Management Report - 4Q20 and FY 2020

Rio de Janeiro, May 21, 2021. The Management of MLog S.A. (“MLog” or “Company”), together with its direct or indirect subsidiaries Morro do Pilar (Iron Ore Project), Companhia de Desenvolvimento do Norte Capixaba (Industrial District and Port Project in Linhares), Asgaard Shipping (Offshore Support Shipping Company) and CNA - Companhia de Navegação da Amazônia (Inland Shipping Company), in compliance with legal and statutory provisions, submits to you the appreciation Management Report and the Company's Consolidated Standardized Financial Statements, accompanied by the Independent Auditors' Report, all referring to the year ended December 31, 2020. All amounts mentioned in this report, referring to the Company's Financial Statements, are presented in thousands of reais, unless otherwise stated.

Highlights of 4Q20 and FY 2020

- **Bourbon Offshore Deal (“BOM”):**
  - Increase of the current MLog fleet by the acquisition of 3 (three) Brazilian AHTS vessels owned by BOM, which will be operated by Asgaard;
  - Use of credits from Freight Additional for Renewal of the Merchant Maritime (“AFRMM”); and
  - Conversion of Asgaard into the operator of Brazilian and foreign offshore support vessels of the Bourbon group and the MLog group in Brazil, already contracted but still being legally executed.

- **Increase of contracts backlog in Offshore Shipping**
  - Two new contracts, approximately 3.5 years each, for 2 of the AHTS purchased from BOM;
  - New contract for operation of WSSV vessel for 3 years.

Message from the Management

From 2016 to 2019, the offshore shipping business not only became operational, with the completion of the construction and start of operation of the vessel OSRV (Oil Spill Recovery Vessel) Asgaard Sophia, but also opened a new front with the acquisition of Amazon Shipping Company (“CNA”), the largest inland carrier of oil and oil products in the Northern region of Brazil. CNA brought to the group: (i) additional revenue; (ii) AFRMM credits, and (iii) a reduction of the risk (beta) of the group due to the diversification between Asgaard and CAN.

In this period, CNA consolidated itself as a market leader, while Asgaard solidified itself as the best Brazilian shipping operator in the oil and gas industry offshore support shipping according to the PEOTRAM - Operational Excellence Program in Petrobras Air and Maritime Transport. Among more than 50 companies evaluated annually, Asgaard was elected number 1 of PEOTRAM in each of the last 4 years. Despite operational excellence, Asgaard still needed a minimum operational scale, which we estimated at 2 to 4 additional vessels.

After several negotiations and in accordance with the Material Fact released on February 19, 2020, MLog, Asgaard and CNA entered into a binding agreement with Bourbon Offshore Marítima S.A. (“BOM”) and its parent company involving: (i) the increase in Asgaard´s fleet through the acquisition of 3 (three) Brazilian AHTS vessels owned by BOM (Geonísio Barroso, Haroldo Ramos and Yvan Barreto) and (ii) conversion of Asgaard on the platform for the operation of Brazilian and foreign offshore support vessels of both the Bourbon group and the MLog group in Brazil. By this, Asgaard will be held 50% by each of the companies, MLog and BOM.

In addition to reaching a minimum operational scale and creating a partnership with one of the largest and best operators of offshore support vessels in the world, this operation allows the use of existing and future generated AFRMM by CNA.

Until December 2020, all necessary steps that relied on third party approval were executed. In 2021, we expect to complete the corporate movements at Asgaard and to operationalize the transfer of one or more operational contracts from BOM's AHTS to Asgaard.

The positive impacts of this partnership have already begun to be seen, with the participation of Asgaard in competitive processes for the operation of new vessels and also in mergers and acquisitions operations increasing. By the end of 2020, we had already closed a new contract for the operation of a WSSV for Petrobras, in partnership with Halliburton.

Message from the Management

In the same period from 2016 to 2019, the MOPI Project underwent its main strategic change. Initially thought of as an integrated mine-pipeline-port model, the MOPI Project started to consider combining its own iron ore production and partnerships for the logistical alternatives, taking advantage of the current availability of Brazilian infrastructure, which has at least five large ports with idle capacity for loading ore within the logistical reach of our mine.

This new strategy of the MOPI Project, combined with the strong increases that have occurred in the iron ore price since then, were fundamental to the advances that have taken place, the most important of which being the resumption of the project's Environmental Licensing activities.

In the third quarter of 2019, after carrying out studies and activities related to the fulfillment of the conditions of the Previous License (“LP”) of the Project, MLog filed the request for the Installation License (“LI”) of the MOPI Project.

For all the above facts, we believe that 2020 marks the beginning of a new operational phase for MLog.

With shipping already operating at a minimal scale and with a partnership that will increase the speed of future growth, the holding company will act in a more strategic position to the operational activity, with a special focus on new businesses (mergers and acquisitions and also on strategic commercial projects) and in the capital allocation.

In the mining segment, after the LI application filed, we reinforced our executive team of the MOPI Project, which will focus its efforts on the technical advances of the project and, mainly, on the structuring of new commercial, logistical partnerships and on the capital raising for the development and implementation of the Project.

The Company's challenges, however, are still many. With most of its assets in a pre-operational stage, especially those related to the Morro do Pilar Project, MLog ended the year 2020 with a consolidated volume of current assets less than that of current liabilities.

This circumstance is mainly related to the amounts payable for the CNA acquisition (Obligations in the Acquisition of Investments). The Company's ability to combine the rescheduling of this liability, raising additional capital or executing its business plan, with a focus on generating cash from its shipping activities (including the announced operation with BOM) and converting AFRMM into free cash are important so that your operational and pre-operating activities are not compromised.

Message from the Management - COVID 19

The Management of MLog and its subsidiaries, following guidance from the CVM in OFFICIAL-CIRCULAR / CVM / SNC / SEP / No, 02/2020, analyzed the potential risks of the COVID-19 pandemic in their business.

Since the week of March 17, 2020, MLog has implemented operational measures to reduce the risk of contamination by COVID-19 of its employees, including: use of remote work (home office), suspension of face-to-face meetings that can be carried out virtually, communication of preventive measures of contamination, risk questionnaires and joint action with their occupational physicians, test laboratories in case of need and health plan.

Although it is difficult to forecast impacts on the Company in such a complex situation, with exceptional scenarios and, to a certain extent, exogenous to management decisions, since COVID-19, more than an individual risk for the Company, is a society wide problem. Management lists below what it believes to be the main risks associated with this crisis, by business line:

Shipping

MLog's shipping business is comprised of offshore support vessels to the oil and gas industry, with Asgaard, and logistics services to the oil industry, with CNA.

Today Asgaard operates with firm and longer-term contracts, of at least 1 year, with Petrobras, with guaranteed contractual demand and price.

Among the main possible risks associated with Asgaard's operations, including BOM, are:

- Interruption of services by Petrobras due to Force Majeure;

- Temporary interruption of the capacity to provide services by Asgaard due to events related to the pandemic, such as health quarantine, lack of duly qualified and authorized technical personnel and materials essential to the provision of services, such as fuel oil, crew ranch and parts for maintenance, of the vessel;

- Increase in operational risks caused by communication, control and management problems, all of which are potentially impacted by the regulatory performance of the government.

Message from the Management - COVID 19



CNA operates in the transportation of crude oil and oil products with a diversified portfolio of customers, routes and products in the northern region of Brazil. Its main customers are Raízen and Petrobras and its main routes are Coari-Manaus and Manaus-Porto Velho, where crude oil, diesel, gasoline and other derivatives are transported.

Among the main possible risks associated with CNA are:

- Reduction in the demand for oil and oil products transportation services in its region of operation, which would negatively impact the volume transported, the net revenue and the operating result of the company;

- Temporary interruption of the capacity to provide services by the CNA due to events related to the pandemic, such as health quarantine, lack of duly qualified and authorized technical personnel and materials essential to the provision of services, such as fuel oil, crew ranch and parts for maintenance of the vessel;

- Increase in operational risks caused by communication, control and management problems, all of which are potentially impacted by the regulatory performance of the government.

According to Note 24 on insurance, both Asgaard and CNA have insurance contracts that include protections in extreme cases, but some scenarios mentioned above may be outside these coverages, with their impacts being more severe on the results of MLog's Navigation activity.

Mining

MLog's mining business, whose main asset is the Morro do Pilar Project, is in a pre-operational stage. As a result, the operational risks generated by COVID-19 and associated with the asset are limited. As mentioned in the previous Financial Statements, the Company makes an effort to raise funds for the implementation of the Project and maintaining the scenario of volatility and falling asset prices can impact the value of its assets and the timeline for implementing the Project, Morro do Pilar.

Long-term impacts

MLog's Management understands that, to date, no adjustment is required in its Financial Statements due to COVID-19 and its consequences, but it is following the evolution of the pandemic, both globally and locally, and will communicate to its shareholders the Material Facts that may be triggered by the situation as new events arise.

Offshore Shipping

Market View

The oil market in 2020 was marked by the high volatility brought about especially by the pandemic. Using WTI futures contract prices as a benchmark, the barrel of oil started the year close to US$60/barrel, dropping sharply to levels below US$20/barrel in April, trading most of the second half of the year at around US$40/barrel, ending the year at around US$50/barrel level.

As a result of this high volatility, the global market for the offshore support shipping services also suffered pressures both on daily rates and occupancy rates. In general, the scenario remains of structural oversupply of vessels, with no indication of sustainable improvement in the medium or even long term.

As a result, many large companies in the offshore support sector face serious combined liquidity and solvency problems, with the exception of companies that have undergone deep adjustments of their liabilities.

As the supply and demand of vessels is not expected to be adjusted in the coming years, neither by the increase in scrappage nor by the monitoring of demand, we do not see a continuous improvement in prices or occupation in the global fleets. Our view is that the most important punctual forces for improving the scenario will come from combining the increasing number of vessels in lay-up, which generate additional investment demand for those vessels to return to operation, with limited access to cash by the sector.

The combination of these factors supports our view that the search strategy for opportunities focused on specific markets or niches will be able to offer consistent returns even in the current scenario.

In the case of our offshore shipping activity, the Company has been looking for growth through participation in competitive processes that mainly involve more sophisticated and larger vessels, focused on supporting operations in the pre-salt and where our availability of tonnage for REB can act as a competitive differential.

Offshore Shipping

Operational highlights

BOM (Bourbon) Deal

In early 2020, MLog signed a contract with BOM providing:

> (i) increase of the current MLog fleet by the acquisition of 3 (three) Brazilian AHTS vessels owned by BOM, which will be operated by Asgaard;
> (ii) Use of Freight Additional Credits for Renewal of the Merchant Navy (“AFRMM”) available and future; and
> (iii) Conversion of Asgaard into the operator of Brazilian and foreign maritime support vessels of the Bourbon group and the MLog group in Brazil, already contracted but still in the legal process.

New Contracts

In 2020, Asgaard was the winner of several competitive processes, of which 3 new contracts have already been signed, all starting in 2021 and having Petrobras as a client:

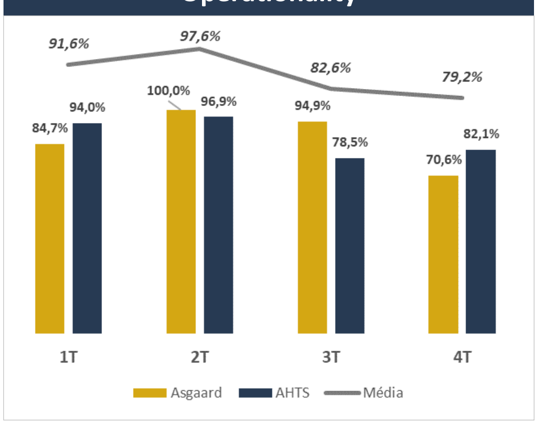
> (i) 2 contracts for the operation of 2 of the AHTS purchased from BOM;
>
> (ii) 1 contract for the operation of a WSSV.

These new contracts total a backlog of approximately R$ 489 million,

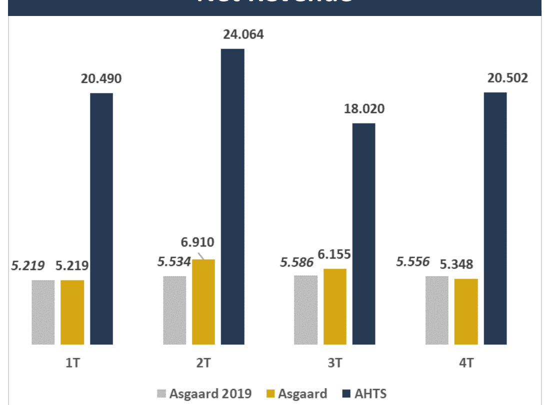
Operability and Net Revenue

Asgaard's drop in operationality and net revenue in 4Q 2020 is due to scheduled maintenance shutdown, while an unscheduled maintenance event impacted AHTS 3Q 2020 and 4Q 2020.

Operationality



Net Revenue



** AHTS data has not been audited*

Offshore Shipping





Main types of Offhore vessels

Platform Supply Vessel (PSV), vessels capable of transporting liquid and solid cargo between the coast and the platforms and vice versa.

Anchor Handling Tug Supply (AHTS), vessels capable of anchoring and towing platforms, cranes and other vessels.

Oil Recovery Supply Vessel (OSRV), vessels that have fire fighting and oil recovery equipment at sea.

Well Stimulation Supply Vessel (WSSV), vessels whose equipment is capable of intervening and stimulating oil wells, aiming at improving oil recovery.

Dive Support Vessel (DSV), boats equipped for activities involving divers.

Construction Support Vessel (CSV), vessels equipped for underwater construction and installation activities, usually including the use of ROV and divers.

Regulatory Overview of the Brazilian Market

Brazilian Shipping Company (EBN) is an entity authorized by Organs regulatory agencies (ANTAQ) to operate in some or several navigation activities in Brazil.

To be an EBN, the company must be Brazilian (even if its capital is held by foreigners) and have at least one Brazilian flagged vessel operating regularly.

Brazilian Special Registry (REB) is an exclusive regime for Brazilian flag vessels, operated by Brazilian shipping companies, Vessels built in Brazil, imported (with payment of taxes due) or foreign, with temporary suspension of the original flag can be registered with REB. In the latter case, registration depends on the availability of tonnage of Brazilian vessels by the operating EBN (Article 10 of Law 9,432, of January 8, 1997)

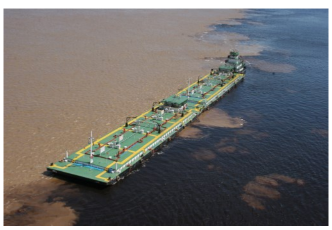
Main types of chartering

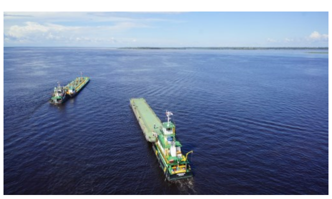
i. *Chartering with bare hull (or bareboat)*: charterer has possession, use and control of the vessel;

ii. *Time charter (or time charter)*: the charterer receives the armed and manned vessel, or part of it, to operate it.

Coastal and Inland Shipping







Market View

The Brazilian fuel consumption market suffered from the impacts caused by the pandemic on demand in general, coming both from the occasional reduction in activities by local governments and from the drop in the level of economic activity.

The peak of the pandemic impacts on the sector occurred in April and May, months when the drop in gasoline consumption in the annual comparison was over 20%. After this most acute moment, the sector recovered part of the volumes, with 3 of the last 4 months of 2020 presenting growth in monthly consumption when compared to the same month in the previous year. This recovery, however, was not enough for the positive end of the year.

CNA's activities were little impacted by these fluctuations, especially since most of its routes are indirectly associated with Brazilian agribusiness, which had another positive year.

The liquid coastal and inland sector is undergoing a clear strategic evolution, which will probably mean the long-term growth in volumes transported and the appearance of opportunities in markets previously concentrated in the hands of Petrobras and its subsidiaries.

