(Convenience Translation into English from the Original Previously Issued in Portuguese)

Tarpon Investimentos S.A.

Individual and Consolidated
Interim Financial Statements for the
Quarter and Nine-month Periods
Ended September 30, 2018 and
Report on Review of
Interim Financial Statements

Deloitte Touche Tohmatsu Auditores Independentes

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Directors and Shareholders of
Tarpon Investimentos S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial statements of Tarpon Investimentos S.A. ("Company"), which comprise the balance sheet as at September 30, 2018 and the related statements of profit and loss and of comprehensive income for the quarter and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, as well as the summary of significant accounting practices and other explanatory notes.

Management's responsibility for the interim financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated interim financial statements in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB, as and for the internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned individual and consolidated interim financial statements have not been prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of interim financial statements.

Deloitte.

Other matters

Statements of value added

We have also reviewed the individual and consolidated interim statements of value added ("DVA") for the nine-month period ended September 30, 2018, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the Brazilian Securities Commission (CVM) and is considered as supplemental information for IFRS, issued by IASB, which do not require the presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial statements taken as a whole.

The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, November 14, 2018

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Luiz Carlos Oseliero Filho
Engagement Partner

2018-SPO-2801 PA VF.DOCX

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Tarpon Investimentos S.A.

Individual and consolidated balance sheets
As at September 30, 2018 and December 31, 2017
(In thousands of Brazilian reais - R$)

		Individual		Consolidated	
Assets	**Note**	**09/30/2018**	**12/31/2017**	**09/30/2018**	**12/31/2017**
Current assets					
Cash and cash equivalents	4	99	51	324	28,285
Financial assets measured at fair value through profit or loss	5	32,780	-	55,855	25,585
Receivables	7	-	-	331	658
Recoverable taxes	8	209	203	2,814	452
Other assets	9	67	-	8,826	8,129
Total		**33,155**	**254**	**68,150**	**63,109**
Noncurrent assets					
Recoverable taxes	8	1,110	1,075	1,110	1,075
Other assets	9	-	-	725	-
Deferred taxes	22.b	-	-	333	-
Investments	10	26,219	61,518	-	-
Property, plant and equipment	11	-	-	78	101
Intangible assets	12	-	-	165	172
Total		**27,329**	**62,593**	**2,411**	**1,348**
Total assets		**60,484**	**62,847**	**70,561**	**64,457**

		Individual		Consolidated	
Liabilities	**Note**	**09/30/2018**	**12/31/2017**	**09/30/2018**	**12/31/2017**
Current liabilities					
Trade payables	13	-	7,271	392	462
Corporate obligations	16.d	88	2,421	88	2,421
Taxes payable	14	352	364	8,947	6,307
Payroll and related taxes	15	16	14	746	2,195
Total		**456**	**10,070**	**10,173**	**11,385**
Noncurrent liabilities					
Deferred taxes	22.b	-	-	360	295
Total		**-**	**-**	**360**	**295**
Equity					
Capital	16.a	7,818	7,085	7,818	7,085
Capital reserve	16.f	3,236	3,236	3,236	3,236
Treasury shares	16.h	(626)	(624)	(626)	(624)
Legal reserve	16.c	1,415	1,415	1,415	1,415
Earnings reserve	16.g	7,072	7,072	7,072	7,072
Share-based payment reserve		23,163	21,697	23,163	21,697
Cumulative translation adjustments		16,199	12,896	16,199	12,896
Retained earnings		1,751	-	1,751	-
		60,028	**52,777**	**60,028**	**52,777**
Total liabilities and equity		**60,484**	**62,847**	**70,561**	**64,457**

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Tarpon Investimentos S.A.

Interim individual and consolidated statements of profit and loss
For the quarters and nine-month periods ended September 30, 2018 and 2017
(In thousands of Brazilian reais - R$)

		Individual				Consolidated			
	Note	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017
Management fee		-	-	-	-	7,673	25,496	11,651	34,349
Performance fee		-	-	-		-	-	-	748
Net operating revenue	18	**-**	**-**	**-**	**-**	**7,673**	**25,496**	**11,651**	**35,097**
Operating income (expenses)									
Personnel expenses	15	-	-	-	-	(3,513)	(14,764)	(4,607)	(20,235)
Share-based payment reserve	21	-	-	-	-	(689)	(1,466)	(256)	(811)
Administrative expenses	19	(383)	(1,189)	(985)	(1,424)	(1,980)	(5,533)	(2,801)	(5,944)
Income from financial assets	20	501	663	-	-	863	1,745	434	1,055
Share of profit of subsidiaries	10	1,369	2,502	4,120	6,839	-	-	-	-
Other operating income (expenses)		(44)	(225)	(29)	(65)	(156)	(435)	(600)	(755)
		1,443	**1,751**	**3,106**	**5,350**	**(5,475)**	**(20,453)**	**(7,830)**	**(26,690)**
Operating profit		**1,443**	**1,751**	**3,106**	**5,350**	**2,198**	**5,043**	**3,821**	**8,407**
Income tax and social contribution	22	-	-	-	-	(755)	(3,292)	(715)	(3,057)
Current tax		-	-	-	-	(829)	(3,560)	(687)	(2,969)
Deferred tax		-	-	-	-	74	268	(28)	(88)
Profit for the quarter and nine-month period		**1,443**	**1,751**	**3,106**	**5,350**	**1,443**	**1,751**	**3,106**	**5,350**
Attributable to Company's owners		1,443	1,751	3,106	5,350	1,443	1,751	3,106	5,350
Number of outstanding shares at end of period		44,116	44,116	43,959	43,959	44,116	44,116	43,959	43,959
Basic earnings per share	17.a	**0.03**	**0.04**	**0.07**	**0.12**	**0.03**	**0.04**	**0.07**	**0.12**
Diluted earnings per share	17.b	**0.03**	**0.04**	**0.07**	**0.12**	**0.03**	**0.04**	**0.07**	**0.12**

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Tarpon Investimentos S.A.

Interim individual and consolidated statements of comprehensive income
For the quarters and nine-month periods ended September 30, 2018 and 2017
(In thousands of Brazilian reais - R$)

		Individual				Consolidated			
	Note	**07/01/2018 to 09/30/2018**	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**	**07/01/2018 to 09/30/2018**	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**1/1/2017 to 9/30/2017**
Profit for the quarter and nine-month period		1,443	1,751	3,106	5,350	1,443	1,751	3,106	5,350
Comprehensive income		165	3,303	(1,292)	(585)	165	3,303	(1,292)	(585)
Cumulative translation adjustments	10	165	3,303	(1,292)	(585)	165	3,303	(1,292)	(585)
Total comprehensive income for the quarter and nine-month period		**1,608**	**5,054**	**1,814**	**4,765**	**1,608**	**5,054**	**1,814**	**4,765**
Comprehensive income attributable to Company's owners		1,608	5,054	1,814	4,765	1,608	5,054	1,814	4,765

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

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Tarpon Investimentos S.A.

Interim consolidated statements of changes in equity (parent company)
For the nine-month periods ended September 30, 2018 and 2017
(In thousands of Brazilian reais - R$)

		Capital	Capital reserve	Earnings reserve	Legal reserve	(-) Treasury shares	Share-based payment reserve	Cumulative translation adjustments	Dividends proposed	Retained earnings	Total equity
Balances as at December 31, 2016	**Note**	**7,085**	**1,968**	**1,268**	**1,415**	**-**	**20,758**	**12,236**	**3,462**	**-**	**48,192**
Share-based payment reserve	21	-	-	-	-	-	811	-	-	-	811
Cumulative translation adjustments	10	-	-	-	-	-	-	(585)	-	-	(585)
Treasury shares acquired	16.h	-	-	-	-	(624)	-	-	-	-	(624)
Distribution of dividends		-	-	-	-	-	-	-	(3,462)	-	(3,462)
Profit for the nine-month period		-	-	-	-	-	-	-	-	5,350	5,350
Balances as at September 30, 2017		**7,085**	**1,968**	**1,268**	**1,415**	**(624)**	**21,569**	**11,651**	**-**	**5,350**	**49,682**
Balances as at December 31, 2017	**Note**	**7,085**	**3,236**	**7,072**	**1,415**	**(624)**	**21,697**	**12,896**	**-**	**-**	**52,777**
Capital increase	16.b	733	-	-	-	-	-	-	-	-	733
Share-based payment reserve	21	-	-	-	-	-	1,466	-	-	-	1,466
Cumulative translation adjustments	10	-	-	-	-	-	-	3,303	-	-	3,303
Treasury shares acquired	16.h	-	-	-	-	(2)	-	-	-	-	(2)
Profit for the nine-month period		-	-	-	-	-	-	-	-	1,751	1,751
Balances as at September 30, 2018		**7,818**	**3,236**	**7,072**	**1,415**	**(626)**	**23,163**	**16,199**	**-**	**1,751**	**60,028**

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

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Tarpon Investimentos S.A.

