

Quarterly Financial Information

MLog S.A.

June 30, 2016

with Independent Auditor's Report of Quarterly
Financial Information

MLog S.A.

Quarterly financial information

June 30, 2016

Contents

Independent auditor's report on review of quarterly financial information	1
Quarterly financial information	
Balance sheets.....	3
Statements of operations	4
Statements of comprehensive income.....	5
Statements of changes in equity	6
Statements of cash flows	7
Statements of added value.....	8
Notes to quarterly financial information	10



(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards - IFRS)

To
The Board of Directors and Shareholders of
MLog S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the individual and consolidated interim accounting information of MLog S.A. (“Company”), included in the quarterly information form - ITR for the quarter ended June 30, 2016, which comprises the balance sheet as of June 30, 2016 and the respective statements of operations and comprehensive income for the three and six-month periods ended at that date and of changes in shareholders’ equity and of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim accounting information in accordance with the Accounting Pronouncement CPC 21(R1) - Interim Financial Reporting and with the international accounting rule IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of quarterly information - ITR. Our responsibility is to express our conclusion on these interim accounting information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* 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 the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all significant matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the interim accounting information

Based on our review, nothing has come to our attention that cause us to believe that the individual and consolidated interim accounting information included in the aforementioned quarterly information has not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, issued by IASB, applicable to the preparation of the quarterly information - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM.

Emphasis

Going concern

We draw attention to Note 1 to quarterly information - ITR, which indicates that the Company, on June 30, 2016, had negative working capital of R\$ 15,332 thousand, accumulated losses of R\$1,024,678 thousand and losses for the six-month period of R\$ 22,971 thousand. Additionally, as described in respective Note, Company become operational on March 30, 2016. Therefore, the Company's operational results is not sufficient in order its activities become profitable. The business plan prepared by Management, focused on providing support services to oil and gas industry, anticipates revenue growth with future services agreements. The recoverability of the amounts registered in noncurrent assets, as well as the ability to accomplish with its current financial obligations, depends on the success of the plan. These conditions along with other matters described in Note 1, indicate the existence of a material uncertainty, which may cast doubt about the Company's ability to continue as a going concern. Our conclusion is not qualified due to this matter.

Other matters

Statements of added value

We have also reviewed the statements of added value, individual and consolidated, for the six-month period ended June 30, 2016, prepared under the responsibility of the Company's management, for which presentation is required by Brazilian Corporation Law for public companies and considered as supplementary information by IFRS, which does not require the presentation of the statements of added value. These statements were submitted to the same review procedures described previously and, based on our review, nothing has come to our attention that cause us to believe that they have not been prepared, in all material respects, in relation to the individual and consolidated interim accounting information, taken as a whole.

Audit of the figures for the previous year and review of the figures for the first quarter from previous year

The individual and consolidated interim accounting information corresponding to the year ended December 31, 2015 and quarter ended June 30, 2015, presented for comparison purposes, were examined and reviewed by other independent auditors, who issued an audit report on March 29, 2016 and a review report on August 14, 2015, respectively, which did not have any modification.

Rio de Janeiro, August 11, 2016

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ

Original in Portuguese signed by
Anderson C. V. Dutra
Contador CRC RJ-093231/O-6

MLog S.A.

Balance sheets
June 30, 2016 and December 31, 2015
(In thousands of Reais)

	Note	Parent company		Consolidated	
		06/30/2016	12/31/2015	06/30/2016	12/31/2015
Assets					
Current assets					
Cash and cash equivalents	4	4	21	504	156
Marketable securities	4	-	42,472	-	42,472
Trade accounts receivable		-	-	2,060	-
Advances to suppliers		-	-	778	-
Related parties loans	10	446	-	2,642	1,892
Recoverable taxes	5	6,808	6,983	11,146	10,323
Other		138	334	1,076	1,187
Total current assets		7,396	49,810	18,206	56,030
Non-current assets					
Advances for future capital increase	6	34,986	5,471	-	-
Judicial deposits		-	-	5	5
Investments	6	128,069	134,488	-	-
Property, plant and equipment	7	-	-	139,779	134,591
Intangible assets	8	-	-	455	526
Total non-current assets		163,055	139,959	140,239	135,122
Total assets		170,451	189,769	158,445	191,152
Liabilities					
Current liabilities					
Trade accounts payable	12	544	172	4,116	3,008
Bank loans	11	-	-	3,545	20,748
Employee-related accruals		549	708	1,511	1,198
Tax liabilities		122	598	396	1,781
Related parties loans	10	584	-	1,510	1,789
Transaction costs	15	4,973	4,597	20,422	19,472
Provisions		230	1,381	1,872	3,023
Other		57	309	166	447
Total current liabilities		7,059	7,765	33,538	51,466
Non-current liabilities					
Provision for losses on investments	6	43,975	47,475	-	-
Refunds to clients	17	-	-	5,257	5,257
Tax liabilities		-	-	328	-
Total non-current liabilities		43,975	47,475	5,585	5,257
Equity					
Capital stock	18	1,110,859	1,110,857	1,110,859	1,110,857
Share-based compensation reserve	10	25,308	25,394	25,308	25,394
Accumulated losses		(1,024,678)	(1,001,722)	(1,024,678)	(1,001,722)
Cumulative translation adjustments		7,928	-	7,928	-
Equity attributable to controlling shareholders		119,417	134,529	119,417	134,529
Non-controlling shareholder interest		-	-	(95)	(100)
Total equity		119,417	134,529	119,322	134,429
Total liabilities and equity		170,451	189,769	158,445	191,152

See accompanying notes.

MLog S.A.

Statements of operations

Six month period ended June 30, 2016 and 2015

(In thousands of Reais, except for loss per share, in Reais)

	Note	Parent company		Consolidated	
		06/30/2016	06/30/2015	06/30/2016	06/30/2015
Net operating income	19	-	-	5,234	-
Cost of services	19	-	-	(2,970)	-
		-	-	2,264	-
Operating expenses					
Personnel		(6,039)	(20,334)	(10,184)	(20,334)
Services rendered		(238)	(10,303)	(385)	(10,992)
General and administrative		(1,220)	(2,250)	(4,110)	(2,578)
Depreciation and amortization		-	(260)	(1,296)	(291)
Taxes		(188)	(125)	(427)	(154)
Other operating expenses					
Equity results in subsidiaries	6	(15,887)	(1,079)	-	-
Impairment of assets	7,8	(300)	-	(521)	-
		(23,872)	(34,351)	(16,923)	(34,349)
Operating loss before financial results		(23,872)	(34,351)	(14,659)	(34,349)
Financial income and expenses					
Financial income	20	1,309	25,338	1,953	25,339
Financial expenses	21	(393)	(61)	(10,265)	(64)
		916	25,277	(8,312)	25,275
Loss for the period		(22,956)	(9,074)	(22,971)	(9,074)
Loss attributable to:					
Shareholders of the Parent company				(22,956)	(9,074)
Non-controlling shareholder interest				(15)	-
Loss per share (basic and diluted)		(7.52)	(8.73)		

See accompanying notes.

