

Dear Shareholders,

MLog S.A.'s Management ("MLog" or "Company"), in conjunction with its direct or indirect subsidiaries Morro do Pilar (Iron Ore Project), Companhia de Desenvolvimento do Norte Capixaba (Industrial District Project and Multiple Port in Linhares), Asgaard Navegação (Offshore Support Shipping Company) and CNA – Companhia de Navegação da Amazonia (Inland Shipping Company), in compliance with legal and statutory provisions, submits to your appreciation the Management Report and the Company's Consolidated Quarter Financial Statements, including the Independent Auditors' Report, all referring to the quarter ended September 30, 2017. All figures mentioned in this report referring to the Company's Financial Statements are presented in thousands of reais, unless stated otherwise.

## **1. Message from the Management**

During the third quarter of 2017, in the offshore support shipping activity, Asgaard presented a return of its revenue to the recurring level for the vessel Asgaard Sophia.

In the inland shipping, CNA - Amazon Navigation Company had another positive quarter and is actively seeking new growth opportunities given the structural changes in the sector. By operating its assets at levels close to the region's limit given current climate and, above all, storage infrastructure conditions, any significant growth in future revenue will depend on the increase of its installed capacity.

In the mining segment, in parallel with our strategy of developing alternative logistics that utilize existing installed idle capacity in the sector, we have restarted our efforts towards the Morro do Pilar Project Installation License ("LI") protocol. Given the complexity of the topic, the advances in the logistic field must take place in a more binary way, by the characteristics of contracts and potential partnerships.

The Company maintains its active demand for opportunities that the different stages in the macro-economic cycles of its sectors of activity can generate, both for organic growth and for M&A opportunities.

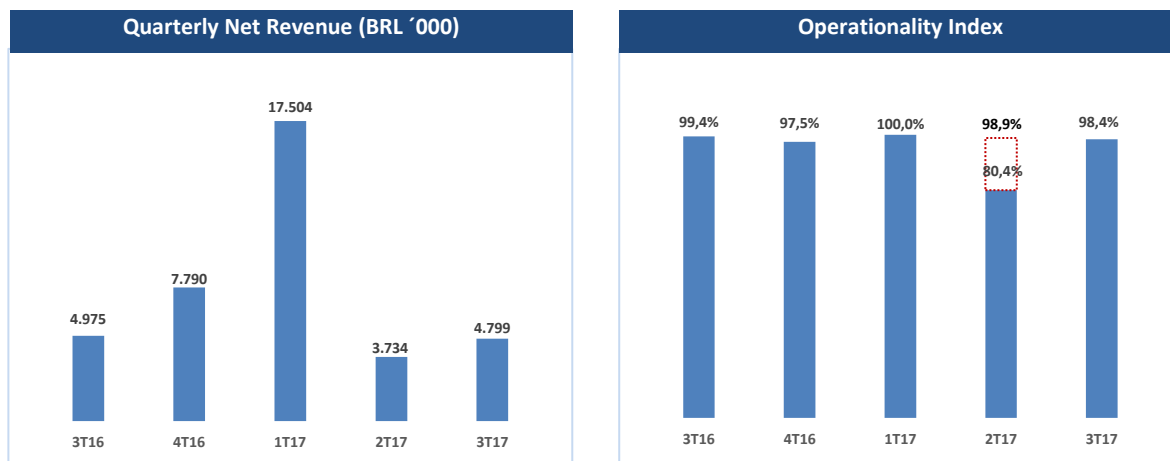
## **2. Operational Performance**

Please find below the evolution of the main operational indicators of our subsidiaries.



**i. Asgaard Navegação**

Operating since March 2016, OSRV Asgaard Sophia has been showing positive operationality rates, as presented in the charts below:



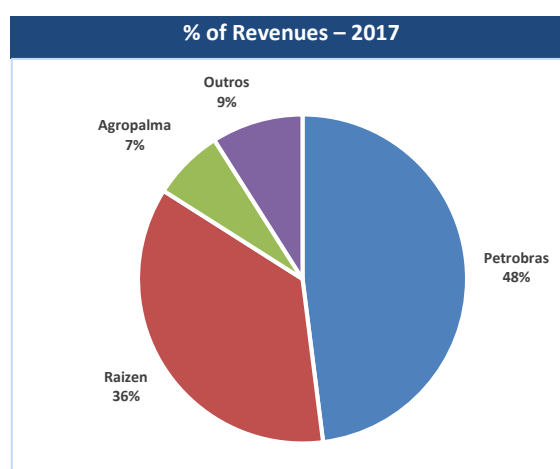
During the third quarter of 2017, the Asgaard Sophia continued to show high operating levels within the new 4-year contract signed with Petrobras. The start-up of the Asgaard Sophia was preceded by the setting-up of a highly qualified team, which has been among the best operators in the offshore support shipping sector in Brazil.

We present below the main financial indicators of the subsidiary Asgaard, not consolidated with its subsidiary CNA. Adjusted EBITDA excludes the write-off of property, plant and equipment by the sale of Sophia to CNA (R\$7,100), provisions (R\$1,687), services and non-recurring expenses (R\$4,223), and the negative result of the Austral Abrolhos charter (R\$4,353).

Financial Indicators	9M2017
<b>Net Revenues</b>	<b>26.037</b>
<i>Gross Margin</i>	13%
<b>EBITDA</b>	<b>-7.671</b>
<i>EBITDA Margin</i>	-29%
<b>Adjusted EBITDA</b>	<b>2.593</b>
<i>EBITDA Margin</i>	10%

## ii. CNA – Companhia de Navegação da Amazônia

The third quarter of the year can be considered an excellent period for the CNA. Not only in terms of volumes and revenues, but also in the increase in operating margin, as a result of our client diversification strategy and the company's ability to take advantage of the positive momentum of the market, increasing the operational efficiency of its fleet and capturing some good spot services. We remain firm in the strategy of the company that we have drawn up for almost a year of excellence and diversification of the customer base as supports for medium and long term growth.



An integral part of CNA's assets are its credits of Freight Additional for the Renovation of the Merchant Marine (Adicional ao Frete para Renovação da Marinha Mercante, AFRMM) belonging to CNA.

AFRMM, governed mainly by Law 10.893 of 2004, is a federal tax on maritime freight, which is intended to support the development of the merchant navy and the Brazilian shipbuilding and repair industry and is a basic source of the Merchant Marine Fund (Fundo da Marinha Mercante, FMM).

The AFRMM tax rates vary according to the type of product, transport and region of origin or destination. In the inland shipping activity for oil cargo in the North regions, the AFRMM rate is 40% of the freight price. The freight additional generated by the Company is subsequently credited to a linked account of the Company with Banco do Brasil and may be used by the Company or by a related entity mainly for:

- i. the acquisition of new vessels for own use, built up in Brazilian shipyards;
- ii. for intervention (jumboizing, conversion, modernization, docking or repair) of own vessel in a Brazilian shipyard;

- iii. for the payment of principal installment and interests of credit facilities funded by the Merchant Marine Fund (Fundo da Marinha Mercante, FMM).

The AFRMM accounting follows the rules of the CPC 07 (IAS 20). When the freight service is completed, the invoice issued, the receivable from AFRMM is recognized simultaneously in long-term assets and long-term liabilities, impacting neither the net revenues nor the results of CNA at the initial moment. In an average term of approximately 30 months, this AFRMM credit is deposited in the linked account of CNA at Banco do Brasil. Now, AFRMM becomes available for being used as allowed.

We present below the main financial indicators of CNA.

Financial Indicators	9M2017
<b>Net Revenue</b>	<b>31.539</b>
<b>EBITDA</b>	<b>2.621</b>
<i>EBITDA Margin</i>	<i>8,3%</i>
<b>EBITDA with AFRMM</b>	<b>15.273</b>
<i>EBITDA Margin</i>	<i>48,4%</i>

**iii. MOPI - Morro do Pilar**

Moving towards our strategic plan, the Company continues in an active posture of dialogue with potential partners and service providers, especially in relation to the logistics of its future production. In parallel, the Company has maintained its water rights, sufficient for the mine project and its logistics, including an eventual pipeline. We also continue working to meet the conditions of the Preliminary License ("LP") obtained in November 2014, and we expect to complete the work required for the application protocol of our Installation License ("LI") until its deadline, November 2018.

In order to meet these conditions, the Company estimates the necessary expenditures and investments of approximately R\$20 million for social and environmental compensation up to the LI protocol.

**iv. CDNC**

The Company continues to analyze the opportunities and possibilities for a project development in its Linhares site.

### 3. Consolidated Financial Statements

#### *Earnings for the quarter*

The Company recorded a consolidated loss of R\$11,271 in the third quarter of 2017. This result is impacted by financial income and expenses, mainly due to the debt with the acquisition of CNA, and general and administrative expenses, including the holding's corporate expenses.