Interim individual and consolidated statements of cash flows
For the nine-month periods ended September 30, 2018 and 2017
(In thousands of Brazilian reais - R$)

		Individual		Consolidated	
	Note	09/30/2018	09/30/2017	09/30/2018	09/30/2017
Operating activities					
Profit for the quarter and nine-month period		1,751	5,350	1,751	5,350
Adjustments:					
Depreciation and amortization	11, 12 & 19	-	-	40	247
Share of profit of subsidiaries	10	(2,502)	(6,839)	-	-
Increase in share-based payment plan	21	-	-	1,466	811
Write-off in property, plant and equipment		-	-	-	87
Provision for current income tax and social contribution	22	-	-	3,560	2,969
Provision for deferred income tax and social contribution	22	-	-	(268)	88
Adjusted (loss)/profit		**(751)**	**(1,489)**	**6,549**	**9,552**
Changes in assets and liabilities:					
(Increase) / decrease in receivables		-	-	327	10
(Increase) / decrease in financial assets measured at fair value through profit or loss	5	(32,780)	-	(30,270)	4,682
(Increase) / reduction of derivative financial assets		-	-	-	(456)
(Increase) / decrease in recoverable taxes		(41)	-	(2,397)	569
(Increase) / decrease in other assets		(67)	578	(1,422)	3,264
Increase / (decrease) in labor obligations		2	(1)	(1,449)	1,763
(Decrease) in trade payables		(7,271)	(2,488)	(70)	506
Increase / (decrease) in tax liabilities		(12)	2	2,737	1,697
Income tax and social contribution paid		-	-	(3,657)	(4,357)
Cash flow from/(to) operating activities		**(40,920)**	**(3,398)**	**(29,652)**	**17,230**
Investing activities					
Dividends received	10	10,439	9,068	-	-
Effect arising from the payment plan based on restricted shares		2,446	-	-	-
Receipt with settlement of subsidiary (TISA NY)	10	29,685	-	-	-
Acquisitions of property, plant and equipment	11	-	-	(10)	-
Cash flow from/(to) investing activities		**42,570**	**9,068**	**(10)**	**-**
Financing activities					
Capital increase	16.b	733	-	733	-
Dividends paid	16.d	(2,333)	(4,975)	(2,333)	(4,975)
Repurchase shares in treasury		(2)	(624)	(2)	(624)
Cash flow from/(to) financing activities		**(1,602)**	**(5,599)**	**(1,602)**	**(5,599)**
Total cash flows		48	71	(31,264)	11,631
Increase /(decrease) in cash and cash equivalents, net		48	71	(31,264)	11,631
Cash and cash equivalents at the beginning of the period	4	51	250	28,285	25,742
Exchange rate changes on cash and cash equivalents		-	-	3,303	(585)
Cash and cash equivalents at the end of the period	4	**99**	**321**	**324**	**36,788**

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

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Tarpon Investimentos S.A.

Interim individual and consolidated statements of value added
For the nine-month periods ended September 30, 2018 and 2017
(In thousands of Brazilian reais - R$)

	Note	Individual		Consolidated	
		09/30/2018	**09/30/2017**	**09/30/2018**	**09/30/2017**
Management fee (gross)	18	-	-	26,246	35,112
Performance fee (gross)	18	-	-	-	793
Materials, power, outside services and other		(1,414)	(1,489)	(5,928)	(7,266)
Gross value added		**(1,414)**	**(1,489)**	**20,318**	**28,639**
Retentions					
(-) Depreciation, amortization and/or depletion	19	-	-	(40)	(247)
Net value added		**(1,414)**	**(1,489)**	**20,278**	**28,392**
Value added received in transfer		**3,165**	**6,839**	**1,745**	**1,055**
Share of profit of subsidiaries	10	2,502	6,839	-	-
Finance income	20	663	-	1,745	1,055
Total value added to be distributed		**1,751**	**5,350**	**22,023**	**29,447**
Distribution of value added		**1,751**	**5,350**	**22,023**	**29,447**
Personnel		**-**	**-**	**16,230**	**20,233**
Payroll and related taxes	15 and 21	-	-	16,230	20,233
Taxes, rates and contributions		-	-	4,042	3,864
Federal		-	-	3,517	3,193
Municipal		-	-	525	671
Equity remuneration		1,751	5,350	1,751	5,350
Profit for the period		1,751	5,350	1,751	5,350

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

Notes to the individual and consolidated interim financial statements

(Amounts in thousands of Brazilian reais - R$)

1 General Information

Tarpon Investimentos S.A. ("Company" or "Tarpon") was established in September 2002, initially organized as a limited liability company, with head office at Rua Iguatemi, 151 - 23o andar, São Paulo/SP, to engage in securities portfolio and asset management, through investment funds, managed portfolios and other investment vehicles ("Tarpon Funds"). In December 2003, the Company was changed into a publicly-held company.

In July 2011, the Company's subsidiary was incorporated in New York (TISA NY, Inc.), which is engaged in the provision of financial advisory services. This subsidiary is in the process of discontinuance of its activities. On March 28, 2012, shares issued by Tarpon All Equities (Cayman), Ltd. and TSOP Ltd. were transferred from TIG Holding NY LLC to Tarpon Investimentos S.A. Finally, on April 25, 2012, the Company established Tarpon Gestora de Recursos S.A. ("Tarpon Gestora"), which is engaged in operating as portfolio and asset manager of funds, portfolios and other investment vehicles in Brazil and abroad.

2 Presentation of interim financial statements

2.1 Presentation of individual and consolidated interim financial statements

The individual and consolidated interim financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil, in conformity with CPC 21 – Interim Financial Reporting and International Accounting Standard (IAS) 34 – Interim Financial Reporting.

There is no difference between consolidated and individual equity and profit or loss reported as these accounting policies have been applied consistently. Accordingly, the individual and consolidated interim financial statements are presented as a single set, on a side-by-side basis.

All relevant information in the interim financial statements, and only such information, is being disclosed and corresponds to the information used in managing the Company.

Management understands that there are no uncertainties that affect Tarpon's continuity as a going concern.

These interim financial statements and the related independent auditor's report were approved and authorized for issue by the Board of Directors on November 14, 2018.

2.2 Functional and reporting currency

The interim financial statements have been prepared in Brazilian reais (R$), which is the Company's functional and reporting currency. The subsidiary Tarpon Gestora's functional currency is the Brazilian real (R$). Subsidiaries TISA NY's, Tarpon All Equities (Cayman)'s and TSOP Ltd.'s functional currency is the US Dollar (US$).

2.3 Use of estimates and judgment

The preparation of interim financial statements requires Management to make judgments and estimates that affect the application of accounting policies, as well as the reported amounts of assets, liabilities, income and expenses, including the determination of the fair value of securities and the stock option plan and also contingent liabilities, provisions and legal obligations. Actual results may differ from these estimates. Estimates and assumptions are reviewed on a quarterly and annual basis.

2.4 Basis of consolidation

The consolidated interim financial statements include Tarpon Gestora de Recursos S.A., TISA NY, Inc., Tarpon All Equities (Cayman), Ltd. and TSOP Ltd.

