NATURA &CO HOLDING S.A.

Individual and Consolidated Interim Financial Information

For the period ended March 31, 2020 and Independent Auditor's Report

(A free translation of the original in Portuguese)

Report on review of quarterly information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Natura &Co Holding S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2020, comprising the balance sheet at that date and the statements of operations and comprehensive income, the statements of changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34

Natura &Co Holding S.A.

applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Emphasis of Matter

Reissuance of Quarterly Information Form (ITR) and review report

On May 7, 2020, we issued an unqualified review report on the Quarterly Information (ITR) for the quarter ended March 31, 2020. We call your attention to Note 2.1(b) of the Quarterly Information (ITR), which describes that the ITR originally issued by the Company on May 7, 2020 is being reissued to include a reconciliation in Note 25.3, consequently, the predecessor auditor reissued its unqualified previously issued report dated May 2, 2019. Our conclusion is not qualified in relation to this matter.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the quarter ended March 31, 2020. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Audit and review of the corresponding amounts prior year and period

The Quarterly Information (ITR) mentioned in the first paragraph includes accounting information corresponding to the statements of operations, comprehensive income, changes in shareholders' equity, cash flows and value added for the quarter ended March 31, 2019, presented for comparison purposes. The corresponding accounting information of the Company, for the quarter ended March 31, was prepared by management based on the procedures described in Note 2.1(a).

The review of the Quarterly Information (ITR) for the quarter ended March 31, 2019 of Natura Cosméticos S.A. (currently, a wholly owned subsidiary of the holding Natura &Co Holding S.A.) was conducted under the responsibility of other independent auditors, who issued an unqualified review report dated November 12, 2020.

Natura &Co Holding S.A.

The Quarterly Information (ITR) mentioned in the first paragraph also includes accounting information corresponding to the balance sheet as of December 31, 2019, obtained from the financial statements as of December 31, 2019, originally prepared before the reclassifications described in Note 25.3, which were performed in connection with the acquisition of Avon Products, Inc., and are presented for comparison purposes. The examination of the financial statements for the year ended December 31, 2019, as originally prepared, was conducted under the responsibility of other independent auditors, who issued unqualified audit opinion dated March 5, 2020.

As part of our review of the ITR for the quarter ended March 31, 2020, we reviewed the aforementioned reclassifications as they relate to assets and liabilities as of December 31, 2019, described in Note 25.3. Based on our review, nothing has come to our attention that such reclassifications are not appropriate or have not been correctly performed, in all material respects. We were not engaged to audit, review or apply any other procedures on the Company's 2019 other financial information, and, therefore, we do not express an opinion or any form of assurance on the financial information for that year.

São Paulo, November 12, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Leandro Mauro Ardito
Contador CRC 1SP188307/O-0

NATURA &CO HOLDING S.A.

BALANCE SHEET AT MARCH 31, 2020 AND DECEMBER 31, 2019
(All amounts in thousands of Brazilian reais - R$)

ASSETS	Note	Company		Consolidated	
		03/2020	12/2019	03/2020	12/2019
CURRENT ASSETS					
Cash and cash equivalents	6	11,927	2,380,800	3,111,496	4,513,582
Securities	7	540,547	669,769	1,454,807	1,025,845
Trade receivables	8	-	-	2,774,632	1,685,764
Trade receivables - related parties	31.1	510,178	-	-	-
Inventories	9	-	-	4,040,679	1,430,550
Recoverable taxes	10	-	5	959,222	395,640
Income tax and social contribution		528	-	321,485	113,478
Derivative financial instruments	5.2	-	-	178,912	-
Assets available for sales	13	-	-	186,518	-
Other current assets	14	-	-	832,988	265,198
Total current assets		1,063,180	3,050,574	13,860,739	9,430,057
NON-CURRENT ASSETS					
Recoverable taxes	10	-	-	899,861	409,214
Income tax and social contribution		-	-	334,671	334,671
Deferred income tax and social contribution	11	-	-	996,419	374,448
Judicial deposits	12	-	-	619,726	337,255
Derivative financial instruments	5.2	-	-	1,817,958	737,378
Securities	7	-	-	8,938	7,402
Other non-current assets	14	-	-	1,380,122	83,836
Total long-term assets		-	-	6,057,695	2,284,204
Investments	15	20,458,274	3,392,677	-	-
Property, plant and equipment	16	-	-	5,246,283	1,773,889
Intangible assets	17	-	-	27,157,529	5,076,501
Right of use	18	-	-	3,736,495	2,619,861
Total non-current assets		20,458,274	3,392,677	42,198,002	11,754,455
TOTAL ASSETS		21,521,454	6,443,251	56,058,741	21,184,512

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Company		Consolidated	
		03/2020	12/2019	03/2020	12/2019
CURRENT					
Loans, financing and debentures	19	1,079,905	2,883,382	1,942,527	3,354,355
Lease	18.b	-	-	956,413	542,088
Trade payables and forfait operations	20	1,758	-	5,104,782	1,829,756
Trade payables - related parties	31.1	147,486	-	-	-
Payroll, profit sharing and social charges		24,770	-	985,965	560,376
Tax liabilities	21	1,435	1,050	488,620	320,890
Income tax and social contribution		-	196,474	245,244	388,238
Dividends and interest on shareholders' equity payable	28.b)	-	-	-	95,873
Derivative financial instruments	5.2	-	-	32,205	11,806
Provision for tax, civil and labor risks	22	-	-	47,046	18,650
Other current liabilities	23	-	-	1,730,782	396,391
Total current liabilities		1,255,354	3,080,906	11,533,584	7,518,423
NON-CURRENT					
Loans, financing and debentures	19	-	-	17,390,539	7,432,019
Lease	18.b	-	-	2,971,565	1,975,477
Tax liabilities	21	-	-	166,432	122,569
Deferred income tax and social contribution	11	-	-	1,504,910	450,561
Provision for tax, civil and labor risks	22	-	-	1,146,930	201,416
Other non-current liabilities	23	-	-	1,049,308	121,702
Total non-current liabilities		-	-	24,229,684	10,303,744
SHAREHOLDERS' EQUITY					
Capital stock		4,905,118	1,485,436	4,905,118	1,485,436
Treasury shares	28	(16,004)	-	(16,004)	-
Capital reserves		11,112,156	1,302,990	11,112,156	1,302,990
Retained earnings	28	(146,882)	(149,020)	(146,882)	(149,020)
Accumulated loss		(820,797)	-	(820,797)	-
Losses on capital transaction		(92,066)	(92,066)	(92,066)	(92,066)
Equity valuation adjustment		5,324,575	815,005	5,324,575	815,005
Shareholders' equity attributed to the Company's controlling		20,266,100	3,362,345	20,266,100	3,362,345
Non-controlling interest in shareholders' equity of subsidiaries		-	-	29,373	-
Total shareholders' equity		20,266,100	3,362,345	20,295,473	3,362,345
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		21,521,454	6,443,251	56,058,741	21,184,512

NATURA &CO HOLDING S.A.

STATEMENT OF OPERATION
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(All amounts in thousands of Brazilian reais - R$, except for earnings per share in the period)

	Note	Company		Consolidated	
		03/2020	03/2019	03/2020	03/2019
NET REVENUE	26	-	-	7,517,994	2,915,150
Cost of products sold	27	-	-	(2,878,722)	(809,172)
GROSS PROFIT		-	-	4,639,272	2,105,978
OPERATING (EXPENSES) INCOME					
Selling, Marketing and Logistics expenses	27	-	-	(3,299,190)	(1,323,066)
Administrative, R&D, IT and Project expenses	27	(9,978)	-	(1,266,091)	(537,031)
Impairment losses on trade receivables		-	-	(223,982)	(75,428)
Equity in subsidiaries	15	(712,102)	-	-	-
Other operating income (expenses), net	30	(147,824)	-	(352,550)	14,245
OPERATING PROFIT BEFORE FINANCIAL RESULT		(869,904)	-	(502,541)	184,698
Financial income	29	51,082	-	1,560,184	378,102
Financial expenses	29	(1,975)	-	(1,787,779)	(543,357)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(820,797)	-	(730,136)	19,443
Income tax and social contribution	11	-	-	(94,803)	(5,969)
NET INCOME (LOSS) FOR THE PERIOD		(820,797)	-	(824,939)	13,474
ATTRIBUTABLE TO					
The Company´s shareholders		(820,797)	-	(820,797)	13,474
Noncontrolling interests		-	-	(4,142)	-
		(820,797)	-	(824,939)	13,474
EARNINGS PER SHARE IN THE PERIOD -R$					
Basic	28.1.	(0.6979)	-	(0.6979)	0.0157
Diluted	28.2.	(0.6921)	-	(0.6921)	0.0156

* The notes are an integral part of the interim financial statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(All amounts in thousands of Brazilian reais - R$)

	Note	Company		Consolidated	
		03/2020	03/2019	03/2020	03/2019
NET INCOME (LOSS) FOR THE PERIOD		(820,797)	-	(824,939)	13,474
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain from translation of financial statements of subsidiaries abroad		4,349,038	-	4,349,038	61,363
Exchange rate effect on the translation from hyperinflationary economy	2.2	(4,351)	-	(4,351)	977
Gain from cash flow hedge operations	5.2	-	-	248,684	89,223
Tax effects on gain from cash flow hedge operations		-	-	(83,802)	(30,928)
Equity income from cash flow hedge operation		248,684	-	-	-
Equity in tax effects on gain from cash flow hedge operations		(83,802)	-	-	-
Comprehensive income for the year, net of tax effects		3,688,772	-	3,684,630	134,109
ATTRIBUTABLE TO					
The Company´s shareholders		3,688,772	-	3,688,772	134,109
Noncontrolling interests		-	-	(4,142)	-
		3,688,772	-	3,684,630	134,109

* The notes are an integral part of the interim financial statements

NATURA &CO HOLDING S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(All amounts in thousands of Brazilian reais - R$)

	Note	Capital stock	Capital reserves: Treasury shares	Capital reserves: Surplus on issue/sale of shares	Capital reserves: Special reserve	Capital reserves: Additional paid-in capital	Profit reserves: Profit retention	Retained earnings	Negative goodwill on capital transactions: Result from operations with non-controlling shareholders	Equity valuation adjustments: Other comprehensive income	The Company´s Sharesholders	Noncontrolling interests	Total shareholders' equity
BALANCES AT DECEMBER 31, 2018 - Natura Cosméticos S.A. (Note 2.1(a))		427,073	(19,408)	72,216	-	257,114	1,336,293	-	(92,066)	492,158	2,574,102	-	2,574,102
Net income for the period		-	-	-	-	-	-	13,474	-	-	13,474	-	13,474
Exchange rate effect on the translation from hyperinflationary economy		-	-	-	-	-	-	-	-	977	977	-	977
Other comprehensive income (loss)		-	-	-	-	-	-	-	-	119,658	119,658	-	119,658
Total comprehensive income (loss) for the year		-	-	-	-	-	-	13,474	-	120,635	134,109	-	134,109
Capital increase	21.a)	2,430	-	-	-	-	-	-	-	-	2,430	-	2,430
Changes in stock option plans and restricted shares:													
Provision for stock option plans and restricted shares	25.1	-	-	-	-	8,398	-	-	-	-	8,398	-	8,398
Exercise of stock option plans and restricted shares		-	11,311	(1,930)	-	(11,278)	-	-	-	-	(1,897)	-	(1,897)
Hyperinflationary economy adjustment effect		-	-	-	-	17,006	(295)	-	-	-	16,711	-	16,711
BALANCES AT MARCH 31, 2019 - Natura Cosméticos S.A. (Note 2.1(a))		429,503	(8,097)	70,286	-	271,240	1,335,998	13,474	(92,066)	612,793	2,733,853	-	2,733,853
BALANCES AT DECEMBER 31, 2019		1,485,436	-	1,096,398	206,592	-	(149,020)	-	(92,066)	815,006	3,362,346	-	3,362,346
Net income (loss) for the period		-	-	-	-	-	-	(820,797)	-	-	(820,797)	(4,142)	(824,939)
Exchange rate effect on the translation from hyperinflationary economy		-	-	-	-	-	-	-	-	(4,351)	(4,351)	-	(4,351)
Other comprehensive income (loss)		-	-	-	-	-	-	-	-	4,513,920	4,513,920	-	4,513,920
Total comprehensive income (loss) for the year		-	-	-	-	-	-	(820,797)	-	4,509,569	3,688,772	(4,142)	3,684,630
Subscription of shares through the Board of Directors' Meeting held on January 3, 2020	21.a)	3,397,746	-	9,877,148	-		-	-	-	-	13,274,894	33,515	13,308,409
Share repurchase		-	(54,936)	-	-	-	-	-	-	-	(54,936)	-	(54,936)
Changes in stock option plans and restricted shares:													
Provision for stock option plans and restricted shares	25.1	-	-	-	-	(34,887)	-	-	-	-	(34,887)	-	(34,887)
Exercise of stock option plans and restricted shares		21,936	38,932	-	-	(48,084)	-	-	-	-	12,784	-	12,784
Hyperinflationary economy adjustment effect		-	-	-	-	14,989	2,138	-	-	-	17,127	-	17,127
BALANCES AT MARCH 31, 2020		4,905,118	(16,004)	10,973,546	206,592	(67,982)	(146,882)	(820,797)	(92,066)	5,324,575	20,266,100	29,373	20,295,473

* The notes are an integral part of the interim financial statements

NATURA &CO HOLDING S.A.

STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(All amounts in thousands of Brazilian reais - R$)

	Note	Company		Consolidated	
		03/2020	03/2019	03/2020	03/2019
CASH FLOW FROM OPERATING ACTIVITIES					
Net income (loss) for the period		(820,797)	-	(824,939)	13,474
Adjustments to reconcile net income for the period with net cash generated by operating activities:			-		
Depreciation and amortization	16 e 17	-	-	626,252	264,312
Interest on investments and securities	26	(7,058)	-	(23,455)	(22,961)
Provision (reversal of provision) arising from swap and forward derivative contracts		-	-	(978,329)	53,597
Provision (reversal of provision) for tax, civil and labor risks	22	-	-	54,366	3,379
Inflation adjustment of escrow deposits		-	-	(1,383)	(3,752)
Inflation adjustment of contingencies		-	-	4,599	2,649
Income tax and social contribution	11	-	-	94,803	5,969
Result from sale and write-off of property, plan and equipment and intangible assets	16 e 17	-	-	3,876	7,702
Equity in subsidiaries	15	712,102	-	-	-
Interest and exchange variation on leases	18	-	-	51,768	30,974
Interest and exchange rate variation on borrowings and financing	19	20,283	-	1,195,934	79,221
Restatement and exchange rate variation on other assets and liabilities		(104,839)	-	(105,493)	867
Provision (reversal of provision) for losses from property, plant and equipment and intangible assets	16 e 17	-	-	(2,128)	(10,751)
Provision (reversal of provision) for stock option plans and restricted shares		(20,150)	-	(4,606)	10,874
Effective losses and provision for losses with trade receivables, net of reversals	8	-	-	209,933	75,428
Provision (reversal of provision) for inventory losses, net	9	-	-	119,735	37,920
Provision (reversal of provision) for post-employment health care plan	28.1	771	-	(1,190)	1,985
Effect from hyperinflationary economy		-	-	10,670	12,267
Other provisions (reversals)		-	-	(52,683)	(31,150)
		(219,688)	-	377,730	532,004
(INCREASE) DECREASE IN ASSETS					
Trade receivables		(34,478)	-	346,096	177,412
Inventories		-	-	(117,723)	(207,018)
Recoverable taxes		-	-	(184,800)	2,143
Other assets		-	-	509,001	(19,942)
Subtotal		(34,478)	-	552,574	(47,405)
(INCREASE) DECREASE IN LIABILITIES					
Domestic and foreign trade payables		149,176	-	(1,872,941)	(216,563)
Payroll, profit sharing and social charges, net		24,770	-	121,951	(111,128)
Tax liabilities		385	-	118,382	(79,096)
Other liabilities		(771)	-	(326,399)	(5,640)
Subtotal		173,560	-	(1,959,007)	(412,427)
CASH GENERATED BY OPERATING ACTIVITIES		(80,606)	-	(1,028,703)	72,172
OTHER CASH FLOWS FROM OPERATING ACTIVITIES					
Recovery (payment) of income tax and social contribution		(196,996)	-	(269,512)	(116,456)
Accruals (payments) of judicial deposits		-	-	2,797	1,288
Payments related to tax, civil and labor lawsuits	22	-	-	(61,968)	(4,749)
Payments due to settlement of derivative operations		-	-	9,818	(20,805)
Interest paid on lease	18	-	-	(53,611)	(30,974)
Payment of interest on borrowings, financing and debentures	19	(6,860)	-	(498,585)	(254,675)
NET CASH USED IN OPERATING ACTIVITIES		(284,462)	-	(1,899,764)	(354,199)
CASH FLOW FROM INVESTING ACTIVITIES					
Cash from merger of subsidiary	4	-	-	2,636,108	-
Additions of property, plant and equipment and intangible assets	16 e 17	-	-	(174,162)	(80,119)
Proceeds from sale of property, plant and equipment and intangible assets		-	-	11,782	3,254
Investment in securities		(63,569)	-	(1,765,955)	(1,629,566)
Redemption of securities		199,230	-	1,420,078	2,337,074
Redemption of interest on investments and securities		619	-	10,540	28,117
Receipts of dividends from subsidiaries		-	-	-	-
Capital increase in subsidiaries	15	-	-	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		136,280	-	2,138,391	658,760
CASH FLOW FROM FINANCING ACTIVITIES					
Amortization of lease - principal	18	-	-	(209,723)	(143,895)
Amortization of loans, financing and debentures – principal	19	(1,816,900)	-	(1,923,345)	(510,542)
New loans, financing and debentures	18 e 19	-	-	451,127	90,507
Acquisition of treasury shares, net of option strike price received		(33,000)	-	(33,000)	(1,897)
Payment of dividends and interest on capital for the previous year	32.2	-	-	(133,937)	(96,277)
Receipts (payments) to settle derivative operations		-	-	222	898
Receipt by exercised stock options		(370,791)	-	(370,791)	-
Capital increase		-	-	-	2,430
NET CASH USED IN FINANCING ACTIVITIES		(2,220,691)	-	(2,219,447)	(658,776)
Effect of exchange variation on cash and cash equivalents		-	-	578,734	6,073
DECREASE IN CASH AND CASH EQUIVALENTS		(2,368,873)	-	(1,402,086)	(348,142)
Opening balance of cash and cash equivalents	6	2,380,800	-	4,513,582	1,215,048
Closing balance of cash and cash equivalents	6	11,927	-	3,111,496	866,906
DECREASE IN CASH AND CASH EQUIVALENTS		(2,368,873)	-	(1,402,086)	(348,142)

* The notes are an integral part of the interim financial statements

NATURA &CO HOLDING S.A.

STATEMENT OF VALUE ADDED
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019
(All amounts in thousands of Brazilian reais - R$)

	Note	Company 03/2020		Company 03/2019	Consolidated 03/2020		Consolidated 03/2019	
INCOME		(147,824)		-	7,992,626		3,649,913	
Sale of goods, products and services		-		-	8,378,540		3,666,232	
Provision for doubtful accounts, net of reversals	8	-		-	(33,364)		(3,728)	
Other operating expenses, net		(147,824)		-	(352,550)		(12,591)	
INPUTS ACQUIRED FROM THIRD PARTIES		(5,571)		-	(5,953,732)		(2,108,330)	
Cost of products sold and services		-		-	(3,175,479)		(1,191,069)	
Materials, electricity, outsourced services and others		(5,571)		-	(2,778,253)		(917,261)	
GROSS VALUE ADDED		(153,395)		-	2,038,894		1,541,583	
RETENTIONS		-		-	(625,819)		(264,312)	
Depreciation and amortization	16 e 17	-		-	(625,819)		(264,312)	
VALUE ADDED PRODUCED BY THE COMPANY		(153,395)		-	1,413,075		1,277,271	
TRANSFERRED VALUE ADDED		(661,020)		-	1,560,184		378,102	
Equity in subsidiaries	15	(712,102)		-	-		-	
Financial income - including inflation adjustments and exchange rate variations	29	51,082		-	1,560,184		378,102	
TOTAL VALUE ADDED TO DISTRIBUTE		(814,415)		-	2,973,259		1,655,373	
DISTRIBUTION OF VALUE ADDED		(814,415)	100%	-	2,973,259	100%	1,655,373	100%
Payroll and social charges	28	4,407	-1%	-	1,462,402	49%	695,357	42%
Taxes, fees and contributions		-	0%	-	537,904	18%	396,881	24%
Financial expenses and rentals		1,975	1%	-	1,797,892	60%	549,661	33%
Accumulated losses		(820,797)	101%	-	(820,797)	-28%	13,474	1%
Noncontrolling interests		-	-	-	(4,142)	0%	-	-

* The notes are an integral part of the interim financial statements

CONTENTS

1. GENERAL INFORMATION

NATURA &CO HOLDING S.A. ("Natura &Co" or "Company") formerly referred to as Natura Holding S.A., was incorporated on January 21, 2019 with the purpose of holding interest in other companies, as partner or shareholder, in the country or abroad ("holding company"). The purpose of the Company is to manage shareholding interest in companies that operate mainly in the cosmetics industry, fragrances and personal hygiene sector, through the development of manufacturing, distribution and commercialization of its products. The Company's main brand is "Natura", followed by brands "Avon", "The Body Shop" and "Aesop". In addition to using the retail market, e-commerce, B2B and franchises as sales channels for the products, the controlled companies stand out for the work of the direct sales channel carried out mainly by Natura, The Body Shop and Avon Consultant(s).

The Company is a publicly-traded corporation, domiciled in São Paulo, registered in the special trading segment called "Novo Mercado" in the B3 S.A. – Brasil, Bolsa, Balcão (B3), under ticker "NTCO3."

After several restructuring activities which took place in the process of acquiring Avon Products, Inc. ("Avon"), completed on January 3, 2020 (Note 4), the Company became the holding company for the Natura group. Additionally, in December 2019 it became the holder of 100% of shares of Natura Cosméticos S.A. ("Natura"). Thus, since December 18, 2019, the NATU3 shares have no longer been traded in B3 S.A. – Brasil, Bolsa, Balcão, and trading with NTCO3 shares have started in the "Novo Mercado" segment of B3. On January 6, 2020, the Company started to trade American Depositary Receipts on the New York Stock Exchange ("NYSE"), under ticker "NTCO".

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

2.1 Declaration of compliance and basis of preparation

The Company's condensed interim accounting information, included in the Quarterly Information Form - ITR pertaining to the quarter ending on March 31, 2020, encompasses the individual and consolidated interim accounting information prepared pursuant to Technical Pronouncement "CPC 21 - Interim Statements", approved by the Brazilian Securities Commission ("CVM") and the international accounting standard "IAS 34 - Interim Financial Reporting", issued by the International Accounting Standards Board (IASB).

The Management confirms that all relevant information in the interim accounting statements, and only it, are being disclosed, and it corresponds to the one used in the development of the Management's business management activities. The interim accounting information was prepared based on the historical costs, except for certain financial instruments measured by their fair value, as described in the accounting practices.

The main accounting practices applied upon preparing this individual and consolidated interim accounting information are disclosed on explanatory note No. 2 of the Company's financial statements, pertaining to the fiscal year ending on December 31, 2019, issued on March 05, 2020, except for the presentation of information on segments (Note 25), which was changed as a result of the acquisition of Avon (Note 4). The same policies apply to the comparative quarter period ending on March 31, 2019.

The information on explanatory notes that did not go through significant changes in comparison to December 31, 2019 is not fully presented in this interim accounting information and must be read jointly with the last annual financial statement.

a) Presentation basis for the Company's consolidated accounting statements before the corporate restructuring presented in the Company's annual financial statement on Note 1

As presented in the Company's annual financial statements for the fiscal year ending on December 31, 2019, the Company's consolidated accounting information presented in this financial statement that is prior to the corporate restructuring for the acquisition of Avon were prepared pursuant to the accounting practices of the preceding costs. Thus, the comparative and consolidated historic information presented herein for the income statement, comprehensive income statement, statement of changes in net equity, cash flow statement and added value statement for the comparative period ended on March 31, 2019, refer to the consolidated information of Natura Cosméticos S.A., and were obtained from the Quarterly Information - ITR pertaining to the first quarter of 2019.

b) Restatement of the interim financial statement – 31 March 2020

On 7 May 2020, the Company issued the Quarterly Information of 31 March 2020. On this date, the Company's Management is reissuing the interim information originally issued due to the inclusion of segment reconciliation in Note 25.3, with the consequent reissue, by predecessor auditor, of his previously issued report.

