

São Paulo - SP, February 13, 2019. Tarpon Investimentos S.A. ("Tarpon" or "the Company"), an investment management company dedicated to public and private equity investment funds ("Tarpon Funds"), presents its results for the quarter ending December 31, 2018.

STOCK DATA

Ticker: TRPN3

O/S: 44,916k shares

Treasury shares: 357k shares

Stock Price (12/02/2019): R\$ 1.11

Market Cap: R\$ 49.9 million

Daily Volume LTM:

74.7 k shares

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4Q18 – Highlights

- ✓ **Assets under management:** as of December 31, 2018, R\$ 3.2 billion in the portfolio funds strategies and R\$ 0.5 billion in the co-investment strategy, amounting to R\$ 3.7 billion.
- ✓ **Redemptions payable:** at the end of 4Q18, R\$ 2.8 billion in AuM linked to previously requested redemptions from the Tarpon Funds (76.6% of total AuM in 4Q18), compared to R\$5.9 billion in 3Q18 (85.9% of total AuM in 3Q18).
- ✓ **Performance:** gross returns of R\$ 352.2 million and R\$ 160.5 million in the portfolio funds and co-investment funds, respectively.
- ✓ **Subscriptions and redemptions:** in 4Q18, payments of R\$ 2,006.4 million in redemptions at the portfolio funds and R\$ 1,673.2 million in the co-investment funds.
- ✓ **Gross revenue:** gross management fee revenues amounted to R\$ 7.9 million in 4Q18 and gross performance fee revenues amounted to R\$ 95.3 million.
- ✓ **Net income:** net income of R\$ 54.4 million in 4Q18.

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Introduction

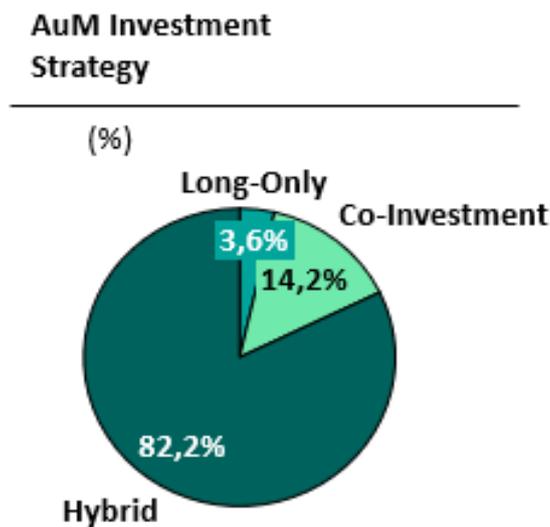
As announced on December 28, 2018, the Company is implementing a series of measures to reformulate its business model. These measures are further described in the notice of Material Fact released by the Company on such date.

As a complementary measure to this reformulation plan, the Company's controlling shareholder (Mangue Participações Ltda.) announced its intention to launch a public tender offer to acquire the Company's outstanding common shares, with the purpose of cancelling the Company's registration as a publicly-held company and consequently leaving the Novo Mercado listing segment. The tender offer registration request was presented to the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários) on January 24, 2019, and the process is under review by the CVM and the stock exchange (B3).

During the 4Q18, the sale of the Tarpon Funds' controlling stake in Somos Educação S.A. was completed, including the subsequent distribution of net proceeds from the sale to redeeming investors, which resulted in a decrease of R\$ 3.5 billion in AuM in the quarter. The Company recorded gross performance fee revenues in the amount of R\$ 95.3 billion in the quarter.

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 portfolio funds investment strategy comprises funds that invest only in listed companies (Long-Only Equity) and funds investing in both listed companies and illiquid investments/private equity (Hybrid Equity).

As of December 31, 2018, the AuM allocated to this strategy amounted to R\$ 3.2 billion.

Co-Investments

The co-investments strategy consists of funds organized with the purpose to invest in a single 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 hold a significant exposure, allowing us to increase our overall stake in certain invested companies.

As of December 31, 2018, the AuM allocated to this strategy amounted to R\$ 0.5 billion.

Investment performance

In the 4Q18, the Portfolio Funds Hybrid-Equity strategy posted net returns of 11.5% in R\$ and 6.2% in US\$. Net annualized performance is -0.6% in R\$ and 0.3% in US\$.