***Tarpon Gestora de Recursos S.A.* (“Tarpon Gestora”)**
On April 25, 2012, Tarpon Investimentos S.A. started to hold all shares issued by Tarpon Gestora, totaling 500 shares at the par value of R$1.00.

On August 31, 2012, capital was increased to R$763, upon the issuance of 762,292 shares, with a par value of R$ 1.00 each.

***TISA NY, Inc.* (“TISA NY”)**
TISA NY is the Company's wholly-owned subsidiary. The results of operations of TISA NY and respective investment are measured under the equity method (financial statements), whose functional currency (US$) is different from the Parent's functional currency.

Tarpon All Equities (Cayman), Ltd. and TSOP Ltd.
On March 28, 2012, the Company started to hold all shares issued by Tarpon All Equities (Cayman), Ltd. and TSOP Ltd. These companies operate as general partner of certain foreign investment funds and their functional currency (US$) differs from the Parent's functional currency.

Investments in foreign subsidiaries are translated into the reporting currency, as follows:

- The balances of assets and liabilities are translated at the official exchange rate prevailing at the consolidated interim balance sheet date;

- Profit or loss is translated at the exchange rate prevailing on each transaction date; and

- All differences arising from the translation of exchange rates are recognized in equity and in the consolidated statement of comprehensive income, in line item "Cumulative Translation Adjustments", the effect of the translation adjustments in the consolidated statements are presented separately on the statements of cash flow.

The amount of investments in subsidiaries and all intercompany balances were eliminated upon consolidation.

2.5 Adoption of new standards (standards and interpretations issued and adopted)

The accounting standards and pronouncements effective for reporting periods beginning on January 1, 2018, when applicable, were adopted by Tarpon.

Standards and interpretations issued and adopted beginning January 1, 2018

IFRS 9 (CPC 48)	IFRS 9 introduced new requirements for: (a) classification and measurement of financial assets and financial liabilities and derecognition of financial liabilities; (b) impairment requirements for financial assets; (c) hedge accounting and (d) limited amendments for classification and measurement requirements when introducing a fair value measurement criterion recognized through other comprehensive income for some simple debt instruments. This standard is effective for annual periods beginning on or after January 1, 2018.	In relation to the application of such standard, the Company assesses that: (a) the changes in the measurement of financial assets and financial liabilities will have no impact on its adoption, considering the Company's current financial assets and financial liabilities and its current business model; (b) the changes in the classification of financial assets and financial liabilities will also have no significant impacts, as the current financial assets measured at fair value, such as investments in CDB and other securities will continue to be presented as assets stated at fair value; receivables deriving from management and performance revenues will continue to be presented as assets stated at amortized cost; and financial liabilities, such as trade payables, will continue to be presented as liabilities stated at amortized cost; (c) the impairment requirements for financial assets will have no significant impact on their adoption as the Company has no significant amounts of financial assets with credit risk that would be subject to impairment methodologies; (d) the hedge accounting requirements will have no impact on their adoption, as the Company does not currently operate with derivative instruments; and (e) in relation to the fair value recognition criteria through other comprehensive income, the Company also does not expect any significant impacts on their adoption, as currently it does not recognize any financial assets under such conditions.
IFRS 15 (CPC 47)	Revenue from contracts with customers – establishes one simple, clear model for entities to use in the accounting for revenues from contracts with customers, replacing the current guidelines on revenue recognition set out in IAS 18/CPC 30(R1) and IAS 11/CPC 17(R1). Such standard is effective for annual periods beginning on or after January 1, 2018.	Management assesses that the adoption of this pronouncement will have no impact on the recognition of the Company's current revenues, as these revenues derive from the management and performance fees of the funds managed, which performance obligation criteria are defined in the funds' regulations, which is similar to the current identification of revenue components and compliance with performance obligations of IAS 18/CPC 30(R1).

Amendment to IFRS 2 (CPC 10)	The amendments provide clarifications on (a) the way of estimating the fair value of share-based payments, when settled in cash; (b) classification of transactions when they have "characteristics of settlement on a net basis" and (c) accounting for the share-based payment that changes the settlement of "settled in cash" to "settled through equity instruments". These amendments are effective for annual periods beginning on or after January 1, 2018.	Management assesses that the amendments introduced by the standard will have no impact on the Company's individual and consolidated financial statements, as the current share-based plan is settled through equity instruments.
Amendments to IFRS 10 and IAS 28 (CPC 36 and CPC 18)	The amendments address situations involving the sale or contribution of assets between an investor and its associate or joint venture. The effective date has not yet been determined	The adoption of these amendments will have no impact on the Company's individual and consolidated financial statements, as they are not applicable to the Company's current operations.
Amendments to IAS 40 (CPC 28)	The amendments clarify that any transfer to/from investment properties, requires assessing whether a property is included or not in the definition of investment property, based on observable evidence of a change in the use. These amendments are effective for annual periods beginning on or after January 1, 2018.	The adoption of these amendments will have no impact on the Company's individual and consolidated financial statements, as they are not applicable to the Company's current operations.
IFRS 1/CPC 37 and IAS 28/CPC 18 (annual improvements to the IFRSs 2014-2016 cycle)	The amendments clarify that the option made by a venture capital entity and other similar entities to measure investments in associates and joint ventures at fair value through profit or loss is separately available for each associate or joint venture, and such option must be made upon initial recognition of the associate or joint venture. Effective for annual periods beginning on or after January 1, 2018.	The adoption of these amendments will have no impact on the Company's individual and consolidated financial statements, as the Company is neither a first-time adopter of the IFRSs nor a venture capital entity, and has no associate or joint venture that is an investment entity.
IFRIC 22	IFRIC 22 addresses how the "transaction date" must be defined to determine the exchange rate applicable to the initial recognition of an asset, income or expense when the consideration of that item has been paid or received in advance in foreign currency, resulting in the recording of non-monetary assets or liabilities (e.g., non-reimbursable deposit or deferred revenue). Effective for annual periods beginning on or after January 1, 2018.	The adoption of these amendments will have no impact on the Company's individual and consolidated financial statements, as the Company already adopts the transaction date in relation to payments or receipts of advance consideration in a foreign currency consistently with the amendments.

Standards and interpretations issued and not yet adopted

IFRS 16 (CPC 6(R2))	The standard introduces a comprehensive model for the identification of lease agreements and accounting treatments for lessees and lessors, replacing the current lease guidelines, including IAS 17 and the corresponding interpretations as of their effective date. This standard is applicable for annual periods beginning on or after January 1, 2019.	Management estimates that the adoption of these changes will not have an impact on the Company's individual and consolidated financial statements, since it does not have lease agreements applicable to the new requirements for recognition of right of use assets.

3 Significant accounting policies

The significant accounting policies below were consistently applied by the Company and its subsidiaries and foreign subsidiaries in the quarter and period ended September 30, 2018.

a. Revenues

Revenues refer to the compensation payable in consideration for portfolio management services relating to Tarpon Funds, consisting of management and performance fees. Management fees are determined based on a percentage rate on the equity amount of funds and are recognized as services are provided. Performance fees are generated when the performance of funds exceeds a given parameter or hurdle rate, based on the related bylaws, and are recognized when their amount and receipt are certain.

b. Financial instruments

Financial assets measured at fair value through profit or loss
Financial assets measured at fair value through profit or loss are held for trading and consist, substantially, of the Company’s investments in Public Securities pegged to the Selic rate. Interest, gains and losses arising from the adjustment to fair value were recognized in the statement or profit and loss in line item “Gain (loss) on financial assets measured at fair value through profit or loss”.

