

São Paulo - SP, May 15th, 2018. 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: 156k Stocks
Stock Price (14/05/2018): R\$ 3.29
Market Cap: R\$ 131.0 million
Daily Volume LTM: 67.7k stocks

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1Q18 – Highlights

- ✓ **Assets under management:** As of March 31st, 2018, R\$ 4.6 billion in the portfolio funds strategies and R\$ 1.5 billion in the co-investment strategy, amounting R\$ 6.1 billion of assets under management.
- ✓ **Performance:** Negative gross returns of R\$ 789.5 million and R\$ 160.2 million in the portfolio funds and co-investment funds, respectively.
- ✓ **Subscription and Redemptions:** Redemption of R\$ 81 million in the portfolio funds.
- ✓ **Gross Revenue:** Management fee amounted to R\$ 10.1 million.
- ✓ **Net Income:** Losses amounted R\$ 3.5 million in 1Q18.

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Introduction

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.

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.

In the beginning of 2018, we've observed significant developments related to our main investments:

Somos Educação S.A. ("Somos") - Signing of a purchase and sale agreement

On April 23rd, 2018, the Tarpon Funds, as sellers, and Saber Serviços Educacionais Ltda., a company controlled by Kroton S.A., as buyer, entered into an agreement providing for the purchase and sale of shares representing a controlling stake in Somos. This transaction involves the sale of 73.35% of the capital stock of Somos, for a total price of approximately R\$ 4.56 billion, of which R\$ 4.12 billion will be paid in cash upon closing of the transaction and the remainder will be retained as guarantee for certain contingent obligations assumed by sellers. The Tarpon Funds hold additional shares in Somos (1.43% of the share capital) that will be subsequently sold.

The completion of this transaction is subject to certain conditions precedent provided in the agreement.

Cremer S.A. ("Cremer") - Closing of the sale of the Tarpon Funds

On April 4th, 2018, the entire shareholding stake held by the Tarpon Funds in Cremer was sold to CM Hospitalar S.A., pursuant to the transaction initially announced in November 2017. The total sale price was R\$ 506.7 million, and the amount of R\$ 159.2 remained withheld as guarantee for certain contingent obligations assumed by the sellers.

BRF S.A. ("BRF") - Operation "Trapaça" and corporate governance

BRF S.A. ("BRF") experienced a very challenging period, as the market price of its shares fell sharply (-44% from the beginning of 2018 to the date of the lowest price in the period, April 16th, 2018, and - 32.6% since the beginning of 2018 to date). The two main events impacting BRF were: (i) the launching of the Operation "Trapaça" by the Federal Police, a development of Operation "Carne Fraca" started in April 2017; and (ii) uncertainties regarding the corporate governance of BRF, especially after the initiation of the process for removal of the company's entire board of directors.

Operation "Trapaça" investigates alleged breaches of quality and integrity of laboratory tests applied by BRF and involved the temporary arrest (and subsequent release after testimony) of 11 employees and former employees of the company, as well as search, seizure and testimony involving BRF and several other employees and former employees. As a result of Operation Trapaça, several markets imposed sanctions on BRF exports.

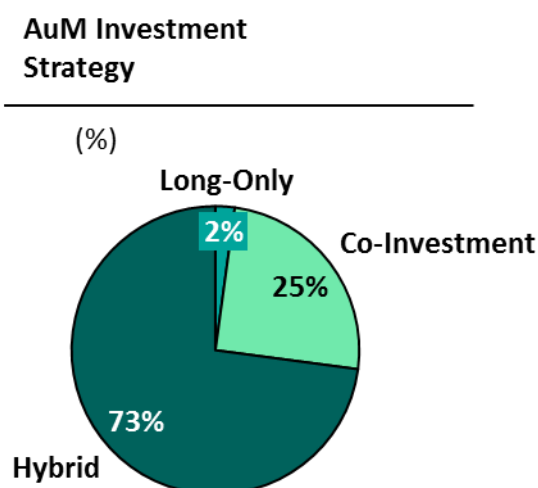
The uncertainties regarding the governance of BRF were mitigated after the general meeting of April 26th, 2018, which resulted in the election of BRF Board members selected by mutual

agreement among the company's major shareholders (Petros, Previ, Tarpon Funds and Peninsula).