Operational highlights

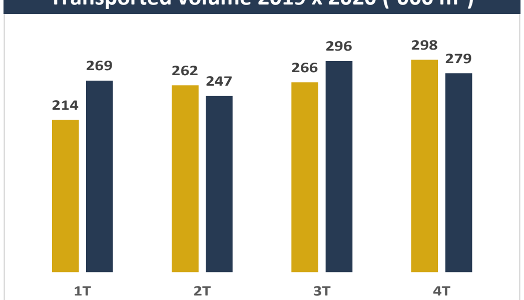
Volume and Net Revenue

- Growth in transported volume of 4% and Net Revenue of 6% compared to 2019

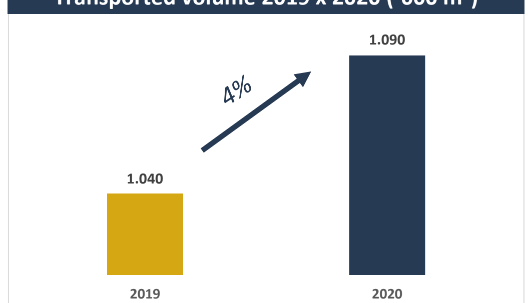
Fleet

- Completion of the construction of a new raft of approximately 4,200m3 of capacity

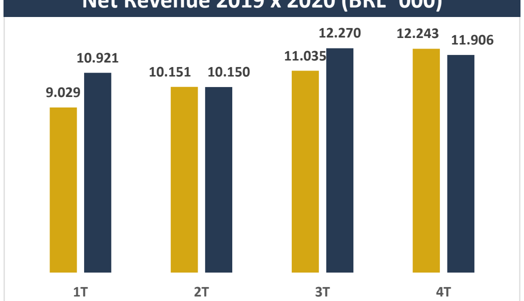
Transported volume 2019 x 2020 (´000 m^3)



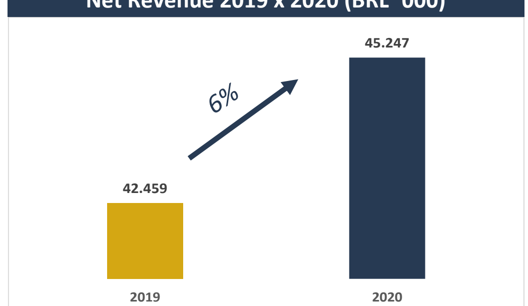
Transported volume 2019 x 2020 (´000 m^3)



Net Revenue 2019 x 2020 (BRL ´000)

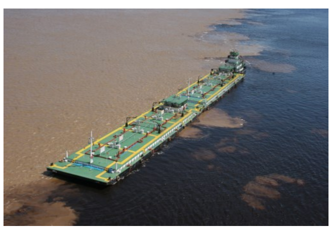


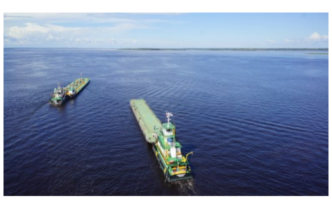
Net Revenue 2019 x 2020 (BRL ´000)



Coastal and Inland Shipping







Additional Freight for Renewal of the Merchant Maritime (“AFRMM”)

An important part of the CNA's result is the Freight Additional for Renewal of the Merchant Marine (“AFRMM”), regulated mainly by law 10,893 of 2004. The AFRMM is a federal tax levied on sea freight that aims to support the development of the merchant marine and the Brazilian shipbuilding and repair industry, and is a basic source of the Merchant Navy Fund (FMM).

AFRMM rates vary according to the type of product, transport and region of origin or destination. In the inland transport of liquid bulk in the North region, the AFRMM tax rate is 40% on 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 can be used by CNA, its affiliates or its parent company, mainly for:

(i) acquisition of new vessels, for own use, built in Brazilian shipyards;
(ii) for intervention (jumborization, conversion, modernization, docking or repair) of its own vessel in a Brazilian shipyard; and
(iii) for the payment of the installment of principal and financing charges granted with funds from the FMM.

The accounting for AFRMM follows the rules of CPC 07 (IAS 20). When the freight service is finalized, the amount receivable from AFRMM is recognized simultaneously in long-term assets and non-current liabilities, as deferred revenue, without impacting the result of CAN at the initial moment. Currently, within an average term of approximately 90 days, this AFRMM credit is deposited in the linked account of CNA with Banco do Brasil. At this time, AFRMM is now available for use as permitted.

When AFRMM is used, the non-current liabilities that were offset against its entry and revenue are affected as follows:

If the company uses R$100 to purchase a vessel that will be depreciated over 20 years, its balance sheet will show the initial value of R$100 in fixed assets and the liability will also continue to have a value of R$100 as deferred income from AFRMM.

After the first year of use of the vessel, the fixed assets will indicate R$95 (R$100 - R$5 of depreciation). The liability will also be reduced by the same amount as depreciation, and will now amount to R$95. As a counterpart to this reduction in liabilities, the amount of R$5 will be recorded in the income statement as Subsidy Income - AFRMM.

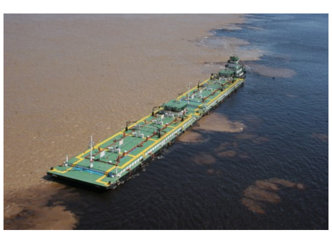
In other words, although the cash effect of using AFRMM occurs in approximately 3 months and its use does not generate a financial liability for the company, the posting of the amounts of this economic benefit to shareholders occurs, in accounting terms, over the useful life of the asset.

Shipping (Offshore + Coastal and Inland)









Income Statement - 12 Months	Shipping	AHTS	Combined
Net Revenue	**68,319**	**82,634**	**150,953**
(-) Cost of Services and Products without Depreciation	-54,288	-50,881	**-105,169**
(-) G&A	-17,473	-7,516	**-24,989**
(+/-) Other Operating Income and Expenses	63,146	78,814	**141,960**
EBITDA	**59,704**	**103,051**	**162,755**
(+) New AFRMM Generated	15,596	0	**15,596**
(-) AFRMM revenue (CPC07 / IAS20)	-45,634	-78,814	**-124,448**
(+/-) Non-Recurring	-11,904	0	**-11,904**
Adjusted EBITDA	**17,762**	**24,237**	**41,999**

** The data regarding AHTS vessels are managerial and have not been audited.*

MOPI - Morro do Pilar Project

Market View

Like some other commodities, iron ore rose by 90% in price over 2020, with Iron Ore 62% CFR China reaching the highest levels in almost a decade.

This strong movement has led to changes in the medium and long-term projections for the asset. Since 2016, at least, the increases in ore prices have not been accompanied by changes in the medium and long-term expectations for the commodity price scenario, but it starts to change.

The resilience presented during the pandemic, associated with the increase in global concerns about sustainability issues (ESG) has also impacted the perception of analysts in relation to the price scenario.

Still far from a consensus regarding the level of equilibrium, it is less and less common the opinion that 62% Fe ore prices will be below US$65 per ton in the long run.

The ESG agenda has also impacted the prices and expectations of quality premiums and discounts among ores of different grades, such as 58% Fe and 65% Fe.

Operational highlights

As a result of the accident that occurred with the Vale S.A. dam, in Brumadinho in January 2019, the regulation of the mining sector has undergone important changes, all of them in order to increase operational safety. The consequences for the mining industry, especially in the state of Minas Gerais, have been felt since then and should remain over the next few years, which may mean a reduction in the production of iron ore in certain mines and/or regions. As part of this new scenario, we should observe the entry of new projects in less dense regions and in reserves with natural characteristics that favor less use of dams and/or the use of safer tailings storage structures.

The MOPI Project is located in one of the least densely populated areas of the Minas Gerais iron region and the natural characteristics of the waste from our production process favor the adoption of safer technological solutions at competitive costs. For these factors, we understand that regulatory changes, although they mean greater investment in studies, they are positive for the MOPI Project.

In 2019, after carrying out the studies and activities related to the fulfillment of the conditions of the Project's LP, we filed the request for an Installation License (“LI”) for the Morro do Pilar Project.

In parallel to the Project's licensing efforts, we strengthened our executive team, which will focus its efforts on technical advances and, mainly, on the structuring of new commercial, logistical partnerships and on raising specific resources for the development and implementation of the Project.

Financial Result

Income Statement - 4Q 2020 (3 months)	Shipping	Mining	Consolidated
Net Revenue	**17,164**	**0**	**17,164**
(-) Cost of Services and Products without Depreciation	-15,537	0	**-15,537**
(-) G&A	-5,399	-2,175	**-7,574**
(+/-) Other Operating Income and Expenses	53,190	-251	**52,939**
EBITDA	**49,418**	**-2,426**	**46,992**
(+) New AFRMM Generated	4,147	0	**4,147**
(-) AFRMM revenue (CPC07 / IAS20)	-37,198	0	**-37,198**
(+/-) Non-Recurring	-11,904	0	**-11,904**
Adjusted EBITDA	**4,463**	**-2,426**	**2,037**
Depreciation / Amortization			-3,125
(-) New AFRMM Generated			-4,147
Financial income			7,784
Financial expenses			-732
PVA + Financial Expenses Acquisition CNA			-4,546
(+) AFRMM revenue (CPC07 / IAS20)			37,198
(+/-) Non-Recurring			11,904
Taxes			-3,119
Net income			**43,254**

The Shipping activity includes the operations of the investee CNA and Asgaard, while Mining is composed of the MOPI Project, Dutovias and CDNC.

Financial Result

Income Statement - 2020 (12 months)	Navegação	Mineração	Consolidado
Net Revenue	**68,319**	**0**	**68,319**
(-) Cost of Services and Products without Deprecia-	-54,288	0	**-54,288**
(-) G&A	-17,473	-9,785	**-27,258**
(+/-) Other Operating Income and Expenses	63,146	2,683	**65,829**
EBITDA	**59,704**	**-7,102**	**52,602**
(+) New AFRMM Generated	15,596	0	**15,596**
(-) AFRMM revenue (CPC07 / IAS20)	-45,634	0	**-45,634**
(+/-) Non-Recurring	-11,904	0	**-11,904**
Adjusted EBITDA	**17,762**	**-7,102**	**10,660**
Depreciation / Amortization			-12,413
(-) New AFRMM Generated			-15,596
Financial income			20,716
Financial expenses			-3,858
PVA + Financial Expenses Acquisition CNA			-12,383
(+) AFRMM revenue (CPC07 / IAS20)			45,634
(+/-) Non-Recurring			11,904
Taxes			-3,298
Net income			**41,366**

The Shipping activity includes the operations of the investee CNA and Asgaard, while Mining is composed of the MOPI Project, Dutovias and CDNC.

Consolidated Financial Information

Net Revenue

The Company presented Consolidated Net Revenue of R$17,164 in the 4th quarter of 2020, ending the year with R$68,319. The Shipping activity showed an increase in revenue, while the undoing of the acquisition of Marsil reduced the revenue from the Mining activity and caused the Net Revenue to decrease in comparison with 2019. As previously explained, the result of AHTS purchased from BOM will only impact the Consolidated result of MLog from 2021, since the formalization of the acquisition of vessels by the Company occurred at the end of 2020. In 2020, these acquired vessels generated unaudited net revenue for BOM of R$82,634.

Result of the Year

The Company presented consolidated net profit of R$43,254 in the fourth quarter of 2020, ending the year 2020 with consolidated net profit of R$41,366. This is the second year of consolidated net profit since the foundation of the Company, in 2011, being the first consolidated net profit without impairment reversal effect. Although it is positive, the previous table highlights the existence of non-recurring revenues that affected the results for the quarter and for the year. The most significant of which is related to the renegotiation of part of the acquisition debt of CNA with to the creditor Rio Alva, as per Note 14, the financial expenses arising from the debt with the acquisition of CNA and the revenues and debt between the Company and its parent company Maverick, which the Company is a creditor for, also influence the result of the Company previously. the result of AHTS purchased from BOM will only impact MLog's Consolidated result from 2021, since the formalization of the acquisition of vessels by the Company occurred at the end of 2020.

Cash and cash equivalent

The Company ended the year 2020 with a consolidated cash position of R$14,848. The increase in the cash position compared to the previous year is related to the transaction with BOM.

Commitments to the BOM Operation

The Company assumed the indebtedness with BNDES of the AHTS vessels purchased from BOM on December 30, 2020. On this date, the amounts recorded as "Commitments Assumed with the Operation of BOM" ceased to exist and the Company started to account for the loan with the BNDES, whose value on the date amounted to R$80,421.

Loans and Financing

The Company ended the year with a total of loans and financing of R$100,441. Of this total, R$80,421 refers to indebtedness with BNDES, assumed as part of the operation to acquire BOM's AHTS.

Consolidated Financial Information



Obligations for Acquisition of Investments

The amounts payable related to the acquisition of CNA are recorded as Investment Acquisition Obligations.

On December 26, 2019, according to the approved Judicial Recovery Plan, Grupo Libra made a donation in payment to its original creditors of these Obligations in the Acquisition of Investments due by MLog. With the conclusion of this donation, the creditors from Grupo Libra started to be creditors of these Notes.

The FIDC Atacado, as assignee and procedural successor to Banco Santander, held 26.3% of the total credits. In March 2020, FIDC Atacado sold all of its assets and rights to Geribá Participações SPE-2 Ltda, (Geribá) and the latter, on October30, 2020, assigned those rights to Rio Alva Participações S.A. (Rio Alva).

On the latter date, the Company and its subsidiaries Asgaard and CNA entered into an agreement to pay this portion of the credit, which involved: (i) the payment of R$3,000 on the date of the Debt Confession; (ii) the payment of two additional installments, due in 2021, totaling R$3,000, in addition to the delivery of five CNA operational vessels as part of the payment. The possession of these vessels was transferred to Rio Alva in 2021, with legal moves still pending for the transfer of their effective properties.

The banks Bradesco (29.3%) and Itaú (36.5%) make up approximately 65% of the total credits, with the remaining approximately 8% of the total belonging to several creditors who were originally debenture holders of Grupo Libra.

The Company has been negotiating with the Bradesco and Itaú Banks new conditions for these credits, given their characteristics.

Current Assets and Liabilities

With most of its assets in pre-operational stage, especially those related to the Morro do Pilar Project, MLog ended the year 2020 with a consolidated volume of current assets (R$40,326) less than that of current liabilities (R$129,941).

This circumstance is mainly related to the amounts payable for the acquisition of CNA (Obligations in the Acquisition of Investments). The Company's ability to combine the rescheduling of this liability, the raising of additional capital or to execute its business plan, with a focus on generating cash from its shipping activities (including the announced transaction with BOM) and the conversion of AFRMM into free cash are important so that your operational and pre-operational activities are not compromised.

These events and conditions indicate the existence of a relevant uncertainty that may raise significant doubts as to the Company's operational continuity. If the Company is unable to continue operating in the normal course of its business, then there may be impacts (i) in the realization of the its assets, including, but not limited to, goodwill for expected future profitability and other intangible assets, and (ii) in compliance with certain obligations at the amounts recognized in its financial statements.

Consolidated Financial Information

Capital structure

Since 2016, when its assets were all in the pre-operating phase, the Company has been increasing its capacity to generate recurring operating results through the acquisition of CNA and Operation BOM.

As until 2020 the Company did not have consolidated recurring generation of operating income or a relevant cash position, these movements were carried out with the assumption of future payment commitments.

The Company today has a total liability of R$413,264. This liability includes R$178,067 of government grants to be appropriated - AFRMM, which, although recognized as liabilities, do not represent an obligation to pay by the Company. The existence of this amount is related to the accounting methodology of government subsidies, as determined by CPC 07 (IAS 20).

The total liability of the Company, excluding the amount of government grants to be appropriated - AFRMM, is R$235.197, equivalent to 19.0% of its total assets and 28.5% of its shareholders' equity.

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 the B3 has not been renewed.

The Company's Board of Directors, elected at the Annual Shareholders 'Meeting held on July 31, 2020, currently consists of three members, all of whom have a mandate until the next Annual Shareholders' Meeting, with reelection permitted. Current members of this Board are: Luiz Claudio Souza Alves, Chairman of the Board of Directors, Alvaro Piquet and Otavio Paiva.

On July 31, 2020, the Company's Board of Directors elected the Executive Board for a term to end after the holding of the next Ordinary General Meeting of the Company.

On September 1, 2020, the then Legal Director, Sabrina Juhasz, presented her resignation to the Company. On September 15, 2020, the Company's Board of Directors elected Denise Oliveira de Albuquerque as the new Legal Director, with a mandate until the completion of the next Annual General Meeting of the Company.

On February 15, 2021, the then Chief Financial Officer Julia Souza de Paiva presented her resignation to the Company. On March 11, 2021, the Company's Board of Directors elected Antonio Frias Oliva Neto as the new Chief Financial Officer, with a mandate until the holding of the next Ordinary General Meeting of the Company.

The current Executive Board is composed of Elias David Nigri (Chief Executive Officer), Luiz Claudio Souza Alves (Deputy CEO), Antonio Frias Oliva Neto (Chief Financial Officer), Denise Oliveira de Albuquerque (Legal and Compliance Officer) and Gustavo Barbeito de Vasconcellos Lantimant Lacerda (Planning and Investor Relations Officer).

Consolidated Financial Information

Commitment Clause

The Company, its shareholders, administrators and members of the Board of Directors undertake to resolve, through arbitration, any and all disputes or controversies that may arise between them, related to, or arising, in particular, from the application, validity, effectiveness, interpretation, violation and its effects of the provisions contained in the Bylaws, in the shareholders' agreements filed at the Company's headquarters, in the Brazilian Corporation Law, in the rules issued by the National Monetary Council, by the Central Bank of Brazil or by the CVM, in the regulations CVM, the B3 regulations, the other rules applicable to the functioning of the capital market in general, the Commitment Clauses and the Arbitration Regulation of the Market Arbitration Chamber, conducted in accordance with the latter Regulation.