MLog S.A.

Statements of operations

Three month period ended June 30, 2016 and 2015

(In thousands of Reais, except for loss per share, in Reais)

	Note	Parent company		Consolidated	
		04/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	04/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015
Net operating income	19	-	-	5,232	-
Cost of services	19	-	-	(2,932)	-
		-	-	2,300	-
Operating expenses					
Personnel		(2,141)	(6,618)	(5,029)	(6,618)
Services rendered		499	(3,435)	487	(3,849)
General and administrative		(568)	(1,113)	563	(1,310)
Depreciation and amortization		-	(7)	(739)	(23)
Taxes		(45)	(41)	(80)	(66)
Other operating expenses					
Equity results in subsidiaries	6	(8,473)	(654)	-	-
Impairment of assets	7,8	(260)	-	(472)	-
		(10,988)	(11,868)	(5,270)	(11,866)
Operating loss before financial results		(10,988)	(11,868)	(2,970)	(11,866)
Financial income and expenses					
Financial income	20	263	12,965	598	12,966
Financial expenses	21	(376)	(40)	(8,742)	(43)
		(113)	12,925	(8,144)	12,923
Profit (loss) for the period		(11,101)	1,057	(11,114)	1,057
Profit (loss) attributable to:					
Shareholders of the Parent company				(11,101)	1,057
Non-controlling shareholder interest				(13)	-
Profit (loss) per share (basic and diluted)		(3.64)	1.02		

See accompanying notes.

MLog S.A.

Statements of comprehensive Income Six month period ended June 30, 2016 and 2015 (In thousands of Reais)

	Parent company		Consolidated	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Loss for the period	(22,956)	(9,074)	(22,971)	(9,074)
Other comprehensive income				
Cumulative translation adjustments	7,928	-	7,948	
Comprehensive loss for the period	(15,028)	(9,074)	(15,023)	(9,074)
Comprehensive loss attributable to:				
Shareholders of the Parent company			(15,028)	(9,074)
Non-controlling shareholder interest			5	-

Three month period ended June 30, 2016 and 2015 (In thousands of Reais)

	Parent company		Consolidated	
	04/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	04/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015
Profit (loss) for the period	(11,101)	1,057	(11,114)	1,057
Other comprehensive income				
Cumulative translation adjustments	7,928	-	7,948	-
Comprehensive profit (loss) for the period	(3,173)	1,057	(3,166)	1,057
Comprehensive profit (loss) attributable to:				
Shareholders of the Parent company			(3,173)	1,057
Non-controlling shareholder interest			7	-

See accompanying notes.

MLog S.A.

Statements of Changes in Equity Six month period ended June 30, 2016 and 2015 (In thousands of Reais)

	Capital stock			Capital reserves			Cumulative translation adjustments	Non-controlling shareholder interest	Total
	Subscribed	To be paid	Equity issuance costs	Subscription warrant	Share-based compensation reserve	Accumulated losses			
At December 31, 2014	1,418,130	-	(36,464)	1	25,873	(798,913)	-	-	608,627
Stock options	-	-	-	-	(18)	-	-	-	(18)
Loss for the period	-	-	-	-	-	(9,074)	-	-	(9,074)
At June 30, 2015	<u>1,418,130</u>	<u>-</u>	<u>(36,464)</u>	<u>1</u>	<u>25,855</u>	<u>(807,987)</u>	<u>-</u>	<u>-</u>	<u>599,535</u>
At December 31, 2015	1,318,812	(171,491)	(36,464)	-	25,394	(1,001,722)	-	(100)	134,429
Capital increase	13	(11)	-	-	-	-	-	-	2
Translation adjustments (Note 18)	-	-	-	-	-	-	7,928	20	7,948
Stock options (Note 10)	-	-	-	-	(86)	-	-	-	(86)
Loss for the period	-	-	-	-	-	(22,956)	-	(15)	(22,971)
At June 30, 2016	<u>1,318,825</u>	<u>(171,502)</u>	<u>(36,464)</u>	<u>-</u>	<u>25,308</u>	<u>(1,024,678)</u>	<u>7,928</u>	<u>(95)</u>	<u>119,322</u>

See accompanying notes.

MLog S.A.

Statements of Cash Flows Six month period ended June 30, 2016 and 2015 (In thousands of Reais)

	Parent company		Consolidated	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Cash flows from operating activities				
Loss for the period	(22,956)	(9,074)	(22,971)	(9,074)
Adjustments to reconcile the loss for the year to cash from operating activities				
Depreciation and amortization	-	260	2,112	291
Disposals	-	118	-	118
Stock options	(86)	(18)	(86)	(18)
Impairment of assets	300	-	521	-
Exchange variatiance	-	-	7,319	-
Marketable securities income	(879)	(25,009)	(879)	(25,009)
Equity results in subsidiaries	15,887	1,079	-	-
Changes in assets and liabilities				
Recoverable taxes	175	1,250	(826)	1,222
Other assets	197	(83)	(1,919)	(149)
Trade accounts receivable	-	-	(2,060)	-
Advances to suppliers	-	-	1,253	-
Trade accounts payable	451	468	2,095	487
Interest payable	357	-	154	-
Employee-related accruals	(108)	1,495	365	1,495
Tax liabilities	(464)	(449)	(1,045)	(610)
Loans with related parties	-	-	(186)	-
Transaction costs	19	-	(28)	-
Other liabilities	(252)	-	(277)	-
Provisions	(848)	-	(848)	-
Net cash used in operating activities	(8,207)	(29,963)	(17,306)	(31,247)
Cash flows from investing activities				
Advances for future capital increase	(34,555)	(7,274)	-	-
Loans with related parties	140	-	(564)	-
Redemption of marketable securities	43,350	50,122	43,350	50,122
Acquisition of property, plant and equipment	(8)	(7)	(7,392)	(5,999)
Additions to intangible assets	(737)	(12,891)	(740)	(12,891)
Net cash from investing activities	8,190	29,950	34,654	31,232
Cash flows from financing activities				
Payment of Bank loan	-	-	(17,000)	-
Net cash used in financing activities	-	-	(17,000)	-
Increase (decrease) in cash and cash equivalents	(17)	(13)	348	(15)
Cash and cash equivalents at the beginning of the period	21	24	156	26
Cash and cash equivalents at the end of the period	4	11	504	11

See accompanying notes.

MLog S.A.

