Dear Shareholders,

The Management of MLog S.A. ("MLog" or "Company"), jointly with its direct or indirect subsidiaries Morro do Pilar (Iron Ore Project, “MOPI”), North Capixaba Development Company (Industrial District Project and Porto Multiplo in Linhares, “CDNC”), Asgaard Offshore (Offshore Shipping Company, “Asgaard”), CNA - Companhia de Navegação do Amazônia (Iland Shipping Company, “CNA”) and Marsil Mining EIRELI (“Marsil”), in compliance with legal and statutory provisions, hereby submits the Management Report and its Consolidated Quarterly Financial Statements, accompanied by the Independent Auditors' Report, all referring to the quarter ended Sptember 30, 2019. All figures mentioned in this report, related to the Company's Financial Statements, are presented in thousands of reais, unless otherwise indicated.

1. Message from the Management

The third quarter of 2019 presented operating results in line with previous results for our shipping segment, composed of the subsidiaries CNA and Asgaard.

In the mining segment, as already reported in the Notes to quarterly financial information and Management Report for the second quarter, the Company terminated the Marsil acquisition agreement during the third quarter of 2019 and, as a result, Marsil was no longer consolidated in its financial information.

The third quarter also marked an important step in the Company's largest asset, the Morro do Pilar Project (“MOPI”), with the installation license application filed.

Following the Vale dam accident in Brumadinho, the mining sector had its regulatory framework altered, both by the state of Minas Gerais and by the National Mining Agency (“ANM”). These changes were mainly targeted at tailings deposits from the ore production process, especially deposits that include high water tailings containment dams such as slime. The Company's management decided to include in the MOPI Project the drying of all tailings characterized as slime produced in its production process, making the slime dam structure no longer necessary for storage.

Also in this quarter, the Company decided to terminate the fundraising advisory agreement for the MOPI Project with Bank of America Merrill Lynch. The Company reviews proposals from other financial advisory firms to decide the best format and advisor to hire.

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 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 interest on loans used for the construction of Brazilian vessels.

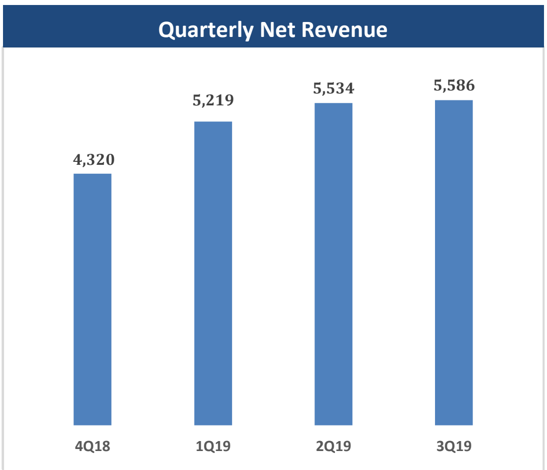
We are also attentive to the additional opportunities in the mining sector where the global macro-economic changes and the quality of the MOPI Project can be differentiators that sustain the company's vertical growth.

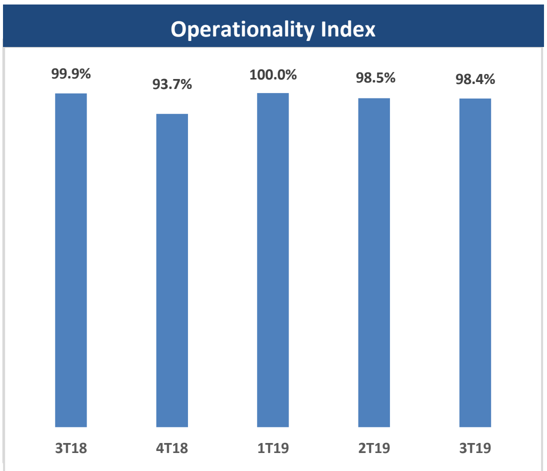
2. Operational Performance

Below are the main operational indicators and comments of our subsidiaries for the last quarter.

i. Asgaard Shipping

Operating since March 2016, OSRV Asgaard Sophia has been showing positive operating rates, as shown in the charts below.





ii. CNA – Amazon Shipping Company

CNA continues to operate its assets at levels close to the limit given the current regional conditions, both climatic and storage infrastructure. Any significant growth in future revenue will be contingent on increased installed capacity.

An important part of the CNA result is the Merchant Marine Renewal Freight Additional ("AFRMM"), mainly governed by Law 10.893 of 2004. The AFRMM is a federal tax on maritime freight that aims to support the development of merchant marine and the Brazilian shipbuilding and repair industry, and is a basic source of the Merchant Marine Fund (FMM).

AFRMM rates vary depending on the type of product, transportation and region of origin or destination. In the fluvial transport activity of liquid bulk in the North, the AFRMM incident rate is 40% of the freight price. The additional freight generated by the services provided by CNA is subsequently credited to a linked account of the company with Banco do Brasil and may be used by the CNA, its affiliates or its parent company, mainly for:

The acquisition of new vessels, for own use, built in Brazilian shipyards;

for intervention (jumborization, conversion, modernization, docking or repair) of own vessel in a Brazilian shipyard;

for the payment of principal installment and financing charges granted with FMM funds.

The AFRMM accounting follows the rules of CPC 07 (IAS 20). When the freight service is finalized, the receivable amount 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 the CNA. In an average term of approximately 30 months, this AFRMM loan is deposited in the linked account of CNA with Banco do Brasil. At this point the AFRMM becomes available for use as permitted.

When AFRMM is used, the non-current liability that was offset against its launch and the revenue are affected as follows:

If the company uses R$100 for the purchase of a vessel that will be depreciated in 20 years, its balance will now indicate in the fixed asset the initial value of R $ 100 and the liability will continue to present a value of R$100 as deferred AFRMM revenue.

After the first year of use of the vessel, property, plant and equipment will indicate R$95 (R$100 - R$5 depreciation). The liability will also be reduced by the same amount of depreciation, starting at R$95. As a counterpart to this reduction in liabilities, the amount of R$5 in Net Revenue will be posted to income.

That is, although the cash effect of the use of AFRMM occurs in approximately 30 months and its use does not generate a financial liability for the company, the release of the amounts of this economic benefit to the shareholders occurs in the accounting throughout the useful life of the asset.

iii. MOPI - Pilar Hill Mining

In the mining segment, in parallel with our strategy of developing a logistics alternative that utilizes existing idle installed capacity in the sector, we have moved towards the requirement of the Morro do Pilar Project Installation License (“LI”). Our efforts were divided into two major fronts: (i) extending the validity of the MOPI Project's Prior License (“LP”), and (ii) carrying out the studies and activities necessary to comply with all Project LP conditions.

On May 10, 2018, the Chamber of Mining Activities - CMI, of the State Council of Environmental Policy - COPAM of the State of Minas Gerais, approved the extension for one additional year the expiration of the Preliminary License of the MOPI Project, which would occur in November 2018.

Throughout 2018, the Company carried out studies and almost all activities related to the fulfillment of the Project's LP conditions, but Management opted for the non-filing of the LI request within the current year.

Following the Vale dam accident in Brumadinho, the mining sector had its regulatory framework altered, both by the state of Minas Gerais and by the National Mining Agency (“ANM”). These changes were mainly targeted at tailings deposits from the ore production process, especially deposits that include high water tailings containment dams such as slime. The Company's management decided to include in the MOPI Project the drying of all tailings characterized as slime produced in its production process, making the slime dam structure no longer necessary for storage. Upon completion of these studies, the Company filed with the regulatory agencies the request for a Project Installation License.

Also in this quarter, the Company decided to terminate the fundraising advisory agreement for the Project with Bank of America Merrill Lynch. The Company reviews proposals from other financial advisory firms to decide the best format and advisor to hire.

iv. Marsil Mining

With the termination of the Marsil acquisition agreement, the Company ceased to participate in this company. With this transaction, Marsil's assets and liabilities will no longer be consolidated from MLog's financial information. Also as a result of the operation, Bocaiuva ceased to be a MLog's indirect shareholder.

v. CDNC

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

3. Consolidated Quarterly Information

Result for the Period

The Company recorded a consolidated loss of R$9,682 in the third quarter of 2019. This result is impacted by financial income and expenses arising manly from the debt from the acquisition of CNA, depreciation, CPC 07 (AFRMM accounting rules) and general and administrative expenses, including the holding companies and the pre-operational MOPI Project.

The Company now reports its activities in two business segments: Mining and Shipping.

The Shipping activity includes the operations of the investees CNA and Asgaard, while Mining is composed of the activities of the MOPI Project, CDNC and Marsil, that is not part of the MLog group since July, 2019.

