Dear Shareholders,

MLog S.A.’s Management (“MLog” or “Company”), in conjunction with its direct or indirect subsidiaries Morro do Pilar (Iron Ore Mining 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 Financial Statements, including the Independent Auditors’ Report, all referring to the year ended December 31, 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

Following the cost reduction challenge in 2016, which led to a 80% decrease in the Company's general and administrative costs and expenses, the year of 2017 was one of operational and strategic consolidation of MLog.

In the mining segment, we followed the strategic repositioning process of the Morro do Pilar Project ("MOPI"), an important and complex project that involves the relationship with several stakeholders.

On the institutional front, the relationship with the Municipality of Morro do Pilar, the main beneficiary of our Mining project, was resumed, with the signing of an emergency cooperation agreement between the Company and the Municipality. This agreement allowed the improvement of school and social conditions in the region at a time of acute budget crisis of the national municipalities.

The Company also resumed the Environmental Licensing activities of the project, with the expectation of an Installation License ("LI") filing for the second half of 2018, in addition to advancing in the discussions to generate logistics alternatives based on the utilization of industry idle capacity.

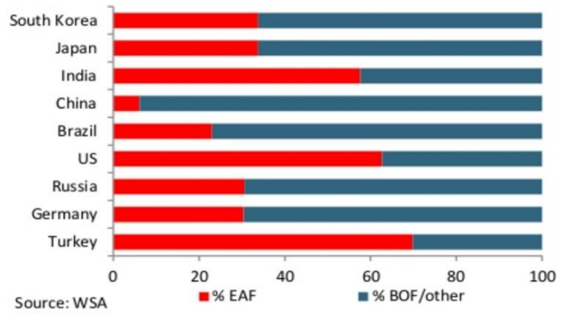
The year 2017 was also marked by changes in China's environmental policy, which included the decision to use the green indicator to assess the performance of its provinces and the reduction of some of the overcapacity of the steel industry, focused on the closure of less efficient steel mills and, therefore, more polluting ones.

The table below, produced by the Company, compares the amount of raw material used by each of the two main types of steel production process: EAF or electric arc and BOF or blast furnace. As can be seen, by using scrap, the EAF process is less demanding of raw materials and energy, which makes it less aggressive to the environment. As we can see from the chart below, China, the world's largest steel producer, has a very small share of its output in EAF. With its new environmental policies, we expect to see the shift from China's production profile to move from highly concentrated in BOF to one where EAF is also relevant.

Raw Material Used by Process

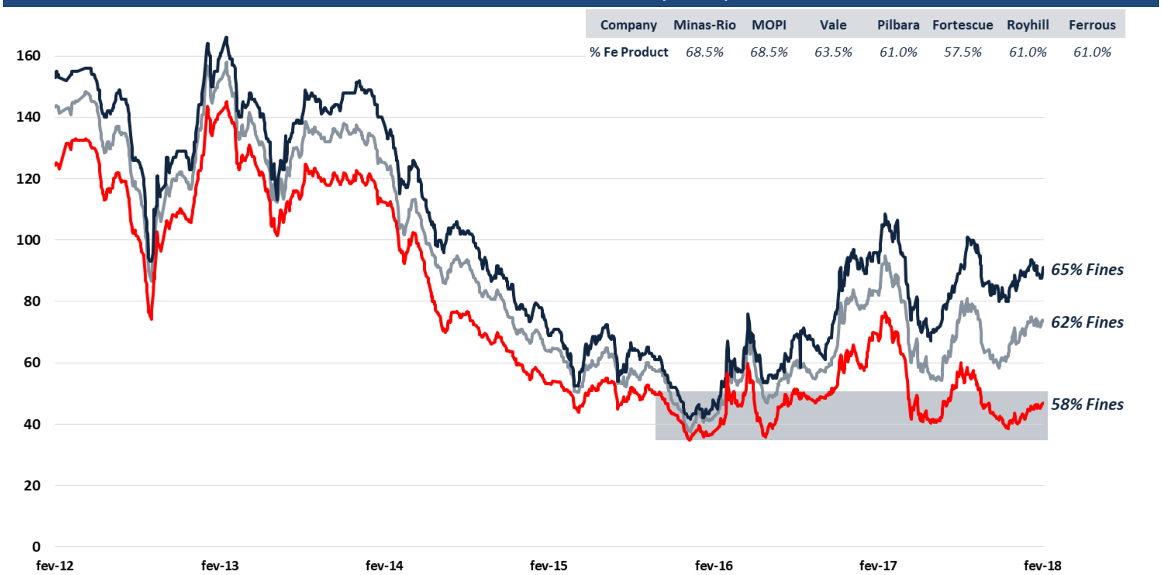
1 Ton of Steel	Blast Furnace	EAF
Iron Ore/DRI	1,400 kg	300 Kg (67%+ Fe)
Coal	800 Kg	16 Kg
Limestone	300 Kg	64 Kg
Scrap	120 Kg	880 Kg
Electric Energy	600 KWh	410 KWh

Production of Steel by Production Method (2014)



The graph below shows the historical iron ore price for three of the most traded contracts on the market. As can be seen, the Chinese movements mentioned above and the profile of the global supply of ore (with a very concentrated oversupply of low-grade products) have led to an increase in the premium for the high quality of ore (above 65% of Fe) or, symmetrically, the increase in the discount of the low grade ore. This scenario, unanticipated by analysts or market consensus, has already led to the announcement - for economic reasons - of at least one low-grade mine closure in Australia. This higher premium scenario for quality and Fe content may bring additional opportunities to MOPI, since the final product of the project is made up of ore with an average content of 68.5% Fe.

Iron Ore Price in China ($/ton)

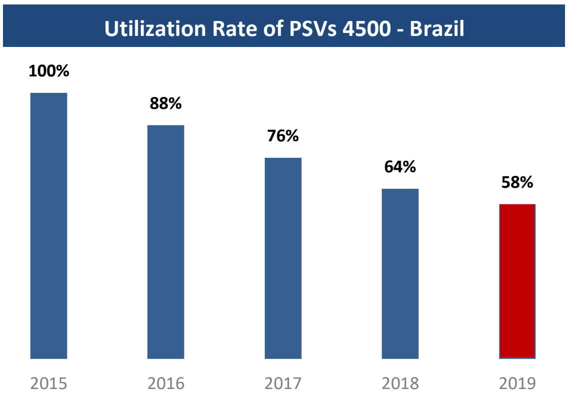


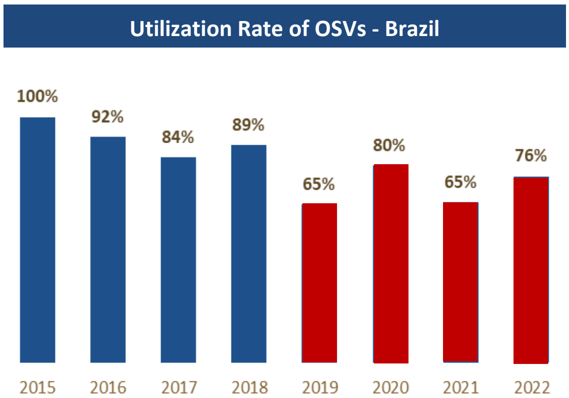
In the operational part, we had the first full year of operation of our Navigation Companies, since Asgaard began operations during 2016 and CNA was acquired in the second half of the same year.

Asgaard ended 2017 with Asgaard Sophia presenting excellent operating ratios within its new 4+4 year contract, and having been evaluated for the second consecutive year by Petrobras' operational excellence program – PEOTRAM – as the best offshore support service company, surpassing more than 50 companies.

If on one side the operating year of Asgaard was positive, on the other the company continues to operate only one vessel, keeping the company below the ideal minimum scale, which we believe is the joint operation of 3 to 5 vessels.

At current levels of global and local supply and demand in the sector, the construction of new vessels does not present a satisfactory risk-return ratio. As we can see in the graphs below, produced by the Company, the installed capacity utilization of the sector in Brazil will probably decline until it reaches its worst moment. This excess installed capacity of OSVs in Brazil is even greater if we look only at PSVs 4500. This scenario led the Company to cancel its investment program, which was based on contracts with Petrobras for the operation of newbuilt PSVs 4500.





Due to the macro scenario for the offshore sector, we have focused our efforts on the search for two main types of opportunity: specific service contracts, such as the SBM Installer and opportunities for mergers and acquisitions.

The year 2017 was also positive for the CNA. The commercial strategy implemented to diversify the customer base began to show results, sustaining the first annual growth in volume and revenue and leading to the reactivation of the company's investment plan, which had not increased its installed capacity for the last ten years.

The logistical changes of the fuel distribution sector, initiated after the adoption of rational pricing policy by Petrobras, is in its initial phase. The next few years will be of investments in port infrastructure by large distributors and, consequently, changes in the demand and logic of oil transportation services. The increase in the participation of private companies in the import and movement of oil and by-products will create new logistics routes, leading to the improvement of the quality of the service providers and will change commercial relations as well. The initial public offering of BR Distribuidora will be another boost in this direction. CNA is attentive to these changes and well positioned to capture new growth opportunities that will emerge.

The Company actively seeks opportunities for organic and inorganic growth (mergers and acquisitions) for its assets.

In the shipping activity, the generation of AFRMM credits by the CNA guarantees the companies capacity for growth, since these credits can be used not only for the construction of new vessels but also for the payment of interest and principal on loans used for the construction of Brazilian vessels.

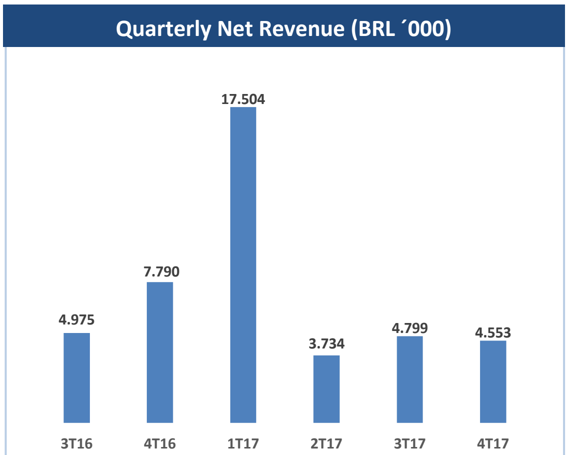
We are also alert to opportunities in the mining sector, where the global macro-economic changes and the quality of the MOPI Project can be differentiators that sustain the company's growth.