#### *Cash, Cash Equivalents and Securities*

The Company closed the third quarter of 2017 with a cash position of R\$52,229.

#### *Banking Loans*

The Company closed the quarter without bank debt.

### 4. Social and Environmental Responsibility

To reinforce the Company's commitment to the best socio-environmental practices in force, MLog has voluntarily joined the Global Compact of the United Nations (UN). Among the guiding principles of this commitment are respect for human rights at work, respect for the environment, integrity and the fight against corruption.

### 5. Stock Market and Corporate Governance

MLog is a publicly-held company registered with the Brazilian Securities and Exchange Commission (CVM). In the first quarter of 2017, the listing of the Company's shares on BM&FBovespa was not renewed.

The Board of Directors of the Company elected at the Annual Shareholders' Meeting held on April 28, 2017 is currently composed of six members, all with a mandate until the next Annual General Meeting, with re-election being permitted. Current members of the Board are: Luiz Claudio Souza Alves, Chairman of the Board, Alvaro Piquet, Charles Putz, Otavio Paiva, Patricia Tendrich Pires Coelho and Samir Zraick.

On the same date, the Company's Board of Directors elected the Executive Officers for a term to be terminated after the Company's next Annual General Meeting. The Executive Officers are: Patricia Tendrich Pires Coelho (Chief Executive Officer), Luiz Claudio Souza Alves (Deputy Chief Executive Officer), Julia Souza de Paiva (Administrative and Financial Officer), Sabrina Juhasz (Legal Director) and Gustavo Barbeito de Vasconcellos Lantimant Lacerda (Chief Planning, Investment and Investor Relations Officer).

The Company has additionally a formed Audit and Finance Committee.

## **6. Arbitration Clause**

The Company, its shareholders, administrators and members of the Board of Directors shall provide, through arbitration, any and all dispute or controversy that may be raised among them in relation to or originated, specially, from the application, validity, effectiveness, construction, infringement and its effects from the provisions of its Bylaws, by shareholders agreements filed in the Company's headquarters, in the Business Corporation Act, in the rules issued by the National Monetary Council, by the Central Bank of Brazil, or by CVM, in the CVM's regulations, in the BM&FBovespa's regulations, in further rules applicable to the Equity Capital Market as a whole, in the Arbitration Clauses and in the Arbitration Regulations of the Market Arbitration Chamber, conducted in compliance with the Regulations of the Market Arbitration Chamber.

## **7. External Auditor**

In compliance to the Instruction CVM 381 of 2003, the Company reports that KPMG Independent Auditors provides external auditor services related to its financial statement review.

Rio de Janeiro, November 14, 2017.

The Management

# **Quarterly Financial Information**

**MLog S.A.**

September 30, 2017  
with Independent Auditor's Report Quarterly Financial Information



# **MLog S.A.**

## Quarterly financial information

September 30, 2017

### Contents

Independent auditor's report on review of quarterly financial information .....3

#### *Quarterly financial information*

<i>Balance sheets</i> .....	5
<i>Statements of operations</i> .....	6
Statements of comprehensive income.....	7
Statements of changes in equity.....	9
Statements of cash flows .....	10
Statements of added value.....	11
Notes to quarterly financial information .....	12



KPMG Auditores Independentes  
Rua do Passeio, 38 - Setor 2 - 17º andar - Centro  
20021-290 - Rio de Janeiro/RJ - Brasil  
Caixa Postal 2888 - CEP 20001-970 - Rio de Janeiro/RJ - Brasil  
Telefone +55 (21) 2207-9400, Fax +55 (21) 2207-9000  
www.kpmg.com.br

## **Independent Auditor's Review Report on quarterly information - ITR**

(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 and Directors of  
MLOG S.A.  
Rio de Janeiro - RJ

### **Introduction**

We have reviewed the individual and consolidated interim accounting information of MLOG S.A. ("the Company"), included in the quarterly information form - ITR for the quarter ended September 30, 2017, which comprises the balance sheet as of September 30, 2017 and the respective statements of income and comprehensive income for the three and nine-month periods then ended, statements of changes in shareholders' equity and of cash flows for the three-month period then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of these interim accounting information in accordance with the CPC 21(R1) - Demonstração Intermediária and the 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, applicable to the preparation of quarterly information - ITR. Our responsibility is to express our conclusion on this 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 the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.



### **Conclusion on the individual and consolidated interim accounting information**

Based on our review, we are not aware of any fact that might lead us to believe that the individual and consolidated interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, issued by the IASB, applicable to the preparation of the quarterly review - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

### **Other matters**

#### **Significant uncertainty related to the going concern assumption**

We draw attention to Note 1 of the individual and consolidated financial statements, which indicates that on September 30, 2017 the Company's presents accumulated losses of R\$ 344,976 and operational losses of R\$ 36,755, showing that results remain insufficient to make its activities profitable, as well as described in the Management's business plan. The recovery of the amounts recorded in the non-current assets as well as the ability to pay its short-term financial obligations, relies on the success of this plan. These conditions, combined with other issues described under Note 1, indicates a significant uncertainty that may raise doubts to the ability of the Company to continue its business on a going concern basis. Our conclusion regarding interim accounting information is not qualified in relation to this matter.

#### **Statements of added value**

The individual and consolidated statements of added value for the period of nine months ended September 30, 2017, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34, were submitted to the same review procedures followed together with the review of the Company's interim financial information. In order to form our conclusion, we evaluated whether these statements were reconciliated to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of added value were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, November 14, 2017

KPMG Auditores Independentes  
CRC SP-014428/O-6 F-RJ  
*(Original report in Portuguese signed by)*  
Marcelo Nogueira de Andrade  
Accountant CRC-RJ 086312/O-6

A free translation from Portuguese into English of quarterly financial information

**MLog S.A.**

Balance sheets – September 30, 2017 and December 31, 2016

(In thousands of Reais)

	Note	Parent company		Consolidated	
		2017	2016	2017	2016
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	33,552	19	52,229	199
AFRMM deposits in escrow account	5			21,230	90,581
Trade accounts receivable	6			18,145	9,721
Advances to suppliers		222	1,145	1,118	2,472
Inventories				429	344
AFRMM to be released	5			24,052	22,978
Related parties loans	12	479	30,611	1,283	1,320
Recoverable taxes	7	2,349	6,501	10,278	16,753
Prepaid expenses		134	180	1,217	2,381
Other		94	13	1,974	2,384
<b>Total current assets</b>		<b>36,830</b>	<b>38,469</b>	<b>131,955</b>	<b>149,133</b>
<b>Non-current assets</b>					
Advances for future capital increase	8	662	709		
Related parties loans			20,000		
Judicial deposits				468	1,484
Recoverable taxes	7	2,452		2,787	6,209
AFRMM to be released	5			12,299	21,788
Investments	8	204,995	215,178		
Property, plant and equipment	9	3,007	3,526	224,714	228,680
Intangible assets	10	719,247	716,899	785,341	779,734
<b>Total non-current assets</b>		<b>930,363</b>	<b>956,312</b>	<b>1,025,609</b>	<b>1,037,895</b>
<b>Total assets</b>		<b>967,193</b>	<b>994,781</b>	<b>1,157,564</b>	<b>1,187,028</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade accounts payable	13	419	639	15,913	9,835
Bank loans					3,510
Employee-related accruals		198	621	2,946	2,227
Tax liabilities		196	187	1,934	2,055
Related parties loans	12	7,217	311		
Transaction costs	18		5,692	1,311	21,437
Advances from customers				1,021	4,606
Provisions	17	20	140	1,662	1,782
Obligations on acquisition of investments	14	20,514	16,768	20,514	16,768
Other		1,519	342	3,155	2,143
<b>Total current liabilities</b>		<b>30,083</b>	<b>24,700</b>	<b>48,456</b>	<b>64,363</b>
<b>Non-current liabilities</b>					
Provision for losses on investments	8	43,694	44,042		
Deferred income tax and social contribution	11			87	231
Refunds to clients	19			5,875	5,812
Tax liabilities				363	365
Government subsidies to be appropriated- AFRMM	5			200,041	188,621
Obligations on acquisition of investments	14	86,616	89,235	86,616	89,235
Provisions	17	5,755		15,180	1,697
<b>Total non-current liabilities</b>		<b>136,065</b>	<b>133,277</b>	<b>308,162</b>	<b>285,961</b>
<b>Equity</b>					
Capital stock	20	1,111,835	1,111,835	1,111,835	1,111,835
Share-based compensation reserve		25,308	25,308	25,308	25,308
Accumulated losses		(344,976)	(308,222)	(344,976)	(308,222)
Cumulative translation adjustments		8,878	7,883	8,878	7,883
<b>Equity attributable to controlling shareholders</b>		<b>801,045</b>	<b>836,804</b>	<b>801,045</b>	<b>836,804</b>
Non-controlling shareholder interest				(99)	(100)
<b>Total equity</b>		<b>801,045</b>	<b>836,804</b>	<b>800,946</b>	<b>836,704</b>
<b>Total liabilities and equity</b>		<b>967,193</b>	<b>994,781</b>	<b>1,157,564</b>	<b>1,187,028</b>

See complementary notes.