3Q 2019 – BRL ´000	Shipping	Mining	Consolidated
Net Revenue	**16,645**	**0**	**16,645**
EBITDA	**5,612**	**-6,617**	**-1,005**
Adjustment Accounting Revenue with AFRMM Subsidy - CPC 07	-2,286	0	**-2,286**
Non-Recurring Items	0	0	**0**
Adjusted EBITDA	**3,326**	**-6,617**	**-3,291**
Depreciation / Amortization	-5,171	3,601	**-1,570**
Financial expenses	136	79	**215**
Financial income	127	-1,962	**-1,835**
PVA + Financial Expenses CNA Acquisition	-5,485	0	**-5,485**
Accounting Revenue with AFRMM Subsidy - CPC 07	2,286	0	**2,286**
Income Taxes	0	0	**0**
Depreciation / Amortization	-2	0	**-2**
Net Profit/Loss	**-4,783**	**-4,899**	**-9,682**
AFRMM Generated in Period	4,490	0	**4,490**
PVA + Financial Expenses CNA Acquisition	5,485	0	**5,485**
Non-Recurring Revenue / Expenses	0	0	**0**
Adjustment Depreciation / Revenue AFRMM Grant CPC07	2,885	0	**2,885**
Economic Result	**8,077**	**-4,899**	**3,178**

9 months ended Semptember, 30 2019 – BRL ´000	Shipping	Mining	Consolidated
Net Revenue	**46,397**	**8,286**	**54,683**
EBITDA	**12,699**	**-13,241**	**-542**
Adjustment Accounting Revenue with AFRMM Subsidy - CPC 07	-7,467		-7,467
Non-Recurring Items	-255		-255
Adjusted EBITDA	**4,977**	**-13,241**	**-8,264**
Depreciation / Amortization	-7,981	-784	-8,765
Financial expenses	230	143	373
Financial income	-578	-3,132	-3,710
PVA + Financial Expenses CNA Acquisition	-12,519		-12,519
Accounting Revenue with AFRMM Subsidy - CPC 07	7,467		7,467
Income Taxes	255		255
Depreciation / Amortization	77		77
Net Profit/Loss	**-8,072**	**-17,014**	**-25,086**
AFRMM Generated in Period	11,815		11,815
PVA + Financial Expenses CNA Acquisition	12,519		12,519
Non-Recurring Revenue / Expenses	-255		-255
Adjustment Depreciation / Revenue AFRMM Grant CPC07	514		514
Economic Result	**16,521**	**-17,014**	**-493**

Cash and cash equivalents

The Company closed the first quarter of 2019 with a consolidated cash position of R$2,287.

Short Term Assets and Liabilities

The Company closed the third quarter of 2019 with a consolidated volume of current assets greater than current liabilities. A significant portion of the Company's current assets, however, is represented by AFRMM - Freight Additional of the Merchant Navy, whose use is restricted. Additionally, Mining activity has a significant portion of its assets still in the pre-operational stage (MOPI Project), which demand investments from MLog. The Company's ability to convert AFRMM into free cash and to access other capital channels may influence the speed and ability to execute its investment plan.

Bank loans

The Company ended the quarter with bank debt of R$11,7617.

4. Social and Environmental Responsibility

As a way of reinforcing the Company's commitment to the best socio-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. Capital Markets 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 Company's Board of Directors, elected at the Annual Shareholders' Meeting held on April 30, 2019, is currently composed of four members, all with a mandate until the next Annual General Meeting, re-election permitted. Current members of this Board are: Luiz Claudio Souza Alves, Chairman of the Board of Directors, Alvaro Piquet, Otavio Paiva and Eduardo Borges. In September 2019, former board member Patricia Tendrich Pires Coelho resigned.

On May 7, 2019, the Company's Board of Directors elected the Executive Officers for a term to be terminated after the Company's next Annual Shareholders' Meeting. The current Executive Officers are: Elias David Nigri (Interinm CEO), Luiz Claudio Souza Alves (Deputy CEO), Julia Souza de Paiva (CFO), Sabrina Juhasz (General Counsel) and Gustavo Barbeito de Vasconcellos Lantimant Lacerda (CIO/IRO).

6. Commitment Clause

The Company, its shareholders, administrators and members of the Board of Directors are obliged to resolve, through arbitration, any dispute or controversy that may arise between them, related to, or arising from, in particular, 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 Arbitration Clauses and in the Arbitration Rules of the Market Arbitration Chamber, conducted pursuant to the latter Regulation

7. Independent Auditors

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, November 14, 2019.

The Administration

Quarterly Financial Information

MLog S.A.

September 30, 2019
with Independent Auditor’s Report Quarterly Financial Information

MLog S.A.

Quarterly financial information

September 30, 2019

Contents

A free translation from Portuguese into English of quarterly financial information

MLog S.A.

Balance sheets - September 30, 2019 and December 31, 2018
(In thousand Reais)

		Parent company		Consolidated	
Assets	**Note**	**2019**	**2018**	**2019**	**2018**
Current assets					
Cash and cash equivalents	**4**	17	2,061	2,287	11,289
AFRMM deposits in escrow account	**5**	-	-	68,555	13,689
Trade accounts receivable	**6**	-	-	5,013	6,545
Advances to suppliers		74	16	1,337	337
Inventories		-	-	617	1,440
AFRMM to be released	**5**	-	-	-	24,052
Related parties' loans	**12**	235	4,172	1,059	975
Anticipation of receivables	**7**	1,729	2,364	9,139	11,420
Recoverable taxes		133	92	1,077	605
Rights in the deal	**1**	-	-	-	79,354
Other		15	15	887	1,299
Total current assets		**2,203**	**8,720**	**89,971**	**151,005**
Non-current assets					
Advances for future capital increase	**8**	520	1,945	-	-
Judicial deposits		-	-	2,350	2,340
Deferred taxes		-	-	161	-
Recoverable taxes	**7**	-	-	25	141
AFRMM to be released	**5**	-	-	6,765	20,608
Related parties' loans	**12**	50,000	-	50,000	-
Judicial Deposit		312	312	312	752
		-	-	10,794	-
Investments	**8**	169,959	216,755	-	-
Property, plant and equipment	**9**	1,730	2,001	199,646	224,778
Intangible assets	**10**	738,081	725,806	803,873	829,881
Total non-current assets		**960,602**	**946,819**	**1,073,926**	**1,078,500**
Total current		**962,805**	**955,539**	**1,163.897**	**1,229,505**

See accompanying notes.

MLog S.A.

Balance sheets - September 30, 2019 and December 31, 2018
(In thousand Reais)

		Parent company		Consolidated	
Liabilities	**Note**	**2019**	**2018**	**2019**	**2018**
Current liabilities					
Trade accounts payable	**13**	393	720	6,685	7,392
Bank loans and financing	**1**	-	-	8,344	71,157
Employee-related accruals		1,454	115	5,223	4,293
Tax liabilities		57	175	1,144	5,487
Related parties' loans	**12**	48,765	36,292	-	-
Advances from customers		-	-	1,238	1,310
Provisions	**17**	1,809	918	3,451	3,727
Obligations on acquisition of investments	**14**	61,921	31,985	61,921	31,985
Other	**16**	6,327	1,678	8,814	3,586
Total current liabilities		**120,726**	**71,883**	**96,820**	**128,937**
Non-current liabilities					
Bank loans and financing	**1**	-	-	3,273	562
Trade accounts payable	**13**	-	-	-	2,799
Provision for losses on investments	**8**	1,643	1,648	-	-
Deferred taxes		-	-	-	89
Refunds to clients	**18**	-	-	5,875	5,875
Tax liabilities		-	-	130	503
Government subsidies to be appropriated- AFRMM	**5**	-	-	206,832	203,150
Obligations on acquisition of investments	**14**	42,827	61,039	42,827	61,039
Other	**16**	-	-	-	1,122
Provisions	**17**	8,661	6,935	19,186	11,389
Non-current liabilities		**53,131**	**69,622**	**278,123**	**286,528**
Equity	**19**				
Capital stock		1,161,678	1,161,678	1,161,678	1,161,678
Share-based compensation reserve		25,308	25,308	25,308	25,308
Accumulated losses		(398,038)	(372,952)	(398,038)	(372,952)
Equity attributable to controlling shareholders		**788,948**	**814,034**	**788,948**	**814,034**
Non-controlling shareholder interest		-	-	6	6
Total equity		**788,948**	**814,034**	**788,954**	**814,040**
Total liabilities and equity		**962,805**	**955,539**	**1,163,867**	**1,229,505**

See accompanying notes.

MLog S.A.

Statements of operations

Nine months period ended September 30, 2019 and 2018

(in thousand Reais, except for loss per share, in Reais)

		Controladora		Consolidado	
	Note	**2019**	**2018**	**2019**	**2018**
Net operating income	**20**	-	-	54,683	47,216
Cost of services	**20**	-	-	(52,610)	(44,932)
Gross profit		**-**	**-**	**2,073**	**2,284**
Operating expenses					
Personnel	**25**	(4,240)	(5,299)	(13,097)	(14,551)
Services rendered		(1,823)	(2,727)	(2,502)	(3,285)
General and administrative		(777)	(1,743)	(3,312)	(4,751)
Depreciation and amortization		(329)	(648)	(489)	(852)
Taxes		(49)	(113)	(445)	(520)
Other operating income (expenses)					
Equity results in subsidiaries	**8**	(3,596)	6,021	-	-
Government subsidies - AFRMM	**5**	-	-	7,467	8,241
Other operating income		816	-	998	345
		(9,998)	**(4,509)**	**(11,380)**	**(15,373)**
Operating loss before financial results		**(9,998)**	**(4,509)**	**(9,307)**	**(13,089)**
Financial income and expenses					
Financial income	**21**	164	606	373	9,989
Financial expenses	**22**	(15,252)	(11,398)	(16,229)	(12,023)
		(15,088)	**(10,792)**	**(15,856)**	**(2,034)**
Loss before income tax and social contribution		**(25,086)**	**(15,301)**	**(25,163)**	**(15,123)**
Income tax and social contribution					
Current		-	-	(173)	(365)
Deferred		-	-	250	207
Loss for the period		**(25,086)**	**(15,301)**	**(25,086)**	**(15,281)**
Loss attributable to:					
Shareholders of the Parent company		-	-	(25,086)	(15,301)
Non-controlling shareholder interest		-	-	-	20
Loss per share (basic and diluted))	**19**	(8.65)	(5.28)	-	-

See accompanying notes.

MLog S.A.