Therefore, we have observed the conclusion of two relevant investment cycles (Cremer, already completed, and Somos, subject to closing of the sale), in which Tarpon successfully implemented its strategy of active involvement in the management of invested companies, while the BRF investment has moved to a fully passive investment profile, without direct involvement by Tarpon in the company's management.

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 March 31st, 2018, the AuM allocated to this strategy amounted R\$ 4.6 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 March 31st, 2018, the AuM allocated to this strategy amounted R\$ 1.5 billion.

Investment performance

The Portfolio Funds Hybrid-Equity strategy posted on 1Q18 net returns of -15.6% in R\$ and -3.1% in US\$. Net annualized performance is -2.7% in R\$ and 6.4% in US\$.

In 1Q18, the Portfolio Funds Long-Only Equity strategy posted net returns of -20.8% in R\$ and -21.8% in US\$. The accumulated annualized returns of this strategy, net of taxes and expenses, is 18.9% in R\$ and 10.7% in US\$.

For illustrative purposes, in the 1Q18, Ibovespa and IBrX Indexes posted returns of 9.6% and 9.2%, respectively (both in R\$). Returns in US\$ were -7.8% and -7.5% for Ibovespa and IBrX, respectively:

Strategy	Launch	Performance ¹				Since Launch (annualized)
		1Q18	12 Months	2 years	5 years	
Long Only Equity (R\$)	may 2002	-20.8%	-16.1%	-25.0%	-40.2%	15.9%
Long Only Equity (US\$)	may 2002	-21.8%	-20.6%	-24.9%	-66.6%	10.7%
Hybrid Equity (R\$)	sep 2011	-15.6%	-3.4%	-12.3%	-24.8%	-2.7%
Hybrid Equity (US\$)	oct 2006	-3.1%	14.9%	27.7%	-42.7%	6.4%

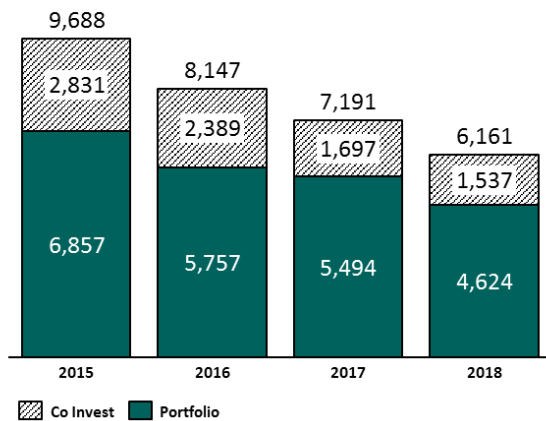
(1) Performance net of fees.

Assets under management

Our assets under management ("AuM") amounted to R\$ 6.1 billion as of March 31st, 2018, a decrease of 14.3% when compared to the previous quarter and a decrease of 16.8% when compared to the same period of the prior year due.

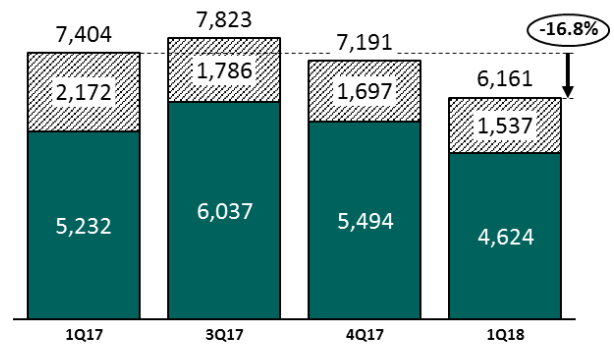
AuM Evolution - Annual

(R\$ MM)