## MLog S.A.

### Statements of operations

Nine months period ended September 30, 2017 and 2016

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

	Note	Parent company		Consolidated	
		2017	2016	2017	2016
Net operating income	21			57,386	16,078
Cost of services	21			(54,077)	(11,049)
Gross profit				3,309	5,029
Operating expenses					
Personnel		(7,651)	(7,852)	(15,055)	(13,579)
Services rendered	12	(4,817)	(697)	(6,035)	(1,112)
General and administrative		(1,367)	(1,530)	(5,633)	(6,774)
Depreciation and amortization		(988)		(1,190)	
Taxes		(409)	(199)	(1,623)	(1,100)
Other operating income (expenses)					
Equity results in subsidiaries	8	(11,520)	(9,352)		
Government subsidies - AFRMM	5			3,369	933
Charter				(1,365)	
Other operating expenses				(2,733)	
Reduction of recoverable asset	9,10		734,350		813,457
Impairment of assets			(13,151)		(83,964)
		(26,752)	701,569	(30,265)	707,861
Operating loss before financial results		(26,752)	701,569	(26,956)	712,890
Financial income and expenses					
Financial income	22	1,272	1,541	3,864	3,057
Financial expenses	23	(11,274)	(1,011)	(13,685)	(13,394)
		(10,002)	530	(9,821)	(10,337)
Profit(Loss) before income tax and social contribution		(36,754)	702,099	(36,777)	702,553
Income tax and social contribution	11				
Current				(122)	(489)
Deferred				144	21
Profit (Loss) for the period		(36,754)	702,099	(36,755)	702,085
Profit (Loss) attributable to:					
Shareholders of the Parent company				(36,754)	702,099
Non-controlling shareholder interest				(1)	(14)
Gain (Loss) per share (basic and diluted)	20	(12.68)	230.01		

See complementary notes.

## MLog S.A.

### Statements of operations

Three months period ended September 30, 2017 and 2016

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

	Note	Parent company		Consolidated	
		2017	2016	2017	2016
Net operating income	21			16,615	10,844
Cost of services	21			(14,950)	(8,079)
Gross profit				1,665	2,765
Operating expenses					
Personnel		(1,964)	(1,813)	(5,162)	(3,395)
Services rendered		(565)	(459)	(858)	(727)
General and administrative		(361)	(310)	(3,283)	(1,370)
Depreciation and amortization		(685)		(752)	
Taxes		(73)	(11)	(329)	(672)
Other operating income (expenses)					
Equity results in subsidiaries	8	(4,578)	6,535		
Government subsidies - AFRMM	5			1,055	933
Charter				(3)	
Other operating expenses				(324)	
Reduction of recoverable asset	9,10		734,650		813,457
Impairment of assets			(13,151)		(83,964)
		(8,226)	725,441	(9,656)	724,783
Operating loss before financial results		(8,226)	725,441	(7,991)	727,548
Financial income and expenses					
Financial income	22	571	232	1,243	1,106
Financial expenses	23	(3,615)	(618)	(4,589)	(3,130)
		(3,044)	(386)	(3,346)	(2,024)
Profit(Loss) before income tax and social contribution		(11,270)	725,055	(11,337)	725,524
Income tax and social contribution	11				
Current					(489)
Deferred				66	21
Profit (Loss) for the period		(11,270)	725,055	(11,271)	725,056
Profit (Loss) attributable to:					
Shareholders of the Parent company				(11,270)	725,055
Non-controlling shareholder interest				(1)	1
Profit (Loss) per share (basic and diluted)	20	(3.89)	237.53		

See complementary notes.

## MLog S.A.

### Statements of comprehensive income Nine-month period ended September 30, 2017 and 2016 (In thousands of Reais)

	Parent company		Consolidated	
	2017	2016	2017	2016
Profit (Loss) for the period	(36,754)	702,099	(36,755)	702,085
Other comprehensive income				
Cumulative translation adjustments (Note 20)	995	7,896	997	7,916
Comprehensive loss for the period	(35,759)	709,995	(35,758)	710,001
Comprehensive loss attributable to:				
Shareholders of the Parent company			(35,759)	709,995
Non-controlling shareholder interest			1	6

### Statements of comprehensive income Three-month period ended June 30, 2017 and 2016 (In thousands of Reais)

	Parent company		Consolidated	
	2017	2016	2017	2016
Profit (Loss) for the period	(11,270)	725,055	(11,271)	725,056
Other comprehensive income				
Cumulative translation adjustments (Note 20)	1,501	(32)	1,505	(32)
Comprehensive loss for the period	(9,769)	725,023	(9,766)	725,024
Comprehensive loss attributable to:				
Shareholders of the Parent company			(9,769)	725,023
Non-controlling shareholder interest			3	1

See complementary notes.

## MLog S.A.

### Statements of changes in equity Nine months period ended September 30, 2017 and 2016 (In thousands of Reais)

	Capital stock			Share-based compensation reserve	Accumulated losses	Cumulative translation adjustments	Non-controlling shareholder interest	Total
	Subscribed	To be paid	(-) Equity issuance costs					
At December 31, 2015	1,318,812	(171,491)	(36,464)	25,394	(1,001,722)		(100)	134,429
Capital increase	13	(11)						2
Capital integralization		976						976
Translation adjustments						7,896	20	7,916
Stock options				(86)				(86)
Profit for the period					702,099		(14)	702,085
At September 30, 2016	<u>1,318,825</u>	<u>(170,526)</u>	<u>(36,464)</u>	<u>25,308</u>	<u>(299,623)</u>	<u>7,896</u>	<u>(94)</u>	<u>845,322</u>
At December 31, 2016	1,318,825	(170,526)	(36,464)	25,308	(308,222)	7,883	(100)	836,704
Reduction of capital to be paid up (note 20)	(42,632)	42,632						
Translation adjustments (Note 20)						995	2	997
Loss for the period					(36,754)		(1)	(36,755)
At September 30, 2017	<u>1,276,193</u>	<u>(127,864)</u>	<u>(36,464)</u>	<u>25,308</u>	<u>(344,976)</u>	<u>8,878</u>	<u>(99)</u>	<u>800,946</u>

See complementary notes.



# MLog S.A.

## Statements of Cash Flows Nine months period ended September 30, 2017 and 2016 (In thousands of Reais)

	Parent company		Consolidated	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit (Loss) for the period	(36,754)	702,099	(36,755)	702,085
Adjustments to reconcile the loss for the year to cash from operating activities				
Depreciation and amortization	988		9,629	4,338
Impairment of assets		13,151		83,964
Reversal of recoverable value of assets		(734,350)		(813,457)
Stock options		(86)		(86)
Government subsidies - AFRMM			(3,369)	
Interest payable	10,762	897	11,046	3,267
Unrealized exchange variance			911	7,319
Marketable securities income		(880)		(880)
Equity results in subsidiaries	11,520	9,352		
Linked account yield AFRMM				(663)
Deferred income tax and social contribution			(144)	(22)
Changes in assets and liabilities				
Recoverable taxes	1,700	320	928	(1,036)
Inventories			(85)	(345)
Prepaid expenses	46		1,166	
Other assets	(81)	97	409	(2,480)
Trade accounts receivable			(8,425)	471
Judicial deposits			16	
Advances to suppliers	923	(44)	1,355	734
Receipt of AFRMM subsidies			96,513	259
Trade accounts payable	(222)	522	6,072	2,347
Employee-related accruals	(423)	(20)	719	396
Tax liabilities	9	(461)	(119)	(876)
Interest on loans with related parties	129	26	(216)	(326)
Transaction costs	(675)	(60)	(7,210)	105
Advances from customers			(3,585)	
Other liabilities	(221)	(252)	(355)	(1,563)
Provisions	(120)	(848)	(287)	(918)
Net cash provided by (used in) operating activities	(12,419)	(10,537)	68,214	(18,300)
<b>Cash flows from investing activities</b>				
Advances for future capital increase	(643)	(34,860)		
Loans with related parties - granted	(389)	(465)	(318)	(787)
Redemption of marketable securities		43,350		43,350
Acquisition of property, plant and equipment	(103)	(8)	(2,561)	(7,536)
Additions to intangible assets	(1,314)	(746)	(1,314)	(784)
Net cash provided by (used in) investing activities	(2,449)	7,271	(4,193)	34,243
<b>Cash flows from financing activities</b>				
Capital Increase		976		976
Payment of Bank loan			(3,732)	(17,000)
Dividends Paid				(1,650)
Payment of obligations on acquisition of investments	(8,897)		(8,897)	
Loans with related parties - received	57,298	2,312	638	84
Net cash provided by (used in) financing activities	48,401	3,288	(11,991)	17,590
Increase (decrease) in cash and cash equivalents	33,533	22	52,030	(1,647)
Cash and cash equivalents at the beginning of the period	19	21	199	2,722
Cash and cash equivalents at the end of the period	33,552	43	52,229	1,075

See complementary notes.