2.2 Hyperinflationary economy

Information pertaining to the hyperinflationary economy was presented in the Company's 2019 annual financial statements, on Note 3.2.1.a.

On the quarter period ending on March 31, 2019, the application of CPC 42 / IAS 29 resulted in: (i) a positive impact in the financial results of R$ 4,812 (March 31, 2019 R$ 2,639); and (ii) a negative impact in the net profit for the fiscal year of R$ 11,106 (March 31, 2019 R$ 13,244), which includes the effect of the conversion of the results' statement by the exchange rate of the year's termination date, instead of the average monthly exchange rate, positive impact in the sum of R$ 4,351 (March 31, 2019 negative impact of R$ 977).

2.3 Consolidation

a) Investments in controlled companies

Information pertaining to the consolidation was presented in the Company's 2019 annual financial statements, on Note 3.3. A), except for the movement chart below:

	Interest - %	
	March 2020	December 2019
Direct interest:		
Avon Products, Inc..	100.00	-
Natura Cosméticos S.A.	100.00	100.00

The activities of the directly controlled companies are as follows:

- Natura Cosméticos S.A.: is a publicly held corporation organized in accordance with the laws of the Federative Republic of Brazil on June 6, 1993, with an indefinite term. Created in 1969 in São Paulo, Brazil, it is among the top ten direct sales companies in the world. Under the Natura brand, most of our products have a natural origin, developed with ingredients from the Brazilian biodiversity and mainly distributed by means of direct sales by our independent beauty consultants. It also sells through e-commerce and an expanded own store chain, composed of 43 stores in Brazil and 9 stores abroad (in the USA, France, Argentina and Chile), 256 franchise stores, as well as presence in approximately 3,500 drugstores on June 30, 2019.
- Avon Products, Inc.: Global manufacturer and trader of beauty products and the like, with operations starting in 1886 and constituted pursuant to the laws of the State of New York, on January 27, 1916. Its businesses are conducted in the beauty industry and

other consumer goods. A direct sales company for the creation, manufacture and trade of beauty and other unrelated products. Its business is held mainly via the direct sales channel.

2.4 Segment reporting

Information per operating segment is consistent with the internal report provided to the chief operating decision maker.

The main decision-making body of the Company, which is responsible for defining the allocation of resources and for the performance assessment of the operating segments, is the Board of Directors.

The GOC, which includes the CEOs of Natura &CO, Natura, Avon, The Body Shop and Aesop, in addition to representatives of key business areas (Finance, Human Resources, Business Strategy and Development, Legal, Innovation and Sustainability, Operations and Corporate Governance), is responsible, among other things, for monitoring the implementation of short and long-term strategies and making recommendations to the Board of Directors regarding the management of the Group, from the perspective of results, allocation of resources among business units, cash flow and talent management.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the individual and consolidated financial statements requires the Management to employ certain assumptions and accounting estimates based on experience and other factors considered relevant, which affect the values of assets and liabilities and may present results that differ from actual results. The effects resulting from accounting estimate reviews are recognized in the review period.

The significant judgments made by the Company are related to the recognition of revenue and leasing.

The areas requiring a greater level of judgment and which are more complex, as well as the areas in which the premises and estimates are significant for the financial statements, are disclosed below.

There were no significant changes in the estimates and premises employed upon preparing the interim accounting information for the quarter ending on March 31, 2020, or in the calculation methods used, in relation to the ones presented in explanatory note No. 3 of the Company's financial statements pertaining to the fiscal year ending on December 31, 2019, issued on March 05, 2020, except for the fair value estimates of the business combination (note 4), analyses of the potential impacts of Covid-19 (note 5.3) and impairment evaluations (note 17.a).

4. BUSINESS COMBINATION

Acquisition of Avon Products Inc.

On January 3, 2020, after fulfillment of all conditions precedent, as disclosed in the Company's 2019 annual financial statements, issued on March 05, 2020, explanatory note 1(a) and as a subsequent event to note 35, the transaction was completed, and then the effects of the merger of Nectarine Merger Sub II into Avon, with the latter being the resulting entity, came into force. Subsequently, Nectarine Merger Sub I was merged into Natura &Co, with the latter being the resulting entity. As a result of the mergers, on January 3, 2020, Avon became a full subsidiary of the Company, and Avon's former shareholders became shareholders of the Company.

As a result, Natura &Co acquired control of Avon and the acquisition was accounted for under the acquisition method.

Transaction costs incurred by the Controlling Company until the completion of the transaction on January 3, 2020 amount to approximately R$ 112 million, which were accounted for as expenses in the period ending in March 2020.

The following table summarizes the preliminary calculation of the fair value of the compensation transferred on January 3, 2020.

	In millions of R$, except for the number of shares
Number of Avon outstanding common shares as of January 3, 2020	536,383,776
Multiplied by the exchange ratio of 0.600 Natura &Co Holding Shares per each Avon common share	321,830,266
Multiplied by the market price of Natura &Co shares on January 3, 2020	41,00
Consideration in the issuance of shares	**13,195**
Adjustment to the transferred compensation (a)	171
Fair value of the Compensation to be transferred	**13,366**

(a) Related to the effects of potentially replacements and settlements of share-based payment plans, of which the amount of R$ 80 thousand refers to the share-based payment plans of Avon, in which it was substituted by Natura &Co, and R$ 91 thousand refers to the stock option plans liquidated as a result of the conclusion of the transaction. These are pre-combination installments that were regarded as a transferred consideration.

Natura &Co is yet to conclude the process of allocation of the transferred compensation among identified assets and liabilities acquired for their fair value. The table below shows the preliminary allocation prepared by the Company and the resulting goodwill. Differences between the preliminary estimates and the final recognition of the acquisition may occur and they may be relevant. Accounting standard "CPC 15/ IFRS 3 - Business combination" allows the Company to finalize this process of allocation of the transferred compensation among identified assets and liabilities up to 12 months counted from the acquisition date. Natura &Co is analyzing the allocation of the transferred compensation to the identified assets and liabilities acquired for their fair value. The table below shows the preliminary allocation prepared by the Company and the resulting goodwill.

The following table summarizes the preliminary allocation of the consideration transferred on January 3, 2020:

	In millions of R$
Total estimated consideration to be transferred:	**13,366**
(-) Fair value of acquired assets:	
Cash and cash equivalent	2,636
Accounts receivable (1)	1,135
Inventories	1,942
Other current assets and restricted cash	1,056
Assets held for sale	187
Fixed Assets	2,886
Income tax and deferred social contribution	667
Assets of right of use	565
Other non-current assets	475
Court deposits	284
Recoverable taxes	518
Employee benefit plan	553
Intangible assets (2)	5,710
(+) Fair value of liabilities assumed:	
Current liabilities	6,267
Provision for contingencies (3)	724
Long-term debt	7,078
Long-term commercial leasing	588
Deferred income tax	728
Other liabilities	809

	In millions of R$
(-) Net assets	2,420
Interest of non-controlling shareholders	28
Goodwill (4)	10,974

(1) On the acquisition date, the fair value of the accounts receivable is equal to their accounting value, net of a provision for expected losses in the amount of R$ 270.2 million.

(2) The fair value of intangible assets includes intangible assets acquired and registered by Avon prior to the fair value allocation, in the sum of R$ 291 million, added by the effects of allocation of fair values of the following items:

	Nature	Estimated fair value (in millions of Reais)	Estimated useful life
Trade name "Avon"	Represents the fair value of trade name "Avon"	1,893	Indefinite
Main brands	Represents the fair value of "Main brands"	518	20 years
Developed technologies	Represents the fair value of all technology required to develop Avon products, including product formulas, labeling data, manufacture processes, regulatory approvals, packages of products and designs.	1,132	7 years
Sales representatives	Represents the fair value of Avon's relationship with its sales representatives.	1,876	14 years
Total		5,419	

(3) The provisions for contingent risks demonstrated in the chart above by the sum corresponds to the historic value recorded by Avon, given that the Company is still assessing the fair value estimates, and also identifying additional contingencies which fit the recognition requirement established on paragraph 23 of CPC 15 (IFRS3). That is, contingencies that: (i) represent a present obligation arising from past events and (ii) can be reliably measured, regardless of the loss probability.

(4) Goodwill pertaining to the strong market position and geographic regions that will result in a more diversified and balanced global portfolio, as well as future expected profitability and operational synergies, such as supply, manufacturing, distribution and efficiency of the administrative structure and revenue growth. This goodwill arising from the transaction is not expected to result in a tax benefit or to be deductible for tax purposes.

Since the acquisition date, Avon contributed with R$ 4,246.2 million of net revenues and impacted in R$ 540.3 million of losses in the consolidated results of Natura &Co.

Since the acquisition was concluded on January 1st, 2020 and there was no significant transaction of the revenue results until January 3, 2020, the consolidated net revenues and the net revenues of the three months. In this same period, a provision for the transaction cost incurred by Avon, in the sum of R$ 172.3 million, was recorded, which is part of the acquired identified liabilities.

5. FINANCIAL RISK MANAGEMENT

5.1 General considerations and policies

The information pertaining to the general considerations and policies of the companies of the Natura group, TBS and Aesop was presented in the 2019 annual financial statements, on Note 5.

Find below the book and fair values of the Company's financial instruments as of March 31, 2020:

Controlling Company	Note	Classification by category	Fair value hierarchy	Book Value		Fair Value	
				March 2020	December 2019	March 2020	December 2019
Financial assets							
Cash and cash equivalents	6	Amortized cost					
Cash and banks			Level 2	**271**	2,173,101	**271**	2,173,101
Certificate of bank deposits			Level 2	**11,656**	207,699	**11,656**	207,699
				11,927	2,380,800	**11,927**	2,380,800
Bonds and securities							
Exclusive investment funds	7	Fair value through results	Level 2	**540,547**	669,769	**540,547**	669,769
Accounts receivable from clients - related parties	32.1	Amortized cost	Level 2	**510,178**	-	**510,178**	-
Financial liabilities							
Issue of debts in domestic currency	19	Amortized cost	Level 2	**(1,079,905)**	(2,883,382)	**(1,859,997)**	(2,883,382)
Suppliers and "drawn risk" transactions	20	Amortized cost	Level 2	**(1,758)**	-	**(1,758)**	-

Consolidated	Note	Classification by category	Fair value hierarchy	Book Value		Fair Value	
				March 2020	December 2019	March 2020	December 2019
Financial assets							
Cash and cash equivalents	6						
Cash and banks		Amortized cost	Level 2	**2,705,479**	3,110,220	**2,705,479**	3,110,220
Certificate of bank deposits		Amortized cost	Level 2	**60,353**	211,261	**60,353**	211,261
Repurchase operations		Fair value through results	Level 2	**345,664**	1,192,101	**345,664**	1,192,101
				3,111,496	4,513,582	**3,111,496**	4,513,582
Bonds and securities	7						
Government bonds		Fair value through results	Level 2	**284,212**	221,900	**284,212**	221,900
Restricted cash		Fair value through results	Level 2	**38,580**	-	**38,580**	-
Financial letter		Fair value through results	Level 2	**417,355**	374,690	**417,355**	374,690
Loan investment fund		Fair value through results	Level 2	**468,527**	407,928	**468,527**	407,928
Dynamo Beauty Ventures Ltd Fund		Fair value through results	Level 2	**8,938**	7,402	**8,938**	7,402
Certificate of bank deposits		Fair value through results	Level 2	**246,133**	21,327	**246,133**	21,327
				1,463,745	1,033,247	**1,463,745**	1,033,247
Accounts receivable from clients	8	Amortized cost	Level 2	**2,774,632**	1,685,764	**2,774,632**	1,685,764
Court deposit	12	Amortized cost	Level 2	**619,726**	337,255	**619,726**	337,255

"Financial" and "Operating" derivatives		Fair value – Hedge instruments	Level 2	**1,932,110**	737,378	**1,932,110**	737,378
"Financial" and "Operating" derivatives		Fair value through results	Level 2	**64,760**	-	**64,760**	-
				1,996,870	737,378	**1,996,870**	737,378
Financial liabilities							
Loans, financing and debentures	19						
Issue of debts in domestic currency		Amortized cost	Level 2	**(14,924,077)**	(7,266,853)	**(13,008,056)**	(7,300,082)
BNDES/Finep loans		Amortized cost	Level 2	**(128,508)**	(145,590)	**(128,508)**	(145,590)
Issue of debts in foreign currency		Amortized cost	Level 2	**(4,280,481)**	(3,373,931)	**(3,735,130)**	(3,541,541)
				(19,333,066)	(10,786,374)	**(16,871,694)**	(10,987,213)
"Financial" and "Operating" derivatives		Fair value – Hedge instruments	Level 2	-	(10,158)	-	(10,158)
"Financial" and "Operating" derivatives		Fair value through results	Level 2	**(32,205)**	(1,648)	**(32,205)**	(1,648)
				(32,205)	(11,806)	**(32,205)**	(11,806)
Commercial Leasing	18	Amortized Cost	Level 2	**(3,927,978)**	(2,517,565)	**(3,927,978)**	(2,517,565)
Suppliers and "drawn risk" transactions	20	Amortized cost	Level 2	**(5,104,782)**	(1,829,756)	**(5,104,782)**	(1,829,756)

5.2 Financial risk factors

Information pertaining to the financial risk factors was presented in the Company's 2019 annual financial statements, on Note 5.2.

a) Market risk

To hedge the current positions of the Balance Sheet of the Company and its subsidiaries against market risks, the following derivative financial instruments were used and consist of the balances as follows, as of March 31, 2020 and December 31, 2019:

Description	Fair Value (Level 2) Consolidated	
	March 2020	December 2019
"Financial" derivatives	**1,955,145**	725,060
"Operating" derivatives	**9,520**	512
Total	**1,964,665**	725,572

b) Foreign exchange risk

As of March 31, 2020, and December 31, 2019, the Company and its controlled companies are primarily exposed to the risk of fluctuation of the US dollar, euro and pound sterling and emerging market currencies. In order to hedge foreign exchange exposures in relation to foreign currency, the Company and its controlled companies enter into transactions with derivative financial instruments of the "swap" type and forward purchase of currency named Non-Deliverable Forwards - NDF.

As of March 31, 2020, loans, financing and debentures in the consolidated balance sheet include accounts in foreign currency which expose the controlled companies of the Company to foreign exchange risks, representing, in the aggregate, total liabilities of R$ 4,309,492 (R$ 3,381,959 as of December 31, 2019).

i) Derivatives to hedge foreign exchange risk

The outstanding Derivative agreements present maturity flows between January 2020 and February 2023. The Derivative agreements in The Body Shop were entered into with represented counterparties and mature within up to 12 months.

The Company and its controlled companies classify the derivatives in: "Financial" and "Operating". The "Financial" ones are "swap" or "forward" derivatives, contracted to hedge the foreign exchange risk of borrowings, financing, debt instruments and loans in foreign currency. The "Operating" ones are derivatives contracted to hedge the foreign exchange risk of operating cash flows of the business.

As of March 31, 2020, the balances of derivatives are as follows:

"Financial" derivatives

Consolidated	Principal (Notional) amount		Curve value		Fair value		Gain (loss) of adjustment at fair value	
Description	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019	March 2020	December 2019
Swap agreements:								
Asset portion:								
Dollar purchased position	**2,662,726**	2,664,001	**4,313,910**	3,416,707	**4,850,442**	3,729,691	**536,532**	312,984
Liability portion:								
Post-fixed CDI Rate:								
Position sold in CDI	**2,662,726**	2,664,001	**2,695,215**	2,754,595	**2,926,682**	3,002,623	**231,467**	248,028
NDFs Forward Agreements:								
Liability portion:								
Post-fixed CDI Rate:								
Position sold in the interbank rate	**4,086,866**	200,896	**(2,997)**	(1,848)	**31,385**	(2,008)	**34,381**	(160)
Total net derivative financial instruments:	**4,086,866**	200,896	**1,615,698**	660,264	**1,955,145**	725,060	**339,446**	64,796

For financial derivatives maintained by the Company and its controlled companies as of December 31, 2019 and March 31, 2020, due to the fact agreements are directly entered into with the financial institutions and not through stock markets, there are no margin calls deposited as guarantee of said transactions.

"Operating" derivatives - Consolidated

As of March 31, 2020, the Company and its controlled companies maintain derivative financial instruments of the "forward" type, with the purpose of hedging the foreign exchange risk of operating cash flows (such as import and export transactions):

Description	Principal (Notional) amount		Fair value	
	March 2020	December 2019	March 2020	December 2019
Net position - GBP and USD	**1,243,084**	-	**9,598**	-
Forward agreements	**12,699**	1,302,869	**(78)**	512
Total Derivative Financial Instruments, net	**1,255,783**	1,302,869	**9,520**	512

Sensitivity analysis

For the sensitivity analysis of the foreign exchange exposure risk, the Management of the Company and its controlled companies understands it is necessary to consider, in addition to the assets and liabilities with exposure to the fluctuation of exchange rates recorded in the balance sheet, the fair value of the financial instruments contracted by the Company to hedge certain exposures as of March 31, 2020, as shown in the following chart:

	Consolidated	
	March 2020	December 2019
Loans and financing in Brazil in foreign currency [(a)]	**(4,309,492)**	(3,381,959)
Accounts receivables registered in Brazil in foreign currency	**18,178**	10,007
Accounts payable registered in Brazil in foreign currencies	**(15,736)**	(10,543)
Fair value of the "financial" derivatives	**4,850,442**	3,729,691
Net asset exposure	**543,392**	347,196

(a) Excluding transaction costs.

This analysis considers only financial assets and liabilities registered in Brazil in foreign currency, since foreign exchange exposure in other countries is close to zero due to the strength of currencies and the effectiveness of their derivatives, and considers that all other variables, especially interest rates, remain constant and ignore any impact from purchase and sale forecasts.

The tables below show the projection for incremental loss that would have been recognized in the subsequent period, assuming that the current net foreign exchange exposure remains static and based on the following scenarios:

	Consolidated			
Description	Company's Risk	Probable scenario	Scenario II	Scenario III
Net exposure	Dollar decrease	1,900	(179,360)	(541,879)

The probable scenario considers future US dollar rates for 90 days, as of March 31, 2020. According to quotations obtained at B3 on the expected maturity dates of financial instruments with foreign exchange exposure, it is R$ 5.20 / USD 1.00. Scenarios II and III consider a drop in the US dollar of 25% (R$ 3.91 / USD 1.00) and 50% (R$ 2.61 / USD 1.00), respectively. Probable scenarios II and III are being presented in compliance with CVM Ruling No. 475/08. The Management uses the probable scenario in the assessment of possible changes in the exchange rate and presents said scenario in compliance with IFRS 7/CPC 40 - Financial Instruments: Disclosures.

The Company and its controlled companies does not use derivative financial instruments for speculative purposes.

Derivative instruments designated for hedge accounting

The positions of derivative financial instruments designated as outstanding cash flow hedge on March 31, 2020 are indicated below:

Cash flow hedge instrument

						Others comprehensive results	
	Hedged Item	Notional currency	Notional value	Curve Value	Fair value	Accrued Gain (Loss) of the agreement	Gain in the 12-month period
Currency Swap – USD/BRL R$	Currency	BRL	2,659,360	1,614,924	1,920,032	305,108	239,523
Forward Agreements (The Body Shop)	Currency	BRL	1,108,091	11,019	10,889	10,889	7,567
Forward Agreements (Natura Indústria)	Currency	BRL	25,928	1,283	1,189	1,189	1,594
Total			**3,793,379**	**1,627,226**	**1,932,110**	**317,186**	**248,684**

Movements in cash flow hedge reserve booked under other comprehensive results are shown below:

	Consolidated
Cash flow hedge balance as of December 31, 2018	(27,706)
Change in the fair value of hedge instrument recognized in other comprehensive results	89,223
Tax effects on the fair value of hedge instrument	(30,928)
Cash flow hedge balance as of March 31, 2019	**30,589**
Cash flow hedge balance as of December 31, 2019	42,729
Change in the fair value of hedge instrument recognized in other comprehensive results	248,684
Tax effects on the fair value of hedge instrument	(83,802)
Cash flow hedge balance as of March 31, 2020	**207,611**

c) Interest rate risk

Sensitivity analysis

On March 31, 2020, there are loans, financing and debenture agreements in foreign currency attached to swap agreements, changing the indexation over the liability to the variation of the Certificate of Interbank Deposit (CDI). Therefore, the risk of the Company and its controlled companies becomes the CDI variation exposure. Find below the exposure to interest rate risks of transactions bound to CDI variation, including derivative transactions (loans, financing and debentures were considered at their full amounts, since 98.5% of their sum is linked to CDI):

	Company	Consolidated
Total loans and financing - in local currency (note No. 19)	(1,079,905)	(15,045,222)
Operations in foreign currency with derivatives bound to CDI	-	(4,287,844)
Financial investments (explanatory notes no. 6 and 7)	552,203	1,822,244
Net exposure	**(527,702)**	**17,510,822**

The tables below show the projection for incremental loss that would have been recognized in the subsequent period, assuming that the current net liability exposure remains static and based on the following scenarios:

Consolidated				
Description	Company's Risk	Probable scenario	Scenario II	Scenario III
Net liability	Rate increase	22,371	(44,941)	(112,253)

The probable scenario considers future interest rates pursuant to quotations from B3 in the predicted maturity dates of the financial instruments exposed to interest rate, as of March 31, 2020. Scenarios II and III consider an increase in the interest rate of 25% (4.2% per year) and 50% (5.1% per year), respectively, over the CDI rate of 3.4% per year.

d) Credit risk

The result of the credit risk management is reflected in the "Provision for expected credit losses" tab under "Accounts receivable from clients", as demonstrated in explanatory note 8.

The Company and its controlled companies consider the credit risk for transactions with financial institutions to be low, as these are considered by the Management as first-rate.

e) Liquidity risk

The Management monitors the consolidated liquidity level for the Company and its controlled companies considering the expected cash flows against unused credit facilities, as shown in the following chart:

	Company		Consolidated	
	March 2020	December 2019	March 2020	December 2019
Total current assets	**1,063,180**	3,050,574	**13,860,739**	9,430,057
Total current liabilities	**(1,255,354)**	(3,080,906)	**(11,533,584)**	(7,518,423)
Total net current assets	**(192,174)**	(30,332)	**2,327,155**	1,911,634

As of March 31, 2020, the book value of financial liabilities, on the date of the balance sheet, measured at amortized cost, considering interest payments at a post-fixed rate and the value of debt securities reflecting the forward market interest rates, may be changed as post-fixed interest rates change. Their corresponding maturities, considering that the Company and its subsidiaries are in compliance with contractual covenants, are evidenced below:

Company	Less than one year	One to five years	Over five years	Total expected cash flow	Interest to be accrued	Book value
Loans, financing and debentures	1,087,766	-	-	1,087,766	(7,861)	1,079,905
Commercial leasing	-	-	-	-	-	-
Related-party suppliers, suppliers and "drawn risk" transactions	-	-	-	149,244	-	149,244

Consolidated	Less than one year	One to five years	Over five years	Total expected cash flow	Interest to be accrued	Book value
Loans, financing and debentures	2,261,818	18,462,318	-	20,724,136	(1,391,070)	19,333,066
Commercial leasing	3,927,978	-	-	3,927,978	-	3,927,978
Suppliers and "drawn risk" transactions	828,516	4,117,467	797,907	5,743,890	(639,108)	5,104,782

As of December 31, 2019, the Company and its subsidiaries had two credit facilities:

- Up to seventy million pound sterlings (GBP 70 million), with no guarantee, that could be withdrawn in installments to meet short-term financing needs of The Body Shop International Limited. This facility was used by your in directed subsidiaries during the first quarter of 2020, to reinforce working capital and liquidity.
- Up to one hundred and fifty Reais (R$ 150,000), with no guarantee, which was terminated during the first semester of 2020.

5.3 Impacts of Covid-19

As of the date of this consolidated financial statement, the Company's Management cannot predict the extent and duration of the measures adopted by governments in the countries where the Company and its subsidiaries have operations and, therefore, cannot predict the direct and indirect impacts of Covid-19 on its business, operating results and financial condition, including:

- the impact of Covid-19 in the financial conditions and operating results, including general economic trends and perspectives, financial and capital resources or liquidity position;
- how future operations could be impacted;
- the impact on costs or access to capital and financing resources and on ability to meet the covenants of credit agreements;
- if the Company and its subsidiaries could incur any material Covid-19-related contingencies;
- how Covid-19 could affect assets on the balance sheet and the ability to timely record those assets;
- the advance of any material losses, increases in provisions for credit losses, restructuring charges or other expenses;
- any changes in accounting judgment which had or are reasonably expected to have a relevant impact in this financial statement;
- the impact on the demand for the Company and its subsidiaries products;
- the impact on the Company and its subsidiaries supply chain;
- the impact on the relationship between costs and revenues; and
- other unforeseen impacts and consequences.