AuM Evolution - Quarter

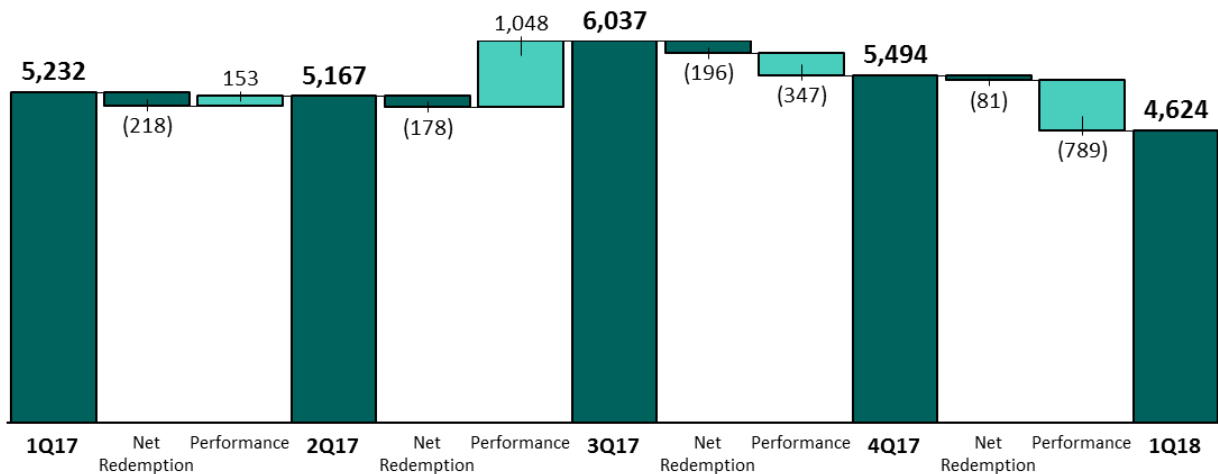
(R\$ MM)



AuM Portfolio Funds

In 1Q18, the Portfolio Funds registered net redemptions of R\$ 81.0 million and negative performance of R\$ 789.5 million (mainly due to underperformance of -37.6% of BRF shares in 1Q18), resulting in a decrease of 14.3% of our assets under management ("AuM") when compared to the previous quarter.

(R\$ MM)



As of March 31st, 2018, the AuM for portfolio funds allocated to investments classified as liquid (primarily represented by the investment in BRF) represented 29.6% of the total AuM of the portfolio funds (R\$ 1,367.6 million). Investments classified as illiquid (represented mainly by

investments in Somos Educação, Omega Energia and Cremer), valued at fair value¹, corresponded to 70.4% of the AuM of the portfolio funds.

Approximately 91.4% of the AuM of the portfolio fund belongs to the Tarpon Partners "family of funds", whose liquidity terms are more restrictive than the other portfolio funds. In general, the Tarpon Partners' investor may redeem, every quarter, up to 1/12 of the outstanding balance of its liquid investment account, after a 90-day notice period, so that a full redemption from the liquid investment account shall be paid over three years after the notice period.

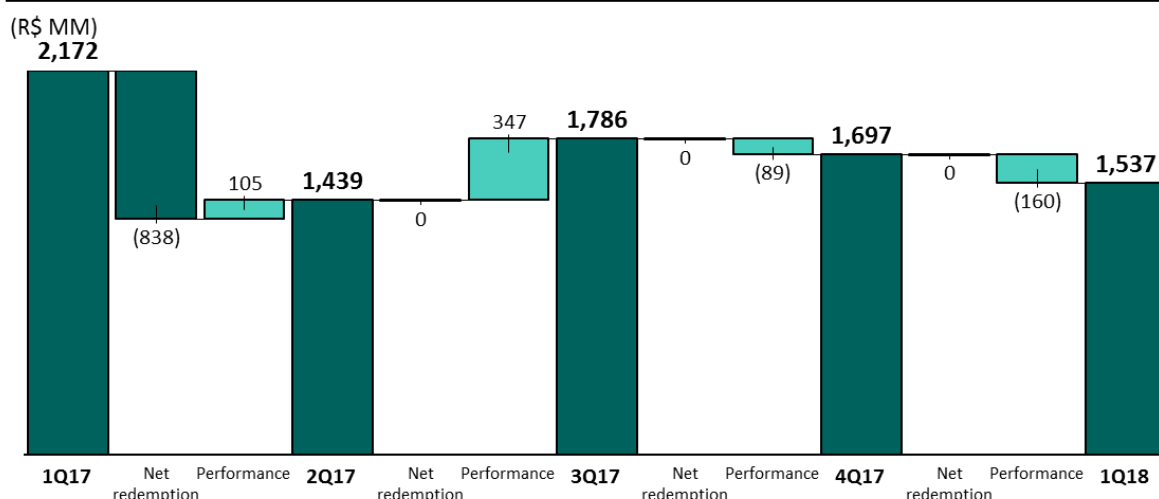
As of March 31, 2018, the outstanding amount of redemptions payable from the portfolio funds' liquid pool corresponded to approximately 47.1% of the aggregate balance of liquid pool of the portfolio funds, of which 42.7% shall be paid by the end of 2018, 49.2% by the end of 2019 and 8.1% after 2019. These percentages were estimated without considering any change in the net asset value of the funds after March 31, 2018.