## MLog S.A.

Statements of value added (supplementary information for IFRS purposes)  
 Nine months period ended September 30, 2017 and 2016  
 (In thousands of Reais)

	Parent company		Consolidated	
	2017	2016	2017	2016
Operating income				
Services			68,376	18,943
Inputs acquired from third parties				
Cost of the services			(40,742)	(11,048)
General and administrative expenses	(6,071)	(2,104)	(13,771)	(5,875)
Stock options		86		86
Other income				
Government subsidies - AFRMM			3,369	
Reversal of recordable Asset value		721,199		729,493
Depreciation and amortization	(988)		(1,190)	(671)
Transferred added value received				
Net financial income	(10,002)	530	(9,821)	(10,337)
Equity results in subsidiaries	(11,520)	(9,352)		
Total added value to be distributed	(28,581)	710,359	6,221	720,591
Distribution of added value				
Personnel				
Direct remuneration	602	2,470	16,020	6,231
Management fees	3,677	3,445	4,247	3,461
Benefits	2,042	318	5,879	1,558
Accrued severance indemnity (FGTS)	180	544	1,455	881
	6,501	6,777	27,601	12,131
Tax				
Federal	1,540	1,355	10,876	5,188
State			3,694	698
Municipal	16	5	181	61
Third-party capital remuneration				
Leases	116	123	625	428
Profit (Loss) for the year attributable to:				
Shareholders of the Parent company	(36,754)	702,099	(36,755)	702,099
Non-controlling shareholder interest			(1)	(14)
	(28,581)	710,359	6,221	720,591

See supplementary notes.

## **MLog S.A.**

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### **1. Operations**

MLog S.A. (“Company”) has full control of Morro do Pilar Minerais S.A., Companhia de Desenvolvimento do Norte Capixaba, Dutovias do Brasil S.A., 100% of Asgaard Navegação S.A., indirectly by Asgaard Navegação S.A. 100% of Companhia de Navegação da Amazônia – CNA and 99.75% of Asgaard Navigation LLP.

The subsidiaries Morro do Pilar Minerais S.A., Dutovias do Brasil S.A. and Companhia de Desenvolvimento do Norte Capixaba operate in the mining and logistics segments. Subsidiaries Asgaard Navegação S.A. and Asgaard Navigation LLP operate in charter and operation of offshore support vessels for the oil and gas industry, and Companhia de Navegação da Amazônia – CNA operates in the segment of river transportation of liquid bulks (raw oil, its by-products and biofuels).

On 03/21/2017, subsidiary Asgaard Navegação S.A. sold the vessel Asgaard Sophia to its subsidiary Companhia de Navegação da Amazônia - CNA, for R\$106,303, resulting in release of funds from the Additional Freight for Renovation of Merchant Marine (AFRMM) that were in the linked account in the initial amount of R\$79,345, an additional amount of R\$15,000 that was credited in the linked account during 2017, and a remaining balance of R\$11,958 to be settled at the end of a judicial process in which it is enrolled.

As part of the strategy of the transaction described above, immediately after the purchase and sale of the vessel Asgaard Sophia, subsidiaries Asgaard Navegação S.A. and Companhia de Navegação da Amazônia - CNA entered into a bareboat charter agreement related to such vessel, so that the vessel continues to be operated by Asgaard Navegação S.A. for the contract with Petrobras.

On 04/17/2017, Asgaard Navegação S.A. entered into a four years contract with Petrobras for the operation of the Asgaard Sophia vessel, renewable for the same period, continuing its operation for the same client that existed since March 2016 through a short-term contract.

As a result of the acquisition of Companhia de Navegação da Amazônia - CNA, mentioned in detail in Note 1 of the 2016 Annual Financial Statement and, as set forth in the share purchase agreement, the payment obligations could be transferred from Asgaard Navegação S.A. to the Company, regardless of the sellers’ authorization, and the assumption of such debt occurred on 12/29/2016. This assumption of the debt in the amount of R\$106,003, net of the R\$5,000 reduction related to the loan between the parties and of a receivable in the amount of R\$50,000 resulting from adjustment of the Company’s working capital was effected on 03/24/2017 by means of a capital increase.

## **MLog S.A.**

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

The fair value of the net assets of this acquisition, also mentioned in detail in Note 1 of the Company's relevant Financial Statements, were provisionally assessed pursuant to CPC 15 (Business combination) and Management presents on this financial report the numbers according to independent evaluators.

As regards the iron ore project, called Pilar Hill Project, the Company continues to work on meeting the conditions of the preliminary license ("PL") obtained in November 2014.

The company showed in this quarterly financial information, accumulated losses of R\$36,755 and a loss of R\$11,271 during the period.

The Company's Management understands that the recoverability of the values recorded in non-current assets is subject to its ability to execute its long-term business plan for the mining, logistics and shipping activities. The Company's ability to meet its short-term financial obligations is supported by the activities related to vessel charter, cargo transportation and maritime support services, including effective management of the credits from the Additional Freight for Renovation of Merchant Marine (*Adicional ao Frete para Renovação da Marinha Mercante –AFRMM*) . Such activities contemplate the Asgaard Sophia vessel, hired since 03/30/2016, and acquisition of Companhia de Navegação da Amazônia- CNA,

## **MLog S.A.**

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### **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, 2016.

The Company's Management authorized the conclusion of the preparation of this quarterly information on November 14, 2017.

### **3. Accounting practices**

This quarterly information are presented based on the same accounting practices described in Note 3 of the audited financial statements of December 31, 2016.

#### **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.

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### 4. Cash and cash equivalents

	Parent Company		Consolidated	
	2017	2016	2017	2016
Cash	12	10	545	188
Cash equivalents	33,540	9	51,684	11
	<u>33,552</u>	<u>19</u>	<u>52,229</u>	<u>199</u>

On 09/30/2017, the balance of cash equivalents refers to investments in Certificates of Deposit - CDBs, with daily liquidity and return tied to the Interbank Deposit Certificate – CDI.

### 5. Additional Freight for Renovation of Merchant Marine (“AFRMM”)

The table below shows the changes in the accounts related to AFRMM in the consolidated balance sheet during the nine month period ended 09/30/2017.

	Asset accounts			Liability account
	Current	Non-current		Non-current
	AFRMM deposits in escrow account	AFRMM to be released	AFRMM to be released	Government subsidies to be appropriated - AFRMM
<b>Balance as of 12/31/2016</b>	90,581	26,943	27,794	188,621
Write-down allocation <sup>2</sup>		(3,965)	(6,006)	
<b>Adjusted balance as of 12/31/2016</b>	<u>90,581</u>	<u>22,978</u>	<u>21,788</u>	<u><sup>1</sup> 188,621</u>
AFRMM generated			12,652	12,586
Deposits in escrow account	24,141	(24,025)		
Release of frozen assets	1,000			
Revenue from escrow account	2,203			2,203
Use of the subsidy	(96,695)			
Recognition in profit and loss				(3,369)
Transfer from long-term to short-term		24,025	(24,025)	
Adjust – as per its evaluation report <sup>3</sup>		1,074	1,884	
<b>Balance as of 06/30/2017</b>	<u>21,230</u>	<u>24,052</u>	<u>12,299</u>	<u>200,041</u>

<sup>1</sup> Despite the existence of this amount in long-term liabilities, use of the AFRMM within its legal purpose does not entail financial liabilities or obligation with any effect for the Company, which can at any time, cease to operate such asset and/or carry out sale thereof.

<sup>2</sup> This write-down adjustment, at the amount of R\$3,965 as current and R\$6,006 as non-current, is arising from the purchase price allocation of the acquisition of Companhia de Navegação da Amazônia - CNA, mentioned in Note 1.

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### 6. Trade accounts receivable

A significant part of the amounts receivables from clients, related to the subsidiary Asgaard Navegação S.A., refers to the services agreement for the SBM Installer, which started in December 2016 and was terminated in March 2017, in the amount of R\$13,407 which, upon final adjustment, will be partially offset by the amount of R\$12,414 mentioned in Note 13 (Suppliers) and the advance already received from the client in the amount of R\$1,020. Subsidiary Companhia de Navegação da Amazônia - CNA, included in the consolidation as of the date of acquisition thereof (08/11/2016), has receivables at the amount of R\$5,019.