In the 4Q18, the Portfolio Funds Long-Only Equity strategy posted net returns of 6.9% in R\$ and 10.4% in US\$. The accumulated annualized returns of this strategy, net of taxes and expenses, is 17.1% in R\$ and 14.9% in US\$.

For illustrative purposes, in the 4Q18, Ibovespa and IBrX Indexes posted returns of 10.8% and 11.9%, respectively (both in R\$). Returns in US\$ were 14.5% and 15.6% for Ibovespa and IBrX, respectively:

Strategy	Launch	Performance ¹					Since Launch (annualized)
		4Q18	12 Months	2 years	5 years		
Long Only Equity (R\$)	May 2002	6.88%	5.26%	7.63%	-25.41%	17.09%	
Long Only Equity (US\$)	May 2002	10.44%	-10.14%	-9.47%	-54.90%	14.92%	
Hybrid Equity (R\$)	Sep 2011	11.52%	-2.85%	17.12%	-19.18%	-0.58%	
Hybrid Equity (US\$)	Oct 2006	6.24%	2.76%	7.96%	-14.20%	0.26%	

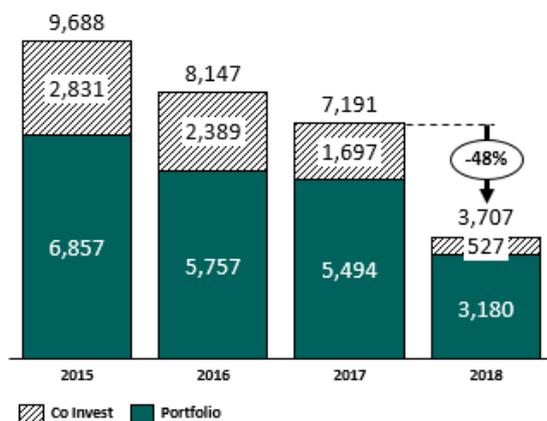
(1) Performance net of fees.

Assets under management

Total AuM amounted to R\$ 3.8 billion as of December 31, 2018, a decrease of 43.6% when compared to the previous quarter and a decrease of 46.1% when compared to the same period of the previous year. This decrease is primarily related to the distribution by the Tarpon Funds to its investors of net proceeds from the sale of the Somos Educação stake, in the amount of R\$ 3.5 billion.

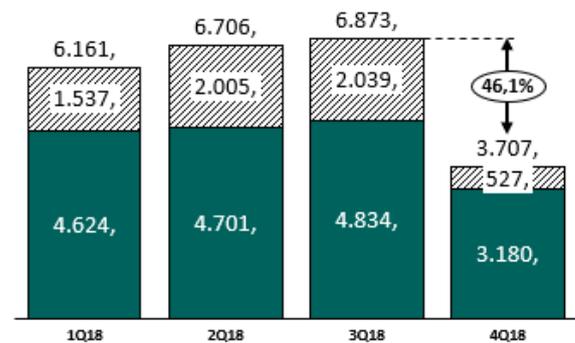
AuM Evolution - Annual

(R\$ MM)



AuM Evolution - Quarter

(R\$ MM)

