

São Paulo, August 12, 2021.

Q2-21: Natura &Co reports strong +36% growth, continuing to outperform the CFT¹ market, with net income increasing to R\$235 million

*Growth in all businesses, including Avon both in Latam and International
Strong net income boosted by Avon integration
Significant advances in the first year of our 2030 Sustainability Vision*

- Natura &Co's consolidated net revenue** reached R\$9.5 billion in Q2, up 36.2% in BRL vs. Q2-20 (+31.7% at constant currency, "CC"), significantly ahead of the global CFT market, supported by growth across all businesses, despite continued impacts from Covid-19 in key markets. Excluding last year's phasing effect of the cyber incident that shifted R\$454 million in sales from Q2 to Q3, net revenue would have been up by 27.9% (+24.4% at CC), still ahead of the global CFT market.

In H1-21, net revenue reached R\$19.0 billion, up 30.8% in BRL (+18.9% at CC). Excluding last year's phasing effect of the cyber incident, net revenue in H1-21 would have been up by 26.8% (+15.8% at CC).

 - Natura &Co Latam's Q2** net revenue increased by 39.2% in BRL (+37.1% at CC), mainly driven by a very strong performance by the Natura and Avon brands in Hispanic Latam. The **Natura** brand's net revenue increased by 25.0% in BRL (+26.0% at CC), with +8.0% growth in Brazil and +67.8% (+78.4% at CC) in Hispanic Latam, supported by all markets and driven by an increase in consultants, higher volumes and strong online sales. Mexico continued its solid growth trajectory and became Natura's biggest market outside Brazil. The **Avon** brand's net revenue increased by a strong 59.3% in BRL (+52.5% at CC), supported by +26.2% growth in Brazil and +83.0% in Hispanic Latam in BRL (+72.5% at CC), driven by growth in beauty categories and the home segment. Excluding last year's phasing effect of the cyber incident of R\$393.0 million in sales shifted to Q3, Avon's net revenue would have been up by +28.1% (+25.6% at CC), and Natura &Co Latam's net revenue would have been up by 26.7% (+26.0% at CC). In **H1-21**, net revenue increased by 31.7% in BRL (+26.1% at CC), with the Natura brand up 27.1% in BRL (+25.4% at CC) and the Avon brand up 37.0% (+26.7% at CC).
 - Avon International's Q2** net revenue grew by a strong 33.6% in BRL (+27.1% at CC). Avon gained market share² vs. Q2-20 in key beauty categories and key markets, notably the Philippines, South Africa, Romania and Italy, while retaining growth momentum in the UK. In addition, representative satisfaction improved vs. 2020 and 2019, supported by best-ever service levels in order fill rate. Pilots of the new commercial model have shown positive initial results in productivity, sales growth and number of representatives. Excluding last year's phasing effect of the cyber incident of R\$61.0 million in sales shifted to Q3, net revenue in Q2-21 would have been up by 28.9% (+22.6% at CC). In **H1-21**, net revenue was up 21.1% in BRL (+4.6% at CC).
 - The Body Shop's Q2** net revenue increased by 24.3% in BRL (+14.2% at CC), driven by all regions and supported by strong growth in retail, although several company and franchise markets remained in or re-entered lockdowns, resulting in approximately 18% lost store days in Q2. The Body Shop began the roll-out of 500 refill stations in its stores across the world, resumed the opening of new concept stores, including three in Japan, and relaunched its iconic Body Butter, now produced by Avon. In **H1-21**, net revenue was up 35.5% in BRL (+12.4% at CC).
 - Aēsop's Q2** net revenue grew by a strong +47.0% in BRL (+40.8% at CC). All regions contributed to growth, led by the Americas and Asia with Japan, South Korea and Hong Kong delivering robust performances, despite ongoing Covid-19 impacts in a number of markets, resulting in approximately 11% lost store days. Investments continued in digital platforms and CRM across many markets to enhance customer experience. In **H1-21**, net revenue was up 58.7% in BRL (+35.5% at CC).

¹ Cosmetics, Fragrance and Toiletries market performance: Company estimate based on global peers' net revenue vs prior year of approximately +22.1% in Q2-21 (in reported FX), as reported by the companies or estimates published on Bloomberg for those who have not yet reported;

² Sources: Euromonitor based estimates and Kantar / Nielsen local panel data where available.

- **Natura &Co digital sales** grew sequentially in the quarter. Digitally-enabled sales, which include online sales (e-commerce + social selling) and relationship selling using our main digital apps, reached 51% of total revenue, compared to 55% in Q2-20, when all non-digital channels shut down, and to 34% pre-pandemic (Q2-19).
- **Online sales** accounted for 10% of total sales in Q2-21, compared to 15% in Q2-20, resulting from the reopening of parts of the global economy and customers returning to traditional channels. However, the share of online sales is 4x above pre-pandemic levels. At Natura, online sales grew 35%, while they remained stable at Avon globally, compared to last year. Aesop's total online sales reached 23% of revenue, down from 37% in Q2-20 but 2.3x above pre-pandemic levels (Q2-19), and The Body Shop's online and At-Home channels accounted for 37% of total sales, down from 59% in Q2-20, but 2.6x above pre-pandemic levels (Q2-19). As expected, the quarter showed a rebalancing of channels, with retail regaining momentum.
- **Relationship selling using apps:** At Avon International, adoption of the Avon On app has posted consistent and sustained growth over the last 6 quarters, reaching 4x pre-pandemic levels. At Natura in Latin America, the average number of consultants sharing content increased by more than 16% vs. Q2-20 and was nearly 9x higher than pre-pandemic levels (Q2-19). Orders through the 1.5 million+ consultant online stores (vs. 900,000 in Q2-20) in the region stood at 3x above Q2-19 levels.
- **&Co Pay:** Encouraging expansion at Natura Brazil with an increase of +50% in number of accounts, to over 220,000 in 6 months. Total payment volume ("TPV") reached almost R\$2.0 billion in H1.
- **Natura &Co's Q2 adjusted³ EBITDA** was R\$811.2 million with margin of 8.5% (-30 bps). Inflationary pressures in the quarter were largely offset by benefits of synergies, pricing and sales leverage. Excluding pandemic-related one-off effects in Q2-20 from cost containment and government support, adjusted EBITDA margin would have improved by 210 bps this quarter. Reported EBITDA was R\$630.0 million with margin of 6.6% (-270 bps). In **H1-21** adjusted EBITDA margin improved to 9.4%, +120 bps higher than Q2-20, and reported EBITDA margin improved to 7.7%, 220 bps higher than H1-20.
 - **Natura &Co Latam's Q2** adjusted EBITDA margin increased to 10.8% (+140 bps), thanks to strong revenue growth, primarily in Hispanic Latam at both Avon and Natura, as well as synergies from the integration with Avon, which more than offset raw material inflation pressure and foreign currency headwinds.
 - **Avon International's Q2** adjusted EBITDA margin was broadly stable at 4.3% (-10 bps), as strong sales leverage and transformation savings offset the impact of higher inflation and increased investments in digital and IT to drive market share and accelerate future growth. EBITDA margin is in line with Avon's transformation plan targets.
 - **The Body Shop's Q2** EBITDA margin was 13.0% (-180 bps), due to one-off effects on Q2-20 EBITDA as a result of the pandemic. Excluding these effects, EBITDA margin would have increased by 450 bps, driven by strong sales leverage in Q2-21, partially offset by a channel rebalancing effect as stores gradually reopened with reduced traffic and sustained restrictions in key markets.
 - **Aesop's Q2** EBITDA margin stood at 21.0% (-580 bps), due to one-off effects on Q2-20 EBITDA as a result of the pandemic. Excluding these effects, EBITDA margin would have increased by 90 bps, despite increased investments in expansion and fragrances category, as well as channel rebalancing effects amid continued pandemic impacts in key markets.
- **Underlying Net Income was R\$482.2 million in Q2**, up from a negative R\$190.7 million in Q2-20, driven by new gains from the Avon integration related to corporate structure optimization, enabled by the prepayment of Avon's 2022 bonds, which eliminated some restrictive covenants. **Net income reached R\$234.8 million in Q2**, a strong improvement compared to a net loss of R\$388.5 million in Q2-20.
- **Annual recurring target synergies:** US\$41 million in synergies achieved in Q2, in line with estimates, notably driven by administrative costs and procurement. Costs to achieve synergies amounted to US\$20 million in Q2. In H1, synergies captured totaled US\$76.5 million, incurring US\$41 million in costs to achieve, also in line with estimates.
- **Robust cash position of R\$8.0 billion and significant deleveraging in Q2:** Consolidated net debt-to-EBITDA ratio of 1.43x, down from 3.63x in Q2-20.
- **ESG agenda:** Natura &Co gave its first annual update on its Commitment to Life 2030 Sustainability Vision, announcing the launch of a new data tool to aid conservation of the Amazon, as well as setting out ambitions to be the first multinational to ensure our workforce reflects the demographic composition of the societies in which it operates. Currently 96.0% of our people already earning a living wage and we are at 92.8% on formula biodegradability, clearly on track to reach 95.0% or more by 2030.

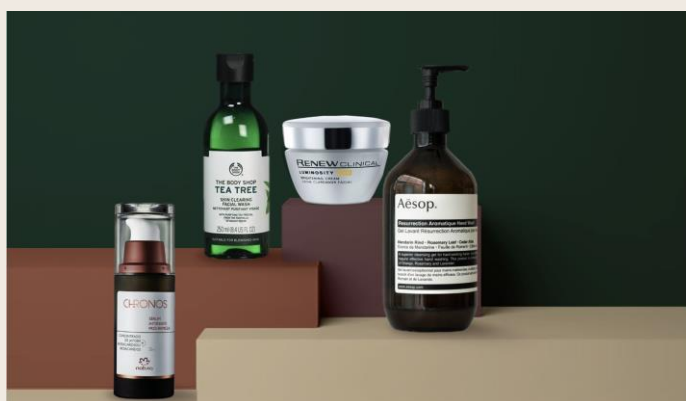
³Excluding effects that are not considered recurring nor comparable between the periods under analysis, such as: Transformation costs and costs-to-achieve synergies, Avon acquisition-related expenses and tax credits and provision reversals.

1. Management commentary

Roberto Marques, Executive Chairman and CEO of Natura & Co, commented: "Thanks to our increasingly relevant multi-channel model, the powerful appeal of our brands and products and unparalleled direct-to-customer reach, Natura & Co continued to outperform the global CFT market, posting 36% sales growth and a strong increase in net income. This remarkable performance came amid continued effects of the Covid-19 pandemic across many of our markets, resulting in continued lockdowns and restrictions in key markets.

With double-digit sales growth across all our businesses, Natura & Co demonstrated once again its ability to adapt and thrive in a challenging environment and its capacity to meet changing consumer and shopping habits. Natura & Co Latam's growth was driven by both Natura and Avon, with an excellent performance in Hispanic Latin America. We were particularly pleased to see Avon posting very strong topline growth both in Latam and International and gaining market share in its key markets and core categories, demonstrating that its transformation journey is well underway. The Body Shop and Aesop both managed to grow sales strongly even while facing temporary store closures in key markets, with other sales channels remaining significantly above pre-pandemic levels.

