



GP Investments

A Leader in Alternative Investments in Latin America

Third Quarter of 2017

Earnings Release

November 13, 2017

HIGHLIGHTS OF THE QUARTER

GP Investments is pleased to announce its results and developments in the third quarter of 2017. Highlights were:

1. **GP Investments posted net income of US\$14.0 million for 3Q17**, mostly resulting from the appreciation of our publicly listed portfolio companies during the period. This positive result led to total net income of US\$30.4mm in 9M17.
2. **GP Investments' NAV per share increased to US\$3.36 in 3Q17 from US\$3.21 in the previous quarter, a positive 4.5% change through the period.** NAV per share in R\$ appreciated by 0.1% during the same period, from R\$10.63 to R\$10.64 per share reflecting the 4.2% BRL appreciation in the quarter.
3. **GP Investments' publicly listed portfolio companies posted strong share performance during the third quarter of 2017**, contributing US\$10.1 million to GP Investments' results for the period. BR Properties shares appreciated by 24.0% and Magnesita shares by 10.3%, both measured in local currency.
4. On August 7, GP's subsidiary, Spice Private Equity, announced the **closing of the purchase agreement to acquire a significant minority stake in LEON**, a quick-service restaurant chain based in the UK.
5. During the quarter, **GP concluded the sale of its remaining shares in Wiz Soluções**, fully exiting from the investment. During 3Q17, 4.8 million shares were sold and generated proceeds of US\$28.2 million.
6. Subsequently, on October 11, GP Investments announced the **closing of the transaction between Rimini Street and GP Investments Acquisition Corp. (GPIAC)**. The combined company retained the Rimini Street, Inc. name and started trading on the NASDAQ under the ticker "RMNI" on October 11, 2017.
7. On October 27, GP informed the market about the **completion of the merger transaction between Magnesita and RHI AG**. The combined company, RHI-Magnesita, started trading on the London Stock Exchange's main market on October 27, 2017.
8. **GP Investments' standalone liquidity position (excluding Spice) ended the quarter at US\$106.2 million.** Spice ended the quarter with a total of US\$104.5 million in cash. Therefore, the **combined cash availability for GP and Spice is US\$210.7 million.**

November 13, 2017 – GP Investments, Ltd. [B3: GPIV33], a leader in alternative investments in Latin America, announces its 3Q17 results.



Total Net Asset Value

US\$368.5 million

Total Liquidity Position¹

GP:
US\$106.2 million

GP + Spice:
US\$210.7 million

NAV Appreciation

+10.4% during 2017

Company Profile

GP Investments is a leader in alternative investments in Latin America. Since its inception, the company has raised approximately US\$5.0 billion from international investors and has acquired 56 companies in 16 sectors. In May 2006, GP Investments concluded its initial public offering (IPO), becoming the first listed private equity firm in Brazil. For more information, please see GP Investments' website (www.gp-investments.com) or contact the IR department.

¹ Cash & Cash Equivalents and Financial Investments (trading securities)