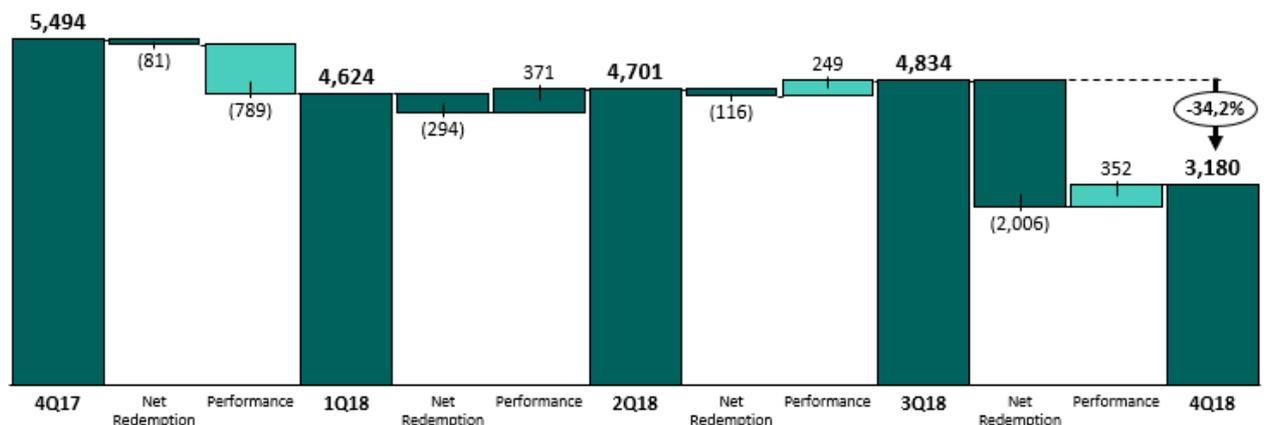


Portfolio Funds AuM

In 4Q18, the Portfolio Funds registered net redemptions of R\$ 1,837.2 million and performance of R\$ 352.2 million, resulting in a decrease of 34.2% in AuM compared to the previous quarter. This decrease is primarily related to the distribution by the Tarpon Funds to its investors of net proceeds from the sale of the Somos Educação stake.

AuM Evolution Portfolio - Quarter

(R\$ MM)



As of December 31, 2018, the AuM for portfolio funds allocated to investments classified as liquid (primarily represented by the investment in BRF) represented 29.8% of the total AuM of the portfolio funds (R\$ 948.7 million). Investments classified as illiquid (represented mainly by investments in Omega Energia), valued at fair value¹, corresponded to 70.2% of the AuM of the portfolio funds (R\$ 2,231.4 million).

The outstanding amount of redemptions payable from the portfolio funds' liquid pool corresponded, on December 31, 2018, to R\$ 582.9 million.

As described in the 3Q18 earnings report, the Company initiated discussions with investors in the Tarpon Partners Fund, offering the option to accelerate redemptions of the liquid investments held by such funds through the distribution in kind of assets directly to investors. The Company expects that outstanding redemptions from the Tarpon Partners Fund will be fully paid by the close of the second quarter of 2019. This acceleration of redemption payments will allow the Company to focus in the management of the investments in Omega Energia and the public equities strategy, as provided in the Company's business reformulation plan.

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, 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. As of September 30th, the balance of illiquid investments of the portfolio funds already linked to redemptions corresponded to 79.2% of the total illiquid investments of the portfolio funds (R\$ 1,707.3 million).

As of December 31, 2018, the AuM of the Portfolio Funds not linked to outstanding redemptions was R\$ 814,0 million.

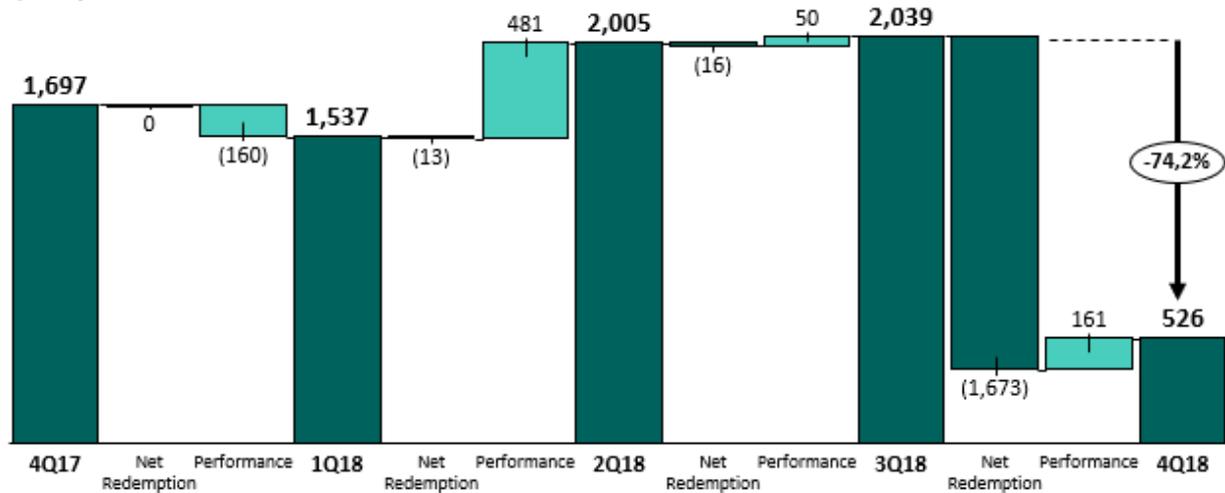
Co-investment Funds AuM

In 4Q18, the Co-Investment Funds registered net redemptions of R\$ 1,673.2 million and performance of R\$ 160.5 million, resulting in a decrease of 74.2% in AuM compared to the previous 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 September 30th, 2018, the investment of the Tarpon Funds in Somos was not valued considering the price under the sale of control transaction.