Statements of added value (supplementary information for IFRS purposes)

Six month period ended June 30, 2016 and 2015

(In thousands of Reais)

	Parent company		Consolidated	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Operating income				
Services	-	-	5,234	-
Inputs acquired from third parties				
Cost of the services	-	-	(2,154)	-
General and administrative expenses	(1,337)	(11,659)	(4,232)	(12,576)
Expenses with stock options granted	86	18	86	18
Depreciation and amortization	-	(260)	(2,112)	(291)
Impairment of assets	(300)	-	(521)	-
Transferred added value received				
Net financial income	916	25,277	(8,312)	25,275
Equity results in subsidiaries	(15,887)	(1,079)	-	-
Total added value to be distributed	(16,522)	12,297	(12,011)	12,426
Distribution of added value				
Personnel				
Direct remuneration	1,982	10,956	4,773	10,956
Management fees	2,567	5,442	2,567	5,442
Benefits	225	706	1,071	706
Accrued severance indemnity (FGTS)	498	1,104	716	1,104
	5,272	18,208	9,127	18,208
Tax				
Federal	1,035	2,263	1,528	2,292
Estadual	-	-	5	-
Municipal	5	6	18	7
Third-party capital remuneration				
Leases	122	894	282	993
Loss for the period attributable to:				
Shareholders of the Parent company	(22,956)	(9,074)	(22,956)	(9,074)
Non-controlling shareholder interest	-	-	(15)	-
	(16,522)	12,297	(12,011)	12,426

See accompanying notes.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

1. Operations

MLog S.A. (MLog or Company) has full control of Morro do Pilar Minerais S.A.(MOPI), Companhia de Desenvolvimento do Norte Capixaba (CDNC, formerly known as Manabi Logística S.A.), Dutovias do Brasil S.A. (Dutovias), 99.99% of Asgaard Navegação S.A.(Asgard Navegação) and 99.75% of Asgaard Navigation LLP (Asgard Navigation).

The subsidiaries MOPI, Dutovias and CDNC operate in the mining and logistics segments while Asgaard Navegação and Asgaard Navigation operate in charter and operation of offshore support vessels for the oil and gas industry.

On March 11, 2016, the Company approved together with Board members, a new business plan according to which the MLog's operating activities are now focused on support services for the oil and gas industry. This initially occurs through OSRV (oil spill recovery vessel) Asgaard Sophia,

On March 24, 2016, its subsidiary Asgaard Navegação, Petróleo Brasileiro S.A. ("Petrobras"), and Petrobras Logística de Exploração e Produção ("PB-LOG") entered into a charter agreement for vessel Asgaard Sophia for a term of 180 days, renewable for an equal period. The vessel started operating on March 30, 2016.

In addition, the subsidiary Asgaard Navegação is participating in Petrobras bidding process for charter of that same vessel for a period of 4 years. The final result of the Petrobras bidding procedure will occur in the upcoming months.

On May 3, 2016, the Company, the Government of the State of Espírito Santo, and the Municipality of Linhares entered into a Memorandum of understanding (MoU) with the purpose of establishing the initial measures to be adopted by the parties in order to create a business district in the area owned by subsidiary CDNC in the municipality. The purpose of this MoU is, among other things, to develop studies to provide the project area with logistics and port access as well as the creation of an Export Processing Zone.

As for the Pilar Hill Project, the Company continues to work on meeting the conditions of the Preliminary License obtained in November 2014.

In line with the efforts made since the date of the Transaction with Asgaard, Management continues to seek alternatives to reduce costs by changing vendors, optimizing internal processes, adapting the number of employees, among other measures.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

Transaction with Asgaard

As fully detailed in Note 2 of the Financial Statements of December 2015, on August 26, 2015 the Company's shareholders unanimously approved at the Special General Meeting, resolutions encompassing (i) the Merger of Maverick Logística S.A. into the Company, pursuant to the terms of the Protocol and Justification of Merger entered into on August 10, 2015 by the Management of the Company and of Maverick Logística S.A.; (ii) increase of the Company's share capital as a result of the Merger, with capitalization of Maverick Logística S.A.'s equity, in the amount of R\$44,565, through issuance of 1,019,650 (one million, nineteen thousand, six hundred and fifty) common, registered, book-entry shares, with no par value, which were subscribed by Maverick Holding S.A.; and (iii) issuance of a subscription warrant by the Company in favor of Maverick Holding S.A., as an additional advantage to subscription of the capital increase resulting from the Merger.

The mentioned Special General Meeting also approved, following the Merger and subject to effectiveness thereof, increase of the Company's share capital, by means of a private subscription, in the amount of R\$209,492, upon issuance of 750,800 (seven hundred and fifty thousand eight hundred) common shares, at an issue price of R\$279.02 (two hundred and seventy nine reais and two cents) per share, established in accordance with article 170, paragraph 1, item I, of Law No. 6404/76.

2. Basis for preparation and presentation of the quarterly financial information

The Company's individual and consolidated quarterly information was prepared based on international accounting standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and accounting practices adopted in Brazil (BR GAAP).

This quarterly financial information does not include all information and disclosures required for the annual financial statements therefore, should be read together with the financial statements of December 31, 2015.

The Company's Management authorized the conclusion of the preparation of this quarterly information on August 11, 2016.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

3. Accounting practices

The quarterly financial information is presented based on the same accounting policies described in Note 4 of the audited financial statements of December 31, 2015.

Accounting judgment, estimates and assumptions

Preparation of the individual and consolidated financial statements in accordance with IFRS and accounting practices adopted in Brazil, requires Management to make judgments, estimations and assumptions that affect the application of accounting policies and the informed value of assets, liabilities, revenues and expenses. The settlement of transactions involving such estimates may result in amounts different from those recorded in the financial statements.

Estimations and assumptions are revised continuously. Revisions related to accounting estimates are recognized in the period in which the estimations are revised and in any future periods affected.

4. Marketable securities and cash equivalents

This investment is broken down as follows:

	Consolidated	
	06/30/2016	12/31/2015
Government bonds	-	28,661
Bank Deposit Certificates (CDBs)	-	13,811
	-	42,472

The government bonds and the CDBs allocated in an exclusive investment fund were fully redeemed during June of this year. In the first half of this year this exclusive investment fund had a return rate of 99% of the Interbank Deposit Certificate (CDI)

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

Cash equivalentes

On 06/30/2016 subsidiary Asgaard Navegação had approximately R\$500 invested in a fixed income fund with Banco Itaú. This Fund is considered low risk, has daily liquidity and in the first half of this year had a rate of return of 98% of the CDI.