The illiquid investments are not subject to redemptions while they remain classified as such, and Tarpon must seek the transfer to the liquid investment account or the sale until the 8th anniversary (including extensions) of the respective investment. If an illiquid investment is sold, as occurred more recently with Cremer and as may occur if the sale of the controlling stake in Somos is completed, the proceeds from the sale attributed to investors who have already requested a full redemption from the fund will be distributed to the respective investors. It is estimated that approximately 62.3% of the proceeds from these two divestments will be distributed to the fund investors and 37.7% will be available for new investments by the portfolio funds.

AuM for Co-investment Funds

The co-investment funds posted a negative gross performance of R\$ 160.2 million in 1Q18.

AuM Evolution Co Investment - Quarter



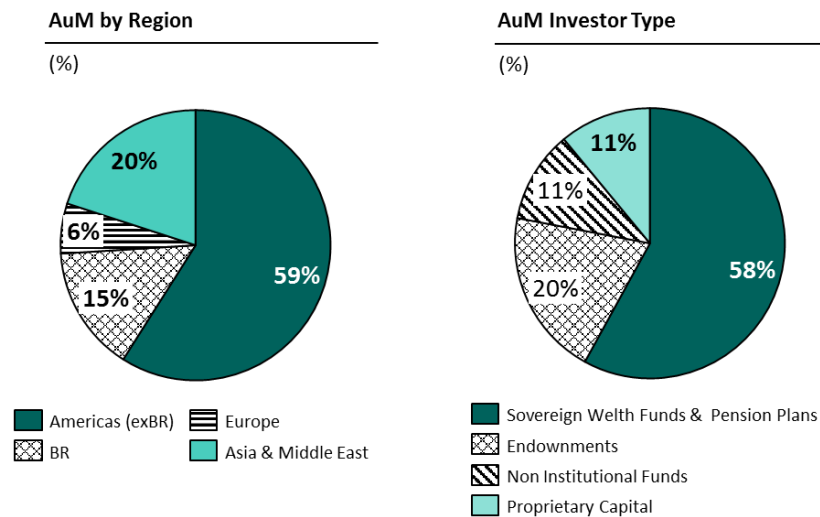
(1) The fair value for illiquid investments are measured based in quarterly internal valuations, according with accounting practices applicable to investment funds and conservative liquidity discounts. The fair value of certain investments may differ from the market price of the assets, due to the illiquidity of the positions held by the Tarpon Funds in the companies. For clarification purposes, as of March 31, 2018, the investment of the Tarpon Funds in Somos was not valued considering the price under the sale of control transaction.

