

NATURA COSMÉTICOS S.A.

9th Issue of Debentures

TRUSTEE'S ANNUAL REPORT

FISCAL YEAR 2019

1. PARTIES

ISSUER	NATURA COSMÉTICOS S.A.
CNPJ	71.673.990/0001-77
LEAD COORDINATOR	Banco Citibank S.A.
BOOKKEEPER	Itaú Corretora de Valores S.A.
AGENT	Itaú Unibanco S.A.

2. CHARACTERISTICS OF THE ISSUE

1st SERIES

ASSET CODE	NATU19
ISSUE DATE	09/21/2018
MATURITY	09/21/2020
EXPECTED TOTAL VOLUME**	389,040,000.00
UNIT PAR VALUE	10,000.00
EXPECTED QUANTITY**	38,904
CURRENT ADJUSTMENT FOR INFLATION	N/A
CURRENT REMUNERATION	109.50% of the DI rate
TYPE	Unsecured
ALLOCATION OF FUNDS	The funds raised by the Issuer through the Restricted Offer will be allocated to refinance the Issuer's debts.
CURRENT RISK RATING OF ISSUER/ISSUE*	AAA Standard & Poor's

2nd SERIES

ASSET CODE	NATU29
ISSUE DATE	09/21/2018
MATURITY	09/21/2021
EXPECTED TOTAL VOLUME**	308,310,000.00
UNIT PAR VALUE	10,000.00
EXPECTED QUANTITY**	30,831
CURRENT ADJUSTMENT FOR INFLATION	N/A
CURRENT REMUNERATION	110.50% of the DI rate
TYPE	Unsecured

ALLOCATION OF FUNDS	The funds raised by the Issuer through the Restricted Offer will be allocated to refinance the Issuer's debts.
CURRENT RISK RATING OF ISSUER/ISSUE*	AAA Standard & Poor's

3rd SERIES

ASSET CODE	NATU39
ISSUE DATE	09/21/2018
MATURITY	09/21/2022
EXPECTED TOTAL VOLUME**	302,650,000.00
UNIT PAR VALUE	10,000.00
EXPECTED QUANTITY**	30,265
CURRENT ADJUSTMENT FOR INFLATION	N/A
CURRENT REMUNERATION	112% of the DI rate
TYPE	Unsecured
ALLOCATION OF FUNDS	The funds raised by the Issuer through the Restricted Offer will be allocated to refinance the Issuer's debts.
CURRENT RISK RATING OF ISSUER/ISSUE*	AAA Standard & Poor's

**As provided for in the transaction documents. If you have any questions, please contact the group by e-mail: covenants@pentagonotrustee.com.br*

***As expected on the Issue Date*

3. PAYMENTS MADE IN 2019

1st SERIES

PAYMENT DATE	REPAYMENT (R\$)	INTEREST PAYMENT (R\$)
03/21/2019		325.96
09/21/2019		345.58

REDEEMED	CONVERTED	RENEGOTIATION

2nd SERIES

PAYMENT DATE	REPAYMENT (R\$)	INTEREST PAYMENT (R\$)
03/21/2019		328.98
09/21/2019		348.79

REDEEMED	CONVERTED	RENEGOTIATION

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3rd SERIES

PAYMENT DATE	REPAYMENT (R\$)	INTEREST PAYMENT (R\$)
03/21/2019		333.52
09/21/2019		353.61

REDEEMED	CONVERTED	RENEGOTIATION

4. ASSET POSITION ON 12/31/2019

SERIES	ISSUED	OUTSTANDING	CANCELED
1	38,904	608	38,296
2	30,831	30,831	0
3	30,265	30,265	0

5. AMENDMENTS TO THE ISSUER'S BYLAWS (AGE), ANNUAL DEBENTURE HOLDERS' MEETINGS (AGD/AGT) AND MATERIAL FACTS OCCURRED IN THE FISCAL YEAR

AMENDMENTS TO THE BYLAWS:

In an AGE held on 09/17/2019, the amendment to the Company's Bylaws was approved, as follows: (i) change the main section of article 5, in view of the resolution to increase its corporate capital; and (ii) amend the main section of article 6, in view of the resolution to increase its authorized capital.

ANNUAL DEBENTURE HOLDERS' MEETINGS:

No meetings were held in the period.

MATERIAL FACTS:

Material Fact disclosed on 03/22/2019: Clarifications about the information published today in the article "Avon, After Breakup, Explores Deal That Would Put It Back Together" in the online edition of the Wall Street Journal.

Notice to the Market on 03/27/2019: Natura and Santander work together to offer exclusive banking services to more than 1 million Consultants.