5. Recoverable taxes

	<u>06/30/2016</u>	<u>12/31/2015</u>
	<u>Parent Company</u>	
Withheld at source		
Income tax on financial income	6,801	6,979
Others	7	4
	<u>Asgaard Navegação</u>	
Withheld at source		
Income tax on financial income	47	43
Income tax on services rendered	278	-
Social contributions (PIS and COFINS) on services rendered	211	119
Social contribution (CSLL) on services rendered	58	-
Social security (INSS) on services rendered	22	-
Refund claim		
PIS e COFINS	3,329	3,143
Credits		
PIS e COFINS	369	-
Others	24	25
	<u>Other subsidiaries</u>	
Credits		
Others	-	10
	<u>Consolidated</u>	
	<u>11,146</u>	<u>10,323</u>

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

6. Investments in subsidiaries (Parent company)

Changes in investments during the period are as follows:

Investments	Interest	12/31/2015	Capital increase	Equity results	Cumulative translation adjustments	06/30/2016
Cia de Desenvolvimento do Norte Capixaba	100%	19,180	2,000	(281)	-	20,899
Asgaard Navegação.	99.99%	115,308	-	(8,138)	-	107,170
Balance of investments		134,488	2,000	(8,419)	-	128,069
Asgaard Navigation	99.75%	(42,703)	-	(7,328)	7,928	(42,103)
Dutovias do Brasil	100%	(4,759)	3,000	(112)	-	(1,871)
Morro do Pilar Minerais	100%	(13)	40	(28)	-	(1)
Balance of provision for losses in investments		(47,475)	3,040	(7,468)	7,928	(43,975)
		87,013	5,040	(15,887)	7,928	84,094

The changes in future capital contributions in the period are as follows:

	Morro do Pilar Minerais	Cia de Desenvolvimento do Norte Capixaba	Dutovias do Brasil	Asgaard Navegação	Total
Balances as of 12/31/2015	17	1,936	3,116	402	5,471
Funds remitted	28	256	63	34,208	34,555
Capitalization	(40)	(2,000)	(3,000)	-	(5,040)
Balances as of 06/30/2016 *	5	192	179	34,610	34,986

* The capitalization of these balances occurs within a period not greater than one year

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

7. Property, plant and equipment

Parent company balances

	06/30/2016				12/31/2015			
	Cost	Depreciation	Impairment of assets	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Buildings	285	(31)	(254)	-	285	(31)	(254)	-
Machinery and equipment	1,782	(145)	(1,637)	-	1,782	(144)	(1,638)	-
Furniture and fixtures	857	(260)	(597)	-	1,028	(304)	(724)	-
IT equipment	515	(223)	(292)	-	525	(228)	(297)	-
Communication equipment	144	(66)	(78)	-	136	(66)	(70)	-
Leasehold improvements	1,435	(639)	(796)	-	1,435	(639)	(796)	-
	5,018	(1,364)	(3,654)	-	5,191	(1,412)	(3,779)	-

Changes in the Parent company balances in the period

	Depreciation rate	Impairment of assets				
		12/31/2015	Acquisitions	Disposals	Depreciation	06/30/2016
Buildings	4%	-	-	-	-	-
Machinery and equipment	10%	-	-	-	-	-
Furniture and fixtures	10%	-	-	(128)	-	128
IT equipment	20%	-	-	(6)	-	6
Communication equipment	20%	-	8	-	-	(8)
Leasehold improvements	22%	-	-	-	-	-
		-	8	(134)	-	126

Consolidated balances

	06/30/2016				12/31/2015			
	Cost	Depreciation	Impairment of assets	Net amount	Cost	Depreciation	Impairment of assets	Net amount
Land	29,661	-	(8,515)	21,146	29,661	-	(8,515)	21,146
Buildings	285	(31)	(254)	-	285	(31)	(254)	-
Vessel in construction	-	-	-	-	112,624	-	-	112,624
Construction in progress	70,811	-	(70,811)	-	70,591	-	(70,591)	-
Machinery and equipment	1,782	(145)	(1,637)	-	1,782	(145)	(1,637)	-
Furniture and fixtures	1,138	(287)	(648)	203	1,366	(371)	(776)	219
IT equipment	605	(238)	(298)	69	668	(284)	(303)	81
Communication equipment	187	(72)	(93)	22	185	(76)	(85)	24
Vessel	120,237	(2,007)	-	118,230	431	(45)	-	386
Vehicles	14	(2)	-	12	26	(12)	-	14
Works of art	97	-	-	97	97	-	-	97
Leasehold improvements	1,536	(740)	(796)	-	1,536	(740)	(796)	-
	226,353	(3,522)	(83,052)	139,779	219,252	(1,704)	(82,957)	134,591

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

Changes in the consolidated balances in the period

	Depreciation rate	12/31/2015	Acquisitions	Transfer and disposals	Depreciation	Impairment of assets	06/30/2016
Land		21,146	-	-	-	-	21,146
Buildings	4%	-	-	-	-	-	-
Vessel in construction		112,624	7,198	(119,822)	-	-	-
Construction in progress		-	221	-	-	(221)	-
Machinery and equipment	10%	-	-	-	-	-	-
Furniture and fixtures	10%	219	-	(129)	(15)	128	203
IT equipment	20%	81	-	(6)	(12)	6	69
Communication equipment	20%	24	8	-	(2)	(8)	22
Vessel	20%	386	29	119,822	(2,007)	-	118,230
Vehicles	20%	14	-	-	(2)	-	12
Works of art		97	-	-	-	-	97
Leasehold improvements	22%	-	-	-	-	-	-
		<u>134,591</u>	<u>7,456</u>	<u>(135)</u>	<u>(2,038)</u>	<u>(95)</u>	<u>139,779</u>

In 2014 and 2015, Management carried out impairment testing of the integrated iron ore project. As a result of such tests, a loss of R\$83 million was verified in property, plant & equipment. The value recognized in the first half of 2016 refers to additions and reversals during such period.

Construction in progress includes expenditures with development of the port and pipeline projects related to: (i) environmental licensing, additional environmental and engineering studies; (ii) basic engineering project; and (iii) licensing and negotiation of the pipeline's easement areas.

The item Vessels refers primarily to the Asgaard Sophia OSRV (oil spill recovery vessel), built by the Aliança shipyard, which was completed in January 2016.