Statements of operations
Three-months period ended September 30, 2019 and 2018
(in thousand Reais, except for loss per share, in Reais)

		Parent company		Consolidated	
	Note	**2019**	**2018**	**2019**	**2018**
Net operating income		-	-	16,645	15,400
Cost of services		-	-	(15,488)	(15,186)
Gross profit		**-**	**-**	**1,157**	**214**
Operating expenses					
Personnel		(1,479)	(1,642)	(4,121)	(4,948)
Services rendered		(1,035)	(593)	(1,221)	(769)
General and administrative		(187)	(300)	(839)	(1,334)
Depreciation and amortization		(94)	(195)	(143)	(261)
Taxes		(20)	(11)	(111)	(119)
Other operating income (expenses)					
Equity results in subsidiaries		(677)	(382)	-	-
Government subsidies - AFRMM		-	-	2,286	2,260
Other operating expenses		816	-	417	168
		(2,676)	**(3,123)**	**(3,732)**	**(5,003)**
Operating loss before financial results		**(2,676)**	**(3,123)**	**(2,575)**	**(4,789)**
Financial income and expenses					
Financial income		79	44	215	1,951
Financial expenses		(7,085)	(3,795)	(7,320)	(4,079)
		(7,006)	**(3,751)**	**(7,105)**	**(2,128)**
Loss before income tax and social contribution		**(9,682)**	**(6,874)**	**(9,680)**	**(6,917)**
Income tax and social contribution					
Current		-	-	(85)	(23)
Deferred		-	-	83	71
Loss for the period		**(9,682)**	**(6,874)**	**(9,682)**	**(6,869)**
Loss attributable to:					
Shareholders of the Parent company		-	-	(9,682)	(6,874)
Non-controlling shareholder interest		-	-	-	5
Loss per share (basic and diluted)	**19**	(3.34)	(2.37)	-	-

See accompanying notes.

MLog S.A.

Statements of comprehensive income
Nine months period ended September 30, 2019 and 2018
(in Thousand Reais)

	Consolidated		Consolidated	
	2019	**2018**	**2019**	**2018**
Loss for the period	**(25,086)**	(15,301)	**(25,086)**	(15,281)
Other comprehensive income				
Cumulative translation adjustments	-	(8,565)	-	(8,586)
Comprehensive loss for the year	**(25,086)**	(23,866)	**(25,086)**	(23,867)
Comprehensive loss attributable to:				
Shareholders of the Parent company	-	-	**(25,086)**	(23,866)
Non-controlling shareholder interest	-	-	-	(1)

Statements of comprehensive income
Three months period ended September 30, 2019 and 2018
(in Thousand Reais)

	Consolidated		Consolidated	
	2019	**2018**	**2019**	**2018**
Loss for the period	**(9,682)**	(6,874)	**(9,682)**	(6,869)
Other comprehensive income				
Cumulative translation adjustments	-	(1,990)	-	(1,995)
Comprehensive loss for the year	**(9,682)**	(8,864)	**(9,682)**	(8,864)
Comprehensive loss attributable to:				
Shareholders of the Parent company	-	-	(9,682)	(8,864)
Non-controlling shareholder interest	-	-	-	-

See accompanying notes.

MLog S.A.
Statements of changes in equity
Nine months period ended September 30, 2019 and 2018
(In Thousand Reais)

	Capital stock								
	Subscribed	To be paid	Capital reserve	(-) Equity issuance costs	Share-based compensation reserve	Accumulated losses	Cumulative translation adjustments	Non-controlling shareholder interest	Total
At December 31, 2017	1,276,193	(127,894)	-	(36,464)	25,308	(353,876)	7,088	(99)	**790,256**
capital increase	-	42,632	7,211	-	-	-	-	-	**49,843**
Translation adjustments	-	-	-	-	-	-	(8,565)	(21)	**(8,586)**
Loss for the period	-	-	-	-	-	(15,301)	-	20	**(15,281)**
At September 30, 2018	**1,276,193**	**(85,262)**	**7,211**	**(36,464)**	**25,308**	**(369,177)**	**(1,477)**	**(100)**	**816,232**
At December 31, 2018	1,276,193	(85,262)	7,211	(36,464)	25,308	(372,952)	-	6	**814,040**
Loss for the period	-	-	-	-	-	(25,086)	-	-	**(25,086)**
At September 30, 2019	**1,276,193**	**(85,262)**	**7,211**	**(36,464)**	**25,308**	**(398,038)**	**-**	**6**	**788,954**

See accompanying notes.

MLog S.A.

Statements of Cash Flows
Nine months period ended September 30, 2019 and 2018
(In Thousand Reais)

	Parent company		Consolidated	
Cash flows from operating activities	**2019**	**2018**	**2019**	**2018**
Loss for the year	(25,086)	(15,301)	(25,086)	(15,281)
Ajustes para conciliar o prejuízo ao caixa oriundo das atividades operacionais				
Depreciation and amortization	329	648	17,352	9,085
Fixed Assets sales	-	102	50	302
Revenue with investment write-off	(816)	-	(816)	-
Government subsidies - AFRMM	-	-	(7,467)	(8,241)
Interest payable	14,244	10,882	7,230	12,061
Unrealized exchange variance	-	-	39	(8,599)
Equity results in subsidiaries	3,596	(6,021)	-	-
Income from the AFRMM linked account	-	-	(66)	-
Deferred income tax and social contribution	-	-	(250)	(207)
Changes in assets and liabilities				
Recoverable taxes	635	1,512	1,424	674
Inventories	-	-	8	(122)
Prepaid expenses	(41)	(13)	(616)	(433)
Other assets	-	(32)	(410)	1,118
Trade accounts receivable	-	-	(462)	10,424
Judicial deposits	-	513	(40)	512
Advances to suppliers	(57)	52	(1,099)	62
Receipt of AFRMM subsidies	-	-	1,258	17,152
Trade accounts payable	35	(134)	(2,937)	(13,281)
Employee-related accruals	1,340	(431)	3,704	1,051
Tax liabilities	(97)	(544)	(1,726)	(705)
Interest on loans with related parties	347	217	(87)	(71)
Transation cost	-	-	394	(850)
Advances from customers	-	-	-	(59)
Other liabilities	-	(932)	659	(254)
Provisions	892	898	989	898
Net cash used in operating activities	**(4,679)**	**(8,584)**	**(7,955)**	**5,236**
Cash flows from investing activities				
Advances for future capital increase and capital increase in subsidiaries	(520)	(1,681)	-	-
Loans with related parties - granted	(16,684)	(13,662)	-	-
Receivables Anticipation	-	-	-	(818)
Investments Acquisition	-	(50,000)	-	(50,000)
Acquisition of property, plant and equipment	(2)	-	(989)	(2,058)
Additions to intangible assets	(8,068)	(2,274)	(8,068)	(2,289)
Net cash from investing activities	**(25,274)**	**(67,617)**	**(9,057)**	**(55,165)**
Cash flows from financing activities				
Payment of Bank loan	-	-	(1,945)	-
Bank loan	-	-	10,750	-
Capital payment	-	49,843	-	49,843
Amortization in the acquisition of investment	(795)	(13,644)	(795)	(13,644)
Loans with related parties - received	28,704	18,686	-	156
Net cash from in financing activities	**27,909**	**54,885**	**8,010**	**36,355**
Decrease in cash and cash equivalents	(2,044)	(21,316)	(9,002)	(13,574)
Cash and cash equivalents at the beginning of the year	2,061	21,324	11,289	34,440
Cash and cash equivalents at the end of the year	**17**	**8**	**2,287**	**20,866**

See accompanying notes.

MLog S.A.

Statements of value added (supplementary information for IFRS purposes)
Nine months period ended September 30, 2019 and 2018
(In thousands of Reais)

	Parent company		Consolidated	
	2019	2018	2019	2018
Operating income				
Services	-	-	62,324	56,472
Inputs acquired from third parties				
Cost of the services	-	-	(41,962)	(31,210)
General and administrative expenses	(2,564)	(4,417)	(4,460)	(6,953)
Other income	816		816	-
Other income				
Government subsidies - AFRMM	-	-	7,467	8,241
Depreciation and amortization	(329)	(648)	(489)	(852)
Transferred added value received				
Net financial income	(15,088)	(10,792)	(8,842)	(2,034)
Equity results in subsidiaries	(3,596)	6,021	-	-
Total added value to be distributed	**(20,761)**	**(9,836)**	**14,854**	**23,664**
Distribution of added value				
Personnel				
Direct remuneration	65	61	13,771	11,575
Management fees	3,571	4,038	7,586	5,017
Benefits	344	390	5,320	8,672
Accrued severance indemnity (FGTS)	5	5	737	1,420
	3,985	**4,494**	**27,414**	**26,684**
Tax				
Federal	270	909	8,702	7,657
State	-	-	3,220	3,158
Municipal	8	9	47	936
Third-party capital remuneration				
Leases	62	53	557	510
Loss for the period attributable to:				
Shareholders of the Parent company	(25,086)	(15,301)	(25,086)	(15,301)
Non-controlling shareholder interest	-	-	-	20
	(20,761)	**(9,836)**	**14,854**	**23,664**

See accompanying notes.

1. Operational Context

MLog SA ("Company") has full control of the companies Morro do Pilar Minerais AS ("MOPI"), Companhia de Desenvolvimento do Norte Capixaba ("CDNC"), Dutovias do Brasil AS ("Dutovias"), Asgaard Navegação SA ("Asgaard"), and Mineração Marsil EIRELI ("Marsil"), MLOG also has indirect participation in the Companhia de Navegação da Amazônia - CNA ("CNA") through its subsidiary Asgaard.

The subsidiary CDNC is not operational, and it owns a land in the municipality of Linhares, Espírito Santo. The subsidiaries MOPI, Dutovias and Marsil operate in the mining segments. The subsidiaries Asgaard, and CNA operate in the navigation segment through chartering and operation of maritime support vessels for the oil and gas industry, as in the case of Asgaard, while CNA operates in the fluvial transport (crude oil, its by-products and biofuels).