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, May 21, 2021.

The Administration

Investors Relations

Gustavo Barbeito

CIO/IR Officer

Contact

ri@mlog,com,br

Phone: +55 21 3248 4800

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MLog S.A.

Individual and consolidated financial statements on December 31, 2020 and 2019

Contents

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Independent Auditor's Report on the 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 Executives 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 Company and consolidated, which comprise the balance sheet as of December 31, 2020, and the statements of income 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.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of the MLog S.A. as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the MLog S.A. as at December 31, 2020, and its consolidated financial performance and its consolidated 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company's current liabilities exceeded its total current assets by R$ 89,615 (R$ 24,187 in 2019). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 (m) and 5 of the 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 considered this matter as significant for our audit.	Our audit procedures included, among others: - We assessed the design of key internal controls related to the identification, evaluation, measurement and disclosure of the government grant; - We evaluated the existence and measurement of the amounts considered as a subsidy and the adequacy of the measurement of AFRMM resources registered in restrict cash account for 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); - Recalculation of depreciation and test, by sampling, of proofs of expenses with repair, which are basis for the recognition of the subsidy revenue and comparison with record in the result of the year; 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, 2020.

<table>
<tr><th colspan="2">2 - Recoverable amount of property, plant and equipment and intangible assets</th></tr>
<tr><td colspan="2">See notes 3 (d), 3 (e), 9 and 10 of the individual and consolidated financial statements.</td></tr>
<tr><td>Key audit matter</td><td>Our audit aproach</td></tr>
<tr><td>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. In addition, the Company is subject to impairment. Due to uncertainties inherent to projections of cash flow estimates to determine the value 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 considered this matter as significant to our audit.</td><td>Our audit procedures included, among others:

- We assessed the design of key internal controls related to the identification, evaluation, measurement and disclosure of the recoverability of the Company's assets;

- With the assistance of our corporate finance specialists, 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 vessel rental, projected economic growth, cost inflation and discount rates, as well as evaluating sensitivity analyzes concerning such assumptions; and

- 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, 2020.</td></tr>
</table>

<table>
<tr><th colspan="2">3 - Recognition and measurement of asset acquisition</th></tr>
<tr><td colspan="2">See notes 1, 8 and 9 of the individual and consolidated financial statements.</td></tr>
<tr><th>Key audit matter</th><th>Our audit aproach</th></tr>
<tr><td>During the year ended December 31, 2020, the Company finalized the process to acquire of three vessels from Bourbon Offshore Marítima S.A., which during the year of 2020 became an indirect subsidiary of MLOG S.A., after the acquisition of 20% of the Company by its indirect subsidiary CNA (Companhia de Navegação da Amazônia - “CNA”).

The transaction was accounted for by the Company as an asset acquisition in accordance with CPC 15 / IFRS 3 - Business Combination and CPC 27 / IAS 16 - Property, Plant and Equipment.

Due to the high degree of judgment involved in determining the accounting treatment applying the concept of business definition and in evaluating the assumptions used in determining the fair values used to allocate the costs of the assets acquired, including among others, discount rates and projections of cash flow, we considered this matter to be a major audit issue.</td><td>Our audit procedures included, among others:

- We assessed the design of key internal controls related to the process of recognizing and measuring of the assets acquisition;

- We assessed the accounting classification adopted by the Company for the acquisition carried out in accordance with the business definition criteria, specifically, the concentration test and the assessment of whether the set of activities and assets acquired have significant inputs, processes and outputs on the date of acquisition of the assets;

- With the assistance of our corporate finance specialists, we evaluated the assumptions used in determining discount rates and cash flow projections, including comparison of assumptions used with market information, and sensitivity analysis, as well as the impacts of possible changes in the aforementioned rates;

- Assessment, with the assistance of our corporate finance specialists, the fair value of the fixed assets acquired; and

- We assessed the disclosure about the subjects in the notes to the financial statements.

Based on the evidence obtained through the procedures summarized above, we consider the recognition and measurement of asset acquisition balances 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, 2020.</td></tr>
</table>

Other matters - Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2020, 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 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.

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 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 management 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 management 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 management , 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, May 21, 2021

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

Original report signed in Portuguese by
Thiago Ferreira Nunes
Accountant CRC RJ-112066/O-0

MLog S.A.

Balance sheets - December 31, 2020 and 2019

(In thousand Reais)

		Parent company		Consolidated	
		2020	**2019**	**2020**	**2019**
Assets	**Note**				
Current assets					
Cash and cash equivalents	**4**	12	18	14,848	1,581
AFRMM deposits in escrow account	**5**	-	-	2,476	69,278
Trade accounts receivable	**6**	-	-	5,838	6,515
Advances to suppliers		1,716	100	2,024	226
AFRMM to be released	**5**	-	-	8,075	-
Inventories		-	-	287	428
Related parties' loans	**12**	-	250	-	1,093
Income tax and social contribution recoverable	**7**	16	1,573	1,492	3,483
Other recoverable taxes	**7**	-	-	873	5,919
Prepaid expenses		274	103	856	695
Other		17	20	3,557	1,657
Total current assets		**2,035**	**2,064**	**40,326**	**90,875**
Non-current assets					
Advances for future capital increase	**8**	84	545	-	-
Judicial deposits		483	-	620	3,280
AFRMM to be released	**5**	-	-	-	9,126
Related parties' loans	**12**	73,618	53,529	74,542	53,529
Judicial blocks		2	296	2	296
Recoverable taxes	**7**	-	-	4,967	-
Rights in the business transaction	**14**	-	-	2,990	11,215
Investments	**8**	944,897	165,859	-	-
Property, plant and equipment	**9**	116,096	1,632	309,363	197,706
Intangible assets	**10**	-	738,501	806,30	804,291
Total non-current assets		**1,135,180**	**960,362**	**1,198,814**	**1,079,443**
Total current		**1,137,215**	**962,426**	**1,239,140**	**1,170,318**

The accompanying notes are an integral part of these consolidated and individual financial statements.

MLog S.A.

Balance sheets - December 31, 2020 and 2019

(In thousand Reais)

		Parent company		Consolidated	
		2020	2019	2020	2019
Liabilities	**Note**				
Current liabilities					
Trade accounts payable	**13**	311	289	5,767	6,952
Loans and financing	**22**	23,828	-	32,558	9,209
Salaries and social charges		37	1,619	2,835	3,971
Income tax and social contribution payable	**7**	1,783	996	7,351	1,507
Other taxes payable		-	23	-	2,038
Related parties' loans	**12**	-	51,446	-	-
Advances from customers		-	-	-	1,238
Provisions	**17**	1,866	1,991	3,508	3,633
Obligations on acquisition of investments	**14**	73,792	77,998	75,292	77,998
Other	**16**	246	5,761	2,630	8,516
Total current liabilities		**101,863**	**140,123**	**129,941**	**115,062**
Non-current liabilities					
Loans and financing	**22**	56,593	-	67,883	3,734
Related parties' loans	**12**	126,945	-	4,135	-
Provision for losses on investments	**8**	1,644	1,643	-	-
Deferred taxes		-	-	135	297
Government subsidies to be appropriated- AFRMM	**5**	-	-	178,067	208,789
Obligations on acquisition of investments	**14**	24,300	30,157	243,00	30,157
Provisions	**17**	-	5,999	2,928	21,786
Other non-current liabilities		-	-	5,875	5,983
Non-current liabilities		**209,482**	**37,799**	**283,323**	**270,746**
Equity	**18**				
Capital stock		1,161,678	1,161,678	1,161,678	1,161,678
Share-based compensation reserve		-	25,308	-	25,308
Shareholder transactions		-	-		-
Accumulated losses		(335,808)	(402,482)	(335,808)	(402,482)
Equity attributable to controlling shareholders		**825,870**	**784,504**	**825,870**	**784,504**
Non-controlling shareholder interest		-	-	6	6
Total equity		**825,870**	**784,504**	**825,876**	**784,510**
Total liabilities and equity		**1,137,215**	**962,426**	**1,239,140**	**1,170,318**

The accompanying notes are an integral part of these consolidated and individual financial statements.

MLog S.A.

Statements of operations

Year ended December 31, 2020 and 2019

(In thousand Reais)

	Note	Parent company 2020	Parent company 2019	Consolidated 2020	Consolidated 2019
Net operating income	**19**	-	-	68,319	72,394
Cost of services	**19**	-	-	(66,287)	(67,743)
Gross profit		**-**	**-**	**2,032**	**4,651**
Operating expenses					
Personnel	**24**	(3,248)	(6,312)	(16,843)	(17,900)
Services rendered		(3,295)	(2,249)	(4,069)	(3,110)
General and administrative		(911)	(2,419)	(4,524)	(5,551)
Depreciation and amortization		(304)	(441)	(414)	(623)
Taxes		(1,402)	(100)	(1,822)	(569)
Other operating income (expenses)					
Equity results in subsidiaries	**8**	38,065	(7,696)	-	-
Government subsidies - AFRMM	**5**	-	-	45,634	10,518
Other operating income (expenses)	**25**	8,059	2,320	20,195	(2,686)
		36,964	**(16,897)**	**38,157**	**(19,921)**
Operating loss before financial results		**36,964**	**(16,897)**	**40,189**	**(15,270)**
Operating loss before financial results					
Financial income	**20**	19,846	3,845	20,716	4,005
Financial expenses	**21**	(13,948)	(16,478)	(16,241)	(17.,05)
		5,898	**(12,633)**	**4,475**	**(13,800)**
Net income (loss) before income tax and social contribution		**42,862**	**(29,530)**	**44,664**	**(29,070)**
Income tax and social contribution	**11**				
Current		-	-	(467)	(253)
Deferred		(1,496)	-	(2,831)	(207)
Net income (loss) for the period		**41,366**	**(29,530)**	**41,366**	**(29,530)**
Net income (loss) per share (basic and diluted)	**18**	**14.27**	**(10.18)**		

The accompanying notes are an integral part of these consolidated and individual financial statements.

MLog S.A.

Statements of comprehensive income

Year ended December 31, 2020 and 2019

(In thousand Reais)

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Net income (loss) for the exercise	**41,366**	**(29,530)**	**41,366**	**(29,530)**
comprehensive result for the exercise	**41,366**	**(29,530)**	**41,366**	**(29,530)**

The accompanying notes are an integral part of these consolidated and individual financial statements.

MLog S.A.
Statements of changes in equity
Year ended December 31, 2020 and 2019
(in thousand Reais)

	Capital stock							
	Subscribed	To be paid	Capital reserve	(-) Equity issuance costs	Share-based compensation reserve	Accumulated losses	Cumulative translation adjustments	Total
At December 31, 2018	**1,276,193**	**(85,262)**	**7,211**	**(36,464)**	**25,308**	**(372,952)**	**6**	**814,040**
Net loss for the exercise	-	-	-	-	-	(29,530)	-	(29,530)
At December 31, 2019	**1,276,193**	**(85,262)**	**7,211**	**(36,464)**	**25,308**	**(402,482)**	**6**	**784,510**
Reserve for share-based payment	-	-	-	-	(25,308)	25,308	-	-
Net income for the exercise	-	-	-	-	-	41,366	-	41,366
At December 31, 2020	**1,276,193**	**(85,262)**	**7,211**	**(36,464)**	**-**	**(335,808)**	**6**	**825,876**

The accompanying notes are an integral part of these consolidated and individual financial statements.

MLog S.A.

Statements of Cash Flows

Year ended December 31, 2020 and 2019

(in thousand Reais)

	Parent company		Consolidated	
	2020	2019	2020	2019
Cash flows from operating activities				
Net income (loss) for the exercise	41,366	(29,530)	41,366	(29,530)
Adjustments to reconcile the income (loss) for the year to cash from operating activities				
Depreciation and amortization	304	441	12,413	20,476
Write-off of fixed assets	22	-	1.422	50
Investment write-off revenue	-	(816)	-	(816)
Debt remission	(12,572)	-	(25,144)	-
Government subsidies - AFRMM	-	-	(9,200)	(10,518)
Interest payable	12,383	14,999	13,943	8,299
Interest Assets	(19,818)	(3,529)	(19,818)	(3,529)
Operational expenses	7,196	-	7,196	-
Unrealized exchange variance	-	-	121	45
Equity results in subsidiaries	(38,065)	7,696	-	-
Income from the AFRMM linked account	-	-	-	37
Gain from court settlements	(2,969)	-	(5,178)	-
Deferred income tax and social contribution	1,496	-	2.831	207
Changes in assets and liabilities				
Recoverable taxes	1,557	791	2,077	(78)
Inventories	-	-	141	197
Prepaid expenses	(171)	(11)	(162)	(234)
Other credits	3	(5)	(1,899)	(1,180)
Trade accounts receivable	-	-	677	(1,964)
Judicial deposits	(483)	-	427	-
Judicial blocks	-	15	-	(45)
Advances to suppliers	(1,616)	(83)	(1,798)	12
Receipt of AFRMM subsidies	-	-	46,704	2,168
Trade accounts payable	123	40	(1,307)	(2,527)
Employee-related accruals	(1,582)	1,505	(1,137)	2,452
Tax liabilities	(730)	881	700	2,328
Interest on loans with related parties	(590)	493	(82)	(113)
Rights in the business transaction	-	-	(1,129)	(314)
Interest on bank loans paid	-	-	(1,238)	394
Advances from customers	(1,622)	2,985	(3,808)	3,914
Other liabilities	-	1,074	207	6,012
Provisions	-	-	-	(395)
Cash used in operating activities	**(15,768)**	**(3,054)**	**58,325**	**(4,652)**
Cash flows from investing activities				
Advances for future capital increase and capital increase in subsidiaries	(84)	(545)	-	-
Loans with related parties - granted	(1,075)	(16,976)	(14)	(9)
Acquisition of property, plant and equipment	(35)	(2)	(42,733)	(2,196)
Additions to intangible assets	(7,692)	(12,177)	(7,789)	(12,177)
Cash from investing activities	**(8,886)**	**(29,700)**	**(50,536)**	**(14,382)**
Cash flows from financing activities				
Payment of Bank loan	-	-	(8,671)	(4.938)
Funds from new loans	-	-	15,315	15,069
Amortization in the acquisition of investment	(1,500)	(805)	(3,000)	(805)
Loans with related parties - received	26,148	31,516	1,834	-
Cash from in financing activities	**24,688**	**30,711**	**5.478**	**9,326**
Increase (decrease) in cash and cash equivalents	**(6)**	**(2,043)**	**13,267**	**(9,708)**
Cash and cash equivalents at the beginning of the exercise	**18**	**2,061**	**1,581**	**11,289**
Cash and cash equivalents at the end of the exercise	**12**	**18**	**14,848**	**1,581**

The accompanying notes are an integral part of these consolidated and individual financial statements.

MLog

Statements of value added (supplementary information for IFRS purposes)

Year ended December 31, 2020 and 2019

(in thousand Reais)

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
Operating income				
Services	-	-	81,352	83,646
Inputs acquired from third parties				
Cost of the services	-	-	(44,274)	(52,217)
General and administrative expenses	(4,125)	(4,640)	(7,117)	(11,953)
Other income				
Government subsidies - AFRMM	-	-	45,634	10,518
Other income	8,059	2,320	19,348	2,320
Depreciation and amortization	(304)	(441)	(414)	(623)
Transferred added value received				
Net financial income	5,898	(12,633)	4,475	(6,786)
Equity results in subsidiaries	38,065	(7,696)	-	-
Total added value to be distributed	**47,593**	**(23,090)**	**99,004**	**24,905**
Distribution of added value				
Direct remuneration	81	83	15,791	17,450
Management fees	2,149	4,671	9,070	5,344
Benefits	553	843	6,849	11,082
FGTS	6	6	1,647	1,863
	2,789	**5,603**	**33,357**	**35,739**
Tax				
Federal	3,300	746	23,398	12,342
State	-	-	14	5,470
Municipal	18	11	132	150
Third-party capital remuneration				
Leases	120	80	737	734
Income (loss) for the exercise attributable to	41,366	(29,530)	41,366	(29,530)
Distributed value added	**47,593**	**(23,090)**	**99,004**	**24,905**

The accompanying notes are an integral part of these consolidated and individual financial statements.

1. Operational Context

MLog SA ("Company") has full control of the companies Morro do Pilar Minerais SA ("MOPI"), Companhia de Desenvolvimento do Norte Capixaba ("CDNC"), Dutovias do Brasil SA ("Dutovias"), Asgaard Navegação SA ("Asgaard"). MLOG also has an indirect stake in Companhia de Navegação da Amazônia - CNA ("CNA") through its subsidiary Asgaard and indirect shareholding in Bourbon Offshore Marítima ("BOM) through CNA.