However, based on the uncertainties described above, the Company and its subsidiaries are closely monitoring how the pandemic caused by Covid-19 progresses and created crisis committees in several areas, including with the main employees, in order to monitor, analyze and decide on actions to minimize impacts, assuring continuity of operations and promoting health and safety for all people involved in its operations.

As of the date of the approval to issue the Company's financial statements, and also since the beginning of the virus spread and the consequent restrictive measures imposed by governments, such as closing non-essential businesses and restricting the movement of people at borders, the Company has implemented some measures in all its operations, aligned with the government's measures:

- Incentive to the Company and its subsidiaries employees to work remotely and adoption of essential criteria to limit industrial and logistical operations;
- Adoption of new safety measures for operational workers, such as masks and procedures to leave people in a safe distance from each other;
- Closing of stores, where and when required by the authorities;
- Replanning sales cycles, prioritizing personal care items;
- Speeding up the digitization of sales channels;
- Wide disclosure of the digital magazine;
- Change of the minimum criteria for orders, initial kits and extended term for payment of consultants;
- Daily monitoring of suppliers to ensure supply.

In addition to these measures, a crisis committee was created, focused on financial impacts and which monitors the Company and its subsidiaries financial health, focusing on cash, covenants and results, proposing actions to minimize the inevitable reduction in sales. Those actions include the following:

- Cutting discretionary expenses, such as consultancies and events;
- Freezing the hires and wage increases;
- Marketing expenses reduction;
- Consumer discounts reduction;
- Travel expenses reduction;
- Capital expenditures reduction; and
- Negotiation with suppliers to extend payment terms.

The promissory notes issued by Natura &Co Holding on December 20, 2019 include an obligation that demands that the Company maintain a certain indebtedness index that must be verified in June 2020, however, as a result of the impacts of COVID-19, the creditors of such notes agreed to not calculate this indebtedness index in June 2020.

The effects of the incentive plan that some governments are announcing are also being monitored and included in the management's projections.

The actions and decisions above are constantly under review by the management and the committees, according to the development of global scenarios. As a response to the possible impacts of Covid-19, the company carried out an impairment assessment on the base date of March 31, 2020 for the cash-generating units ("CGU") that include the business combination goodwill (Note 17.a)

6. CASH AND CASH EQUIVALENTS

Information pertaining to cash and cash equivalents was presented in the Company's 2019 annual financial statements, on Note 6.

	Company		Consolidated	
	March 2020	December 2019	March 2020	December2019
Cash and banks	271	2,173,101	2,705,479	3,110,220
Certificate of Bank Deposits [(a)]	11,656	207,699	60,353	211,261
Repurchase operations [(b)]	-	-	345,664	1,192,101
	11,927	2,380,800	3,111,496	4,513,582

(a) As of March 31, 2020, investments in Certificate of Bank Deposits (CDB) are remunerated at an average rate of 103.1% of CDI (106.9% of CDI as of December 31, 2019) with daily maturities redeemable with the issuer itself, without significant loss of value.

(b) Repurchase operations are securities issued by banks with a commitment by the bank to repurchase them, and by the client to resell them, at defined rates and within a predetermined term, backed by public or private securities, depending on bank availabilities and registered with the CETIP. On March 31, 2020, repurchase operations are remunerated at an average rate of 100.0% of CDI (99.9% of the CDI on December 31, 2019).

7. SHORT-TERM INVESTMENTS

Information pertaining to bonds and securities was presented in the Company's 2019 annual financial statements, on Note 7.

	Company		Consolidated	
	March 2020	December 2019	March 2020	December 2019
Exclusive investment funds	540,547	669,769	-	-
Loan investment funds	-	-	468,527	407,928
Certificate of Bank Deposits [(a)]	-	-	246,133	21,327
Financial letters	-	-	417,355	374,690
Government bonds (LFT)	-	-	284,212	221,900
Dynamo Beauty Ventures Ltd. Fund [(b)]	-	-	8,938	7,402
Restricted cash	-	-	38,580	-
	540,547	669,769	1,463,745	1,033,247
Current	540,547	669,769	1,454,807	1,025,845
Non-Current	-	-	8,938	7,402

(a) The balance on March 31, 2020, related to the "Crer para Ver" line within the exclusive fund is R$ 44,961. (R$ 38,018 on December 31, 2019).

Breakdown of securities constituting the Essential Investment Fund portfolio on March 31, 2020 and December 31, 2019 is as follows:

	March 2020	December 2019
Certificate of time deposits	136,551	21,327
Repurchase operations	147,812	1,192,101
Financial letters	231,543	374,690
Government bonds (LFT)	157,677	221,900
	673,583	1,810,018

8. TRADE RECEIVABLES

Information pertaining to accounts receivable from clients was presented in the Company's 2019 annual financial statements, on Note 8.

	Consolidated	
	March 2020	December 2019
Accounts receivable from clients	3,222,987	1,793,759
Provision for expected credit losses	(448,355)	(107,995)
	2,774,632	1,685,764

Maximum exposure to credit risk on the date of the financial statements is the book value of each maturity date range, net of the provision for expected credit losses, as shown in the chart of receivable balances per maturity date:

	Consolidated	
	March 2020	December 2019
To become due	1,428,211	1,501,958
Past due:		
Up to 30 days	1,273,869	142,069
31 to 60 days	163,147	36,466
61 to 90 days	95,199	27,789
91 to 180 days	262,561	85,477
Provision for expected credit losses	(448,355)	(107,995)
	2,774,632	1,685,764

Movements in the provision for expected credit losses for the period ending on March 31, 2020 are as follows:

	Consolidated
Balance on December 31, 2018	(129,242)
Additions	(75,428)
Write-offs	72,073
Exchange variation	(373)
Balance on March 31, 2019	(132,970)
Balance on December 31, 2019	(107,995)
Control acquisition	(270,187)
Additions	(209,933)
Write-offs	182,333
Exchange variation	(42,573)
Balance on March 31, 2020	(448,355)

Find below the balances of accounts receivable from clients per exposure to expected credit losses risk on March 31, 2020:

	Consolidated	
	Accounts receivable from clients	Provision for expected credit losses
To become due	1,428,211	(50,296)
Past due:		
Up to 30 days	1,273,869	(70,636)
31 to 60 days	163,147	(60,951)
61 to 90 days	95,199	(50,138)
91 to 180 days	262,561	(216,334)
	3,222,987	(448,355)

9. INVENTORIES

Information pertaining to inventories was presented in the Company's 2019 annual financial statements, on Note 9

	Consolidated	
	March 2020	December 2019
Finished products	3,556,809	1,253,145
Raw materials and packaging	871,012	253,063
Auxiliary materials	197,798	82,228
Products in progress	40,674	27,346
Provision for losses	(625,614)	(185,232)
	4,040,679	1,430,550

Movements in the provision for inventory losses for the period ending on March 31, 2020 are as follows:

	Consolidated
Balance on December 31, 2018	(178,268)
Net additions	(37,920)
Write-offs	38,374
Exchange variation	726
Balance on March 31, 2019	**(177,088)**
Balance on December 31, 2019	(185,232)
Control acquisition	(332,350)
Net additions	(119,735)
Write-offs	92,296
Exchange variation	(80,593)
Balance on March 31, 2020	**(625,614)**

10. RECOVERABLE TAXES

Information pertaining to recoverable taxes was presented in the Company's 2019 annual financial statements, on Note 10

	Consolidated	
	March 2020	December 2019
ICMS on purchase of inputs	621,998	434,832
Taxes on purchase of inputs - controlled companies abroad	208,910	39,475
ICMS on purchase of fixed assets	10,373	10,628
PIS and COFINS on purchase of fixed assets	2,728	3,826
PIS and COFINS on purchase of inputs	769,919	280,087
PIS, COFINS and CSLL - withheld at source	3,908	2,378
IPI	79,265	30,190
Other	161,982	3,438
	1,859,083	804,854
Current	959,222	395,640
Non-Current	899,861	409,214

11. INCOME TAX AND SOCIAL CONTRIBUTION

The effective rate calculated by the Company in the period of March 31, 2020 was negative in 13%. This percentage is based on the losses before taxes of R$ 730.1 million and in the income tax expenses of R$ 94.8 million. The main components causing the effective rate to be distant from the nominal income tax rate of 34% are the tax losses of certain jurisdictions which may not benefit from deferred asset income tax, permanent effects related to income tax withheld at source arising from transactions among companies of the group which may not be used and the additional recognition of deferred liability income tax due to the announcement by the British government that the nominal rate will not be reduced from 19% to 17%. Excluding the adverse effects caused especially by jurisdictions with tax losses that may not benefit from deferred asset income tax, the Company's effective rate would be approximately 32.6%.

The effective rate calculated by the Company in the period of March 31, 2019 was 30.7%. This percentage is based on the profits before taxes of R$ 19.4 million and in the income tax expenses of R$ 6 million. The main components causing the effective rate to be distant from the nominal income tax rate of 34% are the tax incentives and the subvention of investments.

Movements in deferred asset and liability income tax and social contribution, for the period ending on March 31, 2020 and 2019, are as follows:

	Assets Consolidated	Liabilities Consolidated
Balance on December 31, 2018	398,400	(431,534)
Effect on results	23,291	3,850
Reserve for grant of options and restricted shares	(2,547)	-
Effect on other comprehensive results	(30,928)	-
Exchange variation on other comprehensive results	6,425	(3,150)
Balance on March 31, 2019	394,641	(430,834)
Balance on December 31, 2019	374,448	(450,561)
Effect on results	(30,857)	(33,472)
Control acquisition	667,034	(728,274)
Reserve for grant of options and restricted shares	(39,435)	-
Effect on other comprehensive results	(83,802)	-
Exchange variation on other comprehensive results	109,031	(292,603)
Balance on March 31, 2020	**996,419**	**(1,504,910)**

12. JUDICIAL DEPOSITS

Information pertaining to judicial deposits was presented in the Company's 2019 annual financial statements, on Note 12.

	Consolidated	
	March 2020	December 2019
Unprovisioned tax proceedings [(a)]	**293,469**	203,403
Provisioned tax proceedings [(b)] (notes 21 and 22)	**267,896**	116,415
Unprovisioned civil proceedings	**7,739**	2,541
Provisioned civil proceedings (note 22)	**3,364**	426
Unprovisioned labor proceedings	**13,664**	8,683
Provisioned labor proceedings (note 22)	**33,594**	5,787
Total judicial deposits	**619,726**	337,255

a) The tax proceedings related to these judicial deposits are mainly related to ICMS-ST, highlighted on note 20 (a) - contingent liabilities - possible risk of loss.

b) The tax proceedings related to these judicial deposits are mainly related to the sum of amounts disclosed in explanatory note 21[b], item (a) and the amounts provisioned pursuant to explanatory note 20.

Find below the movements in the balances of judicial deposits for the periods ending on March 31, 2020 and 2019:

	Consolidated
Balance on December 31, 2018	333,577
New deposits	904
Redemptions	(376)
Monetary adjustment	3,752
Write-offs for expenses	(1,816)
Balance on March 31, 2019	**336,041**
Balance on December 31, 2019	**337,255**
Control acquisition	283,885
New deposits	4,867
Redemptions	(1,519)
Monetary adjustment	1,383
Accounts Payable	(5,344)
Write-offs for expenses	(801)
Balance on March 31, 2020	**619,726**

In addition to judicial deposits, the Company and its controlled companies have contracted guarantee insurance policies for some proceedings. Details on these insurance policies are presented in explanatory note No. 34.

13. ASSETS AVAILABLE FOR SALE

On the acquisition date of Avon (Note 4) on January 3, 2020, there was a balance of long-term assets held for sale with acquired fair value of R$ 186,518 (USD 46,036). During such period, circumstances arose which were previously considered as unlikely and, as a result, Avon decided not to carry on with the sale of two properties with total value of USD9.1MM. As a result, it controlled reclassified such properties held for sale in the property, plant and equipment assets. During the reclassification, we recorded a real depreciation, resulting in a non-property impact to our consolidated financial statements. On March 31, 2020, the assets available for sale include three Avon properties at the sum of R$ 186,518 (USD 35,900).

14. OTHER CURRENT AND NON-CURRENT ASSETS

	Consolidated	
	March 2020	December 2019
Marketing and advertising advances	111,112	28,669
Supplier advances	200,766	102,225
Employee advances	38,963	13,983
Rent advances and guarantee deposit [(a)]	147,058	96,202
Prepaid insurance expenses	186,491	29,647
Life insurance in advance	687,415	-
Customs broker advances - Import taxes	39,707	34,932
Subleasing receivables	382,584	-
Carbon credit	3,651	3,508
Other	415,363	39,868
	2,213,110	349,034
Current	832,988	265,198
Non-Current	1,380,122	83,836

a) Mainly refers to (i) the advance of rent agreements not included in the initial measurement of commercial lease / right-of-use liabilities of controlled company The Body Shop International Limited, in accordance with the exemptions set forth on CPC 06(R2) / IFRS 16; and (ii) guarantee deposits for the real estate rental of certain stores of controlled companies The Body Shop International Limited and Emeis Holdings Pty Ltd. which will be returned by the lessor at the end of the rent agreements.

15. INVESTMENTS

	Company	
	March 2020	December 2019
Investments in controlled companies, net of losses	**9,484,801**	3,392,677
Goodwill Avon (Note 4)	**10,973,473**	-
Total	**20,458,274**	3,392,677

Information and movements of balances for the period ending on March 31, 2020 and for the fiscal year ending on December 31, 2019:

	Natura Cosméticos S.A. (1)	Avon Products, Inc.	Total
Interest percentage	100,00%	100,00%	
Net equity of the controlled companies	4,757,910	(4,156,091)	**601,819**
Interest on net equity	4,757,910	(4,156,091)	**601,819**
Fair value adjustment of acquired assets and liabilities	-	8,882,982	**8,882,982**
Goodwill	-	10,973,473	**10,973,473**
Total	**4,757,910**	**15,700,364**	**20,458,274**
Net losses for the period of the controlled companies	(213)	(711,889)	**(712,102)**
Balance on December 31, 2019	3,392,677	-	**3,392,677**
Equity accounting results	(213)	(711,889)	**(712,102)**
Exchange variation and other adjustments in the conversion of investments of the controlled companies abroad	1,204,176	3,140,511	4,344,687
Effect of a hyperinflationary economy	17,126	-	**17,126**
Contribution of the controlled company for share option plans granted to its executives and other reserves, net of tax effects	(23,890)	-	**(23,890)**
Hedge accounting, net of tax effects	168,033	(3,152)	**164,882**
Acquisition price	-	13,274,894	**13,274,894**
Balance on March 31, 2020	**4,757,910**	**15,700,364**	**20,458,274**

(1) The investment balance in the direct subsidiary Natura Cosméticos S.A. includes goodwill arising from the acquisitions of indirect subsidiaries TBS (R$ 1,751,529) and Aesop (R$ 112,977).

16. PROPERTY, PLANT AND EQUIPMENT

Information pertaining to fixed assets was presented in the Company's 2019 annual financial statements, on Note 15.

	Consolidated								
	Useful life in years	December 2019	Control acquisition	Additions	Write-offs	Impairment	Transfers	Other movements including exchange variation	March 2020
Cost value:									
Vehicles	2 to 5	45,578	25,789	260	(2,711)	-	2,163	11,302	**82,381**
Templates	3	192,556	-	-	(27)	-	4,322	25	**196,876**
Tools and accessories	3 to 20	11,974	52,410	3,271	(283)	-	(1,034)	9,897	**76,235**
Facilities	3 to 60	309,772	1,431	5	(3,212)	-	2,359	9,347	**319,702**
Machinery and accessories	3 to 15	866,451	746,734	5,556	(726)	-	10,757	124,366	**1,753,138**
Improvements in third-party real properties (a)	2 to 20	615,103	58,548	6,844	(651)	385	14,830	90,324	**785,383**
Buildings	14 to 60	386,957	1,168,837	2,781	3,070	-	27,616	226,178	**1,815,439**
Furniture and utensils	2 to 25	397,727	32,566	4,658	(686)	1,823	6,543	71,943	**514,574**
Land	-	35,157	568,470	-	-	-	4,772	152,410	**760,809**
IT equipment	3 to 15	297,228	112,369	2,300	(402)	-	9,536	52,303	**473,334**
Other assets	-	-	40,090	-	-	-	-	11,343	**51,433**
Projects in progress	-	156,011	78,965	53,621	(402)	-	(53,107)	22,132	**257,220**
Total cost		**3,314,514**	**2,886,209**	**79,296**	**(6,030)**	**2,208**	**28,757**	**781,570**	**7,086,524**
Depreciation value:									
Vehicles		(16,924)	-	(6,712)	1,231	-	(2,093)	(2,945)	**(27,443)**
Templates		(175,938)	-	(1,975)	-	-	-	(77)	**(177,990)**
Tools and accessories		(3,255)	-	(11,346)	-	-	-	(1,748)	**(16,349)**
Facilities		(167,362)	-	(7,125)	282	-	-	(2,351)	**(176,556)**
Machinery and accessories		(416,736)	-	(49,636)	154	-	(161)	(11,782)	**(478,161)**
Improvements in third-party real properties		(267,371)	-	(28,910)	-	-	25	(40,355)	**(336,611)**
Buildings		(101,785)	-	(26,380)	-	-	-	(3,089)	**(131,254)**
Furniture and utensils		(193,973)	-	(22,270)	465	-	(25)	(37,787)	**(253,590)**
IT equipment		(197,281)	-	(23,927)	10	-	-	(17,477)	**(238,675)**
Other assets		-	-	(3,097)	-	-	-	(515)	**(3,612)**
Total depreciation		**(1,540,625)**	**-**	**(181,378)**	**2,142**	**-**	**(2,254)**	**(118,126)**	**(1,840,241)**
Overall Total		**1,773,889**	**2,886,209**	**(102,082)**	**(3,888)**	**2,208**	**26,503**	**663,444**	**5,246,283**

17. INTANGIBLES

Information pertaining to intangible assets deposits was presented in the Company's 2019 annual financial statements, on Note 16.

	Consolidated								
	Useful life in years	December 2019	Control acquisition	Additions	Write-offs	Reversal (provision) of impairment	Transfers	Other movements including exchange variation	March 2020
Cost value:									
Software	2.5 to 10	1,313,090	291,239	27,299	(31)	-	72,445	116,469	**1,820,511**
Trademarks and patents (Defined useful life)	24 to 25	116,805	517,592	-	-	-	-	161,815	**796,212**
Trademarks and patents (Indefinite useful life)	-	2,171,585	1,893,224	-	-	-	-	1,002,860	**5,067,669**
Goodwill Avon (Note 4)	-	-	10,973,474	-	-	-	-	3,039,790	**14,013,264**
Goodwill Emeis Brazil Pty Ltd.	-	100,237	-	-	-	-	-	12,740	**112,977**
Goodwill The Body Shop International Limited	-	1,434,369	-	7,824	-	-	-	307,880	**1,750,073**
Goodwill acquisition of The Body Shop stores	-	1,456	-	-					**1,456**
Relationship with retail clients	10	1,987	-	-	-	-	-	282	**2,269**
Goodwill (indefinite useful life)	-	17,801	-	-	-	-	5,595	2,191	**25,587**
Goodwill (Defined useful life)	3 to 18	12,447	-	-	-	(80)	(3,145)	4,829	**14,051**
Relationship with franchisees and sub-franchisees	14 to 15	602,958	1,876,169	-	-	-	-	659,983	**3,139,110**
Developed technology (by acquired controlled company)	-	-	1,131,573	-	-	-	-	320,159	**1,451,732**
Other intangible assets	2 to 10	110,288	-	14,665	-	-	(63,534)	10,801	**72,220**
Total cost		**5,883,023**	**16,683,271**	**49,788**	**(31)**	**(80)**	**11,361**	**5,639,799**	**28,267,131**
Amortization value:									
Software		(649,347)	-	(81,653)	43	-	(3,634)	(28,471)	**(763,062)**
Trademarks and patents		(44,108)	-	(8,285)	-	-	-	(5,578)	**(57,971)**
Goodwill		(2,197)	-	(97)	-	-	178	(3,489)	**(5,605)**
Relationship with retail clients		(1,939)	-	(52)	-	-	-	(232)	**(2,223)**
Relationship with franchisees and sub franchisees		(95,772)	-	(67,166)	-	-	-	(30,938)	**(193,876)**
Developed technology (by acquired controlled company)		-	-	(62,191)	-	-	-	(10,331)	**(72,522)**
Other intangible assets		(13,159)		1,390	-	-	-	(2,574)	**(14,343)**
Total accrued amortization		**(806,522)**	**-**	**(218,054)**	**43**	**-**	**(3,456)**	**(81,613)**	**(1,109,602)**
Net total		**5,076,501**	**16,683,271**	**(168,266)**	**12**	**(80)**	**7,905**	**5,558,186**	**27,157,529**

a) Impairment testing of intangible assets with indefinite useful life

Goodwill from the expected future profitability of acquired companies and intangibles assets with indefinite useful life were allocated to the Company's CGU groups. In accordance with CPC 01 - *Redução ao Valor Recuperável de Ativos* (IAS 36 - Impairment of Assets), when a CGU or a group of CGUs have an intangible asset with indefinite useful life allocated, the Company must test its book value for impairment annually, or whenever there is evidence of such. During the period ending on March 31, 2020, the management considers that the impacts of COVID 19 in its operations (note 5.3) is an indication of requirement of impairment testing of intangible assets with indefinite useful life. CGU groups with intangible assets in such situation as of March 31, 2020 are presented bellow:

2020			
Consolidated			
CGUs Groups / Operating Segment	Trademarks and patents	Goodwill	Total
Avon	3,092,915	14,013,264	17,106,179
Aesop	-	112,977	112,977
The Body Shop	1,971,032	1,750,073	3,721,105
Other	3,722	1,456	5,178
Total	**5,067,669**	**15,877,770**	**20,945,439**

The main updated premises used to calculate the fair value minus sales cost on March 31, 2020 are presented below:

	Aesop	The Body Shop	Avon
Measurement of impairment value (fair value minus sales cost)	Discounted cash flow.		
Projected cash flow	Operating business cycle (approximately 5 years) with perpetuity.		
Budgeted gross margin	Average gross margin based on history and projections for the following 5 years, adjusted with the results of potential impacts of Covid-19.		
Estimated costs	Costs based on historical data and market trends, optimization of retail operations (renewal of the geographic presence of stores, revitalization of the franchise network) and physical expansion with growth in market share.		
Growth rate in perpetuity (*)	Constant growth of 2.5%.	Constant growth of 2.0%.	Constant growth of 2.0%.
Discount rate	These cash flows were discounted using a discount rate before taxes of 11.52% p.a. for The Body Shop, 12.34% p.a. for Aesop and 13.21% p.a. for Avon, in real terms. The discount rate was based on the weighted average cost of capital that reflects the specific risk of each segment.		

(*) Based on the inflation applicable to the host country of each segment, based on public information released by the International Monetary Fund.

The Company carried out a sensitivity analysis of the following variables: (i) discount rate and (ii) growth rate in perpetuity, due to their potential impacts on cash flows. A 1 p.p. increase in the discount rate or a 1 p.p. decrease in the growth rate in perpetuity of the cash flow of each CGU group would not result in the need to recognize a loss. Based on the analyses conducted by the Management, there was no need to record impairment losses for the balances of these assets in the year ending on March 31, 2020.
In addition, as the accounting for the acquisition of Avon that took place on January 3, 2020 was still preliminarily presented in accordance with Note 4, the allocation of goodwill at UGC, for the purposes of this specific test, was also performed on a preliminary basis.