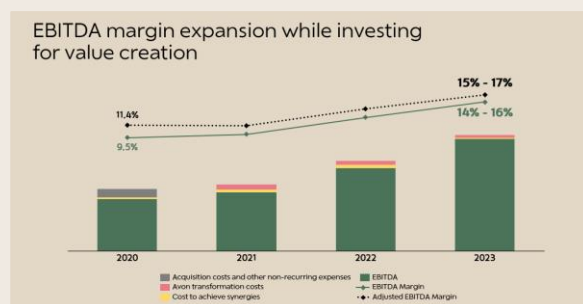
Our unparalleled direct-to-customer reach, notably through digitally-enabled sales, continued to be a strong driver of our business. Digitally-enabled sales represented 51% of total revenue, up from 48% in the previous quarter, even with customers gradually returning to stores as they reopen, as reflected in the lower share of online sales at The Body Shop and Aesop, as was expected. Nevertheless, the share of digital channels is four times above pre-pandemic levels, demonstrating a step-change in the Group's digital transformation. Relationship selling using apps has also progressed.



Avon's transformation is progressing well. Beyond strong revenue growth by the Avon brand in Brazil and Hispanic Latam and Avon International, pilots of the new commercial model showed positive initial results and overall representative satisfaction has increased. Synergies are in line with estimates, and we began producing The Body Shop's Body Butter in Avon's plant in Poland as part of the plan. We continue to see advances in Avon International's Transformation Plan and we were encouraged to see its EBITDA margin remain broadly stable despite higher investments in digital, IT and marketing to drive future growth. Avon's integration also drove the Group's net income, as a result of our corporate restructuring and the elimination of restrictive financial covenants through the early repayment of Avon's 2022 bonds.

In June, we also marked the first anniversary of our Commitment to Life – 2030 Sustainability Vision with a major event at which we outlined the progress we had made on our 31 initiatives across three pillars to address the climate crisis and protect the Amazon, ensure equality and inclusion and shift our business towards circularity and regeneration. We announced the launch of a new data tool to aid conservation of the Amazon and unveiled our ambitions to be the first multinational to ensure that our workforce reflects the demographic composition of the societies in which it operates.

At the end of H1, we are above last year's EBITDA margin. We remain on track to meet our targets for 2021 and to achieve our 2023 guidance of **high single-digit compound annual top line growth (CAGR) and mid-teens EBITDA margin** (see the graph shown at our Investor Day on April 16). The third quarter will be facing a demanding comparable base, since Q3 last year benefited from the phasing effect of the cyber incident, one-off effects of cost containment and government support, as well as a strong pick-up in business compared to Q2.



I would like to thank our entire organization and network of consultants, representatives and partners, whose dedication amid a persistently challenging health environment enabled us to post another strong set of results. More than ever in these difficult times, we are committed to putting people first and combining economic, environmental and social performance to create value and make a positive impact."

2. Covid-19 update

The Company is closely monitoring the evolution of the Covid-19 pandemic worldwide, particularly the recent new lockdown and restrictive measures adopted in parts of Europe. The Crisis Committee created in Q2-20 continuously analyzes the situation and acts to minimize impacts, ensure continuity of operations, protect cash and improve liquidity. Natura &Co also continues to be attentive to the health and safety of its employees, consultants and representatives and customers.

Key impacts on the business

Lockdown restrictions: In the second quarter of 2021, Natura &Co's businesses continued to be impacted by the pandemic, with several markets remaining in or re-entering lockdowns. Online sales accounted for 10% of total sales, compared to 15% in Q2-20, resulting from the return by customers to traditional channels, as the global economy gradually normalized. However, the share of digital channels remains four times above pre-pandemic levels.

- **Natura &Co Latam:** Most stores were open in the quarter, albeit operating with certain restrictions. The adoption of digital assets by consultants continued to drive their performance. In Brazil, government aid payments only resumed in April and were significantly reduced compared to 2020, impacting household disposable income and discretionary spending.
- **Avon International:** Certain key markets such as Eastern Europe, notably Russia and Poland, and South Africa continued to be impacted by Covid-19. However, Avon International gained market share compared to Q2-20.
- **The Body Shop:** Retail sales were impacted in important markets by mandatory store closures, especially in Australia and Canada, while other markets reopened with restrictions, such as Germany, resulting in 18% in lost store days. As expected, the quarter showed a rebalancing of channels, with retail regaining momentum.
- **Aesop:** The company was also impacted by partially closed markets, such as Australia, Japan, Germany and Malaysia, resulting in approximately 11% lost store days in the quarter. However, sales expanded significantly with an expected rebalancing of channels, with retail regaining momentum.

3. Results analysis

The Group segmentation is composed of:

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

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



R\$ million	Profit and Loss by Business														
	Consolidated ^a			Natura & Co Latam ^b			Avon International			The Body Shop			Aesop		
	Q2-21 ^c	Q2-20 ^c	Ch. %	Q2-21 ^c	Q2-20 ^c	Ch. %	Q2-21 ^c	Q2-20 ^c	Ch. %	Q2-21	Q2-20	Ch. %	Q2-21	Q2-20	Ch. %
Gross Revenue	12,232.6	7,272.8	68.2	7,347.9	5,420.7	35.6	2,644.7	1,995.7	32.5	1,612.4	1,272.5	26.7	628.0	426.9	47.1
Net Revenue	9,517.2	6,987.2	36.2	5,533.7	3,975.7	39.2	2,204.0	1,650.0	33.6	1,217.6	979.2	24.3	561.9	382.2	47.0
COGS	(3,316.4)	(2,375.5)	39.6	(2,177.4)	(1,508.5)	44.3	(842.3)	(632.5)	33.2	(244.0)	(199.0)	22.6	(52.6)	(35.5)	48.4
Gross Profit	6,200.8	4,611.7	34.5	3,356.2	2,467.2	36.0	1,361.7	1,017.5	33.8	973.5	780.2	24.8	509.3	346.8	46.9
Selling, Marketing and Logistics Expenses	(4,248.1)	(3,378.1)	25.8	(2,226.5)	(1,722.9)	29.2	(1,000.9)	(790.7)	26.6	(720.7)	(650.2)	10.8	(300.0)	(214.3)	40.0
Administrative, R&D, IT and Projects Expenses	(1,671.4)	(1,266.2)	32.0	(741.2)	(621.5)	19.3	(489.4)	(361.9)	35.2	(266.6)	(180.0)	48.1	(165.4)	(102.5)	61.4
Corporate Expenses ^d	(148.4)	(78.1)	90.0	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Income/ (Expenses), Net	(20.6)	119.1	(117.3)	(6.5)	110.4	(105.9)	1.3	0.7	95.8	(17.3)	3.5	(599.8)	1.9	4.6	(58.4)
Acquisition Related Expenses ^e	-	(5.6)	-	-	-	-	-	-	-	-	-	-	-	-	-
Transformation Expenses / CTA ^f	(181.3)	(54.6)	231.8	(37.8)	(24.3)	55.6	(127.3)	(18.9)	573.6	-	-	-	-	-	-
Depreciation	698.9	703.9	(0.7)	215.8	237.0	(8.9)	221.6	206.9	7.1	189.7	191.8	(1.1)	72.0	68.1	5.7
EBITDA	630.0	651.9	(3.4)	560.0	445.9	25.6	(33.0)	53.6	(161.5)	158.6	145.2	9.2	117.8	102.6	14.8
Depreciation	(698.9)	(703.9)	(0.7)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Income/(Expenses), Net	(205.5)	(268.5)	(23.5)	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Before Taxes	(274.4)	(320.5)	(14.4)	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax and Social Contribution	527.4	(44.9)	(1,275.9)	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations ^g	(20.8)	(26.7)	(22.2)	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Net Income	232.2	(392.1)	(159.2)	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling Interest	2.6	3.6	(27.2)	-	-	-	-	-	-	-	-	-	-	-	-
Net Income attributable to controlling shareholders	234.8	(388.5)	(160.4)	-	-	-	-	-	-	-	-	-	-	-	-
Gross Margin	65.2%	66.0%	-80 bps	60.7%	62.1%	-140 bps	61.8%	61.7%	10 bps	80.0%	79.7%	30 bps	90.6%	90.7%	-10 bps
Selling, Marketing and Logistics Exp./Net Revenue	44.6%	48.3%	-370 bps	40.2%	43.3%	-310 bps	45.4%	47.9%	-250 bps	59.2%	66.4%	-720 bps	53.4%	56.1%	-270 bps
Admin., R&D, IT, and Projects Exp./Net Revenue	17.6%	18.1%	-50 bps	13.4%	15.6%	-220 bps	22.2%	21.9%	30 bps	21.9%	18.4%	350 bps	29.4%	26.8%	260 bps
EBITDA Margin	6.6%	9.3%	-270 bps	10.1%	11.2%	-110 bps	(1.5)%	3.3%	-480 bps	13.0%	14.8%	-180 bps	21.0%	26.8%	-580 bps
Net Margin	2.4%	(5.6)%	800 bps	-	-	-	-	-	-	-	-	-	-	-	-

