

São Paulo - SP, November 14th, 2017. Tarpon Investimentos S.A. ("Tarpon" or "the Company"), through its subsidiaries, conducts public and private equity investment activity through funds and managed accounts under its management ("Tarpon Funds"). The release was issued in accordance with accounting practices adopted in Brazil and with the IFRS.

STOCK MARKET

Ticker: TRPN3
O/S: 44.115 stocks
Stocks in treasury: 155 k Stocks
Stock Price (13/11/2017): R\$ 3.66
Market Cap: R\$ 161.5 million
Daily Volume LTM: 32.7 k stocks

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3Q17 – Highlights

- ✓ **Assets under management:** As of September 30th, 2017, R\$ 6.0 billion in the portfolio funds strategies and R\$ 1.8 billion in the co-investment strategy, amounting R\$ 7.8 billion of assets under management.
- ✓ **Performance:** Registered gross profits of R\$ 1 billion and R\$ 347 million in the portfolio funds and co-investment funds, respectively.
- ✓ **Subscription and Redemptions:** Redemption of R\$ 178 million in the portfolio funds.
- ✓ **Gross Revenue:** Management fee amounted to R\$ 12.0 million in 3Q17.
- ✓ **Net Income:** Profits amounted R\$ 3.1 million in 3Q17.

About Tarpon Investimentos

Through its subsidiaries, Tarpon carries out the management of funds dedicated to investments in public and private companies, with the objective of achieving absolute long-term returns above the market.

Our business model is focused on generating value in companies in the long term, and our main investments involve controlling interests or as a relevant shareholder of such companies, with participation in their management. Within this model, we highlight our investments in BRF, Somos Educação, Omega Energia Renovável and Cremer.

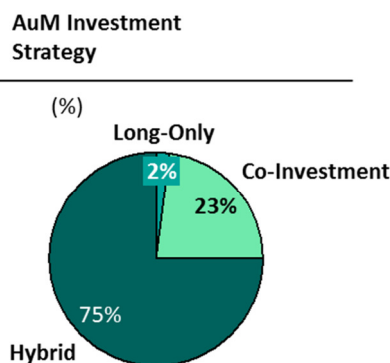
In addition, we manage a portfolio dedicated to investments in the stock exchange, focusing on opportunities whose market value is substantially lower than our perception of intrinsic value.

Market Overview

In spite of the uncertainties in politics, whether in the short term (Federal government's ability to proceed with the reforms), or in the medium term (2018 elections), in 3Q17 we continued to see a trend towards improvement and the macroeconomic scenario in Brazil with GDP growth and decline in unemployment, inflation and interest rates. In addition to facts mentioned above, the stock index of the São Paulo Stock Exchange - Ibovespa surpassed the 74 thousand points, outstanding the previous record of 2008.

Investment strategy

We conduct our asset management activities through two main investment strategies: Portfolio Funds, divided in Long-Only Equity and Hybrid Equity and Co Investment Fund. In the chart below we present the AuM breakdown between strategies:



Portfolio Funds

The investment strategy at portfolio funds comprises fund that invest only in public company shares listed on stock exchange (Long-Only Equity) and funds held both stock market investments and illiquid investments/private equity (Hybrid Equity).

As of September 30th, 2017, the AuM allocated to this strategy amounted R\$ 6.0 billion.

Co-Investment Strategies

The co-investment strategy consists of funds with the purpose to invest in a Company or in specific opportunities along other Tarpon Funds.

The strategy of these funds is to invest in companies in which the portfolio funds' already have exposure considered ideal, allowing us to increase the participation in certain invested Companies.

As of September 30th, 2017, the AuM allocated to this strategy amounted R\$ 1.8 billion.

Investment performance

The Portfolio Funds Hybrid-Equity strategy posted on 3Q17 net returns of 20.2% in R\$ and 26.8% in US\$. Net annualized performance is 1.1% in R\$ and 16.4% in US\$.