18. RIGHT OF USE AND LEASE

Information pertaining to right of use and commercial lease was presented in the Company's 2019 annual financial statements, on Note 17.

a) Right to use

	Consolidated							
	Useful life in years	December 2019	Control acquisition	Additions	Write-offs	Transfers (i)	Others movements	March 2020
Cost value:								
Vehicles	3	40,018	42,467	38,836	(202)	-	10,382	**131,501**
Machinery and equipment	3 to 10	15,578	14,034	517	-	-	6,831	**36,960**
Buildings	3 to 10	784,900	489,740	74,070	(4,380)	-	152,815	**1,497,145**
IT equipment	10	283	18,429	827	-	-	4,575	**24,114**
Retail stores	3 to 10	2,350,377	-	102,663	(6,272)	(2,451)	530,027	**2,974,344**
Tools and accessories	3	2,803	-	-	-	-	603	**3,406**
Total cost		**3,193,959**	**564,669**	**216,913**	**(10,854)**	**(2,451)**	**705,233**	**4,667,469**
		-	-	-	-			
Depreciation value:								
Vehicles		(8,109)	-	(11,450)	138	-	(1,274)	**(20,695)**
Machinery and equipment		(4,317)	-	(3,391)	-	-	(1,427)	**(9,135)**
Buildings		(97,190)	-	(68,396)	2,852	-	(21,247)	**(183,982)**
IT equipment		(214)	-	(4,857)	-	-	(648)	**(5,719)**
Retail stores		(463,332)	-	(138,496)	5,066	(178)	(113,105)	**(710,045)**
Tools and accessories		(936)		(230)	-	-	(233)	**(1,399)**
Total accrued depreciation		**(574,098)**	**-**	**(226,820)**	**8,056**	**(178)**	**(137,935)**	**(930,974)**
Net total		**2,619,861**	**564,669**	**(9,906)**	**(2,798)**	**(2,629)**	**567,298**	**3,736,495**

i. Pertaining to the goodwill paid on store rental, transferred to the intangible assets until a new commercial agreement with the lessor is executed, when the amount will return to the right to use in the initial calculation of this new lease agreement.

	Consolidated	
	March 2020	March 2019
Values recognized in the income statement during the periods ending on March 31, 2020 and March 31, 2019		
Financial expense on lease	53,611	30,974
Amortization of right of use	226,820	129,079
Appropriation in the result of variable lease installments not included in the measurement of lease liabilities	8,229	6,303
Sublease revenue	6,143	(654)
Short-term lease expenses and low-value assets	20,505	26,010
Other expenses related to leases	9,290	841
Total	**324,597**	**192,553**
Values recognized in the financing cash flow statement		
Commercial lease payment (principal)	227,506	143,895
Values recognized in the operating cash flow statement		
Commercial lease payment (interest)	35,829	30,974
Variable lease payments not included in the measurement of lease liabilities	2,813	4,890
Short-term lease payments and low-value assets	15,393	320
Other lease-related payments	9,816	8,729
Total	**291,356**	**188,808**

b) Commercial leasing

	Consolidated	
	March 2020	December 2019
Current	**956,413**	542,088
Non-Current	**2,971,565**	1,975,477
Total	**3,927,978**	2,517,565

Find below the movements in the balance of commercial lease for the period ending on March 31, 2020:

	Consolidated
Balance on December 31, 2019	2,517,565
New agreements	280,818
Control acquisition	777,200
Reclassification assets x liabilities	12,322
Payments – principal	(209,723)
Payments – interest	(53,611)
Financial charges accrued	53,611
Write-offs (i)	(4,641)
Conversion effects (other comprehensive results)	554,437
Balance on March 31, 2020	**3,927,978**

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

Maturities of the non-current balance of lease are shown below:

	Consolidated	
	March 2020	December 2019
2021	**568,977**	374,746
2022	**554,951**	361,688
2023	**546,895**	358,274
2024 onwards	**1,300,742**	880,769
Total	**2,971,565**	**1,975,477**

19. BORROWINGS, FINANCING AND DEBENTURES

Information pertaining to loans, financing and debentures was presented in the Company's 2019 annual financial statements, on Note 18.

	Company		Consolidated	
	March 2020	December 2019	March 2020	December 2019
Issued in local currency				
Financing Agency for Studies and Projects (FINEP)	-	-	94,714	101,988
Debentures	-	-	4,126,836	4,251,231
BNDES	-	-	26,321	35,390
BNDES – FINAME	-	-	110	183
Working capital – Operation Mexico	-	-	30,752	31,802
Working capital – Operation Aesop	-	-	110,711	100,438
Working capital - Operation The Body Shop	-	-	453,138	-
Working capital – Operation Avon	-	-	18,539	-
Promissory Notes	1,079,905	2,883,382	1,079,905	2,883,382
Notes	-	-	9,104,376	-
Total in local currency	1,079,905	2,883,382	15,045,222	7,404,414
Foreign Currency				
BNDES	-	-	7,363	8,029
Export Credit note (NCE)	-	-	104,688	81,210
Notes [1]	-	-	3,912,971	3,090,490
Resolution No. 4131/62	-	-	262,822	202,231
Total in foreign currency	-	-	4,287,844	3,381,960
Overall total	1,079,905	2,883,382	19,333,066	10,786,374
Current	1,079,905	2,883,382	1,942,527	3,354,355
Non-Current	-	-	17,390,539	7,432,019
(a) Debentures	-	-		
Current	-	-	120,791	246,017
Non-Current	-	-	4,006,045	4,005,214

[1] Balances recorded for their estimated fair value resulting from business combination with Avon (Note 4).

Find below the movements in the balances of loans, financings and debentures for the periods ending on March 31, 2020 and 2019:

	Company	Consolidated
Balance on December 31, 2018	-	7,994,145
Capital raising	-	90,507
Amortizations		(510,542)
Financial charges accrued	-	126,195
Payment of financial charges	-	(256,034)
Exchange variation (unrealized)	-	(46,974)
Exchange variation (realized)	-	1,359
Conversion effects (other comprehensive results)	-	710
Balance on March 31, 2019	-	7,399,366
Balance on December 31, 2019	2,883,382	10,786,374
Control acquisition	-	7,250,735
Capital raising	-	451,127
Amortizations	(1,816,900)	(1,923,345)
Financial charges accrued	20,283	281,534
Payment of financial charges	(6,860)	(498,585)
Exchange variation (unrealized)	-	914,400
Exchange variation (realized)	-	-
Conversion effects (other comprehensive results)	-	2,070,826
Balance on March 31, 2020	1,079,905	19,333,066

Maturities of non-current loans, financing and debentures liabilities are as follows:

	Company		Consolidated	
	March 2020	December 2019	March 2020	December 2019
2021	-	-	3,059,162	-
2022	-	-	5,263,905	2,279,759
2023	-	-	6,308,180	527,596
2024 onwards	-	-	2,759,292	4,624,664
Total	**-**	**-**	**17,390,539**	**7,432,019**

The main movements in bank loans and financing for the period ending on March 31, 2020 are as follows:

19.1 Description of main movements in bank loans and financing

i) Debentures

The appropriation of costs related to the issuance of debentures in the period ending on March 31, 2020 was R$ 1,033 (R$ 4,760 on December 31, 2019), recorded on a monthly basis under financial expenses, in accordance with the effective interest rate method. Issuance costs to appropriate totaled R$ 12,322 as of March 31, 2020 (R$ 13,354 as of December 31, 2019).

ii) Notes

The appropriation of costs related to the issuance of Notes in the period ending on March 31, 2020 was R$ 1,798 (R$ 6,737 on December 31, 2019), recorded on a monthly basis under financial expenses, in accordance with the effective interest rate method. Issuance costs to appropriate totaled R$ 20,983 as of March 31, 2020 (R$ 22,782 as of December 31, 2019).

iii) Promissory Notes

On January 14, 2020, the partial optional early redemption of first-rate Commercial Notes occurred, in the amount of R$ 1,830 million.
The appropriation of costs related to the issuance of promissory notes in the period ending on March 31, 2020 was R$ 13,101 (R$ 11,135 on December 31, 2019), recorded monthly under the financial expenses item according to the effective interest rate method. Issuance costs to appropriate totaled R$ 7,862 as of March 31, 2020 (R$ 20,962 as of December 31, 2019).

iv) Working capital– The Body Shop

As presented in the liquidity risk management note (5.2.e), The Body Shop had, on December 31, 2019, a credit facility of up to seventy million pound sterlings (GBP 70 million), with no guarantee, that could be withdrawn in installments to meet short-term financing needs of The Body Shop International Limited. This facility was used by the Company during the first quarter of 2020, to reinforce working capital and liquidity, with interest pursuant to the Libor rate + 2% per year.

iv) Notes - Avon

Avon has issued the following notes:

Notes – Avon	Principal (USD)	Principal (R$)	Annual interest rate	Maturity
No guarantee	461,883	2,401,191	5.00%	March 15, 2023
No guarantee	243,847	1,267,687	6.95%	March 15, 2043
With guarantee	500,000	2,599,350	7.88%	August 15, 2022
With guarantee	400,000	2,079,480	6.50%	August 15, 2022

To the Notes issued by Avon, add the effects of allocation of fair values from the business combination (Note 4), which amounted to R$ 780,093 as of March 31, 2019.

19.2 Contract Covenants

The contractual covenants which establish financial indexes arising from the quotient of the net treasury debt division by EBITDA of the last 12 months, which should be equal to or lower than that established. The Company and its controlled companies comply with such clauses as of the base date.

20. TRADE PAYABLES AND FORFAIT OPERATIONS

Information pertaining to suppliers and "drawn risk" transactions was presented in the Company's 2019 annual financial statements, on Note 19.

	Company		Consolidated	
	March 2020	December 2019	March 2020	December 2019
Local suppliers	136	-	4,037,334	1,581,759
Foreign suppliers	1,622	-	858,369	105,073
	1,758	**-**	**4,895,703**	**1,686,832**
"Drawn risk" transactions	-	-	209,079	142,924
	1,758	-	**5,104,782**	**1,829,756**

21. TAX PAYABLES

	Controlling Company		Consolidated	
	March 2020	December 2019	March 2020	December 2019
Ordinary ICMS	-	-	**79,905**	120,300
ICMS-ST (a)	-	-	**70,124**	72,423
Taxes on invoicing – controlled companies abroad	-	-	**212,099**	145,992
INSS - Enforceability suspended	-	-	**52,853**	50,147
Tax withheld at source	**1,435**	987	**144,316**	48,593
Other taxes - controlled companies abroad	-	-	**1,577**	1,180
Income Tax (IR):	-	63	**6,673**	1207
INSS and ISS	-	-	**30,335**	3,218
Other	-	-	**57,170**	399
	1,435	1,050	**655,052**	443,459
Judicial deposits (explanatory note 12)	-	-	**(62,956)**	(62,356)
Current	**1,435**	1,050	**488,620**	320,890
Non-Current	-	-	**166,432**	122,569

(a) The Company's controlled companies have been discussing the illegality of changes in the state legislation for the payment of ICMS - ST. Part of the unpaid amount has been discussed in court by the Company and, in certain cases, the amounts have been deposited with the courts, as mentioned in explanatory note 12.

22.PROVISIONS FOR TAX, CIVIL AND LABOR RISKS

The Company's Management believes that, based on the elements existing on the base date of these financial statements, the provision for tax, civil, commercial and other risks, as well as labor risks, constituted pursuant to CPC 25 / IAS 37, suffices to cover any losses with administrative and court proceedings, as presented below:

	Consolidated	
	March 2020	December 2019
Tax	**837,042**	127,842
Civil	**108,432**	30,653
Labor	**248,502**	61,571
Total	**1,193,976**	220,066
Judicial deposits (explanatory note 12)	**(341,641)**	(60,272)
Current	**47,046**	18,650
Non-Current	**1,146,930**	201,416

2.1 Contingencies with probable losses

Movement of the provision for tax, civil and labor risks and contingent liabilities is presented below:

	Consolidated					
	Tax		Civil		Labor	
	Provisions	Deposits	Provisions	Deposits	Provisions	Deposits
Balance at beginning of year	127,842	(54,059)	30,653	(426)	61,571	(5,787)
Control acquisition [(1)]	657,647	(152,427)	51,263	(2,897)	164,091	(28,819)
Additions	41,221	(4,031)	24,979	(314)	11,804	(751)
Reversals	(16,373)	961	(4,192)	176	(3,073)	818
Payments	(44,836)	4,424	(5,600)	84	(11,532)	836
Monetary adjustment	1,466	(1,509)	1,246	(20)	1,887	(213)
Exchange variation	69,726	1,701	10,256	33	20,924	322
Other movements	349	-	(173)	-	2,830	-
Balance on March 31, 2020	**837,042**	**(204,940)**	**108,432**	**(3,364)**	**248,502**	**(33,594)**

[(1)] Balances recorded for their estimated fair value resulting from business combination with Avon (Note 4).

22.2 Contingencies with possible losses

The Company and its controlled companies have labor and social security, civil and tax contingencies, which loss prediction as assessed by the Management and supported by the legal counsel is classified as possible and, thus, no provision was constituted. The total sum in discussion rated as possible, due to the nature of the claims, is evidenced below:

	Consolidated	
	March 2020	December 2019
Tax	**8,599,300**	3,503,392
Civil	**126,815**	61,532
Labor	**207,457**	77,295
Total contingent liabilities	**8,933,572**	3,642,219
Judicial Deposits	**(314,872)**	**(136,258)**

The main tax cases are the following:

(i) Infraction notices in which the Brazilian Federal Revenue Office collects IPI tax debts, for the supposed lack of compliance with the minimum calculation basis, set forth in the legislation, upon the sales transactions directed to interdependent wholesale establishments. Currently, judgment of the proceedings is awaited at the administrative level. On March 31, 2020, the total amount in discussion classified as possible loss is of R$1,942,078.

(ii) Court decisions which discuss the equivalence to industrial set forth in Decree No.

8,393/2015, which started requiring IPI in exit operations carried out by interdependent wholesale establishments of the products mentioned in said legal provision. On March 31, 2020, the amount in discussion is R$ 1,484,352 (R$ 389,017 on December 31, 2019).

(iii) Administrative and court proceedings discussing the illegality of changes in the state legislation for the payment of ICMS and ICMS - ST. On March 31, 2020, the total amount in discussion is R$1,469,903 (R$ 406,002 on December 31, 2019).

(iv) Infraction notices where the Brazilian Federal Revenue Office collects IRPJ and CSLL tax debts, in order to question the tax deductibility of goodwill amortization in the context of a corporate reorganization among related parties. Currently, there is a discussion in the Judiciary Branch of the lawfulness of administrative decisions which rejected the motion to clarify, submitted to question the dismissed special appeals. On March 31, 2020, the total amount in discussion classified as possible loss is of R$1,385,434 (R$ 1,336,927 on December 31, 2019).

(v) Infraction Notice in which the State of São Paulo Treasury Office enforces the ICMS-ST collection, fully paid by the destination of the goods, the distributing establishment. Judgment of the proceedings is awaited at the administrative level. On March 31, 2020, the total amount in discussion classified as possible loss is of R$ 524,657 (R$ 521,903 on December 31, 2019).

(vi) Infraction notices in which the Brazilian Federal Revenue Service collects IPI tax debts due to disagreement with the tax classification adopted for some products. Judgment of the proceedings is awaited at the administrative level. On March 31, 2020, the total amount in discussion is R$ 295,144 (R$ 218,204 on December 31, 2019).

The main civil cases are the following:

i) Avon was named defendant in several proceedings for personal damages filed in USA courts, claiming that certain powder products that Avon sold in the past were contaminated with asbestos. Many such actions involve several co-defendants of a range of different industries, including cosmetics manufacturers and manufacturers of other products that, unlike the Company's products, were designed to include asbestos. On March 31, 2020, there were 128 individual proceedings pending against the Company. During the quarter ending on March 31, 2020, 18 new proceedings were shelved and twenty others were shelved, settled or otherwise concluded. The amount of our records in this area so far has not been significant, whether individually or jointly. Similar additional cases deriving from the use of the Company's powder products are reasonably predicted.

We believe that the claims against us in such cases have no grounds. We are strongly defending ourselves against such claims and will continue doing so. Until this date, the Company has not been sued in any case filed against it and there were no findings of enforceable liability against the Company. However, the results of testing throughout the country in similar cases filed against other manufacturers of cosmetic powder products vary from direct employment terminations to very large jury-led indemnifications for compensatory and punitive damages. Due to the uncertainties inherent to litigation, we cannot predict the results of all individual cases pending against the Company, and we may only make a reasonable estimate for a small number of individual cases that have progressed to the later stages of court proceedings. For the remaining cases, we supply an aggregate and continuous exposure estimate, which considers the historic results of all cases we have settled so far. Any additions currently recorded in the Company's balance sheet in relation to these cases are not relevant. Other than those, currently, we may not estimate our reasonably possible or probable losses. However, any adverse results, whether in an individual case or jointly, may be relevant. The future costs to litigate such cases, which we fund when incurred, are unknown, but may be significant, although some costs are covered by insurance.

ii) On February 14, 2019, an alleged class action complaint of the shareholder (Bevinal v.

Avon Products, Inc., et al., No. 19-cv-1420) was filed in the USDC for the South District of New York against the company and some of its former officers. On June 3, 2019, the court appointed a main plaintiff and a class attorney. The complaint was subsequently changed on June 28, 2019, retitled "In re Avon Products, Inc. Litigation over Securities" on July 8, 2019. On July 24, 2019, the plaintiffs presented a new changed complaint. The changed complaint is submitted on behalf of a new class, supposedly comprised of all purchasers or acquirers of Avon common shares between January 21, 2016 and November 1st, 2017, including such latter date. The charge claims violations to Sections 10 (b) and 20 (a) of the 1934 Securities Exchange Act, based on supposedly fake or misleading statements and supposed market manipulation with relation to, among other things, changes made in the Avon's credit terms for Brazilian Representatives. On July 26, 2019, Avon and the individual defendants submitted a motion to dismiss. On November 18, 2019, the court denied such motion. Subsequently, on December 16, 2019, Avon and the individual defendants submitted an answer to the changed complaint. On February 14, 2020, the plaintiffs submitted a motion for class certification. The parties are currently under the discovery stage. Avon notified this subject to the Company's insurers. In light of the initial stage of the litigation, we may not predict the result of this matter and may not assess the loss probability or make a reasonable estimate of the amount or range of loss that could arise from an adverse result.

22.3 Contingent assets

The adjusted amounts involved in the requests for restitution of PIS and COFINS installments collected with ICMS included in their calculation bases, in the period of March 2004 to March 2007, not recorded until March 31, 2020, total R$ 145,025 (R$ 26,993 on December 31, 2019).

23. OTHER LIABILITIES

Information pertaining to other liabilities was presented in the Company's 2019 annual financial statements, on Note 22.

	Consolidated	
	March 2020	December 2019
Post-employment health care plan	**765,007**	98,792
Carbon credit	**5,187**	4,519
Exclusivity agreement	**4,800**	5,400
Crer para Ver	**45,523**	51,543
Deferred revenue from performance obligations with customers	**294,742**	76,250
Provisions for sundry expenses	**649,267**	156,895
Provisions for rental	**41,824**	26,568
Provisions for apportionment of benefits and partnerships payable	**8,983**	7,860
Long-term incentive	**252,464**	3,022
Provision for restructuring	**124,980**	3,401
Provision for store renovation	**94,067**	15,997
Other provisions	**346,963**	67,846
Provision for expenses reimbursements related to assets disposed (a)	**72,599**	-
Professional fees	**73,684**	-
Total	**2,780,090**	518,093
Current	**1,730,782**	396,391
Non-Current	**1,049,308**	121,702

(a) On December 17, 2015, Avon entered into agreements resulting on the splitting of operations in the United Stated, Canada and Puerto Rico. These transactions were terminated on March 1st, 2016. From such date, the contingent liabilities prior to this transaction and related to the operations in the United States, Canada and Puerto Rico are treated as a provision for expenses reimbursements related to assets disposed. During the period ending on March 30, 2019, Avon registered R$ 22 million in administrative expenses pertaining to such provisions.

24. SHAREHOLDER'S EQUITY

Information pertaining to judicial deposits was presented in the Company's 2019 annual financial statements, on Note 23.

24.1 Share capital

As of March 31, 2020, the Company's share capital is R$ 4,905,118, composed of 1,188,271,016 registered common shares, with no par value.

The composition of this capital is demonstrated in the chart below:

Date	Description	Number of shares	Value in R$
December 31, 2019	Total paid-up share capital	865,660,042	1,485,436,564
January 03, 2020	Capital increase	321,830,266	3,397,745,864
March 15, 2020	Issue of new shares for share purchase option plans and restricted shares	780,808	21,936,005
March 31, 2020	**Total paid-up share capital**	**1,188,271,116**	**4,905,118,433**

On January 3, 2020, 321,830,266 common shares were issued at an average price of 32.24 totaling R$ 3,397,746. On June 30, 62,347,090 common shares were issued at an average price of R$32.00 totaling R $ 1,995,107.

The Extraordinary Shareholders Meeting held on September 17, 2019 unanimously approved an increase in the Company's capital by R$1,242,165, from R$468,973 to R$1,711,138, through a bonus share issue by capitalizing a portion of the balance in the earnings reserve, in accordance with article 169 of the Brazilian Corporations Law, with the issue of four hundred thirty-two million, five hundred seventy-one thousand, two hundred twenty-eight (432,571,228) book-entry, registered common shares with no par value, distributed to the shareholders of the Company as bonus shares in the proportion of one (1) new share for one (1) common share held. Thus, the number of shares increased from 432,571,228 to 865,142,456, all book-entry, registered common shares with no par value. This change in the proportion of Natura Cosméticos common shares changed the comparative information on earnings per share and share-based payments in this Company's interim financial information.

24.2 Treasury shares

On March 31, 2019, item "Treasury shares" has the following composition:

	Number of shares	R$ (in thousands)	Average price per share - R$
Balance on December 31, 2019	-	-	-
Used	(686,322)	(38,932)	(49.29)
Acquisition	1,114,460	54,936	45.58
Balance on March 31, 2020	**428,138**	**16,004**	**(3,71)**

The minimum and maximum treasury share balance on March 31, 2020 is R$ 29.75 and R$ 49.71, respectively.

24.3 Capital reserve

Completion of the Avon acquisition resulted in the issue of Natura &Co shares for the total subscription price of R$ 13,274,894. Of this total, the amount of R$ 3,397,746 was allocated to the share capital account and the rest, in the amount of R$ 9,877,148 was allocated to the Company's capital reserve. This share merger was approved at a meeting of the Board of Directors on January 3, 2020.

The capital reserve totals R$ 11,112,156 as of March 31, 2020 (R$ 1,302,990 as of December 31, 2019).

25. SEGMENT INFORMATION

The setup of the Company's operating segments is based on its Corporate Governance structure, which splits the business for purposes of decision-making and management analysis.

Since January 3, 2020, as a result of acquiring Avon (Note 4), the management has had the following Corporate Governance structure:

- Operation Natura &Co Latam – all operations of Natura, Avon, Aesop and TBS located in Brazil and Latin America;
- Avon International – all Avon operations, except those located in Brazil and Latin America;
- TBS International – all The Body Shop operations, except those located in Brazil and Latin America; and
- Aesop International – all Aesop operations, except those located in Brazil and Latin America.

In addition to the analysis per segment, the Company's Management also assesses its revenues in several levels, mainly through sales channels: direct sales, operations in the retail market, e-commerce, B2B and franchises. However, the segregation by this kind of operation is not yet considered as significant for disclosures from the Management.

Net revenue by segment is as follows in the quarter ending on March 31, 2020:

- Natura &Co Latam; 55%
- Avon International; 28%
- TBS International; 12%
- Aesop International: 5%

The accounting practices for each segment are described in explanatory note 3 of the Company's annual financial statements for the fiscal year ending on December 31, 2019.

The tables below present summarized financial information for the segments and the geographic distribution of commercial operations of the Company as of March 31, 2020, December 31, 2019 and March 31, 2019.