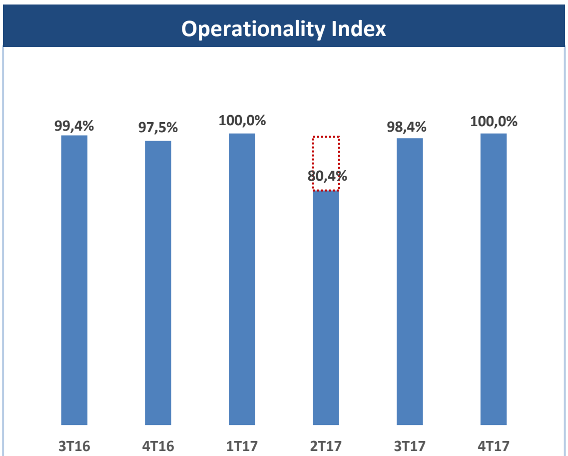
2. Operational Performance

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 operational rates, as shown in the graphs below:





In the table below, we show the main financial indicators of the subsidiary Asgaard, not consolidated with its subsidiary CNA. Adjusted EBITDA excludes the write-off of fixed assets from the sale of Sophia to CNA (R$7,100), with no impact on the Consolidated Statements, provisions (R$1,687), services and expenses without recurring nature (R$4,223), and negative result of chartering the vessel Austral Abrolhos (R$4,353).

Financial Indicators	2017	2016
Net Revenue	**30,590**	**18,001**
Gross Margin	*19%*	*34%*
EBITDA	**-15,346**	**-4,291**
EBITDA Margin	*-50%*	*-24%*
Adjusted EBITDA	**2,018**	**-4,291**
EBITDA Margin	*7%*	*-24%*

The company's Gross Margin fell mainly due to the impact of the contract services with the SBM Installer. EBITDA and adjusted EBITDA are impacted by fixed costs and expenses, including general and administrative expenses.

ii. CNA – Companhia de Navegação da Amazônia

Operating their assets at levels close to the region's limit given the current climatic conditions and storage infrastructure, any significant growth of future revenue will depend on increased installed capacity by CNA.

We present below the main financial indicators of the CNA.

Financial Indicators	2017	2016
Net Revenue	**43,308**	**17,370**
EBITDA	**4,040**	**1,597**
EBITDA Margin	9.3%	9.2%
EBITDA with AFRMM	**21,784**	**8,933**
EBITDA Margin	50%	51%

The AFRMM accounting follows the rules of CPC 07 (IAS 20). When the freight service is finalized, and the invoice issued, the receivable value of AFRMM is recognized simultaneously in long-term assets and non-current liabilities as deferred revenue, not impacting, at the initial moment, the result of CNA. In an average term of approximately 30 months, this AFRMM credit is deposited in the linked account of CNA at Banco do Brasil. At this point the AFRMM becomes available for use as permitted.

iii. MOPI - Morro do Pilar

In the mining segment, in parallel to our strategy of developing alternative logistics that utilizes existing installed idle capacity in the sector, we restarted our efforts towards the Morro do Pilar Project Installation License ("LI") filing until its limit, November 2018.

To meet the necessary conditions for the Installation License filing, the Company estimates the necessary expenditures and investments of approximately R$20 million for environmental studies and compensations.

iv. CDNC

The Company continues to analyze opportunities and possibilities for project development on its Linhares site.

3. Consolidated Financial Statements

Earnings for the year

The Company recorded a consolidated net loss of R$45,651 in 2017. This result is impacted by financial income and expenses, mainly due to the acquisition of CNA, depreciation, CPC 07 (IAS20, AFRMM accounting rules) and expenses general and administrative, including the holding companies.

Given the pre-operating stage of some of the Company's assets, the impact of CPC 07 (IAS20) on accounting for CNA's AFRMM revenues and aiming to broaden the shareholders' understanding of the accounting result, the Company prepared the table below with the accounting-economic reconciliation of its subsidiaries and the Parent Company.

	CNA	Asgaard	MOPI	Outras Cias	Holding	Consolidated
EBITDA	**4,040**	**-15,346**	**-809**	**-251**	**-20,015**	**-32,381**
Sophia Reversal Adjustment		6,601				**6,601**
Non-Recurring Items		10,763				
Adjusted EBITDA	**4,040**	**2,018**	**-809**	**-251**	**-20,015**	**-15,017**
Depreciation / Amortization	-9,094	-2,468			-1,224	**-12,786**
Financial Expenses	-898	-2,015	-52	-32	-1,654	**-4,651**
Financial Revenue	746	3,245		807	1,931	**6,729**
PVA + CNA Acquisition Financial Expenses					-15,397	**-15,397**
Accounting Revenue with AFRMM Grant – IAS20	7,796					**7,796**
Taxes	-537	-1,025				**-1,562**
Net Income (Not Adjusted)	**2,053**	**-11,008**	**-861**	**524**	**-36,359**	**-45,651**
AFRMM Generated in Period	17,744					**17,744**
PVA + CNA Acquisition Financial Expenses					15,397	**15,397**
Non-Recurring Items		10,763				**10,763**
Depreciation/Revenue AFRMM Grant Adj. IAS20	1,298	2,468			1,224	**4,990**
Economic Result	**21,095**	**2,223**	**-861**	**524**	**-19,738**	**3,243**

Cash, Cash Equivalents and Securities

The Company closed 2017 with a cash position of R$34,440.

Banking Loans

The Company closed the quarter without bank debt.

4. Social and Environmental Responsibility

As a way of reinforcing the Company's commitment to the best environmental practices, MLog voluntarily adhered to the United Nations Global Compact. 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, and re-election is permitted. Current members of this Board are: Luiz Claudio Souza Alves, Chairman of the Board of Directors, 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 Board of Executive Officers for a term to be terminated after the Company's next Annual General Meeting. The Board of Directors is composed of: Patricia Tendrich Pires Coelho (Chief Executive Officer), Luiz Claudio Souza Alves (Deputy Chief Executive Officer), Julia Souza de Paiva (Chief Administrative and Financial Officer), Sabrina Juhasz (General Counsel) and Gustavo Barbeito de Vasconcellos Lantimant Lacerda (Chief Planning and Investor Relations Officer).

The Company also has an Audit and Finance Committee.

6. Arbitration Clause

The Company, its shareholders, administrators and members of the Board of Directors are obliged to resolve, through arbitration, any and all disputes or controversies that may arise between them, relating to or arising in particular from the application, validity, effectiveness , interpretation, violation and its effects of the provisions contained in the Bylaws, shareholders' agreements filed at the Company's headquarters, Brazilian Corporate Law, standards issued by the National Monetary Council, the Central Bank of Brazil or CVM, of the CVM, in the BM&FBovespa regulations, in the other rules applicable to the operation of the capital market in general, in the Commitment Clauses and in the Arbitration Rules of the Market Arbitration Chamber, conducted pursuant to the latter Regulation.

7. External Auditor

In compliance with CVM Instruction 381 of 2003, the Company informs that KPMG Auditores Independentes provides external audit services to the Company related to the examination of its financial statements.

Rio de Janeiro, March 26, 2018.

The Administration

Independent Auditor's Report of Individual and Consolidated Financial Statements

(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

Opinion

We have audited the individual and consolidated financial statements of MLog S.A ("the Company"), respectively referred to as Parent and Consolidated, which comprise the statement of financial position as at December 31, 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of the MLog S.A as at December 31, 2017, and of its individual and consolidated financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 – Government Subsidy	
See Notes 3.1 (n) and 5 of its individual and consolidated financial statements	
Key audit matter	**Our audit aproach**
MLOG receives through its indirect subsidiary) (Companhia de Navegação da Amazônia - CNA) funds from a government grant. The Adicional de Frete para Renovação da Marinha Mercante (AFRMM) is charged on the freight of the water transportation of the cargo of any nature discharged in the Brazilian port and is transferred in the form of a government grant. Due to the uncertainties related to the timing of the release and availability of AFRMM benefit resources, the characteristics related to the application of these resources as defined in Law 10.893 / 04 and the uncertainty regarding the moment of recognition of this governmental subsidy as income in the year's results, we consider this matter as significant for our audit.	We perform the following main audit procedures: • We assessed the design of key internal controls related to the identification, evaluation, measurement and disclosure of the government grant; • We evaluated the existence of the amounts considered as a subsidy and the adequacy of the measurement of AFRMM resources registered in the Company, through external confirmations; • We assessed the reasonability between the use of AFRMM resources and the permitted in the respective AFRMM law (Law 10.893 / 04); • Regarding the recognition of the subsidy income in the income for the year, we compared to the depreciation of the related asset; and • We assessed the adequacy of the related disclosures made in the financial statements. Based on the evidence obtained through the procedures summarized above, we consider that the balance of government grants as well as related disclosures are acceptable in the context of the individual and consolidated financial statements taken as a whole for the year ended December 31, 2017.

2 – Recoverable amount of property, plant and equipment and intangible assets	
See notes 3.1 (d), 3.1 (e), 9 and 10 of its individual and consolidated financials statements.	
Key audit matter	**Our audit aproach**
The Company evaluated the existing indicators of impairment in relation to its cash-generating units ("UGCs") and, for the calculation of the recoverable amount of each UGC, calculated the value in use through discounted cash flow method, based on economic-financial projections for each UGC. Due to uncertainties inherent to projections of cash flow estimates to determine the alue in use of property, plant and equipment and intangible assets, as well as to determine the discount rate to be used, which require a significant degree of judgment by the Company, we consider this matter as significant to our audit.	We perform the following main audit procedures: . We assessed the design and the implementation of internal controls in connection with the preparation and review of the business plan, budgets and analyses to the recoverable amount made available by the Company. . We evaluated the adequacy of the estimate prepared by the Company, the determination of the Cash-Generating Unit– UGC and the methodology used for the impairment test. With the assistance of our corporate finance experts, we evaluated the assumptions and methodologies used in the preparation of the model and we compared them, where available, with data obtained from external sources, such as, the future price of ore, the future estimative of freight price and the daily rate for vessel rental, the projected economic growth, the inflation of costs and the discount rates. We also evaluated the sensitivity analyses concerning such assumptions. . We evaluated the adequacy of the disclosures related to the recovery of assets recorded by the Company. Based on the evidence obtained through the procedures summarized above, we consider the balances of property, plant and equipment and intangible assets as well as related disclosures are acceptable in the context of the individual and consolidated financial statements taken as a whole for the year ended December 31, 2017 .

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2017, prepared under the responsibility of the Company’s management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and subsidiaries financial reporting process.

Auditors’ Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and its subsidiaries internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, March 26, 2018

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

Original report signed in Portugues by
Marcelo Nogueira de Andrade
Accountant CRC RJ-086312/0-6

Financial Statements

MLog S.A.