In 3Q17, the Portfolio Funds Long-Only Equity strategy posted net returns of 16.1% in R\$ and 13.8% in US\$. The accumulated annualized returns of this strategy, net of taxes and expenses, is 19.6% in R\$ and 14.1% in US\$.

For illustrative purposes, in the 3Q17, Ibovespa and IBrX Indexes posted returns of 19.4% and 19.2%, respectively (both in R\$). Returns in US\$ were 24.2% and 24.0% for Ibovespa and IBrX, respectively:

Strategy	Launch	3Q17	Performance ¹			
			12 Months	2 years	5 years	Since Launch (annualized)
Long Only Equity (R\$)	may 2002	16.1%	6.8%	-14.8%	-3.5%	19.6%
Long Only Equity (US\$)	may 2002	13.8%	-2.0%	-6.3%	-46.1%	14.1%
Hybrid Equity (R\$)	sep 2011	20.2%	4.7%	-13.2%	3.3%	1.1%
Hybrid Equity (US\$)	oct. 2006	26.8%	19.9%	17.2%	-34.2%	16.4%

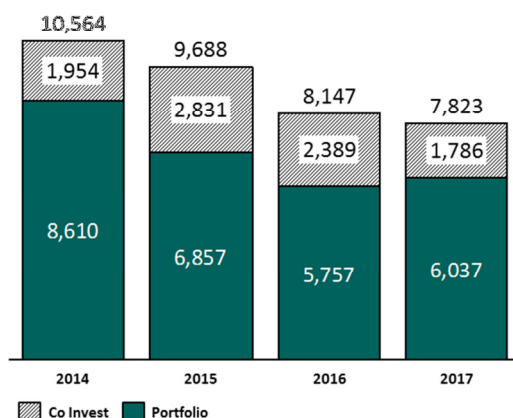
(1) Performance net of fees.

Assets under management

Our assets under management ("AuM") amounted to R\$ 7.8 billion as of September 30th, 2017, an increase of 18.4% when compared to the previous quarter and a decrease of 12.5% when compared to the same period of the prior year due.

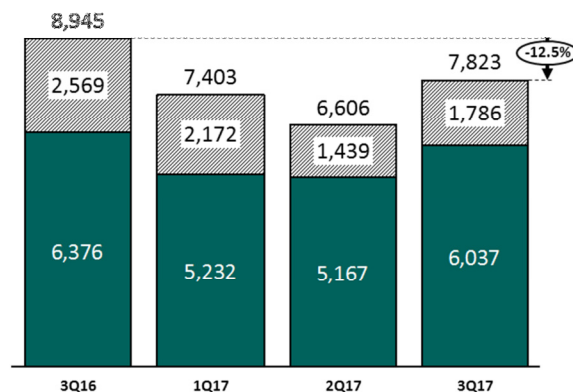
AuM Evolution - Annual

(R\$ MM)



AuM Evolution - Quarter

(R\$ MM)