Management Report

As of March 31, 2018, out of the total amount of the AuM of the co-investment funds, 77.4% were not subject to a management fee and the performance fee is charged only upon the fund's divestment, corresponding primarily to the special purpose funds organized for investment in Somos. If the sale of control of Somos is completed, such special purpose funds (holders of approximately 41.2% of the total stake of the Tarpon Funds in Somos) will be liquidated and the proceeds from the sale (net of the respective performance fees) will be distributed to investors. The remainder of the AUM of the co-investment funds is allocated into a multi-investment fund, subject to a quarterly collection of management fee and annual performance fee calculation. Of this fund, based on balances as of March 31, 2018, 14.3% of the proceeds will be distributed as redemptions in 2018, 24.4% as of March 2020 and 61.3% corresponded to illiquid investments, which will be distributed upon the respective divestment.

Investor base

As of March 31st, 2018, institutional investors, mainly endowments, foundations, pension funds and sovereign wealth funds, accounted for 77.2% of total AuM. The proprietary capital represented 11.1% of total AuM of the Tarpon Funds.



Financial Highlights

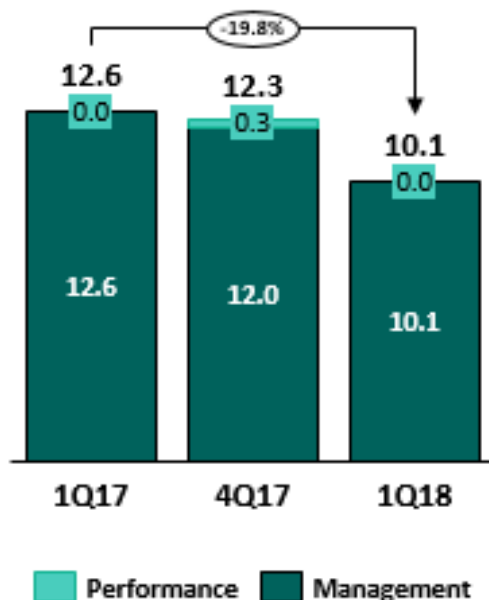
Operating revenues

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 1Q18, the gross operating revenues amounted R\$ 10.1 million, a decrease of 12.1% when compared to 1Q17. This reduction is a consequence from the decrease of AuM Tarpon funds on 1Q18, compared to 1Q17.

Operating Revenues

(R\$ MM)



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\$ 10.1 million in 1Q18, equivalent to 100.0% 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 revaluation of illiquid investments in excess of the respective acquisition cost will not impact the collection of management fees on these investments.

Revenues related to performance fees

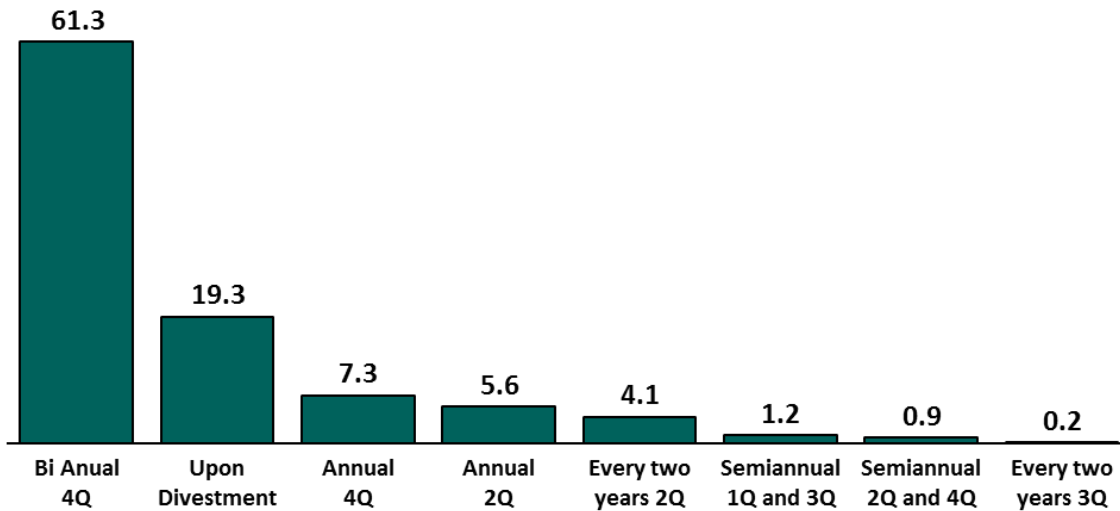
Performance fees are payable when the Tarpon Funds' performance exceeds certain hurdle rates. The hurdles primarily are inflation index plus 6.0% per year.