December 31, 2017

Audited financial statements

December 31, 2017 and 2016

Contents

Independent auditor's report on the financial statements

Audited financial statements

A free translation from Portuguese into English of individual and consolidated financial statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB)

MLog S.A.

Balance sheets - December 31, 2017 and 2016

(In thousands of Reais)

		Parent company		Consolidated	
Assets	Note	2017	2016	2017	2016
Current assets					
Cash and cash equivalents	4	**21,324**	19	**34,440**	199
AFRMM deposits in escrow account	5			**29,638**	90,581
Trade accounts receivable	6			**17,317**	9,721
Advances to suppliers		**126**	1,145	**563**	2,472
Inventories				**328**	344
AFRMM to be released	5			**24,052**	22,978
Related parties loans	12	**77**	30,611	**904**	1,320
Recoverable taxes	7	**2,727**	6,501	**10,784**	16,753
Prepaid expenses		**109**	180	**543**	2,381
Other		**30**	13	**1,797**	2,384
Total current assets		**24,393**	38,469	**120,366**	149,133
Non-current assets					
Advances for future capital increase	8	**1,046**	709		
Related parties loans	12		20,000		
Judicial deposits				**468**	1,484
Recoverable taxes	7	**1,644**		**1,940**	6,209
AFRMM to be released	5			**8,734**	21,788
Judicial Deposit		**825**		**825**	
Investments	8	**205,554**	215,178		
Property, plant and equipment	9	**2,812**	3,526	**222,021**	228,680
Intangible assets	10	**719,711**	716,899	**785,772**	779,734
Total non-current assets		**931,592**	956,312	**1,019,760**	1,037,895
Total assets		**955,985**	994,781	**1,140,126**	1,187,028
Liabilities					
Current liabilities					
Trade accounts payable	13	**237**	639	**15,812**	9,835
Bank loans					3,510
Employee-related accruals		**542**	621	**2,190**	2,227
Tax liabilities		**675**	187	**2.483**	2,055
Related parties loans	12	**11,768**	311		
Transaction costs			5,692		21,437
Advances from customers				**1,245**	4,606
Provisions	17	**20**	140	**1,662**	1,782
Obligations on acquisition of investments	14	**25,213**	16,768	**25,213**	16,768
Other		**1,419**	342	**2,992**	2,143
Total current liabilities		**39,874**	24,700	**51,597**	64,363
Non-current liabilities					
Provision for losses on investments	8	**43,818**	44,042		
Deferred income tax and social contribution	11			**32**	231
Refunds to clients	18			**5,875**	5,812
Tax liabilities				**363**	365
Government subsidies to be appropriated- AFRMM	5			**200,548**	188,621
Obligations on acquisition of investments	14	**75,962**	89,235	**75,962**	89,235
Provisions	17	**5,976**		**15,493**	1,697
Total non-current liabilities		**125,756**	133,277	**298,273**	285,961
Equity					
Capital **stock**	19	**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		**(353,876)**	(308,222)	**(353,876)**	(308,222)
Cumulative translation adjustments		**7,088**	7,883	**7,088**	7,883
Equity attributable to controlling shareholders		**790,355**	836,804	**790,355**	836,804
Non-controlling shareholder interest				**(99)**	(100)
Total equity		**790,355**	836,804	**790,256**	836,704
Total liabilities and equity		**955,985**	994,781	**1,140,126**	1,187,028

See complementary notes.

MLog S.A.

Statements of operations
Years ended December 31, 2017 and 2016
(In thousands of Reais, except for loss per share, in Reais)

	Nota	Parent company 2017	Parent company 2016	Consolidated 2017	Consolidated 2016
Net operating income	**20**			**73,618**	35,371
Cost of services	**20**			**(68,406)**	(27,094)
Gross profit				**5,212**	8,277
Operating expenses					
Personnel		**(11,904)**	(9,657)	**(21,938)**	(17,508)
Services rendered	**12**	**(5,858)**	(1,400)	**(7,347)**	(5,709)
General and administrative		**(1,809)**	(2,046)	**(7,790)**	(6,677)
Depreciation and amortization		**(1,224)**	(150)	**(1,493)**	(897)
Taxes		**(444)**	(218)	**(2,067)**	(1,296)
Other operating income (expenses)					
Equity results in subsidiaries	**8**	**(9,295)**	(14,517)		
Government subsidies - AFRMM	**5**			**7,796**	1,988
Reversal of impairment (impairment of assets)	**9,10**		734,350		813,457
Charter				**(2,880)**	
Write-off of non-recoverable assets			(13,151)	**(1,716)**	(83,964)
		(30,534)	693,211	**(37,435)**	699,394
Operating profit (loss) before financial results		**(30,534)**	693,211	**(32,223)**	707,671
Financial income and expenses					
Financial income	**21**	**1,931**	1,749	**6,004**	3,577
Financial expenses	**22**	**(17,051)**	(1,460)	**(19,323)**	(17,592)
		(15,120)	289	**(13,319)**	(14,015)
Profit (loss) before income tax and social contribution		**(45,654)**	693,500	**(45,542)**	693,656
Income tax and social contribuiton	**11**				
Current				**(512)**	(342)
Deferred				**403**	166
Profit (loss) for the year		**(45,654)**	693,500	**(45,651)**	693,480
Profit (loss) attributable to:					
Shareholders of the Parent company				**(45,654)**	693,500
Non-controlling shareholder interest				**3**	(20)
Profit (loss) per share (basic and diluted)	**19**	**(15.74)**	227.19		

See accompanying notes.

MLog S.A.

Statements of comprehensive income
Years ended December 31, 2017 and 2016
(In thousands of Reais)

	Parent company		Consolidated	
	2017	2016	2017	2016
Profit (Loss) for the period	**(45,654)**	693,500	**(45,651)**	693,480
Other comprehensive income				
Cumulative translation adjustments (Note 19)	**(795)**	7,883	**(797)**	7,903
Comprehensive loss for the period	**(46,449)**	701,383	**(46,448)**	701,383
Comprehensive loss attributable to:				
Shareholders of the Parent company			**(46,449)**	701,383
Non-controlling shareholder interest			**1**	

See accompanying notes.

MLog S.A.

Statements of changes in equity
Years ended December 31, 2017 and 2016
(In thousands of Reais)

	Capital stock							
	Subscribed	**To be paid**	**(-) Equity issuance costs**	**Share-based compensation reserve**	**Accumulated losses**	**Cumulative translation adjustments**	**Non-controlling shareholder interest**	**Total**
At December 31, 2015	1,318,812	(171,491)	(36,464)	25,394	(1,001,722)		(100)	134,429
Capital increase	13	(11)						2
Paid-in capital		976						976
Translation adjustments						7,883	20	7,903
Stock options				(86)				(86)
Profit for the year					693,500		(20)	693,480
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 19)	**(42,632)**	**42,632**						
Translation adjustments						**(795)**	**(2)**	**(797)**
Loss for the period					**(45,654)**		**3**	**(45,651)**
At December 31, 2017	**1,276,193**	**(127,894)**	**(36,464)**	**25,308**	**(353,876)**	**7,088**	**(99)**	**790,256**

See accompanying notes.

MLog S.A.
Statements of Cash Flows
Years ended December 31, 2017 and 2016
(In thousands of Reais)

	Parent company		Consolidated	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit (loss) for the year	**(45,654)**	693,500	**(45,651)**	693,480
Adjustments to reconcile the profit (loss) for the year to cash from operating activities				
Depreciation and amortization	**1,224**	150	**12,517**	7,300
Write-off of non-recoverable assets		13,151		83,964
Fixed Assets sales	**11**		**421**	
Stock options		(86)		(86)
Impairment of assets (reversal of impairment)		(734,350)		(813,457)
Government subsidies - AFRMM			**(7,796)**	(1,988)
Unrealized exchange variance			**(716)**	7.326
Marketable securities income		(880)		(880)
Equity results in subsidiaries	**9,295**	14,517		
Earnings from AFRMM deposits in escrow account				(667)
Interest payable	**16,357**	1,155	**16,883**	6,821
Deferred income tax and social contribution			**(403)**	(166)
Changes in assets and liabilities				
Recoverable taxes	**2,130**	482	**1,363**	(2,987)
Inventories			**16**	(67)
Prepaid expenses	**71**		**1,839**	(1,293)
Other assets	**(18)**	140	**634**	(3,018)
Trade accounts receivable			**(7,597)**	(3,463)
Judicial deposit	**(825)**		**(809)**	
Advances to suppliers	**1,019**	(176)	**1,910**	554
Receipt of AFRMM subsidies			**96,787**	4,502
Trade accounts payable	**(403)**	549	**5,973**	6,874
Employee-related accruals	**(79)**	(36)	**(36)**	(345)
Tax liabilities	**488**	(399)	**430**	(390)
Interest on loans with related parties	**228**	161	**(129)**	(78)
Transaction costs	**(675)**	(60)	**(8,521)**	189
Advances from customers			**(3,361)**	4,606
Other liabilities	**(321)**	33	**(518)**	(1,382)
Provisions	**(120)**	(938)	**(156)**	(956)
Net cash used in operating activities	**(17,272)**	(13,087)	**63,080**	(15,607)
Cash flows from investing activities				
Loans with related parties - granted	**(506)**	(566)	**(510)**	(876)
Redemption of marketable securities		43,350		43,350
Acquisition of property, plant and equipment	**(109)**	(8)	**(3,084)**	(10,896)
Additions to intangible assets	**(1,826)**	(782)	**(1,838)**	(820)
Advances for future capital increase and capital increase in subsidiaries	**(1,027)**	(34,994)		
Net cash from investing activities	**(3,468)**	7,000	**(5,432)**	30,758
Cash flows from financing activities				
Paid-in capital		976		976
Payment of Bank loan			**(3,732)**	(17,000)
Dividends paid				(1,650)
Amortization in the acquisition of investment	**(20,225)**		**(20,225)**	
Loans with related parties - received	**62,270**	5,109	**550**	
Cash equivalents from business combinations (Note 1)				2,566
Net cash from (used) in financing activities	**42,045**	6,085	**(23,407)**	(15,108)
Increase (decrease) in cash and cash equivalents	**21,305**	(2)	**34,241**	43
Cash and cash equivalents at the beginning of the year	**19**	21	**199**	156
Cash and cash equivalents at the end of the year	**21,324**	19	**34,440**	199

See accompanying notes.

MLog S.A.