The subsidiary CDNC is not operational and owns land in the municipality of Linhares, in Espírito Santo. The subsidiaries MOPI and Dutovias, operate in the mining segments. The subsidiaries Asgaard and CNA operate in the shipping segment by chartering and operating offshore support vessels for the oil and gas industry, in the case of Asgaard, while CNA operates in the inland transport of liquid bulk (crude oil, its derivatives and biofuels).

Asgaard entered into a three-year contract with Petrobras to operate the Asgaard Sophia as of the end of the contract currently in force, which ends in April 2021.
As for the iron ore mining project called "Morro do Pilar", the Company carried out the studies and fulfilled the conditions of the Prior License ("LP") necessary for the protocol of the Installation License application ("LI"), having LI's request was formalized with government agencies in the third quarter of 2019, according to Note 16.

According to the Material Fact of February 19, 2020, the Company entered into a binding commitment with BOM and its parent company involving: (i) the increase in Asgaard's current fleet through the acquisition of 3 (three) Brazilian AHTS vessels owned by BOM, (ii) the use of credits from the Freight Additional for Renewal of the Merchant Navy ("AFRMM") and (iii) a partnership for the operation of Brazilian and foreign offshore support vessels of the Bourbon group and the MLog group in Brazil.

The complete implementation of this operation contains steps already completed, such as the acquisition of the 20% stake in BOM by CNA, the use and conversion into cash of AFRMM, the acquisition and assumption of debt with the BNDES of these 3 AHTSs vessels by MLog, carried out on December 30, 2020, as per Note 8

Certain future steps already contracted have nor being executed, but since December 30, 2020, they no longer depend on third party approval for their viability.

The Company presents in these financial statements a profit of R$ 41,366 in the fiscal year ended on December 31, 2020 and accumulated losses of R$ 335,808 (R$ 402,482 on December 31, 2019).

The financial statements were prepared based on operational continuity, which assumes that the Company will be able to meet its payment obligations arising from bank loans and obligations in the acquisition of investments, according to the terms disclosed in Notes 22 and 14, respectively.

According to the balance sheet on that date, the current liabilities of the Company and its subsidiaries exceeded the total assets by R$ 89,615 (R$ 24,187 in 2019).

The above scenario is the result of 70% of the Company's assets being in a pre-operational stage, related to the Morro do Pilar Project and short-term commitments related mainly to the amounts payable for the acquisition of CNA (Obligations in the Acquisition of Investments).

(In thousands of Reais, except where otherwise stated)

The Company is in renegotiation with the main creditors of the amounts payable for the acquisition of CNA and the Company's ability to combine the rescheduling of this liability, the raising of additional capital or to execute its business plan, with a focus on generating cash from its shipping activities (including the announced operation with BOM) and the conversion of AFRMM into free cash are fundamental so that its operational and pre-operational activities are not compromised.

These events and conditions indicate the existence of a material uncertainty that may raise significant doubts as to the Company's operational continuity. If the Company is unable to continue operating in the normal course of its business, then there may be impacts (i) on the realization of its assets, including, but not limited to, the goodwill due to expected future profitability and other intangible assets, and (ii) in compliance with certain obligations for the amounts recognized in its financial statements.

Capital Increase in Morro do Pilar

At the Extraordinary General Meeting held on 12/18/2020, the capital increase made by the Company in its subsidiary MOPI was approved, through the contribution of certain assets and liabilities related to the mining business, whose net value totaled R$ 267,447, based on an appraisal report, based on the book values, issued by a specialized company**.**

	Transaction base date 10/31/2020	**Equity Changes**	**Effective date of the transaction 12/18/2020**
ASSETS			
Immobilized	1,121	(17)	1,104
Intangible	267,729	(51)	267,678
TOTAL	**268,850**	**(68)**	**268,782**
LIABILITY			
Current liability	1,403	(257)	1,146
TOTAL NET ASSET	**267,447**	**189**	**267,636**

Business combination – acquisition of Marsil

In April 2018, the Company acquired all the shares issued by Marsil, which was controlled by the Bocaiuva Group.

In the acquisition of Marsil, Grupo Bocaiuva assumed contractually before MLog the responsibility not only for the payment of all the bank loans of the acquired company, but also for other liabilities of different nature existing at Marsil until the date of its acquisition.

The acquisition price recognized at fair value, including a contingent consideration installment, was R$ 50,000 paid in cash. This amount was broken down, in line with current legislation and accounting pronouncements, as follows:

R$ 3,803: Book value of equity on the acquisition date;

R$ 8,033: Capital gain arising from the fair value of the investee's net assets (valued as provided for in CPC 15 - Business Combination);

R$ 38,164: Intangible assets related to Mining Rights belonging to the Company (evaluated as provided for in CPC 15 - Business Combination).

In the Private Instrument of Assignment and Definitive Transfer of Corporate Quotas signed between MLog and Bocaiuva, Bocaiuva was responsible for the totality of Marsil's debts, as well as for any and all contingencies, accounted for or not, whose operative event is prior to the date of acquisition.

On 06/19/2019 due to Bocaiuva's contractual breaches, MLog filed a request for an arbitration institution against Bocaiuva before the Market Arbitration Chamber in order to terminate the Marsil Acquisition Agreement.

On 07/16/2019, the Company's management signed the Private Instrument of Termination with Bocaiuva, where it canceled the obligations assumed in the Marsil Acquisition contract. This instrument assigns the totality of Marsil's shares to Bocaiuva for R$ 50,000. With this Termination, the Company stopped consolidating Marsil and, consequently, the balances related to Business Combination - acquisition of Marsil, were fully written off, which includes the amounts of Rights in the business transaction and Bank loans. The impact on the result for the third quarter and for the year ended 12/31/2019 was a gain of R$ 816, recorded in the other operating income account.

The Private Instrument of Termination also includes, among other clauses, (i) assumption of the obligation to pay Bocaiuva's R$ 50,000 to MLog by the shareholder Maverick Holding SA ("Maverick Holding") and (ii) the withdrawal of Bocaiuva Group from the board shareholder and MLog's indirect control block.

After the conclusion of the transaction, Maverick Holding asked the Company to call an Extraordinary General Meeting to approve the possibility of replacing the credit commitment assumed in the amount of R$ 50,000, restated by interest equivalent to IGPM plus 12% per year, by payment commitment, by Maverick Holding to the Company, of an amount corresponding to 11.39% of the net amount to be received by the Company in the event of a total or partial sale of the Morro do Pilar Project. The updated amount of the obligation assumed by Maverick Holding is shown in Note 12.

This Meeting was suspended at the request of a minority shareholder holding more than 5% of the shares of MLog. Management is waiting for the evolution of the discussions on the subject to take the necessary measures to execute the mentioned credit and / or its conversion into an alternative instrument, in case it determines an eventual Meeting of the Company, as commented in Note 15.

2. Basis for the preparation and presentation of the financial statements

The Company's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and also in accordance with accounting pronouncements adopted in Brazil, which cover (i) corporate law, (ii) the Pronouncements, guidelines and Interpretations issued by the Accounting Pronouncements Committee - CPC, (iii) the rules issued by the Brazilian Securities and Exchange Commission (CVM).

The Company's individual financial statements have been prepared in accordance with accounting practices adopted in Brazil.

These individual and consolidated financial statements were prepared based on historical cost, except for certain financial assets and liabilities measured at fair value through profit or loss and investments measured using the equity method, as described in accounting practices.

The individual and consolidated financial statements are presented in reais (R$), which is the currency of the economic environment in which the Company operates ("functional currency").

Management discloses all the relevant information in the individual and consolidated financial statements, and only they are being disclosed, which correspond to those used by it in its management.

The Company's management authorized the disclosure of these individual and consolidated financial statements on May 21, 2021.

2.1 Basis of consolidation and corporate investments

(a) Business combination

Business combinations are recorded using the acquisition method when the set of activities and assets acquired meets the definition of a business and control is transferred to the Company. In determining whether a set of activities and assets is a business, the Company assesses whether the set of acquired assets and activities includes, at a minimum, an input and a substantive process that together contribute significantly to the ability to generate output.

The Company has the option of applying a "concentration test" that allows a simplified assessment if a set of acquired activities and assets is not a business. The optional concentration test is met if, substantially, the entire fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

(b) Consolidation

The consolidated financial statements, which include information on the Company, its subsidiaries, and their joint operation, were prepared using the same base date of December 31 and consistent accounting practices and, when necessary, adjustments are made to the statements of these investees to ensure compliance with the accounting policies adopted by the Company.

(In thousands of Reais, except where otherwise stated)

All transactions, balances, income and expenses between the Company, its subsidiaries and joint operations are eliminated in full in the consolidated statements.

The equity interests included in the consolidation process are:

Investments	Stake 12/31/2020	Stake 12/31/2019
Cia de Desenvolvimento do Norte Capixaba	100%	100%
Morro do Pilar Minerais S.A.	100%	100%
Asgaard Navegação S.A.	100%	100%
Mineração Marsil Eireli *	0%	0%
Dutovias do Brasil S.A.	100%	100%

(*) Consolidated until 06/30/2019 due to the cancellation mentioned in Note 1.

The Company holds the following indirect equity interests through the subsidiary Asgaard:

Investments	Stake 12/31/2020	Stake 12/31/2019
Cia de Navegação do Amazonas	100%	100%

The Company holds the following indirect equity interests through the indirect subsidiary CNA:

Investments	Stake 12/31/2020	Stake 12/31/2019
Bourbon Offshore Maritima S.A.	20%	0%

(c) Subsidiaries

The subsidiaries are consolidated from the date on which control is obtained until the date on which this control ceases to exist.

The Company controls the investee when it is exposed or has rights to the variable returns arising from its involvement with the investee and can affect those returns through its power over the investee.

In the parent company's individual financial statements, the financial information of subsidiaries is recognized using the equity method.

(d) Joint business

A joint business is one in which two or more parties have joint control established by contract, which may be a joint operation or a jointly controlled venture, depending on the rights and obligations of the parties.

In a joint operation, the integrating parties have rights over the assets and obligations over the liabilities related to the business, whereas in a jointly controlled venture, the parties have rights over the net assets of the business.

The Company recognizes in the consolidated statements its participation in the revenues, expenses, assets and liabilities held in the joint operation. In the individual financial statements, the joint operation, constituted by means of a vehicle entity with its own legal personality, is recognized by the equity method. Investments in jointly controlled ventures are recognized using the equity method in the individual and consolidated financial statements.

(e) Affiliate

Affiliate is the entity over which the Company has significant influence, defined as the power to participate in the decisions on the financial and operating policies of an investee, but without the individual or joint control of these policies.

Investments in associates are recognized using the equity method in the individual and consolidated financial statements.

COVID19 Impacts

Although it impacted operations in fiscal year 2020 due to cost increases or revenue reduction, MLog's Management understands that, to date, no adjustment is required in its individual and consolidated Financial Statements due to COVID-19 and its consequences, but it is following the evolution of the pandemic, both globally and locally, and will communicate to its shareholders the Relevant Facts that may be triggered by the situation as new events arise.

Since March 2020, the Company has adopted a series of measures aimed at reducing operational risk and safety of its employees, such as:

- Quarantine and testing of operational employees;
- Application of the Home Office for administrative and operational activities (where possible);
- Cancellation of non-essential trips.

As the effects of the pandemic affected the regions where the Company's operations take place, the company faced operational difficulties related to the workforce as well as, at times, adopted contingency measures, but without the need to suspend operations.

The Company identified the main economic events to which it would be exposed, and which could impact the annual information. The summary of these events is presented below.

- Reduction of the recoverable amount ("impairment"). The Company assessed the circumstances that could indicate the impairment of its non-financial assets and concluded that there were no changes in the circumstances that would indicate an impairment loss. As the pandemic is still advancing, the financial impact resulting from COVID-19 on the Company's cash-generating units ("UGC"), estimated at approximately R$ 600 in revenue losses, generated by resilience measures ("daily rate readjustment") agreed with Petrobras and downtime for suspected cases of COVID-19; and approximately R$ 1,100 in losses limited to the increase in certain costs and expenses for measures to prevent COVID-19. It should be noted, however, that despite the negative impacts, we were positively benefited by the appreciation of the dollar, responsible for the compensatory effect on our revenues. Therefore, the main long-term assumptions applied in the preparation of the cash flow model, remain unchanged for the assessment of the impairment indicator.

- Liquidity - In 2020, the Company increased its cash position, mainly due to the release of funds from the AFRMM linked account that occurred in Operation Bourbon, although it remained with negative working capital.

- Fair value of other assets and liabilities - At the present time, the effects of the pandemic did not have a significant impact on the fair value of the Company's assets and liabilities.

- The provisions matrix used to recognize expected credit losses was revised, taking into account the prospective effects of an increase in the default risk of our customers. No relevant effects have been identified.

The Company has been negotiating with its suppliers, in order to adjust the prices of equipment and services contracts to the current situation. These negotiations, when closed, may have an impact on contracts with suppliers.

The effects of the pandemic remain uncertain, making it impossible to predict the final impact it could have on the economy and, in turn, on the Company's business, liquidity and financial position, which means that the fair value of assets and liabilities may change in the years to come. subsequent periods.

3. Accounting practices

The following are the main accounting practices used by the Company in the individual and consolidated financial statements:

a. Financial instruments

CPC 48 establishes, among others, new requirements for: classification and measurement of financial assets, measurement, and recognition of impairment of financial assets, changes in the terms of financial assets and liabilities and disclosure.

The Company does not currently carry out hedge, swap or any other operations involving derivative financial instruments.

i. Classification and measurement of financial assets

CPC 48 establishes three categories for the classification of financial assets: measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification is based on the characteristics of the contractual cash flows and the business model for managing the asset.

Financial assets and liabilities are recognized when the Company is a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities - except for financial assets and liabilities recognized at fair value in profit or loss - are added to or deducted from the fair value of financial assets or liabilities, if applicable, after initial recognition. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial assets

Financial assets are generally classified as subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on both the entity's business model for the management of financial assets and the characteristics of cash flow. contractual cash from financial assets

The classification depends on the purpose of the financial assets and is determined on the date of initial recognition. All normal acquisitions or disposals of financial assets are recognized or written off based on the trade date. Revenue is recognized based on the effective interest for instruments not characterized as financial assets at fair value through profit or loss.

i.1. Amortized cost

Financial asset (debt financial instrument) whose contractual cash flow results only from the payment of principal and interest on principal on specific dates and, whose business model aims to maintain the asset in order to receive its contractual cash flows.

i.2. Fair value through other comprehensive income

Financial asset (debt financial instrument) whose contractual cash flow results only from the receipt of principal and interest on principal on specific dates and, whose business model aims at both the receipt of the contractual cash flows from the asset and its sale, as well as investments in equity instruments not kept for trading or contingent consideration, which on initial recognition, the company irrevocably elected for presenting subsequent changes in the fair value of the investment in other comprehensive income.

i.3. Financial assets at fair value through profit or loss

Assets held for trading are classified in this category. These financial assets are stated at fair value, and any resulting gains or losses are recognized in the income statement. A financial asset is classified as held for trading if (a) it is acquired primarily to be sold in the short term; or (b) upon initial recognition, it is part of a portfolio of identified financial instruments that the Company jointly manages and has a recent real pattern of obtaining short-term profits; or (c) is a derivative that has not been designated as an effective hedging instrument.

Financial liabilities

A financial liability is recognized when the entity becomes part of the instrument's contractual provisions and initially measured at fair value. If it is not classified as measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue reduce or increase this value.

ii. Modification of contractual cash flow of financial liabilities

CPC 48 establishes that the accounting balances of financial liabilities measured at amortized cost, whose contractual terms have been modified not substantially, must reflect the present value of their cash flows under the new terms, using the original effective interest rate. The difference between the book balance of the remeasured instrument at the time of the non-substantial change in its terms and its book balance immediately prior to such change must be recognized as a gain or loss in the income for the year.

iii. Expected credit losses

The Company measures expected credit losses, taking into account all possible loss events over the life of its receivables, such as: customer history, financial situation and possible default indicators to estimate expected credit losses.

The probability of default is an important data for the measurement of expected credit losses, which is an estimate of the probability of default during a specific period of time, which considers historical data, assumptions and expectations of future conditions, therefore containing a certain degree of uncertainty.

b. Cash equivalents

Short-term financial investments that are immediately convertible into a known amount are considered cash equivalents and are subject to an insignificant risk of change in value. An investment normally qualifies as a short-term security when it has a maturity of up to three months from the date of acquisition.

c. Investments in subsidiaries

In the parent company's individual financial statements, investments in subsidiaries are accounted for using the equity method, being eliminated for the purposes of preparing the consolidated financial statements.

d. Property, Plant and Equipment

Property, plant and equipment are recorded at acquisition cost, less accumulated depreciation and, when applicable, a reduction in their recoverable value. When significant parts of an item of property, plant and equipment have different useful lives, they are recorded as separate items (main components) of property, plant and equipment.