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 performance fees of the Tarpon Funds are payable on different dates. Below is the current distribution of our AuM by performance collection period:

Distribution of the performance fee collection

(% AuM)



In March 31, 2018, there were no revenues related performance fees. Except for the special purpose funds organized for investment in Somos, the AuM of the Tarpon Funds remains substantially below the water mark.

If the sale of control of Somos is completed, it is expected that the Company will collect a performance fee on the special purpose funds in the estimated gross amount of R\$ 117 million (relating to the portion of the purchase price payable upon closing of the transaction, with an additional performance fee conditioned upon effective release of the retained portion of the purchase price). Out of this amount, 35% is expected to be allocated as variable compensation to the Company's management and employees.

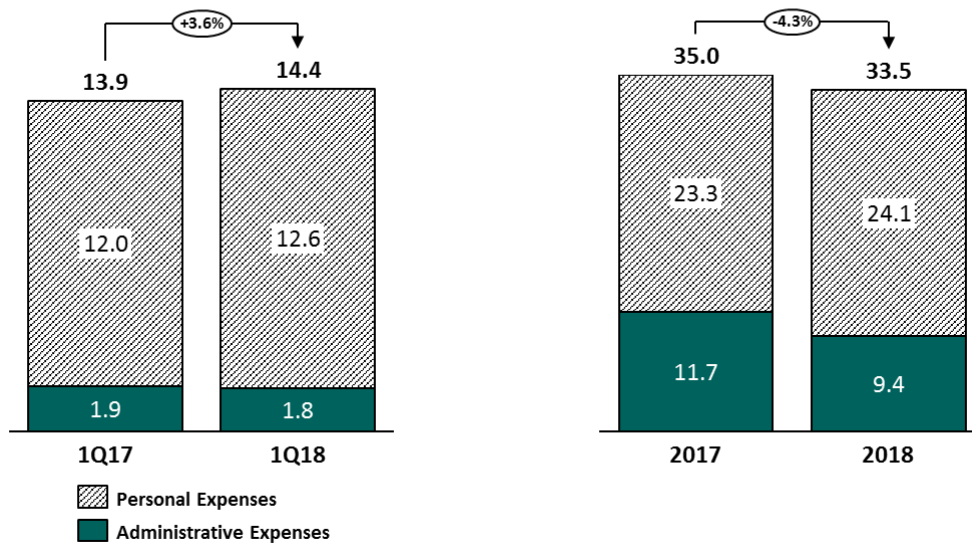
Operating expenses

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 compensation.

During the 1Q18, operating expenses totaled R\$14.4 million, an increase of 3.6% when compared to the same period of 1Q17, and a reduction of 4.3% compared to the same annualized period of 2017.

Operating Expenses

(R\$ MM)



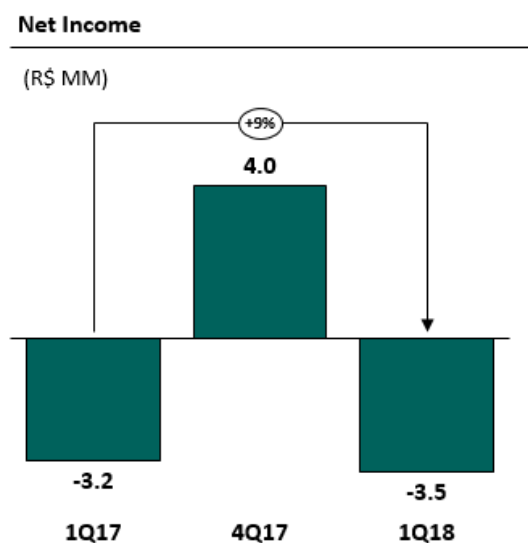
The calculated amounts of bonus remuneration refer to the period of competence between April 1st, 2017 and March 31st, 2018. As recommended by the Company's Compensation Committee (taken exclusively by independent directors), the Company's Chief Executive Officer did not receive any variable remuneration related to this period.