Statements of value added (supplementary information for IFRS purposes)
Years ended December 31, 2017 and 2016
(In thousands of Reais)

	Parent company		Consolidated	
	2017	2016	2017	2016
Operating income				
Services			**88,373**	42,108
Inputs acquired from third parties				
Cost of the services			**(49,983)**	(27,094)
General and administrative expenses	**(7,539)**	(3,268)	**(17,717)**	(11,844)
Other income				
Government subsidies - AFRMM			**7,796**	1,988
Expenses with stock options granted		86		86
Depreciation and amortization	**(1,224)**	(150)	**(1,493)**	(897)
Reversal of impairment (impairment of assets)		721,199		729,493
Transferred added value received				
Net financial income	**(15,120)**	289	**(13,319)**	(14,015)
Equity results in subsidiaries	**(9,295)**	(14,517)		
Total added value to be distributed	**(33,178)**	703,639	**13,657**	719,825
Distribution of added value				
Personnel				
Direct remuneration	**671**	3,137	**20,585**	8,279
Management fees	**4,959**	4,167	**5,419**	4,188
Benefits	**4,214**	379	**10,767**	2,066
Accrued severance indemnity (FGTS)	**253**	588	**1,918**	1,058
	10,097	8,271	**38,689**	15,591
Tax				
Federal	**2,231**	1,684	**14,371**	7,977
State			**5,157**	2,113
Municipal	**18**	6	**530**	118
Third-party capital remuneration				
Leases	**130**	178	**561**	546
Profit (loss) for the year attributable to:				
Shareholders of the Parent company	**(45,654)**	693,500	**(45,654)**	693,500
Non-controlling shareholder interest			**3**	(20)
	(33,178)	703,639	**13,657**	719,825

See supplementary notes.

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., 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.

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, also running the planning to obtain the investment license (LI) as mentioned in note 16.

The company showed in this financial statements, accumulated losses of R$353,874 (R$308,222 in 2016).

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, one of the largest oil products transportation companies in the North region of the country, transporting approximately 1 million cubic meters of products annually and with R$62,424 of receivables from AFRMM as per Note 5.

Business combination - acquisition of the Amazon Shipping Company ("CNA").

As mentioned in the Material Fact disclosed by the Company on 08/11/2016, its subsidiary Asgaard Navegação S.A. acquired all the shares of CNA.

CNA, a company founded 72 years ago and headquartered in Manaus-AM, is one of the leaders in the fluvial transportation of liquid bulk (crude oil, its derivatives and biofuels) in the North Region and has a diversified portfolio of clients. The CNA has a team composed of 166 professionals, responsible for the operation of its fleet of 34 double-hull and 18 fluvial carriers, and transported 1 million m³ of bulk liquids in 2016.

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

The Company, following the completion of this transaction, follows the commitment made to its shareholders and Board of Directors to seek cash-generating assets to compose its business portfolio.

The acquisition price recognized at fair value, including a portion of contingent consideration, was R$100,654 to be paid as follows:

- **Initial Installment : R$56,071**

To be paid in up to eight semiannual installments, the same and consecutive, the first six months after the date of the release for use of the Merchant Marine Renewal Freight ("AFRMM") credits available. Each installment will be updated by the variation of the Interbank Deposit Certificate ("CDI") rate plus 3% per year.

- **Aditional Parcel: R$32,378**

To be paid in up to eight semiannual installments based on each AFRMM deposit in the related linked account, whose rights are prior to the closing of the acquisition of CNA by Asgaard Navegação SA .Each installment will be updated by the variation of the CDI rate plus 3% per year.

- **Earn Out portion: R$12,205 (Contingent consideration)**

To be paid under the same conditions as the Additional installment above, calculated for the deposits of AFRMM credits generated after the acquisition of CNA and made in the linked account until January 8, 2022.

The acquisition price of R$100,654 was outspread, in line with current legislation and accounting pronouncements, as follows:

R$9,395: Shareholders' equity value at acquisition date
R$28,885: Goodwill arising on the fair value of the investee's net assets (provisionally assessed as provided for in CPC 15 - Business Combination)
R$62,374: goodwill for goodwill

In the consolidated balance sheet, the added value was allocated to the respective headings that generated it and the goodwill included in the intangible group.

2. Basis of preparation and presentation of the financial statements

The Company's individual and consolidated financial statements, were prepared based on international accounting standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), implemented in Brazil through the

Accounting Pronouncements Committee (“CPC”) and its technical interpretations (“ICPC”) and guidance (“OCPC”), approved by the Brazilian Securities and Exchange Commission (“CVM”) which are in accordance with accounting practices adopted in Brazil.

The financial statements were prepared on a going concern basis.

These financial statements were prepared based on historical cost, except for certain financial instruments measured at fair value, and investments are accounted for under equity method as described in the accounting practices.

The financial statements are presented in Reais (R$), which is the currency used in the economic environment in which the Company operates (“functional currency”).

Management evidences all relevant information in the financial statements, which corresponds to those used by Company in the course of its management.

The Company Management authorized the conclusion of the preparation of these financial statements on 03/26/2017.

3. Summary of significant accounting practices

Below is a description of the main accounting practices used by the Company in its individual financial statements and in subsidiaries included in the consolidated financial statements:

a. Financial instruments

The Company and its subsidiaries assessed their financial assets and liabilities in relation to market values, using the available information 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 indicates 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.

Classification of the financial assets, on initial recognition is carried out considering the categories of loans and receivables and measurement at fair value through profit or loss.
Loans and receivables are non-derivative financial assets, with fixed or determinable payments, presented as current or non-current according to the respective maturity dates and basically refer to Cash and cash equivalents, Marketable securities, Trade accounts receivable, and loans with related parties.
The category of measurement at fair value through profit or loss encompasses the financial

assets held for trading when acquired, especially for short-term sale purposes.

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

b. Cash and cash equivalents

Cash equivalents are short-term investments that are readily convertible into a known amount, being subject to an insignificant risk of change in value. An investment usually qualifies as short-term when it matures within three months from the date of acquisition.

c. Investments in subsidiaries

Investments in subsidiaries are recorded by the equity method in the Parent company's financial statements and are eliminated for purposes of preparation of the consolidated financial statements.

d. Property, plant and equipment

Property, plant and equipment is recorded at acquisition cost, minus accumulated depreciation and, when applicable, impairment.

e. Intangible assets

Intangible assets consist mainly of mining rights, expenses with exploration and assessment of mineral resources, obtainment of licenses, and are valued at acquisition cost minus, when applicable, accumulated amortization and impairment.

f. Impairment of assets

The carrying amount of the assets is, for impairment purposes, tested annually or when there is a potential indication that assets are considered not recoverable.

g. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation may be made.

h. Recognition of assets

An asset is recognized in the balance sheet when it is probable that future economic benefits will be generated, and its cost or value can be reliably measured.

i. Income tax and social contribution

Income tax and Social contribution are calculate based on taxable profit. The basis for calculation takes into account additions and exclusions provided for in applicable legislation. Management only records deferred income tax and social contribution assets, arising from tax losses, when there is evidence of use in future taxable income.

j. Accounting judgments, estimates and assumptions

Preparation of the financial statements in accordance with IFRS and CPC standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the informed amounts of assets, liabilities, revenues and expenses. The settlement of transactions involving such estimates may result in amounts different from those recorded. Estimates and assumptions are revised continuously.

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

k. Statements of value added

The presentation of statements of value added is required by the Brazilian Corporation Law applicable to publicly-held corporations and is presented as supplementary information for purposes of IFRS.

l. Profit (loss) per share

Basic profit (loss) per share is calculated by dividing profit (loss) for the year attributed to the holders of common shares of the Parent company by the weighted average number of shares available in the year.

Diluted profit (loss) per share is calculated by dividing the profit (loss) for the year attributable to holders of common shares of the Parent company, by the average number of shares outstanding during the year, plus the weighted average number of common shares that would be issued on conversion of all potential common shares, diluted into common shares.

m. Share based compensation

The executives' share-based compensation is measured and recognized at fair value at the date on which the options were granted, under a specific equity and P&L account, as the contractual conditions are met. The cost of transactions settled with equity instruments is recognized throughout the period in which the performance and/or conditions of service are met, with conclusion on the date on which the executive acquires full right to the bonus (vesting date). Accumulated expenses recognized up to the date of acquisition reflect the extension to which the vesting period has expired and the Company's best estimate as to the number of shares to be acquired.

n. Additional Freight for Renovation of Merchant Marine - AFRMM

Subsidiary Companhia de Navegação da Amazônia ("CNA"), mentioned in Note 1, is the beneficiary, in accordance with Law 10,893/2004, of 100% of the AFRMM generated by its river navigation activities. Use of these funds, which extends to CNA's affiliates, subsidiaries or parent company, is subject to acquisition of new vessels, jumboizing, conversion, modernization, docking or repair of self-owned vessels, settlement of interest or amortization of loans related to the uses above.

The balancing entry of the benefit to be used recorded in assets is recognized as deferred revenue in liabilities. Recognition of this liability in profit or loss occurs in the proportion of the recognition of the amounts used above in profit or loss, via depreciation and repair cost or upon amortization of the loans or settlement of interest. The right to use the benefit is extinguished within three years as of the date of deposit of the relevant AFRMM in an escrow account in the name of CNA.

Pursuant to article 30 of Law 12,973/2014, subsidies recognized in profit or loss, up to the limit to the year's net profit, are not subject to taxation, provided they are kept in a profit reserve account (reserve for tax incentives), and use of such reserve is limited exclusively to offsetting of losses or capital increase.

The balance of the subsidies recognized in profit or loss not transferred to the mentioned profit reserve, as result of the limitation on net profit, shall be transferred upon occurrence of sufficient profits in subsequent years.

o. Revenue from services

Revenues from charter of vessels, freight transport and offshore support are measured by fair value of the amount received, net of trade discounts and sales taxes on these services.

p. Information by segment

The Company operates in the mining, logistics, and oil and gas segments. As revenue generated in the business was primarily arising from the oil and gas segment, and all of the assets attributed to the other segments had been impaired, the Company had not been disclosing information by segment. Considering that the total assets related to the mining segment underwent significant changes in the amounts evidenced in the 2015 financial statements, pursuant to Notes 9 and 10, the Company notes that the value attributed to the mining segment refers exclusively to impairment reversal. The other assets and revenue from clients are attributed to the oil and gas segment.