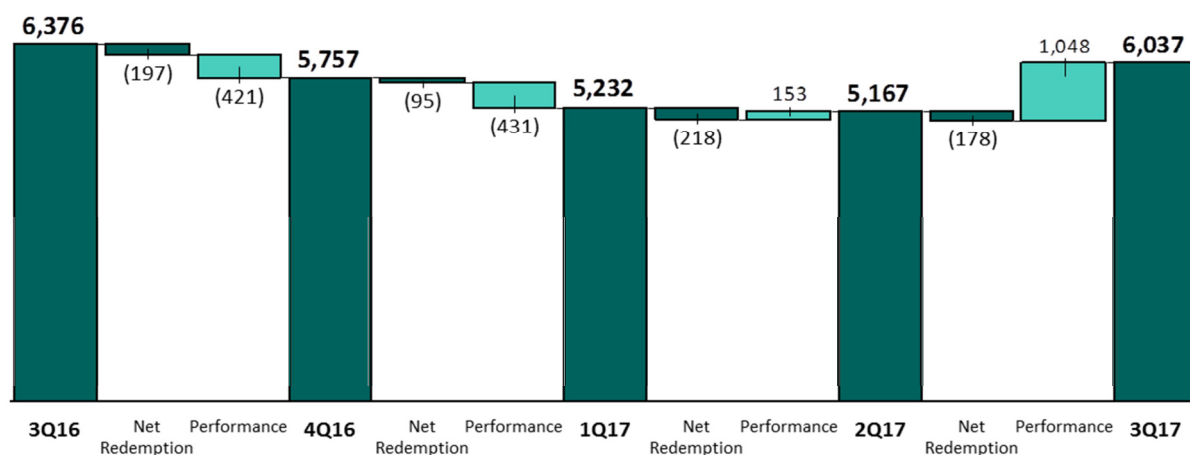


AuM Portfolio Funds

The Portfolio Funds, for 3Q17, registered net redemptions of R\$ 178 million and gross returns of R\$ 1 billion, resulting in an increase of 16.8% of our assets under management ("AuM") when compared to the previous quarter.

AuM Evolution Portfolio - Quarter

(R\$ MM)



As of September 30th, 2017, the AuM for portfolio funds allocated to investments classified as liquid represented 51.5% of the total AuM of portfolio funds. Investments classified as illiquid (represented mainly by investments in Somos Educação, Omega Energia and Cremer), valued at market value⁽¹⁾, corresponded to 48.5% of the AuM of the portfolio funds.

(1) The market value for illiquid investments are measured with bases in quarterly internal valuations, according with accounting practices applicable to investment funds. The fair value of certain investments may differ from the market price of the assets, due to the illiquidity of the positions held by the Tarpon Funds in the companies.

Recently, Omega Geração S.A., a company controlled by Tarpon Funds, concluded an Initial Public Offering of its shares. Nevertheless, such an investment will continue to be classified as an illiquid investment.

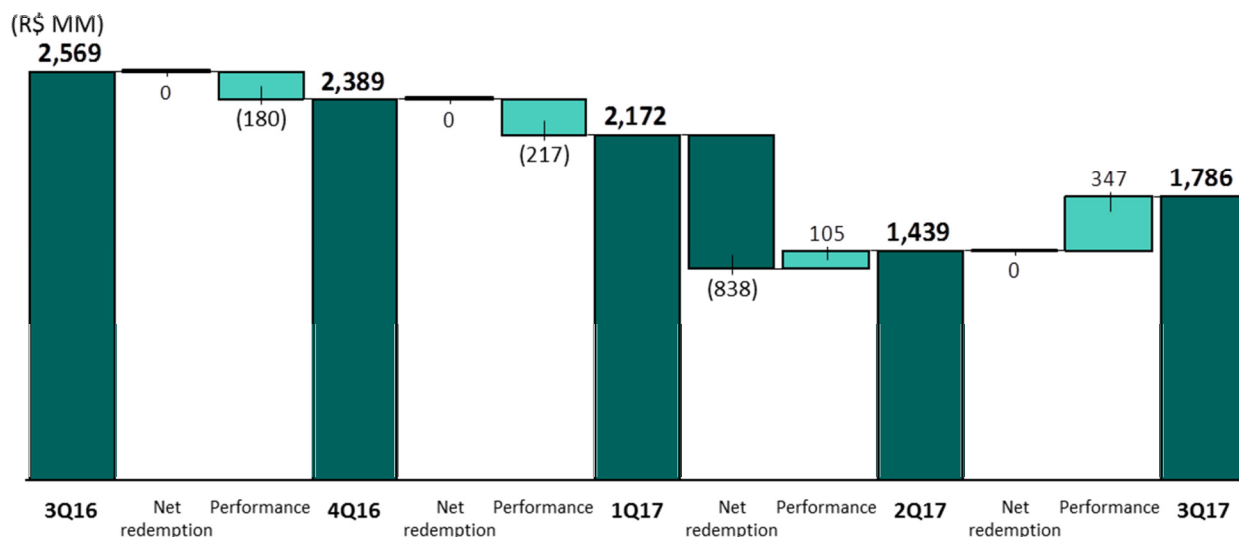
Approximately 92.7% of the AuM of the portfolio fund belongs to the "family of funds" Tarpon Partners, whose liquidity terms are more restrictive than the other portfolio funds. As a general rule, the Tarpon Partners investor may redeem quarterly a 90-day grace period for the redemption request up to 1/12 of the respective net investment balance, so that the term of payment of a full redemption of the investments shall be three years after grace period. However, illiquid investments are not subject to redemption while they remain classified, and Tarpon must seek to transfer to the net investment account or sale until the 8th anniversary (including extensions) of the respective investment.