25.1 Operating segments

	March 2020						
	Reconciliation to net profit (loss) for the period						
	Net Revenue	Performance assessed by the Company	Depreciation and Amortization	Financial revenue	Financial expenses	Income tax	Net profit (loss)
Natura &Co Latam	4,162,335	339,848	(221,863)	1,292,228	(1,376,898)	(155,439)	(122,124)
Avon International	2,121,517	(41,618)	(183,887)	176,177	(361,617)	15,122	(395,823)
TBS International	893,243	133,550	(164,390)	30,117	(41,035)	(59,393)	(101,151)
Aesop International	340,899	77,966	(55,679)	10,580	(6,255)	(6,842)	19,770
Corporate expenses	-	(386,467)	-	51,082	(1,974)	111,749	(225,611)
Consolidated	**7,517,994**	**123,279**	**(625,819)**	1,560,184	(1,787,779)	**(94,803)**	**(824,939)**

	March 2019						
	Reconciliation to profit (loss) for the year						
	Net Revenue	Performance assessed by the Company	Depreciation and Amortization	Financial revenue	Financial expenses	Income tax	Net profit (loss)
Natura &Co Latam	1,775,725	262,855	(79,449)	352,144	(495,399)	(16,733)	23,418
TBS International	870,232	164,107	(144,766)	25,875	(39,101)	1,089	7,205
Aesop International	269,194	60,684	(40,097)	82	(8,857)	(3,461)	8,351
Corporate expenses	-	(38,636)	-	-	-	13,136	(25,500)
Consolidated	**2,915,150**	**449,010**	**(264,312)**	**378,102**	**(543,357)**	**(5,969)**	**13,474**

	March 2020				December 2019			
	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Non-current assets	Total assets	Current liabilities	Non-current liabilities
Avon International	10,591,187	17,400,808	4,610,861	10,086,188	4,574,087	9,317,834	3,139,123	8,219,955
Natura &Co Latam	22,937,294	26,513,012	3,544,007	11,596,668	-	-	-	-
TBS International	7,459,623	9,374,616	1,794,328	1,853,143	6,146,960	7,380,274	1,042,778	1,492,871
Aesop International	1,209,898	1,707,126	329,035	693,685	1,033,408	1,435,830	255,616	590,917
Corporate balance	-	1,063,180	1,255,354	-	-	3,050,574	3,080,906	-
Consolidated	**42,198,002**	**56,058,741**	**11,533,584**	**24,229,684**	**11,754,455**	**21,184,512**	**7,518,423**	**10,303,744**

25.2 Net revenue and non-current assets by geographic region

	March 2020				March 2019		
Net revenue	Natura &Co	Avon International	TBS International	Aesop International	Natura &Co	TBS International	Aesop International
Asia	-	403,606	51,775	161,889	-	68,447	110,153
North America	206,619	-	140,545	58,984	157,659	143,771	40,848
South America	**3,954,870**	**-**	**-**	**-**	**1,616,588**	**-**	**-**
Brazil	2,163,994	-	-	-	1,201,321	-	-
Other	1,790,876	-	-	-	415,267	-	-
Europe	**845**	**1,717,911**	**635,508**	**67,801**	**1,477**	**603,785**	**48,558**
United Kingdom	-	361,942	502,021	35,470	-	469,606	23,592
Other	845	1,355,969	133,487	32,331	1,477	134,179	24,966
Oceania	-	-	65,414	52,225	-	54,229	69,635
Consolidated	**4,162,335**	**2,121,517**	**893,243**	**340,899**	**1,775,724**	**870,232**	**269,194**

	March 2020				March 2019		
Non-current Assets	Natura & Co Latam	Avon International	TBS International	Aesop International	Natura & Co Latam	TBS International	Aesop International
Asia	-	251,844	176,344	363,412	-	140,760	294,428
North America	185,331	-	630,192	336,272	185,646	523,351	272,676
South America	**10,396,188**	**-**	**-**	**-**	4,378,676	**-**	**-**
Brazil	7,835,239	-	-	-	4,197,259	-	-
Other	2,560,949	-	-	-	181,417	-	-
Europe	**9,668**	**22,685,451**	**6,237,413**	**228,143**	**9,765**	**5,105,903**	190,442
United Kingdom	-	21,214,569	5,608,884	89,923	-	4,602,066	76,073
Other	9,668	1,470,882	628,529	138,221	9,765	503,837	114,369
Oceania	-	-	415,674	282,071	-	376,946	275,862
Consolidated	**10,591,187**	22,937,294	**7,459,623**	**1,209,898**	4,574,087	**6,146,960**	1,033,408

No individual or aggregate customer represents more than 10% of the Company's net revenues.

25.3 Reconciliation for recast segments

Because of the new segment information as a result of the Avon acquisition in 2020, described above, the changes in the recast segment information previously disclosed is according to the following:

Presented in the financial statement for the year ended 31 December 2019				
31 December 2019	Non-current assets	Total assets	Current liabilities	Non-current liabilities
Natura Brasil [a]	4,181,261	7,618,551	2,207,944	8,119,890
Natura LATAM [a]	349,698	1,592,912	774,521	105,423
Natura others [a]	12,161	18,126	8,591	1,558
Aesop [b]	1,035,432	1,442,214	274,539	592,531
The Body Shop [c]	6,175,903	7,462,135	1,171,922	1,484,342
Corporate	-	3,050,574	3,080,906	-
Consolidated	**11,754,455**	**21,184,512**	**7,518,423**	**10,303,744**

(a) Amounts included in the new segment information Natura &Co Latam.

(b) Amounts related to the Aesop's operations located in Brazil and Latins America, representing non-current asset (R$ 2.024), total assets (R$ 6.384), current liabilities (R$ 18.923) and non current liabilities (R$1.614) included in the recast segment Natura &Co Latam.

(c) Amount related to The Body Shop's operations located in Brazil and Latins America, representing non-current asset (R$ 28.943), total assets (R$92.885), current liabilities (R$106.475) and non current liabilities (R$7.193) included in the recast segment Natura &Co Latam.

Presented in the financial statement for the period ended 31 march 2019							
30 June 2019	Net revenue	Performance assessed by the Company	Depreciation and amortization	Financial income	Financial expenses	Income tax	Net income (loss)
Natura Brasil [a]	1,188,610	204,758	(62,780)	344,738	(483,695)	2,376	5,397
Natura LATAM [a]	565,427	71,244	(12,400)	8,659	(11,341)	(19,109)	37,053
Natura outros [a]	1,957	(7,215)	(89)	-	-	-	(7,304)
Aesop [b]	269,839	60,362	(40,444)	82	(8,871)	(3,461)	7,668
The Body Shop [c]	889,317	158,497	(148,599)	24,623	(39,450)	1,089	(3,840)
Corporate	-	(38,636)	-	-	-	13,136	(25,500)
Consolidated	**2,915,150**	**449,010**	**(264,312)**	**378,102**	**(543,357)**	**(5,969)**	**13,474**

(a) Amounts included in the new segment information Natura &Co Latam.

(b) Amounts related to the Aesop's operations located in Brazil and Latins America, representing net revenue (R$ 646), performance assessed by Company (R$ 320), depreciation and amortization (R$ 348), financial expense (R$14), and net income (loss) (R$682) included in the recast segment Natura &Co Latam.

(c) Amount related to The Body Shop's operations located in Brazil and Latins America, representing net revenue (R$ 19,085), performance assessed by Company (R$ 5,611), depreciation and amortization (R$ 3,833), financial expense (R$ 1,602), income tax (R$99) and net income (loss) (R$11,046) included in the recast segment Natura &Co Latam.

26. NET REVENUE

	Consolidated	
	March 2020	March 2019
Gross revenue:		
Domestic market	3,013,326	1,694,216
Foreign market	6,581,207	2,231,902
Other sales	124,455	14,457
	9,718,988	3,940,575
Returns and cancellations	(122,517)	(26,071)
Commercial discounts and rebates	(238,585)	(250,390)
Taxes on sales	(1,839,892)	(748,964)
Net revenue	7,517,994	2,915,150

Substantially, revenue from brands Natura and Avon refers to direct sales, whereas from brands The Body Shop and Aesop it refers to retail sales

27. OPERATING EXPENSES AND COST OF SALES

Breakdown by function	Company		Consolidated	
	March 2020	March 2019	March 2020	March 2019
Cost of sold products	-	-	2,878,722	809,172
Expenses with Sales, Marketing and Logistics	-	-	3,299,190	1,323,066
Administrative, R&D, IT and Project Expenses	9,978	-	1,266,091	537,031
Total	9,978	-	7,444,003	2,669,269

Breakdown by nature	Company		Consolidated	
	March 2020	March 2019	March 2020	March 2019
Cost of sold products	-	-	2,878,722	809,172
Raw material/packaging material/resale	-	-	2,621,813	672,066
Personnel expenses (explanatory note 28)	-	-	111,295	71,007
Depreciation and amortization	-	-	37,860	13,832
Other	-	-	107,754	52,267
Expenses with sales, marketing and logistics	-	-	3,299,190	1,323,066
Logistics costs	-	-	566,346	172,398
Personnel expenses (explanatory note 28)	-	-	942,218	388,459
Marketing, sales force and other sales expenses	-	-	1,483,106	583,663
Depreciation and amortization	-	-	307,520	178,546
Administrative, R&D, IT and Project Expenses	9,978	-	1,266,091	537,031
Investments in innovation		-	167,210	16,880
Personnel expenses (explanatory note 28)	5,042	-	458,124	277,967
Other administrative expenses	2,646	-	360,318	170,250
Depreciation and amortization	2,290	-	280,439	71,934
Total	9,978	-	7,444,003	2,669,269

28. EMPLOYEE BENEFITS

Information pertaining to employee benefits was presented in the Company's 2019 annual financial statements, on Note 27.

	Company		Consolidated	
	March 2020	March 2019	March 2020	March 2019
Payroll, profit sharing and bonuses	4,156	-	1,141,927	553,748
Supplementary pension plan	-	-	44,113	20,774
Share-based payments (note 32.3)	-	-	34,887	10,874
Charges on restricted shares (note 32.1)	-	-	(42,695)	5,634
Health care, food and other benefits	(2)	-	147,151	57,180
Charges, taxes and social contributions	27	-	136,792	47,147
INSS - Brazilian Social Security Institute	861	-	49,462	42,076
Total	5,042	-	1,511,637	737,433

28.1 Share-based payments

Options granted in 2020

On March 27, 2020, the Company's Board of Directors approved the new share-based long-term incentive plans, named 'Co-Investment Plan" and "Long-Term Incentive Plan" for 2020.

The "Co-Investment Plan" is comprised of the grant of the Company's common shares for a group of workers that may invest part of their share in the profits (up to the limit of 50%) to purchase shares, such that the Company shall grant the same number of shares of the amount invested by the beneficiary. The rights of participants in relation to the "Co-Investment Plan" will only be fully acquired to the extent the participant remains continuously employed by the Company and its controlled companies until the 3rd anniversary of the grant date.

The "Long-Term Incentive Plan" consists of granting common shares of the Company to a group of workers and, unless otherwise determined by the Company's Board of Directors, the rights of participants in relation to the Performance Shares will only be fully acquired to the extent that: (i) the participant remains continuously employed by the Company and its controlled companies until the 3rd anniversary of the grant date; and (ii) the performance conditions are met. For certain participants, there is a special condition for item (i) above, in which 50% of the granted Performance Shares will be acquired on the 3rd anniversary of the grant date and the remaining 50% on the 4th anniversary of the grant date.

The changes in the number of purchase options for outstanding shares and their corresponding weighted average prices, as well as variations in the number of restricted shares, are as follows:

Share purchase options and Strategy Acceleration Plan		
	Average exercise price per share - R$	Options (thousands)
Balance on December 31, 2019	16.51	17,568
Related to Avon's acquisition – Business Combination (Note 4)	0.01	1,994
Expired	19.32	(58)
Exercised	30.32	(627)
Balance on March 31, 2020	16.28	18,877

	Restricted shares (thousands)	Shares per performance (thousands)
Balance on December 31, 2019	3,092	688
Expired	(14)	-
Exercised	(974)	-
Balance on March 31, 2020	2,104	688

Of the 18877 thousand options existing as of March 31, 2020 (17,568 thousand options as of December 31, 2019) 1,250 thousand options (604 thousand options as of December 31, 2019) may be exercised.

The expenses related to the fair value of options and restricted shares, including the charges related to restricted shares, recognized in the quarter ending on March 31, 2020, according to the period elapsed for the acquisition of the right to exercise options and restricted shares, was R$ 12,650 and R$ 31,966, respectively, in the controlling company and in the consolidated financial statements.

The purchase options for outstanding shares and the restricted shares at the end of the period have the following vesting dates and exercise prices:

As of March 31, 2020 -Share purchase option

Grant date	Right acquisition conditions from the grant date	Exercise price (R$)	Fair value (R$)	Existing options (thousands)[1]	Remaining contractual life (years)	Options to be exercised (thousands)
March 18, 2013	4 years of service	37.60	6,05	386	0,2	386
March 17, 2014	4 years of service	25.16	4,27	102	2,2	102
March 16, 2015	2 to 4 years of service	13.60	4.85 to 5.29	210	3,0	210
July 28, 2015 (Strategy acceleration)	4 to 5 years of service	12.90	6.20 to 6.23	1,296	3,4	196
March 15, 2016	2 to 4 years of service	12.84	7.16 to 7.43	300	4,0	298
July 11, 2016 (Strategy acceleration)	4 to 5 years of service	11.41	6.84 to 6.89	2,640	4,3	-
March 10, 2017	2 to 4 years of service	12.59	6.65 to 6.68	730	5,0	400
March 10, 2017 (Strategy acceleration)	4 to 5 years of service	12.59	6.87 to 6.89	2,210	5,0	-
March 12, 2018	2 to 4 years of service	16.96	7.96 to 8.21	2,052	6,0	684
March 12, 2018 (Strategy acceleration)	3 to 5 years of service	12.16 to 16.96	8.21 to 9.67	3,800	6,0	-
April 12, 2019	3 to 4 years of service	23.54	11.71 to 11.82	1,648	7.1	-
April 12, 2019 (Strategy acceleration)	4 to 5 years of service	23.54	11.51 to 11.71	1,900	7.1	-
From December 31, 2020 to May 9, 2017	1 year of service	0.01	19.80	65	-	65
From March 14, 2018 to December 17, 2018	1 to 3 years of service	0.01	19.70	334	1,2	55
From March 13, 2019 to December 16, 2019	1 to 3 years of service	0.01	19.58	1,205	0,4 a 2,2	-
				18,878		**2,396**

As of March 31, 2020 - restricted shares

Grant date	Right acquisition conditions from the grant date	Existing shares (thousands) [2]	Fair value (R$)	Remaining contractual life (years)
March 10, 2017	2 to 4 years of service	208	11.69 to 12.51	1
March 12, 2018 – Plan I	2 to 4 years of service	472	15.18 to 15.9	1
March 12, 2018 – Plan II	0.4 to 2.4 years of service	90	15.76 to 16.49	-
March 12, 2018 – Plan III	1 to 3 years of service	74	15.54 to 16.27	0,.3
March 12, 2018 – Extraordinary Plan I	1 to 3 years of service	4	15.54 to 16.28	1
August 13, 2018 – Extraordinary Plan III	0.7 to 1.7 years of service	50	13.08 to 13.38	0.2
August 13, 2018 – Extraordinary Plan IV	0.8 to 1.8 year of service	26	13.06 to 13.36	1
August 13, 2018 – Extraordinary Plan VI	1.6 to 3.6 years of service	50	12.24 to 13.13	1 to 2
April 12, 2019 – Plan I	2 to 4 years	818	21.62 to 22.53	1 to 3
April 12, 2019 – Plan II	1 to 3 years of service	312	22.14 to 22.85	1 to 2
		2,104		

On March 31, 2020 – Performance shares

Grant date	Right acquisition conditions	Existing shares (thousands)	Fair value (R$)	Remaining contractual life (years)	Vested stock (thousands)
May 21, 2019	From 3 to 4 years of service from the grant date and if the performance conditions are met	688	23.10 to 45.70	3.0 a 4.0	-
		688			-

As of March 31, 2020, the market price was R$ 25.74 (R$ 38.67 as of December 31, 2019) per share.

Significant data included in the models to price the fair value of options, restricted shares and performance shares granted in the period ending on March 31, 2020 was:

	Share purchase options	
	April 12, 2019	April 12, 2019 (Strategy Acceleration Program)
Volatility	37.77%	37.77%
Dividend yield	1.17% to 1.63%	1.63% to 1.89%
Expected life for vesting	2 to 4 years	4 to 5 years
Risk-free annual interest rate	6.88% to 7.95%	7.95% to 8.18%

	Restricted shares		Performance shares
	April 12, 2019 – Plan I	April 12, 2019 – Plan II	May 21, 2019
Volatility	37.77%	37.77%	37.10%
Dividend yield	1.17% to 1.63%	0.92% to 1.38%	-
Expected life for vesting	2 to 4 years	1 to 3 years	3 to 4 years
Risk-free annual interest rate	6.88% to 7.95%	6.21% to 7.52%	8.08% to 8.40%

29. FINANCIAL INCOME (EXPENSES)

	Company		Consolidated	
	March 2020	March 2019	March 2020	March 2019
FINANCIAL REVENUES:				
Interest on financial investments	6,088	-	35,418	22,961
Gains on monetary and exchange rate variations (a)	18,666	-	237,027	189,086
Gains on swap and forward transactions (c)	-	-	1,075,198	151,125
Gains on fair value adjustment of swap and forward derivatives	-	-	139,440	347
Reversal of the monetary update of provision for tax risks and tax obligations	-	-	42,378	-
Debt structuring revenues for acquisition of Avon	26,328	-	26,328	-
Other financial revenues	-	-	4,395	14,583
	51,082	-	1,560,184	378,102
FINANCIAL EXPENSES:				
Interest on financing	-	-	(253,094)	(128,692)
Interest on commercial leasing	-	-	(54,363)	(30,974)
Losses on monetary and exchange rate variations (b)	-	-	(1,198,575)	(151,374)
Losses on swap and forward transactions (d)	-	-	(148,150)	(211,788)
Loss on fair value adjustment of swap and forward derivatives	-	-	(84,407)	(477)
Adjustment of provision for tax, civil and labor risks and tax liabilities	-	-	(3,746)	(4,235)
Appropriation of funding costs (Debentures/Notes)	-	-	(2,831)	(3,248)
Pension plan interest	-	-	(7,308)	-
Adjustment for hyperinflationary economy (Argentina)	-	-	4,812	(2,639)
Other financial expenses	(1,975)	-	(40,117)	(9,930)
	(1,975)	-	(1,787,779)	(543,357)
Net financial revenues (expenses)	49,107	-	(227,595)	(165,255)

The purpose of the breakdowns below is to explain more clearly the foreign exchange hedging transactions contracted by the Company and the related balancing items in the income statement shown in the previous chart:

	Company		Company	
	March 2020	March 2019	March 2020	March 2019
(a) Gains on monetary and exchange rate variations	18,666	-	237,027	189,086
Gains on exchange rate variation on loans	-	-	13,998	152,899
Exchange rate variation on imports	18,666	-	29,327	4,035
Exchange rate variation on export receivables	-	-	29,776	6,737
Exchange rate variation on accounts payable to controlled companies abroad	-	-	74,349	25,415
Exchange variations of bank accounts in foreign currency	-	-	89,577	-
(b) Losses on monetary and exchange rate variations	-	-	(1,198,575)	(151,374)
Losses on exchange rate variation on loans	-	-	(937,885)	(107,842)
Exchange rate variation on imports	-	-	(19,034)	(5,827)
Exchange rate variation on export receivables	-	-	(2,044)	(5,548)
Exchange rate variation on accounts payable to controlled companies abroad	-	-	(161,863)	(31,996)
Exchange rate variation on financing	-	-	(77,749)	(161)

(c) Gains on swap and forward transactions	-	-	**1,075,198**	151,125
Revenue from swap exchange coupons	-	-	**47,167**	41,293
Gains from exchange variations on swap instruments	-	-	**1,028,031**	109,832
	-	-		-
(d) Losses on swap and forward transactions	-	-	**(148,150)**	(211,788)
Losses on exchange rate variation on swap instruments	-	-	**-**	(153,662)
Financial costs of swap instruments	-	-	**(148,150)**	(58,126)

30. OTHER OPERATING INCOME (EXPENSES), NET

Information pertaining to other operating revenues (expenses), net, was presented in the Company's 2019 annual financial statements, on Note 29.

	Company		Company	
	March 2020	March 2019	March 2020	March 2019
Other operating revenues, net				
Result on write-off of fixed assets	**-**	-	**1,491**	724
ICMS-ST	**-**	-	**7,294**	36,096
Tax contingencies	**-**	-	**1,281**	1,084
Other operating revenues	**-**	-	**543**	3,492
Total other operating revenues	**-**	-	**10,609**	41,396
Other operating expenses, net				
Crer para Ver	**-**	-	**(8,360)**	(8,631)
Expenses related to the acquisition of Avon	**(147,824)**	-	**(297,110)**	
Transformation Plan	**-**	-	**(25,072)**	(6,831)
Other operating revenues (expenses)	**-**	-	**(32,617)**	(11,689)
Total other operating expenses	**(147,824)**	-	**(363,159)**	(27,151)
Other operating revenues (expenses), net	**(147,824)**	-	**(352,550)**	14,245

31. RELATED-PARTY TRANSACTIONS

Information pertaining to transactions with related parties was presented in the Company's 2019 annual financial statements, on Note 31.

31.1The payable and receivable balances for transactions with related parties are indicated below:

	Company	
	March 2020	December 2019
Current assets:		
Avon Products, Inc.[(a)]	**475,700**	-
Natura Cosméticos S.A. – Brazil [(b)]	**30,155**	-
Natura Cosméticos S.A. – Argentina [(b)]	**1,789**	-
Indústria e Comércio de Cosméticos Natura Ltda [(b)]	**924**	-
Natura Cosméticos S.A. – Mexico [(b)]	**527**	-
Natura Cosméticos S.A. – Peru [(b)]	**454**	-
Natura Cosméticos Ltda – Colombia [(b)]	**338**	-
Natura Cosméticos Ltda – Chile [(b)]	**291**	-
Total current assets [(*)]	**510,178**	-
Current liabilities		
Natura Cosméticos S.A. – Brazil [(a)]	**147,486**	-
Total current liabilities	**147,486**	-

(a) Pertains to the allocation of expenses related to the merger process.

(b) Pertains to the allocation of expenses related to the share purchase option plans and restricted shares.

The Natura Institute is one of the quotaholders of the Essential Investment Fund, and on March 31, 2020, the balance was R$ 4,923 (R$ 3,766 on December 31, 2019).

On June 5, 2012, an agreement was entered into between Indústria e Comércio de Cosméticos Natura Ltda. and Bres Itupeva Empreendimentos Imobiliários Ltda., ("Bres Itupeva"), for the construction and lease of a processing, storage and distribution center (HUB), in the city of Itupeva/SP. In 2019, Bres Itupeva granted its credits to BRC Securitizadora S/A, to which Natura makes monthly payments. Mr. Guilherme Peirão Leal and Mr. Pedro Luiz Barreiros Passos, members of the group of controlling shareholders of Natura Cosméticos S.A., indirectly hold controlling interests in Bres Itupeva. The amount involved in the transaction is recorded under "Right of Use" of "Buildings" in the amount of R$ 43,026 (R$ 44,244 under "Buildings" of Fixed Assets as of December 31, 2019).

In the period ending on March 31, 2020, the Company and its controlled companies transferred to the Natura Institute, in the form of a donation associated with maintenance, the sum of R$ 692, corresponding to 0.5% of net profits for the prior fiscal year, and a donation associated with the net sales of products in the Natura Crer Para Ver line, in the amount of R$ 15,000 (R$ 5,000 on March 31, 2019).

31.2 Management's key personnel compensation

The total compensation of the Company's Management key personnel is as follows:

	March 2020			March 2019		
	Compensation			Compensation		
	Fixed (a)	Variable (b)	Total	Fixed (a)	Variable (b)	Total
Board of Directors	5,345	5,855	11,200	5,050	5,916	10,966
Executive Office	13,504	8,442	21,946	9,172	17,585	26,757
	18,849	14,297	33,146	14,222	23,501	37,723

a) The item "Executive Office" includes the amount of R$ 255 pertaining to the amortization of the quarter ending on March 31, 2020 (R$ 14 in the quarter ending on March 31, 2019), of the Confidentiality and Non-Compete Agreement ("Confidentiality Agreement")

b) Refers to profit sharing, the Restricted Stock Program and the Strategy Acceleration Program, including charges, as applicable, appraised in the period. The amounts include any additions to and/or reversals of provisions made in the previous year, due to final assessment of the targets established for board members and officers, statutory and non-statutory, in relation to profit sharing.

31.3 Share-based payments

Breakdown of the Company officers and executives' compensation:

	Grant of options					
	March 2020			March 2019		
	Balance of the Options (quantity)[1] (a)	Average fair value of the options[1] - R$	Average price of the year[1] - R$(b)	Balance of the Options (quantity)[1] (a)	Average fair value of the options[1] - R$	Average price of the year[1] - R$ (b)
Executive office	13,535,439	8.39	16.28	10,745,826	7.44	15.10

	Restricted shares			
	March 2020		March 2019	
	Share balance (quantity)[2] (a)	Average fair value[2] - R$	Stock option balance (number)1 (a)	Average fair value[2] - R$
EXECUTIVE OFFICE	752,133	19.47	603,580	14.88

[1] The number of stock options granted, expired and exercised and their respective fair values is shown already considering the splitting of stock approved at the Extraordinary Shareholders Meeting held on September 17, 2019.