3.12 New pronouncements and interpretations

The pronouncements and interpretations issued by IASB, as yet without the equivalents issued by the CPC, in effect as of the 2017 fiscal year, which could impact the financial statements of the Company and its subsidiaries, are:

The following new standards were issued by the IASB, but are not in force for the year 2017. The early adoption of standards, although encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncements Committee (CPC)

- IFRS 9 / CPC 48 - "Financial Instruments" addresses the classification, measurement and recognition of financial assets and liabilities. The full version of IFRS 9 were published in July 2014, effective January 1, 2018, and replaces the guidance in IAS 39 / CPC38, which refers to the classification and measurement of financial instruments. The main changes that IFRS 9 brings are: (i) new criteria for classification of financial assets;

(ii) new model of impairment for financial assets, a hybrid of expected and incurred losses, replacing the current model of losses incurred; and (iii) easing the requirements for adoption of hedge accounting.

Management reviewed its financial assets and liabilities and expects the following impacts on the adoption of the new standard on January 1, 2018:

Regarding the new model of impairment of financial assets, the standard brings a new model of expected credit losses, replacing the current model of losses incurred. Management adopted the "aging list" model and considered internal analyzes carried out on its sector of activity and did not identify any significant impacts in relation to its analysis of allowance for doubtful accounts.

(a) Classification and measurement

The Company does not expect a significant impact on its balance sheet or equity when applying the classification and measurement requirements of IFRS 9 / CPC 48. It is expected to continue to measure at fair value all financial assets currently held at fair value. Loans as well as trade accounts receivable are held to collect contractual cash flows and should give rise to cash flows that represent exclusively principal and interest payments. Accordingly, the Company expects that these will continue to be measured at amortized cost under IFRS 9 / CPC 48. The Company analyzed the contractual cash flow characteristics of these instruments in more detail and concluded that all these instruments meet the criteria for cost measurement amortized according to IFRS 9 / CPC 48.

(b) Impairment losses

The methodology for calculating losses provision is carried out using the "aging list" model, which is based on the history of losses for all the "aging list" bands. Management understands that, given the information it has available, this is the model that best reflects the estimate of losses. Management considered the impacts of IFRS 9 / CPC 48 and the applicability of the probabilistic model, but defined by maintaining the aging list already applied, for which Management has collected all the necessary information available in internal systems and contracts existing.

(c) Hedge accounting

The Company does not expect significant impact as a result of the application of IFRS 9 / CPC 48, since it does not carry out hedging, swap or any other operations involving derivative financial instruments.

The new rules will be applied retrospectively as of January 1, 2018, with the practical records allowed in accordance with the standard. Comparisons for 2017 will not be updated.

(d) Classification and measurement

The Company does not expect a significant impact on its balance sheet or equity when applying the classification and measurement requirements of IFRS 9 / CPC 48. It is expected to continue to measure at fair value all financial assets currently held at fair value. Loans as well as trade accounts receivable are held to collect contractual cash flows and should give rise to cash flows that represent exclusively principal and interest payments. Accordingly, the Company expects that these will continue to be measured at amortized cost under IFRS 9 / CPC 48. The Company analyzed the contractual cash flow characteristics of these instruments in more detail and concluded that all these instruments meet the criteria for cost measurement amortized according to IFRS 9 / CPC 48.

(e) Impairment losses

The methodology for calculating losses provision is carried out using the "aging list" model, which is based on the history of losses for all the "aging list" bands. Management understands that, given the available information, this is the model that best reflects the estimate of losses. Management considered the impacts of IFRS 9 / CPC 48 and the applicability of the probabilistic model, but defined by maintaining the aging list already applied, for which Management has collected all the necessary information available in internal systems and contracts existing.

(f) Hedge accounting

The Company does not expect significant impact as a result of the application of IFRS 9 / CPC 48, since it does not carry out hedging, swap or any other operations involving derivative financial instruments.

- IFRS 15 / CPC 47 - "Revenue from Customer Contracts" - This new standard sets forth the principles that an entity will apply to determine the measurement of revenue and when it is recognized. This rule is based on the principle that revenue is recognized when the control of a good or service is transferred to a customer, so the control principle will replace the principle of risks and benefits. It comes into force on January 1, 2018 and replaces IAS 11 / CPC 17 - "Construction Contracts", IAS 18 / CPC 30 - "Revenues" and corresponding interpretations.

Management has evaluated all of its client contracts and has not identified changes in the method of recognizing its revenues. The standard of transfer of the Group's services is homogeneous, since the service is provided based on the rates defined in the contract. There is a consistent pattern of transfer of services during the contract period. The transaction price must be recognized monthly in accordance with the provision of services.

Management has concluded that the adoption of IFRS 15 / CPC 47 will only impact disclosure because certain contracts cover chartering and provision of maritime services, being required to open in Note for each type of revenue.

The Company will adopt the new rules as of January 1, 2018, adopting the retrospective method modified, that is, without restatement of the comparative figures of the previous year.

- IFRS 16 - "Leasing Operations" - under this new standard, lessees will have to recognize the liability for future payments and the right to use the leased asset for practically all leases, including certain short-term or small-value contracts fall outside the scope of this new rule. The criteria for recognizing and measuring leases in the lessees' financial statements are substantially maintained. IFRS 16 is effective for annual periods beginning on or after 1st. of January 2019 and replaces IAS 17 - "Leasing Operations" and corresponding interpretations.

Management is evaluating the impacts of its adoption but understands that the new IFRS 16 guidelines will not have a significant impact on its financial statements.

There are no other IFRS standards or IFRIC interpretations that have not yet come into effect that could have a material impact on the Group's financial statements.

(In thousands of Reais, except where otherwise stated)

4. Cash and cash equivalents

	Parent Company		Consolidated	
	2017	**2016**	**2017**	**2016**
Cash	**58**	10	**1,228**	188
Cash equivalents	**21,266**	9	**33,212**	11
	21,324	19	**34,440**	199

On 12/31/2017, 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 twelve-month period ended 12/31/2017.

	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**
Balance as of 08/11/2016	**78,627**	**25,075**	**35,755**	**180,908**
AFRMM generated			7,336	7,341
Deposits in escrow account	13,429	(13,429)		
Revenue from escrow account	3,027			2,360
Use of the subside	(4,502)			
Recognition in profit and loss				(1,988)
Transfer from long-term to short-term		15,297	(15,297)	
Balance as of 12/31/2016	**90,581**	**26,943**	**27,794**	**188,621**
Write-down allocation [2]		(3,965)	(6,006)	
Adjusted balance as of 12/31/2016	**90,581**	**22,978**	**21,788**	**[1] 188,621**
AFRMM generated			17,744	17,346
Deposits in escrow account	32.467	(32,456)		
Release of frozen assets	1,000			
Revenue from escrow account	2,377			2,377
Use of the subside	(96,787)			
Recognition in profit and loss				(7,796)
Transfer from long-term to short-term		32,456	(32,682)	
Adjust – as per its evaluation report [3]		1,074	1,884	
Balance as of 12/31/2017	**29,638**	**24,052**	**8,734**	**[1] 200,548**

(In thousands of Reais, except where otherwise stated)

[1] 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.

[2] This adjustment of loss, of R$3,965 in current and R$6,006 in noncurrent, refers to the unfolding of the acquisition price of the Company of Navigation of the Amazon, mentioned in Note 1.

[3] This adjustment of R$1,074 in current and R$1,884 in noncurrent refers to the difference indicated in the Appraisal Report of Purchase Price Allocation (PPA) performed by an independent company (Alfagaia) in line with the purchase price of the Amazon Navigation Company, mentioned in Note 1.

6. Trade accounts receivable

A significant portion of the amounts receivable from customers related to the subsidiary Asgaard Navegação SA,, refers mainly to the service agreement of the SBM Installer, started in December 2016 and ended in March, in the amount of R$13,407, which, the settlement will be partially offset by the amount of R$12,414 mentioned in Note 13 (Suppliers) and by the balance of the advance already received of R$1,020. The subsidiary Companhia de Navegação da Amazônia, included in the consolidation as of the date of its acquisition (08/11/2016), has to receive the amount of R$4,155

	2017	**2016**
Trade accounts receivable	**17,598**	9,995
Doubtful debt	**(281)**	(274)
	17,317	9,721

The amounts in accounts receivable from clients as of 12/31/2017 have the following collection deadlines:

	2.017	**2.016**
Amounts to mature	**16,711**	8,528
Amounts due:		
Within 30 days		956
From 31 to 90 days	**606**	219
From 91 to 180 days		3
From 91 to 180 days	**281**	17
From 91 to 180 days		272
	17,598	9,995

(In thousands of Reais, except where otherwise stated)

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.

7. Recoverable income tax, contributions and other taxes

	Current	
	2017	**2016**
	Parent Company	
Withheld at source		
Income tax on financial income	**2,724**	6,494
Credits		
Others	**3**	7
	2,727	6,501
	Asgaard Navegação S.A.	
Withheld at source		
Income tax on financial income	**487**	
Income tax on services rendered	**885**	796
Social contributions (PIS and COFINS) on services rendered	**346**	166
Social contribution (CSLL) on services rendered	**184**	166
Social security (INSS) on services rendered	**48**	17
Refund claim		
PIS and COFINS	**3,653**	3,546
Credits		
PIS and COFINS on inputs	**1,490**	1,600
PIS and COFINS on vessel acquisition [1]		2,759
Others	**84**	47
	Companhia de Navegação da Amazônia	
Refund claim		
Income tax on services rendered	**29**	932
PIS and COFINS on services rendered	**90**	91
CSLL on services rendered	**25**	132
Credits		
PIS e COFINS over vessel acquisitions	**155**	
Recover of IRPJ and CSLL	**581**	
	Consolidated	
	10,784	16,753

(In thousands of Reais, except where otherwise stated)

	Non-current	
	Parent Company	
Withheld at source		
Income tax on financial income	**1,644**	
	Asgaard Navegação S.A.	
Credits		
PIS and COFINS on vessel acquisition [1]		6,209
	Companhia de Navegação da Amazônia	
Credits		
PIS and COFINS on vessel acquisition	**296**	
	Consolidated	
	1,940	6,209

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

8. Investments in subsidiaries (Parent company)

Changes in investments during the year are as follows:

Investments	Interest	2016	Capital increase	Equity results	Cumulative translation adjustments	2017
Cia de Desenvolvimento do Norte Capixaba	100%	20,684	450	(271)		20,863
Morro do Pilar Minerais S.A.	100%	8,505	15	(861)		7,659
Asgaard Navegação S.A.	100%	185,989		(8,957)		177,032
Saldo do investimento		**215,178**	**465**	**(10,089)**		**205,554**
Asgaard Navigation LLP	99,75%	(42,165)		798	(795)	(42,162)
Dutovias do Brasil S.A.	100%	(1,877)	225	(4)		(1,656)
Balance of provision for losses on investments[1]		**(44,042)**	**225**	**794**	**(795)**	**(43,818)**
		171,136	**690**	**(9,295)**	**(795)**	**161,736**

[1] Recognition of this liability is due to the fact that the Company is jointly liable for the debts of its subsidiaries.