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

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

^c Includes PPA – Purchase Price Allocation effects

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

^e Avon-acquisition-related expenses

^f Costs to Achieve Synergies

^g Related to business separation at Avon North America

R\$ million	Profit and Loss by Business														
	Consolidated ^a			Natura & Co Latam ^b			Avon International			The Body Shop			Aesop		
	H1-21 ^c	H1-20 ^c	Ch. %	H1-21 ^c	H1-20 ^c	Ch. %	H1-21 ^c	H1-20 ^c	Ch. %	H1-21	H1-20	Ch. %	H1-21	H1-20	Ch. %
Gross Revenue	24,291.7	14,809.9	64.0	14,205.1	11,014.0	29.0	5,480.7	4,527.0	21.1	3,323.5	2,485.9	33.7	1,282.9	808.0	58.8
Net Revenue	18,972.2	14,505.2	30.8	10,719.6	8,138.1	31.7	4,567.5	3,771.5	21.1	2,537.3	1,872.4	35.5	1,147.8	723.1	58.7
COGS	(6,640.8)	(5,254.2)	26.4	(4,224.5)	(3,226.6)	30.9	(1,788.4)	(1,559.7)	14.7	(523.1)	(400.3)	30.7	(104.8)	(67.6)	54.9
Gross Profit	12,331.5	9,250.9	33.3	6,495.2	4,911.5	32.2	2,779.1	2,211.8	25.6	2,014.2	1,472.2	36.8	1,043.1	655.5	59.1
Selling, Marketing and Logistics Expenses	(8,503.0)	(6,901.0)	23.2	(4,316.3)	(3,575.0)	20.7	(2,069.8)	(1,726.0)	19.9	(1,519.8)	(1,190.4)	27.7	(597.1)	(409.5)	45.8
Administrative, R&D, IT and Projects Expenses	(3,175.8)	(2,495.6)	27.3	(1,383.8)	(1,193.7)	15.9	(959.4)	(750.5)	27.8	(501.6)	(357.0)	40.5	(320.3)	(194.1)	65.0
Corporate Expenses ^d	(261.2)	(108.5)	140.7	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Income/ (Expenses), Net	(12.3)	105.2	(111.7)	4.0	114.0	(96.5)	1.2	(11.4)	(110.9)	(20.4)	(2.4)	753.6	3.4	4.9	(31.1)
Acquisition Related Expenses ^e	-	(303.9)	-	-	-	-	-	0.0	-	-	-	-	-	-	-
Transformation Expenses / CTA ^f	(315.4)	(79.7)	295.7	(93.8)	(34.9)	169.0	(202.4)	(33.4)	505.3	-	-	-	-	-	-
Depreciation	1,395.3	1,329.7	4.9	429.1	458.9	(6.5)	440.5	390.8	12.7	380.3	356.2	6.8	145.3	123.8	17.3
EBITDA	1,459.1	797.2	83.0	1,134.3	680.8	66.6	(10.7)	81.4	(113.2)	352.7	278.6	26.6	274.3	180.6	51.9
Depreciation	(1,395.3)	(1,329.7)	4.9	-	-	-	-	-	-	-	-	-	-	-	-
Financial Income/(Expenses), Net	(433.4)	(496.1)	(12.6)	-	-	-	-	-	-	-	-	-	-	-	-
Earnings Before Taxes	(369.6)	(1,028.6)	(64.1)	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax and Social Contribution	437.3	(139.7)	(413.2)	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operations ^g	8.0	(48.7)	(116.3)	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Net Income	75.7	(1,217.0)	(106.2)	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling Interest	4.0	7.7	(48.4)	-	-	-	-	-	-	-	-	-	-	-	-
Net Income attributable to controlling shareholders	79.7	(1,209.3)	(106.6)	-	-	-	-	-	-	-	-	-	-	-	-
Gross Margin	65.0%	63.8%	120 bps	60.6%	60.4%	20 bps	60.8%	58.6%	220 bps	79.4%	78.6%	80 bps	90.9%	90.6%	30 bps
Selling, Marketing and Logistics Exp./Net Revenue	44.8%	47.6%	-280 bps	40.3%	43.9%	-360 bps	45.3%	45.8%	-50 bps	59.9%	63.6%	-370 bps	52.0%	56.6%	-460 bps
Admin., R&D, IT, and Projects Exp./Net Revenue	16.7%	17.2%	-50 bps	12.9%	14.7%	-180 bps	21.0%	19.9%	110 bps	19.8%	19.1%	70 bps	27.9%	26.8%	110 bps
EBITDA Margin	7.7%	5.5%	220 bps	10.6%	8.4%	220 bps	(0.2)%	2.2%	-240 bps	13.9%	14.9%	-100 bps	23.9%	25.0%	-110 bps
Net Margin	0.4%	(8.4)%	880 bps	-	-	-	-	-	-	-	-	-	-	-	-

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

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

^e Avon-acquisition-related expenses

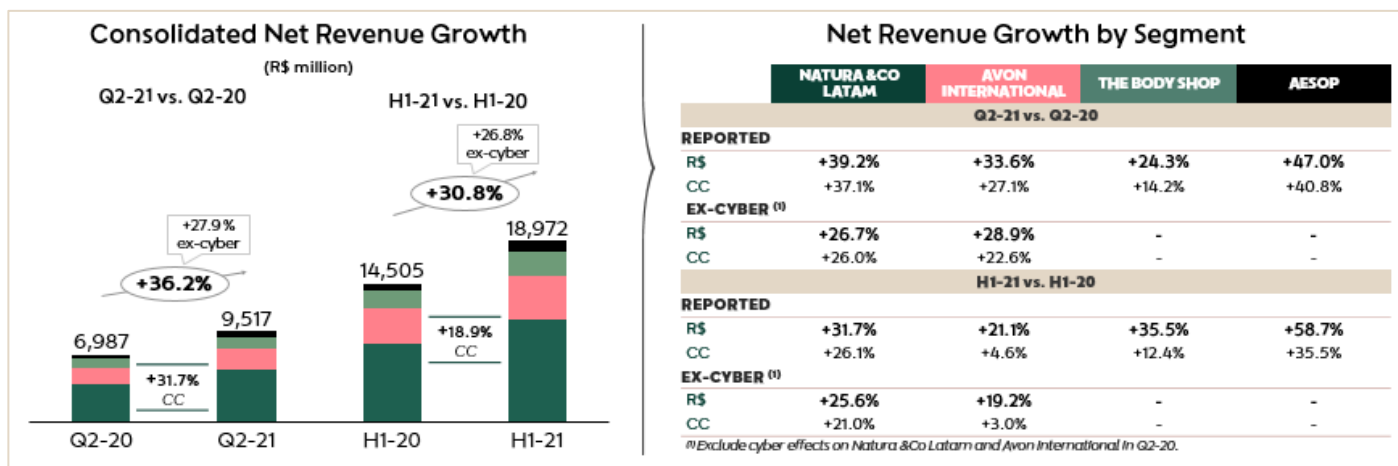
^f Costs to Achieve Synergies

^g Related to business separation at Avon North America

CONSOLIDATED NET REVENUE GROWTH IN Q2-21 AND H1-21

Q2-21 consolidated net revenue increased by 36.2% year-on-year (+31.7% at CC), and H1-21 net revenue increased by 30.8% vs. H1-20 (+18.9% at CC), driven by growth across all businesses in both periods.

Excluding last year's phasing effect of the cyber incident that shifted R\$454 million in sales from Q2 to Q3, adjusted net revenue in Q2-21 would have been up by 27.9% (+24.4% at CC). In H1-21, net revenue would have been up by 26.8% in BRL (+15.8% at CC).



GROSS MARGIN

Consolidated gross margin in Q2-21 stood at 65.2%, -80 bps vs. Q2-20. H1-21 gross margin reached 65.0%, +120 bps vs. Q2-20.

Excluding PPA effects on COGS of R\$13.7 million in Q2-21 and R\$9.2 million in Q2-20, gross margin stood at 65.3% in Q2-21, -80 bps vs Q2-20. In H1-21, gross margin excluding PPA effects reached 65.1%, +50 bps vs. H1-20.

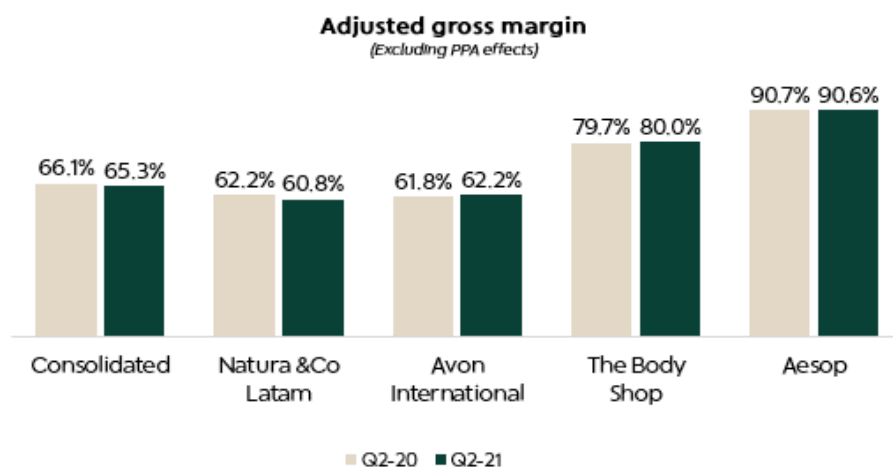
Q2-21: excluding PPA effects at Natura & Co Latam and Avon International

R\$ million	Consolidated			Natura & Co Latam			Avon International			The Body Shop			Aesop		
	Q2-21	Q2-20	Ch. %	Q2-21	Q2-20	Ch. %	Q2-21	Q2-20	Ch. %	Q2-21	Q2-20	Ch. %	Q2-21	Q2-20	Ch. %
Net Revenue	9,517.2	6,987.2	36.2	5,533.7	3,975.7	39.2	2,204.0	1,650.0	33.6	1,217.6	979.2	24.3	561.9	382.2	47.0
COGS	(3,316.4)	(2,375.5)	39.6	(2,177.4)	(1,508.5)	44.3	(842.3)	(632.5)	33.2	(244.0)	(199.0)	22.6	(52.6)	(35.5)	48.4
Gross Profit	6,200.8	4,611.7	34.5	3,356.2	2,467.2	36.0	1,361.7	1,017.5	33.8	973.5	780.2	24.8	509.3	346.8	46.9
Gross Margin	65.2%	66.0%	-80 bps	60.7%	62.1%	-140 bps	61.8%	61.7%	10 bps	80.0%	79.7%	30 bps	90.6%	90.7%	-10 bps
PPA effect on COGS	(13.7)	(9.2)	49.1	(5.5)	(7.3)	(24.4)	(8.1)	(1.9)	336.8	-	-	-	-	-	-
Gross Profit ex-PPA	6,214.5	4,620.8	34.5	3,361.8	2,474.5	35.9	1,369.9	1,019.4	34.4	973.5	780.2	24.8	509.3	346.8	46.9
Gross Margin ex-PPA	65.3%	66.1%	-80 bps	60.8%	62.2%	-140 bps	62.2%	61.8%	40 bps	80.0%	79.7%	30 bps	90.6%	90.7%	-10 bps

H1-21: excluding PPA effects at Natura & Co Latam and Avon International

R\$ million	Consolidated			Natura & Co Latam			Avon International			The Body Shop			Aesop		
	H1-21	H1-20	Ch. %	H1-21	H1-20	Ch. %	H1-21	H1-20	Ch. %	H1-21	H1-20	Ch. %	H1-21	H1-20	Ch. %
Net Revenue	18,972.2	14,505.2	30.8	10,719.6	8,138.1	31.7	4,567.5	3,771.5	21.1	2,537.3	1,872.4	35.5	1,147.8	723.1	58.7
COGS	(6,640.8)	(5,254.2)	26.4	(4,224.5)	(3,226.6)	30.9	(1,788.4)	(1,559.7)	14.7	(523.1)	(400.3)	30.7	(104.8)	(67.6)	54.9
Gross Profit	12,331.5	9,250.9	33.3	6,495.2	4,911.5	32.2	2,779.1	2,211.8	25.6	2,014.2	1,472.2	36.8	1,043.1	655.5	59.1
Gross Margin	65.0%	63.8%	120 bps	60.6%	60.4%	20 bps	60.8%	58.6%	220 bps	79.4%	78.6%	80 bps	90.9%	90.6%	30 bps
PPA effect on COGS	(22.9)	(115.1)	(80.1)	(9.1)	(62.0)	(85.4)	(13.9)	(53.1)	(73.9)	-	-	-	0.0	0.0	-
Gross Profit ex-PPA	12,354.4	9,366.0	31.9	6,504.2	4,973.5	30.8	2,792.9	2,264.9	23.3	2,014.2	1,472.2	36.8	1,043.1	655.5	59.1
Gross Margin ex-PPA	65.1%	64.6%	50 bps	60.7%	61.1%	-40 bps	61.1%	60.1%	100 bps	79.4%	78.6%	80 bps	90.9%	90.6%	30 bps

- **Natura & Co Latam's** Q2-21 gross margin excluding PPA effects was 60.8% (-140 bps), as synergies and gross margin increase in Hispanic Latam were more than offset by raw material inflation pressure and foreign currency headwinds in Brazil.
- **Avon International's** Q2-21 gross margin excluding PPA effects was 62.2% in Q2-21 (+40 bps), thanks to favorable price/mix despite foreign exchange headwinds and higher supply chain costs.
- **The Body Shop's** Q2-21 gross margin stood at 80.0% in Q2-21 (+30 bps), supported mainly by reduced discounts.
- **Aesop's** Q2-21 gross margin was 90.6% in Q2-21, stable compared to Q2-20.