	<u>2017</u>	<u>2016</u>
Trade accounts receivable	18,426	9,995
Doubtful debt	<u>(281)</u>	<u>(274)</u>
	<u>18,145</u>	<u>9,721</u>

The amounts in accounts receivable from clients as of 09/30/2017 have the following collection deadlines:

Amounts to mature	17,890
Amounts due:	
Within 30 days	255
From 31 to 90 days	
From 91 to 180 days	
From 181 to 360 days	281
Over 360 days	
	<u>18,426</u>

The doubtful debt consists of 100% on amounts overdue for more than 90 days.

The average term of receipt for recurring operations, as of the invoicing, is 20 days at Asgaard Navigation S.A. and 29 days at Companhia de Navegação da Amazônia - CNA.

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### 7. Recoverable taxes

	Current	
	2017	2016
	<b>Parent Company</b>	
<b>Withheld at source</b>		
Income tax on financial income	2,346	6,494
<b>Credits</b>		
Others	3	7
	<b>2,349</b>	<b>6,501</b>
	<b>Asgaard Navegação S.A.</b>	
<b>Withheld at source</b>		
Income tax on financial income	487	
Income tax on services rendered	809	796
Social contributions (PIS and COFINS) on services rendered	346	166
Social contribution (CSLL) on services rendered	132	166
Social security (INSS) on services rendered	48	17
<b>Refund claim</b>		
PIS and COFINS	3,653	3,546
<b>Credits</b>		
PIS and COFINS on inputs	1,366	1,600
PIS and COFINS on vessel acquisition <sup>1</sup>		2,759
Others	30	47
	<b>Companhia de Navegação da Amazônia</b>	
<b>Refund claim</b>		
Income tax on services rendered	686	932
PIS and COFINS on services rendered	113	91
CSLL on services rendered	100	132
<b>Credits</b>		
PIS e COFINS over vessel acquisitions	155	
Others	1	
	<b>Consolidated</b>	
	<b>10,278</b>	<b>16,753</b>
	<b>Non-current</b>	
	<b>Parent Company</b>	
<b>Withheld at source</b>		
Income tax on financial income	2,452	
	<b>Asgaard Navegação S.A.</b>	
<b>Credits</b>		
PIS and COFINS on vessel acquisition <sup>1</sup>		6,209
	<b>Companhia de Navegação da Amazônia</b>	
<b>Credits</b>		
PIS and COFINS on vessel acquisition	335	
	<b>Consolidated</b>	
	<b>2,787</b>	<b>6,209</b>

<sup>1</sup> The PIS and COFINS credits on the Sophia vessel were, as a result of the sale of Asgaard Navegação S.A. to Companhia de Navegação da Amazônia, mentioned in Note 1, reallocated to plant, property and equipment due to non-recoverability thereof in the acquirer, according to applicable legislation.



## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### 8. Investments in subsidiaries (Parent company)

Changes in investments during the nine-month period are as follows:

Investments	Interest	12/31/2016	Capital increase	Equity results	Cumulative translation adjustments	09/30/2017
Cia de Desenvolvimento do Norte Capixaba	100%	20,684	450	(175)		20,959
Morro do Pilar Minerais S.A.	100%	8,505	15	(574)		7,946
Asgaard Navegação S.A.	100%	185,989		(9,899)		176,090
<b>Balance of investments</b>		<b>215,178</b>	<b>465</b>	<b>(10,648)</b>		<b>204,995</b>
Asgaard Navigation LLP	99,75%	(42,165)		868	995	(42,038)
Dutovias do Brasil S.A.	100%	(1,877)	225	(4)		(1,656)
<b>Balance of provision for losses on investments <sup>1</sup></b>		<b>(44,042)</b>	<b>225</b>	<b>(872)</b>	<b>995</b>	<b>(43,694)</b>
		<b>171,136</b>	<b>690</b>	<b>(11,520)</b>	<b>995</b>	<b>161,301</b>

<sup>1</sup> Recognition of this liability is due to the fact that the Company is jointly liable for the debts of its subsidiaries.

For comparison purposes, mainly for the Equity results item, below its presented changes in investments in the same period of the previous year:

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	(414)		20,766
Morro do Pilar Minerais			40	8,469		8,509
Asgaard Navegação.	99.99%	115,308		(9,977)		105,331
<b>Balance of investments</b>		<b>134,488</b>	<b>2,040</b>	<b>(1,922)</b>		<b>134,606</b>
Asgaard Navigation	99.75%	(42,703)		(7,329)	7,986	(42,136)
Dutovias do Brasil	100%	(4,759)	3,000	(114)		(1,873)
Morro do Pilar Minerais	100%	(13)		13		
<b>Balance of provision for losses in investments</b>		<b>(47,475)</b>	<b>3,000</b>	<b>(7,430)</b>	<b>7,986</b>	<b>(44,009)</b>
		<b>87,013</b>	<b>5,040</b>	<b>(9,352)</b>	<b>7,986</b>	<b>90,597</b>

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

The balance related to advances for future capital increase presented the following changes during the nine-month period:

	<b>Morro do Pilar Minerais S.A.</b>	<b>Cia de Desenvolvimento do Norte Capixaba</b>	<b>Dutovias do Brasil S.A.</b>	<b>Total</b>
Balances as of 12/31/2016	11	468	230	<b>709</b>
Funds remitted	447	188	8	<b>643</b>
Capitalization	(15)	(450)	(225)	<b>(690)</b>
Balances as of 09/30/2017 <sup>1</sup>	<b>443</b>	<b>206</b>	<b>13</b>	<b>662</b>

<sup>1</sup> The capitalization of these balances occurs within a period not greater than one year.

## 9. Property, plant and equipment

### Parent company balances

	2017			2016		
	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings	289	(41)	248	285	(33)	252
Machinery and equipment	1,782	(321)	1,461	1,782	(186)	1,596
Furniture and fixtures	845	(330)	515	857	(278)	579
IT equipment	538	(334)	204	515	(237)	278
Communication equipment	144	(102)	42	144	(70)	74
Vehicles	87	(6)	81			
Leasehold improvements	1,431	(975)	456	1,435	(688)	747
	<b>5,116</b>	<b>(2,109)</b>	<b>3,007</b>	<b>5,018</b>	<b>(1,492)</b>	<b>3,526</b>

### Changes in the Parent company balances

	Depreciation	2016	Acquisition	Depreciation	2017
	rate				
Buildings	4%	252		(4)	248
Machinery and equipment	10%	1,596		(135)	1,461
Furniture and fixtures	10%	579		(64)	515
IT equipment	20%	278	16	(29)	265
Communication equipment	20%	74		(32)	42
Vehicles	20%		87	(6)	81
Leasehold improvements	22%	747		(291)	456
		<b>3,526</b>	<b>103</b>	<b>(622)</b>	<b>3,007</b>

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### Changes in the Parent company balances (12/31/2016)

	Depreciation Rate	2015	Acquisitions	Impairment	Depreciation	Impairment Reversal	2016
Buildings	4%				(2)	254	252
Machinery and equipment	10%				(41)	1,637	1,596
Furniture and fixtures	10%			(128)	(18)	725	579
IT equipment	20%			(6)	(14)	298	278
Communication equipment	20%		8		(4)	70	74
Leasehold improvements	22%				(49)	796	747
			8	(134)	(128)	3,780	3,526

### Consolidated balances

	2017			2016			
	Cost	Depreciation	Net amount	Cost	Depreciation	<sup>1</sup> Write-up of assets	Net amount
Land	30,480		30,480	30,480			30,480
Buildings	289	(41)	248	285	(33)		252
Vessel in construction	212		212	2,453			2,453
Machinery and equipment	2,285	(375)	1,910	2,198	(202)		1,996
Furniture and fixtures	1,253	(401)	852	1,249	(317)		932
IT equipment	669	(397)	272	625	(264)		361
Communication equipment	591	(147)	444	447	(84)		363
Vessels	203,106	(15,205)	187,901	157,278	(6,870)	38,854	189,262
Vehicles	257	(60)	197	111	(19)		92
Works of art	97		97	97			97
Properties	1,645		1,645	1,645			1,645
Leasehold improvements	1,431	(975)	456	1,435	(688)		747
	242,315	(17,601)	224,714	198,303	(8,477)	38,854	228,680

<sup>1</sup> This write-up amount refers to the purchase price allocation arising from the acquisition of Companhia de Navegação da Amazônia, mentioned in Note 1

### Changes in the consolidated balances

	Depreciation rate	2016	Acquisition	Adjustment <sup>1</sup>	Transfer	Recoverable taxes	Depreciation	Goodwill	2017
Land		30,480							30,480
Buildings	4%	252					(4)		248
Vessel in construction		2,453	212		(2,453)				212
Machinery and equipment	10%	1,996	88				(174)		1,910
Furniture and fixtures	10%	932	23				(103)		852
IT equipment	20%	361	30				(119)		272
Communication equipment	20%	363	145				(64)		444
Vessels	5%	189,262	2,772	8,967	2,453	(866)	(8,334)	(6,353)	187,901
Vehicles	20%	92	146				(41)		197
Works of art		97							97
Properties		1,645							1,645
Leasehold improvements	22%	747					(291)		456
		228,680	3,416	8,967	-	(866)	(9,130)	(6,353)	224,714

<sup>1</sup> The PIS and COFINS credits on the Sophia vessel were, as a result of the sale of Asgaard Navegação S.A. to Companhia de Navegação da Amazônia, mentioned in Note 1, reallocated to plant, property and equipment due to non-recoverability thereof in the acquirer, according to applicable legislation.