[2] The number of restricted shares and performance shares granted, expired and exercised is shown already considering the splitting of stock approved at the Extraordinary Shareholders Meeting held on September 17, 2019.

(a) Refers to the balance of the matured options and restricted shares ("vested") and not mature ("unvested"), not exercised, at the balance sheet dates.

(b) Refers to the weighted-average exercise price of the option at the time of the stock option plans, adjusted for inflation based on the Extended Consumer Price Index (IPCA) through the end of the reporting period. The new Share Option Plan implemented in 2015, includes no other type of monetary adjustment.

32. COMMITMENTS

32.1 Contracts related to supply of inputs

Controlled company Indústria e Comércio de Cosméticos Natura Ltda., has commitments arising from electric power supply agreements for its manufacturing activities, as described below:

- Agreements that started in 2018 and effective up to 2020, with the value of Megawatts/h between R$ 265 and R$ 363.
- Agreements that started in 2019 and effective up to 2022, with the value of Megawatts/h between R$ 155 and R$ 305.
- Agreements that started in 2020 and effective up to 2022, with the value of Megawatts/h between R$ 204 and R$ 238

The amounts are presented based on electric power consumption estimates in accordance with the contractual period, which prices are based on estimated volumes, arising from the controlled company's continuous operations.

The total minimum supply payments, measured at nominal value, according to the contract, are:

	March 2020	December 2019
Up to one year	**11,263**	17,918
Between one and five years	**11,451**	13,160
Total	**22,714**	31,078

33. INSURANCE

The Group has an insurance policy that considers principally risk concentration and materiality, taking into consideration the nature of its activities and the opinion of its insurance advisors. As of March 31, 2020, insurance coverage is as follows:

Item	Type of coverage	Amount insured	
		March 2020	December 2019
Industrial complex and administrative sites	Any damages to buildings, facilities, inventories, and machinery and equipment	5,290,800	2,322,801
Vehicles	Fire, theft and collision for 347 vehicles (818 in 2019)	258,704	212,027
Loss of profits	No loss of profits due to material damages to facilities buildings and production machinery and equipment	1,582,000	1,582,000
Transport	Damages to products in transit	95,653	32,309
Civil liability	Protection against error or complaints in the exercise of professional activity that affect third parties	2,044,996	532,510
Environmental liability	Protection against environmental accidents that may result in environmental lawsuits	30,000	30,000

34. ADDITIONAL STATEMENTS OF CASH FLOWS

The following table presents additional information on transactions related to the cash flow statement:

	Company		Consolidated	
	March 2020	March 2019	March 2020	March 2019
Non-cash items				
Hedge accounting, net of tax effects	-	-	164,882	58,296
Net effect of acquisition of property, plant and equipment and intangible assets not yet paid	-	-	45,078	43,801
Consideration per acquisition of the controlled company*	13,366	-	-	-
*in millions of Reais				

35. SUBSEQUENT EVENTS

Issuance of promissory notes

The Company, as approved by the Board of Directors on April 29, 2020, issued on May 4, 2020, a single series of Promissory Notes in a total amount of R$ 500 million, with an interest rate of 100% of the CDI variation plus a spread of 3.25% p.a. and maturity date on date on May 4, 2021. At the same date, Natura Cosméticos S.A. issued a Promissory Notes in a total amount of R$ 250 million, with an interest rate of 100% of the CDI variation plus a spread of 3.25% p.a. and maturity date on date on May 4, 2021.

Capital increase

The Company's Borad of Directors approved, in a meeting held on May 5, 2020, a capital increase in the amount of R$ 15,566, through the issuance of 536,755 new nominative common shares, with no par value at the issue price of R$ 29.00, which will participate in the same conditions of the current issued shares in all regards and benefits, including dividends and eventual remuneration to be distributed by the Company. After this increase, the Company's capital is R$ 4,920,684, composed by 1,188,807,871 registered common shares, with no par value.

Acquisition of entity

On 30 June 2020, The Body Shop International Limited signed a purchase and sale agreement for the acquisition of Aeon Forest Co., Ltd in the amount of R$133,275 (¥2,632,000), and the operation was carried out on 1 October 2020 through bank settlement with subsequent acquisition of control.

Resource remittance to subsidiary

On 2 July 2020, the Company remitted to its subsidiary Natura &Co International S.à r.l. the amount of R$ 252,334 (USD47,000), aligned with the purpose of the subsidiary, which is raise and borrow funds by the Company to other consolidated companies (Note 2.3).

Global Offer

On 14 October 2020, the amount of R$ 5,614,750 of the Global Offer described in the material facts disclosed on 30 September and 8 October 2020 was received by the Company.

Within the scope of the Global Offer, the capital increase of the Company was approved by the Board of Directors within the limit of the authorized capital, upon subscription of new shares, under article 6 of the Company's bylaws, through the issue of 121,400,000 new common shares, observing that 96,331,000 shares will be allocated in the Restricted Offer and 25,069,000 Shares under ADSs, represented by ADRs abroad, will be allocated in the International Offer.

On 21 October 2020, the company made a cash contribution to its subsidiary Natura &Co International S.à.r.l, in the amount of US$ 1,033,200 (R$5,786,540), and (ii) a cash contribution of a loan receivable (principal interest accrued and not paid by 22 October 2020) of the Company owed by Natura &Co Lux ("Loan Receivable") to Natura &Co Lux, in the amount of USD 47,793 (R$267,669) as capital increase.

Transfer of funds to the subsidiary and repurchase of bonds

On 2 November 2020, Natura &Co International S.à r.l. entered into a loan agreement with Avon International Operations Inc, an affiliated entity of Avon Products Inc. in the amount of US$ 960,000 (R$ 5,540,928). The loan agreement will have interest at an annual rate of 3.13% and maturity on 2 November 2021.

In order to continue the financial remittance process mentioned above, subsidiary Avon Products Inc entered into repurchase of the remaining principal amount of its Bonds issued in 2016 with maturity on 15 August 2022 and the remaining principal amount of the 2019 Bonds with maturity on 15 August 2022. In relation to the 2016 notes, the aggregate repurchase price was equal to the remaining principal amount of US$ 500,000 (R$2,885,900), plus a premium of US$ 9,800 (R$ 56,564) and accrued interest of US$ 8,400 (R$ 48,483). In regard to the 2019 Notes, the aggregate repurchase price was equal to the remaining amount of US$ 400,000 (R$2,308,720), plus a premium of US$ 7,900 (R$ 45,597) and accumulated interest of US$ 5,600 (R$ 32,322).

Cybernetic incident

In June 2020, Avon realized that it was exposed to a cybernetic incident in its Information Technology environment, which interrupted some systems and partially affected Avon's operations. Avon hired specialists in cybersecurity and in information technology (IT) controls, starting a comprehensive effort to contain and correct and a forensic investigation. By mid-August, Avon had already reestablished all its central operating systems and resumed operations in all its markets, including all distribution centers.

The cybernetic incident had a significant impact in the performance of Avon's revenue in the second quarter of 2020, with the majority of this impact (approximately R$450 million in sales) recovered during the third quarter of 2020, as Avon complied with all orders created. The incremental expenses of this cybernetic incident were not significant.

Although we have no indication that the accuracy and integrity of any financial information has been affected as a result of the incident and Avon has carried out extensive procedures to validate such accuracy and integrity, we believe that, if the incident had occurred differently, it could have had a material impact in Avon's financial statements.

36. APPROVAL OF FINANCIAL STATEMENTS

These interim financial statements of the Company were approved for disclosure by the Board of Directors at the meeting held on November 12, 2020.

São Paulo, November 12, 2020.

Q1-20[1]: Revenue growth even with Covid-19, strong digital ramp-up
Avon integration acceleration, synergies raised by an additional US$100 million
Strengthened balance sheet with fresh capital increase led by Natura controlling shareholders

- **Consolidated net revenue growth**: R$7.5 billion in Q1, up 1.9%, or -6.2% at constant currency ("CC"), driven by strong growth at Natura in Brazil and Hispanic Latam and Aesop, as well as an increase in digital sales across all brands. Group e-commerce accelerated significantly since mid-March.

  - **Natura &Co Latam**: With the addition of Avon, Natura &Co became the number 1 CFT[2] company in Latin America, with 11.8% market share (source: Euromonitor). Net revenue rose by +2.4% in BRL (-1.3% at CC). **Natura**'s net revenue increased by 14.9% in BRL (+12.4% at CC), supported by strong sales growth in Brazil (+9.8%), where productivity per consultant grew for the 14th consecutive quarter by +7.6%, and Hispanic Latam (+25.8%, or +19.7% at CC) despite Covid-19 impacts toward the end of the quarter, attesting to the resilience of the direct sales channel and fast adoption of existing and new digital social selling tools. **Avon**'s net revenue declined 7.1% in BRL, or -11.9% at CC, on a reduction in Representatives across all markets in Latin America and a Covid-19 impact later in the quarter, partially offset by an improved price/mix combination. Brazil declined 4.3%, half the rate of Q4-19 (-8.3%), showing significant sequential improvement largely on a higher price/mix, while Hispanic Latam declined 8.9% (-16.8% at CC).

  - **Avon International**: Net revenue declined 2.4% in BRL in Q1 (-15.0% at CC), on a reduction in Representatives and a Covid-19 impact later in the quarter, partially offset by an improved price/mix combination across most markets. Adoption of social selling tools by Representatives also accelerated, as they were equipped with new digital capabilities, such as the instant messaging digital brochure, including new order-management features, and direct-to-consumer shipping in 25 markets.

  - **The Body Shop:** Net revenue increased 2.6% in BRL in Q1 (-10.5% at CC). Covid-19 lockdown restrictions impacted retail performance in February and March across all markets, offsetting January's solid growth. Strong shift of consumers to e-commerce, which grew almost 300% over the last few weeks, coupled with a 61.0% growth in At-Home (direct sales) in the quarter, partially offsetting lost retail sales.

  - **Aesop:** Strong double-digit net revenue growth of 26.6% in BRL in Q1 (+10.5% at CC), with retail growth despite the gradual lockdown in most markets. This was partially offset by strong acceleration in e-commerce sales, which has grown over 500% over the last couple of weeks.

- **Strong acceleration in digital social selling and e-commerce since lockdown restrictions:** Total group e-commerce sales grew nearly 250% in recent weeks vs prior year. At the Body Shop, growth was 300% and at Aesop, growth was over 500%. At Natura and Avon combined, e-commerce grew 150%, fueled by growth in consultants sharing their online stores. At Avon International, Representatives increased adoption of digital assets from a low single digit in 2019 to over 37% in recent weeks. Sales via Representatives sharing e-brochures grew 85% at Avon globally in recent weeks, and in the UK it was up five-fold versus last year. At Natura, over 90% of consultants already use digital assets while content sharing grew by 64% and the number of orders doubled in the 700,000+ online consultant stores.

- **Adjusted[3] EBITDA** reached R$571.5 million, with adjusted margin of 7.6%, excluding non-recurring Avon-related acquisition costs of R$298.3 million, and a non-cash, non-recurring purchase price allocation ("PPA") effect of R$102.9 million resulting from the fair market value assessment of Avon. Reported EBITDA was R$145.3 million.

  - **Natura &Co Latam**'s adjusted EBITDA margin was 6.9% (+50 bps), supported by higher margin at both Natura Brazil and Hispanic Latam, driven by higher sales and operational leverage, while Avon had lower sales in Brazil and more significantly in Hispanic Latam

  - **Avon International**'s adjusted EBITDA margin stood at 4.8% (-760 bps), due to lower revenue from strong negative Covid-19 impacts in March. In January and February, EBITDA margin was higher than same period last year.

  - **The Body Shop**'s adjusted EBITDA margin was 15.0% (-460 bps), due to lower revenue from Covid-19-related store closures in most markets, mainly in March. In January and February, EBITDA margin was higher than same period last year.

[1] For comparison purposes, Q1-20 and Q1-19 results and analyses include: i) Q1-19 pro forma figures including Avon Products, Inc. results in IFRS and Latin America results of The Body Shop and Aesop in the Natura &Co Latam reporting segment, and ii) Q1-20 results and analyses including the effects of the fair market value assessment as a result of the business combination with Avon as per the Purchase Price Allocation – PPA.
[2] Cosmetics, Fragrances and Toiletries
[3] Excluding effects that are not considered recurring nor comparable between the periods under analysis.

- **Aesop**'s EBITDA margin reached 22.8% (+30 bps), thanks mainly to strong top line growth despite Covid-19 effects mainly in March. In January and February, EBITDA margin was higher than in the same period last year.

- **Annual recurring target synergies from Avon integration raised to between US$300 million and US$400 million, an increase of US$100 million,** including new top line synergies at Natura &Co Latam and cost synergies at Avon International, to be achieved over a period of four years. Non-recurring costs to achieve higher synergies increased to US$190 million, up from US$125 million, to be incurred over four years.

- **Strong cash position of R$4.6 billion** at quarter-end, in line with projections and above our minimum thresholds. **Further deleveraging at Natura Cosméticos: Net debt-to-EBITDA ratio reduced to 2.70x in Q1-20, from 2.95x in Q1-19**. At Natura &Co Holding, consolidated net debt-to-EBITDA stood as 4.91x. Excluding non-recurring transaction costs and PPA impact on EBITDA, adjusted net debt-to-EBITDA would have been 3.84x.The indebtedness ratio at the Holding Company level will not be considered for financial covenant purposes in June 2020.

- **Enhanced capital structure, strong cash position and increased liquidity**
  - New equity raising of R$1 billion to R$2 billion, through a private placement to be subscribed by Natura's controlling shareholders, selected investors and minority shareholders, to improve capital structure, reduce leverage and strengthen the balance sheet
  - New one-year financing of R$750 million to increase liquidity, with no impact on net-debt

1. Management commentary:

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

"The first quarter of 2020 is the first to include Avon in our scope, which makes Natura &Co the number one player in the CFT market in Latin America. We are very pleased by the rapid progress that has been made in integrating the company, leading us to raise our targeted synergies by an additional US$100 million. This is more notable in that we have achieved this in the midst of the unprecedented global health crisis caused by the spread of the Covid-19 pandemic, which impacted our Q1 performance.

In the face of the pandemic, the Group took quick action to adapt to this crisis, with three key priorities: Care for our people, care for our communities and care for our company.

Even before lockdown measures were implemented, Natura &Co took steps to protect the health and safety of our employees, Consultants and Representatives, and suppliers. We imposed strict social distancing measures, provided job security, extended credit flexibility to Consultants and Representatives, and offered supporting services like telemedicine.

At the same time, as a producer of such essential products as soap and hand sanitizer, Natura &Co quickly retooled its operations across its brands to step up their production, increasing by over 30% our essential products capacity. Sales of hand sanitizer increased by over 500% both at The Body Shop and Aesop, and Natura used under-utilized capacity at Avon plants to produce 16 million units of alcohol gel and 1 million liters of alcohol with partners, principally directed at donations.

The Group also implemented measures to protect cash and liquidity, including reducing operating expenses, limiting capital expenditure to essential projects, implementing a hiring freeze and reducing executive pay on a voluntary basis. We have a solid cash position and no immediate debt maturities. We have also strengthened our balance sheet and enhanced our liquidity through an infusion of fresh equity led by our founding shareholders, improving our capital structure, and through additional financing lines that do not impact our net debt. This gives us additional financial flexibility to navigate the current turbulence.

These actions are a clear demonstration that Natura &Co walks the talk when it comes to showing it is a purpose-driven group, in line with its ambition of building the best beauty company for the world. I would like to express my heartfelt gratitude to our teams for the exceptional commitment they have shown during this trying time to allow us to meet essential, and even vital, needs.

From a business standpoint, this crisis has shown Natura &Co's remarkable resilience and the strength of its multi-channel model. Across our brands and businesses, digital sales helped offset the impact of store closures at The Body Shop and Aesop, and we have strengthened social selling as a response to social distancing at Natura and Avon. We launched, for instance, a digital and interactive essential items sales catalogue that can be shared over instant messaging tools and social media, and our Consultants and Representatives showed remarkable adaptability.

This strong growth in digital and online sales across our brands and the resilience of our direct sales channel at Natura, allowed us to post 1.9% growth in consolidated revenue (-6.2% at CC, slightly ahead of the global CFT market, expected to be around -8%) while EBITDA continued to reflect one-off costs related to the acquisition of Avon and the impacts of the Covid-19 pandemic. In this changing environment, social distancing and lockdown measures will continue to have a significant impact on the CFT market and in our business in the second quarter, but markets in which measures were eased have shown a fast rebound.

The integration of Avon is making great strides and the company continues to see progress in its Open Up strategy to stabilize the core business and rapidly step up digital adoption in the face of the current situation. Natura and Avon's teams are working closely together, and we used unutilized capacity at an Avon plant to produce first-necessity items for Natura. The rapid progress in integration leads us to raise our total synergy target, including topline synergies, to **US$300 million** to **US$400 million** over the next four years.

At our Investor Day on May 08th, we will have the opportunity to share our strategy to keep building a distinctive purpose-driven, multi-channel, multi brand Group with unparalleled reach to consumers."

2. Synergies and guidance

O May 7, Natura &Co raised the projected synergy gains from the business combination with Avon Products, Inc by another US$100 million, bringing **total expected synergies to between US$300 and US$400 million on a recurring annual basis,** including new revenue synergies at Natura &Co Latam and cost synergies at Avon International. These amounts are calculated using the current exchange rate of US$1/R$5, which reflects a significant depreciation from the earlier synergy calculations. The earlier calculation was done at US$1/R$3.87 and would be equivalent to between **US$390 million and US$520 million,** up from between US$200 million to US$300 million. These synergies are expected to be captured in four years as follows:

	Sinergy range in US$ million		
Sourcing:	85	-	115
Manufacturing and distribution:	50	-	75
Administrative:	75	-	90
Revenue Natura &Co Latam:	90	-	120
Total synergy	**300**		**400**

The estimated **one-time costs to achieve synergies** will be US$190 million to be incurred over these four years, up from US$125 million.

On January 6, the Company had already raised its projected synergy gains to between US$200 million and US$300 million on a recurring annual basis (pre-tax), to be captured in three years. These synergies will be derived mainly from procurement, manufacturing/distribution and administrative. The expected costs to achieve these synergies were estimated at approximately US$125 million over the next three years. The US$/R$ FX rate used for the estimates above was US$1.00 = R$3.87 (same rate of when we first announced synergies in May 23,2019).

In Q1-20, we have captured US$5.2 million in cost synergies, already securing the equivalent of approximately US$30 million on an annualized basis, primarily related to procurement and corporate expenses from Avon International, incurring US$2.3 million in costs to achieve.

The Natura Cosméticos guidance for compound annual growth rates for revenue and EBITDA is being suspended following the consolidation of Avon Products, Inc., which has resulted in a different business structure, as well as the Covid-19 pandemic, given the insufficient visibility of its effects. New Natura &Co guidance may be provided in due course.

3. Covid-19 update

On March 11, 2020, the Coronavirus outbreak was officially designated a global pandemic by the World Health Organization (WHO). As a result, governments began implementing lockdown measures in China in January, in Western Europe beginning in late February and in North and Latin America in late March. These measures progressively impacted our operations, but also attested to the strength of our multi-brand, multi-channel business model, highlighting the resilience of our direct sales channel and acceleration of our digital platforms.

Throughout this time, Natura &Co's first priority has been ensuring the health and safety of our Consultants and Representatives, our employees and our network of suppliers. We have taken a number of measures to protect our people and our business and we have taken action to support the communities in which we operate around the globe.

Key measures implemented to protect our people:

- All employees were assured job security for 60 days
- Consultants and Representatives were offered credit flexibility and Sales Leaders were offered guaranteed income
- Emergency funds were earmarked for Consultants directly or indirectly impacted by the virus
- A subsidy for medication and telemedicine services for Sales Leaders was provided in Latin America
- Mental health and well-being support tools were made available, along with education content guides on topics such as self-isolation, the public health system, children at home and financial planning

- Across all of our operations, preventive measures were taken such as reducing staff and adapting workflow to provide social distance
- Natura stores and Aqui Tem Natura franchise stores, as well as The Body Shop and Aesop's stores were temporarily closed, in compliance with government authorities
- Retail staff were offered paid leave and holiday pay while retail locations were closed
- Office staff were transitioned to work from home

Key measures implemented to protect our business:

- Our business model proved its resilience and we have strengthened our social selling in response to social distancing through the acceleration of digital. Thanks to our digital transformation, our Consultants and Representatives were able to maintain activity through the use of digital tools and platforms and flexible delivery options. We launched a digital and interactive essential items sales catalogue that can be shared over messaging (Whatsapp) and social media, in addition to our complete e-catalogue
- We optimized production and reoriented part of our production toward essential products (primarily soap and hand sanitizer), increasing by 30% our essential products capacity to meet consumer needs and contribute to providing necessary items. This allowed us to keep our manufacturing, distribution and sales operations running despite restrictions put in place by various authorities. In March, Avon started to produce essential items for Natura, optimizing available capacity
- We have strengthened financial discipline to protect cash and improve liquidity, including:
  - freezes on hiring, promotions, salary increases and travel
  - capital expenditure limited to what is required for business continuity, infrastructure or acceleration of digital
  - active management and oversight of variable costs and reduced discretionary spending
  - renegotiation of leases and reduced staff hours
  - voluntary executive pay pledge

Social Responsibility:

- In the midst of the coronavirus pandemic, women and children already at risk of domestic violence have become increasingly vulnerable, an unintended consequence of isolation measures that leave survivors at home with their abusers. Natura &Co announced it will donate US$1million through the Avon Foundation to domestic violence support groups around the world that focus on direct impact and grassroots initiatives
- We have made significant donations in our communities across the world, with over 10 million units of essential items, in partnership with other companies who supplied raw materials in Latam
- Natura &Co was among the Top 10 companies most active in the crisis according to Exame, a Brazilian business publication

4. Results analysis

For comparison purposes, Q1-20 and Q1-19 results and analysis include the following:

- The effects of IFRS 16 in both periods
- Q1-19 pro-forma including Avon results in IFRS and Latin America results of The Body Shop and Aesop in the Natura &Co Latam segment
- The new Group segmentation composed of:
  - Natura &Co Latam, which comprises all the brands in this geography: Natura, Avon, The Body Shop and Aesop
  - Avon international, which includes all markets ex-Latam
  - The Body Shop ex-Latam, and
  - Aesop ex-Latam.

In addition, Q1-20 results and analysis 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.