Notice to the Market on 04/26/2019: Clarifications to B3 regarding unusual share transactions.

Notice to the Market on 05/15/2019: Clarifications on news published on 05/13/2019, on the InfoMoney electronic portal on the world wide web, entitled "Natura gets support from banks for financing Avon, sources say."

Material Fact disclosed on 05/22/2019: The Company confirms that it is in advanced discussions with Avon regarding the acquisition of Avon, in a transaction involving an all-share merger, which would result in the combination of the businesses, operations and shareholding bases of Natura and Avon.

Material Fact disclosed on 05/22/2019: The Company informs it has reached an agreement with Avon Products, Inc., a company existing under the laws of New York (“Avon”), to acquire Avon in a transaction involving an all-share merger, which will result in the combination of their businesses.

Notice to the Market on 05/27/2019: Clarifications regarding the conditions for exercising the right of withdrawal of Natura’s shareholders, object of item VII of the Material Fact disclosed on May 22, 2019.

Notice to the Market on 09/17/2019: For the sixth consecutive year, the Company was selected to compose the New York Stock Exchange’s Dow Jones Sustainability Index (DJSI), in the Dow Jones Sustainability Emerging Markets portfolio.

Notice to the Market on 09/25/2019: In preparation for the corporate restructuring and acquisition of Avon Products, Inc., object of the Material Fact dated May 22, 2019, the Brazilian Securities and Exchange Commission (“CVM”) granted, on September 25, 2019, the registration of issuer provided for in CVM Ruling No. 480/09, in category “A”, for Natura &Co Holding S.A. (“Natura & Co”).

Notice to the Market on 09/30/2019: Declaration of Effectiveness in Form F-4 of Natura &Co by the SEC.

Notice to the Market on 10/02/2019: Consent was obtained from the holders of notes due in 2023 and in 2043 issued by Avon Products, Inc. (“Avon”) or its subsidiaries in relation to the clauses of change of control that would be triggered by the business combination between Natura Cosméticos and Avon.

Notice to the Market on 10/04/2019: Amendment to the Agreement and Plan of Mergers Regarding the Business Combination Transaction of Natura Cosméticos S.A. and Avon Products, Inc.

Material Fact disclosed on 10/11/2019: Conclusion of the signing of the Shareholders’ Agreement of Natura &Co.

Material Fact disclosed on 10/11/2019: Convening of extraordinary general meetings (“AGE Natura Cosméticos” and “AGE Natura &Co” and, jointly, “AGEs Natura”), to resolve on Natura Cosméticos’ corporate restructuring proposal (“Corporate Restructuring”) and combination of its businesses, operations and shareholding bases with Avon Products, Inc. (“Avon”), which is the subject matter of the Agreement and Plan of Mergers (the “Agreement”).

Notice to the Market on 10/18/2019: Filing of lawsuits in federal courts in the United States of America by alleged shareholders of Avon Products, Inc. (“Avon”), challenging the disclosure made in connection with the transaction involving the proposed business combination between Natura Cosméticos and Avon.

Notice to the Market on 11/05/2019: Second Amendment to the Agreement and Plan of Mergers Regarding the Business Combination Transaction of Natura Cosméticos S.A. and Avon Products, Inc.

Material Fact disclosed on 11/06/2019: Approval, without restrictions, by the Administrative Council for Economic Defense (CADE) in relation to Concentration Act No. 08700.004028/2019-59, as part of the corporate restructuring and acquisition of Avon Products, Inc.

Material Fact disclosed on 11/13/2019: The approval for the merger of Natura Cosméticos' shares (ticker: NATU3) by Natura &Co (ticker NTCO3) ("Merger of Shares") and the merger of Nectarine Merger Sub I, Inc. ("Merger Sub I") into Natura &Co. ("Merger") was obtained in extraordinary general meetings of Natura &Co and Natura Cosméticos held on this date.

Material Fact disclosed on 11/13/2019: In accordance with the applicable laws, the approval of Avon shareholders, at a shareholders' meeting, for the implementation of the Transaction provided for in the Agreement, according to which Avon will become a subsidiary of Natura &Co (defined in the Agreement as "Company Shareholder Approval"), as well as the other acts provided for in the Agreement, was confirmed.

Notice to the Market on 11/19/2019: Changes in the shareholding interests of both Companies, due to the contribution of the shares issued by Natura Cosméticos held by its controlling shareholders, in a capital increase of Natura &Co.

Notice to the Market on 11/29/2019: The Company was selected for the 15th consecutive year to compose B3's Corporate Sustainability Index [*Índice de Sustentabilidade Empresarial*] (ISE) portfolio.