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### Changes in the consolidated balances (12/31/2016)

	Depreciation rate	2015	Investment Acquisition (Nota 1)	Acquisition	Transfer	Depreciation	Impairment Reversal	Mais valia (Nota 1)	2016
Land		21,146	819				8,515		30,480
Buildings	4%					(2)	254		252
Vessel in construction		112,624	2,800	9,816	(122,787)				2,453
Construction in progress				221	(70,813)		70,592		
Machinery and equipment	10%		336	80		(57)	1,637		1,996
Furniture and fixtures	10%	219	103	71	(129)	(57)	725		932
IT equipment	20%	81	17	12	(6)	(41)	298		361
Communication equipment	20%	24	182	105		(18)	70		363
Vessels	5%	386	42,463	610	113,819	(6,870)		38,854	189,262
Vehicles	20%	14	97			(19)			92
Works of art		97							97
Properties			1,645						1,645
Leasehold improvements	22%					(49)	796		747
		<u>134,591</u>	<u>48,462</u>	<u>10,915</u>	<u>(79,916)</u>	<u>(7,113)</u>	<u>82,887</u>	<u>38,854</u>	<u>228,680</u>

## 10. Intangible assets

This item, in line with IFRS 6 Exploration For and Evaluation of Mineral Rights, refers to expenditures with exploration and evaluation of the Pilar Hill iron ore project.

Changes in intangible assets during the nine-month period are as follows:

	2016	Adjustments between lines	Additions	Amortization	Goodwill	2017
Expenditures related to exploration and valuation of mineral resources and prospecting rights	218,427	18,636	2,714			239,777
Expenditures related to licensing phase	6,404					6,404
Management system (ERP)	439	22		(133)		328
Software	662	(23)		(366)		273
Intangible assets acquired in business combination	491,427	(18,636)				472,791
Goodwill on CNA acquisition (Note 1)	62,375	1			3,392	65,768
	<u>779,734</u>		<u>2,714</u>	<u>(499)</u>	<u>3,392</u>	<u>785,341</u>

The consolidated balance in 2015 and intangible assets changes in 2016 are as follows:

	2015			
	Cost	Amortization	Impairment	Net Value
Expenditures related to exploration and valuation of mineral resources and prospecting rights	237,295		(237,295)	
Expenditures related to licensing phase	6,404		(6,404)	
Management system (ERP)	551	(25)		526
Software	930	(268)	(662)	
Intangible assets acquired in business combination	546,868		(546,868)	
Railroad Spur	13,151		(13,151)	
	<u>805,199</u>	<u>(293)</u>	<u>(804,380)</u>	<u>526</u>

	2016							
	Net Value	Additions	Reclassification	Amortization	Impairment Reversal	Impairment	Goodwill (Note 1)	Net Value
Expenditures related to exploration and valuation of mineral resources and prospecting rights		470	1 (969)		218,926			218,427
Expenditures related to licensing phase					6,404			6,404
Management system (ERP)	526	100		(187)				439
Software					662			662
Intangible assets acquired in business combination					491,427			491,427
Railway Spur					13,151	(13,151)		
Goodwill on CNA acquisition (Note 1)							62,375	62,375
	<b>526</b>	<b>570</b>	<b>(969)</b>	<b>(187)</b>	<b>730,570</b>	<b>(13,151)</b>	<b>62,375</b>	<b>779,734</b>

## 11. Income tax and Social contribution

As of 09/30/2017, the Company's income tax and social contribution losses amounted to R\$159 million (R\$119 million as of 12/31/2016), in relation to which Management, taking into consideration the lack of expected future profitability, does not record deferred income tax and social contribution.

The R\$87 net value included under deferred taxes liability related to the subsidiary Companhia de Navegação da Amazônia it's composed by:

- Temporary difference of income tax and social contribution liability, in amount of R\$1,666, between the tax basis and the deemed cost recorded pursuant to Brazilian Technical Interpretation -ICPC 10.
- Deferred income tax asset, in amount of R\$1,579, on tax losses carryforward.

The net amount of R\$22 shown as Income tax and Social contribution in the income statement, is comprised of a positive deferred tax of R\$144 and negative current tax of R\$122.

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### 12. Related parties transactions

#### Loans and transactions with related parties

The balances involving related parties transactions at the date of this quarterly financial information are listed below:

<b>Creditor</b>	<b>Debtor</b>	<b>2017</b>	<b>2016</b>
<b>Current assets in the consolidated</b>			
MLog S.A.	Patrícia Tendrich Pires Coelho	<b>479</b>	609
Asgaard Navegação S.A.	Maverick Holding S.A.	<b>728</b>	648
Asgaard Navegação S.A.	Patrícia Tendrich Pires Coelho	<b>76</b>	63
		<b>1,283</b>	1,320
<b>Amounts eliminated in the consolidated</b>			
Asgaard Navegação S.A.	Asgaard Navigation LLP	<b>37,696</b>	37,696
Asgaard Navegação S.A.	Asgaard Navigation LLP	<b>1,628</b>	1,628
Asgaard Navegação S.A.	Asgaard Navigation LLP	<b>2,820</b>	1,300
Asgaard Navegação S.A.	MLog S.A.	<b>7,217</b>	311
MLog S.A.	Asgaard Navigation LLP		2
Companhia de Navegação da Amazônia	Asgaard Navegação S.A.		2,265
Asgaard Navegação S.A.	Companhia de Navegação da Amazônia	<b>15,626</b>	
MLog S.A.	Asgaard Navegação S.A.		50,000

The loans between MLog S.A. and Patrícia Tendrich Pires Coelho (Company's CEO), have the following amounts and conditions:

- (i) The loan of R\$76 is adjusted by Interbank Deposit Certificate ("CDI") plus 5% per year and maturing on 12/30/2017.
- (ii) The loan of R\$479 is adjusted by CDI plus 3% per year, to be paid in 12 monthly installments, the first of which shall mature on 07/30/2017.

The loan of R\$728 between Asgaard Navegação S.A. and Maverick Holding S.A. (Company shareholder), is adjusted by CDI plus 5% per year and maturing on 12/30/2017.

## **MLog S.A.**

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

The loan of R\$76 between Asgaard Navegação S.A. and Patrícia Tendrich Pires Coelho (Company's CEO), is adjusted by CDI plus 5% per year and maturing on 12/30/2017.

The loans involving subsidiaries Asgaard Navegação S.A. and Asgaard Navigation LLP have the following amounts and conditions:

- (i) The loan of R\$37,696 is denominated in Reais, not subject to interest and maturing on 11/25/2017.
- (ii) The loan of R\$1,628 also denominated in Reais, has no maturity date and is not subject to interest.
- (iii) The loan of R\$2,820, equivalent to US\$890,100.00, has no maturity date and is not subject to interest.

The amount of R\$15,526 due by Companhia de Navegação da Amazônia to Asgaard Navegação S.A. refers to a balance to be received as a result of the sale of the Sophia vessel mentioned in Note 1, settlement of which, without interest, will occur as new resources become available in the AFRMM linked account of Companhia de Navegação da Amazônia – CNA held with Banco do Brasil.

In addition to the items above, but not involving loans, Management highlights the following related parties' events:

Maverick Holding S.A., the Company's parent company, is a guarantor of all of the debt related to acquisition of Companhia de Navegação da Amazônia mentioned in Note 1. The existence of such guarantee was essential for completion of the transaction and Maverick Holding S.A. opted not to charge the Company for this guarantee.

The company had an agreement with Rio Grande Investimentos Ltda., related to provision of services related to strategic planning, mergers and acquisitions, capital market (equity and debt), and structured transactions, the purpose of which was temporary expansion of the capacity of demand, analysis, and negotiation of the Company's merger and acquisition and strategic planning opportunities.