Derivative financial instruments
Derivatives are classified on acquisition date, according to Management’s intent to use them as a hedging instrument or not. Derivatives are accounted for at fair value, including the consideration on the credit risk on realized and unrealized gains and losses, which are directly recognized in the statement of profit and loss. Derivatives were settled on May 22, 2017, as shown in note 6.c.

c. Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and short-term investments with maturities of no more than three months at contracting date, which are subject to an insignificant risk of change in fair value, and are used by the Company when managing short-term obligations.

d. Impairment

The Company’s assets are tested for impairment at every balance sheet date. If there is any indication of impairment, the recoverable value of the asset is estimated. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable value.
In the quarter and nine-month period ended September 30, 2018, no impairment loss was recognized in the Company’s interim financial statements.

e. Investments in subsidiaries and foreign subsidiary

Investments in subsidiaries and foreign subsidiary are stated at cost and measured under the equity method of accounting in the individual interim financial statements.

f. Property, plant and equipment

Property, plant and equipment is stated at acquisition cost, less accumulated depreciation, calculated on a straight-line basis, which takes into consideration the estimated useful life of the assets and the respective residual values. Annual depreciation and amortization rates are as follows: furniture and fixtures and machinery and equipment (10%), facilities (10%), data processing systems (20%), communication and security systems (20%) and software licenses (25%). Leasehold improvements are amortized over the term of the lease agreement (five years), at an annual rate of 20%.

g. Intangible assets

Intangible assets with finite useful lives acquired separately are carried at cost less amortization. Amortization is recognized on a straight-line basis based on the estimated useful lives of the assets. The estimated useful life and amortization method are reviewed at the end of each year and the effect of any changes in estimates are recorded prospectively.

h. Judicial deposits

Represented by judicial deposits made by the Company relating to appeals filed and discussion on the levy of service tax (ISS) on revenues from abroad (note 23a).

i. Employee and management short-term benefits

Employees and management are entitled to receive fixed and variable compensation and profit sharing, where applicable. The accrual of the estimated amount payable as profit sharing or variable compensation is recognized or established when the Company meets legal conditions (conditions set out in the plan), as applicable, of paying such amount and when the obligation can be reliably estimated.

Employees and management are not eligible to any postemployment benefits, other long-term benefits and severance benefits.

j. Contingent liabilities, provisions and legal obligations

Contingent assets and contingent liabilities and legal obligations (note 23) are recognized, measured and disclosed in conformity with the criteria set forth in CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, as follows:

Provision for risks - assessed by the legal counsel and Management taking into consideration the likelihood of loss of a lawsuit or administrative proceeding that could result in disbursements that can be reliably measured. Provisions are recognized for lawsuits and proceedings whose likelihood of loss is assessed as probable by the legal counsel and disclosed in explanatory notes.

Contingent liabilities - uncertain and contingent on future events to determine the likelihood of disbursements; however, they are not accrued but disclosed if assessed as possible losses, and are neither accrued nor disclosed if assessed as remote losses.

k. Stock option plan

The effects of the stock option plan are calculated based on the fair value on the option grant date and recognized in the balance sheet and statement of profit and loss on a pro rata basis, over the vesting period of each grant.

l. Income tax, social contribution, and other taxes

For the quarter and nine-month period ended September 30, 2018, Tarpon Investimentos S.A. and Tarpon Gestora de Recursos S.A. adopt the taxable income regime. Therefore, the provision for income tax is calculated at the rate of 15% of taxable income, plus a 10% surtax on the portion of taxable income exceeding R$240 per year, or, R$20 per month. The provision for social contribution is calculated at the rate of 9%. Tarpon recognized in these interim financial statements tax credits on temporary differences.

For the quarter and nine-month period ended September 30, 2017, Tarpon Gestora de Recursos S.A., adopted the deemed income regime at the rate of 32% on gross revenues from provision of services, adding finance income and capital gains to determine the tax base of income tax and social contribution, and applying the rate of 15% for income tax, plus a 10% surtax on the portion of taxable deemed income exceeding R$60 per quarter and 9% for social contribution.

For the quarter and nine-month period ended September 30, 2018, non-Cumulative PIS and COFINS tax rates are 1.65% and 7.60% respectively (for the quarter and nine-month period ended September 30,2017, cumulative PIS and COFINS tax rates were 0.65% and 3.00%, respectively), for the calculation of taxes at Tarpon Gestora, levied only on revenues from management and performance fees arising from the management of Brazilian investment funds. Credits are collected on inputs, such as: electricity costs, rent, depreciation and amortization.
The finance income base is also taxed, using the PIS and COFINS rates of 0.65% and 4.00%, respectively.

The ISS tax rate on portfolio management revenues, including the management of domestic and foreign funds, is 2%. The amounts due as PIS, COFINS and ISS are recorded as tax expenses on billing.

m. Other assets and liabilities

Other assets are stated at their realizable values, including, where applicable, earnings, inflation adjustments (on a daily pro rata basis) and allowance for losses, when necessary. Other liabilities include known and estimated amounts, plus finance charges and inflation adjustment losses (calculated on a daily pro rata basis).

n. Receivables

Receivables are stated at realizable values, including allowance for doubtful debts, when applicable.

o. Segment reporting

A segment is the Company's component dedicated to supply products or provide services (business segment), or to supply products or provide services in a particular economic environment (geographic segment), which is subject to risks and rewards different from those in other segments.

The Company, through its subsidiaries, is engaged in only one type of business (provision of portfolio management services) in the various markets where it operates and, consequently, no secondary segment division by type of business or geographic segment is presented.

p. Comprehensive income

Comprehensive income derives from the exchange rate differences from the translation of the balance sheet of the foreign subsidiary.

q. Statements of value added

The Company has prepared individual and consolidated statements of value added (DVA) in accordance with CPC 09 - Statement of Value Added, which are presented as an integral part of the interim financial statements according to the BR GAAP applicable to publicly-held companies, whereas they represent additional financial information for IFRSs.

r. Earnings per share (basic and diluted)

Basic earnings per share are calculated based on profit or loss for the quarters and nine-month periods ended September 30, 2018 and 2017 attributable to the Company's controlling shareholders and the weighted average number of outstanding common shares in the related period. Diluted earnings (loss) per share are calculated based on the aforementioned average of outstanding shares, adjusted by the possible exercise of call options and the vesting period of the restricted shares, both mentioned in note 21, with dilutive effect in the quarters and nine-month periods ended September 30, 2018 and 2017, as set forth in CPC 41 - Earnings per Share and IAS 33.

4 Cash and cash equivalents

Cash and cash equivalents, Company and consolidated, consist of cash and banks and short-term investments maturing within up to 90 days from the investment date.

As at September 30, 2018 and December 31, 2017, balances were broken down as follows:

	Individual		Consolidated	
	09/30/2018	**12/31/2017**	**09/30/2018**	**12/31/2017**
Cash and cash equivalents	99	51	324	28,285
	99	**51**	**324**	**28,285**

5 Financial assets measured at fair value through profit or loss

As at September 30, 2018 and December 31, 2017, financial assets were broken down as follows:

	Individual		Consolidated	
	09/30/2018	**12/31/2017**	**09/30/2018**	**12/31/2017**
Financial Treasury Bills (i)	32,780	-	55,855	23,614
CDB (ii)	-	-	-	1,971
	32,780	**-**	**55,855**	**25,585**

i. Investment in Financial Treasury Bills (LFT), with XP Investimentos, classified as level 2 and yielding interest based on the effective SELIC rate. Investments made at different periods, with respective maturities in: September 2022 in the individual, and September 2020, 2022 and 2023 in the consolidated. These transactions are classified in the short term as they have daily liquidity.

ii. Products pegged to the DI fluctuation, invested in Itaú Unibanco S.A. Their fair value is classified as level 2 considering the daily liquidity and that it is pegged to the DI rate, which daily adjustments are informed by the Financial Institution. The investments in CDB of Itaú Unibanco S.A. were fully redeemed at the beginning of 2018.

6 Financial instruments

a. Risk management

The Company is basically exposed to risks arising from the use of financial instruments, as follows:

Credit risk

Refers to the possibility of the Company and its subsidiaries incurring losses as a result of default by their counterparties or financial institutions that are depositaries of funds or financial investments. The Company's policy is to minimize its exposure to credit risk by reviewing and approving all investment decisions to ensure that investments are made only in highly-liquid assets issued by prime financial institutions.

The maximum exposure to credit risk is shown in notes 4, 5 and 7.