The expected redemptions to be paid on the end of next quarter (4Q17), considering those already paid in 3Q17 and prior periods, and not considering any variation on the funds net carry amount since September 30th, 2017, equivalent of 7.9% of the total liquid investment funds.

AuM for Co-investment Funds

In the co-investment funds the gross performance of 3Q17 was R\$ 347 million.

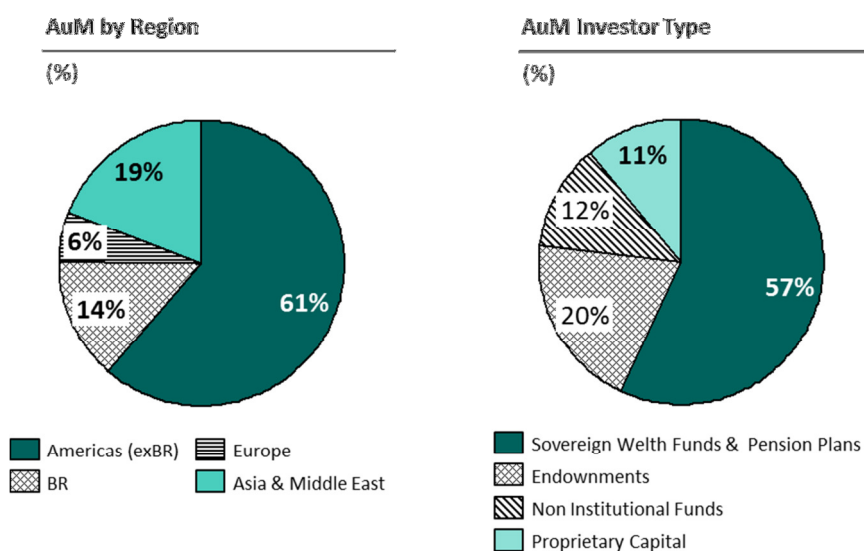
AuM Evolution Co Investment - Quarter



From the total AuM amount of co-investment funds, 71.7% are not subject to management fee and the performance fee is charged only on the divestment of the fund, mainly referring to a fund of specific purpose for investment in Somos Educação. The remaining is subject to a quarterly collection of management fee and annual performance fee calculation.

Investor base

As of September 30th, 2017, institutional investors, mainly endowments, foundations, pension funds and sovereign wealth funds, accounted for 77% of total AuM. The invested proprietary capital represented 11% of total assets.



Financial Highlights

Operating revenues

Operating revenues are composed of revenues related to management fees – recurring income flow based on the Tarpon Funds’ net asset value – and revenues related to performance fees – income flow with higher volatility based on the performance of the Tarpon Funds.

During the 3Q17, the gross operating revenues amounted R\$ 12 million, a decrease of 9.8% when compared to 3Q16. This reduction is a consequence from the decrease of AuM Tarpon funds on 3Q17, compared to 3Q16.

Operating Revenues



Revenues related to management fees

Management fees are charged on the Tarpon Funds based on the amount of invested capital. Gross revenues related to management fees amounted to R\$ 12.0 million in 3Q17, equivalent to 100% of the operating revenues of the period.

The basis of collection of administration fee, in the case of illiquid investments, is the acquisition cost or the fair value of the investments, whichever is lower. Therefore, any goodwill calculated on the revaluation of gross investments above the respective acquisition cost will not impact the collection of management fees on these investments.