8. Intangible assets

According to the Company's accounting practices, and in line with IFRS 6 – Exploration for and Evaluation of Mineral Rights, the total expenditure with exploration and evaluation, related to the integrated iron ore project, that was capitalized over the years was subject to impairment in 2015 and 2014 in the amount of R\$805 million. The loss recognized in the first half of 2016, refers to additions and reversals during such period

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

The changes in intangible assets during the period are as follows:

	12/31/2015				06/30/2016			
	Cost	Impairment of assets	Amortization	Net amount	Additions	Amortization	Impairment of assets	Net amount
Expenditures related to exploration and valuation of mineral resources and prospecting rights	238,225	(238,225)	-	-	426	-	(426)	-
Expenditures related to licensing phase	6,404	(6,404)	-	-	-	-	-	-
Management system (ERP)	551	-	(25)	526	3	(74)	-	455
Intangible assets acquired in business combination	546,868	(546,868)	-	-	-	-	-	-
Rail spur	13,151	(13,151)	-	-	-	-	-	-
	<u>805,199</u>	<u>(804,648)</u>	<u>(25)</u>	<u>526</u>	<u>429</u>	<u>(74)</u>	<u>(426)</u>	<u>455</u>

9. Income tax and social contribution

As of June 30, 2016, the Company's income tax and social contribution losses amounted to R\$101 million (R\$93 million as of December 31, 2015), in relation to which Management, taking into consideration the lack of expected future profitability, does not record deferred income tax and social contribution in this phase of the project. Tax loss carryforwards generated in Brazil do not expire and are offset with future taxable profit, limited to 30% of the taxable profit in each year.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

10. Related parties loans

Loans between individuals and entities

The balances of transactions with related parties as of June 30, 2016 are listed below.

<u>Lender</u>	<u>Borrower</u>	<u>06/30/2016</u>	<u>12/31/2015</u>
Current assets			
Parent company			
MLog	Patrícia Tendrich Pires Coelho	444	-
Current assets			
Consolidated			
Asgaard Navegação	Maverick Holding S.A.	612	556
Asgaard Navegação .	Maverick Navegação Ltda	1,064	974
Asgaard Navegação .	Patrícia Tendrich Pires Coelho	522	362
		<u>2,198</u>	<u>1,892</u>
		<u>2,642</u>	<u>1,892</u>
Current liabilities			
Consolidated			
Maverick Holding S.A.	Asgaard Navigation	230	232
Patrícia Tendrich Pires Coelho	Asgaard Navigation	1,280	1,557
		<u>1,510</u>	<u>1,789</u>
Loans between group entities			
Eliminated in the Consolidated			
Asgaard Navegação	Asgaard Navigation	37,696	37,696
Asgaard Navegação	Asgaard Navigation	1,398	1,285
Asgaard Navegação	MLog	584	-
MLog	Asgaard Navigation	2	-

The loan of R\$37,696 between subsidiaries Asgaard Navegação. and Asgaard Navigation is denominated in Reais with maturity on 11/25/2016 and is not subject to interest.

The other loan of R\$1,398 between the subsidiaries above is denominated in Reais, has no maturity and is not subject to interest.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

The loan of R\$444 between MLog and Patricia Tendrich Pires Coelho (Company's CEO) is adjusted by the CDI plus 5% per year and maturing on 09/30/2016.

The other loans involving subsidiary Asgaard Navegação, as lender, as presented in the above chart, occurred with the following entities and pursuant to the following conditions:

- (i) Maverick Holding S.A. (Company shareholder) in the amount of R\$612 is adjusted by the CDI plus 5% per year and maturing on 09/30/2016;
- (ii) Maverick Navegação Ltda. (entity controlled by the Company's CEO) in the amount of R\$1,064 is adjusted by CDI plus 5% per year and maturing on 09/30/2016.
- (iii) Patrícia Tendrich Pires Coelho (Company's CEO) in the amount of R\$522 is adjusted by CDI plus 5% per year and maturing on 09/30/2016.
- (iv) MLog in the amount of R\$584, is adjusted by CDI plus 5% per year and has no maturity.

Management understands that the interest to which such loans is subject are in line with the rates adopted in the market.

The loans taken out by subsidiary Asgaard Navigation with Maverick Holding S.A., in the amount of R\$230, with MLog in the amount of R\$2 are denominated in Reais while the loan with Patrícia Tendrich Pires Coelho, in the amount equivalent to R\$1,280, is denominated in US dollars. Neither loan is subject to interest nor has a maturity date.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

Compensation of key management personnel

The Company considers all current officers and board members to be key management personnel. For the first half of 2016, the compensation of these officers and board members was R\$1,972 and R\$1,146, respectively. The overall management compensation for the period from May 1, 2016 to April 30, 2017, up to R\$6,500, was approved in the Annual General Meeting held on April 28, 2016.

Share based compensation (stock options)

In the Annual Shareholders' Meeting held on July 21, 2011, the Company's shareholders approved a stock option plan for officers, members of the Board of Directors and employees. The stock options issued by the Company under the plan are primary and, therefore, involve the issuance of new shares.

As at June 30, 2016, a total of 22,420 (twenty-two thousand, for hundred and twenty) options had been granted, by means of individual agreements between the Company and each beneficiary. As a condition for entitlement to the stock purchase option, the beneficiary must complete three years of service (vesting period). These options, in the proportion of one third of the total number of shares available for the plan, are exercisable in three annual tranches. The first tranche can be exercised in 12 months from the grant date and the following tranches, pursuant to the same conditions, can be exercised in 24 and 36 months from the grant date. The participants have a maximum term of sixty months from the maturity date to exercise the options.

The exercise price of the options granted until August 20, 2012 is R\$1,576.00 (one thousand, five hundred and seventy-six reais) per share and, after such date, R\$2,547.25 (two thousand, five hundred and forty-seven reais and twenty-five cents), which shall remain unchanged until the effective exercise date of the option, subject to adjustment in the event of share grouping or share split.

Share-based compensation was measured and recognized at fair value, using the Merton (1973) model, which is an extension of the Black & Scholes model.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

The table below shows the result of the fair value measurement of the stock options at the date of this quarterly financial information:

Plan	Grant date	Initial maturity date	Vesting date	Number of shares	Annual volatility	Risk free rate	Dilution factor	Fair value options
2011.1	10/15/2011	10/15/2012	10/15/2017	4,250	40.41%	11.35%	99.41%	3,850
2011.1	10/15/2011	10/15/2013	10/15/2018	4,250	39.47%	11.35%	98.82%	4,098
2011.1	10/15/2011	10/15/2014	10/15/2019	4,250	38.95%	11.34%	98.23%	4,324
Amendments	01/02/2012	10/15/2012	10/15/2017	450	40.86%	11.00%	99.24%	398
Amendments	01/02/2012	10/15/2013	10/15/2018	450	39.58%	11.04%	98.33%	422
Amendments	01/02/2012	10/15/2014	10/15/2019	450	38.98%	11.06%	97.44%	446
2012.1	01/02/2012	10/15/2012	10/15/2017	400	40.86%	11.00%	99.24%	354
2012.1	01/02/2012	10/15/2013	10/15/2018	400	39.58%	11.04%	98.33%	375
2012.1	01/02/2012	10/15/2014	10/15/2019	100	38.98%	11.06%	97.44%	99
2012.2	01/02/2012	12/01/2012	12/01/2017	300	40.67%	10.99%	99.20%	267
2012.2	01/02/2012	12/01/2013	12/01/2018	300	39.51%	11.05%	98.30%	284
2012.2	01/02/2012	12/01/2014	12/01/2019	300	38.95%	11.06%	97.41%	299
2012.3	02/01/2012	01/15/2013	01/15/2018	1,000	40.55%	11.04%	99.08%	892
2012.3	02/01/2012	01/15/2014	01/15/2019	1,000	39.47%	11.19%	98.18%	951
2012.3	02/01/2012	01/15/2015	01/15/2020	1,000	38.80%	11.23%	97.29%	1,001
2012.4	01/13/2012	01/13/2013	01/13/2018	100	40.47%	11.23%	99.20%	90
2012.4	01/13/2012	01/13/2014	01/13/2019	100	39.41%	11.31%	98.28%	96
2012.4	01/13/2012	01/13/2015	01/13/2020	100	38.88%	11.32%	97.37%	101
2012.5	08/20/2012	08/20/2013	08/20/2018	180	39.99%	9.65%	99.05%	154
2012.5	08/20/2012	08/20/2014	08/20/2019	180	38.74%	9.78%	98.11%	164
2012.5	08/20/2012	08/20/2015	08/20/2020	180	38.05%	9.97%	97.19%	173
2013.1	05/02/2013	05/02/2014	05/02/2019	780	39.96%	9.10%	98.54%	1,055
2013.1	05/02/2013	05/02/2015	05/02/2020	400	38.98%	9.24%	97.78%	577
2013.2	07/01/2013	07/01/2014	07/01/2019	550	40.16%	11.23%	98.48%	793
2013.3	08/15/2013	08/15/2014	08/15/2019	250	40.00%	11.71%	98.44%	365
2013.4	10/01/2013	10/01/2014	10/01/2019	550	39.58%	11.73%	98.38%	799
2013.4	10/01/2013	10/01/2015	10/01/2020	150	38.81%	11.79%	97.46%	232
Total 06/30/2016				22,420				22,659

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

The monetary effects of share-based compensation for purchase of shares recorded in equity and in P&L are as follows:

<u>Programs</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
1 ^o	904	4,135	4,086	3,147			12,272
2 ^o		1,193	1,131	620			2,944
3 ^o		880	962	962	40		2,844
4 ^o		92	96	95	4		287
5 ^o		60	163	163	105		491
6 ^o		33	19	-	(52)		-
7 ^o			749	1,124	(147)	(94)	1,632
8 ^o			422	449	(78)		793
9 ^o			263	270	(168)		365
10 ^o			328	878	(183)	8	1,031
	<u>904</u>	<u>6,393</u>	<u>8,219</u>	<u>7,708</u>	<u>(479)</u>	<u>(86)</u>	<u>22,659</u>
Options expired ¹	<u>35</u>	<u>906</u>	<u>679</u>	<u>1,029</u>	<u>-</u>	<u>-</u>	
Recorded in income statement	<u>939</u>	<u>7,299</u>	<u>8,898</u>	<u>8,737</u>	<u>(479)</u>	<u>² (86)</u>	
Accumulated amount in equity	<u>939</u>	<u>8,238</u>	<u>17,136</u>	<u>25,873</u>	<u>25,394</u>	<u>25,308</u>	

¹ In accordance with accounting standards, the options expired due to failure to exercise the rights, previously recorded in income statement, are not subject to reversal.

² This amount includes reversal of non-exercisable options, previously recorded in P&L due to the dismissal of beneficiaries during the period.

In the event the beneficiary resigns from his position, the options not yet exercisable expire without any indemnity or compensation and the exercisable options may be exercised within ninety days. To date, 2,480 (two thousand, four hundred and eighty) shares expired due to non-exercise of the option, corresponding to R\$2,649, measured upon granting of the options and recognized in P&L and equity during the vesting period.

No stock options were exercised during first half of 2016.

In the event the beneficiary's employment contract is terminated for cause, all rights expire automatically, regardless of prior notice or indemnity.

In the event the beneficiary is dismissed from his position without breach of duties and privileges, the specific rights that may be exercised in accordance with the relevant option on the date of issue may be exercised within the remaining exercise period available to such beneficiary. In this case, the non-exercisable options expire without any indemnity or compensation

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

11. Bank loans

At the end of the 2015, subsidiary Asgaard Navegação had credit lines, in the amount of R\$20,500, with Banco Itaú being one line of R\$3,500 and another in the amount of R\$17,000.

The amounts were obtained for a term of 30 days and are renewable for equal and successive periods. On March 14, 2016, Management paid-off the credit line of R\$17,000 and kept the R\$3,500 line with effective cost of 4.72% per month.

Debt composition is as follows:

	06/30/2016			12/31/2015		
	current			current		
	Interest	Principal	Total	Interest	Principal	Total
Banco Itaú	-	-	-	141	17,000	17,141
Banco Itaú	45	3,500	3,545	107	3,500	3,607
	<u>45</u>	<u>3,500</u>	<u>3,545</u>	<u>248</u>	<u>20,500</u>	<u>20,748</u>

12. Trade accounts payable

The consolidated balance of R\$4,116 as of June 30, 2016 (R\$3,008 as of December 31, 2015) largely relates to general and administrative services, with an average settlement period of 30 days, not subject to financial charges.

On the date of the present quarterly information, there was approximately R\$1.4 million in arrears, settlement of which has been made in line with the influx of operating resources, with strict control of cash flow by Management.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

13. Litigation

As of June 30, 2016, the Company, together with its subsidiary Asgaard Navegação are involved in the legal proceedings listed below. Based on the understanding of the acting law firms, the chances of loss of the legal proceedings were classified as possible or remote according to the concept of evaluation adopted for judicial liabilities.

The main items are shown below:

Public Civil Action, filed on 10/28/14 by the State Attorney's Office, questioning the validity of the Statement of Conformity with the municipal laws related to use and occupation of municipal land, issued by the Municipality of Morro do Pilar, for purposes of implementation of the Pilar Hill Project. Management believes that, even if an injunction or an unfavorable decision is granted against the Company, this would not impact the Project since the Municipality of Morro do Pilar is in the process of amending its legislation for the use and occupation of the land in order to conform to federal law requirements, with which the Project is compliant. With the amendment to legislation by the Municipality, the lawsuit would lose its purpose and be dismissed.

Notice of Tax Assessment issued on 06/20/2016 by the Environmental and Sustainable Development Secretariat of the Municipality of Morro do Pilar, imposing a warning penalty against the Company. On 07/19/2016, the Company filed an Administrative Defense alleging, in brief summary, the nullity of the notice of tax assessment due to the existence of a formalization defect and impossibility of characterizing the conducts described in the assessment as infractions. Management understands that even in the event of imposition of punishment, such fact shall not compromise the Pilar Hill Project.

