of the Company's individual and consolidated financial statements for the year ended December 31, 2022.

The estimates and assumptions used in the preparation of the interim, individual and consolidated accounting information for the nine-month period ended September 30, 2023, have not changed significantly compared with the estimates and assumptions as of December 31, 2022.

5. FINANCIAL RISK MANAGEMENT

The information regarding the general considerations and policies was presented in note 5.1 of the Company's individual and consolidated financial statements for the year ended December 31, 2022, and there are no changes for the nine-month period ended September 30, 2023.

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, 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

In order to hedge the current balance sheet positions of the Company against market risks, the following financial derivatives (hedging the variability of payments of financing liabilities arising from exchange rate and interest rate risks) and operating derivatives (hedging the exchange rate risk of operating cash flows, such as import and export operations) are used and consist of the balances in the following table, as of September 30, 2023, and December 31, 2022:

Description (Balance sheet position)	Consolidated (Fair value, level 2)	
	September 30, 2023	December 31, 2022
Financial derivatives	107,005	(785,733)
Operating derivatives	(18,186)	(11,144)
Total	88,819	(796,877)

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

Below are the changes in net derivatives balances for the nine-month period ended September 30, 2023, and for the year ended December 31, 2022:

	Consolidated
Balance as of December 31, 2021	516,637
Losses from swap and forward derivative contracts in the result of the year	(992,813)
Payment of funds due to settlement of derivative transactions - operational activity	594,225
Receipt of funds due to settlements of derivatives transactions - financing activity	(118,707)
Losses in cash flow hedge operations (other comprehensive income)	(790,479)
Other movements	(5,740)
Balance as of December 31, 2022	(796,877)
Losses from swap and forward derivative contracts in the result of the period	(1,741,801)
Payment of funds due to settlement of derivative transactions - operational activity	1,520,622
Payment of funds due to settlements of derivatives transactions - financing activity	367,786
Gains in cash flow hedge operations (other comprehensive income)	739,089
Balance as of September 30, 2023	88,819

The Company designates certain financial and operating derivatives described above for hedge accounting 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 nine-month period ended September 30, 2023, are presented below.

	Consolidated				
	Subject to hedging	Notional currency	Fair value	Accumulated gains (losses)	Gains (losses) for the nine-month period
Currency swap - US\$/R\$	Currency	BRL	40,707	(1,031)	764,255
Forward and swap agreements (<i>Natura Distribuidora México</i>)	Currency	BRL	4	33	33
Forward and swap agreements (Avon)	Currency	BRL	(6,716)	(7,603)	(7,603)
Forward agreements (<i>Natura Industria</i>)	Currency	BRL	(10,994)	(10,994)	(12,667)
Forward agreements (The Body Shop)	Currency	BRL	(295)	(4,929)	(4,929)
Total			22,706	(24,524)	739,089

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

	Consolidated
Cash flow hedge balance on December 31, 2021	21,866
Change in fair value recognized in other comprehensive income	(790,479)
Tax effects on the fair value of the hedging instrument	270,035
Cash flow hedge balance on December 31, 2022	(498,578)
Change in fair value recognized in other comprehensive income	739,089
Tax effects on the fair value of the hedging instrument	(254,927)
Cash flow hedge balance on September 30, 2023	(14,416)

In the quarter ended September 30, 2023, the Company transferred its sustainability-linked debt ("Notes", as described in explanatory note 19) from the subsidiary Natura Cosméticos S.A. to the subsidiary Natura & Co Luxembourg Holdings S.á.r.l. ("Natura & Co Luxembourg"), as part of the rebalancing and reorganization process of the Group's debt initiated when the sale of the previously subsidiary Aesop.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

The debt denominated in US dollars was included in a hedge accounting structure, aiming to protect the variability of payments arising from exchange rate and interest rate risks. Considering the transfer made to the subsidiary Natura & Co Luxembourg, whose functional currency is the US dollar, the protected risk was no longer eligible within the hedge accounting structure and, consequently, the Company proceeded with the derecognition of this structure. As a result, the amount of R\$4,958,286, previously recognized in the liabilities of the subsidiary Natura Cosméticos S.A., was derecognized and recognized in the subsidiary Natura & Co Luxembourg. Losses recognized in other comprehensive income of R\$700,810, before tax effects, were reclassified to the statement of profit and loss for the nine-month period ended September 30, 2023, as a financial expense. Additionally, the derivatives liability position of R\$1,380,405 was settled with the corresponding financial institutions in September 2023.

5.2 Fair value estimate

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

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

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

There was no transfer between measurement levels in the fair value hierarchy during the nine-month period ended September 30, 2023, for these assets and liabilities. Additionally, there were no material effects in the quarter on the fair value of financial assets and liabilities as a result of the increase in price volatility in markets affected by the conflict between Russia and Ukraine, counterparty risk in financial assets or inactivity of markets considered in the valuation.

6. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Cash and bank deposits	997	5,566	1,509,758	2,904,808
Certificate of bank deposits	-	-	773,024	46,864
Repurchase operations ^(a)	-	-	1,009,698	1,244,041
	997	5,566	3,292,480	4,195,713

- (a) Repurchase operations are short-term investments and with high liquidity. As of September 30, 2023, repurchase operations are remunerated at an average rate of 100.0% of CDI (100.0% of the CDI as of December 31, 2022).

7. SHORT-TERM INVESTMENTS

	Parent		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Exclusive Investment fund ^(a)	10,675	24,264	-	-
Mutual investment funds ^(b)	-	-	1,854,740	1,228,093
Treasury bills ^(c)	-	-	316,886	539,450
Government securities (LFT) ^(d)	-	-	1,283,599	31,415
Dynamo Beauty Ventures Ltd, Fund	-	-	34,543	35,235
Restricted cash	-	-	25,646	1,481
	10,675	24,264	3,515,414	1,835,674
Current	10,675	24,264	3,480,871	1,800,439
Non-current	-	-	34,543	35,235

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

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

The balance as of September 30, 2023, related to the "Crer para Ver" line within the exclusive investment fund is R\$ 85,242 (R\$91,340 as of December 31, 2022).

- (b) Mutual investment funds refer to the investments of some subsidiaries of the Company's located mainly in Argentina, Chile, Colombia, and Mexico.
- (c) As of September 30, 2023, investments in treasury bills are remunerated at an average rate of 111.70% of the CDI (109.69% as of December 31, 2022).
- (d) As of September 30, 2023, investments in Government securities (LFT) are remunerated at an average rate of 99.30% of the CDI (100.02% of the CDI as of December 31, 2022).

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

The breakdown of securities constituting the Essential Investment Fund portfolio, in which the Company holds 100% interest, on September 30, 2023 and December 31, 2022 is as follows:

	Consolidated	
	September 30, 2023	December 31, 2022
Certificate of bank deposits	-	2,012
Repurchase operations (cash and cash equivalents)	656,726	937,645
Treasury bills	316,886	539,451
Government securities (LFT)	1,283,599	46,070
	2,257,211	1,525,178

These amounts are consolidated with the other investments of the same nature in the Company's consolidated financial information.

8. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	September 30, 2023	December 31, 2022
Trade accounts receivable	3,779,388	3,933,550
(-) Allowance for expected credit losses	(372,803)	(431,151)
	3,406,585	3,502,399

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 allowance for expected credit losses. The following table shows trade accounts receivable by exposure to the allowance for expected credit losses as of September 30, 2023 and December 31, 2022:

	Consolidated			
	September 30, 2023		December 31, 2022	
	Trade accounts receivable	Allowance for expected credit losses	Trade accounts receivable	Allowance for expected credit losses
Current	2,918,871	(108,977)	2,814,843	(94,148)
Past due:				
Up to 31 days	397,661	(44,959)	621,711	(59,764)
From 31 to 60 days	117,577	(40,924)	142,507	(53,609)
From 61 to 90 days	82,884	(38,978)	106,124	(48,851)
From 91 to 180 days	262,395	(138,965)	248,365	(174,779)
	3,779,388	(372,803)	3,933,550	(431,151)

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

The changes in the allowance for expected credit losses for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	Consolidated
Balance as of December 31, 2021	(453,981)
Additions, net of reversals	(465,391)
Write-offs ^(a)	456,947
Translation adjustment	33,441
Balance as of September 30, 2022	(428,984)
Balance as of December 31, 2022	(431,151)
Transfer to non-current assets held for sale	1,661
Additions, net of reversals	(460,607)
Write-offs ^(a)	504,235
Translation adjustment	13,059
Balance as of September 30, 2023	(372,803)

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

9. INVENTORIES

	Consolidated	
	September 30, 2023	December 31, 2022
Finished products	3,499,052	3,634,068
Raw materials and packaging	1,068,119	1,159,507
Auxiliary materials	260,914	146,409
Products in progress	61,545	68,849
(-) Allowance for inventory losses	(526,732)	(491,959)
	4,362,898	4,516,874

The changes in the allowance for inventory losses for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	Consolidated
Balance as of December 31, 2021	(615,945)
Additions, net of reversals ^(a)	(303,801)
Write-offs ^(b)	244,780
Translation adjustment	66,846
Balance as of September 30, 2022	(608,120)
Balance as of December 31, 2022	(491,959)
Transfer to non-current assets held for sale	4,400
Additions, net of reversals ^(a)	(299,516)
Write-offs ^(b)	230,146
Translation adjustment	30,197
Balance as of September 30, 2023	(526,732)

a) This refers to the recognition of net allowance for losses due to discontinuation, expiration and quality, to cover expected losses on the realization of inventories, pursuant to the policy of the Company.

b) This consists of write-offs of products for which there is already an allowance for losses, where the Company has no expectation of sales/realization.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

10. RECOVERABLE TAXES

	Consolidated	
	September 30, 2023	December 31, 2022
ICMS on purchase of goods ^(a)	664,666	704,018
Taxes on purchase of goods – foreign subsidiaries	227,545	245,955
ICMS on purchases of property, plant and equipment	13,887	14,365
PIS and COFINS on purchase of property, plant and equipment and purchase of goods ^(b)	831,661	950,307
Withholding PIS, COFINS and CSLL	1,671	1,671
Tax on Manufactured Goods - IPI ^(c)	169,096	152,686
Other	184,974	199,276
	2,093,500	2,268,278
Current	1,212,613	911,410
Non-current	880,887	1,356,868

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

11. INCOME TAX AND SOCIAL CONTRIBUTION

The effective rate calculated by the company in the nine-month period ended September 30, 2023 was 37.23%. This percentage is based on pre-tax loss of R\$2,096,651 and income tax benefit of R\$780,559. The main components that cause the effective rate to deviate from the nominal income tax rate of 34% are mainly permanent tax benefits such as investment subsidies and other incentives, as well as the impact of tax losses carryforward benefit in certain jurisdictions.

These benefits are offset by the mix of results before taxes by country, tax losses carryforward that could not be benefited, differences in nominal rates of subsidiaries abroad and other permanent tax effects in local jurisdictions that increase the respective tax obligations.

The effective rate calculated by the Company for the nine-month period ended September 30, 2022, was negative 5.05%. This percentage is based on pre-tax loss of R\$1,728,794 and income tax revenue of R\$87,357. The main components that cause the effective rate to distance itself from the nominal income tax rate of 34% are the different yields by country, tax losses from certain jurisdictions that cannot benefit from deferred income tax assets, related permanent effects to withholding income tax arising from transactions between group companies that cannot be benefited or offset by tax losses and credits in certain jurisdictions that can be benefited and permanent net favorable items, including investment subsidies and other incentives.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

Changes in deferred income tax and social contribution asset and liability for the nine-month periods ended September 30, 2023 and 2022, are as follows:

	Parent	Consolidated	
	Assets	Assets	Liabilities
Balance as of December 31, 2021	-	2,954,074	(994,041)
Effect on income statement	-	636,336	(59,831)
Transfer between deferred income tax and social contribution liabilities and assets	-	16,486	(16,486)
Reserve for grant of options and restricted shares	-	6,076	-
Other comprehensive income impact	-	315,188	-
Translation adjustment	-	(223,272)	175,114
Balance as of September 30, 2022	-	3,704,888	(895,244)
Balance as of December 31, 2022	150,167	3,519,515	(934,414)
Effect on income statement	4,373	(658,807)	(2,290,640)
Transfer between deferred income tax and social contribution liabilities and assets	-	16,378	(16,378)
Reclassification of contingency to deferred liability	-	-	(52,004)
Creation of tax credits on a universal basis	-	20,213	-
Write-off of discontinued operation	-	(155,309)	24,933
Reserve for grant of options and restricted shares	(11,774)	(55,887)	2,485
Other comprehensive income impact	-	5,218	-
Translation adjustment	-	(14,036)	21,603
Balance as of September 30, 2023	142,766	2,677,285	(3,244,415)

The Company considered the effective tax rate projections including the effects of continued and discontinued operations when determining the tax effects applicable to the nine-month period ended September 30, 2023.

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 held by the Company as of September 30, 2023 and December 31, 2022 are as follows:

	Consolidated	
	September 30, 2023	December 31, 2022
Unaccrued tax proceedings ^(a)	249,628	274,273
Accrued tax proceedings ^(b)	127,579	150,929
Unaccrued civil proceedings	5,496	5,783
Accrued civil proceedings	1,439	1,470
Unaccrued labor proceedings	8,080	11,014
Accrued labor proceedings	8,937	14,081
Total judicial deposits	401,159	457,550

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

b) The tax proceedings related to these judicial deposits refer, substantially, to the sum of the amounts highlighted in Note 22, and the amounts provisioned according to Note 21.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

Changes in judicial deposits balances for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	Consolidated
Balance as of December 31, 2021	585,284
New deposits	18,867
Redemptions	(82,405)
Inflation adjustment and interests	26,846
Payments / Utilization	(70,637)
Translation adjustment	(2,498)
Balance as of September 30, 2022	475,458
Balance as of December 31, 2022	457,550
New deposits	11,501
Redemptions	(35,143)
Inflation adjustment and interests	20,510
Payments / Utilization	(52,486)
Translation adjustment	(773)
Balance as of September 30, 2023	401,159

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

13. NON-CURRENT ASSETS HELD FOR SALE

The changes in the balance for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	Consolidated
Balance as of December 31, 2021	52,921
Transfers of fixed assets, other assets and liabilities	16,080
Impairment ^(c)	(12,510)
Translation adjustment	(4,983)
Balance as of September 30, 2022	51,508
Balance as of December 31, 2022	51
Transfers of assets of the previously subsidiary Aesop ^(a)	2,492,471
Other transfers ^(b)	555,682
Impairment ^(c)	(56,179)
Write-offs by disposal ^(d)	(2,529,955)
Translation adjustment	(5,365)
Balance as of September 30, 2023	456,705

- a) These transfers include the value of the assets of Aesop, previously subsidiary of the Company and whose sale was assessed as highly probable in the quarter ended March 31, 2023. The interest in Aesop was subsequently disposed during the quarter ended on September 30, 2023.
- b) The other transfers include certain properties of the subsidiary Avon, located in the United States, Chile and Brazil.
- c) Reflect the recognition of loss due to impairment of properties of the subsidiary Avon, located in the United States, Chile and Brazil, transferred to non-current assets held for sale and being tested for impairment purposes upon transfer and consequent measurement to the lower of fair value fewer selling costs and previous book value.
- d) The write-offs due to disposal presented in the movement include the value of the assets of the previously subsidiary Aesop written off upon sale to L'Oreal, on August 30, 2023. Also among the write-offs are the sale of an asset of the subsidiary Avon in Chile, amounting to R\$37,484.

Further details about the sale operation of the subsidiary Aesop, as well as the results of discontinued operations for the nine-month periods ending September 30, 2023 and 2022 are presented in explanatory note no. 36.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

14. OTHER CURRENT AND NON-CURRENT ASSETS

	Parent		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Marketing and advertising advances	-	-	48,148	43,509
Supplier advances	1,522	1,357	285,470	290,205
Employee advances	73	-	24,198	20,267
Rent advances and guarantee deposit ^(a)	-	-	84,550	160,437
Advance insurance expenses	-	11,456	94,185	124,293
Overfunded pension plan ^(b)	-	-	690,328	694,527
Customs broker advances - Import taxes	-	-	33,488	38,398
Sublease receivables ^(c)	-	-	203,019	262,108
Carbon credits	-	-	16,179	14,297
Receivables from service providers ^(d)	-	-	140,796	110,214
Other	2,126	749	208,495	257,566
	3,721	13,562	1,828,856	2,015,821
Current	3,721	13,562	926,028	763,384
Non-current	-	-	902,828	1,252,437

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

(b) Pension plan arising from the acquisition of subsidiary Avon.

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

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

15. INVESTMENTS

	Parent	
	September 30, 2023	December 31, 2022
Investments in subsidiaries, net of losses	28,113,555	22,215,420

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

Information and changes in the balances for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	September 30, 2023			
	Natura Cosméticos S.A. ^(a)	Avon Products, Inc.	Natura &Co International S.a.r.l.	Total
Percentage of interest	100.00%	100.00%	100.00%	
Shareholders' equity of the subsidiaries (unsecured liabilities)	13,643,155	(7,513,429)	5,960,831	12,090,557
Shareholders' equity interest (unsecured liabilities)	13,643,155	(7,513,429)	5,960,831	12,090,557
Fair value adjustment of acquired assets and liabilities	-	3,589,614	-	3,589,614
Tax benefit from income tax of subsidiaries ^(b)	-	357,327	-	357,327
Goodwill	-	12,076,057	-	12,076,057
Total	13,643,155	8,509,569	5,960,831	28,113,555
Net income (loss) for the period of subsidiaries	7,466,145	(2,100,152)	330,946	5,696,939
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	7,466,145	(2,100,152)	330,946	5,696,939
Translation adjustment	(509,798)	(33,658)	(242,928)	(786,384)
Capital increase	-	158,377	150,000	308,377
Effect of hyperinflationary economy adjustment	322,716	(42,483)	-	280,233
Contribution by the controlling company for purchase option plans granted to executive officers of the subsidiaries and other reserves net of tax effects	30,546	34,830	-	65,376
Hedge accounting impacts, net of tax effects	492,106	(7,944)	-	484,162
Distribution of dividends	(150,000)	-	-	(150,000)
Other impacts	(569)	-	1	(568)
Balance as of September 30, 2023	13,643,155	8,509,569	5,960,831	28,113,555

(a) The investment balance in the direct subsidiary Natura Cosméticos S.A. includes goodwill arising from the acquisitions of the indirect subsidiaries The Body Shop R\$ 1,689,388 (R\$1,572,769 as of September 30, 2022) and Aesop (R\$ 121,830 as of September 30, 2022), according to note 17.