Market risk

Refers to the risk that changes in market prices, such as interest rate and stock exchange quotations, affect the revenues or the amount of its financial instruments. The Company's policy is to minimize its exposure to market risk, seeking to diversify the investment of its funds at floating interest rates.

Currency risk

Except for the interest in foreign subsidiary, whose functional currency is different from the Company's functional and reporting currency, we are not subject to a significant exposure to currency risk.

b. Financial assets and liabilities measured at fair value through profit or loss

	Valuation method in September/2018 and December/2017	**Exposure to fair value risk?**
Investment in CDB	Adjusted by indexing rate – DI	No
Financial Treasury Bill (LFT)	Adjusted by Selic rate	No

c. Derivatives

As at September 30, 2018 and December 31, 2017, the Company did not conduct any derivative transactions.

On May 22, 2017, the Company, through its subsidiary Tarpon Gestora, has settled its agreement for swap of gain (loss) on future financial flows (swap agreement) with Banco Itaú BBA S.A., where the Company held a long position in the fluctuation of the price of its common shares and a short position in the fluctuation of 100% of the CDI, plus a fixed rate. The loss on the transaction, in the quarter ended September 30, 2017, amounted to R$419 (note 20) recorded in line item "Gain (loss) on financial assets".

d. Other financial assets and financial liabilities

The fair values of financial assets and liabilities measured at amortized cost such as receivables, other assets, accounts payable, statutory obligations, are equal to their carrying values.

7 Receivables

Management fees payable by local Tarpon Funds are calculated on a monthly basis and paid at the beginning of the subsequent period, according to the respective bylaws.

Performance fees are calculated on a semiannual, annual or biannual basis and paid in the quarters ended March 31, June 30, September 30 and December 31 of each year, according to the respective Bylaws.

	Consolidated	
	09/30/2018	**12/31/2017**
Management fee	331	327
Performance fee	-	331
	331	**658**

8 Recoverable taxes

As at September 30, 2018 and December 31, 2017, the balance of recoverable taxes is broken down as follows:

Short term	**Individual**		**Consolidated**	
	09/30/2018	**12/31/2017**	**09/30/2018**	**12/31/2017**
IRPJ and CSLL	190	184	190	184
Prepaid IRPJ and CSLL	-	-	2,431	-
Withholding contributions	19	19	19	19
Recoverable taxes– TISA NY	-	-	46	124
Other	-	-	128	125
	209	**203**	**2,814**	**452**

Long term	**Individual**		**Consolidated**	
	09/30/2018	**12/31/2017**	**09/30/2018**	**12/31/2017**
IRPJ and CSLL (i)	1,110	1,075	1,110	1,075
	1,110	**1,075**	**1,110**	**1,075**
Total recoverable taxes	**1,319**	**1,278**	**3,924**	**1,527**

(i) In 2017, the Company filed with the Brazilian Federal Revenue Service a request for refund of the 2013 IRPJ balance. The principal is R$737, adjusted based on the SELIC rate as presented.

9 Other assets

As at September 30, 2018 and December 31, 2017, the balance of other assets is broken down as follows:

Short term	**Individual**		**Consolidated**	
	09/30/2018	**12/31/2017**	**09/30/2018**	**12/31/2017**
Advance to suppliers	67	-	515	1,669
Advance to employees	-	-	7	-
Subscription of restricted shares - taxes (i)	-	-	487	-
Refundable amounts – Funds	-	-	2,357	1,278
ISS judicial deposit (note 23a)	-	-	5,138	4,471
Others	-	-	322	711
	67	**-**	**8,826**	**8,129**

Long term	**Individual**		**Consolidated**	
	09/30/2018	**12/31/2017**	**09/30/2018**	**12/31/2017**
Advances to employees	-	-	693	
Subscription of restricted shares - taxes (i)	-	-	32	-
	-	**-**	**725**	**-**
Total other assets	**67**	**-**	**9,551**	**8,129**

i. The charges related to the payment based on subscription of restricted shares (stock grant) already paid by the Company, will be accounted in the Company's profit or loss, as the assumptions and terms of the grant agreements are vested (see note 21).

10 Investments

Below are the changes in the balances of investees Tarpon Gestora, TISA NY, Tarpon All Equities (Cayman) and TSOP ltd:

Balance as at December 31, 2017	**27,606**
Changes	
Share of profit (loss) of subsidiaries	(548)
Currency fluctuation adjustment	3,303
(-) Amounts paid to the parent company for divestment	(29,685)
Balance as at September 30, 2018	**676**

The subsidiary TISA NY is in the process of discontinuing its activities (see note 1). Accordingly, part of its assets were transformed into cash and transferred to the Company, in the form of divestment. The amount represented by the liquidation process, up to the period ended September 30, 2018, is R$29,685. Therefore, the investment is as follows:

TISA NY – in R$ thousands – Accumulated

TISA NY, Inc. - Changes in investments

In USD – Thousands		In R$ - Thousands						
Equity as at December 31, 2017	**Profit/loss at September 30, 2018**	**Equity as at December 31, 2017**	**Profit/loss at September 30, 2018**	**(-) Amounts paid to the parent company for divestment**	**Currency fluctuation adjustment**	**Ownership interest**	**Share of profit (loss) of subsidiaries**	**Equity as at September 30, 2018**
8,345	(136)	27,606	(548)	(29,685)	3,303	100%	(548)	676

Tarpon Gestora de Recursos S.A.

Tarpon Gestora de Recursos S.A. - Changes in investments (In thousands of Brazilian reais - R$)

Balance as at December 31, 2017	**33,811**
Movement	
Share of profit (loss) of subsidiaries	3,050
Related to the stock-based payment plans	1,466
(-) Contribution to the parent company, related to stock-based (note 16.b)	(2,436)
(-) Dividends paid to the parent company	(10,439)
Balance as at September 30, 2018	**25,442**

In R$ - Thousands

Equity as at December 31, 2017	Profit/loss at September 30, 2018	Ownership interest	Share of profit (loss) of subsidiaries	Related to the stock-based payment plans	(-) Effect of restricted share-based payment plans	(-) Dividends paid to the parent company	Equity as at September 30, 2018
33,811	3,050	100%	3,050	1,466	(2,436)	(10,439)	25,442

Tarpon All Equities (Cayman) and TSOP Ltd.

Investments in subsidiaries Tarpon All Equities (Cayman), Ltd. and TSOP Ltd. amount to R$101 as at September 30, 2018 and December 31, 2017.

11 Property, plant and equipment

The Company's property, plant and equipment is comprised of:

Facilities	Balance as at December 31, 2017	Additions	(-) Depreciation	Balance as at September 30, 2018
Machinery and equipment	15	2	(4)	13
Computers	85	-	(27)	58
Telephone equipment	1	8	(2)	7
Total	**101**	**10**	**(33)**	**78**

As at September 30, 2018 and December 31, 2017, only Tarpon Gestora de Recursos S.A. recognizes property, plant and equipment in its balance sheet.

12 Intangible assets

Refers to the software internally developed in the amount of R$188, with estimated useful life of 20 years. As at September 30, 2018, intangible assets amount to R$165 (R$172 as at December 31, 2017) and software amortization was R$3 in the quarter and R$7 in the nine-month period ended September 30, 2018.

13 Trade payables

The Company's trade payables are broken down as follows:

	Individual		Consolidated	
	09/30/2018	**12/31/2017**	**09/30/2018**	**12/31/2017**
Intragroup loans (note 24)	-	6,292	-	-
Suppliers and leases	-	-	82	340
Services provided	-	-	310	122
Other	-	979	-	-
	-	**7,271**	**392**	**462**

14 Taxes payable

Taxes payable are comprised of Company's and third parties' taxes:

	Individual		Consolidated	
	09/30/2018	**12/31/2017**	**09/30/2018**	**12/31/2017**
IRPJ and CSLL payable	-	-	3,354	1,430
PIS and COFINS payable	7	8	29	32
IOF and ISS payable	330	330	353	343
Provision for tax risks (note 23)	-	-	5,138	4,471
Taxes withheld from third parties	15	26	73	31
	352	**364**	**8,947**	**6,307**

15 Payroll and related taxes

Labor obligations are comprised of taxes on salaries, accrued vacation, 13th salary, profit sharing, and bonuses. As at September 30, 2018, the balances were: R$746 in the consolidated (R$2,195 in the consolidated as at December 31, 2017) and as at September 30, 2018, R$16 in the individual (R$14 in the individual as at December 31, 2017).