AuM Evolution Co Investment - Quarter

(R\$ MM)



With the close of the sale of control of Somos Educação, the Co-Investment Funds distributed R\$ 1,657.2 million to its investors.

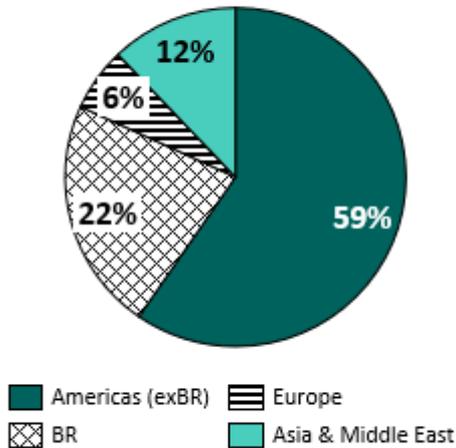
The remainder of the AUM of the Co-Investment Funds is allocated into a multi-investment fund, subject to a quarterly collection of management fee and annual performance fee calculation. Of this fund, based on balances as of December 31, 2018, 62.2% corresponded to illiquid investments, which will be distributed upon the respective divestment, and 31.8% corresponded to liquid investments, which have been fully redeemed and due to the rescheduling of redemption payments are expected to be fully paid until the close of the 1Q19.

Investor base

As of December 31, 2018, institutional investors, mainly endowments, foundations, pension funds and sovereign wealth funds, accounted for 68.5% of total AuM. The proprietary capital represented 17.3% of total AuM of the Tarpon Funds as of December 31, 2018, and 69.9% of the total AuM not linked to outstanding redemptions.

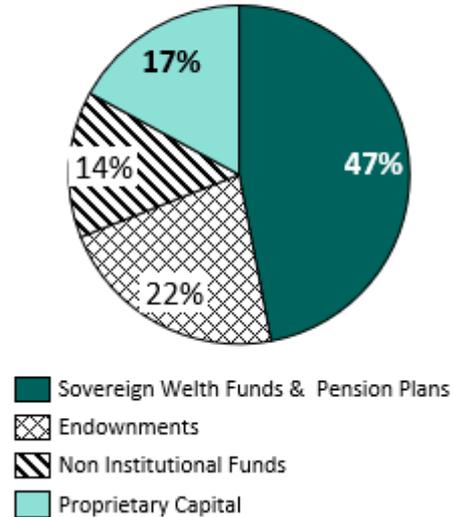
AuM by Region

(%)



AuM Investor Type

(%)



Financial Highlights

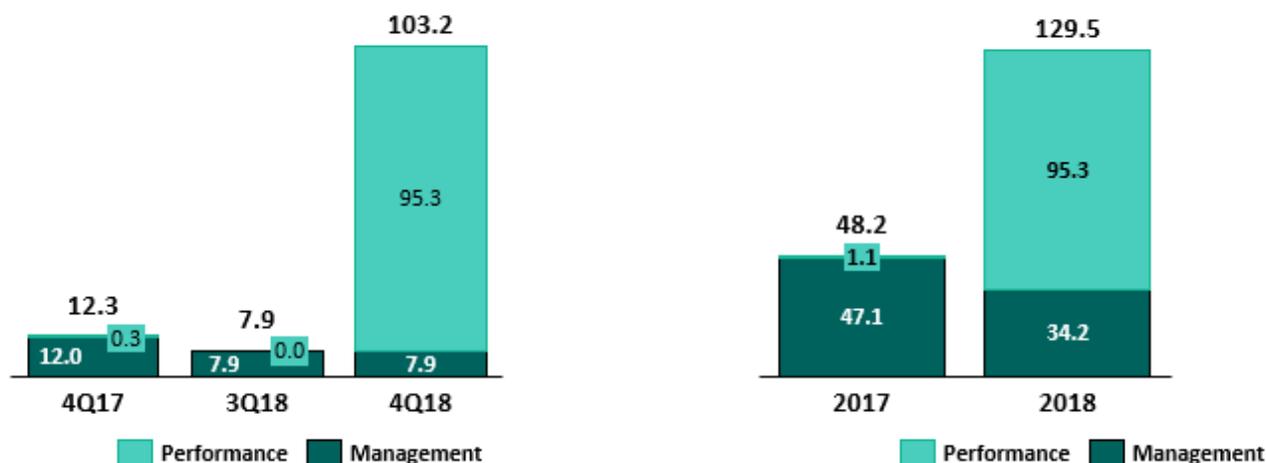
Operating revenues

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 4Q18, the gross operating revenues amounted R\$ 103.2 million (R\$ 12.3 million in the 4Q17). In 2018, the gross operating revenues amounted to R\$ 129.5 million (R\$ 48.2 million in 2017). This increase is related primarily to the performance fees paid by the Somos Educação co-investment funds, recorded in the 4Q18.