Writ of Mandamus against the Environmental and Sustainable Development Secretariat of the Municipality and the Chairman of the Municipal Environmental Council ("CODEMA") of the Municipality of Morro do Pilar to, *in limine*, suspend the effects of the meetings of Morro do Pilar's CODEMA. The Company's request for the meetings to occur upon prior notice to the Company was granted. In light of such decision, the Municipality of Morro do Pilar filed a Bill of Review, whose suspensive effect was granted, suspending the proceeding until review of the appeal. Management understands that even if the defendant's appeal is accepted, such proceeding does not change the course of the Pilar Hill Project.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

Public Civil Action by the State Attorney's Office and Injunction by the Federal Attorney's Office, filed on 11/05/14, alleging the existence of traditional communities in the area of the Pilar Hill Project and absence of adequate legal treatment of these communities. Management believes that the claim of the Attorney's Office will be weakened due to the non-existence of the "self-declaration" condition for the relevant communities.

Action for Maintenance of Possession and Petitory Action filed, respectively, on 10/18/13 and 08/15/2014, alleging that the Company invaded part of the property called Fazenda das Lages that is allegedly owned by the Claimants, requiring maintenance of possession and demanding ownership of the land. Management believes that these claims do not result in significant risks for the project, since, even if the Court accepts the claims, the Pilar Hill Project would not be at risk.

Writ of Prevention filed on 09/17/14 by the Public Attorney's Office of the State of Minas Gerais (in which the Federal Public Attorney's Office subsequently became part of the lawsuit as claimant) and Civil Class Action filed on 10/23/14 questioning the validity of the consent issued by IBAMA for purposes of future suppression of forest fragment within the Atlantic Forest Biome, in the context of the licensing process for the Pilar Hill Project. The Claimants claim that there is Biome vegetation in the primary stage that would prevent any mining activity. The injunction was granted to suspend the Preliminary Consent, having been reformed in the Suspension of Injunction managed by the Municipality of Morro do Pilar on 10/16/14 and canceled on 10/28/2014. Thus, once the injunction was canceled, the lawsuit resumed the usual procedure and is currently in evidence discovery phase. Once it is demonstrated that the Preliminary Consent was duly granted, the lawsuit will lack grounds.

Writ of Mandamus filed on 02/25/2015 by subsidiary Asgaard Navegação against acts of the Acting Supervisory Assistant of the State of Rio de Janeiro and of the State Inspector of the Inspection Department Specialized in Foreign Trade, in course before the 11th Court of Public Finance of the Justice Court of Rio de Janeiro. The actual value of the dispute is R\$6,550 and the purpose of this lawsuit is to seek suspension of the enforceability of the State Value-Added Tax (ICMS) levied on customs clearance of imported vessels under the Temporary Admission Regime. In this lawsuit, Asgaard Navegação obtained approval of the injunction. To date there is no final decision on the proceedings in reference as to the possibility of loss upon resolution of the above-mentioned matter.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

The Company, its subsidiary Asgaard Navegação. (Asgaard) and bank BNP Paribas Brasil S.A. (BNP) on 24/11/15 entered into an agreement for acknowledgement of debt and other covenants. The purpose of the acknowledgement of debt was to suspend, until 04/05/16, the lawsuit filed by BNP against Asgaard. This lawsuit, filed in 2014, refers to a contract dispute regarding a success fee in the amount of R\$1,849, originated by BNP's role as Asgaard's financial advisor in a strategic transaction. The extinction of the lawsuit is subject to settlement of the amount due to BNP by the Company for its role as advisor in the Transaction with Asgaard mentioned in Note 1. The Company, in the context of the aforementioned Transaction with Asgaard, paid a sum of R\$3.704 in 2015, pursuant to the agreement executed with BNP, and an updated balance of R\$4.219 remains, which, on the date of these quarterly financial information, remained outstanding. On 06/29/2016, BNP requested that the proceeding against the mentioned subsidiary be resumed.

Throughout the first half of 2016, the Company received four labor subpoenas being two from former contractors and two from former employees. Management accepts that the measures taken for restructuring of the Company in 2015, may give rise to new labor lawsuits during the statutory limitation period.

14. Commitments

As a result of the Preliminary License granted by the Regional Superintendence for Environmental Regulation (SUPRAM) on 11/6/14, the following conditions shall be met in order for the Construction License, until November of 2018, for the Pilar Hill Project to be granted:

The Company must acquire approximately 3,700 hectares of land for implementation of the project in phase 1. In addition to this area, it is necessary to acquire 3,600 hectares of land to be used for constitution of environmental compensations and regularization of legal reserve. These expenditures are estimated at R\$60 million.

The Company estimates an amount of R\$20 million related to the environmental compensation set forth in article 36 of Law No. 9985/2000 (national nature conservation units system - SNUC). This amount is payable in four monthly installments, 30 days after granting of the Construction License.

In order to meet the other environmental conditions and obligations, the Company estimates R\$24 million in expenditures primarily related to environmental control programs and compliance with the provisions defined by the Public Attorney's Office of Minas Gerais.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

In addition to the conditions mentioned above, also subject to implementation of the Pilar Hill Project, the Company estimates R\$15 million in other expenditures related to social and environmental compensations and support in the implementation of infrastructure of the municipalities located in the Project's area of direct influence.

15. Provisions

The consolidated amounts refer to: (i) second installment of right of way agreements for the pipeline, in the amount of R\$1,642 (R\$1,642 as of December 31, 2015), due upon notarial regularization by the owners of the affected properties, (ii) recovery of geological survey squares and accesses in the Pilar Hill project region, in the amount of R\$157 (R\$350 as of December 31, 2015), and (iii) undefined costs related to the Transaction with Asgaard mentioned in Note 1, in the amount of R\$73 (R\$1,031 as of December 31, 2015)

16. Transaction costs

Refer mainly to success fees due to financial advisors as a result of the Transaction with Asgaard mentioned in Note 1.

17. Refunds to clients

This amount to be refunded refers to tax paid in excess on temporary import of foreign vessel, which, when received, should be passed on to the customer receiving the services.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

18. Equity

Capital

As of June 30, 2016, the Company's subscribed share capital is represented by 3,052,500 common shares as detailed below:

Shareholders	Common shares	%
Maverick Holding S.A.	1,765,912	57.85
Korea Investment Corporation	244,909	8.02
Ontario Teachers' Pension Plan	227,578	7.46
EIG - Global Energy Partners	188,969	6.19
Fábrica Holding S.A.	154,072	5.05
Outros	471,060	15.43
	3,052,500	100.00

Pursuant to the amendment to the articles of incorporation, approved at the Special General Meeting held on August 26, 2015, the Company's share capital may be increased by decision of the Board of Directors, regardless of any amendment to the articles of incorporation, by up to 6,000,000 (six million) common shares. The Board of Directors may determine the number of shares to be issued, the issue price, and the conditions for subscription, payment and issuance.