(b) Refers to a tax benefit provided for in the United Kingdom where entities with taxable income can use credits from companies with tax losses if they are part of the same economic group and are in the same jurisdiction. This credit originated in the business combination of Avon and is expected to be realized from the operations in the United Kingdom.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

	September 30, 2022			Total
	Natura Cosméticos S.,A. ^(a)	Avon Products, Inc.	Natura &Co International S.à.r.l.	
Percentage of interest	100.00%	100.00%	100.00%	
Shareholders' equity of the subsidiaries (unsecured liabilities)	5,571,165	(5,482,440)	5,754,654	5,843,379
Shareholders' equity interest (unsecured liabilities)	5,571,165	(5,482,440)	5,754,654	5,843,379
Fair value adjustment of acquired assets and liabilities	-	4,088,089	-	4,088,089
Tax benefit from income tax of subsidiaries ^(b)	-	266,124	-	266,124
Goodwill	-	12,716,893	-	12,716,893
Total	5,571,165	11,588,666	5,754,654	22,914,485
Net income (loss) for the period of subsidiaries	(39,895)	(1,634,957)	17,392	(1,657,460)
Balances as of December 31, 2021	7,816,896	14,034,994	6,429,288	28,281,178
Share of profit (loss) of equity investees	(39,895)	(1,634,957)	17,392	(1,657,460)
Translation adjustment	(1,736,126)	(602,216)	(697,348)	(3,035,690)
Effect of hyperinflationary economy	77,541	(106,070)	-	(28,529)
Contribution by the controlling company for purchase option plans granted to executive officers of the subsidiaries and other reserves net of tax effects	65,258	25,186	-	90,444
Hedge accounting impacts, net of tax effects	(612,509)	(1,390)	5,322	(608,577)
Write-off of the tax benefit arising from the calculation of income tax from subsidiaries	-	(126,881)	-	(126,881)
Balance as of September 30, 2022	5,571,165	11,588,666	5,754,654	22,914,485

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

16. PROPERTY, PLANT AND EQUIPMENT

	Useful life range (In years)	Consolidated					Translation adjustment	September 30, 2023
		December 31, 2022	Additions	Write-offs	Transfers	Transfer to asset held for sale		
Cost:								
Vehicles	2 to 5	74,362	5,202	(6,449)	11,046	76	(11,286)	72,951
Tooling	3	204,177	-	-	6,871	-	159	211,207
Tools and accessories	3 to 20	175,452	7,206	(95)	4,786	-	(4,190)	183,159
Facilities	3 to 60	307,448	2,035	(1,096)	8,041	(166)	(916)	315,346
Machinery and accessories	3 to 15	2,272,136	6,101	(35,811)	125,562	(25,065)	(38,746)	2,304,177
Leasehold improvements	2 to 20	1,128,086	29,816	(65,582)	9,149	(696,954)	(21,645)	382,870
Buildings	14 to 60	1,916,939	13,254	(10,038)	(4,275)	(582,033)	(42,875)	1,290,972
Furniture and fixtures	2 to 25	674,062	26,651	(67,212)	5,856	(93,440)	(23,626)	522,291
Land	-	645,657	693	(633)	-	(267,425)	(7,269)	371,023
IT equipment	3 to 15	627,770	4,849	(102,916)	13,237	(52,223)	(21,053)	469,664
Other assets	-	26,230	-	(12)	-	-	(490)	25,728
Projects in progress	-	580,627	285,409	(24,414)	(200,735)	(38,819)	(23,766)	578,302
Total cost		8,632,946	381,216	(314,258)	(20,462)	(1,756,049)	(195,703)	6,727,690
Accumulated depreciation:								
Vehicles		(38,070)	(4,151)	5,089	-	(24)	3,735	(33,421)
Tooling		(179,485)	(9,520)	-	-	-	2,790	(186,215)
Tools and accessories		(135,440)	(15,487)	2	(12)	-	3,472	(147,465)
Facilities		(201,307)	(16,821)	1,088	(1,364)	166	11,359	(206,879)
Machinery and accessories		(1,118,339)	(169,238)	31,299	(513)	17,185	38,633	(1,200,973)
Leasehold improvements		(626,431)	(56,289)	63,062	(133)	464,551	21,478	(133,762)
Buildings		(455,402)	(97,034)	9,750	20	301,177	12,626	(228,863)
Furniture and fixtures		(408,832)	(64,907)	66,087	-	62,651	19,601	(325,400)
IT equipment		(475,668)	(54,962)	102,220	1,585	31,284	15,753	(379,788)
Other assets		(27,822)	(411)	-	83	-	2,423	(25,727)
Total depreciation		(3,666,796)	(488,820)	278,597	(334)	876,990	131,870	(2,868,493)
Net total		4,966,150	(107,604)	(35,661)	(20,796)	(879,059)	(63,833)	3,859,197

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

	Useful life range (in years)	Consolidated					September 30, 2022
		December 31, 2021	Additions	Write-offs	Transfers	Translation adjustment	
Cost:							
Vehicles	2 to 5	38,902	1	(9,211)	10,396	(550)	39,538
Tooling	3	191,840	-	(2,124)	1,066	(222)	190,560
Tools and accessories	3 to 20	110,998	11,282	(1,983)	3,134	(33,640)	89,791
Facilities	3 to 60	303,452	60	(2,232)	3,937	(8,540)	296,677
Machinery and accessories	3 to 15	1,959,943	21,685	(40,212)	76,170	(157,334)	1,860,252
Leasehold improvements	2 to 20	1,128,504	28,830	(37,978)	59,719	(129,079)	1,049,996
Buildings	14 to 60	1,982,245	6,708	(349)	(30,964)	(113,712)	1,843,928
Furniture and fixtures	2 to 25	660,126	44,767	(38,794)	20,385	(68,511)	617,973
Land	-	628,373	-	-	10,095	(14,063)	624,405
IT equipment	3 to 15	634,580	17,614	(74,862)	(54,738)	(80,538)	442,056
Other assets	-	31,636	-	(532)	-	4,958	36,062
Projects in progress	-	561,488	339,250	(2,107)	(328,323)	(64,876)	505,432
Total cost		8,232,087	470,197	(210,384)	(229,123)	(666,107)	7,596,670
Accumulated depreciation:							
Vehicles		(9,457)	(8,591)	8,397	(18)	5,131	(4,538)
Tooling		(174,164)	(5,622)	2,124	-	143	(177,519)
Tools and accessories		(65,740)	(11,026)	129,793	-	(105,050)	(52,023)
Facilities		(183,420)	(13,410)	1,866	276	4,606	(190,082)
Machinery and accessories		(728,408)	(130,678)	33,902	(2,217)	96,759	(730,642)
Leasehold improvements		(602,622)	(98,151)	34,548	566	68,719	(596,940)
Buildings		(298,327)	(58,179)	195	13,160	55,462	(287,689)
Furniture and fixtures		(369,610)	(64,345)	32,663	2,245	33,331	(365,716)
IT equipment		(392,095)	(69,409)	76,041	67,761	59,969	(257,733)
Other assets		(30,836)	(1,729)	535	-	1,287	(30,743)
Total depreciation		(2,854,679)	(461,140)	320,064	81,773	220,357	(2,693,625)
Net total		5,377,408	9,057	109,680	(147,350)	(445,750)	4,903,045

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

17. INTANGIBLE ASSETS

	Useful life range (In years)	Consolidated					September 30, 2023	
		December 31, 2022	Additions	Write-offs	Transfers	Transfer to asset held for sale		Translation adjustment
Cost:								
Software	2.5 to 10	2,949,813	92,571	(467,843)	181,912	(96,956)	(55,859)	2,603,638
Trademarks and patents (defined useful life)	20 to 25	813,204	-	-	-	(139,869)	(27,026)	646,309
Trademarks and patents (indefinite useful life)	-	4,818,030	-	-	-	-	32,834	4,850,864
Goodwill Avon	-	12,307,865	-	-	-	-	(231,808)	12,076,057
Goodwill Emeis Brazil Pty Ltd.	-	124,315	-	-	-	(124,315)	-	-
Goodwill The Body Shop	-	1,645,527	7	-	-	-	43,854	1,689,388
Goodwill acquisition of The Body Shop stores	-	1,456	-	-	-	-	-	1,456
Goodwill acquisition of Singu stores	-	-	52,049	-	-	-	-	52,049
Relationship with retail clients	10	2,583	-	-	-	(2,255)	(8)	320
Key money (indefinite useful life)	-	22,313	-	-	-	-	(723)	21,590
Key money (defined useful life)	3 to 18	7,828	383	(2,144)	(378)	-	877	6,566
Relationship with franchisees and sub franchisees and sales representatives	14 to 15	2,676,563	-	(14,892)	372	-	(110,957)	2,551,086
Technology developed (by acquired subsidiary)	-	1,457,039	-	-	-	-	(58,670)	1,398,369
Other intangible assets and intangible under development	-	133,403	162,046	(5,563)	(161,546)	(9,797)	(2,656)	115,887
Total cost		26,959,939	307,056	(490,442)	20,360	(373,192)	(410,142)	26,013,579
Accumulated amortization:								
Software		(1,720,169)	(306,116)	467,346	436	75,818	8,576	(1,474,109)
Trademarks and patents		(169,620)	(23,992)	-	-	45,298	22,890	(125,424)
Key money		(10,103)	-	2,114	-	-	1,423	(6,566)
Relationship with retail clients		(2,968)	-	-	-	2,255	393	(320)
Relationship with franchisees and sub franchisees		(918,994)	(184,219)	14,892	-	-	31,590	(1,056,731)
Technology developed		(874,225)	(209,806)	-	-	-	35,253	(1,048,778)
Other intangible assets		(2,890)	(2,661)	2,175	-	9,797	(10,926)	(4,505)
Total accrued amortization		(3,698,969)	(726,794)	486,527	436	133,168	89,199	(3,716,433)
Net total		23,260,970	(419,738)	(3,915)	20,796	(240,024)	(320,943)	22,297,146

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

	Useful life range (In years)	Consolidated					September 30, 2022
		December 31, 2021	Additions	Write-offs	Transfers	Translation adjustment	
Cost:							
Software	2.5 to 10	2,492,616	99,001	(28,661)	419,249	(251,501)	2,730,704
Trademarks and patents (defined useful life)	20 to 25	889,834	-	-	-	(140,495)	749,339
Trademarks and patents (indefinite useful life)	-	5,888,623	-	(43)	-	(1,202,292)	4,686,288
Goodwill Avon	-	13,381,191	-	-	-	(652,446)	12,728,745
Goodwill Emeis Brazil Pty Ltd.	-	143,180	-	-	-	(21,350)	121,830
Goodwill The Body Shop	-	2,063,672	-	-	-	(490,903)	1,572,769
Goodwill acquisition of The Body Shop stores	-	1,456	-	(290)	-	-	1,166
Relationship with retail clients	10	2,880	-	-	-	(319)	2,561
Key money (indefinite useful life)	-	24,985	-	(123)	-	(2,949)	21,913
Key money (defined useful life)	3 to 18	14,363	-	(4,655)	-	(2,442)	7,266
Relationship with franchisees and sub franchisees and sales representatives	14 to 15	2,990,558	-	-	-	(315,726)	2,674,832
Technology developed (by acquired subsidiary)	-	1,580,808	-	-	-	(257,738)	1,323,070
Other intangible assets and intangible under development	-	277,776	128,220	(1)	(220,871)	(16,899)	168,225
Total cost		29,751,942	227,221	(33,773)	198,378	(3,355,060)	26,788,708
Accumulated amortization:							
Software		(1,369,767)	(301,773)	27,290	(64,504)	170,022	(1,538,732)
Trademarks and patents		(143,186)	(27,745)	-	-	20,315	(150,616)
Relationship with retail clients		(3,218)	(43)	-	-	314	(2,947)
Key money		(16,517)	-	4,581	-	2,466	(9,470)
Relationship with franchisees and sub franchisees		(729,049)	(198,896)	-	-	80,449	(847,496)
Technology developed		(632,326)	(205,118)	-	-	109,754	(727,690)
Other intangible assets		(296)	(2,038)	-	(48)	442	(1,940)
Total accrued amortization		(2,894,359)	(735,613)	31,871	(64,552)	383,762	(3,278,891)
Net total		26,857,583	(508,392)	(1,902)	133,826	(2,971,298)	23,509,817

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

During the nine-month period ended September 30, 2023, the slower economic recovery observed in the Company's retail operations resulting, among others, from a retraction in the sector's economic prospects affected significant assumptions used in the goodwill recoverability test for future profitability of the Group of Cash Generating Units (CGUs) associated with the operation of the subsidiary The Body Shop. In response to changes in these assumptions on which the recoverability of goodwill due to future profitability is more sensitive, the Company's management recalculated the recoverable value of the respective group of CGUs. The recoverable amount was determined based on value in use calculations, consistent with the methods used on December 31, 2022, disclosed in note 17 of the financial statements on that date.

As a result of this assessment, the need to recognize losses due to impairment of goodwill or other assets belonging to the group of CGUs as of September 30, 2023 was not identified. We will continue to monitor potential indications of impairment of goodwill, as well as factors that impact the significant assumptions used in the goodwill recoverability test based on future profitability, given that changes in such assumptions may have a significant effect in relation to the recoverability of goodwill.

18. RIGHT-OF-USE AND LEASE LIABILITIES

a) Right-of-use

	Useful life in Years ^(a)	Consolidated					September 30, 2023
		December 31, 2022	Additions	Write-offs	Transfer to asset held for sale ^(b)	Translation adjustment	
Cost:							
Vehicles	3	164,661	42,143	(84,887)	-	(12,318)	109,599
Machinery and equipment	3 to 10	31,216	10,501	(1,536)	-	(4,596)	35,585
Buildings	3 to 10	1,570,088	167,935	(101,589)	-	(29,884)	1,606,550
IT equipment	10	29,052	2,259	(7,940)	-	(2,431)	20,940
Retail stores	3 to 10	3,361,432	242,298	(229,125)	(1,388,973)	(81,351)	1,904,281
Software	3 to 4	13,527	5,566	-	-	47	19,140
Tools and accessories	3	498	14	(216)	-	(9)	287
Total cost		5,170,474	470,716	(425,293)	(1,388,973)	(130,542)	3,696,382
Accumulated depreciation:							
Vehicles		(105,457)	(31,682)	82,536	-	13,264	(41,339)
Machinery and equipment		(13,787)	(7,661)	1,377	-	4,298	(15,773)
Buildings		(556,655)	(182,323)	69,241	-	(3,722)	(673,459)
IT equipment		(23,957)	(3,839)	7,940	-	1,992	(17,864)
Retail stores		(1,525,308)	(285,042)	229,125	563,908	50,369	(966,948)
Software		(3,121)	(4,235)	-	-	(50)	(7,406)
Tools and accessories		(302)	(124)	216	-	18	(192)
Total accrued depreciation		(2,228,587)	(514,906)	390,435	563,908	66,169	(1,722,981)
Net total		2,941,887	(44,190)	(34,858)	(825,065)	(64,373)	1,973,401

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

	Useful life in Years ^(a)	Consolidated				September 30, 2022
		December 31, 2021	Additions	Write-offs	Translation adjustment	
Cost:						
Vehicles	3	168,062	22,238	(21,436)	(11,886)	156,978
Machinery and equipment	3 to 10	33,629	5,555	(8,837)	(5,706)	24,641
Buildings	3 to 10	1,543,018	289,038	(143,757)	(117,794)	1,570,505
IT equipment	10	31,803	1,127	(3,970)	(1,305)	27,655
Retail stores	3 to 10	3,417,595	596,811	(281,434)	(451,952)	3,281,020
Tools and accessories	3	1,053	-	(396)	(182)	475
Total cost		5,195,160	914,769	(459,830)	(588,825)	5,061,274
Accumulated depreciation:						
Vehicles		(91,509)	(32,731)	20,358	8,376	(95,506)
Machinery and equipment		(17,133)	(6,740)	8,837	2,946	(12,090)
Buildings		(507,045)	(221,164)	115,629	66,635	(545,945)
IT equipment		(24,410)	(5,024)	3,968	3,016	(22,450)
Retail stores		(1,458,512)	(438,675)	278,640	221,569	(1,396,978)
Tools and accessories		(582)	(167)	396	107	(246)
Total accrued depreciation		(2,099,191)	(704,501)	427,828	302,649	(2,073,215)
Net total		3,095,969	210,268	(32,002)	(286,176)	2,988,059

- 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.
- Refers to key money related to store rentals. This amount is transferred from "right of use" to "intangible assets" when a new commercial agreement with the lessor is not yet signed.
- Retail stores write-offs are associated with the transformation plan of the subsidiary The Body Shop, as mentioned in Note 28.

Amounts recognized in the statement of income for the nine-month periods ended September 30, 2023 and 2022:

	Consolidated	
	September 30, 2023	September 30, 2022
Financial expense on lease	121,065	119,194
Amortization of right of use	514,906	657,250
Appropriation in the result of variable lease installments not included in the measurement of lease liabilities	8,652	45,524
Sublease revenue	(15,583)	(31,304)
Short-term lease expenses and low-value assets	30,303	59,143
Benefits granted by lessor related to Covid-19	(635)	(13,641)
Adjustment to recoverable value of right-of-use assets - impairment	-	(15,427)
Other lease-related expenses	4,214	-
Total	662,922	820,739

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

Lease payments (principal)	553,864	767,097
Amounts recognized in the operating activities in the cash flow statement:		
Lease payments (interest)	120,692	85,994
Variable lease payments, not included in the measurement of lease liabilities	13,384	33,730
Short-term and low-value assets lease payments	26,008	48,756
Other lease-related payments	28,425	56,029
Total	742,373	991,606

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

b) Lease liability

	Consolidated	
	September 30, 2023	December 31, 2022
Current	628,546	878,448
Non-current	1,497,943	2,392,289
Total	2,126,489	3,270,737

Below are the changes in lease liability balances for the nine-month periods ended September 30, 2023 and 2022:

	Consolidated
Balance as of December 31, 2021	3,547,862
New contracts and modifications	882,521
Payments (principal)	(820,859)
Payments (interest)	(85,994)
Appropriation of financial charges	143,205
Write-offs ^(a)	(1,054)
Translation adjustment	(370,953)
Balance as of September 30, 2022	3,294,728
Balance as of December 31, 2022	3,270,737
Transfer to held for sale	(891,098)
New contracts and modifications	460,470
Payments (principal)	(553,864)
Payments (interest)	(120,692)
Appropriation of financial charges	121,065
Write-offs ^(a)	(48,501)
Translation adjustment	(111,628)
Balance as of September 30, 2023	2,126,489

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	
	September 30, 2023	December 31, 2022
Less than a year	777,930	1,070,253
One to five years	1,337,921	2,019,723
More than five years	498,376	856,402
Total expected cash flow	2,614,227	3,946,378
Interest to be incurred	(487,738)	(675,641)
Total balance	2,126,489	3,270,737

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

19. BORROWING, FINANCING AND DEBENTURES

	Ref,	Consolidated	
		September 30, 2023	December 31, 2022
Local currency:			
Financing Agency for Studies and Projects FINEP		3,546	16,979
Debentures	A	1,890,179	1,913,204
Commercial Notes	B	501,240	519,044
Working capital – Avon		-	113,664
Working Capital - Natura &Co Luxembourg		-	1,304,425
Notes – Avon ⁽¹⁾		132,668	1,421,272
Notes – Luxembourg	C and D	3,658,311	3,130,732
Working Capital		24,959	-
Total in local currency		6,210,903	8,419,320
Foreign currency:			
Representative debt securities ("Notes")		-	5,172,966
Total in foreign currency		-	5,172,966
Grand total		6,210,903	13,592,286
Current		141,128	331,151
Non-current		6,069,775	13,261,135
Debentures			
Current		68,189	77,601
Non-current		1,852,699	1,835,603

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

Reference	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	April 2029	6.00% year with bi-annual payments	6.125% per year	Guarantee of Natura &Co Holding S.A. and Natura Cosméticos S.A.
D	US Dollar	May 2028	4.125% year with bi-annual payments	4.125% per year	Guarantee of Natura &Co Holding S.A. and Natura Cosméticos S.A.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

Changes in the balances of borrowing, financing and debentures for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	Consolidated
Balance as of December 31, 2021	12,716,832
New borrowing and financing	6,051,116
Amortizations	(4,591,262)
Appropriation of financial charges and funding costs	532,028
Financial charges payment	(573,042)
Exchange rate variation	(207,821)
Translation adjustment	(219,841)
Balance as of September 30, 2022	13,708,010
Balance as of December 31, 2022	13,592,286
New borrowing and financing ^(a)	1,506,701
Amortizations ^(b)	(8,185,865)
Reversal of fair value recognized in business combinations	(206,228)
Appropriation of financial charges and funding costs	773,906
Financial charges payment	(997,443)
Exchange rate variation	(336,884)
Translation adjustment	64,430
Balance as of September 30, 2023	6,210,903

- a) The movement that occurred in 2023 is mainly due to the revolving credit line obtained by the subsidiary Natura & Co Luxembourg during the second quarter of 2023.
- b) The movement in amortizations in 2023 is substantially due to the debt rebalancing process initiated in the third quarter, where the Company carried out and settled (i) an offer to the holders of securities representing Avon's debt to repurchase approximately 90 % of securities issued for R\$1,156,743 (comprising R\$934,742 of principal, R\$193,086 of premium and R\$28,915 of accrued interest); and (ii) offer to holders of debt securities of Natura & Co Luxembourg (maturing in 2028 and 2029) to repurchase approximately 55% of the securities issued for R\$ 4,142,906 (comprising R\$ 4,049,329 of principal, R\$5,800 premium and R\$87,778 accrued interest). Other amortizations in the period also include the payment of working capital debt amounts at Natura & Co Luxembourg of R\$ 2,402,790 (of which R\$ 1,283,025 refer to the settlement of the open position in the credit line revolving loan and R\$1,119,764 of working capital debt ("Club Loan").