Revenues related to performance fees

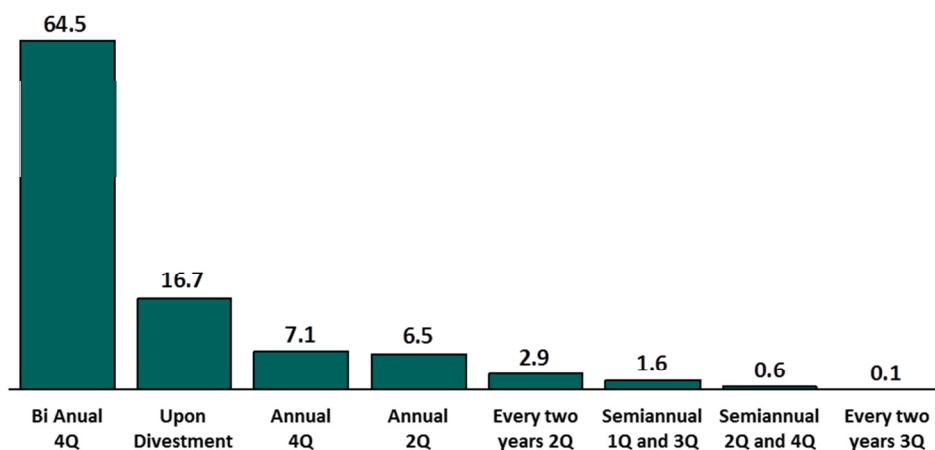
Performance fees are payable when the Tarpon Funds' performance exceeds certain hurdle rates. The hurdles primarily are inflation index plus 6.0% per year.

The performance fees are subject to a high water mark, which means that such fees are charged only if the net asset value (NAV) of the fund exceeds the NAV of the previous performance fee collection date, adjusted by the hurdle rate.

The Tarpon funds are entitled to collect performance fees on distinct dates. Below is the current distribution of our AuM by performance collection period:

Distribution of the performance fee collection

(% AuM)



During the 3Q17, there was no revenue related to the performance

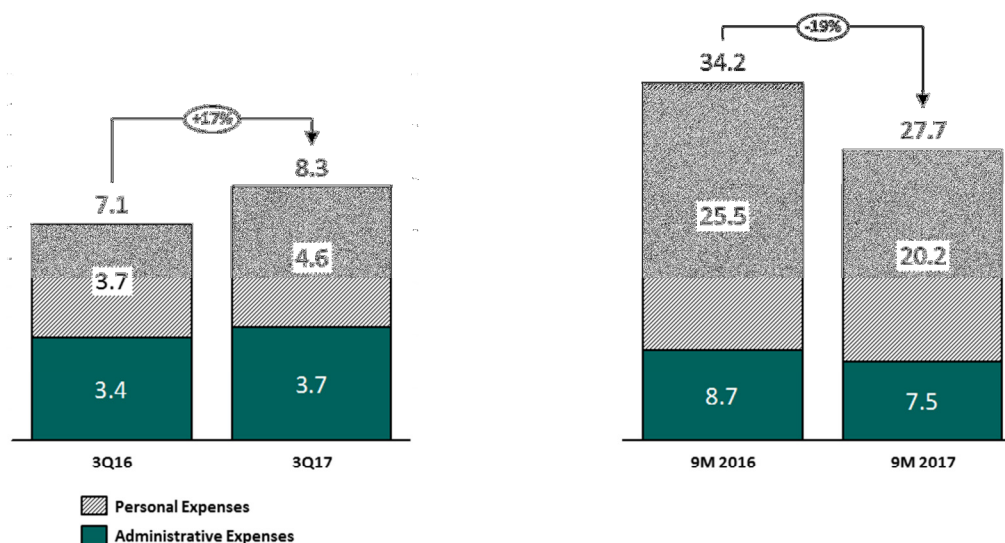
Operating expenses

Operating expenses is comprised of general and administrative expenses, payroll, and other expenses related to depreciation, travel expenses, provisions for profit sharing program, stock option plans (with no cash effect) and variable remuneration.