On April 4th of 2017, Asgaard entered into an agreement with Petrobras for four years, renewable for the same period, for the operation of the vessel Asgaard Sophia, which had been operating for the same customer since March 2016 through a short-term contract.

Regarding the Iron Ore Project "Morro do Pilar", the Company continues to work to meet the conditions of the prior license ("LP") obtained in November 2014, necessary for the application for the grant of the Investments License Installation ("LI"), Note 16.

The Company presents accumulated losses in these financial statements of R$ 398.038, (R$ 372,952 in December 2018).

Management understands that the recovery of amounts recorded in non-current assets depends on the ability to execute its long-term business plan for mining shipping activities.

The Company closed third quarter 2019 with a consolidated volume of current assets lower than current liabilities. A significant portion of the Company's current assets, however, is represented by AFRMM credits, whose use is restricted. Additionally, Mining activity has a significant portion of its assets still in the pre-operational stage (Morro do Pilar Project), which require significant investments till the beginning of its operations.

The Company's ability to convert AFRMM into free money, the subscription of subscribed capital of R$ 85,262, foreseen for the 2019 fiscal year according to subscription bulletins and resolutions at Shareholders' Meetings, and access to other capital channels contribute to the plans in the short term and may influence the speed and ability to execute its investment plan.

The Company understands that the bases of operational continuity are adequate, taking into consideration the cash flow forecast and the financial support of the shareholders, so that the Company can fulfill its obligations.

On September 3, 2019, the Company issued a notice to the market announcing the resignation of Patricia Tendrich Pires Coelho to the position of Mlog's Board of Directors.

Business combination – acquisition of Marsil

The Company acquired all the shares issued by Mineração Marsil EIRELI, as approved at a meeting of the Board of Directors held on April 23, 2018.

In the acquisition of Marsil, the Bocaiuva Group contractually assumed before MLog the responsibility not only for the repayment of the bank's total bank loans, which totaled R$ 68,907 on December 31, 2018 on restated amounts, but also for other liabilities of various types existing at Marsil until the date of its acquisition, in the amount of R$ 5,689 on December 31st 2018 totaling R$ 74,596 to be paid by Bocaiuva. This amount is substantially represented in the consolidated current liabilities in the Bank Loans line and the balance to be offset by Bocaiuva the Company, of the same amount, in the Law line in the business transaction in the consolidated current assets. The amounts related to bank loans at 09/30/2019 refer basically to CNA.

Marsil, a company founded 46 years ago and operating in the District of Hematita, Antônio Dias Municipality, in the State of Minas Gerais, is a mining company with a history of annual production of about 200,000 tons of iron ore with a content of 64.5 % Fe. Marsil has a team composed of 98 employees, responsible for the operation of its mine and beneficiation plant.

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

The acquisition price recognized at fair value, including contingent consideration, was R$ 50,000 paid on demand.

The acquisition price of R$ 50,000 was deferred, in accordance with current legislation and accounting pronouncements, as follows:

• R$ 3,803: Book value at the date of acquisition
• R$ 8,033: Goodwill arising from the fair value of the net assets of the investee (assessed as set forth in CPC 15 - Business Combination)
• R$ 38,164: Intangible assets related to the Mining Rights belonging to the Company (assessed as provided for in CPC 15 - Business Combination)

The Company studies the potential tax benefits arising from the business combination arising from the fair value of the identifiable assets acquired and liabilities assumed, to the extent that they may generate a temporary deductible or taxable difference.

(In thousand Reais, except when otherwise indicated)

The fair value of the investee's net assets, as stated in CPC 15 (Business Combination), is as follows:

	Base Acquisition date, April 25th, 2018	
ASSETS	**Accounting value**	**Fair value**
Current		
Accounts receivables	454	454
Advance to suppliers	56	56
Recoverable taxes	57	57
Judicial deposits	440	440
Rights in the deal **(1)**	67,180	67,180
Other	30	30
	68,217	**68,217**
Non-current		
Related parties loans		
Property, plant and equipment	694	694
Intangible	4,294	12,327
Non-current	-	38,164
	4,988	**51,185**
LIABILITIES		
Circulante		
Current	371	371
Supplier	62,651	62,651
Loans and financing [1]	1,827	1,827
Payroll and related taxes	2,538	2,538
Tax obligations	341	341
Labor provision	110	110
	67,838	**67,838**
Non-current		
Tax obligations	442	442
Other payables	1,122	1,122
	1,564	**1,564**
NET ASSET	**3,803**	**50,000**

As explained above and in Explanatory Note 23, in the Private Instrument of Assignment and Definitive Transfer of Corporate Shares executed between MLog and Bocaiuva, Bocaiuva was responsible for the total's debts of Marsil, as well as of any and all contingencies, whether accounted for, prior to the date of acquisition.

On 06/19/2019, MLog filed a claim against Bocaiuva in the Market Clearinghouse with the purpose of obtaining the declaration of termination of the Marsil Acquisition Agreement, as per Note 27.

On July 16, 2019, the Company's management celebrated with Bocaiuva Participações S.A the Private Termination Instrument, where it rescinds and terminates the obligations assumed in the Marsil Acquisition agreement. In this instrument Mlog resells control of the quotas of Marsil to Bocaiuva for R$ 50,000. With this resale, on 09/30/2019 the Company ceased to consolidate Marsil and, consequently, the balances listed in Note 1 - Business Combination - acquisition of Marsil, were fully written off which includes the amounts of Rights in the transaction. Business and Bank Loans. The impact on the result was a gain of R $ 816.

The instrument also provides, among other clauses, (i) obligation to pay R$ 50,000 by shareholder Maverick Holding S.A to MLog and (ii) the withdrawal of Bocaiuva Group from MLog's indirect and direct shareholding. The Company's Management will call an Extraordinary Meeting to evaluate and decide on actions in respect of the receivable balance of R$ 50,000 from Maverick Holding SA. This agreement terminated all legal proceedings between the parties including the request for arbitration filed by the Company before the Board of Directors. Market Arbitration against Bocaiuva.

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

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

This quarterly financial information does not include all information and disclosures required for the annual financial statements, therefore, should be read together with the financial statements of December 31, 2018.

The Company's Management authorized the conclusion of the preparation of this quarterly information on November 14, 2019.

3. Accounting practices

The quarterly information is presented based on the accounting practices described in Note 3 to the audited financial statements as of December 31, 2018, plus the pronouncements that came into effect on 01/01/2019.

Accounting judgment, estimates and assumptions

The preparation of the individual and consolidated quarterly information, in accordance with IFRS and accounting practices adopted in Brazil, requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported values of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed in a continuous manner. Reviews with respect to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

In line with the Financial Statements of December 31, 2018 Management does not expect a significant impact on its balance sheet or shareholders' equity when applying the classification and measurement requirements of IFRS 16 / CPC 06 (R2) and other regulations that came into force in 2019.

(In thousand Reais, except when otherwise indicated)

4. Cash and cash equivalents

	Parent Company		Consolidated	
	09/30/2019	**12/31/2018**	**09/30/2019**	**12/31/2018**
Cash	**10**	2,048	**1,525**	10,050
Cash equivalents	**7**	13	**762**	1,239
	17	**2,061**	**2,287**	**11,289**

The Company's management defines as "Cash and cash equivalents" the amounts held for the purpose of meeting short-term commitments and not for investment or other purposes.

The balance on September 30 and December 31, 2018 of cash equivalents, refer mostly to available funds held in cash or credit against financial institutions.

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 three-month period ended 09/30/2019.

	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 (1)**
Adjusted balance as of 12/31/2018	**13,689**	**24,052**	**20,608**	**203,150**
AFRMM generated	-	-	11,024	11,024
Deposits in escrow account	55,896	(55,933)	-	-
Linked account earnings	791	-	-	688
Benefit Utilization	(1,258)			
Recognition in profit and loss	-	-	-	(7,467)
Recivables from the parent	(563)	-	-	(563)
Transfer from long-term to short-term	-	28,990	(28,990)	-
Loss Adjustment	-	2,891	4,123	-
Balance as of 09/30/2019	**68,555**	**-**	**6,765**	**206,832**

(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.

(In thousand Reais, except when otherwise indicated)

The table below shows the changes in the accounts related to AFRMM in the consolidated balance sheet during the three months period ended 09/30/2018.

	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 12/31/2017	**29,638**	**24,052**	**8,734**	**[1] 200,548**
AFRMM generated	-	-	10,884	10,884
Deposits in escrow account	3,999	(3,999)	-	-
Rendimentos da conta vinculada	500	-	-	500
Use of the subside	(17,314)	-	-	(162)
Recognition in profit and loss	-	-	-	(8,241)
Transfer from long-term to short-term	-	3,999	(3,999)	-
Balance as of 09/30/2018	**16,823**	**24,052**	**15,619**	**201,901**

6. Trade accounts receivable

On 09/30/2019, the amounts of R$ 2,967 and R$ 2,046 (on 12/31/2018 R$ 3,659 and R$ 1,818) refer to the regular business of the subsidiaries CAN and Asgaard respectively. Beyond R$ 1,068 on 12/31/2018, related to Marsil.