CONSOLIDATED EBITDA

Reported EBITDA was R\$630.0 million in Q2-21 with margin of 6.6% (-270 bps vs. Q2-20). Adjusted EBITDA was R\$811.2 million, with an adjusted margin of 8.5% (-30 bps). Excluding one-off effects of cost containment and government support in Q2-20 as a result of the pandemic, adjusted EBITDA margin would have improved by 210 bps this quarter, and all the businesses would have shown margin expansion despite investments to drive growth. Inflationary pressures in the quarter were largely offset through pricing and sales leverage. In H1-21 adjusted EBITDA margin improved to 9.4%, +120 bps compared to H1-20.

Q2-21: Adjusted EBITDA

R\$ million	Consolidated EBITDA			Natura & Co Latam			Avon International			The Body Shop			Aesop		
	Q2-21	Q2-20	Ch. %	Q2-21	Q2-20	Ch. %	Q2-21	Q2-20	Ch. %	Q2-21	Q2-20	Ch. %	Q2-21	Q2-20	Ch. %
Consolidated EBITDA	630.0	651.9	(3.4)	560.0	445.9	25.6	(33.0)	53.6	(161.5)	158.6	145.2	9.2	117.8	102.6	14.8
Transformation Expenses / CTA (1)	181.3	54.6	231.8	37.8	24.3	55.6	127.3	18.9	573.6	-	-	-	-	-	-
(i) Transformation expenses	129.2	22.3	479.5	-	-	-	127.3	10.9	1,069.0	-	-	-	-	-	-
(ii) Costs to achieve synergies	52.0	32.3	61.0	37.8	24.3	55.6	-	8.0	(100.0)	-	-	-	-	-	-
Avon acquisition-related expenses (2)	-	5.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax credits, recoveries and provision reversal (3)	-	(97.0)	-	-	(97.0)	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	811.2	615.2	31.9	597.8	373.2	60.2	94.3	72.6	30.0	158.6	145.2	9.2	117.8	102.6	14.8
Adjusted EBITDA Margin	8.5%	8.8%	-30 bps	10.8%	9.4%	140 bps	4.3%	4.4%	-10 bps	13.0%	14.8%	-180 bps	21.0%	26.8%	-580 bps

H1-21: Adjusted EBITDA

R\$ million	Consolidated EBITDA			Natura & Co Latam			Avon International			The Body Shop			Aesop		
	H1-21	H1-20	Ch. %	H1-21	H1-20	Ch. %	H1-21	H1-20	Ch. %	H1-21	H1-20	Ch. %	H1-21	H1-20	Ch. %
Consolidated EBITDA	1,459.1	797.2	83.0	1,134.3	680.8	66.6	(10.7)	81.4	(113.2)	352.7	278.6	26.6	274.3	180.6	51.9
Transformation Expenses / CTA (1)	315.4	79.7	295.7	93.8	34.9	169.0	202.4	33.4	505.3	-	-	-	-	-	-
(i) Transformation expenses	204.8	36.8	456.0	-	-	-	202.4	25.4	696.0	-	-	-	-	-	-
(ii) Costs to achieve synergies	110.6	42.9	158.0	93.8	34.9	169.0	-	8.0	(100.0)	-	-	-	-	-	-
Avon acquisition-related expenses (2)	-	303.9	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax credits, recoveries and provision reversal (3)	-	(97.0)	-	-	(97.0)	-	-	-	-	-	-	-	-	-	-
Non-recurring PPA impacts on EBITDA (4)	-	102.9	-	-	42.3	-	-	60.6	-	-	-	-	-	-	-
Adjusted EBITDA	1,774.4	1,186.7	49.5	1,228.1	660.9	85.8	191.7	175.4	9.3	352.7	278.6	26.6	274.3	180.6	51.9
Adjusted EBITDA Margin	9.4%	8.2%	120 bps	11.5%	8.1%	340 bps	4.2%	4.7%	-50 bps	13.9%	14.9%	-100 bps	23.9%	25.0%	-110 bps

- Transformation expenses and Costs to Achieve Synergies (CTA) of R\$181.3 million in Q2 and R\$315.4 million in H1 include:
 - Transformation Plan expenses in Q2-21 of R\$127.3 million at Avon International and R\$1.9 million at corporate level. In H1-21, they reached R\$202.4 million at Avon International and R\$2.4 million at corporate level.
 - Costs to achieve synergies in Q2-21 of R\$37.8 million at Natura & Co Latam and R\$14.2 million at corporate level. In H1-21, they stood at R\$93.8 million at Natura & Co Latam and R\$16.8 million at corporate level.
- Avon acquisition-related expenses: Non-recurring costs associated with the Avon acquisition incurred in Q2-20.
- Tax credits, recoveries and provision reversal: Non-recurring social charges provision reversal at Natura, and Pis and Cofins tax credits at Avon in Latin America in Q2-20.
- Non-recurring inventory PPA impacts in H1-20: Non-cash, non-recurring inventory PPA impact, resulting from a step up in inventory value (in the cost of goods sold), at both Natura & Co Latam and Avon International.

FINANCIAL INCOME AND EXPENSES

Net financial expenses were R\$205.5 million in Q2-21, an improvement of 23.5% vs. Q2-20, driven by one-off costs associated with liability management in the quarter (Sustainability-Linked Bond issuance and prepayment of 2023 bond at Natura Cosméticos), partially offset by lower interest expense from liability management (prepayment of Avon's US\$ 900 million 2022 bond in November 2020) and higher financial income from short term investments.

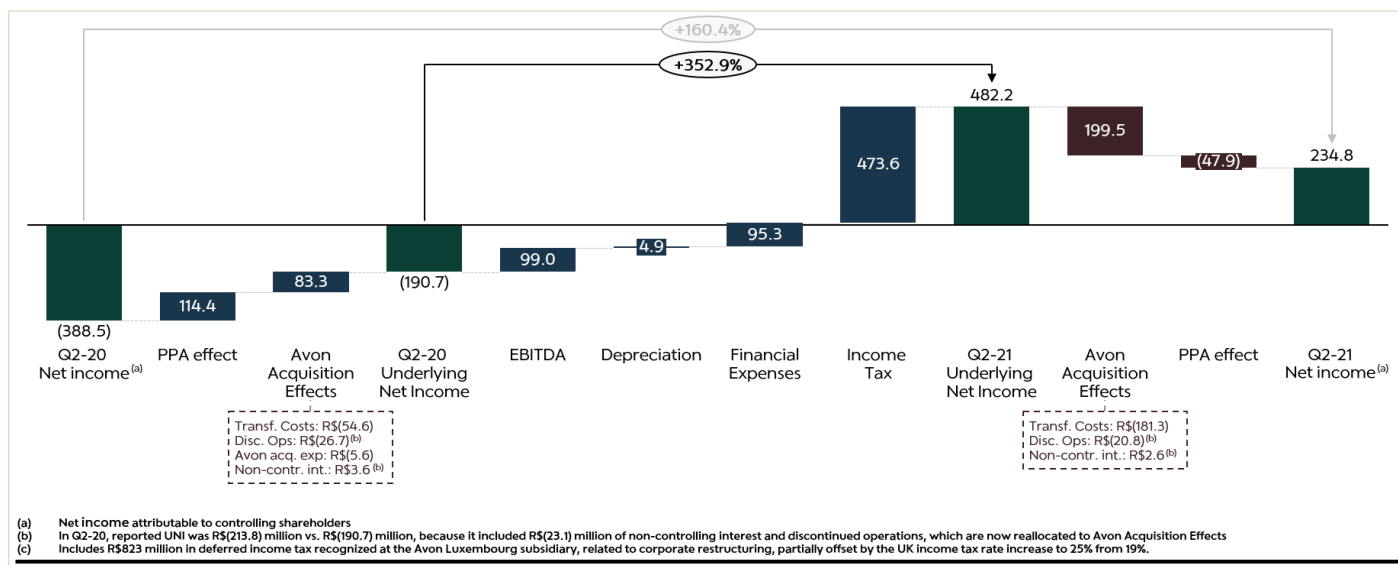
The following table details the main changes in our financial income and expenses:

R\$ million	Q2-21	Q2-20	Ch. %	H1-21	H1-20	Ch. %
1. Financing, Short-Term Investments and Derivatives Gains/Losses	61.6	(137.5)	(144.8)	(71.2)	(352.0)	(79.8)
1.1 Financial Expenses	(187.6)	(245.0)	(23.4)	(348.6)	(463.8)	(24.8)
1.2 Financial Income	55.9	38.9	43.7	97.3	74.3	31.0
1.3 Monetary and Exchange Variations, Net	769.5	(207.7)	(470.5)	353.9	(1,166.0)	(130.4)
1.4 Swap and Forward Transactions Variation, Net	(734.9)	254.7	(388.6)	(339.1)	1,190.9	(128.5)
1.5 Income/Expenses with swap and forward transactions	158.7	21.7	632.0	165.3	12.5	1,224.6
2. Judicial Contingencies	(15.8)	(2.7)	494.4	(25.9)	36.0	(171.9)
3. Other Financial Income and Expenses	(251.3)	(128.4)	95.8	(336.3)	(180.1)	86.8
3.1 Lease Interest Expenses	(51.4)	(65.0)	(20.9)	(106.0)	(119.4)	(11.2)
3.2 Other	(199.9)	(63.3)	215.6	(230.3)	(60.7)	279.6
Financial Income and Expenses, Net	(205.5)	(268.5)	(23.5)	(433.4)	(496.1)	(12.6)

UNDERLYING NET INCOME (UNI) AND NET INCOME

Q2-21 Underlying Net Income was R\$482.2 million, up from a negative R\$190.7 million in Q2-20, before PPA effects of R\$(47.9) million and Avon acquisition-related effects of R\$(199.5) million, which include: i) transformation expenses/CTA of R\$(181.3) million, ii) discontinued operations of R\$(20.8) million and positive non-controlling interests of R\$2.6 million.

Q2-21 reported net income was R\$234.8 million, a strong improvement from R\$(388.5) million in Q2-20, driven by lower financial expenses and new gains from the Avon integration related to corporate restructuring (enabled by the prepayment of the Avon 2022 bonds), partially offset by a UK income tax rate increase to 25% from 19%. The new gains from the Avon integration relate to deferred income tax in the amount of R\$823 million, recognized at the Avon Luxembourg subsidiary.



FREE CASH FLOW AND CASH POSITION

We ended the quarter with a strong cash position of R\$8.0 billion (R\$4.5 billion in cash, and R\$3.5 billion in short-term deposits) in line with projections and well above our minimum thresholds.