## **MLog S.A.**

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

As part of these services, Rio Grande Investimentos Ltda. actively participated in the Company's organizational restructuring, in the strategic realignment of the mining and navigation assets, also in the acquisition of Companhia de Navegação da Amazônia. Rio Grande Investimentos Ltda.'s managing partner, Luiz Claudio de Souza Alves, was elected as a member of the Company' Board of Directors in the Extraordinary Shareholders' Meeting held on 01/26/2017 and the other managing partner, Gustavo Barbeito de Vasconcellos Lantimant Lacerda, was elected as the Company's strategic planning and investor relations officer in the Extraordinary

Shareholders' Meeting held on 03/03/2017. This agreement terminated on 04/30/2017 and, in the period between when these managing partners became part of the Company's Management and the date of termination of such agreement, there were, pursuant to the terms of the agreement, payments totaling R\$1,917, all duly approved by the Company's board of directors. This payment represents part of the variance of the period in the account service rendered of the P&L.

### **Compensation of key management personnel**

The Company considers all current officers and board members to be key management personnel. For the six-month period of 2017, the compensation of these officers and board members was R\$5,250 and R\$1,379, respectively. The overall management compensation for the period from 05/01/2017 to 04/30/2018, up to R\$13,650, was approved in the Annual General Meeting held on 04/28/2017.

### **Share based compensation (stock options)**

In the Annual Shareholders' Meeting held on 07/21/ 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.

On 06/30/2017, a total of R\$21,820 (twenty-one thousand, eight 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.



## MLog S.A.

### Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

The exercise price of the options granted until 08/20/2012 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.

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	4,050	40.41%	11.35%	99.41%	3,669
2011.1	10/15/2011	10/15/2013	10/15/2018	4,050	39.47%	11.35%	98.82%	3,905
2011.1	10/15/2011	10/15/2014	10/15/2019	4,050	38.95%	11.34%	98.23%	4,121
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
<b>Total as of 09/30/2017</b>				<b>21,820</b>				<b>22,082</b>

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(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 <sup>st</sup>	832	3,829	3,942	3,092			11,695
2 <sup>nd</sup>		1,193	1,131	620			2,944
3 <sup>rd</sup>		880	962	962	40		2,844
4 <sup>th</sup>		92	96	95	4		287
5 <sup>th</sup>		60	163	163	105		491
6 <sup>th</sup>		33	19		(52)		
7 <sup>th</sup>			749	1,124	(147)	(94)	1,632
8 <sup>th</sup>			422	449	(78)		793
9 <sup>th</sup>			263	270	(168)		365
10 <sup>th</sup>			328	878	(183)	8	1,031
	<u>832</u>	<u>6,087</u>	<u>8,075</u>	<u>7,653</u>	<u>(479)</u>	<u>(86)</u>	<u>22,082</u>
Options expired <sup>1</sup>	<u>107</u>	<u>1,212</u>	<u>823</u>	<u>1,084</u>			
Recorded in income statement	<u>939</u>	<u>7,299</u>	<u>8,898</u>	<u>8,737</u>	<u>(479)</u>	<u>(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>	

<sup>1</sup> 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.

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 of these quarterly financial information, 3,080 (three thousand and eighty) shares expired due to non-exercise of the option, corresponding to R\$3,226, measured upon granting of the options and recognized in P&L and equity during the vesting period.

Since adoption of the plan until the date of this quarterly information, no stock options were exercised.

In the event of the beneficiary's employment contract is terminate 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

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### 13. Trade accounts payable

The consolidated balance of R\$15,913 as of 09/30/2017 (R\$9,835 as of 12/31/2016) refers basically, to cost of operation of the vessels and general and administrative services. A significant portion of the balance as of 09/30/2017, in the amount of R\$12,414, will be offset in full, as mentioned in Note 6, upon final settlement of the services agreement related to the SBM Installer, started in December 2016 and terminated in March.

The average settlement period of recurring general costs and services is 30 days and no charges are applicable thereon.

### 14. Obligations on acquisition of investments

This item refers to the acquisition of all of the shares of Companhia de Navegação da Amazônia, as described in Note 1.

The table below shows the changes in this debt at the date of this quarterly financial information.

Composition of acquisition price	Balances on 12/31/2016	Interest	Unwinding of discount	Payments	Balances on 09/30/2017	Payment term	
						Current	Non-current
Initial installment	58,763	5,720		(7,688)	56,795	16,227	40,568
Additional installment	34,324	1,102	2,106	(1,209)	36,323	4,287	32,036
Earn out installment	12,916		1,096		14,012		14,012
	<u>106,003</u>	<u>6,822</u>	<u>3,202</u>	<u>(8,897)</u>	<u>107,130</u>	<u>20,514</u>	<u>86,616</u>

### 15. Litigation

Management highlights below the main lawsuits involving the Company and its subsidiaries, whose chances of loss are classified as possible by the law firms involved.

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

Process number	Type	Author	Nature	Cause Value	Risk Calculation	Chances of Loss	Comments from Administrators
0020199-78.2014.8.13.0175	Ação Civil Pública	Ministério Público do Estado de Minas Gerais	environmental	1,000	Pedido ilíquido	Possible	Management's expectation is that such action will lose its purpose and will be extinguished due to the alteration of the municipal legislation already mentioned.
0071643-11.2014.4.01.3800 e 0078416-72.2014.4.01.3800	Ação Cautelar Inominada e Ação Civil Pública	Ministério Público Federal	environmental	5,000	Pedido ilíquido	Possible	Management's expectation is that the loss of such action could significantly affect the Morro do Pilar Project.
1125178-74.2016.8.26.0100	Ação de Execução	Banco BNP Paribas Brasil S.A	Cível	4,703	6,396	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.
1024094-93.2017.8.26.0100	Ação de Execução	Kinea Renda Imobiliária Fundo de Investimento Imobiliário	Cível	641	771	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.
02044.010011/2016-92	Processo Administrativo	Coordenação do Instituto Chico Mendes de Conservação da Biodiversidade - ICMBIO	Administrative	400	400	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.
0104919-42.2017.8.19.0001	Ação de Execução de Título Executivo Extrajudicial	Citigroup Global Markets Assessoria Ltda.	Cível	6,209	7,896	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.
0011002-32.2016.5.03.0184	Reclamação Trabalhista	Bruno Dias Vieira Marques	labor	300	3,063	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.
0010834-28.2016.5.03.0023	Reclamação Trabalhista	Ottomar Bamberg	labor	100	2,793	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.
0011095-36.2016.5.03.0138	Reclamação Trabalhista		labor	3,000	4,543	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.

The subsidiary, Companhia de Navegação da Amazônia (“CNA”) it’s also part of about 50 lawsuits of several topics, civil, labor, environmental, tax and other. Any convictions in said lawsuits, as well as in labor claims, as well as their respective attorneys' fees, will be subject to reimbursement by the former CNA controllers, as established in the purchase and sale agreement of the shares signed with the Libra Group.

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

Process number	Type	Author	Nature	Cause Value	Risk Calculation	Chances of Loss	Comments from Administrators
0032202-20.2008.8.14.0301	Ação de Indenização	Odete Cunha Lobato Benchimol e Elias Isaac Benchimol	Cível	1,000	Pedido ilíquido	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.
10283.721485/2012-45	Processo Administrativo	Delegacia da Receita Federal do Brasil em Manaus - AM/DRF/AM	Administrative	1,661	2,394	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.
10283.720968/2013-11	Processo Administrativo	Delegacia da Receita Federal do Brasil em Manaus - AM/DRF/AM	Administrative	7,861	11,575	Possible	Management's expectation is that the loss of said process will not have a continuing impact on the Company.

## 16. Commitments

As the result of the Preliminary License granted by the Regional Superintendence for Environmental Regulation (SUPRAM) on 11/06/14, the following conditions shall met in order for the Construction License, until November of 2018, for the Pilar Hill Project be granted.

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.

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.

## **MLog S.A.**

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### **17. Provisions (consolidated)**

The short term 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 12/31/2016), to be paid upon notarial regularization by the owners of the affected properties, and (ii) recovery of geological survey squares and accesses in the Pillar Hill project region, in the amount of R\$20 (R\$67 as of 12/31/2016).