Taxes

Deferred Income taxes and social contribution amounted up to R\$ 0.6 million during 1Q18.

Net Income

Tarpon registered a net loss of R\$ 3.5 million during 1Q18.

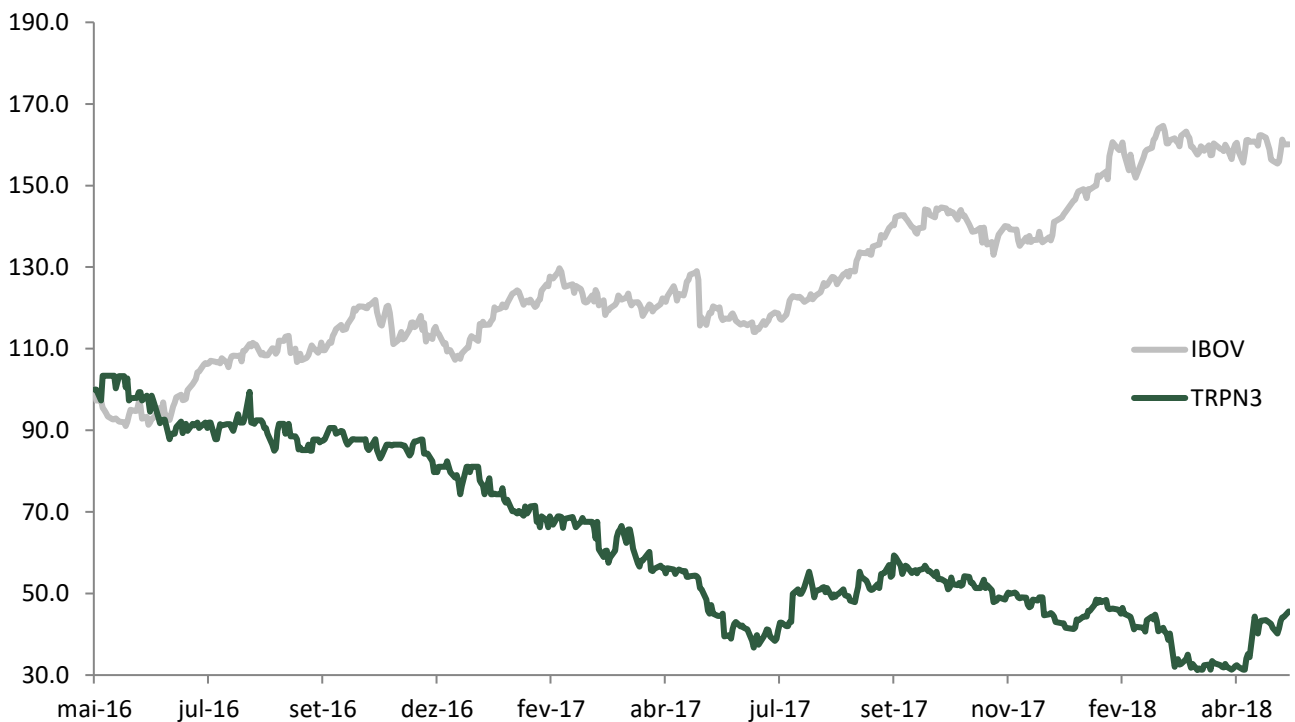


Corporate Governance

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\$ 3.29, the company's market value is R\$ 131.1 million.

TRPN3 vs Ibovespa (LTM - base 100)



Attachments - Reports

Consolidated Income Statement

Financial highlights - R\$ million

Income Statement	3Q17	3Q16	Var.%
Gross revenues	12.0	13.3	-10%
Management fees	12.0	13.3	-10%
Performance fees	-	-	-
Net revenues	9.8	12.4	-21%
Operating Expenses			
Personal Expenses	(4.6)	(3.7)	24%
Administrative Expense and others	(3.7)	(3.5)	6%
Net Income after Operating Expenses	(4.6)	(1.5)	203%
<i>Gross margin</i>	-47%	-12%	
Finance Income	0.4	0.3	33%
Income tax and social contribution	(0.7)	(1.1)	-130%
Net Income	(3.5)	(3.2)	11%
<i>Net margin</i>	-36%	-26%	
Earnings per share (R\$/share)	(0.08)	(0.07)	11%
O/S	43,959	44,115	0%
AuM (end of period)	6,161	7,411	-17%