Any gains and losses on the disposal of an item of property, plant and equipment are recognized in profit or loss. Subsequent costs are capitalized only when it is probable that future economic benefits associated with the expenses will be earned by the Company.

Depreciation is calculated to amortize the cost of property, plant and equipment items, net of their estimated residual values, using the straight-line method based on the estimated useful life of the items. Depreciation is recognized in the income statement. Land is not depreciated.

The estimated useful lives of property, plant and equipment are presented in Note 9.
Depreciation methods, useful lives and residual values are reviewed at each reporting date.
balance sheet and adjusted if appropriate.

e. Intangible

Intangible assets comprise mainly mining rights, expenses with exploration and evaluation of mineral resources and obtaining licenses and are valued at acquisition cost less, when applicable, accumulated amortization and recoverable value.

Expenses with exploration and evaluation of mineral resources and obtaining licenses are capitalized only if the future economic benefits are probable and if the Company intends to complete the development and use or sell the asset.

Other intangible assets that are acquired by the Company and that have a defined useful life are measured at cost, less accumulated amortization and any accumulated losses due to impairment.

Subsequent expenses are capitalized only when the benefits increase the future economic costs incorporated in the specific asset to which they relate. All other expenses are recognized in the income statement as incurred.

Amortization is calculated using the straight-line method based on the estimated useful life of the items, net of estimated residual values. Amortization is recognized in the income statement. Goodwill is not amortized.

The estimated useful life of the intangible asset is presented in note 10.
Amortization methods, useful lives and residual values are reviewed at each reporting date.
balance sheet and adjusted, if appropriate

f. Impairment of assets

The book values of the assets are, for purposes of devaluation, reviewed annually or when there is a potential indication of impairment.

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization and or depreciation, such as property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The latter is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units).

	Mining	Shipping
Measurement of Recoverable Value	Discounted Cash Flow	Discounted cash flow or asset valuation, as appropriate
Cash Flow Projection	The entire useful life of the asset	The entire expected useful life for each asset
Gross Margin	Based on contracted technical studies, market data and expectations of the internal operational team involved	Update of gross margin based on budget, business history and market trend
Costs	Base on contracted technical studies and market data	Based on budget, business history and market trend
Perpetuity Growth Rate	Without Perpetuity	No Growth
Discount rate	The discount rate was based on the weighted average cost of capital ("WACC") in dollars, which reflects the specific risk and the segment's leverage structure, 12.3% for Shipping and 11.8% for Mining.	

g. Provisions

Provisions are recognized when there is a present obligation (legal or not formalized) as a result of a past event, and it is probable that economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

h. Income tax and social contribution

Income tax and social contribution are determined by the taxation system based on taxable income. The calculation basis for calculating taxes considers the additions and exclusions provided for in the current legislation. Management only records deferred income tax and social contribution assets arising from tax losses when evidence of use in future taxable profits.

i. Accounting judgments, estimates and assumptions

The preparation of the financial statements requires the use of estimates and the exercise of judgment by Management in the application of the Company's accounting policies. These estimates are based on Management's experience and knowledge in the information available at the balance sheet date and other factors, including expectations of future events that are believed to be reasonable under normal circumstances. Changes in facts and circumstances may lead to a revision of these estimates. Actual future results may differ from those estimated.

The significant estimates and judgments applied by the Company in the preparation of these financial statements are presented in the following notes:

Accounting estimates and judgments	*Explanatory note*
Additional to Freight for renewal of the Merchant Navy	5
Expected credit losses	6
Business combination	8
Determination of the useful life of property, plant, and equipment	9
Assumptions for impairment tests	9
Estimates related to lawsuits and contingencies	15

j. Statement of added value

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

k. Earnings (loss) per share

The basic calculation of earnings (loss) per share is made by dividing the net income for the year, attributed to holders of common shares of the parent company, by the weighted average number of shares during the year.

Diluted earnings (loss) per share are made by dividing the net income for the year, attributed to the parent company's common shares, by the average number of common shares during the year plus the weighted average number of common shares that would be issued in the conversion of all potential common shares, diluted in common shares.

l. Share-based payment

Executive compensation based on shares is measured and recognized at fair value on the date the options were granted, in a specific account in shareholders' equity and in the income statement, according to the contractual conditions being met. The cost of transactions settled with equity securities is recognized over the period in which the performance and / or service condition is fulfilled, ending on the date on which the executive acquires the full right to the premium (acquisition date). The accumulated expense recognized up to the acquisition date reflects the extent to which the acquisition period has expired and the Company's best estimate of the number of equity securities that will be acquired.

m. Additional Freight for the Renewal of the Merchant Navy - AFRMM

The subsidiary CNA, mentioned in Note 1, is a beneficiary under the terms of Law 10.893 / 2004 from receiving 100% of the AFRMM benefit generated in its river Shipping activities and transferred in the form of a government subsidy. The use of these resources, which can be extended to affiliates, subsidiaries or CNA's parent company, is subject to the acquisition of new vessels, jumborization, conversion, modernization, docking or repair of own vessels and payment of interest and amortization of financing related to these same uses.

The counterpart of the benefit to be used recorded in assets is recognized as deferred income in liabilities. The recognition of this liability in the result occurs in proportion to the recognition of the values applied above in the result, through depreciation and repair cost or when the incidence of interest or amortization of financing. The right to use the benefit is extinguished in the case of non-use within three years, counting from the deposit of the AFRMM generated in a linked account in the name of CNA.

In accordance with art. 30 of Law 12.973 / 2014, the subsidies recognized in the income, up to the limit of the net profit for the year, are not taxed as long as they are kept in a profit reserve account (tax incentive reserve), the use of this reserve being conditioned exclusively to absorption. losses or increase in share capital.

The balance of grants recognized in the result not transferred to the aforementioned profit reserve, due to the limitation of net income, should be transferred as soon as sufficient profits occur in subsequent years.

n - Revenue from services rendered

Revenues from vessel chartering, cargo transportation and maritime support are measured at the fair value of the amount received, or receivable, net of commercial discounts and taxes on the sale of these services.

Revenue is measured based on the consideration specified in the contract with the customer.

The Company recognizes revenue when it transfers control over the product or service to the customer.

Revenue is recognized over time as services are provided. The completion stage for determining the amount of revenue to be recognized is assessed based on assessments of progress in the work performed. If services under a single contract take place at different times, the consideration will be allocated based on their individual sales prices. The individual selling price is determined based on the list prices at which the Company sells services in separate transactions.

o - Segment information

The results by segments that are reported to the Company's management include items directly attributable to each segment disclosed, as well as those that can be allocated on a reasonable basis.

(In thousands of Reais, except where otherwise stated)

3.1 New standards, reviews and interpretations

a) New and amended IFRS / CPC in effect in the current year.

As of January 1, 2020, the following new rules and amendments are in effect:

- Amendments to IFRS 3 - Business definition;
- Amendments to IAS 1 and IAS 8 - Definition of material;
- Changes to the References to the Conceptual Framework in the IFRS Standards;
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Reform of the Reference Interest Rate.

As of June 1, 2020, the following change is in effect:

- Amendments to IFRS 16 - Benefits related to COVID-19 granted to lessees in lease agreements.

The adoption of these new accounting standards and changes except for IFRS 3, did not result in significant impacts on the individual and consolidated financial statements of December 31, 2020 and comparative periods

b) New and revised IFRS / CPC issued and not yet applicable

On the date of authorization of these financial statements, the Company did not adopt the following new standards and amendments, already issued and not yet applicable:

- IFRS 17 - Insurance contracts

The standard is applicable for annual periods beginning on or after January 1, 2021.

- IFRS 10 (CPC 36 (R3)) - Consolidated Statements and IAS 28 (amendments) (CPC 18 (R2)) - Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture

The effective date of the changes has not yet been defined by the IASB, however, adoption is permitted in the case of anticipated changes.

Management does not expect the adoption of the standards listed above to have a material impact on the Company's individual and consolidated financial statements in future periods.

4. Cash and cash equivalents

	Parent company		**Consolidated**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Cash	12	9	12	1,019
Cash equivalents	-	9	14,836	562
	12	**18**	**14,848**	**1,581**

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

The balance on 12/31/2020 of cash equivalents, mostly refers to available funds held in cash or credit against financial institutions that have a national scale rating between AA - and AA +, based on the rating agency S&P.

The Group considers that its cash and cash equivalents have low credit risk based on in the external credit ratings of the counterparties. Therefore, there are no indications of impairment based on risk exposure.

The balance of cash equivalents comprises bank deposits and short-term investments, which refer to bank deposit certificates - CDB remunerated at an average rate of 98.57% of the Interbank Deposit Certificate - CDI. As of December 31, 2019, the only existing financial investment was related to an investment fund linked to a loan operation, remunerated at a rate of 2.07% per year.

As mentioned in Note 2.1, in 2020 the Company increased its cash position mainly by releasing funds from the AFRMM linked account.

(In thousands of Reais, except where otherwise stated)

5. Additional Freight for Renovation of Merchant Marine ("AFRMM")

The table below ended on 12/31/2020 shows the movement of items related to AFRMM in the consolidated balance sheet:

	Current Asset Account		Non-Current Asset Account	Non-Current Liability Account
	AFRMM deposits in escrow account	AFRMM to be released	AFRMM to be released	Government subsidies to be appropriated – AFRMM [1]
Balance as of 12/31/2019	**69,278**	**-**	**9,126**	**208,789**
AFRMM generated	-	-	15,596	15,596
Deposits in escrow account	16,550	(16,550)	-	-
Difference processes received	-	-	-	-
Judicial Blocking Return	372	-	-	-
Linked account earnings	125	-	-	125
AFRMM used by Affiliate	(78,812)	-	-	-
Receipt related to Parent Company	(711)	-	-	(711)
Capitalized Jumborization[2]	(1,898)	-	-	-
Reimbursement repairs	(1,546)	-	-	(1,546)
Commission and income tax	(882)	-	-	-
Recognition in profit and loss	-	-	-	(44,088)
Others (reversal segregation)	-	24,625	(24,722)	(98)
Balance as of 12/31/2020	**2,476**	**8,075**	**-**	**178,067**

[1] Despite the existence of this amount in long-term liabilities, the use of AFRMM within its legal purpose does not result in a financial liability or obligation of any effect for the Company, which may at any time cease to operate said asset and / or effect the sale of it.

° Increase the size of the vessel in the direction of the length, modernization, including the conversion and adaptation

The amount of R$ 44,088 recognized in the result, consists of R$ 34,888 referring to AFRMM transferred by CNA in relation to the transaction with BOM and R$ 9,200 refer to the appropriation of AFRMM used by CNA.

For comparison purposes, the table below shows the movement of items related to AFRMM in the consolidated balance sheet, in the 12-month period ended on 12/31/2019:

(In thousands of Reais, except where otherwise stated)

	Assets accounts			Liability accounts
	Current		Non current	Non current
	AFRMM deposits in escrow account	AFRMM To be released	AFRMM To be released	Government subsites to be appropriated - AFRMM (1)
Balance as of 12/31/2018	**13,689**	**24,052**	**20,608**	**203,150**
AFRMM generated	-	-	15,658	15,658
Deposits in linked account	58,169	(58,206)	-	-
Judicial blocks	(911)	-	-	-
Linked account earnings	1,119	-	-	1,119
Benefit utilization	(2,168)	-	-	-
Recognition of income	-	-	-	(10,518)
Receivables from parent company	(620)	-	-	(620)
Long to short term transfer	-	31,263	(31,263)	-
Loss adjustment	-	2,891	4,123	-
Balance as of 12/31/2019	**69,278**	**-**	**9,126**	**208,789**

6. Trade accounts receivable

On 12/31/2020, the amounts of R$ 4,646 and R$ 1,192 (on 12/31/2019 R$ 4,500 and R$ 2,015) refer to the regular businesses of the subsidiaries CNA and Asgaard respectively.

	12/31/2020	12/31/2019
Trade accounts receivable	5,964	6,652
Doubtful debt	(126)	(137)
	5,838	**6,515**

The amounts of accounts receivable from customers, as of December 31, 2020, have the following receipt term:

(In thousands of Reais, except where otherwise stated)

	12/31/2020	12/31/2019
Amounts to mature	3,883	4,280
Amounts due:		
Within 30 days	1,858	2,028
From 31 to 90 days	97	171
From 91 to 180 days	-	36
From 181 to 360 days	-	11
Over 360 days	126	126
	5,964	**6,652**

The provision contemplates 100% of the amounts that are filed referring to old customers when the Company did not adopt the policy of only negotiating with customers that have enough credit capacity and guarantees as a means of mitigating financial risk.

As disclosed in Note 22, Asgaard's receivables from its client Petrobras, were the subject of a fiduciary assignment to Banco ABC, in guarantee of a loan taken by its subsidiary CNA.

7. Recoverable taxes

IR and CSLL to be recovered

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Current assets				
Withheld at source				
Income tax on financial income	16	1,573	16	1,573
Income tax on services rendered	-	-	958	983
Social contribution (CSLL) on services rendered	-	-	195	164
Credits				
Recover of IRPJ and CSLL	-	-	323	763
	16	**1,573**	**1,492**	**3,483**

(In thousands of Reais, except where otherwise stated)

Other taxes to be recovered

	Consolidated	
	12/31/2020	**12/31/2019**
Current assets		
Withheld at source		
PIS and COFINS on services rendered	393	418
Social security (INSS) on services rendered	76	98
Refund claim		
PIS and COFINS	85	3,518
Credits		
PIS and COFINS on inputs	-	1,435
PIS and COFINS over vessel acquisitions	-	285
Others	319	165
	873	**5,919**
Non-current assets		
Refund claim		
PIS and COFINS	3,527	-
Credits		
PIS and COFINS on inputs	1,440	-
	4,967	**-**

8. Investments in subsidiaries (Parent company)

The movement of investments in the year was as follows:

Investments	Interest	12/31/2019	Capital increase	Equity Variations	Transfer	Equity results	12/31/2020
Cia de Desenvolvimento do Norte Capixaba	100%	21,125	18	(36)	-	-	21,107
Morro do Pilar Minerais S.A.	100%	7,948	249,341	(37)	491,423	189	748,864
Asgaard Navegação S.A.	100%	136,786	-	38,140	-	-	174,926
Investment Balance		**165,859**	**249,359**	**38,067**	**491,423**	**189**	**944,897**
Dutovias do Brasil S.A.	100%	(1,643)	1	(2)		-	(1,644)
Balance of the provision for uncovered liability[1]		**(1,643)**	**1**	**(2)**	**-**	**-**	**(1,644)**
		164,216	**249,360**	**38,065**	**491,423**	**189**	**943,253**

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

[1] Includes indirect equity interest in CNA and BOM.

(In thousands of Reais, except where otherwise stated)

As mentioned in Note 1, on 12/18/2020, the Company increased the capital of its subsidiary MOPI, with the payment of net assets in the amount of R$ 267,447, which has an impairment of R$ 18,632, in addition to R$ 527 referring to advances for future capital increase (AFAC), whose payment was approved in the AGO of 7/15/2020.

For comparison purposes, mainly for the equity pickup item, we present below the movement of investments in the same year of the previous year.

Investments	Interest	12/31/2018	Capital increase	Equity results	Divestment	12/31/2019
Cia de Desenvolvimento do Norte Capixaba	100%	21,124	21	(20)	-	21,125
Morro do Pilar Minerais S.A.	100%	7,311	1,100	(463)	-	7,948
Asgaard Navegação S.A.	100%	139,973	-	(3,187)	-	136,786
Mineração Marsil Eireli	100%	48,347	-	(4,025)	(44,322)	-
Investment Balance		**216,755**	**1,121**	**(7,695)**	**(44,322)**	**165,859**
Dutovias do Brasil S.A.	100%	(1,648)	6	(1)		(1,643)
Balance of the provision for uncovered liability[1]		**(1,648)**	**6**	**(1)**	**-**	**(1,643)**
		215,107	**1,127**	**(7,696)**	**(44,322)**	**164,216**

[1] The recognition of this liability is due to the fact that the Company is in solidarity with the debts of its subsidiaries

The movement of advances for future capital increases in the year is shown below:

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	Morro do Pilar Minerais S.A.	Cia de Desenvolvimento do Norte Capixaba	Dutovias do Brasil S.A.	Total
Balances as of 12/31/2019	527	17	1	**545**
Funds remitted	43	39	2	**84**
Capitalizations	(526)	(18)	(1)	**(545)**
Balances as of 12/31/2020	**44**	**38**	**2**	**84**

* The capitalization of these balances occurs in a period not exceeding one year.

For comparison purposes, we present below the movement of advances for future capital increases in the same year of the previous year.