Operating Revenues

(R\$ MM)



Revenues related to management fees

Management fees are charged on the Tarpon Funds based on the amount of invested capital. In the 4Q18, gross revenues related to management fees amounted to R\$ 7.9 million and to performance fees amounted to R\$ 95.3 million.

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.

In December 31, 2018, the Company recorded performance fee revenues in the gross amount of R\$ 95.3 million, primarily paid by the Somos Educação co-invest funds. Except for these funds, the AuM of the Tarpon Funds remains substantially below the water mark.

Operating expenses

Operating expenses include general and administrative expenses, payroll, and other expenses related to depreciation, travel expenses, provisions for profit sharing program, stock option plans (without cash effect) and variable compensation.

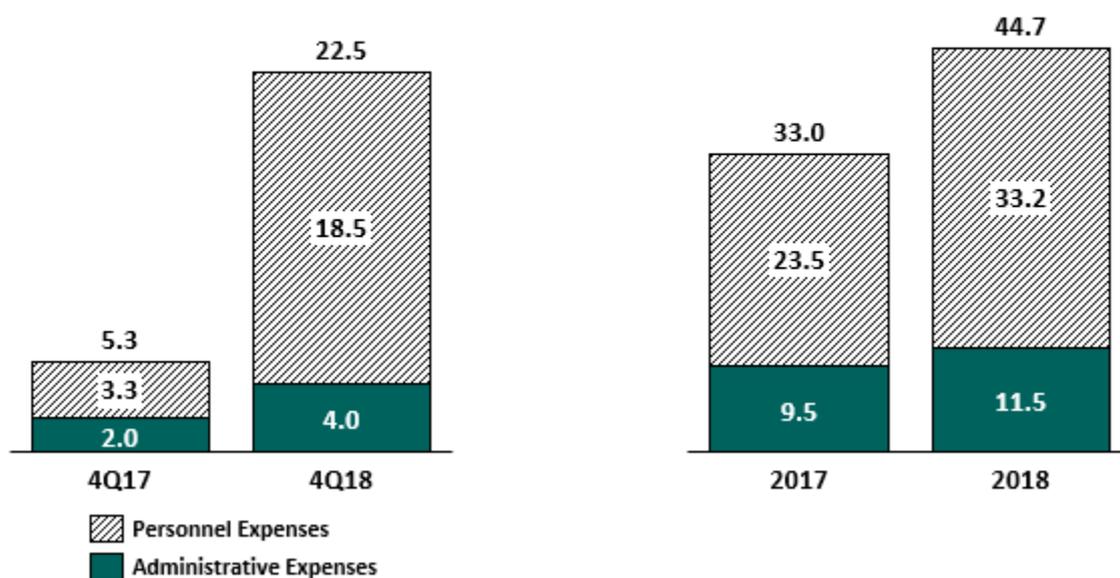
Management Report

In 4Q18, operating expenses totaled R\$ 22.5 million (R\$ 5.3 million in the 4Q17), including a provision for variable compensation recorded in the quarter, in the amount of R\$ 14.7 million (related to the performance fees from the Somos Educação divestment). An equivalent provision was not recorded in the 4Q17.

In 2018, personnel expenses totaled R\$ 44.7 million (R\$ 33.0 million in 2017).