In the period ended September 30, 2018, personnel expenses amounted to R$14,764 in the consolidated (R$20,235 as at September 30, 2017), and are composed of compensation, related taxes, bonuses and other rewards. In the quarter ended September 30, 2018, personnel expenses amounted to R$3,513 (R$4,607 in 2017).

16 Equity

a. Capital

As at September 30, 2018, the Company's capital amounts to R$7,818 (R$7,085 as at December 31, 2017), represented by 44,116 thousand registered common shares (44,115 thousand registered common shares as at December 31, 2017) without par value.

b. Capital increase

In the quarter ended June 30, 2018, the Company increased its capital through public issuance of 104 thousand new shares, at the unit value of R$2.67, totaling R$277.

On July 11, 2018, the Company issued 170 thousand new shares, at the unit value of R$2.67, totaling R$456.

In the quarter/period ended September 30, 2018, the Company increased its capital through the exercise of restricted shares amounting to R$226, equivalent to 84 thousand shares, as described in Note 21.

In addition, the Company issued 910 thousand restricted shares at the unit value of R$2.67, totaling R$2,436, as explained in note 21. These restricted shares were paid up by the executives after receiving the pecuniary benefit given by the subsidiary Tarpon Gestora which were subject to the acquisition of the Company's restricted shares for the market value of the last 60 days of the grant date.

These restricted shares have the same rights as the other shareholders, including the receipt of dividends, but cannot be traded by executives until the vesting period has expired; 50% of the restricted shares cannot be traded until October 31, 2018 and 50% of the restricted shares cannot be traded until October 31, 2019.

The granting plan provides that in the event of a voluntary departure from the executive, the Company has the right to repurchase the restricted shares for a nominal symbolic value of R$0.01 (one cent), respecting the pro rata calculation from the grant date until the date the executive leaves the Company.

Accordingly, the Company understands that the capital increase through the issuance of such restricted shares will only be considered after the vesting period has been met.

c. Legal reserve

The legal reserve is calculated at 5% of profit for the year, as set forth in article 193 of Law 6404/76, which cannot exceed 20% of capital. The objective of the legal reserve is to ensure the integrity of capital and it can only be utilized to offset losses or increase capital. Legal reserve will no longer be recognized when the balance of this reserve, plus the capital reserves prescribed by article 182, paragraph 1, of Law 6404/76, exceeds 30% of capital. As at September 30, 2018, the balance of legal reserve is R$1,415 (R$1,415 as at December 31, 2017).

d. Corporate obligations

The Company's bylaws establish the payment of mandatory minimum dividends of 25% of profit for the year, adjusted according to the bylaws.

On February 9, 2018, the Board of Directors decided to distribute the amount of R$2,358 as mandatory minimum dividend for the year ended December 31, 2017. In the second quarter of 2018, the amount of R$2,335 was distributed as dividends.

As at September 30, 2018, the balance of dividends payable is R$86 (R$2,421 as at December 31, 2017). The line item is also represented by the balance payable for the repurchase of shares made by the Company in the amount of R$2, as disclosed in note 16.h. Accordingly, the balance of corporate obligations as at September 30, 2018 is R$88.

e. Bylaws reserve

The Company's bylaws set forth that up to 10% of profit, as adjusted pursuant to the Bylaws, less the mandatory minimum dividend paid, can be allocated to the bylaws reserve called investment reserve, for purposes of redemption, buyback or acquisition of shares issued by the Company, or the performance of the Company's activities, limited to the Company's capital.

f. Capital reserve

The balance of capital reserve derives from the issuance of new shares, transfer of the balance of options exercised from "Stock Option Plan" and cancellation of shares held in treasury. As at September 30, 2018, the balance of capital reserve is R$3,236 (R$3,236 as at December 31, 2017) arising from the earnings reserve, based on a capital budget approved at the Annual and Extraordinary General Meeting held on March 27, 2017.

g. Earnings reserve

The balance of the earnings reserve as at September 30, 2018 is R$7,072 (R$7,072 as at December 31, 2017).

h. Share buyback

On May 9, 2017, the Company approved the buyback of up to 200 thousand shares representing up to 1.35% of the total outstanding shares.

On May 15, 2017, under the abovementioned share buyback program, the amount of R$624, representing 156 thousand shares, was held in treasury.

In the quarter ended September 30, 2018, the Company repurchased 201 thousand shares from shareholders that withdrew from the restricted share plan, as disclosed in note 21.b. These shares were repurchased for the price of R$0.01 per share, and the balance of R$2 was recorded in line item treasury shares. Therefore, the balance of treasury shares as at September 30, 2018 is R$626.

17 Earnings per share

a. Basic earnings per share

Earnings per share were calculated based on the Company's profit / loss attributable to controlling shareholders and the weighted average number of common shares, as shown below:

	Consolidated			
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**
Profit for the quarter/period attributable to shareholders	**1,443**	**1,751**	**3,106**	**5,350**
Weighted average number of common shares				
Common shares at the beginning of the period	44,063	43,959	44,115	44,115
Treasury shares	-	-	(156)	(156)
Total outstanding shares at the beginning of the period	**44,063**	**43,959**	**43,959**	**43,959**
Issued shares	254	358	-	-
Repurchase of treasury shares	(201)	(201)	(156)	(156)
Total outstanding shares at the end of the period	**44,116**	**44,116**	**43,959**	**43,959**
Weighted average number of Company's outstanding common shares	44,299	44,063	43,959	44,036
Basic earnings per share for the quarter/period	0.03	0.04	0.07	0.12

b. Diluted earnings per share

We assume the exercise of the stock options granted and restricted shares issued to calculate diluted earnings per share, as detailed in note 16.b:

	Consolidated			
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**
Profit for the quarter/period attributable to shareholders	**1,443**	**1,751**	**3,106**	**5,350**
Weighted average number of Company's outstanding common shares	44,299	44,063	43,959	44,036
Adjustment due to stock option	-	-	1,090	1,090
Adjustment due to purchase of restricted shares	625	625	-	-
Weighted average number of outstanding common shares for diluted earnings per share	44,924	44,688	45,049	45,126
Diluted earnings per share for the quarter/period	0.03	0.04	0.07	0.12

18 Net operating revenue

	Consolidated			
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**
Revenue related to management fees	7,906	26,246	11,923	35,112
Revenue related to performance fee	-	-	-	793
Taxes on management fee (i)	(233)	(750)	(272)	(763)
Taxes on performance fee (i)	-	-	-	(45)
	7,673	**25,496**	**11,651**	**35,097**

(i) Balance comprised of taxes on gross revenue (ISS, PIS and COFINS).

Tarpon Funds follow the ''high water mark'' concept. Therefore, only the performance fee of Tarpon Funds is charged if the unit price on calculation date exceeds the unit price at the collection date of the last performance fee, i.e. the last high water mark, adjusted by profitability parameter.

Consequently, the amount of revenues related to performance fees can significantly change on an annual basis based on: (i) fluctuations in the amount of the net assets of the portfolios of Tarpon Funds, (ii) the performance of portfolios compared to hurdle rates for each fund and (iii) performance of illiquid investments (since performance fees relating to these investments are charged only when the investment is made).