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

	Consolidated	
	September 30, 2023	December 31, 2022
2025	601,924	-
2026	-	1,763,902
2027 onwards	5,467,851	11,497,233
Total	6,069,775	13,261,135

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

19.1 Covenants

As of September 30, 2023 and December 31, 2022, the Company and its subsidiaries no longer has 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, based on the maturity and early settlement of the 9th and 10th series of debentures in December 2022.

The Company also has covenants related to non-financial indicators according to each Contract. The Company is in compliance with such covenants as of September 30, 2023 and December 31, 2022.

20. TRADE ACCOUNTS PAYABLE AND REVERSE FACTORING OPERATIONS

	Parent		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Domestic trade accounts payable	2,945	3,402	4,193,338	4,644,534
Foreign trade accounts payable ^(a)	2,897	3,049	775,860	877,496
Subtotal	5,842	6,451	4,969,198	5,522,030
Reverse factoring operations ^(b)	-	-	547,767	853,900
Total	5,842	6,451	5,516,965	6,375,930

- a) Refers to imports mainly denominated in US dollars, Euros and British pounds.
- b) The Company has contracts signed with first class financial institutions, mainly Banco Itaú Unibanco S.A. to directly structure a reverse factoring operation with the Company's main suppliers. For more details on these transactions, please refer to note 3.15 of the annual financial statements for the year ended December 31, 2022.

21. TAX LIABILITIES

	Parent		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
ICMS (ordinary)	-	-	130,437	180,708
ICMS-ST provision ^(a)	-	-	63,996	60,945
Taxes on invoicing abroad	-	-	176,478	346,407
Withholding tax (IRRF)	-	-	108,713	138,293
Other taxes payable - foreign subsidiaries	-	-	136,172	147,056
Income tax	11,822	12,051	11,822	18,170
PIS and COFINS payable	206	140	206	140
INSS and service tax (ISS) payable	85	-	8,168	31,895
Other	-	-	8,035	21,869
Total	12,113	12,191	644,027	945,483
Current	12,113	12,191	518,499	828,125
Non-current	-	-	125,528	117,358

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

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(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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Balance as of January 1	187,052	181,693	557,675	305,690	186,118	233,474	406,428	597,585	1,337,273	1,318,442
Additions	19,663	55,663	284,041	206,470	85,197	73,916	-	-	388,901	336,049
Reversals	(4,801)	(26,445)	(8,620)	(12,060)	(34,610)	(24,963)	(25,622)	(193,497)	(73,653)	(256,965)
Payments/ utilization of judicial deposits ⁽¹⁾	(51,587)	(9,005)	(293,003)	(126,809)	(41,660)	(48,242)	-	-	(386,250)	(184,056)
Inflation adjustment	7,644	33,067	27,143	16,410	4,849	4,569	18,903	13,022	58,539	67,068
Exchange rate variation (OCI)	(2,605)	(27,351)	(21,648)	3,574	(11,116)	(26,053)	(16,406)	(8,763)	(51,775)	(58,593)
Transfers ⁽²⁾	-	24	-	(965)	14	-	-	-	14	(941)
Balance as of September 30	155,366	207,646	545,588	392,310	188,792	212,701	383,303	408,347	1,273,049	1,221,004
Current									421,311	321,152
Non-current									851,738	899,852

⁽¹⁾ Tax payments refer mainly to the completion of the administrative procedure with the State of Amazonas for the effective settlement of tax amnesties, using judicial deposits, filed by the Company in the year 2022.

Civil payments refer mainly to costs incurred in the settlement of lawsuits related to talc (see Note 36).

⁽²⁾ Reversals of contingent liabilities (business combination) with Avon refer mainly to the change in estimates for tax, civil and labor lawsuits.

⁽³⁾ The business combination amounts as of September 30, 2023, arising from the business combination with Avon are segregated between tax (R\$374,421) and labor (R\$8,882) lawsuits.

⁽⁴⁾ During the year ended December 31, 2022, certain balances included in provision for tax risks were reclassified to align the Group's subsidiaries, as disclosed in explanatory note no. 2.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

a) Disputes related to talc (Civil)

The subsidiary Avon Products, Inc ("Avon") has been named 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. As of September 30, 2023, there were 317 individual cases pending against the subsidiary Avon (during the nine-month period ended September 30, 2023, 163 new cases were started and 74 were dismissed, settled or otherwise resolved).

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. Plaintiffs have challenged the reduction of the award as to subsidiary Avon and have asserted that the reduction should only apply to subsidiary Avon's co-defendant. The trial court has resolved this issue in the Plaintiffs' favor and, once judgment is entered, the case will proceed on appeal.

22.2. Contingencies assessed as possible risk of loss

The Company has administrative and judicial contingencies which the expectation of loss, assessed by the Company's Management and supported by legal advisors, is classified as possible and, therefore, no provision has been recorded. As of September 30, 2023, the amounts of contingencies classified with probability of possible loss are as follows:

	Consolidated	
	September 30, 2023	December 31, 2022
Tax	9,121,646	8,480,614
Civil	261,546	161,859
Labor	182,022	164,462
Total contingent liabilities	9,565,214	8,806,935

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

23. OTHER LIABILITIES

	Parent		Consolidated	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Pension and post-employment health care plans ^(a)	-	-	490,734	463,948
Deferred revenue from performance obligations with customers ^(b)	-	-	208,070	313,204
Provision for incentives to consultants	-	-	155,627	217,349
Provision for operating expenses (marketing / technology, etc.) ^(c)	-	-	394,287	604,064
Provision for store renovation	-	-	98,659	116,137
Crer Para Ver ^(d)	-	-	52,838	87,420
Provision for restructuring ^(e)	21,598	39,846	133,700	188,317
Insurance payables	1,912	-	63,968	69,364
Other Liabilities ^(f)	1,017	1,017	132,824	190,823
Total	24,527	40,863	1,730,707	2,250,626
Current	6,741	23,113	986,337	1,499,060
Non-current	17,786	17,750	744,370	751,566

- a) As of September 30, 2023, there is R\$ 259,618 (R\$ 282,295 as of December 31, 2022) referring to pension plans, and R\$30,604 referring to post-employment plans (R\$28,456 as of December 31, 2022) of subsidiary Avon, and R\$ 140,420 (R\$129,697 as of December 31, 2022) referring to post-employment assistance plans of the subsidiary Natura Cosméticos and R\$ 60,092 (R\$ 51,956 as of December 31, 2022) referring to post-employment assistance plans of the subsidiary Natura &Co International.
- b) Refers to the deferral of revenue from performance obligations related to loyalty programs based on points, sale of gift cards not yet converted into products and programs and events to honor direct sales consultants, of which R\$ 115,552 (R\$ 190,790 as of December 31, 2022) is referring to subsidiary Avon, R\$ 81,789 (R\$ 93,761 as of December 31, 2022) referring to the consolidated subsidiary Natura Cosméticos and R\$ 10,729 (R\$ 28,653 as of December 31, 2022) referring to subsidiary Natura &Co International.
- c) Refers to the Company's operating provision arising mainly from expenses with the provision of technology, marketing and advertising services.
- d) Contribution of the social program to the development of the quality of education.
- e) Provision for costs directly related to the integration plan and changes in the organizational structure substantially of the subsidiary Avon and review of the Group's corporate structure.
- f) Refers to miscellaneous provision such as indemnities and non-current contractual obligations.

24. SHAREHOLDER'S EQUITY

24.1 Treasury shares

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

	Number of shares	R\$ (In thousands)	Average price per share - R\$
Balance as of December 31, 2021	4,899,540	151,342	30.89
Used	(377,585)	(9,282)	24.58
Acquired	5,391,900	120,300	22.31
Balance as of September 30, 2022	9,913,855	262,360	26.46
Balance as of December 31, 2022	9,913,855	262,360	26.46
Used	(3,692,633)	(97,670)	26.45
Balance as of September 30, 2023	6,221,222	164,690	26.47

There was no minimum and maximum cost of the balance of treasury shares on September 30, 2023, considering that there were no movements.

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

25. INFORMATION ON SEGMENTS

As a result of the Aesop sale, the balances of this previous subsidiary were not disclosed in the consolidated balance sheet. The results originating from this segment were classified as discontinued operations in the income statement for the nine-month periods ended September 30, 2023, and 2022.

The other operating segments did not change their composition and information by geographic area in relation to that disclosed in the financial statements for the year ended December 31, 2022.

Net revenue by segment is as follows for the nine-month period ended September 30, 2023:

- Natura & Co Latam – 68.8%
- Avon International – 20.2%
- The Body Shop – 11.0%

The following tables summarize the financial information related to the nine-month periods ended September 30, 2023, and 2022 and the year ended December 31, 2022:

25.1 Operating segments

	September 30, 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	Net Income (loss)
Natura & Co Latam	15,558,622	1,686,135	(711,167)	-	(1,911,998)	856,325	(80,705)
Avon International ¹	4,572,712	36,750	(511,706)	(276,138)	(513,732)	(126,937)	(1,391,763)
The Body Shop ¹	2,479,624	85,214	(507,647)	-	(61,455)	113,877	(370,011)
Aesop	-	-	-	(4,655)	-	-	(4,655)
Corporate expenses	-	(230,909)	-	7,236,815	543,864	(62,706)	7,487,064
Consolidated	22,610,958	1,577,190	(1,730,520)	6,956,022	(1,943,321)	780,559	5,639,930

	September 30, 2022						
	Reconciliation to (loss) net Income for the period						
	Net Revenue	Performance assessed by the company	Depreciation and amortization	Discontinued operations	Financial results	Income tax	Net Income (loss)
Natura & Co Latam	16,084,095	1,482,601	(659,802)	-	(1,037,052)	(33,571)	(247,824)
Avon International ¹	5,133,340	153,600	(507,849)	(181,192)	(447,660)	(42,911)	(1,026,012)
The Body Shop ¹	2,902,874	120,700	(511,349)	-	(52,738)	95,712	(347,675)
Aesop ¹	-	-	-	28,727	-	-	28,727
Corporate balances	-	(466,197)	282	-	196,670	(106,587)	(375,832)
Consolidated	24,120,309	1,290,704	(1,678,718)	(152,465)	(1,340,780)	(87,357)	(1,968,616)

	September 30, 2023				December 31, 2022			
	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Non-current assets	Total assets	Current liabilities	Non-current liabilities
Natura & Co Latam	15,333,459	28,466,537	5,079,758	6,745,995	18,838,366	28,675,608	8,363,130	10,164,706
Avon International ¹	10,310,165	12,553,234	2,289,428	849,513	11,197,014	14,259,571	1,894,856	1,838,328
The Body Shop ¹	6,568,023	7,643,102	1,354,411	1,559,664	6,565,913	7,928,270	1,292,903	1,669,625
Aesop	-	-	-	-	1,621,126	2,735,417	731,018	776,512
Corporate balances	896,034	1,907,913	886,768	3,760,005	341,444	1,086,524	1,055,961	4,547,167
Consolidated	33,107,681	50,570,786	9,610,365	12,915,177	38,563,863	54,685,390	13,337,868	18,996,338

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

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

25.2 Net revenue and non-current assets by geographic region

	Net revenue		Non-current assets	
	September 30, 2023	September 30, 2022	September 30, 2023	December 31, 2022
Asia	1,252,635	1,452,713	807,339	1,284,783
North America	3,328,496	3,795,601	6,106,012	6,261,545
Mexico	2,454,520	2,633,802	3,907,975	3,631,768
Other	873,976	1,161,799	2,198,037	2,629,777
South America	12,598,409	12,735,823	11,447,601	14,508,816
Brazil	8,633,017	7,941,767	9,879,348	12,656,298
Argentina	1,948,915	2,383,295	496,472	694,172
Other	2,016,477	2,410,761	1,071,781	1,158,346
Europe, Middle East and Africa (EMEA)	5,169,485	5,750,491	14,117,347	15,271,251
United Kingdom	1,356,302	1,831,687	10,295,957	10,894,799
Other	3,813,183	3,918,804	3,821,391	4,376,452
Oceania	261,933	385,681	629,381	1,237,468
Consolidated	22,610,958	24,120,309	33,107,681	38,563,863

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

26. REVENUE

	Consolidated	
	September 30, 2023	September 30, 2022
Gross revenue:		
Direct Selling	23,996,577	25,421,369
Retail	2,483,858	2,462,811
Online	1,428,620	1,676,401
Other sales	1,656,624	1,981,948
Subtotal	29,565,679	31,542,529
Returns and cancellations	(332,263)	(428,411)
Commercial discounts and rebates	(678,335)	(718,269)
Taxes on sales	(5,944,123)	(6,275,540)
Subtotal	(6,954,721)	(7,422,220)
Total net revenue	22,610,958	24,120,309

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

27. OPERATING EXPENSES AND COST OF SALES

	Parent		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Classified by function				
Cost of sales	-	-	7,793,624	9,216,929
Selling, marketing and logistics expenses	-	-	9,751,909	10,342,316
Administrative, R&D, IT, and project expenses	53,695	252,861	4,057,422	4,281,688
Total	53,695	252,861	21,602,955	23,840,933
Classified by nature				
Cost of sales	-	-	7,793,624	9,216,929
Raw material/packaging material/resale	-	-	6,910,866	8,334,433
Employee benefits expense (note 28)	-	-	412,429	415,418
Depreciation and amortization	-	-	137,954	133,380
Other	-	-	332,375	333,698
Selling, marketing and logistics expenses	-	-	9,751,909	10,342,316
Logistics costs	-	-	1,318,400	1,596,375
Personnel expenses (note 28)	-	-	2,762,320	2,799,679
Marketing, sales force and other selling expenses	-	-	4,931,809	5,166,204
Depreciation and amortization	-	-	739,380	780,058
Administrative, R&D, IT and project expenses	53,695	252,861	4,057,422	4,281,688
Innovation expenses	-	-	144,456	144,824
Personnel expenses (note 28)	37,047	48,019	1,632,706	1,610,231
Restructuring expenses	1,939	125,933	1,939	128,993
Other administrative expenses	13,052	77,826	1,460,132	1,631,108
Depreciation and amortization	1,657	1,083	818,189	766,532
Total	53,695	252,861	21,602,955	23,840,933

28. EMPLOYEE BENEFITS

	Parent		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Payroll, profit sharing and bonuses	16,213	31,289	3,479,943	3,486,693
Pension Plan	-	-	125,233	122,740
Share-based payments and charges on restricted shares, net of tax	11,040	3,924	121,188	71,170
Health care, food and other benefits	1,366	2,602	448,139	508,001
Charges, taxes and social contributions	769	1,194	459,469	481,038
Social security	7,659	9,010	173,483	155,686
Total	37,047	48,019	4,807,455	4,825,328

28.1 Share-based payments

Information regarding share-based payments was presented in the Company's financial statements for the year ended December 31, 2022, in note 28.

The expense related to stock options, restricted shares and performance shares, including social security charges, recognized in the nine-month period ended September 30, 2023, was R\$ 11,040 and R\$ 121,188 for parent company and consolidated level (R\$3,924 and R\$71,170 as of September 30, 2022), respectively.

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

On May 5, 2023, the following awards were granted under the "Co-Investment Plan" and the "Long-Term Incentive Plan":

- a) 3,819,700 restricted shares with grant date fair value of R\$11.20 that generally vest in tranches over 1 to 3 years, subject to the participants remaining in employment over the vesting period.
- b) 8,736,315 performance shares with grant date fair values of R\$11.20 to R\$11.55 that vest at the end of a 3-year period, subject to the participants remaining in employment and certain performance conditions being met.
- c) 30,000 options that vest in tranches over 3 to 4 years, subject to the participants remaining in employment over the vesting period.

These awards will be settled in Natura & Co Holding S.A.'s shares.

On August 30, 2023, the Company completed Aesop sale. In connection with this, 1,057,814 share-based awards granted to Aesop employees between 2021 and 2023 (of which 182,482 restricted shares and 875,332 performance shares) were vested and released. On the sale conclusion date, 600,000 options held by the Aesop employees were vested but remain outstanding and available for exercise as of September 30, 2023.

The number of awards in this note is showed using equivalent B3 shares to ensure consistency, although some awards are settled in American Depositary Receipts (ADRs).