Material Fact disclosed on 12/16/2019: The satisfaction of the conditions precedent set forth in the "Protocol and Justification of the Merger of Shares of Natura Cosméticos S.A. by Natura &Co Holding S.A." ("Protocol and Justification"), related to the merger of shares of Natura Cosméticos by Natura &Co, was confirmed, as approved in the extraordinary general meetings of Natura Cosméticos and Natura &Co.

Notice to the Market on 12/16/2019: Clarifications in response to Official Letter 1111/2019-SLS, issued by the Superintendence of Listing and Supervision of Issuers of B3 S.A. - Brasil, Bolsa, Balcão.

Material Fact disclosed on 12/19/2019: The Company received the necessary approvals from competition authorities as a condition precedent for implementing the acquisition of Avon Products, Inc. ("Avon").

6. ECONOMIC, FINANCIAL AND CAPITAL STRUCTURE INDICATORS PROVIDED FOR IN THE TRANSACTION DOCUMENTS*

**As provided for in the transaction documents. If you have any questions, please contact the group by e-mail: covenants@pentagonotruster.com.br*

INDEX	MARCH	JUNE	SEPTEMBER	DECEMBER
Net Debt/EBITDA	N/A	Limit <= 3.50 Calculated = 2.83 Met	N/A	Limit <= 3.25 Calculated = 2.49 Met

7. ASSETS GUARANTEES

7.1 CONTRACTUAL DESCRIPTION (PURPOSE OF THE GUARANTEE)

The description is listed in Exhibit II to this Report.

7.2 INVENTORY OF PERIODIC FINANCIAL MEASUREMENTS*

**As provided for in the transaction documents. If you have any questions, please contact the group by e-mail: garantia@pentagonotrustee.com.br*

MINIMUM	AGREEMENT	STATUS OF THE MEASUREMENT
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8. SUMMARY TABLE - MANDATORY INFORMATION - EXHIBIT 15 TO CVM RULING (ICVM) No. 583/16 COUPLED WITH ARTICLE 68, PARAGRAPH 1, b, OF LAW No. 6,404/76

Item I, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“compliance by the issuer with its obligations to provide periodical information indicating any inconsistencies or omissions of which it becomes aware”</i>	Item 9 of this report
Item II, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“amendments to the bylaws occurred in the fiscal year that would have material effects for the holders of securities”</i>	Item 5 of this report
Item III, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“comments on the issuer’s economic, financial and capital structure indicators related to contractual clauses designed to protect the interest of the holders of securities and that establish conditions that should not be breached by the issuer”</i>	Item 6 of this report
Item IV, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“number of securities issued, number of outstanding securities and balance canceled in the period”</i>	Item 4 of this report
Item V, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“redemption, repayment, conversion, renegotiation and payment of interest on the securities realized in the period”</i>	Items 3 and 4 of this report

Item VI, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“formation and applications of the repayment fund or other types of funds, if any”</i>	Exhibit II to this report
Item VII, article 1. of Exhibit 15 to Ruling No. 583/16: <i>“allocation of the funds raised by means of the issue, according to information provided by the issuer”</i>	Item 2 of this report
Item VIII, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“list of assets and amounts delivered to its management, if any”</i>	Not applicable
Item IX, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“compliance with other obligations assumed by the issuer, debtor, assignor or guarantor in the indenture, in the instrument of securitization of credit rights or in any equivalent instrument”</i>	Possible non-compliances, if any, are detailed in this report.
Item X, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“maintenance of the sufficiency and enforceability of guarantees”</i>	Item 9 of this report
Item XI, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“existence of other issues of securities, whether public or private, made by the issuer, by an affiliate, controlled company, controlling company or a company that is a member of the same group of the issuer, in which it has acted as a trustee in the same period , as well as the following data on such issues: a) name of the offering company; b) issue amount; c) number of securities issued; d) type and guarantees involved; e) maturity and interest rate; and f) default in the period”</i>	Exhibit I to this report
Item XII, article 1, of Exhibit 15 to Ruling No. 583/16: <i>“statement on the absence of a conflict of interest situation that would prevent the trustee from continuing to exercise such function”</i>	Item 9 of this report

9. STATEMENTS OF THE TRUSTEE

Pentágono represents that:

(i) it is fully capable, and there is no conflict of interest situation that would prevent it from continuing to exercise the function of trustee;