During the 3Q17, operating expenses totaled R\$8.3 million, an increase of 16.9% when compared to the same period of 3Q16.

Operating Expenses

(R\$ MM)

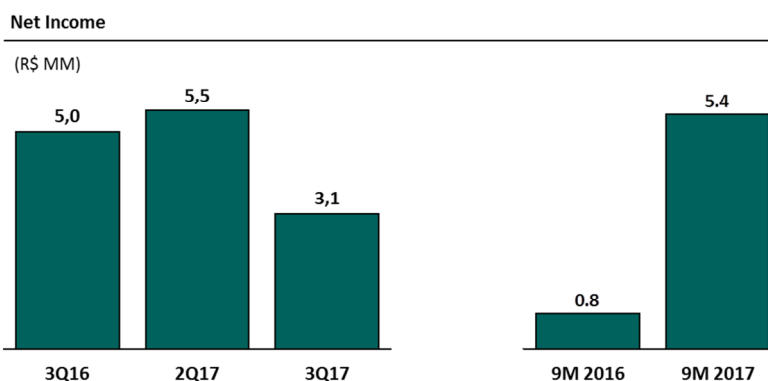


Taxes

Income taxes and social contribution amounted up to R\$ 715 thousand during 3Q17.

Net Income

Tarpon registered a net income of R\$ 5.5 million during 2Q17.

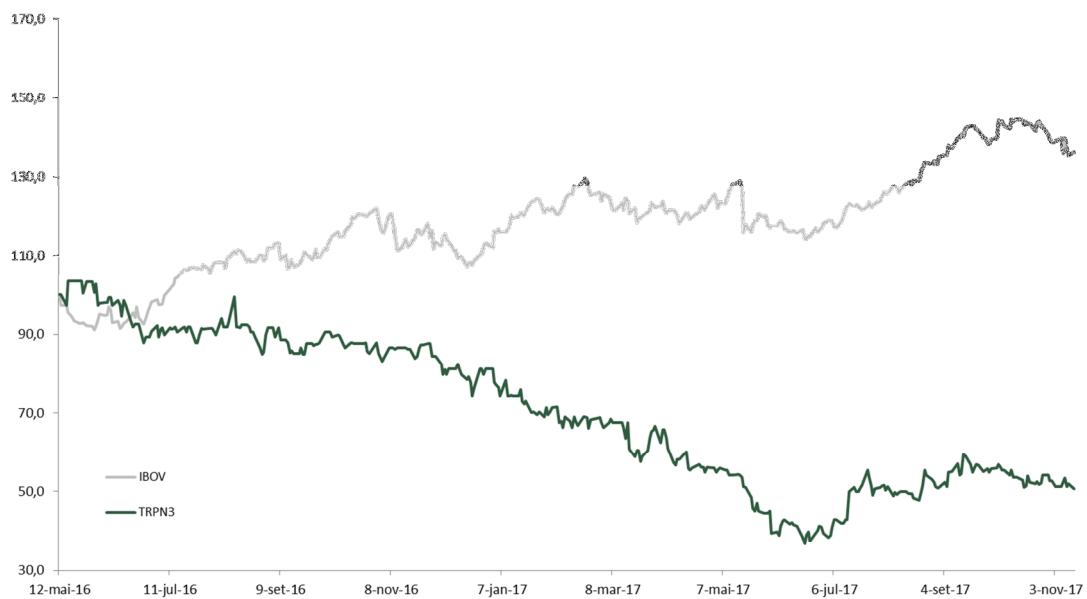


Corporate Governance

Our shares are traded on the Novo Mercado segment of BM&FBOVESPA under the ticker TRPN3. Tarpon has Fiscal Counsel and Audit Committee.

Considering date price of R\$ 3.66, the company's market value is R\$ 161.5 million.