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

29. FINANCIAL RESULTS

	Parent		Consolidated	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Financial expenses (debt interest)	-	-	(723,946)	(519,106)
Interest on short-term investments and other	743	14,071	642,271	330,069
Gains (losses) on financial activities, net	-	-	336,884	207,821
Losses with derivatives on exchange rate variations on financial activities, net	-	-	(331,204)	(212,874)
Losses on derivatives on interest payments and other financial activities, net	-	(5,266)	(1,547,988)	(311,427)
Inflation adjustment of provision for tax, civil and labor risks and tax liabilities	-	3,353	(58,539)	(67,068)
Leases expenses	(83)	(20)	(121,065)	(119,194)
Other financial expenses	(3,177)	(18,480)	(26,881)	(216,228)
Hyperinflationary economy adjustment	-	-	(107,666)	(137,482)
Other gains (losses) from exchange rate variation on operating activities	(1,179)	5,448	(5,187)	(295,291)
Financial results	(3,696)	(894)	(1,943,321)	(1,340,780)

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

30. OTHER OPERATING EXPENSES, NET

	Consolidated	
	September 30, 2023	September 30, 2022
Other operating income, net		
Result on write-off of property, plant and equipment	1,399	-
Tax credits ^(a)	25,379	60,731
Tax benefit from amnesty program ^(b)	-	102,469
Reversal for tax, labor and civil contingencies provision	20,973	-
Reversal for impairment provision	31,076	-
Revenue with sale of the customer portfolio	8,077	6,587
Royalty income ^(c)	-	119,438
Other operating income	16,840	29,461
Total other operating income	103,744	318,686
Other operating expenses, net		
Result on write-off of property, plant and equipment	-	(8,092)
Crer para Ver ^(d)	(13,663)	(37,260)
Impairment provision	(56,179)	(12,510)
Expenses with sale of customer portfolio	(12,644)	-
Transformation and integration plan ^(e)	(541,440)	(366,124)
Restructuring expenses ^(f)	(73,988)	(49,819)
Other operating expenses	(106,556)	(47,672)
Total other operating expenses	(804,470)	(521,478)
Other operating expenses, net	(700,726)	(202,792)

- a) Refers mainly to PIS and COFINS credits.
- b) Refers to tax benefits in Brazil arising from the adhesion to state tax amnesty programs by the subsidiaries Natura Cosméticos S.A. and Avon Cosméticos Ltda.
- c) Refers to revenue from royalties received by subsidiary Avon from its representative in Japan, after a legal dispute as mentioned in explanatory note 22 of the Company's interim financial information for the period ended September 30, 2022, issued on August 11, 2022.
- d) Refers to appropriation of operating income obtained on the sales of the non-cosmetic product line called "Crer Para Ver" to the Natura Institute, specifically earmarked for social projects aimed at developing the quality of education.
- e) Expenses related to execution of Natura & Co Latam integration plan ("ELO project") and integration of the subsidiary Avon International.
- f) Expenses mainly related to the execution of transformation plan of the subsidiary The Body Shop.

31. EARNINGS PER SHARE

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

	Consolidated	
	September 30, 2023	September 30, 2022
Gain (loss) attributable to the Company's controlling shareholders	5,640,151	(1,969,592)
Weighted average of the number of issued common shares	1,385,675,623	1,381,559,530
Weighted average treasury shares	(7,808,628)	(9,632,014)
Weighted average of the number of outstanding common shares	1,377,866,995	1,371,927,516
Earnings (loss) per share – R\$	4.0934	(1.4356)

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

The diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding, assuming the conversion of all potential common shares that would cause dilution.

	Consolidated September 30, 2023
Gain attributable to the Company's controlling shareholders	5,640,151
Weighted average of the number of outstanding common shares	1,377,866,995
Stock Options and restricted shares adjustment	5,536,171
Weighted average number of common shares considered to diluted earnings per share	1,383,403,166
Diluted earnings per share - R\$	<u>4.0770</u>

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	
	September 30, 2023	December 31, 2022
Current assets:		
Avon Products, Inc. ^{(a) e (b)}	47,431	47,593
Natura Cosméticos S.A. – Argentina ^(a)	3,843	4,022
Natura Cosméticos S.A. – Perú ^(a)	481	501
Natura Cosméticos S.A – Colombia ^(a)	339	353
The Body Shop International ^{(a) and (b)}	9,537	9,656
Aesop Holdings Ltd. (UK) ^{(a) and (b)}	-	2,652
Indústria e Comércio de Cosméticos Natura Ltda.	94	-
Natura &Co Luxembourg Holdings S.à.r.l. ^(d)	1,549	1,552
Total	<u>63,274</u>	<u>66,329</u>
Current liabilities:		
Natura Cosméticos S.A. ^{(a) and (b)}	52,854	1,472
Indústria e Comércio de Cosméticos Natura Ltda. ^(a)	830	404
Natura Comercial ^(a)	14	-
Avon Products, Inc. ^(b)	50,120	50,120
The Body Shop International ^(b)	11,463	11,463
Natura &Co Luxembourg Holdings S.à.r.l. ^(d)	164,811	-
Aesop Holdings Ltd. (UK)	-	1,117
Total current liabilities	<u>280,092</u>	<u>64,576</u>

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

b) Refers to the transfer of shared expenses.

c) On December 31, 2022 refers to interest on own equity.

d) Refers to reimbursement of expenses for issuing bonds.

In the nine-month periods ended September 30, 2023 and 2022, there were no significant transactions of the parent company with related parties that passed through the income statement. The main transactions that occurred in the period refer to the transfer of expenses related to the stock option plans and shares restricted.

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

32.2. Uncontrolled and unconsolidated transactions with related parties

Instituto Natura holds shares in the Essential Investment Fund, As of September 30, 2023, the balance is R\$ R\$ 8,435 (R\$ 6,805 as of December 31, 2022).

On June 5, 2012, an agreement 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 Itupeva, São Paulo. 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 Natura &Co Holding S.A. controlling group, indirectly control Bres Itupeva. The amount involved in the transaction is recorded under the heading "Right to Use – Buildings", the balance in the nine-month period ended on September 30, 2023 was R\$55,495 (R\$63,665 under the heading "Buildings" of Fixed Assets, on December 31, 2022) and in the nine-month period ended September 30, 2023, the amount paid as rent was R\$12,431 (R\$11,791 in the nine-month period ended September 30, 2022).

On January 8, 2021, a related-party transaction was carried out between the Company, as lessee and owner, the subsidiary Indústria e Comércio de Cosméticos Natura Ltda. and Natura &Co Holding S.A., as guarantors and a specific purpose Company (Bresco IX) held indirectly by Messrs. Antônio Luiz da Cunha Seabra, Guilherme Peirão Leal and Pedro Luiz Barreiros Passos as lessor and surface-right owner (Co-Chairmen from the Board of Directors of the Company and shareholders members of Natura &Co Holding S.A., the parent Company. The transaction was signed with the purpose 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 transaction is recorded under the heading "Right of Use - Buildings" in the amount of R\$30,853, in the nine-month period ended September 30, 2023, the total amount paid as rent was R\$6,293 (there was no disbursement during the nine-month period ending September 30, 2022).

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-Chairmen from the Board of Directors of Natura &Co Holding S.A. and shareholders members of Natura &Co Holding S.A). The transaction was signed with the purpose of maintaining the Company's distribution center activities in Canoas, Rio Grande do Sul. The amount involved in the transaction is recorded under the heading "Right of Use - Buildings" at R\$3,845, in the nine-month period ending September 30, 2023, the total amount paid as rent was R\$2,126 (R\$1,048 in the nine-month period ending September 30, 2022).

In the nine-month period ended September 30, 2023, the Company and its subsidiaries transferred to the Natura Institute as a donation associated with the net result of sales of the Natura Crer Para Ver product line the amount of R\$45,000 (R\$35,000 in the nine-month period ending September 30, 2022).

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.

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

32.3. Key management personnel compensation

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

	September 30, 2023			September 30, 2022		
	Compensation			Compensation		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors	6,354	9,999	16,353	10,605	147,413	158,018
Executive Board	21,242	171,423	192,665	26,045	40,608	66,653
	27,596	181,422	209,018	36,650	188,021	224,671

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

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

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

The variable compensation incurred during the nine-month period ended on September 30, 2023 includes variable compensation associated to the Aesop sale.

33. COMMITMENTS

In the ordinary course of its business, the Company enters into long-term agreements for provision of manufacturing, transportation, information technology services and electric power supply (with physical delivery, for its manufacturing activities). The agreements have termination clauses for noncompliance with essential obligations. In general, the minimum agreed upon is acquired and therefore there are no liabilities recorded in addition to the amount recognized on the accrual basis.

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

	Consolidated	
	September 30, 2023	December 31, 2022
Less than one year	644,216	614,075
One to five years	600,219	659,626
Above 5 years	45,441	49,331
Total	1,289,876	1,323,032

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

34. INSURANCE

The Company adopted an insurance policy that mainly considers risk concentration and its materiality, considering the nature of their activities and the guidance of their insurance advisors. As of September 30, 2023 and December 31, 2022, insurance coverage is as follows:

Item	Type of coverage	Amount insured	
		September 30, 2023	December 31, 2022
Industrial complex and administrative sites	Any damages to buildings, facilities, inventories, and machinery and equipment	4,607,425	4,924,868
Vehicles	Fire, theft and collision for the vehicles insured by the Company	215,428	221,523
Loss of profits	No loss of profits due to material damages to facilities buildings and production machinery and equipment	2,056,000	2,056,000
Freight	Damages to products in transit	90,237	97,308
Civil liability	Protection against error or complaints in the exercise of professional activity that affect third parties	1,429,819	1,991,888
Environmental liability	Protection against environmental accidents that may result in environmental lawsuits	30,000	30,000

35. ADDITIONAL INFORMATION RELATING TO THE STATEMENTS OF CASH FLOWS

The following table presents 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	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<u>Non-cash items</u>				
Hedge accounting impact, net of tax effects	-	89	484,162	(608,488)
Net effect of acquisition of property, plant and equipment and intangible assets not yet paid	-	-	52,991	59,550

36. DISCONTINUED OPERATIONS

On August 30, 2023, the Company concluded the sale of the subsidiary Aesop to L'Oreal for a total consideration of R\$12,396,226, after obtaining all relevant regulatory approvals. The total gain earned on the write-off of the subsidiary's assets and liabilities and recognized as discontinued operations net of income tax and social contribution was R\$7,231,416, which includes the reclassification of balance sheet conversion gains accumulated and recognized in other comprehensive results of R\$115,168.

In addition to the gain obtained with the derecognition of assets and liabilities, certain incremental costs involving legal advisors and bank fees in the transaction were incurred and classified as part of discontinued operations.

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

The breakdown of results presented in discontinued operations in the income statement for the period is presented below:

	September 30, 23	September 30, 2022
Consideration received for the sale to the previously controlled Aesop	12,396,226	-
Net assets of the previously controlled Aesop, derecognized	(1,140,751)	-
Conversion gains rolled into other comprehensive income	115,172	-
Incremental transaction costs on sale	(273,208)	-
Income tax and social contribution	(3,866,019)	-
Net gain on the sale of the previously controlled Aesop	7,231,420	-
Loss before taxes from discontinued operations	(274,837)	(135,046)
Income tax and social contribution	(561)	(17,419)
Loss from discontinued operations	(275,398)	(152,465)
Total discontinued operations	6,956,022	(152,465)

The results in discontinued operations, which includes the operational results of the previous controlled subsidiary Aesop for the nine-month periods ended on September 30, 2023 and 2022 are presented below:

Description	September 30, 2023	September 30, 2022
Net Revenue	1,587,314	1,839,130
Cost of sales	(221,479)	(218,340)
Gross profit	1,365,835	1,620,790
Operating (expenses) Income		
Selling, marketing, and logistics expenses	(847,916)	(974,890)
Administrative, R&D, IT and projects expenses	(453,120)	(536,318)
Impairment loss on trade receivable	(250)	(838)
Other operating income (expenses), net ^(a)	(287,041)	(207,269)
Operating loss before financial result	(222,492)	(98,525)
Financial income	22,200	28,916
Financial expenses	(74,544)	(65,437)
Loss before income tax and social contribution	(274,836)	(135,046)
Income tax and social contribution	(562)	(17,419)
Loss for the period	(275,398)	(152,465)

- a) In addition to Aesop's results, the amount includes R\$270,894 of expenses in the nine-month period ended September 30, 2023 (R\$181,192 in the nine-month period ended September 30, 2022) related to costs incurred in the resolution of legal proceedings associated with the operation that the subsidiary Avon maintained in North America, which was sold prior to the acquisition of the subsidiary Avon by the Company. The Company presents these effects as part of its discontinued operations since it considers the discontinued operations of the subsidiary Avon as an extension of the Company and because it assesses that this presentation reliably represents the essence of the associated transaction.

NATURA & CO HOLDING S.A.

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM ACCOUNTING INFORMATION FOR THE NINE -MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

The net cash flows incurred by the discontinued operations are:

	September 30, 2023	September 30, 2022
Operational activities	(7,289,148)	84,857
Investment activities	12,254,162	(116,919)
Financing activities	(166,180)	(139,111)
Net cash generated (consumed)	4,798,834	(171,173)

37. SUBSEQUENT EVENTS

Potential sale of subsidiary The Body Shop

As announced through regulatory filings and on the date of this interim financial information, the terms and conditions regarding a potential sale of The Body Shop are under negotiation and there is no guarantee that a transaction will be completed.



natura & co

São Paulo, November 13, 2023

Q3-23: Continued expansion in Adjusted EBITDA margin and strengthened balance sheet

Wave 2 in Brazil showing initial results with CFT growing YoY and Natura brand maintaining solid performance; Avon International margins improving amid top line stabilization; The Body Shop's profitability continued to show improvement despite operating leverage

- **Q3-23 consolidated net revenue** of BRL 7.5 billion was down -0.7% vs Q3-22 in constant currency (CC) and -10.5% YoY in BRL. Solid top-line growth at Natura Latam (+18.6% in CC) and broadly stable trend at Avon International (-2.3% in CC), offset by another challenging quarter at The Body Shop (-13.2% in CC) and the expected drop at Avon in Latam (Home & Style dropped -38.7% in CC as a result of continued portfolio optimization, while beauty decreased -11.6%) linked to the roll-out of Wave 2, already underway in Peru, Colombia and Brazil and in preparation in other countries
- **Q3-23 consolidated gross profit** stood at BRL 4.9 billion, implying a 65.3% gross margin, up +310 bps vs Q3-22 and stable vs. Q2-23. Gross margin improved YoY in all business units, mainly driven by pricing and mix. Natura &Co Latam showed a 320bps expansion (slightly contracting QoQ compared to Q2), while Avon International continued its strong momentum delivering a 490bps expansion
- **Q3-23 consolidated adjusted EBITDA** was BRL 751 million with margin of 10.0% (+190 bps YoY), as solid gross margin improvement and continued strict cost control at The Body Shop and at the Holding company were partially offset by planned investments in Natura &Co Latam and, to a lesser extent, Avon International
- **Q3-23 Net income of BRL 7.0 billion** compared to a loss of BRL -560 million in the same period last year, benefiting from the capital gain from the disposal of Aesop, which closed during the quarter. Excluding this and other non-recurring, underlying net income was BRL +745 million compared to BRL -198 million in Q3-22 driven by lower underlying net financials and better income tax and social contribution
- **Q3-23 Net Cash (excluding leasing) stood at BRL 700 million (from a net debt position of BRL 10.0 billion in Q2-23)**. As previously communicated to the market, Natura &Co sold Aesop for an Enterprise Value of USD2.6 billion. Closing occurred on August 30th, and the proceeds allowed the company to return to a positive net cash position. Even with Q3 seasonal inventory build-up for holidays, underlying free cash flow to firm (adjusted by one-off in net financials amid liability management and excluding Aesop proceeds) was broadly neutral

Consolidated Financial Results (Million)	Q3-23	Q3-22	Δ	9M-23	9M-22	Δ
Net revenue	7,517.3	8,401.0	-10.5%	22,611.0	24,120.3	-6.3%
Constant currency change			-0.7%			1.1%
Gross Profit	4,906.3	5,223.9	-6.1%	14,817.4	14,903.4	-0.6%
<i>Gross margin</i>	65.3%	62.2%	310 bps	65.5%	61.8%	370 bps
Reported EBITDA	490.5	520.8	-5.8%	1,577.1	1,291.0	22.2%
<i>Reported EBITDA margin</i>	6.5%	6.2%	30 bps	7.0%	5.4%	160 bps
Adjusted EBITDA	751.4	683.3	10.0%	2,216.6	1,737.7	27.6%
<i>Adjusted EBITDA margin</i>	10.0%	8.1%	190 bps	9.8%	7.2%	260 bps
Net income (loss) attributable to controlling shareholders	7,024.4	(559.8)	NA	5,640.2	(1,969.6)	NA
<i>Net Margin</i>	93.4%	-6.7%	NA	24.9%	-8.2%	NA

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

"Natura &Co Q3's performance continued the trend of the first two quarters of the year, showing a strong expansion of both Gross and EBITDA margin versus the prior year, despite a small deceleration in revenues mainly caused by the Wave 2 implementation in Latam and the continuing declining trend in sales at The Body Shop.

The main highlight of the quarter was the launch of Wave 2 in Brazil, which showed positive initial results, delivering combined YoY revenue growth in the CFT category. Productivity gains and cross-selling more than offset the expected channel count reduction. Peru and Colombia have continued the roll-out of the integration, started in the first half of the year, showing further improvements in productivity. Although there have been temporary challenges in the channel, we have seen the actions implemented by the team yielding early signs of recovery ahead of the holiday season. We are also encouraged by the margin expansion of those countries in the most recent cycles, which is the main objective of Wave 2. Avon International posted broadly stable top line and further margin improvements, reaching high-single-digit adjusted EBITDA margin.

The proceeds from the sale of Aesop, closed in late August, enabled us to quickly advance in our liability management plan, with more than half of our debt already prepaid by the end of the quarter. This is an important step to unlock sustainable value for our investors and deliver on our financial priorities of maintaining a strong capital structure, strict financial discipline on costs and expenses, and boosting cash conversion. On the latter, we reached a neutral cash generation this quarter despite the normal seasonal cash consumption to build up inventories for the holiday season.

Furthermore, marking the third year of our sustainability vision, after having made substantial progress towards our goals set in 2020, our approach has evolved. We have realigned our metrics, and targets to address the pressing concerns of our time. We have been a partner of the Union for Ethical Biobased Trade (UEBT) for over fifteen years and together we will work towards Natura &Co's adoption of regenerative practices to deliver even more positive impact.

Finally, we recently announced updates related to The Body Shop sale process and we will keep the market informed of any relevant news. This is another important step to continue to streamline our business, a journey started in the second half of 2022. We are confident that our enhanced capital structure, combined with a laser-focus strategy on our key priorities, will allow us to unlock significant value for our shareholders in the future through both topline growth and margin expansion."