				Profit and Loss by Business											
R$ million	Consolidated [a]			Natura &Co Latam [b]			Avon International			The Body Shop			Aesop		
	Q1-20 [c]	Q1-19 [d]	Ch. %	Q1-20 [c]	Q1-19 [d]	Ch. %	Q1-20 [c]	Q1-19 [d]	Ch. %	Q1-20	Q1-19	Ch. %	Q1-20	Q1-19	Ch. %
Gross Revenue	9,719.2	9,657.1	0.6	5,593.2	5,463.4	2.4	2,531.4	2,690.5	(5.9)	1,213.4	1,192.5	1.7	381.1	310.7	22.7
Net Revenue	**7,518.0**	**7,375.5**	1.9	**4,162.3**	**4,063.3**	2.4	**2,121.5**	**2,172.7**	(2.4)	**893.2**	**870.2**	2.6	**340.9**	**269.2**	26.6
COGS	(2,878.7)	(2,683.0)	7.3	(1,718.1)	(1,587.6)	8.2	(927.2)	(868.3)	6.8	(201.2)	(203.4)	(1.0)	(32.2)	(23.7)	36.0
Gross Profit	**4,639.3**	**4,692.4**	(1.1)	**2,444.2**	**2,475.7**	(1.3)	**1,194.3**	**1,304.4**	(8.4)	**692.0**	**666.9**	3.8	**308.7**	**245.5**	25.7
Selling, Marketing and Logistics Expenses	(3,523.2)	(3,103.7)	13.5	(1,852.4)	(1,659.2)	11.6	(935.3)	(810.6)	15.4	(540.3)	(491.4)	9.9	(195.2)	(142.4)	37.1
Administrative, R&D, IT and Projects Expenses	(1,228.0)	(1,071.9)	14.6	(571.1)	(579.3)	(1.4)	(388.7)	(264.4)	47.0	(176.7)	(145.9)	21.1	(91.5)	(82.2)	11.3
Corporate Expenses [e]	(30.2)	(72.4)	(58.3)	-	(17.3)	-	-	(16.5)	-	-	-	-	-	-	-
Other Operating Income/ (Expenses), Net	(15.1)	(11.0)	36.9	2.7	(55.2)	-	(12.0)	47.8	-	(5.9)	(3.3)	76.0	0.1	(0.3)	-
Acquisition Related Expenses [f]	(298.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transformation/Integration costs	(25.1)	(202.5)	(87.6)	(10.5)	(76.1)	(86.2)	(14.5)	(119.5)	(87.8)	-	(6.8)	-	-	-	-
Depreciation	625.8	362.6	72.6	221.9	130.1	70.5	183.9	47.6	286.5	164.4	144.8	13.6	55.7	40.1	38.9
EBITDA	**145.3**	**593.5**	(75.5)	**234.7**	**218.6**	7.4	**27.7**	**188.7**	(85.3)	**133.6**	**164.1**	(18.6)	**77.8**	**60.7**	28.1
Depreciation	(625.8)	(362.6)	72.6												
Financial Income/(Expenses), Net	(227.6)	(228.1)	(0.2)												
Earnings Before Taxes	**(708.1)**	**2.8**	-												
Non-controlling Interest and other operation [g]	(17.9)	-	-												
Income Tax and Social Contribution	(94.8)	(84.8)	11.8												
Consolidated Net Income	**(820.8)**	**(82.0)**	901.0												
Gross Margin	61.7%	63.6%	-190 bps	58.7%	60.9%	-220 bps	56.3%	60.0%	-370 bps	77.5%	76.6%	90 bps	90.6%	91.2%	-60 bps
Selling, Marketing and Logistics Exp./Net Revenue	46.9%	42.1%	480 bps	44.5%	40.8%	370 bps	44.1%	37.3%	680 bps	60.5%	56.5%	400 bps	57.3%	52.9%	440 bps
Admin., R&D, IT, and Projects Exp./Net Revenue	16.3%	14.5%	180 bps	13.7%	14.3%	-60 bps	18.3%	12.2%	610 bps	19.8%	16.8%	300 bps	26.9%	30.5%	-360 bps
EBITDA Margin	1.9%	8.0%	-610 bps	5.6%	5.4%	20 bps	1.3%	8.7%	-740 bps	15.0%	18.9%	-390 bps	22.8%	22.5%	30 bps
Net Margin	(10.9)%	(1.1)%	-980 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 and Aesop - Brazil and Hispanic Latam

[c] Q1-20: Includes PPA – Purchase Price Allocation effects

[d] Q1-19: Does not include PPA effects

[e] Expenses related to the management and integration of the Natura &Co Group

[f] Avon-acquisition-related expenses

[g] Related to non-controlling interest and business separation at Avon North America

Consolidated net revenue growth in Q1-20

Q1-20 consolidated net revenue in BRL grew by 1.9% year-on-year, driven by growth at Natura &Co Latam and Aesop.

- **Natura &Co Latam** (Natura, Avon, The Body Shop and Aesop Brazil): Net revenue rose by +2.4% in BRL (-1.3% at CC).
- **Avon International**: Net revenue declined 2.4% in BRL in Q1 (-15.0% at CC).
- **The Body Shop:** Net revenue increased 2.6% in BRL in Q1 (-10.5% at CC).
- **Aesop:** Strong double-digit net revenue growth of 26.6% in BRL in Q1 (+10.5% at CC).

Gross margin

R$ million	Consolidated			Natura &Co Latam			Avon International			The Body Shop			Aesop		
	Q1-20 [a]	Q1-19 [b]	Ch. %	Q1-20 [a]	Q1-19	Ch. %	Q1-20 [a]	Q1-19	Ch. %	Q1-20	Q1-19	Ch. %	Q1-20	Q1-19	Ch. %
Net Revenue	**7,518.0**	**7,375.5**	1.9	**4,162.3**	**4,063.3**	2.4	**2,121.5**	**2,172.7**	(2.4)	**893.2**	**870.2**	2.6	**340.9**	**269.2**	26.6
COGS	(2,878.7)	(2,683.0)	7.3	(1,718.1)	(1,587.6)	8.2	(927.2)	(868.3)	6.8	(201.2)	(203.4)	(1.0)	(32.2)	(23.7)	36.0
Gross Profit	**4,639.3**	**4,692.4**	(1.1)	**2,444.2**	**2,475.7**	(1.3)	**1,194.3**	**1,304.4**	(8.4)	**692.0**	**666.9**	3.8	**308.7**	**245.5**	25.7
Gross Margin	61.7%	63.6%	-190 bps	58.7%	60.9%	-220 bps	56.3%	60.0%	-370 bps	77.5%	76.6%	90 bps	90.6%	91.2%	-60 bps

[a] Q1-20 includes PPA – Purchase Price Allocation effects

[b] Q1-19 does not includes PPA – Purchase Price Allocation effects

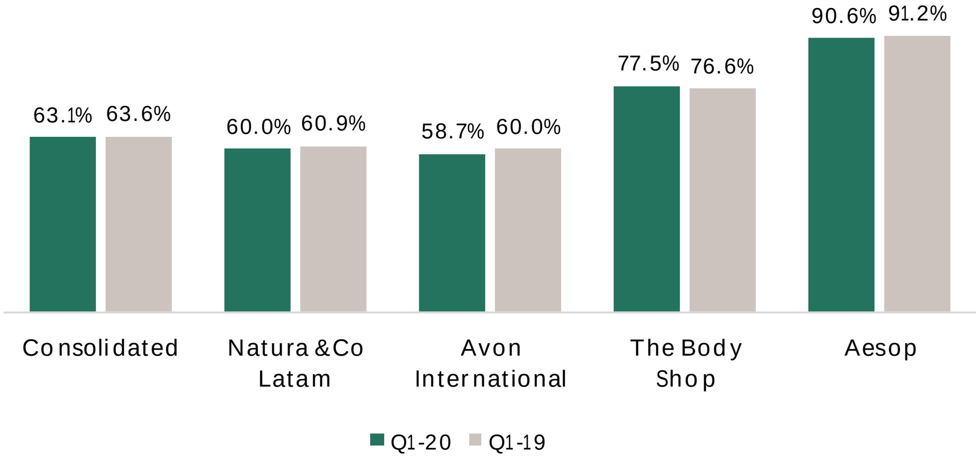
Consolidated gross margin reached 61.7% (-190 bps). Excluding PPA effects on COGS of R$105.9 million (R$54.7 million in Natura &Co Latam; R$51.2 million in Avon International), adjusted consolidated gross margin reached 63.1% in Q1-20 (-50 bps), as shown below:

Without PPA effects in both periods

R$ million	Consolidated			Natura &Co Latam			Avon International			The Body Shop			Aesop		
	Q1-20	Q1-19	Ch. %	Q1-20	Q1-19	Ch. %	Q1-20	Q1-19	Ch. %	Q1-20	Q1-19	Ch. %	Q1-20	Q1-19	Ch. %
Net Revenue	**7,518.0**	**7,375.5**	*1.9*	**4,162.3**	**4,063.3**	*2.4*	**2,121.5**	**2,172.7**	*(2.4)*	**893.2**	**870.2**	*2.6*	**340.9**	**269.2**	*26.6*
COGS	(2,772.8)	(2,683.0)	*3.3*	(1,663.4)	(1,587.6)	*4.8*	(876.0)	(868.3)	*0.9*	(201.2)	(203.4)	*(1.0)*	(32.2)	(23.7)	*36.0*
Gross Profit	**4,745.2**	**4,692.4**	*1.1*	**2,499.0**	**2,475.7**	*0.9*	**1,245.5**	**1,304.4**	*(4.5)*	**692.0**	**666.9**	*3.8*	**308.7**	**245.5**	*25.7*
Gross Margin	63.1%	63.6%	*-50 bps*	60.0%	60.9%	*-90 bps*	58.7%	60.0%	*-130 bps*	77.5%	76.6%	*90 bps*	90.6%	91.2%	*-60 bps*

- **Natura &Co Latam**'s adjusted gross margin was 60.0% in Q1-20 (-90 bps), mainly impacted by increased supply chain costs and higher obsolescence in Home and Fashion items at Avon. Natura's combined gross margin (Brazil and Hispanic Latam) was up by 10 bps.
- **Avon International**'s gross margin was 58.7% in Q1-20 (-130 bps), due to higher supply chain costs and inventory obsolescence in non-beauty items, partially offset by improved price/mix.
- **The Body Shop**'s gross margin stood at 77.5% in Q1-20 (+90 bps), due to discount improvement.
- **Aesop**'s gross margin was 90.6% in Q1-20 (-60 bps).

Adjusted gross margin[a]



a) Without PPA effects

Consolidated EBITDA

Q1 adjusted EBITDA in BRL was R$571.5 million with margin of 7.6% (-220 bps), excluding non-recurring Avon-related acquisition costs of R$298.3 million, and a non-cash, non-recurring purchase price allocation ("PPA") effect of R$102.9 million resulting from the fair market value assessment of Avon, resulting from a step-up in inventory value (in the cost of goods sold), and transformation costs at Natura &Co Latam and Avon International. Reported EBITDA was R$145.3 million. See reconciliation below:

R$ million	Consolidated EBITDA Q1-20	Q1-19	Ch. %
Consolidated EBITDA	**145.3**	**593.5**	*(75.5)*
Avon acquisition-related expenses (1)	298.3	-	-
Transformation costs (2)	25.1	202.5	*(87.6)*
Non-recurring PPA impacts on COGS (3)	102.9	-	-
ICMS provision reversal (4)	-	(34.5)	-
Assets sales at Avon International (5)	-	(38.8)	-
Adjusted EBITDA	**571.5**	**722.6**	*(20.9)*
Adjusted EBITDA Margin	*7.6%*	*9.8%*	*-220 bps*
Adjusted Gross Margin	63.1%	63.6%	*-50 bps*
Adjusted Selling, Marketing and Logistics Exp./ Net Revenue	46.0%	42.1%	*390 bps*
Adjusted Admin., R&D, IT, and Projects Exp./ Net Revenue	15.4%	14.5%	*90 bps*
Adjusted EBITDA Margin	7.6%	9.8%	*-220 bps*

(1) Avon acquisition-related expenses: Non-recurring costs associated with Avon acquisition, mainly related to professional fees and planning costs

(2) Transformation costs include Transformation costs at Natura &Co Latam, and Avon's Open Up costs at Avon International both in Q1-20 and Q1-19, and The Body Shop in Q1-19

(3) 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

(4) ICMS provision reversal: Reversal of an ICMS provision at Natura Brazil in Q1-19, resulting from a revised estimate of the outcome of a legal action

(5) Assets sales at Avon International refer to a gain on the sale of a manufacturing facility in China in 2019

- **Natura &Co Latam's** adjusted EBITDA margin was 6.9% (+50 bps).
- **Avon International's** adjusted EBITDA margin stood at 4.8% (-760 bps).
- **The Body Shop's** adjusted EBITDA margin was 15.0% (-460 bps).
- **Aesop's** EBITDA margin reached 22.8% (+30 bps).

Financial income and expenses

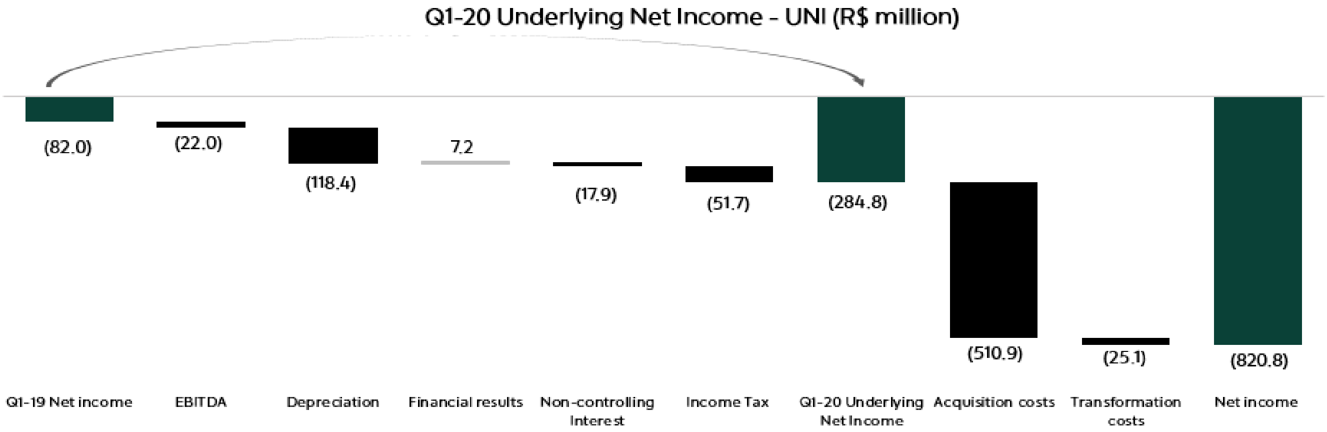
Net financial expenses were R$227.6 million in Q1-20, stable vs. Q1-19, favorably impacted by the lower CDI interest rate in Brazil, which offset higher interest expenses from debt at Avon.

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

R$ million	Q1-20	Q1-19	Ch. %
Financial Income and Expenses, Net	(227.6)	(228.1)	*(0.2)*
1. Borrowings/Financing (B/F), Short-Term Investments (STI) and Operational FX Gains/(Losses	(189.1)	(165.4)	*14.4*
2. Judicial Contingencies	38.6	(4.2)	-
3. Other Financial Income and Expenses	(77.1)	(58.5)	*31.8*
Lease Interest Expenses	(54.4)	(45.6)	*19.2*
Other	(22.7)	(12.9)	*76.3*

Underlying Net Income (UNI)

Underlying Net Income, which excludes non-recurring and/or non-cash effects, was (R$284.8) million in Q1, before Avon-acquisition related effects of R$536.0 million, which are comprised of i) R$298.3 million in acquisition expenses; ii) R$171.6 million from non-cash PPA impacts; iii) R$41.0 million in IOF taxes from the issuance of shares for the exchange for Avon shares, in the all-stock acquisition; iv) transformation costs of R$25.1 million. Reported net loss was R$820.8 million, and was impacted by a higher effective income tax rate due to non-deductible acquisition-related expenses and PPA effects at The Body Shop, related to deferred tax liabilities in the UK (reversal of nominal income tax rate from 17% to 19%).



Free cash flow and cash position

We ended the quarter with a strong cash position of R$4.6 billion (R$3.6 billion in cash, and R$1.0 billion in short-term deposits), in line with projections and above our minimum thresholds.

Cash outflow in Q1-20 of R$1,695.9 million, as expected, consistent with our Q1 historical seasonality and further impacted by Covid-19 effects. On an estimated and non-audited basis, pro forma Q1-19 would have had a cash outflow of R$765.0 million. Consumption in Q1-20 includes Avon and is mainly related to non-recurring acquisition costs of R$501.0 million, COVID-19 impacts on sales and FX effects due to the devaluation of the BRL in working capital for Avon International, The Body Shop and Aesop. Working capital was also impacted by extended terms to Consultants and Representatives at Natura and Avon.

R$ million	Q1-20
Net Income (loss) Reported [a]	**(820.8)**
Depreciation and Amortization	625.8
Non-Cash/Others [b]	(253.0)
Internal Cash Outflow	**(448.0)**
Working Capital (Increase)/Decrease	(1,127.6)
Cash Outflow Before Capex	**(1,575.6)**
Capex	(120.3)
Free Cash Flow	**(1,695.9)**

[a] *Attributable to the owners of the company*

[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 liquidity

As a precautionary step to improve its capital structure, the Group announced on May 7 a capital raising of R$1 billion to R$2 billion, in the form of a private placement to be subscribed by the controlling shareholders, investors and minority shareholders. The transaction is expected to be closed in Q2-20.

Furthermore, on top of the strong cash position at the end of Q1 and to increase liquidity, the Group raised financing of R$750.0 million on May 4, 2020, for up to one year, as follows: R$500.0 million at

Natura &Co Holding S.A. and R$250.0 million at Natura Cosméticos S.A.. The use of proceeds is to strengthen the liquidity of the companies and therefore this new financing does not increase net debt.

Deleveraging at Natura Cosméticos: Net debt-to-EBITDA of 2.70x in Q1-20, from 2.95x in Q1-19 and 3.32x in Q1-18

At Natura &Co Holding, consolidated net debt-to-EBITDA stood as 4.91x. Excluding non-recurring transaction costs and PPA impact on EBITDA, adjusted net debt-to-EBITDA would have been 3.84x.The indebtedness ratio at the Holding Company level will not be considered for financial covenant purposes in June 2020.

The Company continues to work towards the target of reducing Natura Cosméticos S.A.'s leverage to the pre-The Body Shop acquisition level of 1.4 times by 2021. This measure is comparable to previous periods.

R$ million	Natura Cosméticos S.A. Q1-20	Natura Cosméticos S.A. Q1-19	Natura &Co Holding S.A. Q1-20	Natura &Co Holding S.A. Q1-19 [a]
Short-Term	787.2	748.1	1,942.5	2,405.7
Long-Term	8,343.2	6,651.3	16,610.4	11,313.3
Gross Debt (without leases)	**9,130.4**	**7,399.4**	**18,553.0**	**13,719.0**
Foreign currency hedging (Swaps) [b]	(1,618.7)	(522.5)	(1,618.7)	(522.5)
Total Gross Debt	**7,511.7**	**6,876.9**	**16,934.3**	**13,196.5**
(-) Cash, Cash Equivalents and Short-Term Investment	(2,447.1)	(1,369.1)	(4,566.3)	(2,952.8)
(=) Net Debt	**5,064.6**	**5,507.7**	**12,368.0**	**10,243.8**
Net Debt/EBITDA [c]	**2.70x**	**2.95x**	**4.91x**	***n/a***
Total Debt/EBITDA [c]	**4.00x**	**3.69x**	**6.72x**	***n/a***

[a] *Q1-19 is presented on a proforma basis*

[b] *Foreign currency debt hedging instruments, excluding the mark-to-market effects*

[c] *EBITDA excludes-IFRS 16*

In the quarter, the holders of Avon preferred shares C series opted to convert their shares into Natura &Co ordinary shares. The promissory notes previously issued by Natura &Co Holding S.A. specifically to pay these holders were therefore prepaid, in the amount of approximately R$1.8 billion.

As of March 31, 2020, 89.5% of the company's debt is long-term, with an average maturity of 3.9 years.

5. Performance by segment

Natura &Co Latam: Net revenue growth in BRL on a very challenging background

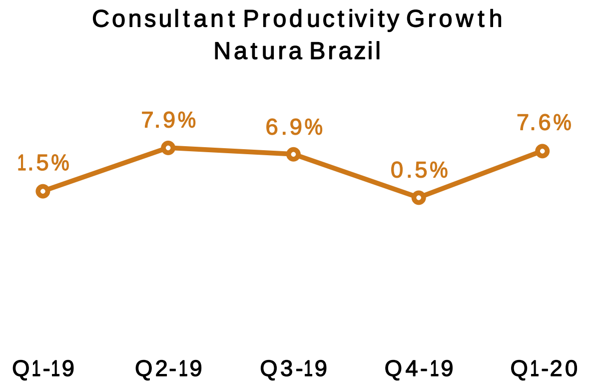
Natura &Co Latam is a new reporting segment comprising the Latin American operations of all the Group's brands: Natura, Avon, The Body Shop and Aesop. For comparison purposes, 2019 results were adjusted on a pro forma basis to reflect this new segment.

Natura &Co Latam is the leader in direct sales and in Cosmetics, Fragrances and Toiletries (CFT) in Latin America, with 11.8% market share in the region in 2019. It holds the number 1 position in key markets such as Brazil, Argentina and Colombia (source: Euromonitor).

Our extensive portfolio of essential products allowed us to keep our manufacturing, distribution and sales running despite restrictions put in place by local authorities. The second half of March was significantly impacted by strict lockdowns due to Covid-19 in Central America, Argentina, Peru, Colombia and Ecuador. Production of soaps, hand sanitizers and other essential items increased by about 30% to meet the shift in demand, which also enabled us to make significant donations (close to 6.0 million units) in our communities, in partnership with other companies that provided raw materials. This shift in demand for essentials has a mix effect which put pressure on profitability, partially offset by cost discipline measures. This mix effect will be more evident in coming quarters.

Stores in the region began progressively closing due to Covid-19 as of March 14, ahead of the official mandatory date, as Natura &Co took measures throughout the Group to ensure the health and safety of its employees, Consultants, franchisees and customers.

Net revenue in Latin America grew by 2.4% in Q1-20 in BRL (-1.3% at CC), driven by strong growth of 14.9% at Natura (+9.8% Brazil, +25.8% Latam), while Avon was down -7.1% (-4.3% in Brazil, -8.9% in Latam).



The Natura brand in Brazil maintained leadership in CFT for the third consecutive year, ending 2019 with 11.9% market share (source: Euromonitor). Net revenue grew 9.8% in Q1-20, with a record-high January and February, up in double digits over 2019, while March sales reflected the impact of Covid-19 in the last two weeks. Price/mix was up 9.7%, supported by double-digit growth in fragrances and body care, with stable volumes (+0.1%). Productivity per Consultant grew for the 14th consecutive quarter, by +7.6% in Q1-20. The average Consultant base was up by 1.6% vs. Q1-19, reaching 1.03 million Consultants. We saw continued progression toward the top tier segments (Silver, Gold and Diamond).

Another important part of Natura &Co Latam is the Natura brand in the Hispanic Latam countries, which posted revenue growth of 25.8% in BRL. In constant currency, revenue grew by a robust 19.7%. Price/mix was up 1.5%, while units sold increased by 18.2%. The average number of Consultants grew by a strong 12.1% vs. Q1-19, to 713.9 million. Argentina maintained its strong sales momentum, with top line growth above inflation, despite a challenging macro-economic environment, while Mexico and Chile also grew strongly. The second half of March was impacted by harsher lockdowns due to Covid-19 in Argentina, Peru and Colombia.

Net revenue from the Avon brand in Brazil declined 4.3% in Q1-20, on a 3.7% reduction in average number of Representatives and -13.2% in units sold, while price/mix increased by 9.8%. The Avon brand in the Hispanic Latam countries posted revenue decline of 8.9% in Q1-20 in BRL (-16.8% at CC), due to a -13.6% reduction in average number of Representatives, -0.4% price/mix and -18.3% in units sold.

Our digital platforms proved their relevance, allowing our Consultant and Representatives network to maintain activity through the use of digital tools, with flexible delivery options, attesting to the resilience of our direct sales channel.

The adoption of our digital tools by Consultants doubled in the weeks following the spread of Covid-19 impact, as well as the number of orders in our online Consultant stores. As a response to social distancing, we implemented a digital and interactive brochure focused on essential items that can be shared over instant messaging (Whatsapp) and social media, in addition to our complete e-catalogue. At Natura, over 90% of Consultants in Brazil use digital platforms (app + web) and approximately 700,000 Consultants have virtual stores in Rede Natura, a 40% increase versus last year. In the last few weeks, since lockdown measures began, Rede Natura sales grew over 200%. We saw an increase of over 40% in Consultants sharing digital content, such as offers, brand messages and campaign materials, and the number of online training sessions doubled. Sales via Avon's own digital brochure have increased five times since January 1st, and e-commerce sales grew 85% in Brazil and in Hispanic Latam countries combined.

In the retail channels, Natura's own-store performance remained strong until lockdown in mid-March, with increased traffic and higher conversion, resulting in a strong double-digit growth in net revenue. Franchise stores *Aqui Tem Natura* accelerated sell-out sales in Q1-20, on the back of new stores vs. last year and double-digit like-for-like growth. The total number of franchise stores stood at over 400, double the same period last year.

Product launches in the period included Natura's iconic female fragrance Luna Fascinante and the new premium male fragrance Natura Essencial, in Brazil. Avon launched important skin care products such as Anew Hyaluronic Acid, and in color cosmetics the Euphoric Mascara (featuring Brazilian singer Ludmilla on the cover of the brochure), both significantly outperforming estimates. In Hispanic Latam countries, launches included Avon's fragrances such as Herstory Eau de Parfum, supported by full activation campaign with a press event, TV merchandising, digital activation and sampling, and Musk Freeze, both outperforming expectations.

Natura &Co Latam: Financial analysis

Natura &Co Latam's EBITDA was R$234.7 million in Q1-20 and adjusted EBITDA was R$287.5 million (+10.5%). EBITDA margin was 5.6% (-20 bps) and adjusted EBITDA margin was 6.9% (+50 bps).