	09/30/2019	**12/31/2018**
Trade accounts receivable	**5,139**	6,676
Doubtful debt	**(126)**	(131)
	5,013	**6,545**

The amounts in accounts receivable from clients as of 09/30/2019 have the following collection deadlines:

	09/30/2019	**12/31/2018**
Amounts to mature	**3,806**	4,934
Amounts due:		
Within 30 days	**847**	1,293
From 31 to 90 days	**339**	318
From 91 to 180 days	**21**	-
From 181 to 360 days	**-**	2
Over 360 days	**126**	129
	5,139	**6,676**

(In thousand Reais, except when otherwise indicated)

7. Recoverable taxes

	Current	
	Parent Company	
	09/30/2019	12/31/2018
Withheld at source		
Income tax on financial income	1,729	2,364
	Asgaard	
Withheld at source		
Income tax on financial income	-	47
Income tax on services rendered	761	1,297
Social contributions (PIS and COFINS) on services rendered	411	419
Social contribution (CSLL) on services rendered	123	488
Social security (INSS) on services rendered	98	245
Refund claim		
PIS and COFINS	3,516	3,524
Credits		
PIS and COFINS on inputs	1,434	1,438
PIS and COFINS on vessel acquisitions	114	133
	CNA	
Refund claim		
Income tax on services rendered	167	-
PIS and COFINS on services rendered	148	91
CSLL on services rendered	110	25
Credits		
PIS e COFINS over vessel acquisitions	155	155
Recover of IRPJ and CSLL	373	620
	Marsil	
Refund claim		
Income tax on services rendered	-	60
PIS and COFINS on services rendered	-	274
ICMS To Offset	-	240
	Consolidated	
	30/09/2019	**31/12/2018**
	9,139	**11,420**

	Non-current	
	Companhia de Navegação da Amazônia	
Credits		
PIS and COFINS on vessel acquisition	25	141
	Consolidated	
	25	**141**

(In thousand Reais, except when otherwise indicated)

8. Investments in subsidiaries (Parent company)

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

Investments	Interest	12/31/2018	Capital increase	Capital increase	Investment write-off	09/30/2019
Cia de Desenvolvimento do Norte Capixaba	100%	21,124	21	(17)	-	21,128
Morro do Pilar Minerais S,A,	100%	7,311	1,100	(454)	-	7,957
Asgaard Navegação S,A,	100%	139,973	-	901	-	140,874
Mineração Marsil Eireli	100%	48,347	-	(4,025)	(44,322)	-
Investment Balance		**216,755**	**1,121**	**(3,595)**	**(44,322)**	**169,959**
Dutovias do Brasil S,A,	100%	(1,648)	6	(1)	-	(1,643)
Saldo da provisão para passivo a descoberto [1]		**(1,648)**	**6**	**(1)**	**-**	**(1,643)**
		215,107	**1,127**	**(3,596)**	**(44,322)**	**168,316**

(1) Recognition of this liability is since the Company is jointly liable for the debts of its subsidiaries.

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

	MOPI	CDNC	Dutovias	Marsil	Total
Balances as of 12/31/2018(*)	1,101	21	5	818	**1,945**
Funds remitted	510	9	1	-	**520**
Write-off	-	-	-	(818)	**(818)**
Capitalization	(1,100)	(21)	(6)	-	**(1,127)**
Balances as of 09/302019 (*)	**511**	**9**	**-**	**-**	**520**

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

9. Property, plant and equipment

Parent company balances

	09/30/2019			12/31/2018		
	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings	**289**	(65)	**224**	**289**	(56)	**233**
Machinery and equipment	**1,782**	(677)	**1,105**	**1,782**	(545)	**1,237**
Furniture and fixtures	**842**	(496)	**346**	**842**	(433)	**409**
IT equipment	**528**	(483)	**45**	**526**	(433)	**93**
Communication equipment	**144**	(134)	**10**	**144**	(125)	**19**
Leasehold improvements	**1,431**	(1,431)	**-**	**1,431**	(1,421)	**10**
	5,016	**(3,286)**	**1,730**	**5,014**	**(3,013)**	**2,001**

(In thousand Reais, except when otherwise indicated)

Changes in the Parent company balances

	Depreciation Rate	12/31/2018	Acquisition	Depreciation	09/30/2019
Buildings	4%	233	-	(9)	224
Machinery and equipment	10%	1,237	-	(134)	1,103
Furniture and fixtures	10%	409	-	(63)	346
IT equipment	20%	93	2	(48)	47
Communication equipment	20%	19	-	(9)	10
Leasehold improvements	22%	10	-	(10)	-
		2,001	2	(273)	1,730

	Depreciation Rate	12/31/2017	Transfer e write-offs	Depreciation	09/30/2018
Buildings	4%	246		(10)	236
Machinery and equipment	10%	1,415	(15)	(118)	1,282
Furniture and fixtures	10%	483	10	(63)	430
IT equipment	20%	189	(10)	(66)	113
Communication equipment	20%	36	-	(14)	22
Vehicles	20%	75	(87)	12	-
Leasehold improvements	22%	368	-	(269)	99
		2,812	(102)	(528)	2,182

Consolidated balances

	09/30/2019				12/31/2018			
	Cost	Depreciation	Business transaction write-off	Net amount	Cost	Depreciation	Goodwill	Net amount
Land	30,611	-	(131)	30,480	30,611	-	2,439	33,050
Buildings	1,506	(200)	(1,082)	224	1,476	(119)	839	2,196
Vessel in construction	1,500	-	-	1,500	1,138	-	-	1,138
Machinery and equipment	8,944	(3,884)	(3,310)	1,750	6,472	(1,180)	4,481	9,773
Furniture and fixtures	1,241	(634)	(18)	589	1,202	(534)	17	685
IT equipment	789	(621)	(6)	162	709	(539)	(6)	164
Communication equipment	753	(244)	(11)	498	657	(189)	-	468
Vessels	203,342	(40,679)	-	162,663	203,340	(28,107)	-	175,233
Vehicles	348	(310)	-	38	91	(35)	263	319
Works of art	97	-	-	97	97	-	-	97
Properties	1,645	-	-	1,645	1,645	-	-	1,645
Leasehold improvements	1,431	(1,431)	-	-	1,431	(1,421)	-	10
	252,207	(48,003)	(4,558)	199,646	248,869	(32,124)	8,033	224,778

(In thousand Reais, except when otherwise indicated)

	09/30/2018				12/31/2017		
	Cost	**Depreciation**	**Goodwill**	**Net amount**	**Cost**	**Depreciation**	**Net amount**
Land	**30,611**	-	2,439	**33,050**	30,480	-	**30,480**
Buildings	**1,476**	(95)	839	**2,220**	289	(43)	**246**
Vessel in construction	**933**			**933**	212	-	**212**
Machinery and equipment	**6,198**	(980)	4,481	**9,699**	2,299	(435)	**1,864**
Furniture and fixtures	**1,245**	(539)	17	**723**	1,197	(441)	**756**
IT equipment	**708**	(518)	(6)	**184**	682	(422)	**260**
Communication equipment	**709**	(222)		**487**	612	(165)	**447**
Vessels	**203,240**	(25,445)	-	**177,795**	203,222	(17,755)	**185,467**
Vehicles	**173**	(105)	263	**331**	257	(78)	**179**
Works of art	**97**	-	-	**97**	97	-	**97**
Properties	**1,645**	-	-	**1,645**	1,645	-	**1,645**
Leasehold improvements	**1,431**	(1,332)	-	**99**	1,431	(1,063)	**368**
	248,466	**(29,236)**	**8,033**	**227,263**	**242,423**	**(20,402)**	**222,021**

Changes in consolidated balance in the period

	Depreciation rate	**12/31/2018**	**Acquisition**	**Transfer e write-off**	**Depreciation**	**Tax to be recovered**	**Business transaction write-off**	**Added value write-off**	**09/30/2019**
Land	-	**33,050**	-	-	-	-	(131)	(2,439)	**30,480**
Buildings	**4%**	**2,196**	-	-	(84)	-	(1,082)	(806)	**224**
Vessel in construction	-	**1,138**	362	-	-	-	-	-	**1,500**
Machinery and equipment	**10%**	**9,773**	390	-	(2,703)	(46)	(3,310)	(2,356)	**1,748**
Furniture and fixtures	**10%**	**685**	39	(2)	(100)	-	(18)	(15)	**589**
IT equipment	**20%**	**164**	89	-	(80)	-	(6)	(3)	**164**
Communication equipment	**20%**	**468**	96	-	(55)	-	(11)	-	**498**
Vessels	**5%**	**175,233**	50	(48)	(12,572)	-	-	-	**162,663**
Vehicles	**20%**	**319**	-	-	(275)	-	-	(6)	**38**
Works of art	-	**97**	-	-	-	-	-	-	**97**
Properties	-	**1,645**	-	-	-	-	-	-	**1,645**
Leasehold improvements	**22%**	**10**	-	-	(10)	-	-	-	-
		224,778	**1,026**	**(50)**	**(15,879)**	**(46)**	**(4,558)**	**(5,625)**	**199,646**

	Depreciation rat	**12/31/2017**	**Transaction Acquisition business**	**Acquisition**	**Transfer e write-offs**	**Depreciation**	**Added Value**	**30/09/2018**
Land		**30,480**	131	-	-	-	2,439	**33,050**
Buildings	**4%**	**246**	1,187	-	-	(52)	839	**2,220**
Vessel in construction		**212**		933	(212)	-	-	**933**
Machinery and equipment	**10%**	**1,864**	2,930	984	(15)	(545)	4,481	**9,699**
Furniture and fixtures	**10%**	**756**	21	25	3	(99)	17	**723**
IT equipment	**20%**	**260**	21	8	(3)	(96)	(6)	**184**
Communication equipment	**20%**	**447**	-	101	(5)	(56)	-	**487**
Vessels	**5%**	**185,467**	-	-	18	(7,690)		**177,795**
Vehicles	**20%**	**179**	4	-	(88)	(27)	263	**331**
Works of art		**97**	-	-	-	-	-	**97**
Properties		**1,645**	-	-	-	-	-	**1,645**
Leasehold improvements	**22%**	**368**	-	-	-	(269)	-	**99**
		222,021	**4,294**	**2,051**	**(302)**	**(8,834)**	**8,033**	**227,263**

10. Intangible assets

(In thousand Reais, except when otherwise indicated)

This item, in line with IFRS 6 Exploration for and Evaluation of Mineral Rights, refers basically to expenditures with exploration and evaluation of the Pilar Hill iron ore project as well as mining rights from Marsil´s acquisitions.