Key Financial Results per Business Unit

	Q3-23 vs. Q3-22					9M-23 vs. 9M-22				
	Net Revenue (BRL million)	Δ% reported currency	Δ% CC	Adj. EBITDA margin	Δ% Adj. EBITDA	Net Revenue (BRL million)	Δ% reported currency	Δ% CC	Adj. EBITDA margin	Δ% Adj. EBITDA
Consolidated	7,517.3	-10.5%	-0.7%	10.0%	190 bps	22,611.0	-6.3%	1.1%	9.8%	260 bps
Natura &Co Latam	5,232.0	-9.4%	2.5%	12.3%	100 bps	15,558.6	-3.3%	5.6%	12.9%	240 bps
Avon International	1,455.8	-11.6%	-2.3%	8.0%	440 bps	4,572.7	-10.9%	-3.8%	6.2%	240 bps
The Body Shop	829.4	-15.0%	-13.2%	7.7%	140 bps	2,479.6	-14.6%	-11.7%	6.4%	100 bps

- **Natura &Co Latam:** Q3-23 net revenue up by +2.5% in CC and -9.4% in BRL, driven by solid double-digit growth in CC at the Natura brand, partially offset by an expected decline in the Home & Style category as a result of portfolio optimization and by a decrease in the beauty category at the Avon brand

- **Natura brand in Latam:** Net revenue was up +18.6% in Q3-23 in CC and +5.3% in BRL, with another quarter of solid growth in Brazil and further growth in Hispanic Latam. **In Brazil**, net revenue increased by +10.5% in Q3-23, as the combined Natura and Avon commercial cycles more than offset some temporary operational setbacks during preparations for the Wave 2 roll-out. Net revenue **in Hispanic Latam** was up +37.1% in CC and -2.6% in BRL. Excluding Argentina, revenue in Hispanic markets was up in low-single digits in CC, still impacted by a softer, yet positive performance in Mexico
- **Avon brand in Latam (Beauty category only):** Net revenue was down -11.6% in CC. **In Brazil**, net revenues decreased -24.8% YoY, mainly due to the preparatory setup for Wave 2 roll-out. During the quarter, Avon beauty was particularly impacted by the adjustments made before commercial models were combined and showed some top line recovery after the new model was rolled out. **In Hispanic markets**, net revenue decreased by -1.5% in Q3-23 in CC (-18.7% excluding Argentina). In Peru and in Colombia, performance was impacted by post Wave 2 launch temporary operational setbacks, which have been stabilizing in the most recent cycles
- **Home & Style category** showed a decline YoY in CC at -38.7%, in line with our portfolio optimization strategy, particularly amid the roll-out of Wave 2 in Brazil, Peru and Colombia. Both Brazil and Hispanic Latam showed CC YoY top-line decrease, at -41.6% and -37.6% respectively
- **Natura &Co Latam's Q3-23 adjusted EBITDA margin** was 12.3% (+100 bps YoY), with another quarter of solid YoY gross margin expansion (+320 bps), partially offset by SG&A investments, mainly related to Natura's marketing and R&D expenses, as mentioned in the previous quarters. Furthermore, some SG&A pressures were driven by reduction of top line amid Wave 2 preparation in some countries, where we did not explore the full opportunity coming from selling, logistics and G&A expenses to be delivered when the integration is completed

• Avon International

- **Q3-23 net revenue** was broadly stable (-2.3%) YoY in CC and was down -11.6% in BRL, driven by higher pricing and mix that almost fully offset the impact from the expected reduction in active Reps (-11.6%). The Beauty category was up +1.8% YoY, while Home & Style continued to decline as a result of the continued reduction in its portfolio
- **Q3-23 adjusted EBITDA margin** reached 8.0%, up +440 bps YoY, driven by strong gross margin expansion (+490 bps YoY) and lower selling expenses YoY (-20.2% YoY) amid the transformational savings that has been implemented for some time, partially offset by a YoY increase G&A, still impacted by phasing of expenses and FX pressures

• The Body Shop

- **Q3-23 net revenue** was BRL 830 million, down -13.2% in CC and -15.0% in BRL. Combined sales of core business distribution channels (stores, e-commerce and franchise) showed a high-single digit decline in CC in Q3-23, slightly worse than in Q2-23, particularly impacted by store closures (-111 over the last 12 months or 4.5% of total Q3-22 stores). Retail sales through core business distribution channels showed sell-out Same Store Sales of -5.0%
- **Q3-23 adjusted EBITDA margin** stood at 7.7%, up +140 bps YoY, despite operating deleverage, driven by slight gross margin expansion and strict cost control (in line with the trend in previous quarters). The YoY improvement in SG&A was still mostly driven by staff restructuring and strict control in other G&A expenses

1. Results analysis

The Group segmentation is composed of:

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

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



BRL million	Profit and Loss by Business											
	Consolidated ^a			Natura &Co Latam ^b			Avon International			The Body Shop		
	Q3-23 ^c	Q3-22 ^c	Ch. %	Q3-23 ^c	Q3-22 ^c	Ch. %	Q3-23 ^c	Q3-22 ^c	Ch. %	Q3-23	Q3-22	Ch. %
Gross revenue	9,822.4	11,016.7	(10.8)	6,930.2	7,700.0	(10.0)	1,733.3	1,965.1	(11.8)	1,158.9	1,351.8	(14.3)
Net revenue	7,517.3	8,401.0	(10.5)	5,232.0	5,777.5	(9.4)	1,455.8	1,647.6	(11.6)	829.4	976.0	(15.0)
COGS	(2,611.0)	(3,177.1)	(17.8)	(1,899.2)	(2,280.8)	(16.7)	(517.5)	(665.6)	(22.3)	(194.4)	(231.0)	(15.9)
Gross profit	4,906.3	5,223.9	(6.1)	3,332.9	3,496.8	(4.7)	938.3	982.0	(4.4)	635.1	745.0	(14.8)
Selling, marketing and logistics expenses	(3,394.7)	(3,764.6)	(9.8)	(2,279.1)	(2,406.7)	(5.3)	(597.8)	(748.9)	(20.2)	(517.8)	(608.6)	(14.9)
Administrative, R&D, IT and projects expenses	(1,200.7)	(1,300.9)	(7.7)	(633.6)	(710.8)	(10.9)	(375.3)	(314.6)	19.3	(191.9)	(245.7)	(21.9)
Corporate expenses	(74.7)	(72.5)	3.0	-	-	-	-	-	-	-	-	-
Other operating income / (expenses), net	(65.5)	52.9	(223.7)	(35.6)	58.1	(161.3)	(1.2)	(19.9)	(94.1)	(28.7)	1.8	(1,656.6)
Transformation / Integration / Group restructuring costs	(219.3)	(162.6)	34.9	(206.5)	(64.1)	222.1	(13.4)	(88.9)	(84.9)	-	-	-
Depreciation	539.2	544.5	(1.0)	245.3	214.3	14.5	153.1	160.9	(4.9)	140.9	169.3	(16.8)
EBITDA	490.5	520.8	(5.8)	423.5	587.5	(27.9)	103.7	(29.4)	(452.8)	37.5	61.8	(39.4)
Depreciation	(539.2)	(544.5)	(1.0)	-	-	-	-	-	-	-	-	-
Financial income / (expenses), net	(1,064.9)	(549.7)	93.7	-	-	-	-	-	-	-	-	-
Earnings before taxes	(1,113.5)	(573.4)	94.2	-	-	-	-	-	-	-	-	-
Income tax and social contribution	962.0	110.7	769.2	-	-	-	-	-	-	-	-	-
Discontinued operations ^d	7,175.6	(96.8)	(7,512.8)	-	-	-	-	-	-	-	-	-
Consolidated net (loss) income	7,024.0	(559.5)	(1,355.4)	-	-	-	-	-	-	-	-	-
Non-controlling interest	0.4	(0.3)	(243.3)	-	-	-	-	-	-	-	-	-
Net income (loss) attributable to controlling shareholders	7,024.4	(559.8)	(1,354.8)	-	-	-	-	-	-	-	-	-
Gross margin	65.3%	62.2%	310 bps	63.7%	60.5%	320 bps	64.5%	59.6%	490 bps	76.6%	76.3%	30 bps
Selling, marketing and logistics as % net revenue	(45.2)%	(44.8)%	-40 bps	(43.6)%	(41.7)%	-190 bps	(41.1)%	(45.5)%	440 bps	(62.4)%	(62.4)%	0 bps
Admin., R&D, IT and projects exp. As % net revenue	(16.0)%	(15.5)%	-50 bps	(12.1)%	(12.3)%	20 bps	(25.8)%	(19.1)%	-670 bps	(23.1)%	(25.2)%	210 bps
EBITDA margin	6.5%	6.2%	30 bps	8.1%	10.2%	-210 bps	7.1%	(1.8)%	890 bps	4.5%	6.3%	-180 bps
Net margin	93.4%	(6.7)%	10010 bps	-	-	-	-	-	-	-	-	-

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

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

^c Includes PPA – Purchase Price Allocation effects

^d Related to business separation at Avon North America

BRL million	Profit and Loss by Business											
	Consolidated ^a			Natura &Co Latam ^b			Avon International			The Body Shop		
	9M-23 ^c	9M-22 ^c	Ch. %	9M-23 ^c	9M-22 ^c	Ch. %	9M-23 ^c	9M-22 ^c	Ch. %	9M-23	9M-22	Ch. %
Gross revenue	29,565.6	31,542.5	(6.3)	20,649.5	21,271.2	(2.9)	5,449.4	6,272.2	(13.1)	3,466.6	3,999.2	(13.3)
Net revenue	22,611.0	24,120.3	(6.3)	15,558.6	16,084.1	(3.3)	4,572.7	5,133.3	(10.9)	2,479.6	2,902.9	(14.6)
COGS	(7,793.6)	(9,216.9)	(15.4)	(5,597.9)	(6,469.9)	(13.5)	(1,642.3)	(2,088.4)	(21.4)	(553.6)	(658.7)	(16.0)
Gross profit	14,817.4	14,903.4	(0.6)	9,960.8	9,614.2	3.6	2,930.4	3,045.0	(3.8)	1,926.1	2,244.1	(14.2)
Selling, marketing and logistics expenses	(10,212.5)	(10,807.4)	(5.5)	(6,542.6)	(6,566.2)	(0.4)	(2,054.4)	(2,359.8)	(12.9)	(1,615.5)	(1,880.9)	(14.1)
Administrative, R&D, IT and projects expenses	(3,828.9)	(3,852.5)	(0.6)	(2,106.1)	(2,139.9)	(1.6)	(1,094.1)	(975.8)	12.1	(628.7)	(709.2)	(11.3)
Corporate expenses	(228.5)	(271.1)	(15.7)	-	-	-	-	-	-	-	-	-
Other operating income / (expenses), net	(157.4)	164.2	(195.8)	(6.1)	113.8	(105.4)	(47.0)	91.2	(151.5)	(104.3)	(44.7)	133.4
Transformation / Integration / Group restructuring costs	(543.3)	(524.3)	3.6	(331.3)	(199.3)	66.2	(209.7)	(154.7)	35.5	-	-	-
Depreciation	1,730.5	1,678.6	3.1	711.2	659.8	7.8	511.7	507.8	0.8	507.7	511.3	(0.7)
EBITDA	1,577.1	1,291.0	22.2	1,686.1	1,482.5	13.7	36.8	153.6	(76.0)	85.2	120.7	(29.5)
Depreciation	(1,730.5)	(1,678.6)	3.1	-	-	-	-	-	-	-	-	-
Financial income / (expenses), net	(1,943.3)	(1,341.2)	44.9	-	-	-	-	-	-	-	-	-
Earnings before taxes	(2,096.7)	(1,728.8)	21.3	-	-	-	-	-	-	-	-	-
Income tax and social contribution	780.6	(87.4)	(992.7)	-	-	-	-	-	-	-	-	-
Discontinued operations ^d	6,956.0	(152.3)	(4,667.3)	-	-	-	-	-	-	-	-	-
Consolidated net (loss) income	5,639.9	(1,968.5)	(386.5)	-	-	-	-	-	-	-	-	-
Non-controlling interest	0.2	(1.0)	(120.2)	-	-	-	-	-	-	-	-	-
Net income (loss) attributable to controlling shareholders	5,640.2	(1,969.6)	(386.4)	-	-	-	-	-	-	-	-	-
Gross margin	65.5%	61.8%	370 bps	64.0%	59.8%	420 bps	64.1%	59.3%	480 bps	77.7%	77.3%	40 bps
Selling, marketing and logistics as % net revenue	(45.2)%	(44.8)%	-40 bps	(42.1)%	(40.8)%	-130 bps	(44.9)%	(46.0)%	110 bps	(65.2)%	(64.8)%	-40 bps
Admin., R&D, IT and projects exp. As % net revenue	(16.9)%	(16.0)%	-90 bps	(13.5)%	(13.3)%	-20 bps	(23.9)%	(19.0)%	-490 bps	(25.4)%	(24.4)%	-100 bps
EBITDA margin	7.0%	5.4%	160 bps	10.8%	9.2%	160 bps	0.8%	3.0%	-220 bps	3.4%	4.2%	-80 bps
Net margin	24.9%	(8.2)%	3310 bps	-	-	-	-	-	-	-	-	-

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

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

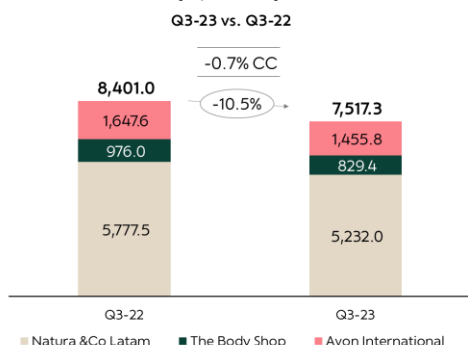
^c Includes PPA – Purchase Price Allocation effects

^d Related to business separation at Avon North America

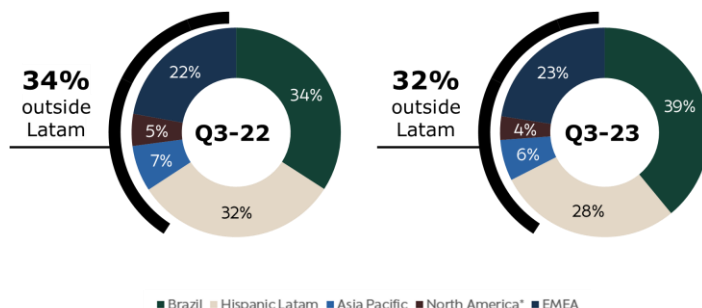
Consolidated net revenue

- Q3-23 consolidated net revenue was BRL 7,517 million, down -0.7% YoY in constant currency and -10.5% in BRL, reflecting solid performance at the Natura brand and broadly flat performance at Avon international, offset by persistent challenges at The Body Shop and the expected reduction at Avon Latam
- With operations in ~90 countries, 32% of net revenue came from outside Latam

Consolidated Net Revenue Growth (R\$ million)



Net Revenue by geography (%)

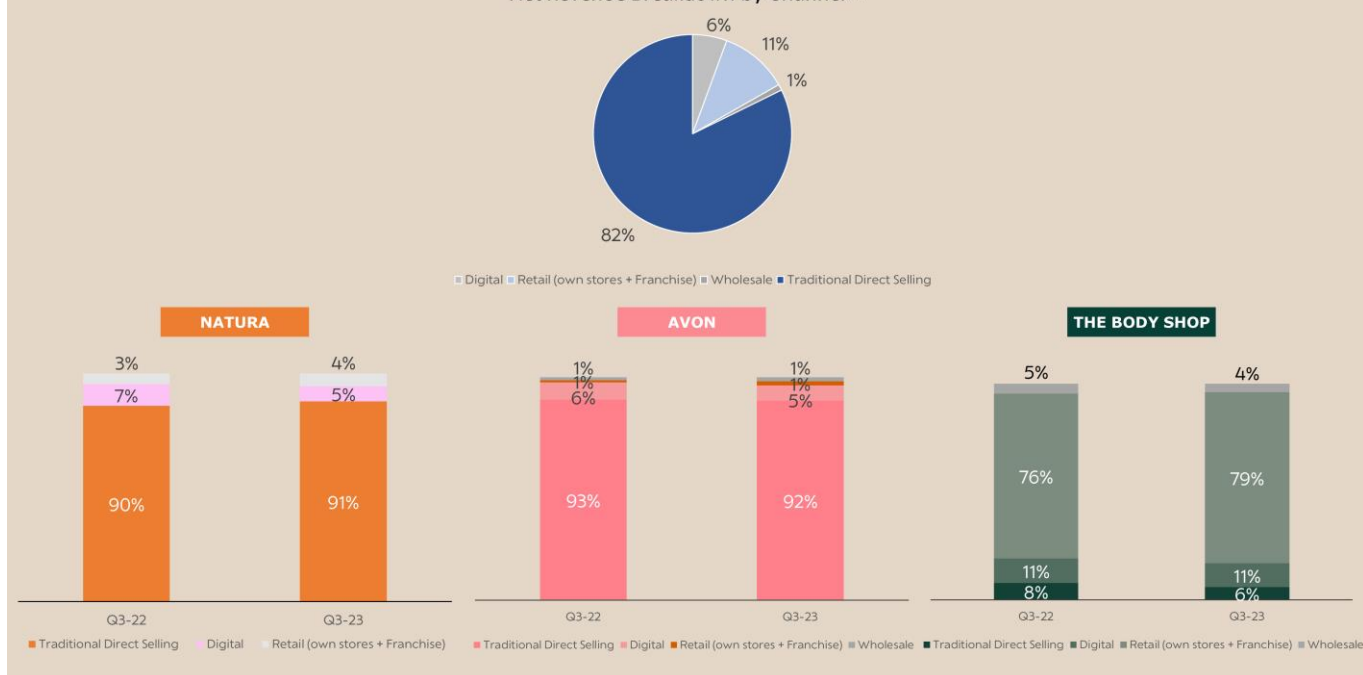


Distribution channel breakdown

Digital sales, which include online sales and social selling, showed declined trends in the quarter. Natura experienced some decrease as a percentage of net revenues (~2 p.p.) as a result of the on-going rebalance between pure e-commerce, consultant’s e-commerce and social selling, in preparation for the next phase of the omnichannel strategy. At Avon, penetration showed a slight decrease to 5%, while it was stable as a percentage of net revenues at The Body Shop.

Use of digital tools: From this quarter onwards, the use of digital tool will be measured for Natura &Co Latam combined brands amid the Wave 2 roll-out. The penetration of digital tools in the consultant base reached 73.9% in Q3-23. 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 31.6% in Q3-23, +6.8 p.p. vs the previous year.