(ii) it is not aware of any omission or untruth in the information disclosed by the Issuer, or even of any delays in its provision of information, nor of any depreciation and/or loss of the guarantee(s) provided in this Issue, except as indicated in items 5 and 7. Thus, according to the information disclosed by the Issuer, we understand that the guarantee(s) remain(s) sufficient and enforceable, as it was (were) constituted, granted and/or issued, except as indicated in items 5 and 7 and in Exhibit III, if any;

(iii) the information included in this report do not represent any investment recommendation, credit analysis or analysis of the economic or financial situation of Issuer, nor is it a guarantee, explicit or implicit, regarding the timely payment of the liabilities related to the securities issued. This information should not be used as a basis for undertaking any actions without qualified professional guidance, preceded by a thorough examination of the situation at hand. The trustee will not be liable, under no circumstances, for any loss of revenue and income or other special, indirect, incidental or punitive damages due to the use of the information contained herein;

(iv) the documents, financial statements and other technical information that served as a basis to prepare this report are available to the holders of the asset for consultation at the headquarters of this Trustee. For more information and access to the issue documents, we suggest consulting the Pentágono website (www.pentagonotrustee.com.br), especially for access to eventual information;

(v) the amounts and calculations expressed in this report result from our interpretation of the transaction documents, without implying any legal or financial commitment;

(vi) this report was prepared with all the information needed to fulfill the requirements set forth in CVM Ruling No. 583, dated December 20, 2016, in Law No. 6,404, dated December 15, 1976, and in any other applicable legal and contractual provisions, based on information obtained from the Issuer. Although we have endeavored to provide accurate and up-to-date information, there is no guarantee of such accuracy on the date it is received, nor that such accuracy will remain in the future.

The electronic version of this report was sent to the Issuer, and it is also available at www.pentagonotrustee.com.br.

PENTÁGONO S.A. DTVM

EXHIBIT I

STATEMENT ABOUT THE EXISTENCE OF OTHER ISSUES OF SECURITIES, WHETHER PUBLIC OR PRIVATE, MADE BY THE ISSUER, AFFILIATES, CONTROLLED COMPANIES, CONTROLLING COMPANIES OR A COMPANY THAT IS A MEMBER OF THE SAME GROUP OF THE ISSUER, IN WHICH IT HAS ACTED AS A TRUSTEE IN THE PERIOD

**Additional information can be found in the report for this asset, available at www.pentagonotrustee.com.br*

**With respect to the data in this Exhibit I, those available on the date of signature of the respective Indenture, Instrument of Securitization or equivalent document, as applicable, were considered, except for any defaults in the period.*

Debentures

ISSUER	NATURA COSMÉTICOS S.A.
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ISSUE/SERIES	5th/1st, 2nd and 3rd
EXPECTED TOTAL VOLUME	600,000,000.00
TYPE	Unsecured
GUARANTEES	N/A
EXPECTED NUMBER OF SECURITIES	20,000, 20,000 and 20,000, respectively.
MATURITY	02/25/2017, 02/25/2018 and 02/25/2019, respectively
INTEREST RATE ON THE ISSUE	107.00% of the DI rate, 107.50% of the DI rate, and 108.00% of the DI rate, respectively.
DEFAULT IN THE PERIOD	N/A

ISSUER	NATURA COSMÉTICOS S.A.
ISSUE/SERIES	6th/1st, 2nd and 3rd
EXPECTED TOTAL VOLUME	800,000,000.00
TYPE	Unsecured
GUARANTEES	N/A
EXPECTED NUMBER OF SECURITIES	40,000, 25,000 and 15,000, respectively
MATURITY	03/16/2018, 03/16/2019 and 03/16/2020, respectively
INTEREST RATE ON THE ISSUE	107.00% of the DI rate, 108.25% of the DI rate, 109.00% of the DI rate, respectively.
DEFAULT IN THE PERIOD	N/A

ISSUER	NATURA COSMÉTICOS S.A.
ISSUE/SERIES	8th/Single
EXPECTED TOTAL VOLUME	1,400,000,000.00
TYPE	Unsecured
GUARANTEES	Corporate Guarantee
EXPECTED NUMBER OF SECURITIES	140,000
MATURITY	08/14/2019
INTEREST RATE ON THE ISSUE	110% of the DI rate
DEFAULT IN THE PERIOD	N/A

EXHIBIT II

ASSET GUARANTEES - CONTRACTUAL DESCRIPTION (PURPOSE OF THE GUARANTEE*)

REPAYMENT FUND OR OTHER TYPES OF FUNDS, IF ANY - CONTRACTUAL DESCRIPTION

(Additional Information can be found in the respective guarantee agreement and/or the Debenture Indenture)

**Text extracted from the respective guarantee agreement(s) and/or the Debenture Indenture.*

Not applicable.