TRPN3 vs Ibovespa (LTM - base 100)



Attachments - Reports

Consolidated Income Statement

Financial highlights - R\$ million

Income Statement	3Q17	3Q16	Var.%	9M 2017	9M 2016	Var.%
Gross revenues	12.0	13.3	-10%	35.9	42.3	-15%
Management fees	12.0	13.3	-10%	35.1	42.3	-17%
Performance fees	-	-	-	0.8	-	100%
Net revenues	11.7	13.0	-10%	35.1	41.4	-15%
Operating Expenses						
Personal Expenses	(4.6)	(3.7)	24%	(20.2)	(25.5)	-21%
Administrative Expense and others	(3.7)	(3.5)	6%	(7.5)	(8.7)	-14%
Net Income after Operating Expenses	3.4	5.8	-42%	7.4	7.2	3%
<i>Gross margin</i>	29%	45%		21%	17%	
Finance Income	0.4	0.3	33%	1.1	(2.9)	-138%
Income tax and social contribution	(0.7)	(1.1)	-36%	(3.1)	(3.5)	-11%
Net Income	3.1	5.0	-39%	5.4	0.8	575%
<i>Net margin</i>	26%	38%		15%	2%	
Earnings per share (R\$/share)	0.07	0.11	-39%	0.12	0.02	577%
O/S	43,959	44,115	0%	43,959	44,115	0%
AuM (end of period)	7,823	8,945	-13%	7,823	8,945	-13%

Consolidated Balance Sheet

Financial highlights - R\$ thousands

Assets	30-Sept-17	2016
Cash and cash equivalents	36,788	25,742
Financial assets measured at fair value through profit and loss	14,300	18,982
Receivables	385	395
Recoverable taxes	3,298	3,867
Other assets	5,446	8,710
Current assets	60,217	57,696
Fixed Assets	116	443
Intangible Assets	175	182
Non-current assets	291	625
Total assets	60,508	58,321
Liabilities		
Accounts payable	1,154	648
Financial assets derivatives	-	456
Current tax liabilities	5,971	5,662
Payroll accruals and Dividends payable	3,426	3,176
Current liabilities	10,551	9,942
Deferred Tax	275	187
Non-current liabilities	275	187
Share capital	7,085	7,085
Capital reserve	1,968	1,968
Share in Treasury	(624)	-
Legal reserve	1,415	1,415
Profit reserve	1,268	1,268
Cumulative translation adjustment	11,651	12,236
Stock options	21,569	20,758
Additional dividends proposed	-	3,462
Net Profits	5,350	-
Equity	49,682	48,192
Total liabilities and equity	60,508	58,321

Financial highlights - R\$ thousands

Cash Flow	9M 2017	9M 2016
Net income / (Loss)	5,350	843
Depreciation	247	397
Stock Options	811	1,509
Write - off in fixed assets	87	-
Derivatives	-	296
Income Tax and Social Contribution Provision	3,057	3,527
Adjusted net income	9,552	6,572
Receivables	10	(773)
Other Assets and Liabilities	3,264	3,840
Taxes	2,266	447
Accounts Payable	506	(1,035)
Payroll Accruals and Dividends payable	1,763	(202)
Derivative Financial Instrument	(456)	(3,044)
Income tax and social contribution paid	(4,357)	(4,433)
Cash used/provided by operating activities	12,548	1,372
Disposal of financial assets at fair value through income	4,682	10,280
Aquisition in Intangible Assets	-	(59)
Cash provided by investing activities	4,682	10,221
Dividends paid	(4,975)	(1,979)
Capital Raise/Exercise of stock option plan	-	706
Purchase of treasure shares	(624)	(15,009)
Cash used in financing activities	(5,599)	(16,282)
		-
Net decrease in cash and cash equivalents	11,631	(4,689)
Cash and cash equivalents at the beginning of period	25,742	34,740
Exchange rate changes on cash and cash equivalents	(585)	(5,014)
Cash and cash equivalents at the end of period	36,788	25,037

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Disclaimer

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