Cash flow was an outflow of R\$1,131.6 million in Q2-21, as expected, also impacted by Covid-19 effects. Consumption in Q2 is mainly related to higher: i) Working capital investments, primarily related to an increase in inventory, partially offset by extended payables; ii) lease payments at The Body Shop due to deferred store rentals in Q2-20; and iii) capex due to a resumption of investments across the businesses.

The increase in non-cash/others is due mainly to: i) Non-cash: New gains from the Avon integration related to corporate restructuring of R\$823 million in deferred income tax; and ii) Others: One-off outflows, including cash payments associated with Sustainability-Linked Bond issuance in April.

R\$ million	Q2-21	Q2-20	Ch. %	H1-21	H1=20	Ch. %
Net Income (Loss) Reported^a	234.8	(388.5)	(160.4)	79.7	(1,209.3)	(106.6)
Depreciation and Amortization	698.9	703.9	(0.7)	1,395.3	1,329.7	4.9
Non-Cash/Others ^b	(1,504.6)	(35.1)	4,189.8	(1,628.6)	(288.1)	465.4
Internal Cash Generation	(570.8)	280.3	(303.6)	(153.7)	(167.6)	(8.3)
Working Capital Decrease / (Increase)	(286.3)	(225.7)	26.9	(1,736.8)	(1,353.3)	28.3
Cash Generation (Use) Before Capex	(857.2)	54.6	(1,668.8)	(1,890.5)	(1,520.9)	24.3
Capex	(274.5)	(150.8)	82.1	(445.7)	(271.1)	64.4
Free Cash Flow	(1,131.6)	(96.1)	1,077.1	(2,336.2)	(1,792.0)	30.4

^a Attributable to the controlling shareholders

^b Includes the effects of deferred income tax, fixed and intangible assets write-offs, FX on translation of working capital, fixed assets, etc.

CAPITAL STRUCTURE AND LIABILITY MANAGEMENT

The Group successfully concluded on May 3 a US\$1 billion Sustainability-Linked Bond ("ESG bond") issuance, with a 4.125% coupon, maturing on May 3, 2028, issued by Natura Cosméticos S.A. and guaranteed by Natura &Co Holding S.A.

Under the terms of the bond, from November 3, 2027, the interest rate payable on the notes shall be increased by 65 basis points per annum unless the Sustainability Performance Targets ("SPTs") have been satisfied, as confirmed by an external verifier. The year 2019 served as the baseline for the SPTs.

The funds raised through this issuance were used to prepay Natura Cosmético's US\$ 750 million, 5.375% bond maturing in 2023, as well as refinancing certain short and long-term debts of Natura Cosméticos, in line with the Group's liability management plan to improve its capital structure.

STRONG DELEVERAGING AT BOTH NATURA &CO HOLDING AND NATURA COSMÉTICOS; IN LINE WITH LEVERAGE GUIDANCE

Natura &Co Holding's consolidated net debt-to-EBITDA ratio stood at 1.43x in Q2-21, significantly down from 3.63x in Q2-20, including the effects of IFRS-16 (excluding IFRS-16: 2.02x in Q2-21 vs. 5.19x in Q2-20).

On April 15, the Company prepaid R\$500 million in promissory notes issued by Natura &Co Holding and R\$250 million by Natura Cosméticos.

Natura Cosméticos' net debt-to-EBITDA ratio stood at 1.10x in Q2-21, down from 1.52x in Q2-20, including the effects of IFRS-16 (excluding IFRS-16: 1.49x in Q2-21, down from 2.04x in Q2-20).

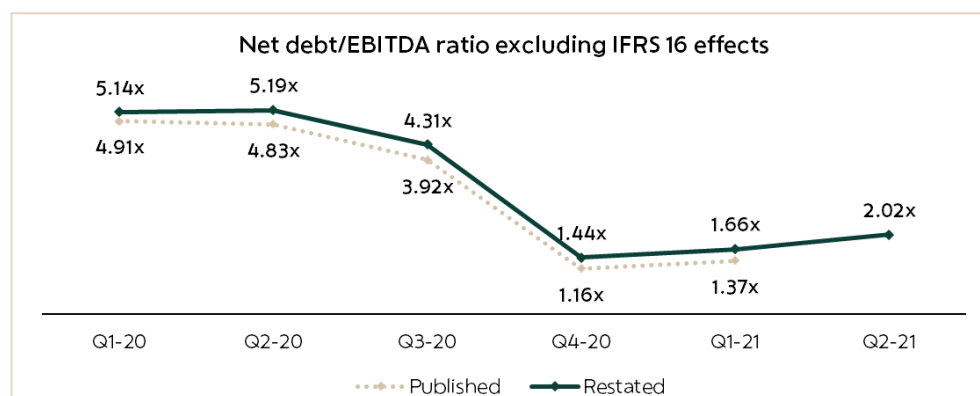
R\$ million	Natura Cosméticos S.A.		Natura &Co Holding S.A.	
	Q2-21	Q2-20	Q2-21	Q2-20
Short-Term	2,699.3	1,178.5	3,071.8	2,631.1
Long-Term	7,302.5	8,540.0	10,676.0	17,255.5
Gross Debt^a	10,001.9	9,718.5	13,747.8	19,886.6
Foreign currency hedging (Swaps) ^b	189.5	(1,874.5)	189.5	(1,874.5)
Total Gross Debt	10,191.3	7,844.0	13,937.3	18,012.1
(-) Cash, Cash Equivalents and Short-Term Investment	(6,144.4)	(3,684.5)	(7,989.4)	(7,037.5)
(=) Net Debt	4,047.0	4,159.4	5,947.8	10,974.5
Indebtedness ratio excluding IFRS 16 effects				
Net Debt/EBITDA	1.49x	2.04x	2.02x	5.19x ^c
Total Debt/EBITDA	3.74x	3.84x	4.73x	8.79x ^c
Indebtedness ratio including IFRS 16 effects				
Net Debt/EBITDA	1.10x	1.52x	1.43x	3.63x
Total Debt/EBITDA	2.78x	2.86x	3.34x	6.15x

^a Gross debt excludes PPA impacts of R\$394.5 million and excludes lease agreements

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

^c Restated ratio

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



4. Performance *by segment*

NATURA & CO LATAM:

Very strong performance across both the Natura and Avon brands, with revenue up by 39%.

Net revenue at Natura&Co Latam increased by 39.2% in Q2-21 in BRL (+37.1% at CC), driven by a very strong performance by the Natura and Avon brands, notably in Hispanic Latam. The **Natura brand** posted solid 25.0% growth (+8.0% Brazil; +67.8% Hispanic Latam), while the **Avon brand** was up by a strong 59.3% (+26.2% in Brazil; +83.0% in Hispanic Latam).

Excluding last year's phasing effect of the cyber incident of R\$393.0 million in sales shifted to Q3, Natura &Co Latam's net revenue would have been up by 26.7% (+26.0% at CC), and Avon's net revenue would have been up by +28.1% (+25.6% at CC), with Brazil -0.4% and Hispanic Latam +49.1% (+46.9% at CC).

Avon's integration in Latin America is on track, with important progress in procurement, customer and financial services, distribution and digital.



The Natura brand's growth in Brazil this quarter came on the back of strong growth in Q2-20 (+7.9%), when it also outperformed the CFT market. The brand continued to gain market share, driven by core categories and supported by a significant increase in brand preference. The quarter saw a +14.1% increase in the average number of consultants vs. Q2-20, reaching 1,176,000.



Productivity per consultant was down 5.6% in the quarter, as new consultants who joined recently are still in the early stages of building up their activity and are expected to progress in productivity over time. The Natura consultant loyalty index in Brazil was up by 700 bps vs. last year.

As part of the relaunch of the Ekos brand, we launched in Brazil and Hispanic Latam a new line, featuring a new bio-active, *tucumã*, from the Amazon region, which stimulates the skin's self-production of hyaluronic acid. Ekos Tucumã quickly became the 2nd best-selling line in the Ekos brand. The sustainable sourcing of Tucumã promotes the conservation of tucumã trees, keeping the forest standing, and supports over 700 families

in the region. Other important launches included fragrances in the Essencial Oud brand, gift kits and above-the-mask makeup products in the Una line.

The Natura brand's strong growth in Hispanic Latam was supported by all markets, notably Argentina, Peru and Mexico, and all categories, notably gifts, fragrances and body care. Productivity per consultant increased and the consultant base expanded +19.2%, reaching 852,000. The quarter ended with a significantly higher consultant loyalty index. Mexico has become Natura's biggest market in terms of sales after Brazil.

Online sales (e-commerce + social selling) in the Natura brand in Latin America (Brazil and Hispanic Latam) were up 35% vs Q2-20, notably driven by consultants' online stores and by strong growth in Hispanic Latam. At the end of Q2-21 we surpassed 1.5 million Natura consultant online stores (vs. 900,000 in Q2-20).

The &Co Pay platform posted expansion of over 50% in new accounts, reaching more than 220,000, supported by the launch of new features such as Pix (Brazil's Central Bank instant payment service). Total payment volume in H1 reached nearly R\$2.0 billion.

In the retail channel, despite continuing restrictions, all our over 750 stores, including Natura and The Body Shop, reported very strong growth compared to Q2-20.

The Avon brand also saw strong growth. In **Brazil**, net revenue was up 26.2%. We successfully rolled-out the new commercial model in late Q1 and are seeing initial positive signs, similar to those experienced at Natura in Brazil at the start of its turnaround a few years ago: Higher representative productivity, a double-digit increase in representative satisfaction and stronger brand preference and brand power. This translated into market share gains, supported by marketing investments made earlier in the year. The roll-out of the new commercial model led to an expected drop of 4.7% in representatives, compared to Q2-20.

Important advances have been made in optimizing Avon's portfolio, including a size of line reduction of over 30% vs. prior year in beauty items, notably fragrances, as well as in the Fashion and Home category, with a better selection of products.

Online sales at Avon in Brazil continued to post significant growth, of +35% vs. Q2-20, including e-brochure sales growth of 17%.

Avon's global marketing campaign #WatchMeNow was launched in Brazil (#OlhaDeNovo) and Hispanic Latam (#MiraDeNuevo), with significant results among representatives.

At the Avon brand in Hispanic Latam, the implementation of a more standardized organization and ongoing improvements in processes, notably commercial and marketing, resulted in efficiency gains that translated into higher sales and improved profitability. Net revenue was up by a strong +83.0% (+72.5% at CC), with growth coming from all markets and categories, and was supported by a 10.0% increase in the number of representatives and higher representative productivity.



NATURA & CO LATAM: FINANCIAL ANALYSIS

Reported EBITDA was R\$560.0 million with margin of 10.1% (-110 bps). Adjusted EBITDA, excluding transformation costs, increased to R\$597.8 million, vs. R\$373.2 million in Q2-20, with adjusted EBITDA margin of 10.8% (+140 bps), thanks to strong revenue growth and synergies from the integration with Avon, which more than offset raw material inflation pressure and foreign currency headwinds. Excluding one-off effects that boosted Q2-20 EBITDA such as cost containment as a result of the pandemic, adjusted EBITDA margin this quarter would have improved by 270 bps.