Operating Expenses

(R\$ MM)



Taxes

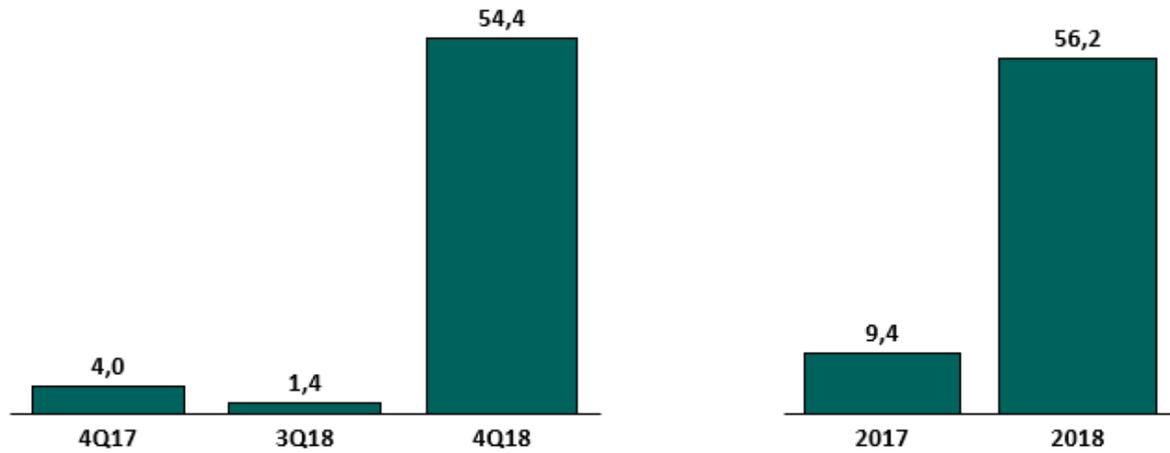
Deferred income taxes and social contribution amounted up to R\$ 29.3 million during 4Q18.

Net Income

The Company recorded net income of R\$ 54.4 million in the 4Q18 (R\$ 4.0 million in the 4Q17). In 2018, the Company recorded net income of R\$ 56.2 million (R\$ 9.4 million in 2017).

Net Income

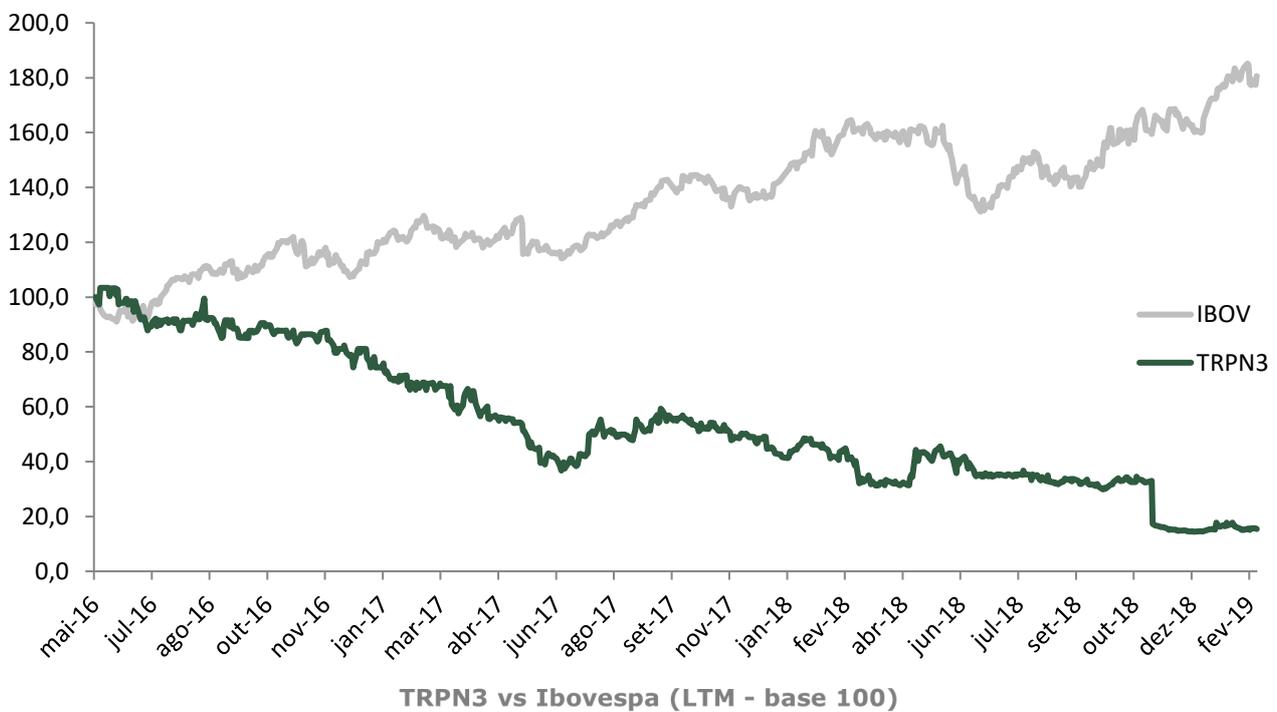
(R\$ MM)



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\$ 1.11, the company's market value is R\$ 49.9 million.