(In thousands of Reais, except where otherwise stated)

The balance related to advances for future capital increase presented the following changes during 2016:

Investments	Interest	2015	Advance for future capital increase	Capital increase	Equity results	Cumulative translation adjustments	2016
Cia de Desenvolvimento do Norte Capixaba	100%	19,180		2,000	(496)		20,684
Morro do Pilar Minerais S.A.	100%			40	8.465		8,505
Asgaard Navegação S.A.	99.99%	115,308	[2] 51,003	34,714	(15,036)		185,989
Balance of investments		**134,488**	**51,003**	**36,754**	**(7,067)**		**215,178**
Asgaard Navigation LLP	99.75%	(42,703)			(7,345)	7,883	(42,165)
Dutovias do Brasil S.A.	100%	(4,759)		3,000	(118)		(1,877)
Morro do Pilar Minerais S.A.	100%	(13)			13		
Balance of provision for losses on investments [1]		**(47,475)**		**3,000**	**(7,450)**	**7,883**	**(44,042)**
		87,013	**51,003**	**39,754**	**(14,517)**	**7,883**	**171,136**

[1] Recognition of this liability is due to the fact that the Company is jointly liable for the debts of its subsidiaries.

[2] This advance for future capital increase is irrevocable and irreversible and must be formalized until 03/24/2017.

The balance related to advances for future capital increase presented the following changes during 2017:

	Morro do Pilar Minerais S.A.	Cia de Desenvolvimento do Norte Capixaba	Dutovias do Brasil S.A.	Total
Balances as of 2016	11	468	230	**709**
Funds remitted	740	278	9	**1,027**
Capital increase	(15)	(450)	(225)	**(690)**
Balances as of 2017 [1]	**736**	**296**	**14**	**1,046**

[1] The capitalization of these balances occurs within a period not greater than one year.

The balance related to advances for future capital increase presented the following changes during 2016:

	Morro do Pilar Minerais S.A.	Cia de Desenvolvimento do Norte Capixaba	Dutovias do Brasil S.A.	Asgaard Navegação S.A.	Total
Balances as of 2015	17	1,936	3,116	402	**5,471**
Funds remitted	34	532	114	34,312	**34,992**
Capital increase	(40)	(2,000)	(3,000)	(34,714)	**(39,754)**
Balances as of 2016 [1]	**11**	**468**	**230**		**709**

[1] The capitalization of these balances occurs within a period not greater than one year.

(In thousands of Reais, except where otherwise stated)

9. Property, plant and equipment

Parent company balances

	2017			2016		
	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings	**289**	**(43)**	**246**	285	(33)	252
Machinery and equipment	**1,782**	**(367)**	**1,415**	1,782	(186)	1,596
Furniture and fixtures	**842**	**(359)**	**493**	857	(278)	579
IT equipment	**541**	**(352)**	**189**	515	(237)	278
Communication equipment	**144**	**(108)**	**36**	144	(70)	74
Vehicles	**87**	**(12)**	**75**			
Leasehold improvements	**1,431**	**(1,063)**	**368**	1,435	(688)	747
	5,116	**(2,304)**	**2,812**	5,018	(1,492)	3,526

Changes in the Parent company balances

	Depreciation Rate	2016	Acquisitions	reduction	Depreciation	2017
Buildings	**4%**	252			**(6)**	**246**
Machinery and equipment	**10%**	1,596			**(181)**	**1,415**
Furniture and fixtures	**10%**	579		**(10)**	**(86)**	**483**
IT equipment	**20%**	278	**22**	**(1)**	**(110)**	**189**
Communication equipment	**20%**	74			**(38)**	**36**
Vehicles	**20%**		**87**		**(12)**	**75**
Leasehold improvements	**22%**	747			**(379)**	**368**
		3,526	**109**	**(11)**	**(812)**	**2,812**

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**

(In thousands of Reais, except where otherwise stated)

Consolidated balances

	2017			2016			
	Cost	Depreciation	Net amount	Cost	Depreciation	[1] Write-up of assets	Net amount
Land	**30,480**		**30,480**	30,480			30,480
Buildings	**289**	**(43)**	**246**	285	(33)		252
Vessel in construction	**212**		**212**	2,453			2,453
Machinery and equipment	**2,299**	**(435)**	**1,864**	2,198	(202)		1,996
Furniture and fixtures	**1,197**	**(441)**	**756**	1,249	(317)		932
IT equipment	**682**	**(422)**	**260**	625	(264)		361
Communication equipment	**612**	**(165)**	**447**	447	(84)		363
Vessels	**203,222**	**(17,755)**	**185,467**	157,278	(6,870)	38,854	189,262
Vehicles	**257**	**(78)**	**179**	111	(19)		92
Works of art	**97**		**97**	97			97
Properties	**1,645**		**1,645**	1,645			1,645
Leasehold improvements	**1,431**	**(1,063)**	**368**	1,435	(688)		747
	242,423	**(20,402)**	**222,021**	198,303	(8,477)	38,854	228,680

[1] 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 [1]	Transfer	Recoverable taxes	Depreciation	Goodwill	2017
Land		30,480							**30,480**
Buildings	**4%**	252					**(6)**		**246**
Vessel in construction		2,453	**212**		**(2,453)**				**212**
Machinery and equipment	**10%**	1,996	**102**				**(234)**		**1,864**
Furniture and fixtures	**10%**	932	**32**		**(72)**		**(136)**		**766**
IT equipment	**20%**	361	**48**		**(1)**		**(148)**		**260**
Communication equipment	**20%**	363	**170**		**(3)**		**(83)**		**447**
Vessels	**5%**	189,262	**3,229**	**8,967**	**2,108**	**(866)**	**(10,880)**	**(6,353)**	**185,467**
Vehicles	**20%**	92	**146**				**(59)**		**179**
Works of art		97							**97**
Properties		1,645							**1,645**
Leasehold improvements	**22%**	747					**(379)**		**368**
		228,680	**3,939**	**8,967**	**(421)**	**(866)**	**(11,925)**	**(6,353)**	**222,021**

[1] 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.

(In thousands of Reais, except where otherwise stated)

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

	Depreciation rate	2015	Investment Aquisition (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
		134,591	48,462	10,915	(79,916)	(7,113)	82,887	38,854	228,680

On December 31, 2016, expenditures of R$70,813 included in the item Construction in progress, related to the port and pipeline projects, fully reduced as impairment in the years 2014 and 2015, were written off as a result of the Administration's formal decision not to proceed with such licenses.

In the valuation of recoverability of assets, the Company used the value in use per Cash Generating Unit (CGU) based on projections approved by Management and assumptions consistent with the analysis performed on 12/31/2017, which consider:

- Review of the scenarios for each CGU according to business plans;

- Country macroeconomic scenario;

- Period of cash flow compatible with proven mineral reserves, without perpetuity, since the Company is in the initial phase of its operations, including assets with long maturation periods;

- Constant discount rate of 12.5% based on the weighted average cost of capital ("WACC").

(In thousands of Reais, except where otherwise stated)

10. Intangible assets

During the 2016 fiscal year, in view of the recovery of the price of iron ore in the international market in the last year and the redesign of the Morro do Pilar project, the Administration resumed studies on the recoverable value (impairment) of expenses incurred on assets mineral. As a result of these analyzes, the Company reversed in 2016 in intangible assets the amount of R$718 million. The impairment assessment made by Management and its assumptions used for property, plant and equipment and intangible assets are described in Note 9.

In addition, in 2016, the R$13,151 expenses included in item Railroad branch, fully reduced as impairment in the years 2014 and 2015, were, as a result of the Administration's formal decision not to proceed with the Port and Pipeline licenses, which were definitively lowered.

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

	2016	**Transfer**	**Additions**	**Amortization**	**Goodwill**	**2017**
Expenditures related to exploration and valuation of mineral resources and prospecting rights	218,427	**18,636**	**3,226**			**240,289**
Expenditures related to licensing phase	6,404					**6,404**
Management system (ERP)	439	**22**	**12**	**(180)**		**293**
Software	662	**(23)**		**(412)**		**227**
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**
	779,734		**3,238**	**(592)**	**3,392**	**785,772**

(In thousands of Reais, except where otherwise stated)

The consolidated balances in 2015 and the changes during 2016 are as follows:

	2016							
	Net amount	**Additions**	**Reclassification adjustment**	**Amortization**	**Reversal of impairment of assets**	**Write downs**	**Goodwill (Note 1)**	**Net amount**
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**
Softwares					**662**			**662**
Intangible assets acquired in business combination					**491,427**			**491,427**
Rail spur					**13,151**	**(13,151)**		
Goodwill							**62,375**	**62,375**
	526	**570**	**(969)**	**(187)**	**730,570**	**(13,151)**	**62,375**	**779,734**

[1] This reclassification adjustment refers to studies related to energy transmission for the Pilar Hill Project, where such studies are reimbursable to the Company in accordance with the concession contract with the National Energy Agency (*Agencia Nacional de Energia Elétrica* - ANEEL).

11. Income tax and Social contribution

As of 12/31/2017, the amount of tax losses and negative basis of social contribution of the Company is of the order of R$152 million (R$119 million as of 12/31/2016), over which, in view of the lack of expectation of future profitability, does not record deferred income tax and social contribution assets.

The net amount of R$32, included in Deferred tax liabilities, in relation to the subsidiary Companhia de Navegação da Amazônia, is composed of:

• Temporary difference in income tax and social contribution, in amount of R$1,599, between the tax base and deemed cost recorded under ICPC 10.

• Deferred income tax asset, in amount of R$1,567, on tax loss carryforwards.

The net expense of R$109, included in the Income Tax and Social Contribution item of the income statement, is comprised of a positive deferred portion of R$403 and a negative current portion of R$512.