H1-21 reported EBITDA R\$1,134.3 million with margin of 10.6% (+220 bps). Adjusted EBITDA was R\$1,228.1 million, with margin of 11.5% (+340 bps). A reconciliation between EBITDA and adjusted EBITDA is presented below:

R\$ million	Natura & Co Latam					
	Q2-21	Q2-20	Ch. %	H1-21	H1-20	Ch. %
Consolidated EBITDA	560.0	445.9	25.6	1,134.3	680.8	66.6
Transformation Expenses / CTA	37.8	24.3	55.6	93.8	34.9	169.0
Tax credits, recoveries and provision reversal	-	(97.0)	-	-	(97.0)	-
Non-recurring PPA impacts on EBITDA	-	-	-	-	42.3	-
Adjusted EBITDA	597.8	373.2	60.2	1,228.1	660.9	85.8
Adjusted EBITDA Margin	10.8%	9.4%	140 bps	11.5%	8.1%	340 bps

Excluding PPA effects on SG&A expenses, Q2-21 Selling, Marketing & Logistics expenses represented 39.6% of net revenue (-280 bps), and Administrative, R&D, IT and Project Expenses reached 13.3% of net revenue (-200 bps) in the quarter, mainly resulting from operational leverage thanks to strong revenue increase at Natura and Avon brands.

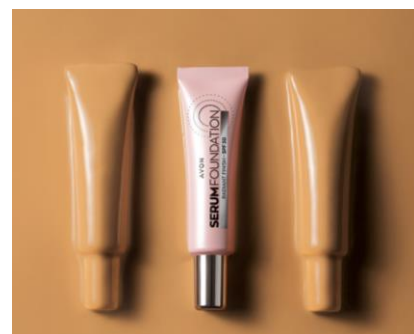
R\$ million	Q2-21	PPA impacts	Q2-21 ex-PPA	Q2-20	PPA impacts	Q2-20 ex-PPA	Ch. % w/ PPA	Ch. % ex-PPA	H1-21	PPA impacts	H1-21 ex-PPA	H1-20	PPA impacts	H1-20 ex-PPA	Ch. % w/ PPA	Ch. % ex-PPA
Selling, Marketing and Logistics Expenses	(2,226.5)	(32.4)	(2,194.1)	(1,722.9)	(38.6)	(1,684.3)	29.2	30.3	(4,316.3)	(65.3)	(4,251.0)	(3,575.0)	(70.6)	(3,504.4)	20.7	21.3
Administrative, R&D, IT and Projects Expenses	(741.2)	(3.4)	(737.9)	(621.5)	(12.6)	(608.9)	19.3	21.2	(1,383.8)	1.2	(1,385.0)	(1,193.7)	(23.0)	(1,170.7)	15.9	18.3
SG&A Expenses	(2,967.7)	(35.8)	(2,931.9)	(2,344.4)	(51.2)	(2,293.2)	26.6	27.9	(5,700.2)	(64.1)	(5,636.1)	(4,768.7)	(93.6)	(4,675.2)	19.5	20.6
<i>Selling, Marketing and Logistics Exp. / Net Revenue</i>	<i>40.2%</i>	-	<i>39.6%</i>	<i>43.3%</i>	-	<i>42.4%</i>	<i>-310bps</i>	<i>-280bps</i>	<i>40.3%</i>	-	<i>39.7%</i>	<i>43.9%</i>	-	<i>43.1%</i>	<i>-360bps</i>	<i>-340bps</i>
<i>Admin., R&D, IT, and Projects Exp. / Net Revenue</i>	<i>13.4%</i>	-	<i>13.3%</i>	<i>15.6%</i>	-	<i>15.3%</i>	<i>-220bps</i>	<i>-200bps</i>	<i>12.9%</i>	-	<i>12.9%</i>	<i>14.7%</i>	-	<i>14.4%</i>	<i>-180bps</i>	<i>-150bps</i>

AVON INTERNATIONAL:

Net revenue growth with market share gains in key categories and in key markets

Net revenue grew by a strong 33.6% in BRL (+27.1% at CC). Excluding last year's phasing effect of the cyber incident of approximately R\$61.0 million in sales shifted to Q3, net revenue in Q2-21 would have been up by 28.9% (+22.6% at CC). In H1-21, net revenue was up 21.1% in BRL (+4.6% at CC).

Avon International continued to gain market share in Q2-21 vs. Q2-20, driven by key beauty categories and key markets such as the Philippines, South Africa, Romania and Italy, while in the UK we continued to gain share in skin care and retained share overall. Most of these markets also gained share compared to Q2-19.



Avon's revenue in the quarter continued to reflect the pandemic, especially in Central and Eastern Europe, which underwent further lockdowns. The average number of representatives in the quarter was flat compared to Q2-20, and we ended the quarter with 7.4% more representatives than in the prior year. All beauty categories reported growth and increase in market share, notably fragrance and color. Overall representative satisfaction showed positive momentum vs. 2020 and 2019, driven by South Africa, Poland and the UK and supported by best-ever service levels in order fill rate. Pilots of the new commercial model in the Nordics and South Africa have shown initial positive results in productivity, sales growth and number of representatives.

Online sales at Avon International, which include e-commerce and social selling, accounted for 5% of sales, which is 2.7x higher than pre-pandemic levels (Q2-19). The Avon On platform has reached nearly 60% of new representatives in the UK, while key markets such as Italy, Romania and Poland are progressing ahead of target.

Launches in the quarter included the skin care Serum Foundation to drive innovation and quality credentials. It's Avon's first-ever skincare infused serum foundation, enriched with Triple Action Complex, vitamins C & E and antioxidants.

Net revenue of the Avon brand (Avon International + Latam), grew 46.3% in BRL in Q2-21 (+39.8% at CC). Excluding last year's phasing effect of the cyber incident of roughly R\$454.0 million in sales shifted to Q3, the Avon brand's net revenue would have been up by 28.4% in BRL (+24.2 at CC).

AVON INTERNATIONAL: FINANCIAL ANALYSIS

Avon International's reported EBITDA was R\$(33.0) million in Q2-21 and adjusted EBITDA was R\$94.3 million. Reported EBITDA margin was (1.5)% and adjusted EBITDA margin was 4.3% (-10 bps), as strong sales leverage and transformation savings offset the impact of higher inflation and increased investments in digital and IT to drive market share and accelerate future growth. EBITDA margin for Avon International is in line with its transformation plan targets. Excluding one-off effects that boosted Q2-20 EBITDA, such as cost containment, adjusted EBITDA margin this quarter would have improved by 260 bps. A reconciliation between EBITDA and adjusted EBITDA is presented below:

R\$ million	Avon International					
	Q2-21	Q2-20	Ch. %	H1-21	H1-20	Ch. %
Consolidated EBITDA	(33.0)	53.6	(161.5)	(10.7)	81.4	(113.2)
Transformation Expenses / CTA	127.3	18.9	573.6	202.4	33.4	505.3
Non-recurring PPA impacts on EBITDA	-	-	-	-	60.6	-
Adjusted EBITDA	94.3	72.6	30.0	191.7	175.4	9.3
Adjusted EBITDA Margin	4.3%	4.4%	-10 bps	4.2%	4.7%	-50 bps

Excluding PPA effects on SG&A expenses, Selling, Marketing & Logistics expenses reached 43.4% of net revenue, an improvement of 220 bps, largely as a result of lower bad debt and higher sales leader and field investments last year to mitigate Covid-19 effects on representatives' activity. Excluding PPA effects, Administrative, R&D, IT and Project expenses reached 18.4% of net revenue, compared to 17.3% in Q2-20 (+110 bps), mainly due to higher inflation and higher investments in digital.

R\$ million	Q2-21	PPA impacts	Q2-21 ex-PPA	Q2-20	PPA impacts	Q2-20 ex-PPA	Ch. % w/PPA	Ch. % ex-PPA	H1-21	PPA impacts	H1-21 ex-PPA	H1-20	PPA impacts	H1-20 ex-PPA	Ch. % w/PPA	Ch. % ex-PPA
Selling, Marketing and Logistics Expenses	(1,000.9)	(44.9)	(955.9)	(790.7)	(38.3)	(752.4)	26.6	27.0	(2,069.8)	(85.6)	(1,984.2)	(1,726.0)	(69.9)	(1,656.1)	19.9	19.8
Administrative, R&D, IT and Projects Expenses	(489.4)	(83.9)	(405.5)	(361.9)	(76.4)	(285.5)	35.2	42.0	(959.4)	(163.1)	(796.3)	(750.5)	(139.6)	(610.9)	27.8	30.3
SG&A Expenses	(1,490.3)	(128.9)	(1,361.4)	(1,152.5)	(114.7)	(1,037.9)	29.3	31.2	(3,029.1)	(248.6)	(2,780.5)	(2,476.5)	(209.5)	(2,267.0)	22.3	22.7
Selling, Marketing and Logistics Exp. / Net Revenue	45.4%	-	43.4%	47.9%	-	45.6%	-250bps	-220bps	45.3%	-	43.4%	45.8%	-	43.9%	-50bps	-50bps
Admin., R&D, IT, and Projects Exp. / Net Revenue	22.2%	-	18.4%	21.9%	-	17.3%	30bps	110bps	21.0%	-	17.4%	19.9%	-	16.2%	110bps	120bps

THE BODY SHOP:

Solid growth with UK stores reopening

The Body Shop posted net revenue of R\$1,217.6 million in Q2-21, up by 24.3% in BRL (+14.2% at CC), with growth in all of its regions.

After several months of closure in the UK, The Body Shop's biggest market, retail stores reopened in late April and saw satisfactory sales recovery. In other countries, the situation remained complicated, with some regions officially open but trading with heavy restrictions, such as Germany, while others remained in or re-entered lockdowns, such as Australia and Canada. Overall, own store sales accounted for 42% of total sales in Q2-21 (vs 20% in Q2-20)

Despite challenging footfall conditions and significant restrictions in some markets, resulting in approximately 18% lost store days in Q2, own store performance grew 140% compared to Q2-20. This was partially offset by the expected slowdown in e-commerce and At-Home, reflecting a rebalancing of channels. Still, e-commerce sales are currently double pre-pandemic levels, while The Body Shop At Home (TBSAH) sales are three times Q2-19.

New launches in the quarter included the rejuvenated White Musk and Body Butters. The 13 products in the new line-up will all come in pots made of aluminum and 100% recycled plastic and are registered with The Vegan Society. They are The Body Shop's most sustainable Body Butter ever.



EBITDA in Q2-21 reached R\$158.6 million, with margin of 13.0%. It was down 180 bps as Q2-20 benefited from approximately 600 bps from one-off effects of cost containment and government support as a result of the pandemic. Excluding these effects, EBITDA margin would have increased by 450 bps, driven by strong sales leverage in Q2-21, partially offset by a channel rebalancing effect as stores gradually reopened with reduced traffic and sustained restrictions in key markets. Q2-21 EBITDA margin also reflected the impact of the October 2020 Japan buyback.