Net Revenue Breakdown by Channel (%)



Gross margin

- Consolidated gross margin stood at 65.3% in Q3-23, +310 bps vs. Q3-22 and broadly stable compared to last quarter
- Another quarter of YoY expansion at all business units, benefiting from price increase carry-over and more favorable mix
- Q3-23 gross margin YoY expansion of +310 bps, with strong expansion mainly from Avon International and Natura &Co Latam. TBS continued to show slight YoY expansion

Q3-23 Gross Margin

BRL million	Consolidated			Natura &Co Latam			Avon International			The Body Shop		
	Q3-23	Q3-22	Ch. %	Q3-23	Q3-22	Ch. %	Q3-23	Q3-22	Ch. %	Q3-23	Q3-22	Ch. %
Net revenue	7,517.3	8,401.0	(10.5)	5,232.0	5,777.5	(9.4)	1,455.8	1,647.6	(11.6)	829.4	976.0	(15.0)
COGS	(2,611.0)	(3,177.1)	(17.8)	(1,899.2)	(2,280.8)	(16.7)	(517.5)	(665.6)	(22.3)	(194.4)	(231.0)	(15.9)
Gross profit	4,906.3	5,223.9	(6.1)	3,332.9	3,496.8	(4.7)	938.3	982.0	(4.4)	635.1	745.0	(14.8)
Gross margin	65.3%	62.2%	310 bps	63.7%	60.5%	320 bps	64.5%	59.6%	490 bps	76.6%	76.3%	30 bps

9M-23 Gross Margin

BRL million	Consolidated			Natura &Co Latam			Avon International			The Body Shop		
	9M-23	9M-22	Ch. %	9M-23	9M-22	Ch. %	9M-23	9M-22	Ch. %	9M-23	9M-22	Ch. %
Net revenue	22,611.0	24,120.3	(6.3)	15,558.6	16,084.1	(3.3)	4,572.7	5,133.3	(10.9)	2,479.6	2,902.9	(14.6)
COGS	(7,793.6)	(9,216.9)	(15.4)	(5,597.9)	(6,469.9)	(13.5)	(1,642.3)	(2,088.4)	(21.4)	(553.6)	(658.7)	(16.0)
Gross profit	14,817.4	14,903.4	(0.6)	9,960.8	9,614.2	3.6	2,930.4	3,045.0	(3.8)	1,926.1	2,244.1	(14.2)
Gross margin	65.5%	61.8%	370 bps	64.0%	59.8%	420 bps	64.1%	59.3%	480 bps	77.7%	77.3%	40 bps

Operating Expenses

- Consolidated **Selling, Marketing & Logistics** expenses stood at 45.2% of net revenue (+40 bps vs. Q3-22), while consolidated **Administrative, R&D, IT and Project** expenses reached 16% of net revenue (+50 bps YoY). **SG&A expenses** (both lines above combined) increased by +90 bps in Q3-23 compared to the same period last year, mainly impacted by planned investments at Natura and G&A increase at Avon International (explained by phasing of expenses)
- Corporate expenses** stood at BRL 75 million, broadly stable compared to the same period last year and -47.5% compared to Q3-21, underscoring efforts in the past year to maintain a lean corporate structure
- Other operating income/expenses** were BRL -66 million, compared to income of BRL +53 million in Q3-22. This quarter Natura &Co Latam showed a BRL -36 million (mostly related to an impairment) and The Body Shop restructuring costs of BRL -29 million
- Transformation/Integration/Group restructuring costs** were BRL 219 million, up +34.9%, mainly driven by increasing integration costs at Natura &Co Latam (amid the Wave 2 roll-out in Brazil), which more than offset the decrease at Avon International to BRL -13 million from BRL -89 million in Q3-22

Q3-23 Operating Expenses

BRL million	Consolidated			Natura &Co Latam			Avon International			The Body Shop		
	Q3-23	Q3-22	Ch. %	Q3-23	Q3-22	Ch. %	Q3-23	Q3-22	Ch. %	Q3-23	Q3-22	Ch. %
Selling, marketing and logistics expenses	(3,394.7)	(3,764.6)	(9.8)	(2,279.1)	(2,406.7)	(5.3)	(597.8)	(748.9)	(20.2)	(517.8)	(608.6)	(14.9)
Administrative, R&D, IT and project expenses	(1,200.7)	(1,300.9)	(7.7)	(633.6)	(710.8)	(10.9)	(375.3)	(314.6)	19.3	(191.9)	(245.7)	(21.9)
Corporate expenses	(74.7)	(72.5)	3.0	-	-	-	-	-	-	-	-	-
Other operating income / (expenses), net	(65.5)	52.9	(223.7)	(35.6)	58.1	(161.3)	(1.2)	(19.9)	(94.1)	(28.7)	1.8	(1,656.6)
Transformation / integration / group restructuring costs	(219.3)	(162.6)	34.9	(206.5)	(64.1)	222.1	(13.4)	(88.9)	(84.9)	-	-	-
Operating expenses	(4,954.9)	(5,247.6)	(5.6)	(3,154.7)	(3,123.6)	1.0	(987.6)	(1,172.3)	(15.8)	(738.5)	(852.5)	(13.4)
Selling, marketing and logistics expenses (% NR)	(45.2)%	(44.8)%	-40 bps	(43.6)%	(41.7)%	-190 bps	(41.1)%	(45.5)%	440 bps	(62.4)%	(62.4)%	0 bps
Administrative, R&D, IT and project expenses (% NR)	(16.0)%	(15.5)%	-50 bps	(12.1)%	(12.3)%	20 bps	(25.8)%	(19.1)%	-670 bps	(23.1)%	(25.2)%	210 bps
Corporate expenses (% NR)	(1.0)%	(0.9)%	-10 bps	-	-	-	-	-	-	-	-	-
Other operating income / (expenses), net (% NR)	(0.9)%	0.6%	-150 bps	(0.7)%	1.0%	-170 bps	(0.1)%	(1.2)%	110 bps	(3.5)%	0.2%	-370 bps
Transformation/integration/group restructuring costs (% NR)	(2.9)%	(1.9)%	-100 bps	(3.9)%	(1.1)%	-280 bps	(0.9)%	(5.4)%	450 bps	0.0%	0.0%	0 bps
Operating expenses (% NR)	(65.9)%	(62.5)%	-340 bps	(60.3)%	(54.1)%	-620 bps	(67.8)%	(71.2)%	340 bps	(89.0)%	(87.3)%	-170 bps

9M-23 Operating Expenses

BRL million	Consolidated			Natura &Co Latam			Avon International			The Body Shop		
	9M-23	9M-22	Ch. %	9M-23	9M-22	Ch. %	9M-23	9M-22	Ch. %	9M-23	9M-22	Ch. %
Selling, marketing and logistics expenses	(10,212.5)	(10,807.4)	(5.5)	(6,542.6)	(6,566.2)	(0.4)	(2,054.4)	(2,359.8)	(12.9)	(1,615.5)	(1,880.9)	(14.1)
Administrative, R&D, IT and project expenses	(3,828.9)	(3,852.5)	(0.6)	(2,106.1)	(2,139.9)	(1.6)	(1,094.1)	(975.8)	12.1	(628.7)	(709.2)	(11.3)
Corporate expenses	(228.5)	(271.1)	(15.7)	-	-	-	-	-	-	-	-	-
Other operating income / (expenses), net	(157.4)	164.2	(195.8)	(6.1)	113.8	(105.4)	(47.0)	91.2	(151.5)	(104.3)	(44.7)	133.4
Transformation / integration / group restructuring costs	(543.3)	(524.3)	3.6	(331.3)	(199.3)	66.2	(209.7)	(154.7)	35.5	-	-	-
Operating expenses	(14,970.6)	(15,291.0)	(2.1)	(8,986.0)	(8,791.5)	2.2	(3,405.1)	(3,399.2)	0.2	(2,348.6)	(2,634.8)	(10.9)
Selling, marketing and logistics expenses (% NR)	(45.2)%	(44.8)%	-40 bps	(42.1)%	(40.8)%	-130 bps	(44.9)%	(46.0)%	110 bps	(65.2)%	(64.8)%	-40 bps
Administrative, R&D, IT and project expenses (% NR)	(16.9)%	(16.0)%	-90 bps	(13.5)%	(13.3)%	-20 bps	(23.9)%	(19.0)%	-490 bps	(25.4)%	(24.4)%	-100 bps
Corporate expenses (% NR)	(1.0)%	(1.1)%	10 bps	-	-	-	-	-	-	-	-	-
Other operating income / (expenses), net (% NR)	(0.7)%	0.7%	-140 bps	(0.0)%	0.7%	-70 bps	(1.0)%	1.8%	-280 bps	(4.2)%	(1.5)%	-270 bps
Transformation/integration/group restructuring costs (% NR)	(2.4)%	(2.2)%	-20 bps	(2.1)%	(1.2)%	-90 bps	(4.6)%	(3.0)%	-160 bps	0.0%	0.0%	0 bps
Operating expenses (% NR)	(66.2)%	(63.4)%	-280 bps	(57.8)%	(54.7)%	-310 bps	(74.5)%	(66.2)%	-830 bps	(94.7)%	(90.8)%	-390 bps

Consolidated EBITDA

Q3-23 Adjusted EBITDA was BRL 751 million, with an adjusted margin of 10.0% (+190 bps YoY). Q3-23 margin reflected:

- Strong margin expansion of +440 bps YoY at Avon International, mainly driven by higher gross margin and YoY improvement in selling expenses, partially offset by an increase in G&A
- Solid margin expansion at Natura & Co Latam (+100 bps YoY), also driven by higher gross margin, partially offset by investments at the Natura brand
- A profitability improvement at The Body Shop of +140 bps compared to same period last year, showing a continuation of last quarter's trend with slight gross margin expansion and SG&A efficiencies

Q3-23: Adjusted EBITDA

BRL million	Consolidated			Natura & Co Latam			Avon International			The Body Shop		
	Q3-23	Q3-22	Ch. %	Q3-23	Q3-22	Ch. %	Q3-23	Q3-22	Ch. %	Q3-23	Q3-22	Ch. %
Consolidated EBITDA	490.5	520.8	(5.8)	423.5	587.5	(27.9)	103.7	(29.4)	(452.8)	37.5	61.8	(39.4)
Transformation/Integration/Group restructuring costs	219.3	162.6	34.9	206.5	64.1	222.1	13.4	88.9	(84.9)	-	-	-
Restructuring costs - business unit	26.6	-	-	-	-	-	-	-	-	26.6	-	-
Net non-recurring other (income) / expenses ¹	15.0	-	-	15.0	-	-	-	-	-	-	-	-
Adjusted EBITDA	751.4	683.3	10.0	644.9	651.6	(1.0)	117.1	59.5	96.9	64.1	61.8	3.7
Adjusted EBITDA margin %	10.0%	8.1%	190 bps	12.3%	11.3%	100 bps	8.0%	3.6%	440 bps	7.7%	6.3%	140 bps

9M-23: Adjusted EBITDA

BRL million	Consolidated			Natura & Co Latam			Avon International			The Body Shop		
	9M-23	9M-22	Ch. %	9M-23	9M-22	Ch. %	9M-23	9M-22	Ch. %	9M-23	9M-22	Ch. %
Consolidated EBITDA	1,577.1	1,291.0	22.2	1,686.1	1,482.5	13.7	36.8	153.6	(76.0)	85.2	120.7	(29.5)
Transformation/Integration/Group restructuring costs	543.3	524.3	3.6	331.3	199.3	66.2	209.7	154.7	35.5	-	-	-
Restructuring costs - business unit	74.0	-	-	-	-	-	-	-	-	74.0	-	-
Net non-recurring other (income) / expenses ¹	22.1	(77.6)	(128.5)	(12.9)	-	-	34.9	(113.7)	(130.7)	-	36.3	-
Adjusted EBITDA	2,216.6	1,737.7	27.6	2,004.4	1,681.8	19.2	281.4	194.7	44.6	159.2	157.0	1.4
Adjusted EBITDA margin %	9.8%	7.2%	260 bps	12.9%	10.5%	240 bps	6.2%	3.8%	240 bps	6.4%	5.4%	100 bps

(1) Net non-recurring other (income)/expenses: Natura & Co Latam impairment in Q3-23

Financial income and expenses

BRL million	Q3-23	Q3-22	Ch. %	9M-23	9M-22	Ch. %
1. Financing, short-term investments and derivatives gains (losses)	(1,016.8)	(177.4)	473.2	(1,486.5)	(509.1)	192.0
1.1 Financial expenses	(239.3)	(192.2)	24.5	(723.9)	(519.1)	39.5
1.2 Financial income	259.1	151.1	71.5	642.3	330.1	94.6
1.3 Foreign exchange variations from financing activities, net	(59.2)	(167.4)	(64.6)	336.9	207.8	62.1
1.4 Gain (losses) on foreign exchange derivatives from financing activities, net	85.9	151.9	(43.4)	(331.2)	(212.9)	55.6
1.5 Gain (losses) on interest rate derivatives and other operating derivatives, net	(1,063.3)	(120.8)	780.2	(1,410.6)	(315.0)	347.8
2. Judicial contingencies	(21.3)	(43.6)	(51.1)	(58.5)	(67.1)	(12.9)
3. Other financial income and (expenses)	(26.8)	(328.7)	(91.8)	(398.3)	(764.6)	(47.9)
3.1 Lease expenses	(41.6)	(38.0)	9.5	(121.1)	(119.2)	1.6
3.2 Other	33.6	(19.2)	(275.0)	(164.3)	(212.6)	(22.7)
3.3 Other gains (losses) from exchange rate variation	25.7	(204.8)	(112.5)	(5.2)	(295.3)	(98.2)
3.4 Hyperinflation gains (losses)	(44.5)	(66.7)	(33.3)	(107.7)	(137.5)	(21.7)
Financial income and expenses, net	(1,064.9)	(549.7)	93.7	(1,943.3)	(1,340.8)	44.9

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

Net financial expenses were BRL -1,065 million in Q3-23, compared to BRL -550 million in the same period last year. During the quarter, a liability management plan was quickly implemented (after receiving the proceeds from the sale of Aesop), which had some one-off impacts in our net-financial income and expenses. These non-underlying impacts (including gains and losses from debt repayment and the unwinding of a swap) totaled BRL -896 million. Excluding these one-offs, net financial income and expenses would have been BRL -169 million (vs. BRL -550 million last year), already reflecting benefits from our net cash position and our liability management.

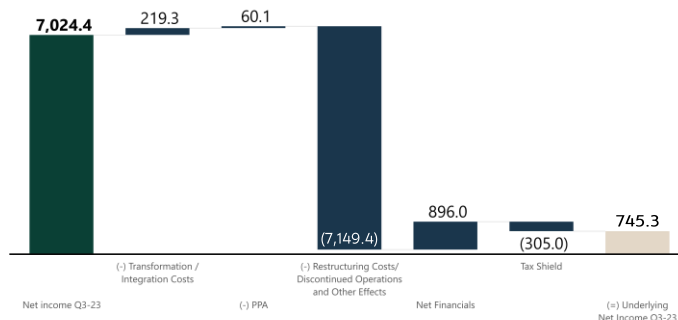
The main drivers this quarter were:

- Item 1.2 – Higher financial income of BRL +108 million mainly from higher average cash balance with the Aesop proceeds
- Item 3.2 – which this quarter was BRL +34 million (vs. BRL - 19 million in Q3-22) given one-off gains recognized from our liability management process
- Item 3.3- that improved BRL 231 million (from BRL -205 million to BRL +26 million) mostly related to GBP depreciation during Q3-22, as mentioned at that time
- These were more than offset by Item 1.5 – in Q3-23 expenses were BRL -1,063 million vs. BRL -121 million in Q3-22. Of the BRL -943 million increase, BRL -830 million is related to the unwinding of the hedge of 2028 Sustainability-Linked bond now that it was transferred to Natura Lux (a USD company). The remaining is explained by a higher CDI rate, which led to losses on derivatives (while the debt was hedged)

Underlying net income (UNI) and net income

Net income to underlying net income (UNI) reconciliation*

Q3-23 (BRL million)



Q3-23 reported net income was BRL 7.0 billion, compared to a net loss of BRL -560 million in Q3-22, benefiting from the capital gain from the disposal of Aesop, which closed during the quarter.

Q3-23 Underlying Net Income, which is net income excluding transformation costs, restructuring costs, discontinued operations and PPA effects, was BRL 745 million (vs. a loss of BRL -198 million in Q3-22). This quarter the one-off effects in net financial income and expenses related to liability management and the tax shield related to such expenses were also adjusted.

Free cash flow and cash position

R\$ million	Q3-23	Q3-22	Ch. %	9M-23	9M-22	Ch. %
Net income (loss)	7,024.4	(559.8)	(1,354.8)	5,640.2	(1,968.6)	(386.5)
Depreciation and amortization	539.2	544.5	(1.0)	1,730.5	1,681.5	2.9
Non-cash adjustments to net income	120.1	273.6	(56.1)	1,732.5	1,799.7	(3.7)
Adjusted net income	7,683.7	258.3	2,875.1	9,103.1	1,512.6	501.8
Decrease / (increase) in working capital	46.9	469.5	(90.0)	(1,940.1)	(1,361.6)	42.5
Inventories	(254.7)	43.7	(682.8)	(753.0)	(109.7)	586.7
Accounts receivable	(133.5)	(174.3)	(23.4)	(628.9)	(366.4)	71.6
Accounts payable	(103.3)	278.3	(137.1)	(515.3)	(624.6)	(17.5)
Other assets and liabilities	538.3	321.8	67.3	(42.9)	(260.9)	(83.5)
Income tax and social contribution	(50.1)	(145.0)	(65.5)	(280.1)	(399.0)	(29.8)
Interest on debt and derivative settlement	(1,565.1)	(183.9)	751.0	(2,517.7)	(803.7)	213.2
Lease payments	(198.5)	(254.8)	(22.1)	(674.5)	(767.8)	(12.2)
Other operating activities	(21.5)	62.7	(134.2)	(28.7)	22.3	(228.5)
Operating activities - discontinued operations	(7,173.2)	(33.9)	21,060.0	(7,289.4)	84.9	(8,691.0)
Cash from continuing operations	(1,277.8)	172.9	(839.2)	(3,627.3)	(1,712.4)	111.8
Capex	(225.9)	(201.5)	12.1	(741.1)	(651.3)	13.8
Sale of assets	2.7	0.4	587.0	17.1	4.1	317.2
Exchange rate variation on cash balance	(55.5)	(11.4)	387.0	(98.6)	(312.6)	(68.5)
Free cash flow - continuing operations	(1,556.4)	(39.6)	3,826.9	(4,449.8)	(2,672.2)	66.5
Other financing and investing activities	2,653.2	337.6	685.9	3,855.8	2,171.0	77.6
Payment of lease - principal - discontinued operations	(45.0)	(47.7)	(5.7)	(165.7)	(139.6)	18.7
Capex - discontinued operations	(34.0)	(43.6)	(22.0)	(142.4)	(116.9)	21.8
Cash balance variations	1,017.8	206.7	392.5	(902.1)	(757.6)	19.1

In Q3-23, free cash flow from continuing operations was an outflow of BRL -1,556 million compared to an outflow of BRL -40 million in the previous year. As previously mentioned, this quarter was particularly impacted by the liability management process, with a cash outflow from non-underlying expenses of BRL -1,499 million (impacting the interest on debt and derivative settlement line). Excluding this one-off effect, free cash flow would be BRL -57 million (broadly in-line with the same period last year).