(In thousands of Reais, except where otherwise stated)

The reconciliation between the nominal and effective rates is shown below:

	Parent Company		Consolidated	
	2017	**2016**	**2017**	**2016**
Profit (loss) before income tax and social contribution	**(45,654)**	693,500	**(45,542)**	693,656
Incom e tax and social contribution calculated at a rate of 34%	**15,522**	235,790)	**5,484**	(235,843)
Effects of additions and exclusions				
Equity results in subsidiaries	**(3,160)**	(4,935)		
Reversal of impairment of assets		249,679		276,575
Temporary differences			**(2,476)**	2,816
Permanent differences	**(1,312)**	(32)	**1,282**	94
	11,050	8,922	**14,291**	43,642
Non-constitution of deferred assets due to lack of expectation of future profitability	**(11,050)**	(8,922)	**(14,400)**	(43,818)
Income tax and social contribution			**(109)**	(176)
Effective rate			**-0.2402%**	0.0254%

(In thousands of Reais, except where otherwise stated)

12. Related parties transactions

Loans between individuals and entities

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

Creditor	Debtor	2017	2016
Current assets in the consolidated			
MLog S.A.	Patrícia Tendrich Pires Coelho	**749**	648
Asgaard Navegação S.A.	Maverick Holding S.A.	**78**	63
		904	1.320
Amounts eliminated in the consolidated			
Asgaard Navegação S.A.	Asgaard Navigation LLP	**37,696**	37,696
Asgaard Navegação S.A.	Asgaard Navigation LLP	**1,628**	1,628
Asgaard Navegação S.A.	Asgaard Navigation LLP	**2,934**	1,300
Asgaard Navegação S.A.	MLog S.A.	**11,768**	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	**20,998**	
MLog S.A.	Asgaard Navegação S.A.		50,000

The loan between MLog S.A. and Patrícia Tendrich Pires Coelho (Chief Executive Officer of the Company) in the amount of R$77 is adjusted at the CDI rate plus 5% per annum and due on 12/30/2018.

The loan between Asgaard Navegação S.A. and Maverick Holding S.A. (shareholder of MLog S.A) in amount of R$749, is adjusted at the CDI rate plus 5% per annum and maturing on 06/30/2018.

The loan agreement between Asgaard Navegação S.A. and Patrícia Tendrich Pires Coelho (Chief Executive Officer of the Company) in the amount of R$78 is adjusted at the CDI rate plus 5% per annum and maturing on 06/30/2018.

The loans between the subsidiaries Asgaard Navigation S.A. and Asgaard Navigation LLP have the following conditions:

(i) The loan in amount of R$37,696 is in Reais, does not bear interest and has maturity on 11/25/2018.
(ii) The loan in amount of R$1,628 is in Reais, with no interest and no maturity date.
(iii) The loan in amount of R$2,934 corresponds to US $ 887, no interest and no maturity date.

The amount of R$20,988 owed by the Amazon Navigation Company to Asgaard Navegação SA Comprised of R$12,626 relating to the balance to be received from the sale of the Sophia Ship mentioned in Note 1, the liquidation of which, without interest, will be made to the extent that new resources in the AFRMM linked account of the Amazônia Navigation Company with Banco do Brasil become available and R$8,342 related to a rate-adjusted loan of 0.1% per month and maturity on 04/30/2018.

In addition to the above items, but not involving mutuals, Management highlights the following related party events:

The Company's parent company, Maverick Holding S.A., is the guarantor of the total debt related to the acquisition of the above-mentioned Amazônia Navigation Company. The existence of this guarantee was fundamental for the conclusion of the transaction and Maverick Holding S.A. chose 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 plan 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 variation that occurred in the year in the line of Services provided in the Income Statements

Compensation of key management personnel

The Company considers all current officers and board members to be key management personnel. For the twelve-month period of 2017, the compensation of these officers and board members was R$9,241 and R$2,682, respectively (R$4.312 e R$1.876 in 2016). 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 12/31/2017, a total of 16,620 (sixteen thousand six 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 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.

(In thousands of Reais, except where otherwise stated)

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

Plan	Grant date	Initial maturity date	Vesting date	Number of shares	Price of exercise	Annual volatility	Risk free rate	Dilution factor	Fair value options
2011.1	10/15/2011	10/15/2013	10/15/2018	4,050	1,576.00	39.47%	11.35%	98.82%	3,905
2011.1	10/15/2011	10/15/2014	10/15/2019	4,050	1,576.00	38.95%	11.34%	98.23%	4,121
Amendments	01/02/2012	10/15/2013	10/15/2018	450	1,576.00	39.58%	11.04%	98.33%	422
Amendments	01/02/2012	10/15/2014	10/15/2019	450	1,576.00	38.98%	11.06%	97.44%	446
2012.1	01/02/2012	10/15/2013	10/15/2018	400	1,576.00	39.58%	11.04%	98.33%	375
2012.1	01/02/2012	10/15/2014	10/15/2019	100	1,576.00	38.98%	11.06%	97.44%	99
2012.2	01/02/2012	12/01/2013	12/01/2018	300	1,576.00	39.51%	11.05%	98.30%	284
2012.2	01/02/2012	12/01/2014	12/01/2019	300	1,576.00	38.95%	11.06%	97.41%	299
2012.3	02/01/2012	01/15/2013	01/15/2018	1,000	1,576.00	40.55%	11.04%	99.08%	892
2012.3	02/01/2012	01/15/2014	01/15/2019	1,000	1,576.00	39.47%	11.19%	98.18%	951
2012.3	02/01/2012	01/15/2015	01/15/2020	1,000	1,576.00	38.80%	11.23%	97.29%	1,001
2012.4	01/13/2012	01/13/2013	01/13/2018	100	1,576.00	40.47%	11.23%	99.20%	90
2012.4	01/13/2012	01/13/2014	01/13/2019	100	1,576.00	39.41%	11.31%	98.28%	96
2012.4	01/13/2012	01/13/2015	01/13/2020	100	1,576.00	38.88%	11.32%	97.37%	101
2012.5	08/20/2012	08/20/2013	08/20/2018	180	1,576.00	39.99%	9.65%	99.05%	154
2012.5	08/20/2012	08/20/2014	08/20/2019	180	1,576.00	38.74%	9.78%	98.11%	164
2012.5	08/20/2012	08/20/2015	08/20/2020	180	1,576.00	38.05%	9.97%	97.19%	173
2013.1	05/02/2013	05/02/2014	05/02/2019	780	2,547.25	39.96%	9.10%	98.54%	1,055
2013.1	05/02/2013	05/02/2015	05/02/2020	400	2,547.25	38.98%	9.24%	97.78%	577
2013.2	07/01/2013	07/01/2014	07/01/2019	550	2,547.25	40.16%	11.23%	98.48%	793
2013.3	08/15/2013	08/15/2014	08/15/2019	250	2,547.25	40.00%	11.71%	98.44%	365
2013.4	10/01/2013	10/01/2014	10/01/2019	550	2,547.25	39.58%	11.73%	98.38%	799
2013.4	10/01/2013	10/01/2015	10/01/2020	150	2,547.25	38.81%	11.79%	97.46%	232
Total as of 12/31/2017				**16,620**					**17,394**

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

Programs	2011	2012	2013	2014	2015	2016	2017	Total
1st		2,828	2,940	2,258				**8,026**
2nd		853	791	281				**1,925**
3rd		880	962	962	40			**2,844**
4th		92	96	95	4			**287**
5th		60	163	163	105			**491**
6th		33	19		(52)			
7th			749	1,124	(147)	(94)		**1,632**
8th			422	449	(78)			**793**
9th			263	270	(168)			**365**
10th			328	878	(183)	8		**1,031**
		4,746	6,733	6,480	(479)	(86)		**17,394**
Options expired [1]	939	2,553	2,165	2,257				
Recorded in income statement	939	7,299	8,898	8,737	(479)	(86)		
Accumulated amount in equity	939	8,238	17,136	25,873	25,394	25,308	**25,308**	

[1] In accordance with accounting standards, the options expired due to failure to exercise the rights, previously recorded in income

(In thousands of Reais, except where otherwise stated)

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 financial statements, 8,280 (eight thousand, two hundred and eighty) shares expired due to non-exercise of the option, corresponding to R$7,914, measured upon granting of the options and recognized in P&L and equity during the vesting period.

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

13. Trade accounts payable

The consolidated balance of R$15,812 on 12/31/2017 (R$9,835 on 12/31/2016) mainly refers to the cost of operating the vessels and general and administrative services. A significant portion of the balance as of 12/31/2017, in the amount of R$12,414, will be fully compensated, as mentioned in Note 6, on the occasion of the final settlement of the service agreement of the SBM Installer, started in December 2016 and ended in March 2017

14. Obligations on acquisition of investments

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

							Payment term	
Composition of acquisition price	**Balances on 12/312016**	**Ajuste de cálculos anteriores**	**Interest**	**Unwinding of discount**	**Payments**	**Balances on 12/312017**	**Current**	**Non-current**
Initial installment	58,763		**7,005**		**(15,850)**	**49,918**	**16,639**	**33,279**
Additional installment	34,324	182	**2,284**	**4,419**	**(4,375)**	**36,834**	**8,573**	**28,261**
Earn out installment	12,916			**1,507**		**14,423**		**14,423**
	106,003	**182**	**9,289**	**5,926**	**(20,225)**	**101,175**	**25,212**	**75,963**

(In thousands of Reais, except where otherwise stated)

The table below shows the changes in this debt between the date of acquisition (08/11/2016) and the closing date of these financial statements.

Composition of acquisition price (Note 1)	Balance on 08/11/2016	Interest	Unwinding of discount	Balance on 12/31/2016	Payment term	
					Current	Non-current
Initial installment	56,071	2,692		58,763	14,691	44,072
Additional installment	32,378	67	1,879	34,324	2,077	32,247
Earn out installment	12,205		711	12,916		12,916
	100,654	**2,759**	**2,590**	**106,003**	**16,768**	**89,235**

15. Litigation

As of 12/31/2016, the Company together with its subsidiaries Asgaard Navegation S.A. and Companhia de Navegação da Amazônia, are parties to lawsuits. The lawsuits classified as probable losses are recorded in the balance sheet and basically refers, as mentioned in Note 19, to the civil and labor lawsuits owed by the subsidiary Companhia de Navegação da Amazônia

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

No. Processo	Type	Author	Nature	Value of the cause	Chances of loosing	Management Comments
0020199-78.2014.8.13.0175	Ação Civil Pública	MPE de Minas Gerais	environmental	1.000	Possíble	Management's expectation is that such action will lose its purpose and will be terminated
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	Possíble	Management's expectation is that the loss of such action could significantly impact the Morro do Pilar Project
1125178-74.2016.8.26.0100	Ação de Execução	Banco BNP Paribas Brasil S.A	Cível	4.703	Possíble	Management's expectation is that the loss of said share 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	Possíble	Management's expectation is that the loss of said share will not have a continuing impact on the Company.
02044.010011/2016-92	Processo Administrativo	ICMBIO	Administrative	400	Possíble	Management's expectation is that the loss of said share 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	Possíble	Management's expectation is that the loss of said share will not have a continuing impact on the Company.