The quarter ended with 1,013 own stores and 1,558 franchise stores (total of 2,571 stores), with 123 net store closures (own and franchise) since Q2-20. The increase in own stores is mainly explained by the Japan operation buyback. In the last 12 months, 20 existing stores were renovated under the new store concept, of which 4 in the quarter. We also opened 3 new stores in Japan. The chart below shows the store count evolution:

Store	The Body Shop store count				
	Q2-21	Q1-21	Q2-20	Change vs. Q1-21	Change vs. Q2-20
Own	1,013	1,019	973	(6)	40
Franchise	1,558	1,557	1,721	1	(163)
Total	2,571	2,576	2,694	(5)	(123)

AESOP:

Continued strong growth despite Covid challenges

Aesop posted net revenue growth of 47.0% in Q2-21 in BRL and +40.8% in constant currency. All regions showed growth, even with the continuous challenges brought by COVID, with about 11% lost store days due to store closures. Retail accounted for 77% of sales in the quarter, with store sales up 129% at CC vs Q2-20. Online sales, at 23% of the total, were down from their peak, as expected, as stores reopened, but are still 2.3x above their pre-pandemic level.



Growth was particularly strong in the Americas (+62%) and Asia (+54%), with a slight deceleration in June due to an increase in restrictions related to the pandemic, mainly in Japan, Taiwan, and Malaysia.

Investments in digital platforms and CRM continued across many markets to enhance customer experience, including the launch of the China cross-border WeChat mini program, allowing WeChat users to purchase Aesop products directly within the app.

Aesop intensified innovation with the launch of three new fragrances in the ANZ and Asia region, a collection of three Eaux de Parfum, named Miraceti, Karst and Erémia. It's the first time the brand has launched three fragrances at once and the launch will be expanded to other markets.

EBITDA in Q2-21 reached R\$117.8 million, with margin of 21.0%. It was down 580 bps as Q2-20 benefited from approximately 650 bps from one-off effects of cost containment and government support as a result of the pandemic. Excluding these effects, EBITDA margin would have increased by 90 bps, despite increased investments in expansion and the fragrances category, as well as channel rebalancing effects amid continued pandemic impacts in key markets.

Signature stores totaled 253 in Q2, including 3 new stores in the quarter (2 in the USA and 1 in Hong Kong). A store count table is provided below:

Doors	Aesop door count				
	Q2-21	Q1-21	Q2-20	Change vs. Q1-21	Change vs. Q2-20
Signature stores	253	250	247	3	6
Department	94	92	92	2	2
Total	347	342	339	5	8

5. Social and environmental performance

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

COMMITMENT TO LIFE – ONE YEAR ON

Natura &Co held on June 22nd its first annual update on progress made and the challenges faced since the launch of its 10-year Commitment to Life plan in June 2020. During the event the Group reported on progress made in the last 12 months and the challenges faced in achieving the 31 targets designed to tackle some of the world's most pressing issues, separated in three pillars: tackling the climate crisis and protecting the Amazon; ensuring Human Rights and becoming human-kind across our businesses, and embracing circularity and regeneration by 2030.

As part of a commitment to diversity, equality and inclusion, Natura &Co set out a new plan to ensure its workforce reflects the demographic composition of the societies in which it operates. This will be a first for a listed multi-national business with a network in more than 100 countries and poses many challenges around personal data and data protection laws in different countries. Natura &Co aims to develop new ways to tackle inequality and underrepresentation.

The event convened leading world experts to discuss how businesses can play their part in solving environmental and social problems, including a renewed call to build an agreement on nature with the same importance as has been given to climate and carbon. The company supports the creation of science-based targets for biodiversity as Natura &Co believes that without a bold plan to reverse nature loss, the goals of the Paris Agreement will never be achieved.

COMMITMENT TO LIFE HIGHLIGHTS

To Address the Climate Crisis:

- Natura &Co's preservation of Amazon forest increased from 1.8 to 2 million hectares
- Access Benefit Payments totaling R\$ 8.7 million were made to communities in the Amazon

To defend Human Rights and to be Human-Kind:

- The gender balance of the senior team reached 49.6% (Q2 2021)
- On track to close an unexplained pay equity gap of 0.9% by year-end 2021
- Living wage: 96% of our people are currently receiving a living wage (considering reference of one adult)
- U\$140.7 million was invested in causes, including donations to fight COVID-19, supporting breast cancer awareness initiatives, support for victims of domestic violence and Stop Asian Hate' campaign in America (cumulated from 2020)

To embrace Circularity and Regeneration:

- 80.8% of all our packaging is recyclable, reusable or compostable
- 88.8% of all raw materials are renewable or natural ingredients
- U\$4.87m was invested in regenerative solutions, such as Ekos Tukumã

BRAND ACTIONS

Natura &Co Latin America

- Present in the Amazon for more than 20 years, Natura has made a commitment to mobilize collective efforts to achieve zero deforestation by 2025. To help us achieve this, in 2021 Natura &Co began building the PlenaMata portal, a platform designed to engage different stakeholders in their collective ambitions to achieve zero deforestation and the conservation and environmental regeneration of the Amazon by disclosing scientific data and contextualized information
- Taking care of people in our network is the driving force behind our actions in tackling COVID-19 as a Group. In Latin America our four brands mobilized donations of personal care products — which continue to play an important role in reducing the impact caused by Covid-19 — to local organizations in regions where we operate. More than 20,000 units of liquid soap have been delivered to vulnerable communities in the municipalities where our factories and offices are located. Since the beginning of the pandemic, the Natura &Co Group has earmarked around R\$100 million, reaching more than 1 million people and more than 190 organizations with donations in Brazil and Latin America, in addition to being part of the Unidos pela Vacina (United for the Vaccine) Brazilian movement

The Body Shop

- To help embrace circularity and regeneration, The Body Shop is rolling out refill stations in 500 stores and will ensure that all of its company markets participate in Return, Recycle, Repeat scheme. To date, 273 of the 500 refill stations have been rolled out across the stores. By the end of 2021, all of The Body Shop company markets will participate in the scheme

Aesop

- Aesop achieved carbon neutrality for global operations under the Australian Governments Climate Active label & South Pole's Climate Neutral Label



Awards and Recognitions:

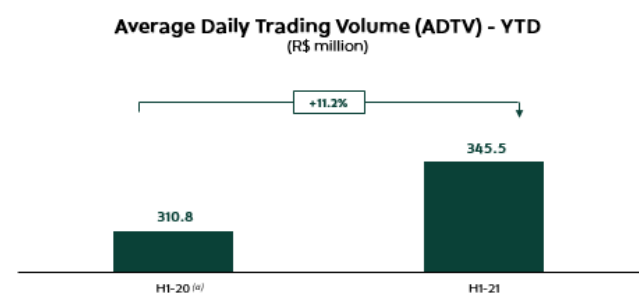
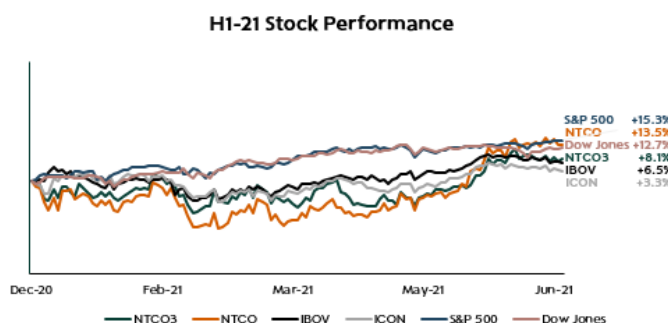
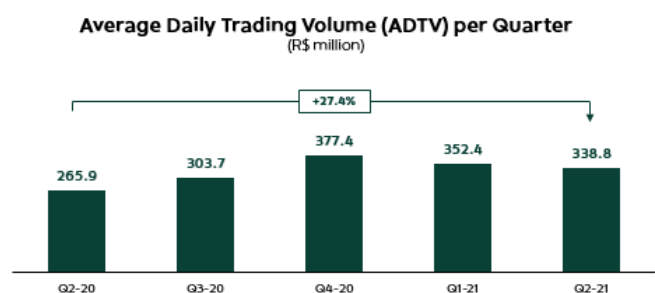
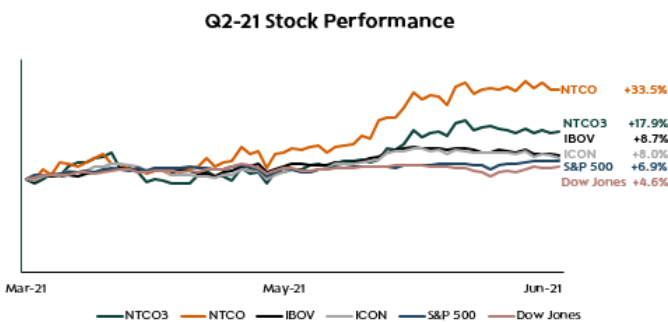
- Natura was recognized as one of the Best for the World™ B Corps of 2021. The Best for the World are B Corps whose scores in one or more of the five impact areas assessed towards the certification reach the top 5% of all B Corps worldwide. Natura has been recognized for its environmental efforts
- Roberto Marques was appointed as a member of the Latin America Conservation Council (LACC), a group of leaders working with the international environmental organization The Nature Conservancy (TNC) to protect biodiversity and tackle climate change
- Avon International's CEO Angela Cretu was recognized as a Leader for Change in the Women's Empowerment category by INNOCOS and also won the CEO of the Year award at the 2021 SABER EMEA Awards, recognizing superior achievements in brand, engagement and reputation

6. Capital Markets and Stock Performance

NTCO3 shares traded at R\$56.74 at the end of Q2-21 on the B3 stock exchange, +17.9% in the quarter. Average Daily Trading Volume (ADTV) for the quarter was R\$338.8 million, +27.4% vs Q1-20. NTCO traded at US\$22.69 at the end of Q2-21 on NYSE, +33.5% in the quarter.

On June 30, 2021, the Company's market capitalization was R\$78.2 billion, vs. R\$49.9 billion on June 30, 2020, an increase of 56.7%, and the Company's capital was comprised of 1,379,035,739 common shares, vs. 1,251,392,669 in 2020.

Below is the performance of NTCO3 and NTCO in the quarter and in the half:



(a) H1-20 ADTV excluding Jan 3 and Jan 6, 2020, when MSCI was rebalanced.

7. Fixed income

Below is a table with details of all public debt instruments outstanding per issuer as of June 30, 2021:

Issuer	Type	Issuance	Maturity	Principal (million)	Nominal Cost (per year)	
Natura Cosméticos S.A.	Bond - 2nd issue (Sustainability Linked Bond)	03/05/2021	03/05/2028	US\$ 1,000.0 ⁽¹⁾	4.125%	
Natura Cosméticos S.A.	Debenture - 7th issue	09/25/2017	09/25/2021	BRL 1,827.3	DI + 1.75% per year	
Natura Cosméticos S.A.	Debenture - 9th issue	09/21/2018	09/21/2021	BRL 308.3	110.5% DI tax	
			09/21/2022	BRL 302.7	112% DI tax	
Natura Cosméticos S.A.	Debenture - 10th issue 1st series	08/28/2019	08/26/2024	BRL 400.0	DI + 1.00 per year	
			08/29/2019	08/26/2024	BRL 95.7	DI + 1.15 per year
					BRL 686.2	DI + 1.15 per year
					BRL 394.5	DI + 1.15 per year
Avon Products, Inc.	Unsecured Bonds	03/12/2013	03/15/2023	US\$ 461.9	6.500% ⁽²⁾	
Avon Products, Inc.	Unsecured Bonds	03/12/2013	03/15/2043	US\$ 216.1	8.450% ⁽²⁾	

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

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

On April 15, the Company prepaid R\$500 million in promissory notes issued by Natura &Co Holding and R\$250 million by Natura Cosméticos.