(In thousands of Reais, except where otherwise stated)

	Morro do Pilar Minerais S.A.	Cia de Desenvolvimento do Norte Capixaba	Dutovias do Brasil S.A.	Mineração Marsil Eireli	Total
Balances as of 12/31/2018	1,101	21	5	818	**1,945**
Funds remitted	526	17	2	-	**545**
Low investment	-	-	-	(818)	**(818)**
Capitalizations	(1,100)	(21)	(6)	-	**(1,127)**
Balances as of 12/31/2019	**527**	**17**	**1**	**-**	**545**

* The capitalization of these balances occurs in a period not exceeding one year.

Shareholding acquisition in Bourbon Offshore Marítima S.A.(Affiliate) "Deal Bourbon"

On January 6, 2020, MLog entered into, together with its affiliates Asgaard and CNA, a binding commitment with Bourbon Offshore Marítima SA ("BOM") and its parent company involving: (i) the increase in the current fleet of Asgaard by the acquisition of 3 (three) Brazilian AHTS vessels owned by BOM, (ii) the use of credits from the Freight Additional for Renewal of the Merchant Navy ("AFRMM") and (iii) a partnership for the operation of Brazilian and foreign maritime support vessels of the Bourbon group and MLog group in Brazil.
The complete implementation of this operation contains steps already completed, such as the acquisition of the 20% stake in BOM by CNA, the use and conversion into cash of AFRMM, the acquisition and obligation to pay the debt installments with BNDES of these three AHTS vessels by MLog.

Certain future steps already contracted will still be carried out, in particular the conversion of Asgaard into a jointly controlled company by MLog and BOM, but since December 30, 2020 these no longer depend on third party approval for their execution.

The Company believes that these remaining steps will take effect throughout 2021.

Asset Acquisition - AHTS Vessels

As detailed above, as part of Operation Bourbon, the Company acquired three AHTS vessels and obtained control of these vessels on December 30, 2020.

The Company applied the concentration test, detailed in paragraph B7B of CPC 15 - Business combination, to assess whether the set of activities and assets acquired are a business or not. The Company considered that the test was met, since the fair value of the gross assets acquired was concentrated in a group of similar assets (Vessels acquired). Consequently, the transaction was classified as an acquisition of assets, outside the scope of CPC 15 and following the provisions of CPC 27 - Property, Plant and Equipment.

(In thousands of Reais, except where otherwise stated)

The amounts involved in this transaction are as follows:

R$ 115,848: Cost of the acquired asset
R$ 82,722: Amount of debt assumption
R$ 33,126: Assets transferred

9. Property, plant and equipment

Parent company balances

Cost		12/31/2019	Acquisition	Transfer/ write-offs	Transfer to subsidiaries	12/31/2020
Fixed assets in progress		-	22	(22)		-
Vessels		-	115,848			115,848
Buildings		289	-	-	(285)	4
Machinery and equipment		1,782	-	-	(1,782)	-
Furniture and fixtures		842	-	-		842
IT equipment		528	13	-		541
Communication equipment		144	-	-		144
Leasehold improvements		1,431	-	-	(1,316)	115
		5,016	**115,883**	**(22)**	**(3,383)**	**117,494**
Depreciation	**Rate**					
Vessels	**7%**	-	(23)	-	-	(23)
Buildings	**4%**	(67)	(11)	-	78	-
Machinery and equipment	**10%**	(722)	(163)	-	885	-
Furniture and fixtures	**10%**	(517)	(84)	-	-	(601)
IT equipment	**20%**	(509)	(7)	-	-	(516)
Communication equipment	**20%**	(138)	**(5)**	-	-	(143)
Leasehold improvements	**22%**	(1,431)	-	-	1,316	(115)
		(3,384)	**(293)**	**-**	**2,279**	**(1,398)**
		1,632	**115,590**	**(22)**	**(1,104)**	**116,096**

The addition to the caption vessels, in the amount of R$ 115,848, is mentioned in Note 8.

(In thousands of Reais, except where otherwise stated)

Cost		**12/31/2018**	**Acquisition**	**12/31/2019**
Buildings		289	-	289
Machinery and equipment		1,782	-	1,782
Furniture and fixtures		842	-	842
IT equipment		526	2	528
Communication equipment		144	-	144
Leasehold improvements		1,431	-	1,431
		5,014	**2**	**5,016**
Depreciation	**Rate**			
Buildings	**4%**	(56)	(11)	(67)
Machinery and equipment	**10%**	(545)	(177)	(722)
Furniture and fixtures	**10%**	(433)	(84)	(517)
IT equipment	**20%**	(433)	(76)	(509)
Communication equipment	**20%**	(125)	(13)	(138)
Vehicles	**20%**	-	-	-
Leasehold improvements	**22%**	(1,421)	(10)	(1,431)
		(3,013)	(371)	**(3,384)**
		2,001	**(369)**	**1,632**

(In thousands of Reais, except where otherwise stated)

Consolidated Balances for the Year

Cost		**12/31/2019**	**Acquisition**	**Transfer/ write-offs**	**12/31/2020**
Fixed assets in progress		-	2,551	(22)	2,529
Vessel in construction		2,622	6,926	(3,860)	5,688
Works of art		97	-	-	97
Land		30,480	-	-	30,480
Buildings		1,645	-	-	1,645
Properties		322	-	-	322
Machinery and equipment		4,759	59	(73)	4,745
Furniture and fixtures		1,248	10	(14)	1,244
IT equipment		775	58	(2)	831
Communication equipment		790	5	(85)	710
Vessels		201,759	115,848	2,335	319,942
Vehicles		426	-	-	426
Leasehold improvements		1,431	-	-	1,431
		246,354	**125,457**	**(1,721)**	**370,090**
Depreciation	**Rate**				
Properties	**4%**	(100)	(12)	-	(112)
Machinery and equipment	**10%**	(3,029)	(271)	36	(3,264)
Furniture and fixtures	**10%**	(691)	(131)	8	(814)
IT equipment	**20%**	(646)	(57)	1	(702)
Communication equipment	**20%**	(313)	(73)	35	(351)
Vessels	**5% to 7%**	(42,040)	(11,830)	227	(53,643)
Vehicles	**20%**	(398)	(12)	-	(410)
Leasehold improvements	**22%**	(1,431)	-	-	(1.431)
		(48,648)	**(12,386)**	**307**	**(60,727)**
		197,706	**113,071**	**(1,414)**	**309,363**

(In thousands of Reais, except where otherwise stated)

Cost		12/31/2018	Acquisition	Transfer/ write-offs	Tax to be recovered	Write-off business transaction	Write-off of surplus value	12/31/2019
Vessel in construction		1,138	1,484	-	-	-	-	2,622
Works of art		97	-	-	-	-	-	97
Land		33,050	-	-	-	(131)	(2,439)	30,480
Buildings		1,645	-	-	-	-	-	1,645
Properties		2,315	-	-	-	(1,187)	(806)	322
Machinery and equipment		10,879	438	(7)	(46)	(4,149)	(2,356)	4,759
Furniture and fixtures		1,259	39	(13)	-	(22)	(15)	1,248
IT equipment		707	89	-	-	(18)	(3)	775
Communication equipment		706	96	-	-	(12)	-	790
Vessels		203,240	50	(1,531)	-	-	-	201,759
Vehicles		435	-	-	-	(3)	(6)	426
Leasehold improvements		1,431	-	-	-	-	-	1,431
		256,902	**2,196**	**(1,551)**	**(46)**	**(5,522)**	**(5,625)**	**246,354**
Depreciation	**Rate**							
Properties	**4%**	(119)	(86)	-	-	105	-	(100)
Machinery and equipment	**10%**	(1,106)	(2,769)	7	-	839	-	(3,029)
Furniture and fixtures	**10%**	(574)	(133)	12	-	4	-	(691)
IT equipment	**20%**	(543)	(115)	-	-	12	-	(646)
Communication equipment	**20%**	(238)	(76)	-	-	1	-	(313)
Vessels	**5%**	(28,007)	(15,515)	1,482	-	-	-	(42,040)
Vehicles	**20%**	(116)	(285)	-	-	3	-	(398)
Leasehold improvements	**22%**	(1,421)	(10)	-	-	-	-	(1,431)
		(32,124)	**(18,989)**	**1,501**	**-**	**964**	**-**	**(48,648)**
		224,778	**(16.,793)**	**(50)**	**(46)**	**(4,558)**	**(5.625)**	**197,706**

(In thousands of Reais, except where otherwise stated)

10. Intangible assets

Refers to expenses with exploration and evaluation of the Morro do Pilar iron ore project.

Parent Company

Cost		**12/31/2019**	**Additions**	**Transfer s**	**12/31/2020**
Expenditures related to exploration and valuation		240,663	1,979	(242,642)	-
Software		930	-		930
Expenditures related to licensing phase		6,404	-	(6,404)	-
Intangible assets acquired in business combination		491,423	-	(491,423)	-
		739,420	**1,979**	**(740,469)**	**930**
Amortization	**Rate**				
Software	20%	(919)	(11)	-	(930)
		738,501	**1,968**	**(740,469)**	**-**

As mentioned in Note 1, the Company increased the capital of its subsidiary MOPI, transferring certain assets related to the mining business to it.

Cost		**12/31/2018**	**Additions**	**12/31/2019**
Expenditures related to exploration and valuation		246,530	12,765	259,295
Software		930	-	930
Expenditures related to licensing phase		6,404	-	6,404
Intangible assets acquired in business combination		472,791	-	472,791
		726,655	**12,765**	**739,420**
Amortization	**Rate**			
Softwares	20%	(849)	(70)	(919)
		725,806	**12,695**	**738,501**

(In thousands of Reais, except where otherwise stated)

Consolidated

Cost		**12/31/2019**	**Additions**	**Transfer/write-offs**	**12/31/2020**
Expenditures related to exploration and valuation		259,295	1,978	-	261,273
Expenditures related to licensing phase		6,404	-	-	6,404
Management system (ERP)		1,180	96	(8)	1,268
Software		930	-	-	930
Intangible assets acquired in business combination		472,791	-	-	472,791
Goodwill on CNA acquisition		65,768	-	-	65,768
		806,368	**2,074**	**(8)**	**808,434**
Amortization	**Rate**				
Management system (ERP)	**20%**	(1,158)	(16)	-	(1,174)
Software	**20%**	(919)	(11)	-	(930)
		(2,077)	**(27)**	**-**	**(2,104)**
		804,291	**2,047**	**(8)**	**806,330**

Cost		**12/31/2018**	**Additions**	**Write-off business transaction**	**12/31/2019**
Expenditures related to exploration and valuation		246,530	12,765	-	259,295
Expenditures related to licensing phase		6,404	-	-	6,404
Mining rights		38,164	-	(38,164)	-
Management system (ERP)		1,205	-	(25)	1,180
Software		930	-	-	930
Intangible assets acquired in business combination		472,791	-	-	472,791
Goodwill on CNA acquisition		65,768	-	-	65,768
		831,792	**12,765**	**(38,189)**	**806,368**
Amortization	**Rate**				
Mining rights		-	(1,302)	1,302	-
Management system (ERP)	**20%**	(1,072)	(105)	-	(1,158)
Software	**20%**	(839)	(80)	19	(919)
		(1,911)	**(1,487)**	**1,321**	**(2,077)**
		829,881	**11,278**	**(36,868)**	**804,291**

(In thousands of Reais, except where otherwise stated)

11. Income tax and Social contribution

As of 12/31/2020, the amount of tax loss carryforwards and negative basis of income tax and social contribution of the Company is of the order of R$ 398 million (R$ 398 million on 12/31/2019), on which Management, in view of the lack of expectations of future profitability in the entity due to operational reorganizations, it does not record deferred income tax and social contribution assets.

The reconciliation between the nominal and effective rate is shown below.

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Loss before income tax and social contribution	42,861	(29,530)	44,664	(29,070)
Income tax and social contribution calculated at the rate of 34%	(14,573)	10,040	(15,186)	9,884
Effects of additions and exclusions				
Equity in earnings	6,607	(2,617)	-	-
Temporary differences	6,068	(616)	3,613	(2,383)
Permanent differences	2,040	-	14,510	3,344
	142	**6,807**	**2,937**	**10,845**
Deferred income tax and social contribution liabilities	(1,496)	-	(2,992)	-
Use of tax losses and negative social contribution base	-	-	(216)	-
Deferred assets are not recognized due to the lack of expected future profitability	(142)	(6,807)	(3,027)	(10,385)
Income and social contribution taxes on income	**(1,496)**	**-**	**(3,298)**	**460**
Effective rate	3%	0%	7.4%	1.6%

The AFRMM funds transferred to BOM in the amount of R$ 44,088, as mentioned in Note 5, were excluded from the calculation basis of income tax and social contribution, as these amounts were offered for taxation at BOM and, therefore, they could not be taxed again by the MLOG. This exclusion had an impact on the line of permanent differences in the amount of R$ 14,989.

12. Related parties' transactions

Loans between individuals and entities

The balances of transactions with related parties as of the date of these financial statements are listed below:

(In thousands of Reais, except where otherwise stated)

Creditor	Debtor	12/31/2020	12/31/2019
Current assets in the Parent Company			
MLog S.A.	Patrícia Tendrich Pires Coelho	**270**	250
MLog S.A.	Maverick Holding S.A.	**73,348**	53,529
		73,618	**53,779**
Current assets in the consolidated			
Asgaard Navegação S.A.	Maverick Holding S.A.	**805**	746
Asgaard Navegação S.A.	Patrícia Tendrich Pires Coelho	**105**	97
Asgaard Navegação S.A.	Bourbon Offshore Marítima S.A.	**14**	-
		74,542	**54,622**
Liabilities in the consolidated			
Bourbon Offshore Marítima S.A.	MLog S.A.	**2,301**	-
Bourbon Offshore Marítima S.A.	Companhia de Navegação da Amazônia	**1,834**	-
		4,135	**-**
Values Eliminated on Consolidation			
Asgaard Navegação S.A.	MLog S.A.	**45,239**	29,345
Companhia de Navegação da Amazônia	Asgaard Navegação S.A.	**27,123**	126
Companhia de Navegação da Amazônia	MLog S.A.	**79,407**	22,101

The Company understands that the credit risk of amounts receivable from related parties is mitigated since the interest that these related parties hold in the Company exceeds the amounts of their debts.

The loan between MLog and Patrícia Tendrich Pires Coelho (holder of indirect interest in the Company) in the amount of R$ 270 is adjusted at the CDI rate plus 5% per year.

The loan between Asgaard and Maverick Holding S.A. (shareholder of MLog) in the amount of R$ 804, is adjusted at the CDI rate plus 5% per year.

The loan between Asgaard and Patrícia Tendrich Pires Coelho (holder of indirect interest in the Company) in the amount of R$ 105, is adjusted at the CDI rate plus 5% per year.

In addition to the items above, but not involving loans and promissory notes, Management highlights the following events of related parties:

The Company's parent company, Maverick Holding, is the guarantor of the total debt related to the aforementioned CNA acquisition. The existence of this guarantee was fundamental for the conclusion of the transaction and Maverick Holding chose not to charge the Company for this guarantee.

As disclosed in Note 1, Maverick Holding, assumed the obligation to pay R$ 73,348 to MLog for the resale of Marsil to Boicauva due to the Private Instrument of Termination. The company filed a lawsuit against

(In thousands of Reais, except where otherwise stated)

Maverick Holding, which is why the balance is shown in non-current assets. This lawsuit has a total value of R$ 203,376 and includes the subscribed and not yet paid-in portions of the Company's capital.

Compensation of key management personnel

The Company considers all current directors and board members to be key management personnel. In the twelve months of 2020, the remuneration of these directors and board members was, respectively, R$ 4,866 and R$ 971 (R$ 6,028 and R$ 1,431 in 2019). Management's global compensation, for the period from 01/05/2020 to 04/30/2021, up to R$ 9,800, was approved at the Annual Shareholders' Meeting held on July 31, 2020.

Share based compensation (stock options)

The Company's shareholders approved, at the Extraordinary Shareholders' Meeting of July 21, 2011, the adoption of a compensation plan for directors, board members and employees by means of a stock option plan. The options of the issuance plan by the Company are of the primary type, therefore, they involved the issuance of new shares.

The options in the proportion of one third of the total shares available for the plan, would be exercisable in three annual installments, the first after 12 months have elapsed since the grant date and the following two, under the same conditions, observing the periods of 24 and 36 months also counted from the grant date. Participants had a maximum period of sixty months, from the date of maturity, to exercise the options.

The exercise price of the options granted until August 20, 2012 was 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-five) 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 split of the share.

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

The monetary effects of remuneration based on stock options on shareholders' equity and income are as follows:

	2011	2012	2013	2014	2015	2016
Expired options [1]	939	7,266	8,041	8,281	781	
Recorded in income	939	7,299	8,898	8,737	(479)	(86)
Accumulated total in shareholders' equity	939	8,238	17,136	25,873	25,394	25,308

[1] In accordance with accounting standards, options expired for the non-exercise of the right, previously recorded in the income statement, are not reversed.

If a beneficiary requests resignation from his post, the options that were not exercisable would expire without any indemnity or compensation and the options that were already exercisable could be exercised in up to ninety days. On the date of this annual information, all shares expired due to the non-exercise of the option.