(In thousands of Reais, except where otherwise stated)

0011002-32.2016.5.03.0184	Reclamação Trabalhista	Bruno Dias Vieira Marques	Labor	300	Possíble	Management's expectation is that the loss of said share will not have a continuing impact on the Company.
0010834-28.2016.5.03.0023	Reclamação Trabalhista	Ottomar Bamberg	Labor	100	Possíble	Management's expectation is that the loss of said share will not have a continuing impact on the Company.
0011095-36.2016.5.03.0138	Reclamação Trabalhista	Eric Julian da Silva	Labor	3.000	Possíble	Management's expectation is that the loss of said share will not have a continuing impact on the Company.

The subsidiary Companhia de Navegação da Amazônia ("CNA") is also a party to actions in a variety of areas such as civil, labor, environmental, tax and other matters. 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.

No. Processo	Type	Author	Nature	Value of the cause	Chances of loosing	Management Comments
0032202-20.2008.8.14.0301	Ação de Indenização	Odete Cunha Lobato Benchimol e Elias Isaac Benchimol	Cívil	1.000	Possíble	Management's expectation is that the loss of said share 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	Possíble	Management's expectation is that the loss of said share 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	Possíble	Management's expectation is that the loss of said share 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 expenditures of R$20 million, basically related to environmental control programs and compliance with the clauses defined by the Minas Gerais Public Prosecutor's Office, to be spent up to the request to grant the Installation License.

Regarding the compensation referred to in article 36 of Law 9.985 / 2000 (National System of Nature Conservation Units - SNUC), the amount of resources to be destined by the entrepreneur for this purpose is limited to 0.5% cent) of the total costs foreseen for the implementation of the project. In this way, the final value to be paid, is linked to the total investments in the implementation of the mine, depending on the intended project arrangement by the company in relation to the estimated annual gross production. Once the compensation has been defined, the amount must be paid in up to 4 monthly installments, the first being up to 30 days after the granting of the Deployment License, according to State Decree No. 45.175 / 2009.

17. Provisions (Consolidated)

The amounts provided for in the short-term refer to: (i) the second installment of pipeline concession easement agreements, in the amount of R$1,642 (R$1,642 as of 12/31/2016), due to the regularization of the property by real estate owners and (ii) recovery of squares and accesses of geological survey in the region of the Morro do Pilar Project in the amount of R$20 (R$67 as of 12/31/2016) and (iii) undefined costs of the Negotiation Transaction with Asgaard mentioned in Note 1, in the amount of R$0 (R$73 as of 12/31/2016) payable by the Company.

The long-term value refers to:

(i) R$8,138 due by the subsidiary Asgaard Navegação SA as a result of a judicial proceeding categorized as probable, related to the Execution of Extrajudicial Executive Title filed by Citigroup Global Markets Assessoria Ltda., to collect a successful commission under the "Letter of Agreement ", Signed on 01/26/2015, whose historical value dates back to the amount of R$4,000. Asgaard Navegação S.A. already indicated the attachment well and opposed Embargoes to Execution.

(ii) R$5,976 owed by the Company, as a result of a judicial proceeding categorized as probable, related to the Extraordinary Tax Appeal Action filed by BNP Paribas Brasil SA ("BNP") against the Company in the amount of R$4,703, backed by a private debt instrument and other covenants, where the Company recognizes and acknowledges the obligation of R$7,249, referring to the financial advisory services provided by BNP, and R$79 related to the expenses incurred by BNP. The Company paid in 2015, in accordance with the agreement entered into with BNP, the amount of R$3,624, remaining the amount of R$4,703 (restated up to the date of filing of the share). The Company indicated well to the attachment and opposed Execution Embargoes. On 02/14/2017, the court partially rejected the requests made in the Execution Appeals. As a result of this judgment, the Company filed an Embargo de Declaration, which was not accepted. On 06/23/2017, the Company filed an Appeal.

(In thousands of Reais, except where otherwise stated)

(iii) R$1,379, basically due to the subsidiary Companhia de Navegação da Amazônia, due to civil and labor lawsuits, classified as probable (R$1,697 as of 12/31/2016).

18. Transaction costs

Refers to the reimbursement of taxes collected over the temporary importation of foreign vessels, whose amount of R$5,875 (R$5,812 as of 12/31/2016), when received by the subsidiary Asgaad Navegação S.A., must be passed on to the customer that borrowed the service. This obligation is adjusted based on the Selic interest rate (Special settlement and custody system).

19. Equity

Capital

On 12/31/2017, the Company's subscribed capital stock is represented by 2,899,712 common shares as detailed below:

	2017		2016	
Shareholders	**Common shares**	**%**	Common shares	%
Maverick Holding S.A.	**1,539,186**	**53.08**	1,691,974	55.43
Korea Investment Corporation	**244,909**	**8.45**	244,909	8.02
Ontario Teachers’ Pension Plan	**227,578**	**7.85**	227,578	7.46
EIG - Global Energy Partners	**188,969**	**6.52**	188,969	6.19
Fábrica Holding S.A.	**154,072**	**5.31**	154,072	5.05
Other	**544,998**	**18.79**	544,998	17.85
	2,899,712	**100.00**	3,052,500	100.00

This number of shares includes the reduction of capital occurred at the Extraordinary Shareholders' Meeting held on 12/8/2016 effective 02/10/2017, pursuant to article 174 of Law 6,404 / 76, after the expiration of 60 days from the publication of the aforementioned AGE.

The capital reduction was of the order of R$42,632, implying in the cancellation of 152,788 shares subscribed and not yet paid by the shareholder Maverick Holding S.A., with no cash outflow from the Company
Pursuant to the Bylaws amendment, approved at the Extraordinary Shareholders' Meeting held on August 26, 2015, the Company's capital stock may be increased by resolution

adopted by the Board of Directors, regardless of changes to the Bylaws, until it reaches 6,000,000 (six million) of common shares. The Board of Directors may stipulate the number of shares to be issued, the issue price and the conditions of 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:

	2017	2016
Profit (loss) attributable to the equity holders	**(45,654)**	693,500
Shares outstanding	**2,899,712**	3,052,500
Profit (loss) per share – basic and diluted in Reais *	**(15.74)**	227.19

* 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:

(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.

(In thousands of Reais, except where otherwise stated)

20. Net operating income and costs of services

The revenues and corresponding costs incurred by the subsidiary Asgaard Navegação SA from the beginning of operation of the Asgaard Sophia vessel in March 2016, from the contracting of the SBM Installer in December 2016, and from the subsidiary Companhia de Navegação da Amazônia, included from of the acquisition date (08/11/2016) mentioned in Note 1, are shown below:

	2017	2016
Revenue		
Charter	**39,170**	19,461
Freight	**35,250**	19,784
Maritime support	**13,953**	2,863
Taxes on sales		
Social contributions (PIS and COFINS)	**(7,193)**	(3,756)
Social security contribution	**(1,409)**	(796)
Tax on services (ISSQN)	**(848)**	(103)
Value-Added Tax (ICMS)	**(5,085)**	(2,082)
Other	**(220)**	
Net revenue	**73,618**	35,371
Cost of services		
Payroll and related charges	**(18,071)**	(8,455)
Charter	**(10,290)**	(2,397)
Depreciation	**(10,524)**	(4,312)
Rentals	**(154)**	(392)
Materials	**(17,583)**	(7,374)
Insurances	**(2,133)**	(1,247)
Services	**(5,375)**	(1,743)
Other	**(4,276)**	(1,174)
	(68,406)	(27,094)
Gross profit	**5,212**	8,277

(In thousands of Reais, except where otherwise stated)

21. Financial income

	Parent company		Consolidated	
	2017	2016	2017	2016
Earnings from financial investment	**878**	879	**3,442**	889
Earnings from recovery taxes	**500**	826	**500**	1,357
Trade discounts	**69**	44	**586**	275
Interest on loans with related parties	**484**		**703**	
Exchange variation			**773**	385
Other				671
	1,931	1,749	**6,004**	3,577

22. Financial expenses

	Parent company		Consolidated	
	2017	2016	2017	2016
Interest on bank loans			**432**	2,941
Interest on acquisition of investment (CNA- Note 14)	**15,397**		**15,397**	5,348
Exchange variation			**1,043**	7,704
Bank charges	**31**	31	**439**	308
Interest on arrears	**1,480**	1,392	**1,798**	1,206
Other	**143**	37	**214**	85
	17,051	1,460	**19,323**	17,592

23. Financial instruments

Financial instruments categories

On 12/31//2017, the Company and its subsidiaries did not have any financial assets classified under the Measurement at fair value through profit or loss category.

(In thousands of Reais, except where otherwise stated)

The financial instruments classified as Loans and receivables are:

Financial assets and liabilities	2017	2016
Assets		
Cash and cash equivalents	**34,440**	199
AFRMM deposits in escrow account	**29,638**	90,581
Trade accounts receivable	**17,317**	9,721
Related parties loans	**915**	1,320
Other credits	**1,701**	2,232
Liabilities		
Trade accounts payable	**15,812**	9,835
Bank loans		3,510
Transaction costs		21,437
Obligations on acquisition of investments	**101,175**	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.

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.

(In thousands of Reais, except where otherwise stated)

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:

	Consolidated			
	Up to one year	From one to three years	Over three years	Total
Trade accounts payable	15,812			15,812
Obligations on acquisition of investments	25,213	46,164	29,798	101,175
	41,025	**46,164**	**29,798**	**116,987**

24. 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$93,000
- Asgaard: Full coverage of US$50,000

Protection and Indemnity Insurance (P&I):

- CNA: Unlimited coverage for third parties, limited to US$1,000,000 for environmental pollution and US$6,000 for civil liability
- Asgaard: Unlimited coverage

On 07/04/2017, the D&O insurance was renewed in the insured amount of up to R$50,000.

25. Subsequent events

On January 30, 2018, the Extraordinary Shareholders' Meeting (AGE) was invalidated, reducing the Company's capital reduction approved at the Extraordinary General Meeting held on November 22, 2017.

As part of the corporate discussions involving the aforementioned meetings, the minority shareholder EIG initiated arbitration proceedings against the direct and indirect controlling shareholders Maverick Holding, Lion Participações and others.

The result of this arbitration procedure, will be kept confidential, may affect MLog as intervener and / or beneficiary of part or all of any financial resources that may be obtained at the end of the arbitration process. Due to the non-existence of a claim against the Company in this proceeding, no amount referring to this procedure were recorded in the financial statements

Patrícia Tendrich Pires Coelho
Chief Executive Officer

Julia Souza de Paiva
Chief Administrative and Financial Officer

José Eduardo Pereira Gonçalves
Contador CRC RJ 063543/O-2

Luiz Felipe Perdigão
Controller