Profit (loss) per share

The table below presents the results and share data used in determining the basic and diluted profit (loss) per share:

	Period of three months	
	06/30/2016	06/30/2015
Profit (loss) attributable to the equity holders	(11,101)	1,057
Average weighted number of common shares	3,052,500	1,040,000
Profit (loss) per share – basic and diluted in Reais*	(3.64)	1.02

	Period of six months	
	06/30/2016	30/06/2015
Loss attributable to the equity holders	(22,956)	(9,074)
Average weighted number of common shares	3,052,500	1,040,000
Loss per share – basic and diluted in Reais*	(7.52)	(8.73)

* The loss in the year is antidilutive for the holders of stock options and subscription warrants

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

Cumulative translation adjustments

The cumulative translation adjustments result from the difference between exchange rates in the conversion of the financial statements of subsidiary Asgaard Navigation from Dollars to Reais, considering the following procedures:

- (i) The assets and liabilities are converted using the closing rate on the date of the conversions, except for non-monetary items, which are converted based on the rate of the date of the transaction;
- (ii) The balances of the changes in equity are converted based on the historic exchange rates of the respective transactions;
- (iii) The items contained in the income statements are converted based on the average rate for the period.

19. Net operating income and cost of services

The revenue and related costs refer to the charter agreement for vessel Asgaard Sophia, as mentioned in Note 1, which started operating on March 30, 2016.

	<u>Asgaard Navegação</u> <u>06/30/2016</u>
Revenue	
Charter	3,663
Services	2,268
Taxes on sales	
PIS and COFINS	(549)
Social security contribution	(148)
	<u>5,234</u>
Cost of services	
Payroll and related charges	(1,413)
Depreciation	(818)
Rentals	(217)
Materials	(176)
Insurances	(146)
Services	(139)
Other	(61)
	<u>(2,970)</u>
	<u>2,264</u>

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

20. Financial income

The financial income for the period consists primarily of the proceeds from marketable securities mentioned in Note 4.

21. Financial expenses

	Parent company		Consolidated	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Interest on bank loans	-	-	2,077	-
Exchange variance	-	-	7,713	-
Interest on arrears	392	64	475	64
	<u>392</u>	<u>64</u>	<u>10,265</u>	<u>64</u>

22. Financial instruments

Analysis of financial instruments

The Company and its subsidiaries assessed their financial assets and liabilities in relation to market values, using the available financial statements and appropriate valuation methodologies. However, interpretation of market data and selection of valuation methods require considerable judgment and estimates to calculate the most appropriate realizable value. As a result, the estimates presented do not necessarily indicate the amounts that may be realized in the current market. Use of different market assumptions and/or methodologies may have a material effect on the estimated realizable values.

The Company does not carry out hedge, swap or any other transactions that involve derivative financial instruments.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

Classifications of financial instruments by category

Classification of the financial assets and liabilities of the Company and its subsidiaries by category is as follows:

Financial assets (liabilities)	Consolidated			
	06/30/2016		12/31/2015	
	Carrying basis	Measurement	Carrying basis	Measurement
Cash and cash equivalente	504	Cost to be amortized	156	Cost to be amortized
Marketable securities	-	Cost to be amortized	42,472	Cost to be amortized
Trade accounts payable	4,116	Cost to be amortized	3,008	Cost to be amortized
Bank Loans	3,545	Cost to be amortized	20,748	Cost to be amortized
Transactions with related parties	1,510	Cost to be amortized	1,789	Cost to be amortized
Transaction costs	20,422	Cost to be amortized	19,472	Cost to be amortized

The Company's assessment on financial instruments did not identify significant difference between measured value and fair value of its financial assets and liabilities.

Risk management

The financial transactions of the Company and its subsidiaries are carried out by the financial department in accordance with the conservative strategy, seeking safety, reliability and liquidity, in line with the Company's treasury and cash management Policy. The policy establishes criteria for protection against financial risks resulting from undertaking of obligations, whether in foreign or local currency, in order to manage the exposure risks associated with foreign exchange and interest rate.

The main market risk factors that may affect the business of the Company and its subsidiaries are:

Credit risk

Financial instruments subject to credit risks refer to the cash equivalents and receivables. All transactions are carried out with institutions with recognized liquidity and in line with the Company's treasury and cash management Policy.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

Interest rate risk

This risk results from the possibility of incurring losses due to interest rate fluctuations that increase financial expenses arising primarily from loans. The inherent risk arises from the possibility of significant fluctuations in the CDI.

Liquidity risk

Represents the risk of shortage and difficulty for the Company to honor its debts. The Company and its subsidiaries seek to align the maturity of its debts with the cash generation period to avoid discrepancies and the need for greater leverage.

23. Insurance coverage

On July 4, 2016, the D&O insurance was renewed in the insured amount of up to R\$50,000. The renewal was carried out with insurer Chubb Seguros, who submitted commercial conditions more favorable for the Company.

24. Subsequent event

As mentioned in the Material Fact released by the Company on 08/11/2016, its subsidiary Asgaard Navegação has acquired all shares issued by Companhia de Navegação da Amazônia ("CNA").

CNA, a company established 72 years ago and headquartered in Manaus, State of Amazonas, is a leading player in inland navigation transporting liquid bulk cargo (crude oil, oil products and biofuels) in Brazil's northern region and has a diversified client portfolio base. CNA has a fleet of 33 double hull barges and 18 river pusher-tugs, which transported 1.1 million m³ of liquid bulk in 2015, generating a gross revenue of R\$ 81 million.

This transaction is in line with the Company's Business Plan and its signing was approved by the Board of Directors, as per article 18 (p), of the Company's Bylaws.

The Company, upon conclusion of this operation, maintains its commitment with its shareholders and Board of Directors to find cash generating assets to enhance its business portfolio.

MLog S.A.

Notes to quarterly financial information

June 30, 2016

(In thousands of Reais, except when otherwise indicated)

Acquisition price is substantially related to future realization of deposits of credits from Additional Freight for the Renewing of the Merchant Marine (AFRMM).

The formation and accounting allocation of the consideration will be recognized in the next Quarterly Financial Information.

Company is evaluating the accounting impact of this transaction and its effects will be recognized in the next Quarterly Financial Information.

Patrícia Tendrich Pires Coelho
Chief Executive Officer

Paulo Marcos Vargas de Andrade
Chief Financial Officer