RATINGS

On April 21, rating agencies assigned credit ratings to Natura &Co Holding S.A. (previously not rated), on a global and national scale. Further, the Natura Cosméticos subsidiary earned a Ba2 rating from Moody's on global scale, with a stable outlook, and Fitch Ratings improved Natura Cosméticos' outlook to positive, from stable.

Below is a table with our current credit ratings:

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

Ratings updated on April 21, 2021.

8. Appendices

CONSOLIDATED BALANCE SHEET

ASSETS (R\$ million)	Jun-21	Dec-20	LIABILITIES AND SHAREHOLDER'S EQUITY (R\$ million)	Jun-21	Dec-20
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	4,504.8	5,821.7	Loans, financing and debentures	3,071.8	3,805.6
Securities	3,484.6	2,520.6	Leasing	969.8	1,059.7
Trade receivables	3,106.9	3,597.5	Trade payables and forfait operations	6,094.3	6,774.2
Inventories	5,243.3	4,544.3	Payroll, profit sharing and social changes	1,217.5	1,340.7
Recoverable taxes	1,087.6	1,071.3	Tax liabilities	557.0	785.4
Income tax and social contribution	962.1	242.1	Income tax and social contribution	738.0	441.3
Derivatives	73.5	139.9	Derivative financial instruments	233.4	61.2
Other current assets	736.2	616.1	Provision for tax, civil and labor risks	60.7	58.8
Other non-current assets held for sale	148.4	181.3	Other current liabilities	1,528.6	1,832.8
Total current assets	19,347.5	18,734.8	Total current liabilities	14,471.1	16,159.6
NON CURRENT ASSETS			NON CURRENT LIABILITIES		
Recoverable taxes	945.7	932.2	Loans, financing and debentures	11,070.5	10,017.3
Income tax and social contribution	71.3	478.5	Leasing	2,418.9	2,798.8
Deferred income tax and social contribution	2,622.0	1,339.7	Payroll, profit sharing and social changes	43.8	43.8
Judicial deposits	564.9	566.2	Tax liabilities	108.4	109.5
Financial derivatives instruments	107.6	1,768.1	Deferred income tax and social contribution	1,239.1	1,288.0
Securities	21.2	16.1	Provision for tax, civil and labor risks	1,991.7	2,000.4
Other non-current assets	1,393.0	1,527.7	Other non-current liabilities	930.5	1,113.1
Total long term assets	5,725.8	6,628.5	Total non-current liabilities	17,802.9	17,370.9
Property, plant and equipment	5,063.0	5,235.1	SHAREHOLDERS' EQUITY		
Intangible assets	25,512.1	26,917.1	Capital stock	12,473.6	12,378.0
Right of Use	2,954.2	3,402.0	Treasury shares	(9.7)	(11.7)
Total non-current assets	39,255.0	42,182.8	Capital reserves	10,468.1	11,052.1
			Retained earnings	133.1	120.2
			Accumulated losses	(30.1)	(759.9)
			Equity valuation adjustment	3,276.0	4,585.6
			Equity attributable to owners of the Company	26,311.0	27,364.3
			Non-controlling interest on subsidiaries' equity	17.4	22.8
TOTAL ASSETS	58,602.5	60,917.6	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	58,602.5	60,917.6

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

R\$ million	Q2-21	Q2-20	H1-21	H1-20
NET REVENUE	9,517.2	6,987.2	18,972.2	14,505.2
Cost of Products Sold	(3,318.3)	(2,375.5)	(6,640.8)	(5,254.2)
GROSS PROFIT	6,198.9	4,611.7	12,331.5	9,250.9
OPERATING (EXPENSES) INCOME				
Selling, Marketing and Logistics Expenses	(4,045.4)	(3,171.8)	(8,052.8)	(6,449.0)
Administrative, R&D, IT and Project Expenses	(1,816.3)	(1,337.5)	(3,444.0)	(2,603.6)
Impairment losses on trade receivables	(210.9)	(229.0)	(450.2)	(452.9)
Other Operating Income (Expenses), Net	(179.3)	74.7	(304.7)	(277.9)
INCOME (LOSS) FROM OPERATIONS BEFORE FINANCIAL RESULT	(53.0)	(52.0)	79.7	(532.5)
Financial Income	1,225.5	665.5	2,264.4	2,225.7
Financial Expenses	(1,431.0)	(934.1)	(2,697.8)	(2,721.9)
INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(258.5)	(320.5)	(353.7)	(1,028.6)
Income Tax and Social Contribution	527.4	(44.9)	437.3	(139.7)
INCOME (LOSS) FROM CONTINUED OPERATIONS	269.0	(365.4)	83.7	(1,168.3)
Income (Loss) from discontinued operations	(36.7)	(26.7)	(8.0)	(48.7)
NET INCOME (LOSS) FOR THE PERIOD	232.2	(392.1)	75.7	(1,217.0)
Attributable to controlling shareholders	234.8	(388.5)	79.7	(1,209.3)
Attributable to non-controlling shareholders	(2.6)	(3.6)	(4.0)	(7.7)

PURCHASE PRICE ALLOCATION (PPA) AMORTIZATION

R\$ million	Q2-21	Q2-20	H1-21	H1-20
Net Revenue	-	-	-	-
Cost of Products Sold	(13.7)	(9.2)	(22.9)	(115.1)
Gross Profit	(13.7)	(9.2)	(22.9)	(115.1)
Selling, Marketing and Logistics Expenses	(77.4)	(76.9)	(150.9)	(140.5)
Administrative, R&D, IT and Project Expenses	(87.3)	(89.0)	(161.9)	(162.6)
Impairment losses on trade receivables	-	-	-	-
Other Operating Income (Expenses), Net	5.4	7.7	11.0	3.2
Transformation/Integration Costs	-	-	-	-
Financial Income/(Expenses), net	9.2	41.5	21.2	75.9
Income Tax and Social Contribution	117.7	19.1	162.8	60.8
Discontinued operations	-	-	-	-
INCOME (LOSS) FROM CONTINUED OPERATIONS	(45.9)	(106.7)	(140.7)	(278.3)
Depreciation impact	(174.9)	(175.0)	(343.3)	(319.8)


CONSOLIDATED STATEMENTS OF CASH FLOW

R\$ million	H1-21	H1-20
CASH FLOW FROM OPERATING ACTIVITIES	1,714.7	2,011.7
Increase (Decrease) in:		
Trade receivables	(180.9)	217.0
Inventories	(1,023.4)	(445.2)
Recoverable taxes	(383.6)	(205.2)
Other assets	(15.7)	466.3
Domestic and foreign trade payables	(260.0)	(2,126.6)
Payroll, profit sharing and social charges, net	(82.3)	385.0
Tax liabilities	(235.4)	(76.0)
Other liabilities	(392.4)	(594.7)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES		
Recovery (payment) of income tax and social contribution	(348.9)	(411.8)
Accruals (payments) of judicial deposits	6.6	27.0
Payments related to tax, civil and labor lawsuits	(32.5)	(84.6)
Payments due to settlement of derivative operations	227.0	4.0
Interest paid on lease	(105.7)	(133.7)
Payment of interest on borrowings, financing and debentures	(426.9)	(531.7)
NET CASH GENERATED BY (USED IN) OPERATING ACTIVITIES	(1,539.4)	(1,498.3)
CASH FLOW FROM INVESTING ACTIVITIES		
Cash from merger of subsidiary	0.0	2,636.1
Additions of property, plant and equipment and intangible assets	(639.8)	(308.6)
Proceeds from sale of property, plant and equipment and intangible assets	13.4	54.0
Investment in securities	(5,630.4)	(5,972.3)
Redemption of securities	4,614.4	4,548.6
Redemption of interest on investments and securities	41.9	29.9
NET CASH GENERATED BY (USED IN) BY INVESTING ACTIVITIES	(1,600.5)	987.7
CASH FLOW FROM FINANCING ACTIVITIES		
Amortization of lease - principal	(579.6)	(380.9)
Amortization of loans, financing and debentures – principal	(5,511.9)	(2,485.2)
New loans, financing and debentures	6,335.7	1,341.5
Acquisition of treasury shares, net of option strike price received	(21.0)	(14.0)
Payment of dividends and interest on capital for the previous year	-	(133.9)
Receipts (payments) to settle derivative operations	1,615.8	82.2
Obligation of the acquiree incurred by the acquirer	-	(370.8)
Capital Increase	-	2,033.9
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	1,839.1	72.8
Effect of exchange variation on cash and cash equivalents	(16.0)	744.3
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,316.9)	306.5
Opening balance of cash and cash equivalents	5,821.7	4,513.6
Closing balance of cash and cash equivalents	4,504.8	4,820.1
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,316.9)	306.5

9. Conference call *and* webcast

natura & co

Natura &Co (B3: NTCO3 / NYSE: NTCO) is pleased to invite you to join its Q2-21 Earnings Conference Call:

<p>Friday, August 13, 2021</p> <ul style="list-style-type: none">• 10:00 a.m. NY time• 11:00 a.m. Brasília Time• 03:00 p.m. London Time <p><small>The call will be held in English with simultaneous translation into Portuguese</small></p>	<p>To connect to the conference call:</p> <p>U.S.: Toll free +1 844 204-8942 / Dial in: +1 412 717-9627</p> <p>Brazil: +55 11 4210-1803 / Dial in: +55 11 3181-8565</p> <p>U.K.: +44 20 3795 9972</p> <p>Conference call ID: <i>Natura &Co</i></p> <p>To access the webcast: Click here</p>	
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Q2-21 Results will be available on August 12, Thursday, after B3 trading hours at the website: <http://ri.naturaeco.com/en>.

In line with the best corporate governance practices, the Company informs that it will be in quiet period from July 29, 2021, until the results are disclosed.

Natura &Co IR Team | ri@natura.net

AVON   Aēsop.

10. 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 point is equivalent to one percentage point * 100

BRL: Brazilian Reals

CDI: The overnight rate for interbank deposits

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

COGS: Costs of Goods Sold

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

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

EBITDA: Earnings Before Interests, Tax, Depreciation and Amortization

EMEA: Europe, Middle East and Africa

EP&L: Environmental Profit & Loss

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

G&A: General and administrative expenses

GHG: Greenhouse gases

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

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

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

IFRS – International Financial Reporting Standards

Kantar: Data, insights and consulting company with global presence

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

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

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

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

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

NYSE: New York Stock Exchange

P&L: Profit and loss

PP: Percentage point

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

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

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

SG&A: Selling, general and administrative expenses

SM&L: Selling, marketing and logistics expenses

SLB: Sustainability Linked Bond

SPT: Sustainability Performance Targets

SSS: Same-Store-Sales

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

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

TBS: The Body Shop.

UNI: Underlying Net Income.

11. Disclaimer

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

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

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