The higher adjusted net income (even after including operating activities from discontinued operations) was offset by an inflow of BRL +47 million from working capital compared to an inflow of BRL +470 million in Q3-22. The working capital was impacted by:

- Inventories due to holiday build-up at Natura &Co Latam and Avon international
- Accounts payable consumption of BRL -103 million during the quarter, mainly related to lower costs and expenses, and the mix impact (lower exposure to Home & Style category, which had on average longer supplier payments), despite seeing improvements in overall accounts payable days YoY
- This was offset by other assets and liabilities, mostly driven by higher restructuring and transformational expenses and phasing of expenses

Indebtedness ratios at both Natura &Co Holding and Natura Cosméticos

R\$ million	Natura Cosméticos S.A.		Natura &Co Holding S.A.	
	Q3-23	Q3-22	Q3-23	Q3-22
Short-Term	98.4	320.5	141.1	429.3
Long-Term	2,352.2	7,814.0	6,046.5	12,971.5
Gross Debt ^a	2,450.6	8,134.5	6,187.6	13,400.8
Foreign currency hedging (Swaps) ^b	(49.6)	59.2	(110.8)	52.2
Total Gross Debt	2,401.0	8,193.8	6,076.8	13,453.0
(-) Cash, Cash Equivalents and Short-Term Investment ^c	(4,489.1)	(3,022.6)	(6,773.4)	(4,629.5)
(=) Net Debt	(2,088.1)	5,171.2	(696.6)	8,823.5

Indebtedness ratio excluding IFRS 16 effects

Net Debt/EBITDA	-1.03x	1.88x	-0.66x	4.15x
Total Debt/EBITDA	1.19x	2.97x	5.73x	6.33x

Indebtedness ratio including IFRS 16 effects

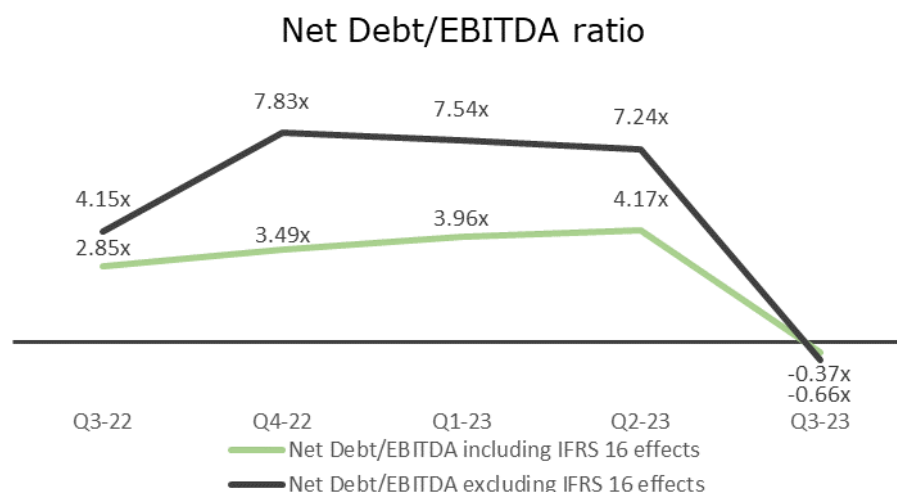
Net Debt/EBITDA	-0.79x	1.49x	-0.37x	2.85x
Total Debt/EBITDA	0.91x	2.36x	3.21x	4.35x

^a Gross debt excludes PPA impacts of R\$23.3 million in Q3-23 and R\$307.2 million in Q3-22, and exclude lease agreements

^b Foreign currency debt hedging instruments

^c Short-Term Investments excludes non current balances and Aesop

The graph below shows the indebtedness trajectory on a quarterly basis since Q3-22.



Liability management

In Q3-23, in connection with the conclusion of the Aesop sale, Natura &Co Luxembourg Holding (Natura Lux) repaid almost USD 1.6bn of debt plus accrued interest. This comprises USD 468m in disbursements under its revolving credit facility with maturity in October 2024, USD 250m in a Club Loan with maturity in November 2025, USD 550m in a Tender Offer for Bonds with maturity in May 2028 and USD 330m in a Tender Offer for Bonds with Maturity in April 2029. The repayment of those debts was in line with the Company's deleveraging plan following the completion of the sale of Aesop (see [Material Fact](#) dated 03 April 2023).

Also, during Q3-23 Natura Cosméticos S.A. ("Natura Cosméticos") assigned its Bond maturing in May 2028 to Natura Lux, becoming a guarantor under the new indenture agreement. This prerogative was already part of the existing indenture and did not require bondholder consent. This movement aims to simplify the Company's capital structure.

2. Performance by segment

NATURA &Co LATAM

WAVE 2 ROLL-OUT

- **Peru and Colombia update** – CFT productivity continued to show results above expectations, mostly driven by cross-sell, which led to further improvements in profitability YoY. As expected the reduction in the beauty consultants count was concentrated on less productive ones. Short-term, temporary operational disturbances were experienced recently in Peru and to a lesser extent in Colombia caused by the reorganization of sales leaders, changes in commercial incentives, radical Home & Style portfolio optimization, rebalance of product mix and transportation services optimization. Remediation initiatives were put in place in both countries and the first signs of recovery are already seen. Consultant satisfaction level is showing positive trends
- **Brazil update** – The initial results of Wave 2 in the country showed CFT revenue YoY growth. Cross-sell and productivity are already benefiting from the roll-out, more than offsetting the planned channel contraction. Brazil faced temporary operational disturbances similar to those seen in Peru and Colombia, and learnings from those markets are shortening the stabilization period. During the quarter, CFT in Brazil (Natura and Avon combined) showed positive YoY growth

Natura &Co Latam	Net revenue change (%) Q3-23 vs. Q3-22			Operational KPIs change(%) Q3-23 vs. Q3-22
	CFT Natura	CFT Avon	Home & Style	Beauty Consultant ^a
	Δ% CC	Δ% CC	Δ% CC	Δ%
Brazil	10.5%	-24.8%	-41.6%	-4.1%
Hispanic	37.1%	-1.5%	-37.6%	-19.0%
Total	18.6%	-11.6%	-38.7%	-11.8%

^a Considers the Average Available Beauty Consultants in the quarter

CHANNEL PERFORMANCE IN LATAM

- As mentioned last quarter, from Q3-23 onwards, beauty consultant KPIs will be presented on a consolidated basis
- In Q3-23, the average number of consultants in Brazil stood at 2.0 million, implying a -4.1% decrease YoY. Most of this reduction came from the least productive consultants. Further reduction is still expected before the stabilization of the newly combined base
- In Hispanic Latam, the decrease showed a steeper decline of -19.0% YoY, mostly driven by Peru and Colombia, also concentrated in least productive beauty consultants. The network in Mexico was also affected by commercial model adjustments, as mentioned in previous quarters
- In the Latam region, the channel was down -11.8%, as expected, given the company's strategy of focusing on increasing productivity rather than on the number of beauty consultants

NATURA BRAND IN LATAM

- **Natura Brazil's** revenues were up 10.5% YoY on the back of a tougher comparable base (Q2-22 was up +14.3%, while Q3-22 was up +19.3%). During the Wave 2 preparation, the Natura brand showed a temporary deceleration impacted by the reorganization of commercial teams, the sales leaders and also one-off commercial calendar impacts, followed by a rapid acceleration after the combination of Avon and Natura commercial cycles
- Retail sales in Brazil showed a solid performance, driven by very strong same-store sales and accelerating store openings. The number of own stores reached 105 in the quarter (+28 vs Q3-22), while franchised stores increased to 715 (+110)
- Digital including social selling showed a decrease of -12% YoY as the company is rebalancing pure e-commerce, consultant's e-commerce and social selling to prepare for the next phase of its omnichannel strategy
- **Natura Hispanic Latam** delivered +37.1% revenue growth in CC (-2.6% in BRL). Excluding Argentina, revenue in Hispanic markets was up in low-single digits in CC. Mexico still posted a soft top line performance amid commercial model adjustments, as mentioned in previous quarters

AVON BRAND IN LATAM (BEAUTY CATEGORY ONLY)

- **Avon Brazil** revenues were down -24.8%, mainly due to the preparation for Wave 2. During the quarter, the Avon beauty category was impacted by the adjustments made to the commercial model before the combination and showed some top line recovery after the actual roll-out of Wave 2, leading to YoY growth of the combined CFT category during the combined two cycles

- **Avon Hispanic Latam's** revenue was again impacted by the preparation and actual roll-out of Wave 2, which led to a YoY decrease of -1.5% in CC (-18.7% excluding Argentina). As explained in the **Wave 2 update** section, some temporary challenges impacted the brand's performance in Peru and Colombia, which have been stabilizing in the most recent cycles

HOME & STYLE IN LATAM

- As a result of our drastic portfolio optimization, the Home & Style category showed a decline of -38.7% vs. Q3-22 in CC, given the roll-out of Wave 2 in Peru, Colombia and Brazil and the preparation in the other countries. In the Hispanic market, the decrease in CC was -37.6% vs. the same period last year, while in Brazil the decrease was -41.6% YoY

NATURA &Co LATAM

- Revenue was up +2.5% in CC, and -9.4% in BRL, driven by solid growth at the Natura brand, still partially offset by the Home & Style category and by Avon adjustments across the region

Natura &Co Latam (BRL million)	P&L		
	Q3-23	Q3-22	Ch. %
Gross revenue	6,930.2	7,700.0	(10.0)
Net revenue	5,232.0	5,777.5	(9.4)
Constant currency			2.5
COGS	(1,899.2)	(2,280.8)	(16.7)
Gross profit	3,332.9	3,496.8	(4.7)
Gross margin	63.7%	60.5%	320 bps
Selling, marketing and logistics expenses	(2,279.1)	(2,406.7)	(5.3)
Administrative, R&D, IT and projects expenses	(633.6)	(710.8)	(10.9)
Other operating income / (expenses), net	(35.6)	58.1	(161.3)
Transformation / integration costs	(206.5)	(64.1)	222.1
Depreciation	245.3	214.3	14.5
EBITDA	423.5	587.5	(27.9)
EBITDA margin	8.1%	10.2%	-210 bps
Integration costs	206.5	64.1	222.1
Net non-recurring other (income)/ expenses	15.0	-	-
Adjusted EBITDA	644.9	651.6	(1.0)
Adjusted EBITDA margin	12.3%	11.3%	100 bps

- Gross margin was 63.7%, up +320 bps YoY, benefiting from price increase carry-over (as in the previous quarter), richer mix and marketing efforts

- Brazil's gross margin performance continued to be a highlight during this quarter, but the lower exposure to this market compared to the previous quarter explains the sequential deceleration of QoQ margin (Q2-23 gross margin landed at 64.2%)

- Adjusted EBITDA margin was 12.3% (+100 bps YoY), mainly driven by YoY gross margin expansion, partially offset by SG&A investments, mainly related to Natura's marketing and R&D expenses. Furthermore, some SG&A pressures were driven by reduction of top line amid Wave 2 preparation in some countries, where we did not explore the full opportunity coming from selling, logistics and G&A expenses to be

delivered when the integration is completed

- As the second round of elections in Argentina nears, concerns about the country's macro-outlook are arising from investors. To assist investors amid this volatile environment, adjusted EBITDA margin expansion excluding Argentina would be broadly in-line with the 100 bps delivered during the quarter
- Natura & Avon integration costs were BRL 221 million, of which ~45% severance costs, 30% transition costs (Wave 2 events and focused communications), and ~10% IT investments, with the remainder being opex investments to integrate logistics and industry
- **&Co Pay at Natura** posted continued growth in Q3-23, reaching almost 685,000 accounts, with +10% productivity and -30% default among heavy user consultants. 100% of owned stores and 70% of franchises use &Co Pay solutions. In YTD 2023, TPV reached BRL 28.2 billion, up 1.8 times YoY, capturing and processing 100% of transactions from direct selling and e-commerce in Brazil

AVON INTERNATIONAL

- Avon International posted broadly stable top line (-2.3% in CC), combined with improving profitability, leading to a high-single digit adjusted EBITDA margin, driven by discipline in executing pricing strategy and improvements in channel dynamics. Cash conversion continues to be a highlight, with further working capital improvements

	Operational KPIs change (%) Q3-23 vs. Q3-22
	Representatives
Avon International	-11.6%

- Net revenue stood at BRL 1,456 million, -2.3% YoY in constant currency (or -11.6% in BRL), driven by higher pricing and mix, almost entirely offsetting the impact of the expected reduction in number of active Representatives (-11.6%)

Avon International (BRL million)	P&L		
	Q3-23	Q3-22	Ch. %
Gross revenue	1,733.3	1,965.1	(11.8)
Net revenue	1,455.8	1,647.6	(11.6)
Constant currency			(2.3)
COGS	(517.5)	(665.6)	(22.3)
Gross profit	938.3	982.0	(4.4)
Gross margin	64.5%	59.6%	490 bps
Selling, marketing and logistics expenses	(597.8)	(748.9)	(20.2)
Administrative, R&D, IT and project expenses	(375.3)	(314.6)	19.3
Other operating income / (expenses), net	(1.2)	(19.9)	(94.1)
Transformation / integration costs	(13.4)	(88.9)	(84.9)
Depreciation	153.1	160.9	(4.9)
EBITDA	103.7	(29.4)	(452.8)
EBITDA margin	7.1%	-1.8%	890 bps
Transformation costs	13.4	88.9	(84.9)
Adjusted EBITDA	117.1	59.5	96.9
Adjusted EBITDA margin	8.0%	3.6%	440 bps

- This reduction is related to further commercial model adjustments (particularly a focus on leaders' incentives and structure), as mentioned last quarter

- Despite the reduction in the distribution channel, the Beauty category was still up +1.8% YoY, while Home & Style continued last quarter's trend, declining amid the planned portfolio reduction

- The Beauty category's growth benefitted mainly from fragrance outperformance and our long-term strategic direction of fewer, but bigger and better innovations

- Digitalization continued to show good progress and the use of digital tools reached 31.6% (see digital section – page 4) while other KPIs such as units per Rep and activity rate also improved. Digital sales penetration increased

by 1.1 ppt YoY to 7.0% of total revenue

- Gross margin was 64.5%, up +490 bps YoY, driven by price increases and favorable product mix through improved contribution of beauty sales, innovation and cult products. This quarter, gross margin expansion also benefited from lower obsolescence amid tight management of size of line
- Adjusted EBITDA margin was 8.0%, up +440 bps YoY, given strong gross margin expansion and a YoY decline in selling expenses (given transformational savings), partially offset by G&A YoY increase impacted by phasing of expenses and FX pressure
- This quarter also showed a positive evolution of our long-term goal of pursuing healthy contribution margins in every region that Avon International is exposed to
- Transformation costs this quarter were BRL 13 million, mainly related to R&D transformation, with the previously-announced closure of the Suffern facility

THE BODY SHOP

- A lot has been accomplished in the past few years, a revamped product portfolio, a modernized store concept, a step-up in e-commerce and big advances in sustainability, not least of which becoming a B-Corp
- Nevertheless, results have been challenging and new top management led a broad diagnosis of the business across brand, consumer, product, channels and marketing to identify key areas of opportunity to return the business to sustainable growth and ensure The Body Shop has the culture, talent and capabilities to adapt and be agile
- The market remains challenging, with reductions in footfall and traffic across The Body Shop's global footprint. The company is focused on conversion and ensuring that it has the right offers to the right customers as it enters the Christmas peak

	Operational KPIs				
	Q3-23	Q2-23	Q3-22	Change vs. Q2-23	Change vs. Q3-22
The Body Shop (total)	2,332	2,368	2,443	(36)	(111)
Own stores	922	937	977	(15)	(55)
Franchise stores	1,410	1,431	1,466	(21)	(56)

The Body Shop (BRL million)	P&L		
	Q3-23	Q3-22	Ch. %
Gross revenue	1,158.9	1,351.8	(14.3)
Net revenue	829.4	976.0	(15.0)
Constant currency			(13.2)
COGS	(194.4)	(231.0)	(15.9)
Gross profit	635.1	745.0	(14.8)
Gross margin	76.6%	76.3%	30 bps
Selling, marketing and logistics expenses	(517.8)	(608.6)	(14.9)
Administrative, R&D, IT and project expenses	(191.9)	(245.7)	(21.9)
Other operating income / (expenses), net	(28.7)	1.8	(1,656.6)
Depreciation	140.9	169.3	(16.8)
EBITDA	37.5	61.8	(39.4)
EBITDA margin	4.5%	6.3%	-180 bps
Restructuring costs - business unit	26.6	-	-
Adjusted EBITDA	64.1	61.8	3.7
Adjusted EBITDA margin	7.7%	6.3%	140 bps

- Q3-23 net revenue was BRL 829 million, down -13.2% in CC and -15.0% in BRL. Combined sales of core business distribution channels (stores, e-commerce and franchise) showed a high-single digit decline in CC in Q3-23, slightly worse than in Q2-23, particularly impacted by store closures (-111 over the last 12 months or 4.5% of total Q3-22 stores)

- Retail sales through core business distribution channels showed sell-out Same Store Sales (including own stores, e-commerce and franchise) of -5.0%

- Franchise sell-in was weak in the quarter and sell-out was slightly better, leading to some improvement in inventory level YoY (albeit still above 2019 in some regions, particularly APAC)

- Gross margin showed YoY

improvement again in Q3-23, expanding by +30 bps YoY to 76.6%. This was mainly driven by mix and pricing

- Despite the significant operating deleverage, Adjusted EBITDA margin improved by +140 bps YoY, at 7.7%, driven by some gross margin expansion and SG&A improvement, mainly from staff restructuring and strict control in other G&A expenses
- EBITDA adjustments of BRL 27 million were again mostly related to severance and consultants hired to assist during this transformational process
- Looking forward, some projects are already underway:
 - Turbo charging the **support for our Head Franchise** partners, with a focus on our top-HF partners in the key markets where we see growth including India, Middle East, and Southeast Asia
 - Meeting customers** where they are shopping, whether that's through new wholesale and digital channels – The Body Shop launched across 25 locations with Shoppers Drug Mart in Canada during Q3 with an additional 25 locations open in October
 - Addressing the **needs of our value consumer** segment and those consumers with constrained budgets by reintroducing some lower price point products
 - Transforming the current operating model and organization design – **self-sufficient; leaner global structures; accountability; zero-based budgeting**; and more focused investments

3. Social and environmental performance

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

In September Natura &Co celebrated three years of its sustainability journey, Commitment to Life. Our journey began in 2020 with the relaunch of our group sustainability vision, an initiative driven by our shared responsibility to confront global challenges and pave the way for a more sustainable future. We have made substantial progress towards our goals and our approach has evolved, re-aligning our strategies, metrics, and targets to directly address the pressing concerns of our time. Our Net Zero target is now in line with the globally recognized 1.5 degree Science Based Targets Initiative (SBTI) criteria and our journey towards regeneration will start with regenerative agriculture, where we have committed to have at least 30% of Natura &Co's key ingredients certified as regenerative by 2030. We have been a partner of the Union for Ethical Biotrade (UEBT) for over 15 years and together we will work towards Natura &Co's adoption of regenerative practices to deliver positive impact on our society and planet.

Natura &Co participated in Climate Week NYC, an annual event that runs alongside the United Nations General Assembly and brings together the public sector, private sector and civil society. We were present to join forces with partners to advocate for systems level change and to highlight the actions Natura &Co's brands are taking to drive progress towards our Commitment to Life Sustainability Vision goals. Natura &Co CEO Fábio Barbosa joined leaders at the United Nations Global Compact New York Climate Week UN Private Sector Forum to explore strategies to mobilize business ambition and investments towards achieving the Sustainable Development Goals. He also launched the TNFD framework at an event at the New York Stock Exchange. We were present in several roundtables connecting nature and climate, in which our leaders advocated for placing nature at the heart of the modern economy. Looking ahead, leaders of our sustainability team will attend the 2023 United Nations Climate Change Conference (COP28), commencing 30 November in Dubai. Natura &Co will advocate for regeneration, accelerated nature and climate action, inclusion and allyship, and the policy and culture shifts needed to drive systems level change.

Natura &Co participated in the B20 in India, where Marcelo Behar, Natura &Co's VP for Sustainability and Co-Chair of the ESG in Business B20 Action Council, contributed to a set of policy recommendations designed to accelerate and simplify ESG adoption. He spoke at the B20 Summit on the role of global standards in achieving development and sustainability goals, and at the 18th Sustainability Summit on sustainability in global value chains.

Updates across Business Units:

Natura &Co Latin America

On Amazon Day (5 September), Natura &Co Latin America launched an updated and bolder version of its [2030 Sustainability Vision](#) at Casa Natura Musical, in São Paulo. Also known as Commitment to Life, it features a series of public commitments and actions to tackle some of the world's most pressing issues, such as climate change, loss of biodiversity and human rights. Speakers included socio-environmental activist Ângela Mendes, president of the Comitê Chico Mendes, indigenous and climate activist Txai Surui, and John Elkington, creator of the 'Triple Bottom Line' concept, who highlighted the importance of joint work between large organizations, governments and young leaders.