If the beneficiary's employment contract is terminated for just cause, all rights would automatically expire, regardless of notice or indemnity.

In the event that the beneficiary is dismissed upon removal from office without breach of duties or privileges, the specific rights that could be exercised in accordance with the respective option on the date of its issuance could be exercised within the remaining period of exercise that was available for that purpose. recipient. The rights that are not yet exercisable, however, would expire without any indemnity or compensation.

In the last quarter of 2020, all rights to exercise options expired. For this reason, the balance of the reserve account for payment based on shares was transferred to the account of accumulated losses, in compliance with the provisions of CPC 10.

13. Trade accounts payable

The consolidated balance of R$ 5,767 on 12/31/2020 (R$ 6,952 on 12/31/2019) basically refers to suppliers of services and materials used by the group's companies in their usual operations.

With respect to the balance of 12/31/2019, it mainly referred to an agreement entered with Citigroup in the amount of R$ 7,000, payable in twenty consecutive monthly installments of which nine installments remained, which were fully settled in 2020.

14. Obligations on acquisition of investments

This account refers to payment obligations assumed in connection with the acquisition of all shares of CNA.

Grupo Libra, creditor of these Obligations in the acquisition of investments and also responsible for potential liabilities of CNA, according to Notes 15 and 17, below, is in Judicial Recovery. Grupo Libra's credit with MLog was part of its approved Judicial Reorganization Plan.

On December 26, 2019, according to the approved Judicial Recovery Plan, Grupo Libra gave as payment to its original creditors of these Obligations in the acquisition of Investments due by MLog. The Libra Group's Payment Granting Instrument to its creditors contained a suspensive clause that linked the execution of this donation to the approval of MLog, which took place in January 2020.

With this approval, creditors from Grupo Libra became creditors of these Notes.

The banks Bradesco (29.3%) and Itaú (36.5%) make up approximately 65% of total credits.

On 03/31/2020, the Wholesale Credit Rights Fund - Non-Standardized (FIDC Grosso), as transferee and procedural successor of Banco Santander, holder of 26.3% of the right over MLog's debt for the acquisition of CNA, assigned all of its rights to Geribá Participações SPE-2 Ltda. (Geribá) and the latter, on 10/30/2020, assigned the right to credits to Rio Alva Participações S.A. (Rio Alva). On the same date, the Company and its subsidiaries Asgaard and CNA entered into a payment agreement with this creditor which involved: (i) payment of R$ 3,000 on the date of the Debt Confession, (ii) the payment of two additional installments, due in 2021, totaling R$ 3,000, in addition to the donation in payment of five CNA operational vessels.

(In thousands of Reais, except where otherwise stated)

The ownership of these vessels was transferred to Rio Alva in 2021, and legal moves are still pending for the transfer of their effective properties.

In the acquisition of CNA, Grupo Libra contractually assumed before the Company the responsibility for the payment of liabilities of various nature existing at CNA up to the date of its acquisition, in the amount of R$ 2,990 (R$ 11,215 on 12/31/2019).

The table below shows the debt movement on the date of these financial statements:

Composition of acquisition price	Balances on 12/31/2019	Transfer	Interest, fines, and additions	Adjustment in contingent consideration	Balances on 12/31/2020	Current	Non-current
Initial installment	47,726	1,116	4,035	-	**52,877**	52,878	-
Additional installment	38,392	(5,318)	2,812	-	**35,886**	31,432	4,454
Earn out installment	22,037	4,202	5,536	7,196	**38,971**	19,124	19,846
Earn out installment	-	-	-	-	**(28,142)**	**(28,142)**	-
	108,155	**-**	**12,383**	**7,196**	**99,592**	**75,292**	**24,300**

The amount originally defined in relation to the earn out portion (contingent consideration), calculated for the deposits of AFRMM credits generated after the acquisition of CNA and made in the linked account until 1/8/2022, was reached in the fiscal year of 2020. Accordingly, as provided for in CPC 15, it is necessary to adjust the fair value of the contingent consideration outside the measurement period, which must be recognized in the income for the year. The adjustment amount determined was R$ 7,196, based on the expectation of the Company's management based on the history of AFRMM releases verified in the last two years and the monitoring of ongoing processes with the Merchant Marine Fund and its effect on This result is recorded in the account Other operating income (expenses), as indicated in Note 25.

For comparison purposes, we present the table below with the movement of debt in the year 2019:

Composition of acquisition price	Balances on 12/31/2018	Interest	Unwinding of discount	Payments	Balances on 12/31/2019	Current	Non-current
Initial installment	41,547	6,179	-	-	47,726	44,698	3,028
Additional installment	35,301	3,896	-	(805)	38,392	25,782	12,610
Earn out installment	16,176	1,608	4,253	-	22,037	7,518	14,519
	93,024	**11,683**	**4,253**	**(805)**	**108,155**	**77,998**	**30,157**

(In thousands of Reais, except where otherwise stated)

15. Litigation

On 12/31/2020, the Company, together with its subsidiaries Asgaard and CNA, are parties to several lawsuits. The lawsuits classified as probable chances of loss are recorded in the balance sheet and basically refer, as mentioned in Note 17, to civil and labor claims owed by the subsidiary CNA.

Below is a table with the total value of the causes with possible loss prognosis, by type:

	Parent Company		Consolidated	
Nature	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Labor	-	-	(434)	-
Tax	-	(12,377)	(50)	(12,396)
Environmental	-	-	(14,408)	-
Cívil	(12,898)	(6,626)	(12,985)	(7,026)
Administrative	-	-	(15,507)	(19,797)
	(12,898)	**(19.003)**	**(43,384)**	**(39,219)**

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

Number of the Process	Type	Author	Nature	Value of the cause(R$)	Chances of loosing
Confidential	Arbitral	Confidential	Arbitration Procedure	Indeterminate	Possible
0034387-77.2009.8.14.0301	Tax	Fazenda Pública Município de Belém	Tax Enforcement Action	545	Possible
10283.721485/2012-45	Administrative	Delegacia da Receita Federal do Brasil em Manaus - AM/DRF/AM	Federal Notice	2,616	Possible
10283.720968/2013-11	Administrative	Delegacia da Receita Federal do Brasil em Manaus - AM/DRF/AM	Federal Notice	12,848	Possible
0071643-11.2014.4.01.3800	environmental	Ministério Público do Estado de Minas Gerais e MPF	Innominate caution	7,215	Possible
0078416-72.2014.4.01.3800	environmental	Ministério Público Federal	Public Civil Action	7,179	Possible
5178718-92.2018.8.13.0024	Civil	Boa Sorte Ltda.	Execution of Extrajudicial Title	12,790	Possible
0000716-71.2020.5.11.0009	Working complaint	Delcimar de Freitas Simões	Labor	104	Possible

The confidential Arbitration Procedure runs in the Market Arbitration Chamber and is filed against MLOG S.A. and 10 other parties as defendants. This procedure deals mainly with the default of installments of the capital increase in MLog by the shareholder Maverick Holding S.A. The requests that affect MLog are considered illiquid because they are not directly related to financial values.

Administrative proceeding No. 10283.720968 / 2013-11 refers to the tax assessment issued by the Federal Revenue of Manaus against the CNA for allegedly calculating the lowest IRPJ and CSL in the calendar year 2010, as well as the lowest PIS and COFINS in the calendar years of 2009, 2010 and 2011. The CNA filed a challenge, which was admitted on 08.07.2019, to cancel the infraction notice drawn up. CARF is awaiting judgment of the official appeal filed on August 28, 2019. According to the CNA acquisition agreement, this case, in the event of a definitive loss, must be reimbursed by Grupo Libra.

The execution of Extrajudicial Title nº 5178718-92.2018.8.13.0024 was proposed by Boa Sorte Ltda. which intends to receive a contractual portion related to the Mining Rights Assignment Agreement signed between the parties. On September 11, 2020, a decision was handed down, judging the execution to be extinguished with no merit resolution, in view of the divergence between the parties in relation to the amount due and the existence of an Arbitration Convention Clause. Appeals are awaiting judgment. In 2021 arbitration was initiated

16. Commitments

As a result of the Preliminary License to the Morro do Pilar Project granted by the Regional Superintendence of Environmental Regularization - SUPRAM on 11/6/2014, a series of conditions and other legal obligations should be satisfied by November 2019, for the formalization of the application for the concession of the Installation License - LI.

These conditions and studies required for the LI Protocol were completed in 2019 and the Company formalized the LI request with government agencies.

After the protocol and before the effective granting of the Installation License - LI, the Company will incur additional expenses and investments such as land purchase, environmental compensation and others, the final values of which will depend on negotiations between the Company and third parties.

As for the compensation referred to in article 36 of Law No. 9,985 / 2000 (National System of Nature Conservation Units - SNUC), the amount of resources to be allocated by the entrepreneur for this purpose is limited to 0.5% (means by percent) of the total estimated costs for the implementation of the enterprise. Thus, the final amount to be paid is linked to the total investments in the implementation of the mine, depending on the project arrangement intended by the company with respect to the estimated annual gross production. Once the compensation is defined, the amount must be paid in up to 4 monthly installments, the first one being up to 30 days after the granting of the Implantation License - LI, according to State Decree No. 45.175 / 2009. Based on the legal documentation related to this topic, the Company estimates the amount of this compensation to be approximately R$ 20,000.

On 02/07/2019, the Company entered into a Term of Agreement with the Municipality of Morro do Pilar, which has as its object, the execution by both parties, of obligations established in the referred Term of Agreement, in order to prepare the municipality for the implementation of the Company's enterprise. The total amount involved is R$ 47,500, with disbursements of R$ 15,923 (R$ 11,826 on 12/31/2019) already made. The remaining portion is R$ 31,577 (R$ 35,674 on 12/31/2019) of which R$ 0 (R$ 4,097 on 12/31/2019) accounted for in other accounts payable and R$ 31,577 (R$ 31,577 in 12/31/2019) that will be accounted for only after the granting of the Installation License (LI), when it will be due.

(In thousands of Reais, except where otherwise stated)

On 08/08/2019, the Company entered into a Term of Agreement with the Municipality of Santo Antônio do Rio Below (SARA), which has as its object, the execution by both parties, of obligations established in the referred Term of Agreement, with in order to prepare the municipality for the implementation of the Company's enterprise. The total amount involved is R$ 10,200, with disbursements of R$ 1,465 (R$ 429 on 12/31/2019), already made. The remaining portion of R$ 8,735 (R$ 9,771 on 12/31/2019) had, R$ 0 (R$ 1,036 on 12/31/2019) accounted for in other accounts payable and R$ 8,735 (R$ 8,735 on 12/31/19) which will be accounted for only after the granting of the Installation License (LI), when will become due.

As detailed in Note 17, the balances presented in the line of Judicial Agreements in the table below, refer to the agreements entered into by the Company and also by the subsidiary Asgaard Navegação SA with Banco BNP Paribas Brasil SA on services provided that did not have characteristics of financing.

The composition of other accounts payable is as follows:

	Parent Company		**Consolidated**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Term of Cooperation	-	5,133	-	5,133
Judicial agreements	189	-	189	-
Insurance premiums payable	-	-	131	541
Granting of water	-	549	1,040	549
Others	57	79	1,270	2,293
	246	**5,761**	**2,630**	**8,516**

17. Provisions (consolidated)

The short-term provisioned amounts refer to: (i) second installment of pipeline easement agreements, in the amount of R$ 1,642 (R$ 1,642 on 12/31/2019), due when the notary regularization by the owners of servant properties and (ii) recovery of squares and accesses from geological survey in the region of the Morro do Pilar Project in the amount of R$ 30 (R$ 30 on 12/31/2019) and provisions for labor contingencies of R$ 1,836 (R$ 1,961 on 12/31/2019).

The long-term value refers to:

(i) On 6/29/2020, the Company entered into a judicial agreement with Banco BNP Paribas Brasil SA, ending the contingency that on 12/31/2019 was included in non-current liabilities under the caption Provisions, in the amount of R$ 5,999. In this agreement, with a total amount of R$ 2,861, the Company paid 50% of the total amount on 06/29/2020 and the remaining balance was paid in six consecutive monthly installments and is recorded under the heading Other Accounts Payable (see Note nº 16). The effect of the reversal of the provision for contingency, as well as the offsetting of the obligation recognized in current liabilities, are shown in Note 25 (Other Operating Income (Expenses)).

(In thousands of Reais, except where otherwise stated)

(ii) The subsidiary Asgaard Navegação SA and Banco BNP Paribas Brasil S, A,, entered into a judicial agreement on 06/29/2020, ending the contingency, in the amount of R$ 4,841 on 12/31/2019, which was registered in the non-current liabilities, in the provisions item. The agreement, with a total amount of R$ 4,493, had 50% of the total amount paid in the signing of the agreement and the remaining balance was paid in six consecutive monthly installments. The obligation assumed by the agreement entered into is recorded in current liabilities, under the heading Other Accounts Payable (see Note 16). Both the reversal of the provision for contingencies, and the offsetting of the obligation recognized in current liabilities, impacted the item Other Operating Income (Expenses) (see Note 25).

(iii) R$ 2,928 (R$ 10,946 on 12/31/2019) due by the subsidiary Companhia de Navegação da Amazônia as a result of civil and labor lawsuits, categorized as probable.

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18. Equity

Capital

On 12/31/2020, the Company's subscribed capital is represented by 2,899,712 common shares as detailed below:

	12/31/2020		12/31/2019	
Shareholders	**Common shares**	**%**	**Common shares**	**%**
Maverick Holding S.A.	1,539,186	53.08	1,539,186	53.08
Fjords Limited	536,737	18.51	536,737	18.51
Korea Investment Corporation	244,909	8.45	244,909	8.45
Fábrica Holding S.A.	154,072	5.31	154,072	5.31
Other	424,808	14.65	424,808	14.65
	2,899,712	**100.00**	**2,899,712**	**100.00**

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, manager and indirect co-controller of MLog, entered into a contract definitive purchase and sale of 449,746 common shares of the Company, representing 15.51% of its capital stock.

In October 2019, the transfer of shares was formalized, under the terms of the applicable regulation, and Rio Sul became a shareholder of the Company and EIG no longer has any shares in the Company.

(In thousands of Reais, except where otherwise stated)

On 12/17/2019, a notice was issued to the market informing that:

(i) Fjords Limited received 449,746 shares representing 15.51% of MLog's share capital, previously owned by Rio Sul Investments LLC;

(ii) Rio Sul Investments LLC received from Fjords a future call option of 268,368 MLog common shares, representing 9.25% of the Company's capital stock.

With this transaction, the following relevant shareholdings were changed:

- Rio Sul Investments LLC, previously a direct and indirect holder of 29.52% of MLog's shares, now indirectly holds the equivalent of 14.01% of MLog's shares;

- Luiz Claudio de Souza Alves, previously an indirect holder of 45.59% of MLog's shares, now indirectly holds the equivalent of 30.08% of MLog's shares;

- Rio Sul Investments LLC now holds a future call option equivalent to 9.25% of MLog's shares; and

- Fjords Limited, previously holding 3.00% of MLog's shares, now directly holds the equivalent of 18.51% of MLog's shares.

In January 2020, the transfer of shares was formalized, under the terms of the applicable regulations.

The operations described above did not aim at or change the composition of the control or the administrative structure of the Company.

Pursuant to the amendment to the Bylaws, approved at the Extraordinary General Meeting of August 26, 2015, the Company's capital stock may be increased by resolution adopted by the Board of Directors, regardless of amendment 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 for subscription, payment, and issue.

Net profit (loss) per share

The table below shows the result and share data used to calculate the basic and diluted earnings per share in the years:

	12/31/2020	12/31/2019
Result attributed to the holders of the shares	41,366	(29,530)
Outstanding shares	2,899,712	2,899,712
Earnings per share - basic and diluted - in reais (*)	**14.27**	**(10.18)**

(In thousands of Reais, except where otherwise stated)

(*) The loss for the year does not generate a dilutive effect for holders of stock options and subscription bonuses.

19. 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 in the period from January to June 2019, also by Marsil are shown below:

	12/31/2020	12/31/2019
Revenue		
Chartering of vessels	26,820	23,766
Charge transport	54,532	51,148
Sale of products	-	8,732
Gross profit	**81,352**	**83,646**
Taxes on sales		
PIS and COFINS	(5,853)	(5,138)
ICMS	(5,786)	(5,402)
Other	(1,394)	(712)
Net revenue	**68,319**	**72,394**
Cost of services		
Payroll and related charges	(23,130)	(23,425)
Chartering	(1,037)	-
Depreciation	(11,999)	(10,815)
Rentals	(288)	(1,271)
Materials	(19,210)	(20,469)
Insurances	(2,827)	(2,164)
Services	(5,811)	(7,344)
Other	(1,985)	(2,255)
	(66,287)	**(67,743)**
Gross profit	**2,032**	**4,651**

The Company earned revenue from the sale of products only in the first six months of 2019, due to the fact that the then subsidiary Marsil was part of the consolidated balances. As of the second half of 2019, Marsil is no longer part of the group.