19 Administrative expenses

	Individual			
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**
Outside services	(336)	(1,054)	(968)	(1,379)
Expenses on fees and other contributions	(13)	(32)	(17)	(45)
Other expenses and reversal of provision	(34)	(103)	-	-
	(383)	**(1,189)**	**(985)**	**(1,424)**

	Consolidated			
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**
Office maintenance	(440)	(1,358)	(525)	(1,420)
Outside services	(1,221)	(2,939)	(1,641)	(2,954)
Representation expenses	(71)	(196)	(250)	(598)
Depreciation and amortization (notes 11 and 12)	(7)	(40)	(84)	(247)
Expenses on IT Systems	(132)	(476)	(107)	(286)
Expenses on fees and other contributions	(40)	(111)	(35)	(221)
Other expenses and reversal of provision	(9)	(413)	(159)	(218)
	(1,980)	**(5,533)**	**(2,801)**	**(5,944)**

20 Gain (loss) on financial assets

Finance income	Individual	
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**
Income from investments in CDB	-	-
Income from repurchase agreement investment	-	-
Financial Treasury Bill (LFT)	513	655
Inflation adjustments	13	41
Exchange gains	-	-
	526	**696**

Finance costs	**Individual**	
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**
Expenses on derivatives (i)	-	-
Inflation adjustments	-	-
Taxes on finance income	(25)	(33)
	(25)	**(33)**
Finance income (costs)	**501**	**663**

The Company did not generate individual finance income (costs) for the quarter and period ended September 30, 2017.

Finance income	**Consolidated**			
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**
Income from investments in CDB	-	10	102	235
Income from repurchase agreement investment	-	-	10	812
Financial Treasury Bill (LFT)	883	1,719	259	364
Inflation adjustments	87	250		
Exchange gains	1	39	63	63
	971	**2,018**	**434**	**1,474**

Finance costs	**Consolidated**			
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**
Expenses on derivatives (i)	-	-	-	(419)
Inflation adjustments	(67)	(191)	-	-
Taxes on finance income	(41)	(82)	-	-
	(108)	**(273)**	**-**	**(419)**
Finance income (costs)	**863**	**1,745**	**434**	**1,055**

(i) Refer to the net adjustment of the mark-to-market of the swap contracts entered into by the Company.

21 Stock-based payment plans

a) Stock option plan

The Company's shareholders approved a stock option plan on February 16, 2009. This Plan authorizes the grant of 13,724 thousand shares, whose terms, vesting conditions, maximum term of options granted and settlement method are described below.

The Plan is designed to enable certain Company's management personnel and employees, as well as parties related to portfolio companies of Tarpon Funds or providing services to the Company, as decided by the Board of Directors, to acquire the Company's common shares, corresponding to up to 25% of the shares issued by the Company. Each option granted confers upon the participant the right to subscribe one Company's share.

Of the total options granted under the Plan (a) up to 70% can be granted as from the Plan's effective date, (b) an additional volume of up to 7.5% can be granted as from July 1, 2009, (c) an additional volume of up to 7.5% can be granted as from July 1, 2010, (d) an additional volume of up to 7.5% can be granted as from July 1, 2011, and (e) an additional volume of up to 7.5% can be granted as from July 1, 2012. Options not granted on any grant date described above can be granted on subsequent grant dates.

Options granted are exercisable, as follows:

First portion of options granted on March 10, 2009, exercisable at the percentage rate of 20% on March 10, 2009, 20% on July 1, 2009 and 20% on each one of the three annual anniversaries subsequent to July 1, 2009;

Second portion of options granted on March 10, 2009, exercisable at the percentage rate of 20% on July 1, 2009 and 20% on each one of the four annual anniversaries subsequent to July 1, 2009; and

Options granted as from July 1, 2009, exercisable at the percentage rate of 20% on every July 1 of the five fiscal years subsequent to the respective grant date, except for those returned. The same rule is applicable to options granted as from July 1, 2010, July 1, 2011 and July 1, 2012.

Options granted and not exercised that are available for grant in case of termination of the respective holder can be granted again on any date through July 1, 2017, and these options will become exercisable at the percentage rate of 20% on each one of the five fiscal years subsequent to the respective grant date.

If the current controlling shareholders cease to collectively hold at least 30% of total shares on any time, all options granted under the plan will become immediately exercisable, among other events.

Each portion of the plan options will expire on the fifth anniversary of the respective date in which it becomes exercisable.

The exercise of the plan options is subject to the satisfaction of certain requirements by the option beneficiary on the respective option exercise date, which includes the requirement of maintenance of the beneficiary's employment relationship with the Company. In case of voluntary termination of the beneficiary's relationship with the Company, or termination without cause by the Company, any such beneficiary can exercise only that portion of exercisable options held by it, within a period of 30 days from such termination, and the options not exercised or exercisable will be again available for grant under the stock option plan. In case of termination of relationship with the Company by the Company, with cause, any such beneficiary will not be entitled to exercise any of the options received. In this case, all options not exercised or exercisable will be again available for grant under the stock option plan.

The exercise price of each option grant corresponds to the higher of (i) R$5.60 per share (adjusted by dividends paid by the Company since the date of the Plan's initial approval up to the grant date of the respective option) and (ii) 75% of the share price on the trading session prior to the grant date. The option exercise price will be reduced by dividends paid by the Company up to the limit of the higher of R$2.53 per share or 45% of the share price on the date prior to the grant of the respective option.

The option exercise price should be paid in full by the participant in cash. No participant can sell the shares acquired over a period of 12 months counted from the exercise date of the respective option.

Each grant (company/consolidated) made is described below:

	Granted				Returned		Exercised/ Expired			Outstanding as of September 30, 2018		
Grant	**Date**	**Quantity**	**Unit fair value**	**Fair value**	**Quantity**	**Value**	**Quantity**	**Average price**	**Value**	**Quantity**	**Exercise price**	**Value**
1º	03/10/2009	6,894	0.39	2,668	(132)	(51)	(6,762)	2.59	(17,514)	-	-	-
2º	03/10/2009	768	0.39	297	(106)	(41)	(662)	2.59	(1,715)	-	-	-
3º	11/30/2009	2,493	4.08	10,180	(384)	(1,568)	(2,109)	3.06	(6,454)	-	-	-
4º	02/19/2010	530	4.62	2,449	(184)	(850)	(346)	3.38	(1,169)	-	-	-
5º	08/18/2010	1,115	6.72	7,491	(299)	(2,009)	(816)	5.55	(4,529)	-	-	-
6º	08/05/2011	960	8.07	7,745	(326)	(2,630)	(634)	8.73	(5,535)	-	-	-
7º	08/09/2012	560	6.51	3,645	(312)	(2,031)	(248)	8.99	(2,230)	-	-	-
8º	09/20/2012	50	6.88	344	-	-	(50)	-	-	-	-	-
9º	10/10/2013	1,192	8.15	9,713	-	-	(1,192)	-	-	-	-	-
10º	03/03/2015	147	5.80	853	-	-	(147)	-	-	-	-	-
Total		**14,709**		**45,385**	**(1,743)**	**(9,180)**	**(12,966)**		**(39,144)**	**-**		**-**

The non-recognition of options to be exercised in profit or loss, relating to 2,275 thousand shares, disclosed in the quarter ended June 30, 2018, is due to the beneficiary’s termination of employment with the Company and not due to the exercise of options. Accordingly, as at September 30, 2018, the Company has no stock options to be exercised, regarding the plan.

The balances recognized in line item “stock option plan”, both in equity and profit or loss (consolidated), are as follows:

	Consolidated			
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**
Stock option plan - Profit or loss	-	(311)	(256)	(811)

The Stock Option Plan is analyzed using a binomial tree model, which was applied on each grant date considering market parameters. The following assumptions have been adopted on each grant date:

	March 10, 2009 (*)	**November 30, 2009**	**February 19, 2010**	**August 18, 2010**	**August 5, 2011**	**August 9, 2012**	**September 20, 2012**	**October 10, 2013**	**March 3, 2015**
Annual average volatility	70%	34%	28%	23%	20%	24%	20%	19%	27%
Stock price	1.29	6.87	7.84	11.45	15.20	12.65	13.77	15.44	10.59
Exercise price of plan options under the program	5.60	5.40	5.63	8.59	11.40	9.49	10.12	11.63	7.91
Risk-free interest rate	13.00%	8.75%	8.63%	10.75%	11.90%	10.15%	9.10%	11.78%	13.00%
Expected dividends	0.62	0.47	0.45	0.69	6%	6%	6%	6%	6%

(*) As of the date hereof, the shares issued by Tarpon Investimentos S.A. were not traded on [B]3.