A reconciliation between EBITDA and adjusted EBITDA is presented below:

R$ million	Q1-20	Q1-19	*Ch. %*
EBITDA	**234.7**	**218.6**	*7.4*
ICMS provision reversal	-	(34.5)	-
Transformation costs	10.5	76.1	*(86.2)*
Non-recurring PPA impact on COGS	42.3	-	-
Adjusted EBITDA	**287.5**	**260.2**	*10.5*
Adjusted EBITDA Margin	*6.9%*	6.4%	*50 bps*

Excluding PPA effects, selling, marketing & logistics expenses increased 290 bps, to 43.7% of net revenue, mainly driven by commercial measures to mitigate Covid-19 impacts such as extended payment terms for Consultants, more flexible credit conditions and higher online sales commissions.

Excluding PPA effects, administrative, R&D, IT and project expenses reached 13.5% of net revenue (-80 bps) in the quarter, on the back of cost control initiatives adopted by both Natura and Avon to offset Covid-19 impacts, which included freezes in hiring, pay raises, promotions and travel, as well as a reduction in executive remuneration and discretionary spending.

R$ million	Natura &Co Latam				
	Q1-20	PPA impacts	Q1-20 ex-PPA	Q1-19	Ch. % ex-PPA
Selling, Marketing and Logistics Expenses	(1,852.4)	(32.0)	(1,820.5)	(1,659.2)	*9.7*
Administrative, R&D, IT and Projects Expenses	(571.1)	(10.4)	(560.7)	(579.3)	*(3.2)*
SG&A Expenses	(2,423.6)	(42.4)	(2,381.2)	(2,238.6)	*6.4*
Selling, Marketing and Logistics Exp./ Net Revenue	*44.5%*	-	*43.7%*	*40.8%*	*290 bps*
Admin., R&D, IT, and Projects Exp./ Net Revenue	*13.7%*	-	*13.5%*	*14.3%*	*-80 bps*

Avon International: Improved digital and direct-to-consumer capabilities

Avon International operates in 50 markets, including distributor partnerships throughout Europe, Asia, Africa and the Middle East, with 3.7 million Representatives. The transformation of Avon began in Q3-18, supported by its comprehensive Open Up Avon plan. Q1-20 saw continuing signs of recovery, including another quarter of stabilization in the Representative count compared to Q4-19 and increased digital conversion compared to Q1-19. In the three months since completing the acquisition of Avon, there has been a continued focus on stabilizing the core business, which will continue throughout 2020, while adjustments are made based on learnings and knowledge transfer from Natura &Co.

Net revenue declined 2.4% in Q1-20 (-15.0% at CC), mainly impacted by a 6.3% reduction in average number of Representatives, partially offset by improved price/mix of 2.6% across most markets. Units sold declined 17.4%.

Representatives increased adoption of digital assets from a low single digit in 2019 to over 37% in recent weeks. They were equipped with new digital capabilities, including new order-management features in the instant messaging digital brochure and direct-to-consumer shipping, available in 25 markets. Sales via the digital brochure have increased nearly five-fold since January 1st. Avon also focused on driving the e-commerce channel, which grew over 200% in the recent weeks versus the same period last year. E-commerce sales in the UK alone have grown over five-fold in the last few weeks.

Important launches in the quarter included the Herstory fragrance in Central Europe, supported by a full activation campaign including local celebrity endorsement, digital activation and sampling, and Anew Skin Reset Shots with patented Protinol technology in Europe, both of which outperformed sales estimates.

The company made significant contributions to fight Covid-19 in its markets, donating 411,000 essential items to countries such as Romania, Italy, the UK and Philippines, among others.

Net revenue of the Avon brand, including Latin America and Avon International, declined 4.8%, vs. Q1-19.

Avon International: Financial analysis

Avon International's EBITDA was R$27.7 million in Q1-20 and adjusted EBITDA was R$102.9 million (-61.8%). EBITDA margin was 1.3% and adjusted EBITDA margin was 4.8% (-760bps).

A reconciliation between EBITDA and adjusted EBITDA is presented below:

R$ million	Q1-20	Q1-19	*Ch. %*
EBITDA	**27.7**	**188.7**	*(85.3)*
Transformation costs	14.5	119.5	*(87.8)*
Assets sales	-	(38.8)	-
Non-recurring PPA impact on COGS	60.6	-	-
Adjusted EBITDA	**102.9**	**269.5**	*(61.8)*
Adjusted EBITDA Margin	*4.8%*	12.4%	*-760 bps*

Excluding PPA effects, selling, marketing & logistics reached 42.6% of net revenue (+530 bps), largely due to the impact of revenue reduction causing deleverage of fixed expenses as well as commercial measures to mitigate Covid-19 effects.

Excluding PPA effects, administrative, R&D, IT and project expenses reached 15.3% of net revenue (+310 bps) in the quarter, also largely due to revenue reduction, partially offset by spending cuts to mitigate Covid-19 impacts.

R$ million	Avon International				
	Q1-20	PPA impacts	Q1-20 ex-PPA	Q1-19	Ch. % ex-PPA
Selling, Marketing and Logistics Expenses	(935.3)	(31.7)	(903.6)	(810.6)	*11.5*
Administrative, R&D, IT and Projects Expenses	(388.7)	(63.2)	(325.5)	(264.4)	*23.1*
SG&A Expenses	(1,323.9)	(94.9)	(1,229.1)	(1,075.1)	*14.3*
Selling, Marketing and Logistics Exp./ Net Revenue	*44.1%*	-	*42.6%*	*37.3%*	*530 bps*
Admin., R&D, IT, and Projects Exp./ Net Revenue	*18.3%*	-	*15.3%*	*12.2%*	*310 bps*

The Body Shop: Strong e-commerce and At-Home sales increase

In Q1, The Body Shop posted net revenue of R$893.2 million, up by 2.6% in BRL (-10.5% at CC). The drop in constant currency was primarily due to lockdown restrictions, combined with the net closing of 21 own stores in the last twelve months (as part of the store footprint optimization plan). Retail in January reported positive like-for-like sales growth, turning negative in February when Covid-19 started to spread, first in APAC, then in European markets and in North America in March, leaving only about only 25% of stores open in all company markets by quarter-end. In this context, digital sales and direct sales stood out, attesting to their resilience amid the pandemic. Since closure of most of the stores due to lockdown restrictions, e-commerce grew 300%, recovering 40% of lost retail sales, with 61.0% growth in At-Home (direct sales) in the quarter vs. last year, largely driven by UK.

The Body Shop benefitted from having about 35% of its sales comprised of essential items. In the period, the Company donated 200,000 products to first responder services across 9 countries, including the Asylum Seeker Resource in Australia, women's shelters and senior communities in North America and hospitals across the UK.

Two new concept stores were launched in the period, in Toronto and in Hong Kong. These followed the successful launch of the iconic Bond Street store in London, in September last year, which marked the brand's return to its founding values of sustainability and activism.

EBITDA in Q1-20 reached R$133.6 million, with EBITDA margin of 15.0% (-390 bps; adjusted: -460 bps). The margin decline was due to revenue reduction from store closures and lockdown measures and the phasing of cost measures taken in Q1 that will benefit coming quarters.

SG&A expenses increased in BRL due to FX effect. At constant currency, these expenses decreased by 2.5%.

A reconciliation between EBITDA and adjusted EBITDA is presented below:

R$ million	Q1-20	Q1-19	*Ch. %*
EBITDA	133.6	164.1	*(18.6)*
Transformation/integration costs	0.0	6.8	-
Adjusted EBITDA	133.6	170.9	*(21.9)*
Adjusted (comparable) EBITDA Margin	*15.0%*	19.6%	*-460 bps*

The quarter ended with 977 own stores and 1,728 franchise stores, with 33 net store closures (own and franchise) since Q1-19 and 32 since Q4-19. The chart below shows the store count evolution:

Store	The Body Shop store count				
	Q1-20	Q4-19	Q1-19	Change vs. Q4-19	Change vs. Q1-19
Own	977	984	998	*(7)*	*(21)*
Franchise	1,728	1,753	1,740	*(25)*	*(12)*
Total	**2,705**	**2,737**	**2,738**	*(32)*	*(33)*

Aesop: Strong revenue and EBITDA growth despite Covid-19 impacts

Aesop posted 26.6% growth in Q1-20 in BRL and +10.5% In constant currency, despite physical store closures progressing across circa 90% of markets by the end of Q1. Retail revenue still grew in the quarter, although at a lower rate, supported by key markets in Asia, while online sales were the highlight. Since closure of most of the stores due to lockdown restrictions, e-commerce grew over 500% in recent weeks over same period last year, recovering 50% of lost retail sales. Market highlights included the Americas, Asia and Europe, which posted double-digit sales growth, offsetting sales declines in Australia and New Zealand, heavily exposed to Covid-19 lockdowns.

Q1-20 EBITDA stood at R$77.8 million, up 28.1%, with EBITDA margin of 22.8% (+30 bps), supported by sales growth and cost reduction initiatives, including discretionary spending cuts, hiring and travel freeze and furloughing of staff.

Signature stores totalled 247 in the quarter, up 17 since Q1-19 and flat vs. Q4-19. There were 91 department stores in Q1-20, stable vs Q1-19 and down 8 stores since Q4-19. A store count table is provided below:

Doors	Aesop door count				
	Q1-20	Q4-19	Q1-19	Change vs. Q4-19	Change vs. Q1-19
Signature stores	247	247	230	-	*17.0*
Department	91	99	91	*(8.0)*	-
Total	**338**	**346**	**321**	*(8.0)*	*17.0*

6. Social and environmental performance

Natura: After launching the Natura Innovation Challenge – Zero Waste Packaging last year, to seek innovative solutions to reduce packaging waste, Natura held a Pitch Day to select projects will move on to the proof of concept stage. More than 570 solutions from 37 countries were received.

Natura was recognized by HSR Specialist Research as one of the 3 most transformational companies in Brazil during the crisis. Natura was recognized as one of the most ethical companies in the world, by Ethisphere, and also as one of the most sustainable corporations in the world by Corporate Knights.

Natura and Avon made R$31 million in donation of products (5.5+ million units) such as hand sanitizers, 70% alcohol and soaps to governments, NGOs, hospitals, our sales force, our truck drivers, employees and our communities.

Avon united with Natura &Co sister brands to support domestic violence victims during the coronavirus pandemic Our campaign, #IsolatedNotAlone, raises awareness of the issue, signposts help for those who need it, and calls on governments around the world to expand funding and resources to deal with the increased incidence of violence.

The Group also launched a campaign focusing on the increase in domestic violence associated with social distancing, and the Avon Foundation donated US$1 million in support of organizations in 50 countries caring for survivors.

Avon made significant donations to several entities across Europe, such as 1.7 tons of soap and shower gels to quarantine centers in Bucharest, 3.5 tons of hygiene products to home carers and oncology centers in the Czech Republic and Slovakia, and 7 tons of hygiene products along with 120 liters of hand creams to hospitals and public services in Poland. Other similar initiatives were carried out in Italy, the UK and the Philippines.

The Body Shop donated 200,000 products to first responder services across 9 countries, including the Asylum Seeker Resource in Australia, women's shelters and senior communities in North America and hospitals across the UK.

The Body Shop was awarded the Most Sustainable Brand at Marie Claire Hair's Awards 2020, on January 23. The award recognized the Plastics for Change initiative, rolled out in 2019.

Aesop donated over US$2 million in products globally, to support both frontline health workers and victims of family violence. The Company also used social media and marketing platforms to drive awareness around #isolatedNotAlone.

Below are the sustainability KPIs for the Natura brand as part of its 2020 Sustainability Vision Index:

Scope	Indicator	Unit	2020 ambition	Results		
				Q1-20	Q1-19	Highlights
Natura Brazil	Consumption of Amazon Inputs	% (R$ Amazon Inputs /R$ total inputs purchased)	30	13.3	17.7	Results lower than Q1-19 due to the effects of inflation and exchange rates on total purchases of raw materials sourced from the Amazon
Natura Brazil	Accumulated Amazon business volume[1]	R$ billion	1	1.86	1.60	The 2020 commitment has been exceeded. Q1-20 up by 16% in volume vs. Q1-19, thanks to higher consumption of Amazonian inputs and higher allocation of resources for the communities.
Natura: Brazil + Hispanic Latam	Relative Carbon Emissions (Scopes 1, 2 and 3)	kg CO_2e/kg billed products	2.15	3.31	3.33	Positive results from the increase in sales of refills in Latam (+24%) and the relaunch of the Tododia line in Brazil, both with eco-efficient packaging.
Natura Brazil	Eco-Efficient Packaging [2]	% (eco-efficient packaging units billed/total units	40	20	22	Latam increased by 8% its sales of products with eco-efficient packaging, partially offsetting a lower performance in Brazil from lower sales in refills.
Natura Brazil	Packaging equivalent collected (Reverse Logistics)	% (in ton eq. of generated packaging)	50	50	39	The 2020 target has already been achieved due to specific programs implemented in Brazil.
Natura: Hispanic Latam			-	15	0	The reverse logistics program has just been implemented in Hispanic Latam with encouraging results
Natura Brazil	Crer Para Ver revenues	R$MM	-	8.7	8.2	In this quarter we raised R$12.5MM which will be invested in public education projects through the Natura Institute.
Natura: Hispanic Latam			-	3.8	4.2	
Natura: Brazil + Hispanic Latam	Women In Leadership Positions Index (Director Level and Above)	%	50	43	37	Our strategy to guarantee gender equality of finalist candidates in recruiting processes has been effective, and results are fast approaching the target
Natura: Brazil + Hispanic Latam	Sustainability Vision Index 2020	%	100	71	66	The Sustainability Vision Index considers the results achieved in 30 qualitative and quantitative commitments of the 2050 Sustainability Vision. Over the past year we progressed in all these commitments, given our focus on global reverse logistics and the incorporation of recycled material in our packaging

[1] Accumulated Amazon business volume since 2010

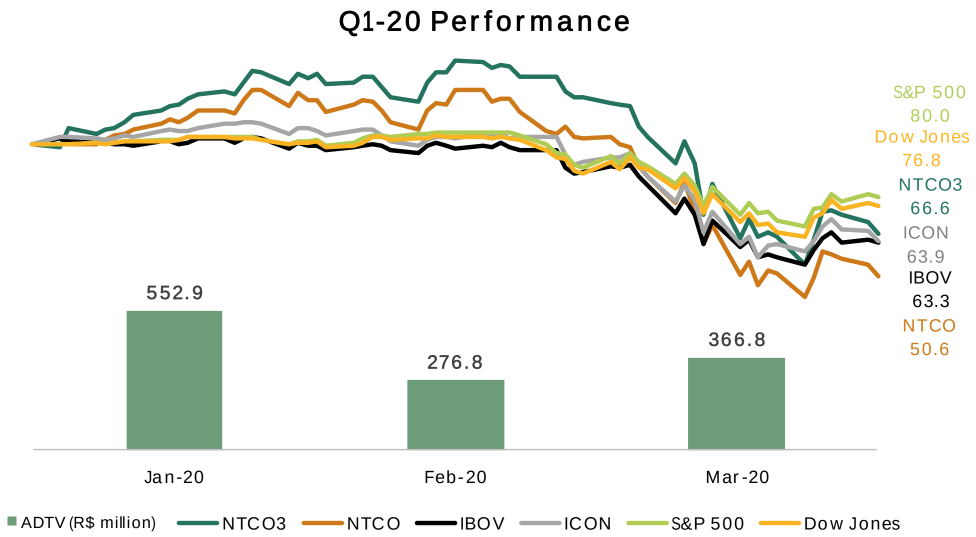
[2] Ecoefficient packagings are those with at least 50% less weight compared to the regular / similar packaging, or comprising 50% post-consumer recycled material and/or renewable non-cellulosic source material, that do not increase mass.

7. Stock performance (NTCO3)

On January 3, 2020, the Company issued 321,820,266 of common shares, for the consummation of the all-stock Avon acquisition.

On March 31, 2020, the Company's capital was comprised of 1,188,271,016 common shares (March 31, 2019: 431,234,356).

NTCO3 shares traded at R$25.7 at the end of Q1-20 on the B3 stock exchange, -33.4% in the quarter. The Company' market capitalization on March 31 was R$30.1 billion, with average Daily Trading Volume (ADTV) in the quarter of R$398.9 million (+437.8% vs. Q1-19). NTCO traded at US$9.8 at the end of Q1-20 on NYSE, -49.4% since January 6, 2020. Below is the performance of NTCO3 and NTCO:



8. Appendices

Consolidated Balance Sheet – Including the effects of IFRS 16

ASSETS	March-20	December-19
CURRENT ASSETS		
Cash and cash equivalents	3,150.1	4,513.6
Securities	1,416.2	1,025.8
Trade receivables	2,774.6	1,685.8
Inventories	4,040.7	1,430.6
Recoverable taxes	959.2	395.6
Income tax and social contribution	321.5	113.5
Derivatives	178.9	-
Other current assets	897.9	265.2
Total current assets	**13,739.1**	**9,430.1**
NON CURRENT ASSETS		
Recoverable taxes	899.9	409.2
Income tax and social contribution	334.7	334.7
Deferred income tax and social contribution	996.4	374.4
Judicial deposits	619.7	337.3
Financial derivatives instruments	1,818.0	737.4
Securities	8.9	7.4
Other non-current assets	1,501.8	83.8
Total long term assets	**6,179.3**	**2,284.2**
Property, plant and equipment	5,246.3	1,773.9
Intangible assets	27,157.5	5,076.5
Right of Use	3,736.5	2,619.9
Total non-current assets	**42,319.7**	**11,754.5**
TOTAL ASSETS	**56,058.7**	**21,184.5**

LIABILITIES AND SHAREHOLDER'S EQUITY	March-20	December-19
CURRENT LIABILITIES		
Loans, financing and debentures	1,942.5	3,354.4
Leasing	956.4	542.1
Trade payables and forfait operations	5,104.8	1,829.8
Payroll, profit sharing and social changes	986.0	560.4
Tax liabilities	488.6	320.9
Income tax and social contribution	245.2	388.2
Dividends and interest on shareholders' equity payable	0.0	95.9
Derivative financial instruments	32.2	11.8
Provision for tax, civil and labor risks	47.0	18.7
Other current liabilities	1,730.8	396.4
Total current liabilities	**11,533.6**	**7,518.4**
NON CURRENT LIABILITIES		
Loans, financing and debentures	17,390.5	7,432.0
Leasing	2,971.6	1,975.5
Tax liabilities	166.4	122.6
Deferred income tax and social contribution	1,504.9	450.6
Provision for tax, civil and labor risks	1,146.9	201.4
Other non-current liabilities	1,049.3	121.7
Total non-current liabilities	**24,229.7**	**10,303.7**
SHAREHOLDERS' EQUITY	**20,295.5**	**3,362.3**
Capital stock	4,905.1	1,485.4
Treasury shares	(16.0)	0.0
Capital reserves	11,112.2	1,303.0
Retained earnings	(146.9)	(149.0)
Losses on capital transactions	(820.8)	(92.1)
Equity valuation adjustment	(92.1)	815.0
Equity attributable to owners of the Company	**5,324.6**	**3,362.3**
Non-controlling interest on subsidiaries' equity	**29.4**	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**56,058.7**	**21,184.5**

Consolidated Income Statement - Including the effects of IFRS 16

R$ million	Q1-20	Q1-19	*Ch. %*
GROSS SALES			
Internal Market	6,096.0	1,694.2	*259.8*
External Market	2,514.7	2,231.9	*12.7*
Other Sales	1.7	1.4	*20.0*
GROSS REVENUE	**8,612.4**	**3,927.6**	*119.3*
Taxes, Returns and Rebates	(1,110.1)	(1,025.4)	*8.3*
NET REVENUE	**7,518.0**	**2,915.2**	*157.9*
Cost of Products Sold	(2,878.7)	(809.2)	*255.8*
GROSS PROFIT	**4,639.3**	**2,106.0**	*120.3*
OPERATING (EXPENSES) INCOME			
Selling, Marketing and Logistics Expenses	(3,299.2)	(1,323.1)	*149.4*
Administrative, R&D, IT and Project Expenses	(1,266.1)	(537.0)	*135.8*
Impairment losses on trade receivables	(224.0)	(75.4)	*196.9*
Other Operating Income (Expenses), Net	(352.6)	14.2	-
INCOME FROM OPERATIONS BEFORE FINANCIAL RESULT	**(502.5)**	**184.7**	-
Financial Income	1,646.8	378.1	*335.5*
Financial Expenses	(1,874.4)	(543.4)	*245.0*
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**(730.1)**	**19.4**	-
Income Tax and Social Contribution	(94.8)	(6.0)	*1,488.3*
Non-controlling interest	4.1	0	
NET INCOME FOR THE PERIOD	**(820.8)**	**13.5**	-

Consolidated Statements of Cash Flow – Including the effects of IFRS 16

R$ million	Q1-20	Q1-19
CASH GENERATED BY (USED IN) OPERATING ACTIVITIES	**(1,028.7)**	**72.2**
OTHER CASH FLOWS FROM OPERATING ACTIVITIES		
Recovery (payment) of income tax and social contribution	(269.5)	(116.5)
Accruals (payments) of judicial deposits	2.8	1.3
Payments related to tax, civil and labor lawsuits	(62.0)	(4.7)
Payments due to settlement of derivative operations	9.8	(20.8)
Interest paid on lease	(53.6)	(31.0)
Payment of interest on borrowings, financing and debentures	(498.6)	(254.7)
NET CASH GENERATED BY (USED IN) OPERATING ACTIVITIES	(1,899.8)	(354.2)
CASH FLOW FROM INVESTING ACTIVITIES		
Cash from merger of subsidiary	2,636.1	0.0
Additions of property, plant and equipment and intangible assets	(174.2)	(80.1)
Proceeds from sale of property, plant and equipment and intangible assets	11.8	3.3
Investment in securities	(1,766.0)	(1,629.6)
Redemption of securities	1,420.1	2,337.1
Redemption of interest on investments and securities	10.5	28.1
NET CASH GENERATED BY (USED IN) BY INVESTING ACTIVITIES	**2,138.4**	**658.8**
CASH FLOW FROM FINANCING ACTIVITIES		
Amortization of lease - principal	(209.7)	(143.9)
Amortization of loans, financing and debentures – principal	(1,923.3)	(510.5)
New loans, financing and debentures	451.1	90.5
Acquisition of treasury shares, net of option strike price received	(33.0)	(1.9)
Payment of dividends and interest on capital for the previous year	(133.9)	(96.3)
Receipts (payments) to settle derivative operations	0.2	0.9
Obligation of the acquiree incurred by the acquirer	(370.8)	-
Capital increase	0.0	2.43
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(2,219.4)**	**(658.8)**
Effect of exchange variation on cash and cash equivalents	578.7	6.1
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,402.1)	(348.1)
Opening balance of cash and cash equivalents	4,513.6	1,215.0
Closing balance of cash and cash equivalents	3,111.5	866.9
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,402.1)	(348.1)

**The notes are an integral part of financial statements*

*** The CAPEX information contained in the cash flow table on page 8 contains additions to the property, plant and equipment / intangible assets paid within the year and payable in the following periods*

9. Conference call and webcast

Live webcast: Q1-20 earnings webcast

10. Glossary

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

APAC: Asia and Pacific

ARS: Argentine Pesos

AUD: Australian Dolars

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 – one percentage point * 100

BRL: Brazilian Reais

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 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 fluctuation effects

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

GBP: Sterling Pounds

G&A: general and administrative expenses

GHG: Greenhouse gases

Hyperinflation: indications of when hyperinflation exists include a cumulative inflation rate over three years of approaching or exceeding 100%; when interest rates, prices and wages are linked to an index, among others

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

Latam: often used to refer to the countries where Natura has operations: Argentina, Chile, Colômbia, México and Peru

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

PCRC: Post-Consumer Recycled Content

P&L: Profit and loss

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.

SG&A: Selling, general and administrative expenses

SM&L: Selling, marketing and logistics expenses

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.

Sustainable Relations Network: Sales model adopted in Mexico that features eight stages in a Consultant's development: Natura Consultant, Entrepreneurial Natura Consultant, Natura Developer 1 and 2, Natura Transformer 1 and 2, Natura Inspirer and Natura Associate. To rise up through the various stages, consultants must fulfill certain based on sales volume, attracting new Consultants and (unlike the models adopted in other countries) personal development and social and environmental relationships in the community.

Target Market: Refers to the market share data published by SIPATESP/ABIHPEC. Considers only the segments in which Natura operates. Excludes diapers, oral hygiene products, hair dyes, nail polish, feminine hygiene products as well as other products.

TBS: The Body Shop.

UOI: Underlying Operating Income.

9. Disclaimer

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

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

Investor Relations Team
Tel.: +55 (11) 4389-7881

ri@natura.net

natura &co