The caption services, which make up the cost of services provided, comprises R$ 1,925 in the balance for the second quarter of 2019 related to Marsil, which is no longer part of the group and consequently consolidated in 2020.

(In thousands of Reais, except where otherwise stated)

Information on the nature of expenses recognized in the consolidated income statement is presented below:

	12/31/2020	12/31/2019
Payroll and related charges	(39,973)	(41,325)
Chartering	(1,037)	-
Depreciation	(12,414)	(11,438)
Rentals	(1,025)	(2,005)
Materials	(19,210)	(20,469)
Insurances	(2,827)	(2,164)
Services	(9,880)	(10,454)
Remission of debts	25,144	-
Contingent consideration adjustment	(7,196)	-
Other	(5,346)	(10,327)
	(73,764)	**(98,182)**
Costs of services provided	(66,287)	(67,743)
Operational expenses	(27,672)	(27,753)
Other operating income (expenses)	20,195	(2,686)
	(73,764)	**(98,182)**

20. Financial income

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Earnings from financial investment	-	-	184	8
Earnings from recovery taxes	4	212	74	290
Interest on loans with related parties	19,839	3,579	20,454	3,645
Discount obtained	2	-	3	8
Other	1	54	1	54
	19,846	**3,845**	**20,716**	**4,005**

The loan interest rate basically refers to the updating of the credit commitment of the parent company Maverick Holding with MLog, as described in Note 1.

(In thousands of Reais, except where otherwise stated)

21. Financial expenses

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Interest on bank loans	-	-	(1,129)	(314)
Interest on acquisition of investment	(12,383)	(15,937)	(12,383)	(15,937)
Exchange variation	-	-	(172)	(41)
Bank charges	(29)	(27)	(293)	(942)
Interest on arrears	(1,292)	(514)	(1,961)	(449)
Other	(244)	-	(303)	(122)
	(13,948)	**(16,478)**	**16,241)**	**(17,805)**

22. Financial instruments

Classification by category

As of 12/31/2020, all the Company's financial assets and liabilities are measured at amortized cost, except the Obligation on the acquisition of investment classified in the category of Measurement at fair value 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. Interest values are classified at different levels in a hierarchy based on the information (inputs) used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs, except for the 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 assets or liabilities, that are not based on observable market data (unobservable inputs). The main financial instruments of the company as of September 30, 2020 and December 31, 2019 are listed below:

The main financial instruments of the company as of December 31, 2020 and 2019 are listed below:

	12/31/2020		12/31/2019		
Financial assets and liabilities	**Book value**	**Category**	**Book value**	**Category**	**Hierarchy**
Assets					
Cash and cash equivalents	**14,848**	Amortized cost	1,581	Amortized cost	
AFRMM deposits in escrow account	**2,476**	Amortized cost	69,278	Amortized cost	
Trade accounts receivable	**5,838**	Amortized cost	6,515	Amortized cost	
Related parties' loans	**74,542**	Amortized cost	53,529	Amortized cost	
Rights in the deal	**2,990**	Amortized cost	11,215	Amortized cost	
Other credits	**3,557**	Amortized cost	1,657	Amortized cost	
Liabilities					
Trade accounts payable	**5,767**	Amortized cost	6,952	Amortized cost	
Loans and financing	**100,441**	Amortized cost	12,943	Amortized cost	
Obligations with affiliates	**99,592**	Fair value through profit or loss	108,155	Fair value through profit or loss	Level 3

In assessing financial instruments, the Company did not identify a significant difference between the book value measured at amortized cost and the fair value of its financial assets and liabilities.

Risk management

For the fair values of the contingent consideration of the CNA acquisition debt, possibly reasonable changes in the reporting date in one of the significant unobservable inputs, and keeping the other inputs constant, would have the following effects:

In thousands os reais	**Increase**		**Decrease**	
12/31/2020	25%	1,799,129.70	25%	-1,799,129.70
Assumptions:	25% increase / decrease in average payment terms in future periods			

Risk management

The financial operations of the Company and its subsidiaries are carried out through the financial area in accordance with the conservative strategy, aiming at security, profitability and liquidity, in line with the Company's treasury and cash management policy. The Policy establishes criteria for protection against financial risks arising from contracting obligations, whether in foreign or national currency, in order to manage the exposure of risks associated with exchange rate and interest rate variations.

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

Credit risk

Credit risk is the Company's risk of incurring financial losses if a customer or a counterparty in a financial instrument fails to comply with its contractual obligations. The financial instruments subject to credit risks refer to cash and cash equivalents and accounts receivable.

Receivables

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. However, Management also considers factors that may influence the credit risk of its customer base, including the risk of non-payment by the industry and the country in which the customer operates.

The Company limits its exposure to the credit risk of accounts receivable, adopting as a policy only to negotiate with customers who have enough credit capacity.

The Group's main customer, which on 12/31/2020 represented around 50% of receivables, has been operating with the Company for more than 4 years, and none of these customer balances have been written off or had recovery problems until the balance sheet date.

Additionally, there is no history of securitization of credits.

(In thousands of Reais, except where otherwise stated)

Cash and Cash Equivalent

As disclosed in Note 3, the balance on 12/31/2020 of cash equivalents, mostly refers to available funds held in cash or credit against financial institutions that have a national scale rating between AA - and AA +, based on the rating agency S&P.

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. Therefore, there are no indications of impairment based on risk exposure.

All operations are carried out with institutions of recognized liquidity and in line with the Company's treasury and cash management policy.

Interest rate risk

This risk arises from the possibility of incurring losses due to fluctuations in interest rates that increase the financial expenses related to its obligations. The inherent risk arises from the possibility of relevant fluctuations in the CDI.

On 12/31/2020, 95% of loans and financing were linked to fixed interest rates, as shown in the table below. The Company currently does not carry out hedge, swap or any other operations involving derivative financial instruments.

Liquidity risk

It represents the risk of scarcity and difficulty for the Company to honor its debts. The Company and its subsidiaries seek to align the maturity of their debts with the period of cash generation to avoid mismatches and generate the need for greater leverage. However, as mentioned in Note 1, the Company has negative working capital.

The table below details the maturity of the main financial liabilities of the Company and its subsidiaries on the date of these financial statements:

	Consolidated			
	Up to one year	**From one to three years**	**Over three years**	**Total**
Loans and financing	32,558	67,883	-	**100,441**
Trade accounts payable	5,767	-	-	**5,767**
Obligations on acquisition of investments	75,292	19,768	4,532	**99,592**
	113,617	**87,651**	**4,532**	**205,800**

(In thousands of Reais, except where otherwise stated)

Loans and Financing

CURRENT				Consolidated	
Company	Financial Institution	Type	Interest Rate (p.y.)	12/31/2020	12/31/2019
MLog	BNDES	Financing	Pre-Fixed	23,828	-
CAN	Banco BASA	Working capital	Post-Fixed	1,186	1,463
CAN	Banco Itaú	Working capital	Pre-Fixed	1,565	2,060
Asgaard	Banco Itaú	Working capital	Pre-Fixed	289	456
Asgaard	Banco Itaú	Guaranteed account	Pre-Fixed	-	910
CAN	Banco do Brasil	Working capital	Post-Fixed	3,975	4,320
CAN	Banco ABC	Working capital	Pre-Fixed	1,715	-
				32,558	**9,209**

NON-CURRENT					
Company	Financial Institution	Type	Interest Rate (p.y.)		
MLog	BNDES	Financing	Pre-Fixed	56,593	-
CNA	Banco BASA	Working capital	Post-Fixed	5,472	1,350
CNA	Banco Itaú	Working capital	Pre-Fixed	913	1,180
Asgaard	Banco Itaú	Working capital	Pre-Fixed	-	191
CNA	Banco do Brasil	Working capital	Post-Fixed	619	1,013
CNA	Banco ABC	Working capital	Pre-Fixed	4,286	-
				67,883	**3,734**
				100,441	**12,943**

As mentioned in Note 1, as a result of the acquisition of the three AHTS, the Company assumed the debt related to the financing of these vessels with the BNDES. This financing is updated based on the variation of the United States dollar and has a fixed interest rate of 5% per year.

The other loans are denominated in reais, with interest at an average annual rate of 6.12%. Loans with floating rates have their remuneration linked to the CDI.

Asgaard appears as the third guarantor of the loan taken by CNA with Banco ABC. Such guarantee was given through the fiduciary assignment of credit rights held by Asgaard, related to the contract for the provision of services to its Petrobras client.

Market risk

Market risk is the risk that changes in market prices - such as exchange rates, interest rates and stock prices - will affect the Group's earnings or the value of its financial instruments. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, and at the same time to optimize the return.

(In thousands of Reais, except where otherwise stated)

Sensitivity Analysis

The table below shows the sensitivity analysis for exchange rate and interest rate risks, considering a one-year horizon. This analysis considered a probable scenario (Scenario) as assessed by Management and also two scenarios with deterioration of both risk variables by 25% (Scenario I) and 50% (Scenario II).

The assumptions used for the probable scenario were based on information available in the market, such as: Dollar 5.33 (Focus report of 3/29/2021) and CDI 1.90% (BM&F).

				+ 25%	+ 50%
		12/31/2020	Base	Scenario I	Scenario II
BNDES Financing	US$	80,421	(2,063)	(2,.684)	(43,305)
Obligation to acquire investment	CDI	99,592	(7,293)	(9,141)	(10,998)
	US$	5.1967	5.3300	6.6625	7.9950
	CDI	1.90%	5.00%	6.25%	7.50%

23. Insurance coverage

The Company and its subsidiaries have several insurance policies in order to protect their operation and assets.

In Shipping activities, the subsidiaries Asgaard and CNA contract insurance for their vessels (hull insurance), in addition to protection and indemnity coverage (P&I).

The main coverages are:

Hull Insurance:
- CNA: Total coverage of R$ 101 million
- Asgaard: Total coverage of US$ 32,6 million
- Mlog: Total coverage of US$ 24,9 million

Protection and Indemnity Insurance (P&I):
- CNA: Coverage limited to US $ 8,2 billion per event and occurrence.
- Asgaard: Maximum Indemnity Limit. International P&I Group limit - greater than US$ 8,2 billion.
- Mlog: Maximum Indemnity Limit. International P&I Group limit - greater than US$ 8,2 billion.

(In thousands of Reais, except where otherwise stated)

On 7/4/2020, the civil liability insurance for directors and administrators (D&O), the parent company and its subsidiaries were renewed, in the insured amount of up to R$ 50 million.

24. Operating expenses with personnel

Personnel expenses on 12/31/2020 were as follows:

	Parent Company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Remuneration & Charges	(2,230)	(4,754)	(10,834)	(12,178)
Social Security Charges	(465)	(715)	(2,641)	(3,002)
Benefits	(553)	(843)	(3,361)	(2,696)
Other		-	(7)	(24)
	(3,248)	**(6,312)**	**(16,843)**	**(17,900)**

25. Other Operating Income (Expenses)

	Parent Company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Reversal (constitution) of provisions	6,122	-	10,963	(4,841)
Judicial agreement	(3,439)	-	(9,793)	-
Libra operating expense	(7,196)	-	(7,196)	-
Remission of debts	12,572	-	25,144	-
Write-off of investment and fixed assets	-	2,320	(253)	2,320
Repair refunds	-	-	848	620
Loss indemnity revenue	-	-	501	1,014
Other	-	-	(19)	(1,799)
	8,059	**2,320**	**20,195**	**(2,686)**

According to Note 17, the balances presented in the Judicial Agreement line, refer to the agreements entered into by the Company and also by the subsidiary Asgaard Navegação S.A with Banco BNP Paribas Brasil S.A. on services provided.

The expense of R$ 7,196 relates to an adjustment to contingent consideration, as described in Note 14.

Revenue from debt reissue refers to the gain recognized as a result of the Debt Confession entered into between MLog, Asgaard and Rio Alva, the details of which are described in Note 14.

26. Information by Business Segment

The information by segment must be prepared in accordance with CPC 22 (Information by Segment), equivalent to IFRS 8, and must be presented in relation to the business of the Company, its subsidiaries and jointly controlled companies, 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 in each of the reportable segments.

• Mining

It covers iron ore mining activities in Minas Gerais consolidating all operations related to the studies and research of the works necessary for the protocol of 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 sells high quality iron ore. This company was sold on 07/16/2019.

The subsidiaries Dutovias do Brasil S.A, Companhia de Desenvolvimento do Norte Capixaba also have a scope related to the logistics segment, linked to mining, although both are in pre-operational stage.

Statements of operations - Segments
Years ended December 31, 2020
(In thousands Reais)

	Mining	Shipping	Consolidated
Net operating income	-	68,319	68,319
Cost of services	-	(66,287)	(66,287)
Gross profit	**-**	**2,032**	**2,032**
Operating expenses			
Personnel	(4,133)	(12,710)	(16,843)
Services rendered	(3,298)	(771)	(4,069)
General & administrative	(946)	(3,578)	(4,524)
Depreciation and amortization	(298)	(116)	(414)
Taxes	(1,408)	(414)	(1,822)
Other operating income (expenses)			
Government subsidies - AFRMM	-	45,634	45,634
Other operating income (expenses)	2,683	17,512	20,195
	(7,400)	**45,557**	**38,157**
Operating loss before financial results	**(7,400)**	**47,589**	**40,189**
Financial income and expenses			
Financial income			20,716
Financial expenses			(16,241)
			4,475
Income (loss) before income tax and social contribution			**44,664**
Income tax and social contribution	-		
Current	-		(467)
Deferred	-		(2,831)
Income (loss) for the year			**41,366**

• Shipping

The shipping segment consolidates the operations of Asgaard and CNA. Asgaard has been operating in the maritime support sector since March 2016, providing services with the 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 climate and storage infrastructure.

Statements of operations - Segments
Years ended December 31, 2019
(In thousands Reais)

	Mining	**Shipping**	**Consolidated**
Net operating income	8,286	64,108	72,394
Cost of services	(7,239)	(60,504)	(67,743)
Gross profit	**1,047**	**3,604**	**4,651**
Operating expenses			
Personnel	(11,142)	(6,758)	(17,900)
Services rendered	(2,375)	(735)	(3,110)
General & Administrative	(3,042)	(2,509)	(5,551)
Depreciation & amortization	(441)	(182)	(623)
Taxes	(160)	(409)	(569)
Other operating income (expenses)			
Government subsidies - AFRMM	-	10,518	10,518
Other operating income (expenses)	(1,375)	(1,311)	(2,686)
	(18,535)	**(1,386)**	**(19,921)**
Operating loss before financial results	**(17,488)**	**2,218**	**(15,270)**
Financial income and expenses			
Financial income			4,005
Financial expenses			(17,805)
			(13,800)
Income (loss) before income tax and social contribution	**--**	**--**	**(29,070)**
Income tax and social contribution			
Current	-		(253)
Deferred	-		(207)
Income (loss) for the year	**--**	**--**	**(29,530)**

Segment Information
Assets and Liabilities – 12/31/2020
(In thousands Reais)

	Mining	Shipping	Consolidated
ASSETS			
AFRMM	-	10,551	10,551
Rights in the negotiation transaction	-	2,990	2,990
Loans with related parties	73,618	924	74,542
PPE	31,020	278,343	309,363
Intangible	740,468	65,862	806,330
Other	2,520	32,844	35,364
	847,626	**391,514**	**1,239,140**
LIABILITY			
Providers	425	5,342	5,767
Loans and financing	-	100,441	100,441
Loans with related parties		4,135	4,135
Provisions	3,508	2,928	6,436
Obligation in the Investments acquisition	-	99,592	99,592
AFRMM	-	178,067	178,067
Other	3,348	15,478	18,826
	7,281	**405,983**	**413,264**

Assets and liabilities
Segment Information 12/31/2019
In thousands Reais)

	Mining	Shipping	Consolidated
ASSETS			
AFRMM	-	78,404	78,404
Rights in the negotiation transaction	-	11,215	11,215
Loans with related parties	53,779	843	54,622
PPE	31,293	166,413	197,706
Intangible	738,501	65,790	804,291
Other	2,110	21,970	24,080
	825,683	**344,635**	**1,170,318**
LIABILITY			
Providers	289	6,663	6,952
Loans and financing	-	12,943	12,943
Provisions	9,632	15,787	25,419
Obligation in the Investments acquisition	-	108,155	108,155
AFRMM	-	208,789	208,789
Other	8,443	15,107	-
	18,364	**367,444**	**385,808**

Elias David Nigri

Chief Executive Officer

Gustavo Barbeito

Investor Relations Officer

Luiz Felipe Perdigão

Controller

José Eduardo Pereira Gonçalves

Accountant – CRC RJ 063543/O-2