Consolidated balances

	12/31/2018	Additions	Amortization	Added value write-off	09/30/2019
Expenditures related to exploration and valuation of mineral resources and prospecting rights	**246,530**	12,332	-	-	**258,862**
Expenditures related to licensing phase	**6,404**	-	-	-	**6,404**
Mining rights *	**38,164**	-	(1,302)	(36,862)	**-**
Management system (ERP)	**133**	-	(113)	-	**20**
Software	**91**	-	(58)	(5)	**28**
Intangible assets acquired in business combination	**472,791**	-	-	-	**472,791**
Goodwill on CNA acquisition	**65,768**	-	-	-	**65,768**
	829,881	**12,332**	**(1,473)**	**(36,867)**	**803,873**

	12/31/2017	Additions	Amortization	Goodwill	09/30/2018
Expenditures related to exploration and valuation of mineral resources and prospecting rights	**240,289**	4,400	-	-	**244,689**
Expenditures related to licensing phase	**6,404**				**6,404**
Mining rights *				38,164	**38,164**
Management system (ERP)	**293**	4	(84)	-	**213**
Software	**227**	11	(168)	-	**70**
Intangible assets acquired in business combination	**472,791**	-	-	-	**472,791**
Goodwill on CNA acquisition	**65,768**	-	-	-	**65,768**
	785,772	**4,415**	**(252)**	**38,164**	**828,099**

11. Income tax and Social contribution

On 09/30/2019, the amount of tax losses and negative basis of social contribution of the Company is of the order of R$ 393 million (R$ 358 million as of 12/31/2018), over which, in view of the lack of expectation of future profitability, does not record deferred income tax and social contribution assets.

12. Related parties' transactions

Loans between individuals and entities

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

(In thousand Reais, except when otherwise indicated)

Creditor	Debtor	09/30/2019	12/31/2018
Current assets in the Parent Company			
MLog	Patrícia Tendrich Pires Coelho	235	216
MLog	Maverick Holding S,A,	50,000	-
Current assets in the consolidated			
Asgaard	Maverick Holding S,A,	729	671
Asgaard	Patrícia Tendrich Pires Coelho	95	88
		51,059	**975**
Values Eliminated on Consolidation			
Asgaard	MLog	28,309	29,044
Asgaard	CNA	1,045	115
MLog	Marsil	-	3,956
CNA	MLog	20,456	7,248

The loan between MLog S.A. and Patrícia Tendrich Pires Coelho (Company Board Member) in the amount of R$ 235 is adjusted at the CDI rate plus 5% per annum.

The loan agreement between Asgaard Navegação S.A. and Maverick Holding S.A. (shareholder of MLog) in the amount of R$ 729 is adjusted at the CDI rate plus 5% per annum.

The loan agreement between Asgaard and Patrícia Tendrich Pires Coelho (Company Board Member) in the amount of R$ 95, is adjusted at the CDI rate plus 5% per annum.

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

The parent company of the Company, Maverick Holding S.A., is the guarantor of the total debt related to the acquisition of the abovementioned 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.

As explained in Note 1, in the Private Instrument of Assignment and Definitive Transfer of Corporate Quotas between MLog and Bocaiuva. Bocaiuva was responsible for all the debts of Marsil, as well as any and all contingencies, accounted or not, which cause prior to the date of acquisition.

On July 16, 2019, the Company's management entered into with Bocaiuva Participações S.A the Private Termination Instrument, where it rescinds and terminates the obligations assumed in the Marsil Acquisition agreement.

This agreement terminated all legal proceedings between the parties including the request for arbitration filed by the Company before the Market Arbitration Chamber against Bocaiuva, as mentioned in Note 1. In this instrument, Mlog resells control of the shares of Marsil to Bocaiuva for R$ 50,000, the same amount as its acquisition.

This Private Rescission Instrument also provides, among other clauses, (i) the assumption by Maverick Holding SA of the obligation to pay MLog R$ 50,000 for the resale of Marsil and (ii) the receipt by Maverick Holding SA of all shares of Maverick Empreendimentos e Participações SA held by the Bocaiuva Group on that date, in order to effect the removal of the Bocaiuva Group from MLog's indirect and direct shareholding.

The Company's Management has called an Extraordinary Meeting to evaluate and decide, by the Company's shareholders, the payment mechanism by Maverick Holding to MLog of this balance of R$ 50,000. An alternative payment was proposed to MLog, with future maturity and value depending on the appreciation of the Morro do Pilar Project in future capital increase or sale of the asset. This Meeting was postponed at the request of the Company's minority shareholder, which is preparing to propose alternative conditions to those already mentioned for future payment or immediate settlement of said debt.

Compensation of key management personnel

The Company considers all current directors and members of the board as key management personnel. In the nine months of 2019, the remuneration of these officers and members of the board was, respectively, R$ 4,166 and R$ 1,131 (R$ 4,366 and R$ 1,781 in 2018). The management's overall compensation for the period from 05/01/2019 to 04/30/2020, up to R$ 13,650, was approved at the Annual Shareholders' Meeting held on April 30, 2019

Share based compensation (stock options)

The Company's shareholders approved, at the Extraordinary General Meeting held on July 21, 2011, the adoption of a compensation plan for directors, officers and employees through a stock option plan. The options of the issuance plan by the Company are of the primary type, therefore, involve issuance of new shares.

As of June 30, 2019, the total number of options granted was 7,280 (seven thousand two hundred and eighty) granted through an individual agreement between the Company and each beneficiary. As a condition for acquiring the right to the stock option, the beneficiary must complete three years of service (vesting period).
The options in proportion to one-third of the total number of shares available for the plan are exercisable in three annual installments, the first one after 12 months from the grant date and the two following, under the same conditions, with respect to the periods of 24 and 36 months also counted from the grant date. Participants have the maximum term of sixty months, from the maturity date, to exercise the options.

The exercise price of the options granted up to August 20, 2012 is R$ 1,576.00 (one thousand, five hundred and seventy-six Reais) per nominal share and as of this date R$ 2,547.25 (two thousand, five hundred and forty-seven Reais and twenty-five cents) that must remain the same until the effective date of the exercise of the options, subject to corrections in the case of groupings or stock split.

The compensation based on stock options was measured and recognized at fair value, using Merton's model (1973), an extension of the Black & Scholes model.

The table below shows the result of the calculation of the fair value of the options updated for the date of this quarterly information:

Plan	Grant date	Initial maturity date	Vesting date	Number of shares	Strike price	Annual volatility	Risk free rate	Dilution Factor	Fair value options (R$ 000)
2011,1	10/15/2011	10/15/2014	10/15/2019	4,050	1,576,00	38.95%	11.34%	98.23%	4,121
Aditivos	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	10/15/2014	10/15/2019	100	1,576,00	38.98%	11.06%	97.44%	99
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	01/15/2015	01/15/2020	1,000	1,576,00	38.80%	11.23%	97.29%	1,001
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	08/20/2015	08/20/2020	180	1,576,00	38.05%	9.97%	97.19%	173
2013,1	05/02/2013	05/02/2015	05/02/2020	400	2,547,25	38.98%	9.24%	97.78%	577
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 em 09/30/2019				**7,280**					**7,848**

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	Total
1st	-	495	2,670	956	-	-	**4,121**
2nd	-	377	728	(80)	(181)	-	**844**
3rd	-	293	360	348	-	-	**1,001**
4th	-	33	35	33	-	-	**101**
5th	-	46	88	17	22	-	**173**
6th	-	33	19	-	(52)	-	**-**
7th	-	-	397	421	(147)	(94)	**577**
8th	-	-	312	185	(497)	-	**-**
9th	-	-	233	148	(381)	-	**-**
10th	-	-	328	878	(183)	8	**1,031**
	-	1,277	5,170	2,906	(1,419)	(86)	**7,848**
Options expired **(1)**	939	6,022	3,728	5,831	940	-	
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**	

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

In the case of the beneficiary requesting resignation of his post, the options that are not yet exercisable expire without any indemnification or compensation and the options already exercisable may be exercised within ninety days. As of the date of this quarterly information, 17,620 (seventeen thousand, six hundred and twenty) shares expired due to the non-exercise of the option, corresponding to R$ 17,460, amount priced at the moment of grant of shares and recognized in income and shareholders' equity throughout the period of acquisition of the right.

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

In the event that a beneficiary is fired upon removal from office without breach of duties or privileges, the specific rights that may be exercised in accordance with the respective option on the date of its issuance may be exercised within the remaining period of exercise that is available for such recipient. Already rights not yet exercisable expire without any compensation or compensation.

(In thousand Reais, except when otherwise indicated)

After 2016 no stock options were exercised.

13. Trade accounts payable

The consolidated balance of R$ 6,685 at 09/30/2019 (R$ 10,191 on 12/31/2018) mainly refers to the agreement with Citigroup. Under this agreement, the Company will pay the total amount of R$ 7,000 in twenty consecutive monthly installments, the first of which will be due in January 2019.

14. Obligations on acquisition of investments

This item refers to the acquisition of all the shares of CNA, as described in Note 1.

In 2019, the Company did not make all payments provided for the CNA acquisition agreement.

The Libra Group, creditor of these Notes on the acquisition of investments is also responsible for potential liabilities of CNA, as per Notes 15 and 17 below, and it is in Judicial Recovery. Grupo Libra's credit with MLog is part of its approved Judicial Reorganization Plan.