On the 22nd of September, Natura &Co Latin America celebrated the Beauty Consultant Day with a historic milestone, combining for the first time the sales forces of Natura and Avon in a transformative moment for both brands.

Avon International

Avon International is a proud sponsor of Peace One Day, whose objective is to institutionalize Peace Day 21 September and create a more just, inclusive, sustainable and peaceful world. On Peace Day, Avon International CEO Angela Cretu took part in a conversation to spread the message of peace, recognizing beauty and peace combine to reveal the true essence of humanity, where compassion, unity, and harmony flourish, offering hope for a better world for women, a better world for all.

The Body Shop

[The Body Shop released its FY22 Sustainability Report](#) with comprehensive sustainability data in line with our Commitment to Life Sustainability Vision. The Body Shop Australia and South Africa officially launched their Be Seen Be Heard campaigns. In Australia a petition and campaign with their local partner 'Foundation for Young Australians' was kicked off in support of the Make It 16 campaign, calling on their government to lower the voting age to 16 for all Australian elections. South Africa launched its campaign alongside partner 'Women Lead Movement' to facilitate critical engagement and research on providing gender-based violence (GBV) education in school, accompanied by a petition to support GBV education in schools.

4. Capital Markets and Stock Performance

NTCO3 shares traded at BRL 14.56 at the end of Q3-23 on the B3 stock exchange, -13.8% in the quarter. Average Daily Trading Volume (ADTV) for the quarter was BRL 167.3 million, -21.2% vs Q3-22. NTCO traded at USD 5.77 at the end of Q3-23 on NYSE, -18.5% in the quarter.

On Sep 30, 2023, the Company's market capitalization was BRL 20.2 billion, and the Company's capital was comprised of 1,386,848,066 common shares.

5. Fixed income

Below is a table with details of all public debt instruments outstanding per issuer as of Sep 30, 2023:

Issuer	Type	Issuance	Maturity	Principal (million)	Nominal Cost (per year)
Natura Cosméticos S.A.	Debenture - 12th issue	6/10/2022	9/15/2027	BRL 255.9 million	DI + 0.8 per year
		6/10/2022	9/15/2029	BRL 487.2 million	IPCA + 6.80%
		6/10/2022	09/15/2032	BRL 306.9 million	IPCA + 6.90%
Natura Cosméticos S.A.	Commercial Notes	9/19/2022	9/19/2025	BRL 500.0 million	DI + 1.55 per year
Natura Cosméticos S.A.	Debenture - 11th issue	7/21/2022	7/21/2027	BRL 826.0 million	DI + 1.65 per year
Natura &Co Luxemburg Holding (Natura Lux)	Bond - 2nd issue (Sustainability Linked Bor	5/3/2021	5/3/2028	US\$ 450.0 million	4.125%
Natura &Co Luxemburg Holding (Natura Lux)	Bonds	4/19/2022	4/19/2029	US\$ 270.0 million	6.00%
Issuer: Avon Products, Inc.	Unsecured Bonds	3/15/2013	3/15/2043	US\$ 21.8 million	8.450% ⁽¹⁾

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

Ratings

Below is a table with our current credit ratings:

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

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

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

6. Appendix

Natura &CO Latam Revenue Breakdown

Natura &Co Latam	Net Revenue change (%)	
	Q3-23 vs. Q3-22	
	Reported (R\$)	Constant Currency
Natura Latam ^a	5.3%	18.6%
Natura Brazil	10.5%	10.5%
Natura Hispanic	-2.6%	37.1%
Avon Latam	-30.8%	-20.7%
Avon Brazil	-28.8%	-28.8%
Avon Hispanic	-31.9%	-15.8%

^a Natura Latam includes Natura Brazil, Hispanic and others

FREE CASH FLOW RECONCILIATION

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

R\$ million	Free Cash Flow Reconciliation	Free Cash Flow	Cash Flow Reconciliation
CASH FLOW FROM OPERATING ACTIVITIES			
Net (loss) income for the period	(a) Net income	Net income (loss)	(a)
Adjustments to reconcile net (loss) income for the period with net cash used in operating activities:			
Depreciation and amortization	(b) Depreciation/amortization	Depreciation and amortization	(b)
Interest and exchange variation on short-term investments	(c)	Non-cash Adjustments to Net Income	(c)
Earnings (loss) from swap and forward derivative contracts	(c)	Adjusted Net Income	
Provision for tax, civil and labor risks	(c)	Decrease / (Increase) in Working Capital	(d)
Inflation adjustment of judicial deposits	(c)	Inventories	(d1)
Inflation adjustment of provision for tax, civil and labor risks	(c)	Accounts receivable	(d2)
Income tax and social contribution	(c)	Accounts payable	(d3)
Income from sale and write-off of property, plant and equipment, lease and non-current assets held for sale	(c)	Other assets and liabilities	(d4)
Interest and exchange rate variation on leases	(c)	Income tax and social contribution	(e)
Interest and exchange rate variation on borrowings, financing and debentures, net of acquisition costs	(c)	Interest on debt and derivative settlement	(f)
Inflation adjustment and exchange rate variation on other assets and liabilities	(c)	Lease payments	(g)
Impairment	(c)	Other operating activities	(h)
Provision for stock option plans	(c)	Operating activities - discontinued operations	(m)
Provision for losses with trade accounts receivables, net of reversals	(c)	Cash from Operations	
Provision for inventory losses, net of reversals	(c)	Capex	(j)
Reversal of provision for the provision for carbon credits	(c)	Sale of Assets	(i)
Effect from hyperinflationary economy	(c)	Exchange rate variation	(k)
Other adjustments to reconcile net loss	(c)	Free Cash Flow	
		Other financing and investing activities	(l)
Increase (Decrease) in:		Payment of lease - principal discontinued operation	(n)
Trade accounts receivable and related parties	(d2) Accounts receivable	Capex - discontinued operation	(o)
Inventories	(d1) Inventories	Cash Balance Variation	
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) Other Operating Activities		
(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		
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	(i) Capex		
Proceeds from sale of property, plant and equipment, intangible and non-current assets held for sale	(j) Sale of Assets		
Acquisition of short-term investments	(l)		
Redemption of short-term investments	(l)		
Redemption of interest on short-term investments	(l)		
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)		
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 for the previous period	(l)		
Receipt 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			

CONSOLIDATED BALANCE SHEET

ASSETS (R\$ million)	Sept-23	Dec-22	LIABILITIES AND SHAREHOLDER'S EQUITY (R\$ million)	Sept-23	Dec-22
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	3,292.5	4,195.7	Borrowings, financing and debentures	141.1	331.2
Short-term investments	3,480.9	1,800.4	Lease	628.5	878.4
Trade accounts receivable	3,406.6	3,502.4	Trade accounts payable and reverse factoring operations	5,517.0	6,375.9
Inventories	4,362.9	4,516.9	Dividends and interest on shareholders' equity payable	0.2	0.3
Recoverable taxes	1,212.6	911.4	Payroll, profit sharing and social charges	1,072.7	1,277.0
Income tax and social contribution	190.3	196.1	Tax liabilities	518.5	828.1
Derivative financial instruments	134.7	235.1	Income tax and social contribution	197.5	70.3
Other current assets	926.0	763.4	Derivative financial instruments	127.1	1,614.0
Assets held for sale	456.7	0.1	Provision for tax, civil and labor risks	421.3	463.7
Total current assets	17,463.1	16,121.5	Other current liabilities	986.3	1,499.1
NON CURRENT ASSETS			Total current liabilities	9,610.4	13,337.9
Recoverable taxes	880.9	1,356.9	NON CURRENT LIABILITIES		
Deferred income tax and social contribution	2,677.3	3,519.5	Borrowings, financing and debentures	6,069.8	13,261.1
Judicial deposits	401.2	457.6	Lease	1,497.9	2,392.3
Derivative financial instruments	81.2	773.3	Payroll, profit sharing and social charges	6.0	26.2
Short-term investments	34.5	35.2	Tax liabilities	125.5	117.4
Other non-current assets	902.8	1,252.4	Deferred income tax and social contribution	3,244.4	934.4
Total long term assets	4,977.9	7,394.9	Derivative financial instruments	-	191.3
Property, plant and equipment	3,859.2	4,966.2	Provision for tax, civil and labor risks	1,227.1	1,322.2
Intangible	22,297.1	23,261.0	Other non-current liabilities	744.4	751.6
Right of use	1,973.4	2,941.9	Total non-current liabilities	12,915.2	18,996.3
Total non-current assets	33,107.7	38,564.0	SHAREHOLDERS' EQUITY		
TOTAL ASSETS	50,570.8	54,685.5	Capital stock	12,484.5	12,484.4
			Treasury shares	(164.7)	(262.4)
			Capital reserves	10,427.7	10,540.9
			Accumulated losses	3,739.2	(1,994.6)
			Other comprehensive income	1,542.4	1,564.3
			Equity attributable to owners of the Company	28,029.1	22,332.7
			Non-controlling interest in shareholders' equity of subsidiaries	16.1	18.5
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	50,570.8	54,685.4

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

R\$ million	Q3-23	Q3-22	Ch. %	9M-23	9M-22	Ch. %
NET REVENUE	7,517.3	8,401.2	(10.5)	22,611.0	24,120.3	(6.3)
Cost of Products Sold	(2,611.0)	(3,177.3)	(17.8)	(7,793.6)	(9,216.9)	(15.4)
GROSS PROFIT	4,906.3	5,223.8	(6.1)	14,817.3	14,903.4	(0.6)
OPERATING EXPENSES						
Selling, Marketing and Logistics Expenses	(3,252.0)	(3,613.1)	(10.0)	(9,751.9)	(10,342.3)	(5.7)
Administrative, R&D, IT and Project Expenses	(1,275.4)	(1,381.5)	(7.7)	(4,057.4)	(4,281.7)	(5.2)
Impairment losses on trade receivables	(142.8)	(151.2)	(5.6)	(460.6)	(464.6)	(0.9)
Other Operating Expenses, Net	(284.8)	(101.7)	180.0	(700.7)	(202.8)	245.5
LOSS FROM OPERATIONS BEFORE FINANCIAL RESULT	(48.6)	(23.7)	105.6	(153.3)	(388.0)	(60.5)
Net Financials	(1,064.9)	(549.7)	93.7	(1,943.3)	(1,340.8)	44.9
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(1,113.6)	(573.4)	94.2	(2,096.7)	(1,728.8)	21.3
Income Tax and Social Contribution	962.0	110.7	769.2	780.6	(87.4)	(993.5)
(LOSS) INCOME FROM CONTINUED OPERATIONS	(151.6)	(462.7)	(67.2)	(1,316.1)	(1,816.2)	(27.5)
Income (Loss) from discontinued operations	7,175.6	(96.8)	(7,513.9)	6,956.0	(152.5)	(4,662.4)
(LOSS) INCOME FOR THE PERIOD	7,024.0	(559.5)	(1,355.5)	5,639.9	(1,968.6)	(386.5)
Attributable to controlling shareholders	7,024.4	(559.8)	(1,354.9)	5,640.2	(1,969.6)	(386.4)
Attributable to non-controlling shareholders	(0.4)	0.3	(243.3)	(0.2)	1.0	(122.6)

PURCHASE PRICE ALLOCATION (PPA) AMORTIZATION

R\$ million	Consolidated		Natura & Co Latam		Avon International	
	Q3-23	Q3-22	Q3-23	Q3-22	Q3-23	Q3-22
Net Revenue	-	-	-	-	-	-
Cost of Products Sold	(1.7)	(2.1)	(1.0)	(0.6)	(0.7)	(1.4)
Gross Profit	(1.7)	(2.1)	(1.0)	(0.6)	(0.7)	(1.4)
Selling, Marketing and Logistics Expenses	(61.6)	(64.3)	(32.6)	(31.8)	(29.0)	(32.5)
Administrative, R&D, IT and Project Expenses	(70.7)	(67.3)	(1.1)	0.6	(69.6)	(67.9)
Other Operating Income (Expenses), Net	(36.9)	126.5	(35.8)	139.3	(1.0)	(12.8)
Financial Income/(Expenses), net	205.7	22.3	-	-	-	-
Income Tax and Social Contribution	(94.8)	(10.3)	-	-	-	-
LOSS FROM CONTINUED OPERATIONS	(60.0)	4.7	(70.5)	107.4	(100.4)	(114.6)
Depreciation	(134.0)	(135.7)	(34.7)	(33.9)	(99.3)	(101.8)

CONSOLIDATED STATEMENT OF CASH FLOW

R\$ million	9M-23	9M-22
CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) income for the period	5,640.2	(1,968.6)
Adjustments to reconcile net (loss) income for the period with net cash used in operating activities:		
Depreciation and amortization	1,730.5	1,681.5
Interest and exchange variation on short-term investments	(642.3)	(330.1)
Earnings (loss) from swap and forward derivative contracts	1,742.0	527.9
Provision for tax, civil and labor risks	53.6	(29.5)
Inflation adjustment of judicial deposits	(20.5)	(26.8)
Inflation adjustment of provision for tax, civil and labor risks	58.5	67.1
Income tax and social contribution	(780.6)	87.4
Income from sale and write-off of property, plant and equipment, lease and non-current assets held for sale	(130.0)	(81.6)
Interest and exchange rate variation on leases	121.1	167.3
Interest and exchange rate variation on borrowings, financing and debentures, net of acquisition costs	437.0	324.2
Inflation adjustment and exchange rate variation on other assets and liabilities	2.2	2.0
Impairment	25.1	12.5
Provision for stock option plans	78.2	194.3
Provision for losses with trade accounts receivables, net of reversals	460.6	466.2
Provision for inventory losses, net of reversals	299.5	303.8
Reversal of provision for the provision for carbon credits	(11.2)	(8.3)
Effect from hyperinflationary economy	245.5	123.2
Other adjustments to reconcile net loss	(206.2)	0.0
Increase (Decrease) in:		
Trade accounts receivable and related parties	(628.9)	(366.4)
Inventories	(752.7)	(109.7)
Recoverable taxes	61.7	(8.1)
Other assets	491.4	(18.4)
Domestic and foreign trade accounts payable and related parties	(515.7)	(624.6)
Payroll, profit sharing and social charges, net	(82.8)	(262.4)
Tax liabilities	(239.1)	(58.0)
Other liabilities	(274.2)	86.0
OTHER CASH FLOWS FROM OPERATING ACTIVITIES		
Payment of income tax and social contribution	(279.7)	(399.0)
Release of judicial deposits	23.6	134.2
Payments related to tax, civil and labor lawsuits	(52.3)	(111.8)
(Payments) proceeds due to settlement of derivative transactions	(1,520.6)	(230.5)
Payment of interest on lease	(120.7)	(86.0)
Payment of interest on borrowings, financing and debentures	(997.0)	(573.2)
Discontinued Operations	(7,289.1)	84.9
NET CASH (USED IN) OPERATING ACTIVITIES	(3,073.2)	(1,030.5)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment and intangible	(741.1)	(651.3)
Proceeds from sale of property, plant and equipment, intangible and non-current assets held for sale	17.1	4.1
Acquisition of short-term investments	(12,220.6)	(8,005.9)
Redemption of short-term investments	10,625.5	8,613.7
Redemption of interest on short-term investments	101.2	85.6
Investing activities - discontinued operations	12,254.2	(116.9)
NET CASH GENERATED BY (USED IN) INVESTING ACTIVITIES	10,036.2	(70.8)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease - principal	(553.8)	(681.8)
Repayment of borrowings, financing and debentures - principal	(8,185.6)	(4,591.3)
New borrowings, financing, and debentures	1,506.7	6,051.2
Acquisition of treasury shares, net of receipt of option strike price	0.0	(120.3)
Payment of dividends and interest on equity for the previous period	(0.0)	0.0
Receipt of funds due to settlement of derivative transactions	(367.8)	132.1
Capital Increase	0.1	5.9
Financing activities - discontinued operations	(166.2)	(139.6)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(7,766.5)	656.214
Effect of exchange rate variation on cash and cash equivalents	(98.6)	(312.6)
DECREASE IN CASH AND CASH EQUIVALENTS	(902.1)	(757.6)
Opening balance of cash and cash equivalents	4,195.7	4,007.3
Closing balance of cash and cash equivalents	3,292.5	3,252.3
DECREASE IN CASH AND CASH EQUIVALENTS	(902.1)	(757.6)

7. Conference call *and* webcast

Natura &Co (B3: NTCO3 / NYSE: NTCO)

is pleased to invite you to join its Q3-23 Earnings Conference Call:

**Tuesday,
November 14th, 2023**

07:00 NY time

09:00 Brasília Time

12:00 London Time

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

To connect to the conference call:

U.S.: Toll-free: +1 844 204-8942 / Dial in: +1 412 717-9627

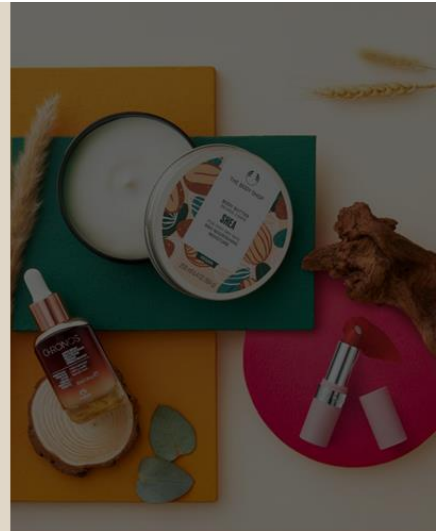
Brazil: +55 11 3181-8565 / Dial in: +55 11 4090-1621

U.K.: +44 20 3795 9972

Conference call ID: Natura



natura &co



Q3-23 Results will be available on November 13th, Monday, after B3 trading hours at the website: <http://ri.naturaeco.com/en>

8. Glossary

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

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

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

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

APAC: Asia and Pacific

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

B3: Brazilian Stock Exchange

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

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

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

BRL: Brazilian Reais

CDI: The overnight rate for interbank deposits

CEE: Central and Eastern Europe

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

COGS: Costs of Goods Sold

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

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

EBITDA: Earnings Before Interests, Tax, Depreciation and Amortization

EMEA: Europe, Middle East and Africa

EP&L: Environmental Profit & Loss

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

G&A: General and administrative expenses

GHG: Greenhouse gases

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

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

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

IFRS – International Financial Reporting Standards

Kantar: Data, insights and consulting company with global presence

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

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

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

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

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

NYSE: New York Stock Exchange

P&L: Profit and loss

PP: Percentage point

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

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

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

SG&A: Selling, general and administrative expenses

SM&L: Selling, marketing and logistics expenses

SLB: Sustainability Linked Bond

SPT: Sustainability Performance Targets

SSS: Same-Store-Sales

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

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

TBS: The Body Shop.

TMEA: Turkey, Middle East and Africa

UNI: Underlying Net Income.

WE: Western Europe

9. Disclaimer

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

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

Investor Relations Team
ri@natura.net

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BR_Sao-Paulo-Arquivo-Atendimento-Team@pwc.com

Eventos do signatário

Leandro Mauro Ardito

leandro.ardito@pwc.com

PwC BR

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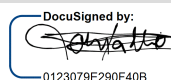
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