Attachments - Reports

Consolidated Income Statement

Income Statement	4Q18	4Q17	Var.%	2018	2017	Var.%
Gross revenues	103.2	12.3	739%	129.5	48.2	169%
Management fees	7.9	12.0	-34%	34.2	47.1	-27%
Performance fees	95.3	0.3	31667%	95.3	1.1	8351%
Net revenues	101.0	12.0	742%	126.5	47.1	169%
Operating Expenses						
Personal Expenses	(18.5)	(3.3)	461%	(33.3)	(23.5)	42%
Administrative Expense and others	(4.0)	(2.0)	100%	(11.4)	(9.5)	20%
Net Income after Operating Expenses	78.5	6.7	1072%	81.8	14.1	479%
<i>Gross margin</i>	78%	56%		65%	30%	
Finance Income	5.2	0.4	1210%	7.0	1.5	369%
Income tax and social contribution	(29.3)	(3.1)	846%	(32.6)	(6.2)	427%
Net Income	54.4	4.0	1261%	56.2	9.4	496%
<i>Net margin</i>	54%	33%		44%	20%	
Earnings per share (R\$/share)	1.21	0.09	1232%	1.25	0.21	483%
O/S	44,916	43,959	2%	44,916	43,959	2%
AuM (end of period)	3,707	7,191	-48%	3,707	7,191	-48%

TARPON

INVESTIMENTOS

Consolidated Balance Sheet

Management Report

Financial highlights - R\$ thousands

Assets	2018	2017
Cash and cash equivalents	2,733	28,285
Financial assets measured at fair value through profit and loss	98,281	25,585
Receivables	8,467	658
Recoverable taxes	392	452
Other assets	12,109	8,129
Current assets	121,982	63,109
Recoverable taxes	1,122	1,075
Other assets	704	-
Deferred Tax	4,253	-
Fixed Assets	73	101
Intangible Assets	163	172
Non-current assets	6,315	1,348
Total assets	128,297	64,457
Liabilities		
Accounts payable	1,673	462
Dividends payable	20,091	2,421
Current tax liabilities	30,859	6,307
Payroll accruals	16,667	2,195
Current liabilities	69,290	11,385
Deferred Tax Liability	388	295
Non-current liabilities	388	295
Share capital	7,402	7,085
Capital reserve	3,652	3,236
Share in Treasury	(626)	(624)
Legal reserve	1,415	1,415
Profit reserve	7,072	7,072
Investment Reserve	4,179	-
Stock based payment reserve	23,441	21,697
Cumulative translation adjustment	12,084	12,896
Equity	58,619	52,777
Total liabilities and equity	128,297	64,457

Consolidated Cash Flow

Financial highlights - R\$ thousands

Cash Flow	2018	2017
Net income / (Loss)	56,179	9,430
Depreciation and Amortization	47	308
Stock Options	1,744	939
PP&E Acquisition	-	109
Accrued Income Tax and Social Contribution	36,775	6,077
Deferred Income Tax and Social Contribution	(4,160)	108
Adjusted net income	90,585	16,971
Receivables	(7,809)	(263)
Financial Instruments fair value through profit loss	(72,696)	(6,603)
Financial Derivatives	-	(456)
Recoverable Taxes	(473)	2,340
Other Assets	(5,015)	581
Payroll Accruals and Dividends payable	14,472	595
Accounts Payable	1,211	(186)
Tax liabilities	2,908	77
Income tax and social contribution paid	(15,131)	(5,509)
Cash used/provided by operating activities	8,052	7,547
Acquisition of property, plant and equipment	(10)	(65)
Cash provided by investing activities	(10)	(65)
Capital Increase	317	-
Dividends Paid	(34,329)	(4,975)
Purchase of treasure shares	(2)	(624)
Cash used in financing activities	(34,014)	(5,599)
		-
Net decrease in cash and cash equivalents	(25,972)	1,883
Cash and cash equivalents at the beginning of period	28,285	25,742
Exchange rate changes on cash and cash equivalents	4	660
Net decrease in cash and cash equivalents	2,317	28,284

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Disclaimer

This document contains 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.

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.

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