Consolidated Balance Sheet

Financial highlights - R\$ thousands

Assets	1Q18	1Q17
Cash and cash equivalents	33,020	28,285
Financial assets measured at fair value through profit and loss	23,887	25,585
Receivables	342	658
Recoverable taxes	1,680	452
Other assets	8,449	8,129
Current assets	67,378	63,109
Recoverable taxes	1,087	1,075
Deferred Tax Assets	1,327	-
Fixed Assets	85	101
Intangible Assets	170	172
Non-current assets	2,669	1,348
Total assets	70,047	64,457
Liabilities		
Accounts payable	212	462
Financial derivatives	2,421	2,421
Current tax liabilities	6,295	6,307
Payroll accruals and Dividends payable	11,308	2,195
Current liabilities	20,236	11,385
Deferred Tax	320	295
Non-current liabilities	320	295
Share capital	7,085	7,085
Capital reserve	3,236	3,236
Share in Treasury	(624)	(624)
Legal reserve	1,415	1,415
Profit reserve	7,072	7,072
Cumulative translation adjustment	21,819	21,697
Stock options	13,036	12,896
Additional dividends proposed	(3,548)	-
Equity	49,491	52,777
Total liabilities and equity	70,047	64,457

Consolidated Cash Flow

Financial highlights - R\$ thousands

Cash Flow	2018	2017
Net income / (Loss)	(3,548)	(3,209)
Depreciation and Amortization	26	80
Stock Options	122	291
Bonus Provision	10,199	8,481
Derivatives	-	302
Current Income Tax and Social Contribution Provision	697	1,958
Deferred Income Tax and Social Contribution Provision	(1,302)	31
Adjusted net income	6,194	7,934
Receivables	316	(916)
Financial assets at fair value	1,698	(26)
Tax compensation	(470)	-
Other assets	(320)	3,240
Payroll accruals and dividends payable	(1,086)	175
Accounts payable	(250)	(260)
Taxes	721	(31)
Income tax and social contribution paid	(2,200)	(1,664)
Cash used/provided by operating activities	4,603	8,452
Received Dividend	-	-
Aquisition in Intangible Assets	(8)	59
Cash provided by investing activities	(8)	59
Dividends paid	-	(243)
Cash used in financing activities	-	(243)
Net decrease in cash and cash equivalents	4,595	8,268
Cash and cash equivalents at the beginning of period	28,285	25,742
Exchange rate changes on cash and cash equivalents	140	(734)
Cash and cash equivalents at the end of period	33,020	33,276

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Disclaimer

This document may contain forward-looking statements. Such forward-looking statements are and will be subject to many risks and uncertainties relating to factors that are beyond the Company's ability to control or estimate precisely, such as future market conditions, competitive environment, currency and inflation fluctuations, changes in governmental and regulatory policies and other factors relating to the operations of the Company and the funds managed by the Company, which may cause actual future results of the Company to differ materially from those expressed or implied in such forward-looking statements.

This document presents forward-looking statements and estimates regarding financial results and assets under management of Tarpon that may materialize upon the conclusion of the transaction involving the sale of control of Somos by the Tarpon Funds. As mentioned above, the closing of this transaction is subject to several precedent conditions set forth in the respective transaction documents and the Company cannot assure that such forward-looking information will materialize under the terms set forth herein.

The readers are advised not to make decisions exclusively on the basis of these projections and estimates. The projections and estimates do not represent and should not be interpreted as guarantees of future performance and should neither be construed as guarantee that the transactions that may generate estimated results will be effectively completed in accordance with their terms.

This document may contain operational information and other information that are not derived from the financial reporting of the Company. Such data has not been subject to any revision by the independent auditors of the Company and may involve management's estimates and assumptions.

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