The long-term portion refers to:

- (i) R\$7,896 due by subsidiary Asgaard Navegação S.A. as a result of a lawsuit categorized as probable, related to an Action for Enforcement of Extrajudicial Enforcement Title filed by Citigroup Global Markets Assessoria Ltda., for collection of the success fee set forth in the “Engagement Letter”, executed on 01/26/2015, the historic value of which is equivalent to R\$4,000. Asgaard Navegação S.A. has already indicated assets for attachment and filed Motions to Stay Execution.
- (ii) R\$5,755 due by the Company, as result of a lawsuit categorized as probable, related to an Action for Enforcement of Extrajudicial Enforcement Title filed by BNP Paribas Brasil S.A. (“BNP”) aprofitst the Company in the amount of R\$ 4,703, based on private instrument of debt confession and other covenants, whereby the Company acknowledges and confesses that it owes R\$7,249 related to the financial advisory services provided by BNP, plus R\$79 related to the expenses incurred by BNP. In 2015, pursuant to the settlement entered into with BNP, the Company paid the amount of R\$3,624, and there is a remaining balance of R\$4,703 (updated until the date of filing of the lawsuit). The Company indicated assets for attachment and filed Motions to Stay Execution. On 02/14/2017, the court partially rejected the requests contained in the Motions to Stay Execution. In light of such decision, the Company filed Motions to Clarify, which were rejected. On 06/23/2017, the Company filed an Appeal.
- (iii) R\$1,529 due basically by subsidiary Companhia de Navegação da Amazônia as a result of civil and labor claims, categorized as probable (R\$1,697 as of 12/31/2016).

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### 18. Transaction costs

Refer primarily to success fees due to financial advisors as a result of the Transaction occurred in 2015, when Asgaard group was absorbed by the Company, where R\$1,311 are due by subsidiary Asgaard Navegação (R\$15,745 as of 12/31/2016) and by the Company (R\$5,692 as of 12/31/2016). Management has been negotiating new deadlines and conditions with the creditors. A significant portion of the amounts as of 12/31/2016, was transferred to provision, as per Note 17, due to judicial dispute.

### 19. Refunds to clients

This amount to be refunded refers to tax paid in excess on temporary import of foreign vessel, in amount of R\$5,875 (R\$5,812 as of 12/31/2016) which, when received by subsidiary Asgaard Navegação S.A., should be passed on to the customer receiving the services. This obligation is adjusted based on the Selic interest rate (Special settlement and custody system).

### 20. Equity

#### Capital

As of 06/30/2017, the Company's subscribed share capital is represented by 2,899,712 common shares as detailed below:

Shareholders	Common shares	%
Maverick Holding S.A.	<b>1,539,186</b>	53.08
Korea Investment Corporation	<b>244,909</b>	8.45
Ontario Teachers' Pension Plan	<b>227,578</b>	7.85
EIG - Global Energy Partners	<b>188,969</b>	6.52
Fábrica Holding S.A.	<b>154,072</b>	5.31
Other	<b>544,998</b>	18.79
	<b>2,899,712</b>	100.00

This number of shares contemplates the capital reduction occurred in the Extraordinary Shareholders' Meeting held on 12/08/2016, effective as of 02/10/2017, in accordance with article 174 of Law 6,404/76, after lapse of the 60-day period from publication of such Extraordinary Shareholders' Meeting.

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

The capital reduction was of R\$42,632, leading to cancelation of 152,788 shares that were subscribed and not paid-in by shareholder Maverick Holding S.A.

Pursuant to the amendment to the articles of incorporation, approved at the Special General Meeting held on 08/26/2015, 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, price, and the conditions for subscription, payment and issuance.

### Loss per share

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

	<u>Three-months period</u>	
	<u>2017</u>	<u>2016</u>
Loss attributable to the equity holders	(11,270)	725,055
Shares outstanding	<u>2,899,712</u>	<u>3,052,500</u>
Loss per share – basic and diluted in Reais (*)	<u>(3.89)</u>	<u>237.53</u>

	<u>Nine-months period</u>	
	<u>2017</u>	<u>2016</u>
Loss attributable to the equity holders	(36,754)	702,099
Shares outstanding	<u>2,899,712</u>	<u>3,052,500</u>
Loss per share – basic and diluted in Reais (*)	<u>(12.68)</u>	<u>230.01</u>

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

### 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 LLP from Dollars to Reais, considering the following procedures:



## MLog S.A.

Notes to quarterly financial information

June 30, 2017

(In thousands of Reais, except when otherwise indicated)

- (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.

### 21. Net operating income and costs of services

The revenues and corresponding costs incurred by subsidiaries Asgaard Navegação S.A., as of the start of operation of vessel Asgaard Sophia on March 2016, and from procurement of the SBM Installer vessel in December 2016 and Companhia de Navegação da Amazônia after the date of acquisition thereof (08/11/2016) mentioned in Note 1 are shown below:

	<u>2017</u>	<u>2016</u>
Revenue		
Charter	<b>20,382</b>	12,294
Freight	<b>34,095</b>	6,642
Maritime support	<b>13,899</b>	6
Taxes on sales		
Social contributions (PIS and COFINS)	<b>(5,498)</b>	(1,752)
Social security contribution	<b>(835)</b>	(413)
Tax on services (ISSQN)	<b>(821)</b>	(29)
Value-Added Tax (ICMS)	<b>(3,618)</b>	(670)
Other	<b>(218)</b>	
<b>Net revenue</b>	<b><u>57,386</u></b>	<u>16,078</u>
Cost of services		
Payroll and related charges	<b>(13,467)</b>	(4,082)
Charter	<b>(10,289)</b>	
Depreciation	<b>(7,944)</b>	(2,286)
Rentals	<b>(145)</b>	(275)
Materials	<b>(12,955)</b>	(2,532)
Insurances	<b>(1,637)</b>	(640)
Services	<b>(4,265)</b>	(553)
Other	<b>(3,375)</b>	(681)
	<b><u>(54,077)</u></b>	<u>(11,049)</u>
<b>Gross profit</b>	<b><u><u>3,309</u></u></b>	<u><u>5,029</u></u>

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### 22. Financial income (consolidated)

	<u>2017</u>	<u>2016</u>
Earnings from financial investment	2,707	882
Income in the AFRRM linked account		667
Earnings from recovery taxes	430	642
Trade discounts	558	
Interest on loans with related parties	152	629
Exchange variation	17	
Other		237
	<u>3,864</u>	<u>3,057</u>

### 23. Financial expenses (consolidated)

	<u>2017</u>	<u>2016</u>
Interest on bank loans	432	2,545
Interest on acquisition of investment (CNA- Note 14)	10,024	2,083
Exchange variation	1,457	7,696
Bank charges	343	
Interest on arrears	1,258	1,070
Other	171	
	<u>13,685</u>	<u>13,394</u>

## MLog S.A.

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### 24. Financial instruments

#### Financial instruments categories

On 09/30/2017, the Company and its subsidiaries did not have any financial assets classified under the Measurement at fair value through profit or loss category.

The financial instruments classified as Loans and receivables are:

<b>Financial assets and liabilities</b>	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Cash and cash equivalents	<b>52,229</b>	199
AFRMM deposits in escrow account	<b>21,230</b>	90,581
Trade accounts receivable	<b>18,145</b>	9,721
Related parties loans	<b>1,283</b>	1,320
Other credits	<b>1,900</b>	2,232
<b>Liabilities</b>		
Trade accounts payable	<b>15,913</b>	9,835
Bank loans		3,510
Transaction costs	<b>1,311</b>	21,437
Obligations on acquisition of investments	<b>107,130</b>	106,003

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

September 30, 2017

(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 from liabilities. 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.

The table below details the maturity period of the key financial liabilities of the Company and its subsidiaries at the date of this quarterly financial information:

	Consolidated			Total
	Up to one year	From one to three years	Over three years	
Trade accounts payable	15,913			15,913
Transaction costs	1,311			1,311
Obligations on acquisition of investments	20,514	39,748	46,868	107,130
	<b>37,738</b>	<b>39,748</b>	<b>45,792</b>	<b>124,354</b>

## 25. Information by segment

The Company operates in the mining, logistics and oil & gas segments and the business revenues are exclusively from the oil & gas segment.

Management notes that the value attributed to the mining segment refers exclusively to reversal of impairment in 2016, as mentioned in Notes 10 and 11 of those financial statements. Other assets and revenues from external customers are therefore, attributed to the oil and gas segment.

## **MLog S.A.**

Notes to quarterly financial information

September 30, 2017

(In thousands of Reais, except when otherwise indicated)

### **26. Insurance coverage**

The Company and its subsidiaries hold several insurance policies with the purpose of protecting its operation and assets. In the shipping activities, subsidiaries Asgaard Navegação S.A. and Companhia de Navegação da Amazônia- CNA hire insurance for its vessels (hull insurance), in addition to Protection and Indemnity (P&I) coverage.

The main coverages are:

Hull Insurance:

- CNA: Full coverage of R\$93 million
- Asgaard: Full coverage of US\$50 million

Protection and Indemnity Insurance (P&I):

- CNA: Unlimited coverage for third parties, limited to US\$1 billion for environmental pollution and US\$6 million for civil liability
- Asgaard: Unlimited coverage

On 07/04/2017, the directors and officers' liability (D&O) insurance of the parent company and its subsidiaries, in the insured amount of up to R\$50 million, was renewed.

Patrícia Tendrich Pires Coelho  
Chief Executive Officer

Julia Souza de Paiva  
Chief Administrative and Financial Officer