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

							Payment term	
Composition of acquisition price	**Balances on 12/31/2018**	**Interest**	**Unwinding of discount**	**Multa**	**Payments**	**Balances on 09/30/2019**	**Current**	**Non-current**
Initial installment	41,547	2,545	-	1,504	-	**45,596**	32,477	13,119
Additional installment	35,301	1,980	3,347	856	(795)	**40,689**	19,789	20,900
Earn out installment	16,176	1,177	1,110	-	-	**18,463**	9,655	8,808
	93,024	**5,702**	**4,457**	**2,360**	**(795)**	**104,748**	**61,921**	**42,827**

15. Litigation

On 09/30/2019, the Company, together with its subsidiaries Asgaard and CNA, are parties to lawsuits. The lawsuits classified as probable losses are recorded in the balance sheet and basically refer, as mentioned in Note 17, to civil and labor claims owed by the subsidiary CNA.

Management highlights the main lawsuits involving the Company and its subsidiaries, whose chances of loss are classified as possible by the law firms involved and thus were not recorded in their financial statements.

(In thousand Reais, except when otherwise indicated)

Process number	Type	Author	Nature	Cause Value	Chances of loosing
0020199-78.2014.8.13.0175	Ação Civil Pública	MPE de Minas Gerais	Ambiental	1,000	Possível
0071643-11.2014.4.01.3800 e	Ação Cautelar Inominada	Ministério Público Federal	Ambiental	5,000	Possível
0078416-72.2014.4.01.3800	Ação Civil Pública	Ministério Público Federal	Ambiental	5,000	Possível
1125178-74.2016.8.26.0100	Ação de Execução	Banco BNP Paribas Brasil S.A.	Cível	4,703	Possível
1045114-48.2014.8.26.0100	Ação de Rescisão Contratual c/c Ação de Cobrança	Banco BNP Paribas Brasil S.A.	Cível	1,849	Possível
0011465-98.2017.5.03.0002	Reclamação Trabalhista	Udo Augusto Gebrath Junior	Trabalhista	250	Possível
10283.721485/2012-45	Processo Administrativo	Delegacia da Receita Federal do Brasil em Manaus - AM/DRF/AM	Administrativa	1,661	Possível
10283.720968/2013-11	Processo Administrativo	Delegacia da Receita Federal do Brasil em Manaus - AM/DRF/AM	Administrativa	7,861	Possível
0011394-80.2016.4.01.3200	Ação Civil Pública de Improbidade Administrativa	Ministério Público Federal	Administrativa	1,000	Possível
0011345-39.2016.4.01.3200	Ação Civil Pública de Improbidade Administrativa	Ministério Público Federal	Administrativa	400	Possível
5026833-94.2019.8.13.0024	Execução de Título Extrajudicial	Boa Sorte	Civel	11,308	Possível
02044.010011/2016-92	Processo Administrativo	ICMBIO	Administrativa	400	Possível

16. Commitments

As a result of the Preliminary License (“LP”) to the Morro do Pilar Project granted by the Regional Superintendence of Environmental Regularization - SUPRAM on November 6, 2014, a series of conditions and other legal obligations must be met until November 2019, for the formalization of the concession request Installation License(“LI”).

The Company has already made a significant part of the expenditures and studies related to the conditions of its LP and to the programs of environmental control and compliance with the clauses defined by the

(In thousand Reais, except when otherwise indicated)

Minas Gerais Public Prosecutor's Office required by the LI application protocol. After said protocol and prior to the effective granting of the LI, the Company will incur additional expenses and investments such as land purchase, environmental compensation and others, whose final values will depend on negotiations between the Company and third parties.

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 LI, according to State Decree nº 45.175 / 2009.

On 07/02/2019, the Company entered into an Agreement with the Municipality of Morro do Pilar, whose purpose is the execution by both parties of the obligations set forth in said Agreement, with the purpose of preparing the municipality for the implementation of the Company's business. The total amount involved is R$ 47,500, with a share maturing only after obtaining LI, with disbursements of R$ 11,612, already made.

The remaining portion is R$ 35,888, of which R$ 4,311 is accounted as other payables and R$ 31,577 will be accounted only after the Installation License (LI) has been granted.

On 08/08/2019, the Company signed a Term of Agreement with the Municipality of Santo Antônio do Rio Dentro (SARA), which has as its object the execution by both parties of obligations set forth in said Term of Agreement, with in order to prepare the municipality for the implementation of the Company's venture. The total amount involved is R$ 10,200, with disbursements of R$ 180 already made.

The remaining portion of R$ 10,020 had, R$ 1,285 recorded in other accounts payable.
and R$ 8,735 that will be accounted only after the Installation License (LI) has been granted.

The composition of other accounts payable is as follows:

	Parent Company		Consolidated	
	09/30//2019	**12/31/2018**	**09/30//2019**	**12/31/2018**
Term of Cooperation - Morro do Pilar	**5,597**	900	**5,597**	900
Obligations in the negotiation transaction	**-**	-	**-**	1,122
Insurance premiums payable	**-**	-	**505**	183
Others	**730**	778	**2,712**	2,503
	6,327	**1,678**	**8,814**	**4,708**

17. Provisions (consolidated)

The amounts provisioned 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 12/31/2018), due to the regularization of the portfolios by the owners and (ii) recovery of squares and geological drilling accesses in the region of the Morro do Pilar Project in the amount of R$ 30 (R$ 30 as of 12/31/2018) and provisions for labor contingencies of R$ 1,779 (R$ 888 as of 12/31/2018).

(In thousand Reais, except when otherwise indicated)

(i) R$ 1,167 on 12/31/2018 due by Marsil as a result of lawsuits and administrative proceedings R$ 118 as of 12/31/2018 and labor claims R$ 1,049 as of December 31, 12/2018 with the sale of Marsil such contingencies are no longer part of Mlog's consolidated balance sheet.

The long-term value refers to:

(ii) R$ 8,661 owed by the Company, as a result of a judicial proceeding categorized as possible, relating to the Extraordinary Tax Appeal Action filed by BNP Paribas Brasil SA ("BNP") against the Company in the amount of R$ 4,703, in a private instrument of confession of debt and other covenants, where the Company recognizes and acknowledges the obligation of R$ 7,249, referring to the financial advisory services rendered by BNP, in addition to R$ 79 related to the expenses incurred by BNP. The Company paid in 2015, in accordance with the agreement done 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. Considering this ruling, the Company opposed Embargoes of Declaration, which were not accepted. On 06/23/2017, the Company filed an Appeal. (R$ 6,935 as of 12/31/2018). We are provisioning for being a legal contractual obligation (as per CPC 25), despite possible risk.

(iii) R$ 10,525 owed by the subsidiary CNA as a result of civil and labor lawsuits, categorized as probable (R$ 4,454 at 12/31/2018).

18. Refunds to clients

Refers to the reimbursement of taxes collected on temporary importation of foreign vessels, whose amount of R$ 5,875 (R$ 5,875 on 12/31/2018), when received by the subsidiary Asgaard, shall be passed on to the borrower's customer service.

19. Equity

Capital

On 09/30/2019, the Company's subscribed capital stock is represented by 2,899,712 common shares as detailed below:

	Parent Company		Consolidated	
	09/30//2019	**12/31/2018**	**09/30//2019**	**12/31/2018**
Term of Cooperation	5,597	900	5,597	900
Obligations in the negotiation transaction	-	-	-	1,122
Insurance premiums payable	-	-	505	183
Others	730	778	2,712	2,503
	6,327	**1,678**	**8,814**	**4,708**

(In thousand Reais, except when otherwise indicated)

* On 12/07/2018, it was announced to the market that EIG and Rio Sul Investments LLC ("Rio Sul"), whose total shares are held by Luiz Claudio de Souza Alves, director and indirect co-controller of MLog, entered into an agreement purchase and sale of 449,746 common shares of the Company, representing 15.51% of its share capital.

In October 2019, the transfer of shares was formalized, pursuant to applicable regulations, and Rio Sul became a shareholder of the Company and OIG no longer had any shares of the Company.

Pursuant to the amendment to the Bylaws, 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) 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.

On 04/26/2018, the shareholder Maverick Holding S.A., paid a non-paid-in portion of the Company's capital stock, whose term had matured on 09/12/2017, for a total amount of R$ 49,843 including the accrued moratorium. Of this total amount, R$ 42,632 refers to the paid-up portion of the capital and R$ 7,211, related to the late payments, were recorded in a capital reserve account, in accordance with the provisions of Article 182, paragraph 1, a), of Law 6,404 / 1976.

Loss per share

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

	Three-month period	
	09/30/2019	**09/30/2018**
Loss attributable to the equity holders	(9,682)	(6,874)
Outstanding Shares	2,899,712	2,899,712
(Loss) per share - basic and diluted in Reais (*)	**(3.34)**	**(2.37)**

	Nine-month period	
	09/30/2019	**09/30/2018**
Loss attributable to the equity holders	(25,086)	(15,301)
Outstanding Shares	2,899,712	2,899,712
(Loss) per share - basic and diluted in Reais (*)	**(8.65)**	**(5.28)**

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;

(In thousand Reais, except when otherwise indicated)

(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 2018, the subsidiary Asgaard Navigation LLP was extinguished.