Ibovespa indices and the Tarpon stock trading price (TRPN3), during the periods in which options were granted, were used to determine expected volatility, among other parameters.

b) Restricted share plan

As disclosed in note 16.b, 910 thousand restricted shares were issued, in the unit fair value of R$2.67, totaling R$2,434, which will be recognized in profit or loss over the vesting period, which refers only to the remaining in the employment of this Company.

Of the 910 thousand restricted shares issued, the Company exercised the repurchase option of 285 thousand shares, due to the non-compliance with the vesting of the plan by certain beneficiaries. The exercise of these options occurred in July and August 2018, and the repurchase was carried out at the unit value of R$0.01, amounting to R$2, recorded in treasury shares (note 16.h).

	Granted				Repurchased		Exercised			Outstanding as at September 30, 2018		
Grant	**Date**	**Quantity**	**Unit fair value**	**Fair value**	**Quantity**	**Value**	**Quantity**	**Average price**	**Value**	**Quantity**	**Exercise price**	**Value**
1[a]	05/15/2018	910	2.67	2,434	(201)	(0.01)	(84)	2.67	226	625	2.67	1,669

The balances recognized in line item restricted shares option plan, in profit or loss (consolidated), are as follows:

	Consolidated	
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**
Restricted shares option plan - Profit or loss	(1,155)	(1,589)

22 Statement of income tax and social contribution calculation

a) Current income tax and social contribution

Taxable income	**09/30/2018**		**09/30/2017**	
	Individual	**Consolidated**	**Individual**	**Consolidated**
Tax basis calculation				
Profit (loss) before income tax and social contribution	1,751	5,043	5,350	8,407
Effect of profit before subsidiaries' taxes under different tax regimes	-	548	-	(9,896)
Tax basis	**1,751**	**5,591**	**5,350**	**(1,489)**
Income tax and social contribution based on prevailing tax rates of 25% and 9%	(595)	(1,901)	(1,819)	506
Permanent additions/deductions				
Share of profit (loss) of subsidiaries	851	-	2,325	-
Effect of taxation under the US legislation on Tisa NY	-	(206)	-	1,101
Effect of taxation under deemed income on Tarpon Gestora (ii)	-	-	-	(4,070)
Bonus and related taxes	-	(1,208)	-	-
Gifts/Donations	-	(7)	-	-
Additional income tax	-	18	-	-
Credit on unrecorded tax loss (i)	(256)	(256)	(506)	(506)
Current income tax and social contribution	**-**	**(3,560)**	**-**	**(2,969)**
Deferred income tax and social contribution	**-**	**268**	**-**	**(88)**
Income tax and social contribution in the period	**-**	**(3,292)**	**-**	**(3,057)**

(i) As the Company Tarpon Investimentos does not expect the generation of taxable income, no tax credit on tax losses was recognized.

(ii) On September 30, 2017, taxes calculated under the deemed income regime of Tarpon Gestora de Recursos S.A. levied substantially on the total operating income for the period, in the amount of R$35,905 (note 18). In 2018, the tax regime was changed to the taxable income regime.

b) Deferred income tax and social contribution

Deferred tax asset as at 12/31/2017	**-**
Tax contingencies recognized in the period	161
Inflation adjustment of tax contingencies	65
Stock options	106
Deferred tax asset as at 09/30/2018	**333**
Deferred tax liabilities as at 12/31/2017	**(295)**
Inflation adjustment of tax contingencies	(65)
Deferred tax liabilities as at 09/30/2018	**(360)**
Deferred income tax and social contribution as at 09/30/2018 (i)	**268**

(i) Pursuant to note 3.l, beginning 2018 “Tarpon Gestora”, adopted the taxable income regime. According to the Tarpon Gestora's tax calculation made in 2018, the company recognized deferred assets and liabilities due to expected generation of taxable income for the subsequent periods.

23 Provision for tax, civil and labor risks and judicial deposits

The Company is party to lawsuits, tax enforcements and declaratory actions filed by the City of São Paulo, related to the ISS not paid from the period between 2013 and 2017, levied on services rendered to fund portfolios abroad.

The lawsuits are numbered as follows:

- 1014033-28.2014.8.26.0053 – Declaratory Action for the Lack of Legal Tax Relationship;
- 1582739-55.2015.8.26.0090 – Tax Enforcement;
- 1582376-34.2016.8.26.0090 – Tax Enforcement;
- 1557195-60.2018.8.26.0090 – Tax Enforcement.

In relation to the lawsuits presented, the Company concurrently makes judicial deposits of the amounts of ISS calculated on services rendered to fund portfolios abroad and challenges the lawsuit handled by a law firm. Therefore, the amounts related to the aforementioned deposit as at September 30, 2018 are as follows:

a) Judicial deposits

The Company is discussing in courts the levy of the service tax (ISS) on export of services relating to the management of the fund portfolio abroad.

The Company recognizes on a monthly basis ISS amounts due which have been paid through judicial deposits.

Lawsuits	**Provision for ISS – R$ (note 14)**	**Judicial Deposit – R$ (note 09)**
Appeal filed for non-collection of ISS on service export	5,138	5,138

b) Variation in contingent liabilities

The table below shows the variation in contingent liabilities assessed as probable loss:

Opening balance - December 2017	**4,471**
Recognition	476
Adjustment	191
Balance as at September 30, 2018	**5,138**

Risks assessed as possible losses:

- In June 2010, the Company offset PIS/COFINS (taxes on revenues) which had been overpaid. However, the Federal Revenue Service denied such offset and the Company currently claims its approval. The total amount is R$208, of which R$335 is adjusted through September 30, 2018 and R$324 adjusted through December 31, 2017. Based on the Company’s legal counsel’s opinion, the likelihood of loss is assessed as possible.

- In May 2014, the Company received a tax deficiency notice in the amount of R$9,061, of which R$13,346 adjusted through September 30, 2018 refers to alleged IRPJ debits related to the payment of profit sharing to certain employees of the Company in calendar years 2009 to 2011.

- In April 2018 a decision was rendered by the Brazilian Federal Revenue Service, not homologating the offset declared electronically through a PER/DCOMP process. This fact resulted in an administrative proceeding No. 16327.901028/2018-51, in which the entity claims the amount of R$863, of which R$894 was adjusted up to September 30, 2018. The Company, in turn, filed a statement of nonconformity and awaits analysis by the authorities.

The Company's management challenges both assessments. Since the likelihood of loss is assessed as possible, no provision was recognized by the Company.

24 Related parties

The main asset and liability balances as at September 30, 2018 and December 31, 2017, as well as intercompany transactions that impacted profit or loss for the year then ended, arise from transactions between the Company and its key management personnel.

	Consolidated	
	Asset / Liabilities / Equity	
	09/30/2018	**12/31/2017**
Short-term benefits to Management (*)	714	(1,022)
Stock option plan to Management	(565)	(10,167)

	Consolidated			
	Income / (Expense)			
	07/01/2018 to 09/30/2018	**01/01/2018 to 09/30/2018**	**07/01/2017 to 09/30/2017**	**01/01/2017 to 09/30/2017**
Short-term benefits to Management (*)	(1,909)	(11,095)	(1,180)	(7,213)
Stock option plan to Management	(700)	(1,167)	98	(25)

(*) Key management personnel are not entitled to any postemployment benefits, other long-term benefits and severance benefits.

25 Events after the reporting period

On October 11, 2018, the Company announced the transfer of shareholding control of Somos Educação S.A., an investee of certain Investment Funds managed by the Company, to Saber Serviços Educacionais S.A., according to the share purchase and sale agreement signed on April 23, 2018.

* * *

Executive Board

Chief Executive Officer

José Carlos Reis de Magalhães Neto

Accountant

Henrique Luiz Gonzaga
CRC 1SP256056//O-0