20. Net operating income and costs of services

The revenues and corresponding costs incurred by the subsidiary Asgaard for the vessel Asgaard Sophia, by the subsidiary CNA and as from 2018, also by Marsil are shown below:

	09/30/2019	09/30/2018
Revenue		
Charter	17,733	17,240
Freight	35,859	31,707
Maritime support	-	6,129
Sale of products	8,732	1,396
Gross profit	**62,324**	**56,472**
Taxes on sales		
Social contributions (PIS and COFINS)	(3,852)	(4,058)
Social security contribution	-	(1,231)
Tax on services (ISSQN)	(9)	(403)
Value-Added Tax (ICMS)	(3,128)	(3,172)
Other	(652)	(392)
Net revenue	**54,683**	**47,216**
Cost of services		
Payroll and related charges	(18,270)	(13,692)
Charter	-	(1,591)
Depreciation	(8,227)	(8,232)
Rentals	(1,227)	(303)
Materials	(15,713)	(13,056)
Insurances	(1,580)	(1,707)
Services **(1)**	(6,060)	(4,286)
Other	(1,533)	(2,065)
	(52,610)	**(44,932)**
Gross profit	**2,073**	**2,284**

(1) Increase is basically due to the impact of Marsil's 2019 consolidation in the amount of R$ 1,833.

(In thousand Reais, except when otherwise indicated)

21. Financial income

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Earnings from financial investment	**-**	443	**106**	934
Earnings from recovery taxes	**66**	128	**118**	194
Interest on loans with related parties	**44**	20	**87**	78
Discounts	-	15	**8**	16
Exchange variation	**-**	-	-	8,766
Other	**54**	-	**54**	1
	164	**606**	**373**	**9,989**

22. Financial expenses

	Parent company		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Interest on acquisition of investment (CNA Note 14)	**(12,519)**	(10,209)	**(12,519)**	(10,209)
Exchange variation	**-**	-	**(34)**	-
Bank charges	**(20)**	(19)	**(887)**	(174)
Interest on arrears	**(2,216)**	(984)	**(2,195)**	(274)
Currency update contigencies	**-**	-	**-**	(1,180)
Other	**(497)**	(186)	**(594)**	(186)
	(15,252)	**(11,398)**	**(16,229)**	**(12,023)**

23. Financial instruments

Financial instruments categories

On 09/30/2019, the Company and its subsidiaries had no financial assets classified as Fair Value Measurement through profit or loss.

When measuring the fair value of an asset or a liability, the Company uses observable market data as much as possible. The interest values are classified at different levels in a hierarchy based on the inputs used in the valuation techniques as follows:

• Level 1: price quoted (unadjusted) in active markets for identical assets and liabilities.
• Level 2: inputs, except quoted prices included in Level 1, which are observable for the asset or liability, directly (price) or indirectly (derived from price).
• Level 3: inputs, for the asset or liability, which are not based on observable market data (unobservable inputs).

The financial instruments classified as Loans and receivables are:

The Company's main financial instruments at September 30, 2019 and December 31, 2018 are listed below:

(In thousand Reais, except when otherwise indicated)

Financial assets and liabilities	09/30/2019 Book value	09/30/2019 Fair value	12/31/2018 Book value	12/31/2018 Fair value	Hierarchy
Assets					
Cash and cash equivalents	2,287	2,287	11,289	11,289	Nível 1
AFRMM deposits in escrow account	68,555	68,555	13,689	13,689	Nível 2
Trade accounts receivable	5,013	5,013	6,545	6,545	Nível 2
Related parties' loans	51,059	51,059	975	975	Nível 2
Rights in the deal	10,794	10,794	79,354	79,354	Nível 2
Other credits	887	887	481	481	Nível 2
Liabilities					
Trade accounts payable	6,685	6,685	10,191	10,191	Nível 2
Bank loans [1]	11,617	11,617	71,719	71,719	Nível 2
Obligations on acquisition of investments	104,748	104,748	93,024	93,024	Nível 3

(1) As of December 31, 2018, approximately R$ 68,907 was the responsibility of the Bocaiuva Group contractually assumed by MLog upon the acquisition of Marsil, relating to the bank's borrowings from the financial institutions (Santander R$ 43,995, Itaú R$ 17,625, Bradesco R$ 7,287).

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 thousand Reais, except when otherwise indicated)

Liquidity risk

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

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

	Consolidated			
	Up to one year	**From one to three years**	**Over three years**	**Total**
Bank loans	8,344	3,273	-	**11,617**
Trade accounts payable	6,685	-	-	**6,685**
Obligations on acquisition of investments	61,921	37,212	5,615	**104,748**
	76,950	**40,485**	**5,615**	**123,050**

As explained above and in Explanatory Note 1, in the Private Instrument of Assignment and Definitive Transfer of Corporate Shares executed between MLog and Bocaiuva. Bocaiuva was responsible for the debts of Marsil, as well as of any and all contingencies, whether accounted for, preceding the date of the Acquisition.

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 and CNA hire insurance for its vessels (hull insurance), in addition to Protection and Indemnity (P&I) coverage.

The main coverages are:

Hull Insurance:

• CNA: Total coverage of R$ 101 million
• Asgaard: Total coverage of US $ 50 million

Protection and Indemnity (P & I) Insurance:

• CNA: Coverage limited to US$ 8.2 billion per event and occurrence
• Asgaard: Coverage limited to US$ 8.2 billion per event and occurrence

In the mining activity, the subsidiary Marsil hired on 03/12/2018, business insurance - RNO - Named Risks with Maximum Collateral Limit: R$ 53 million.

The liability insurance of directors and administrators (D & O), of the parent company and its subsidiaries, was renewed on 04/07/2018, in the insured amount of up to R$ 50 million

(In thousand Reais, except when otherwise indicated)

25. Operating expenses with personnel

	Parent company		Consolidated	
	09/30/2019	**09/30/2018**	**09/30/2019**	**09/30/2018**
Remuneration & Charges	**(3,636)**	(4,105)	**(9,373)**	(11,013)
Social Security Charges	**(260)**	(805)	**(1,954)**	(1,896)
Benefits	**(344)**	(389)	**(1,746)**	(1,631)
Other	**-**	-	**(24)**	(11)
	(4,240)	**(5,299)**	**(13,097)**	**(14,551)**

26. Information by Business Segment

Segment information shall be prepared in accordance with CPC 22 (Segment Information), equivalent to IFRS 8, and shall be presented in relation to the business of the Company, its subsidiaries and jointly owned subsidiaries, identified based on its management structure and internal management information.

Mlog uses segments, as described below, that correspond to its strategic business units, which offer different services and products and are managed separately.
The following summary describes the operations on each of the reportable segments.

• Mining

It covers the mining activities of iron ore in Minas Gerais, consolidating all operations related to the studies and researches of the works required for the Installation License ("LI") of the Morro do Pilar Project ("MOPI Project"), as well as the implementation of the MOPI Project. In 2018 the group acquired a new Marsil company that already produces and markets high quality iron ore.

The subsidiaries Dutovias, CDNC also has scope related to the logistics segment, linked to mining, although both are in the pre-operational stage.

• Navigation

The navigation segment consolidates the operations of Asgaard and CNA. Asgaard has been operating in the maritime support sector since March 2016, serving with OSRV Asgaard Sophia vessel to Petrobras. CNA transports oil and derivatives in the northern region of Brazil, operating its assets at levels close to the limit given the current regional conditions, both climatic and storage infrastructure.

MLog S.A.
Notes to quarterly financial information
September 30, 2019'
(In thousand Reais, except when otherwise indicated)

Statements of operations - Segments
Nine-month period ended September 30, 2019
(In thousands Reais)

	Mining	Navigation	Consolidated
Net operating income	8,286	46,397	54,683
Cost of services	(7,239)	(45,371)	(52,610)
Gross profit	**1,047**	**1,026**	**2,073**
Operating expenses			
Personnel	(8,404)	(4,693)	(13,097)
Services rendered	(1,949)	(553)	(2,502)
General and administrative	(1,402)	(1,910)	(3,312)
Depreciation and amortization	(329)	(160)	(489)
Taxes	(109)	(336)	(445)
Other operating income (expenses			
Government subsidies - AFRMM	-	7,467	7,467
Other operating income	(2,879)	3,877	998
	(15,072)	**3,692**	**(11,380)**
Operating loss before financial results	**(14,025)**	**4,718**	**(9,307)**
Financial income and expenses			
Financial income	143	230	373
Financial expenses	(3,132)	(13,097)	(16,229)
	(2,989)	**(12,867)**	**(15,856)**
Loss before income tax and social contribution	**(17,014)**	**(8,149)**	**(25,163)**
Income tax and social contribution			
Current	-	(173)	(173)
Deferred	-	250	250
Loss for the period	**(17,014)**	**(8,072)**	**(25,086)**

Segment Information
Assets and Liabilities – 09/30/2019
(In thousands Reais)

	Mining	Navigation	Consolidated
ASSETS			
AFRMM	-	75,320	75,320
Rights in the negotiation transaction	-	10,794	10,794
PPE	31,391	168,255	199,646
Intangible	738,082	65,791	803,873
	769,473	**320,160**	**1,089,633**
LIABILITY			
Providers	393	6,292	6,685
Bank Loans	-	11,617	11,617
Provisions	12,112	10,525	22,637
Obligation in the Investments acquisition	-	104,748	104,748

AFRMM	-	206,832	206,832
	12,505	**340,014**	**352,519**

Segment Information
Assets and Liabilities – 12/31/2018
(In thousands Reais)

	Mining	Navigation	Consolidated
ASSETS			
AFRMM	-	58,349	58,349
Rights in the negotiation transaction	74,596	4,758	79,354
PPE	44,618	180,160	224,778
Intangible	763,987	65,894	829,881
	883,201	**309,161**	**1,192,362**
LIABILITY			
Providers	862	9,329	10,191
Bank Loans	68,907	2,812	71,719
Provisions	10,662	4,454	15,116
Obligation in the Investments acquisition	-	93,024	93,024
AFRMM	-	203,150	203,150
	80,431	**312,769**	**393,200**

Elias David Nigri
Chief Executive Officer

Julia Souza de Paiva
Chief Administrative and Financial Officer

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

Luiz Felipe Perdigão
Controller