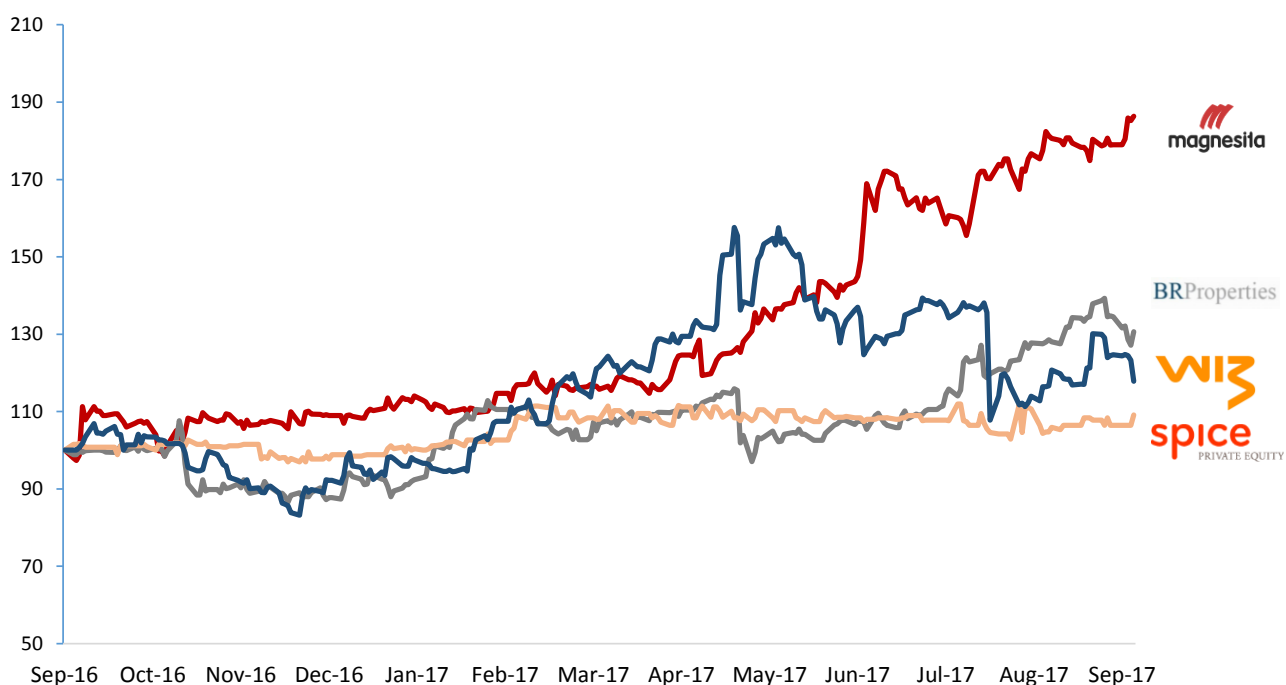
PUBLICLY LISTED PORTFOLIO PERFORMANCE

GP's publicly listed portfolio companies enjoyed significant overall share appreciation, contributing \$10.1 million to the positive change in FMV within GP's results in the quarter:

- **Magnesita (MAGG3)**: the company's shares appreciated by 86.3% in the last 12 months and by 10.3% in the third quarter of 2017 to R\$40.60/share;
- **BR Properties (BRPR3)**: BR Properties shares appreciated by 30.6% in the last 12 months and by 24.0% in the third quarter of 2017 to R\$11.17/share;
- **Wiz Soluções (WIZS3)**: Wiz Soluções' shares appreciated by 17.8% in the last 12 months and decreased by 6.5% in the third quarter of 2017 to R\$17.20/share;
- **Spice Private Equity (SPCE)**: Spice's shares rose by 9.1% in the last 12 months and by 1.1% in the third quarter of 2017 to US\$28.70/share.

Performance of publicly listed portfolio components (in local currency)¹

Standardized at 100



¹ Wiz Soluções (WIZS3), Magnesita (MAGG3) and BR Properties (BRPR3) in Brazilian reais and Spice Private Equity (SPCE) in U.S. dollars

NAV AND SHARE PERFORMANCE

GP Investments' NAV totaled US\$368.5 million as of September 30, 2017, representing a 4.5% increase over the US\$352.5 million reported in the previous quarter.

GP Investments' NAV per share increased from US\$3.21 in June 2017 to US\$3.36 in September 2017, a positive 4.5% change through the period, mostly as a result of the appreciation of our portfolio companies' fair market value.

Despite the positive NAV performance, GP Investments' shares depreciated by 7.7% in U.S. dollars during the third quarter of 2017. In Brazilian reais, GP's share performance posted a decrease of 11.6% during the same period.

As a result, GP Investments continues to trade at a significant discount to its NAV. As of September 30, 2017, with a market cap of US\$202.3 million, the shares were trading at a discount to NAV of 45%.

CLOSING OF THE PURCHASE AGREEMENT WITH LEON RESTAURANTS

The logo for LEON Restaurants, featuring the word "LEON" in a bold, orange, sans-serif font.

In August, GP Investments informed the market that its subsidiary, Spice Private Equity, concluded the previously announced purchase agreement to acquire a significant minority stake in LEON Restaurants Ltd.

LEON is a quick-service restaurant chain based in the UK. The founders set out to prove that it was possible to serve fast food that both tastes good and does you good. The menu is inspired by the flavors, variety and natural healthiness of Mediterranean cooking, and prices are reasonable, so that everyone can eat well.

With the transaction, Spice became the largest shareholder in LEON and enjoys relevant governance within the company. The capital invested by Spice totaled approximately GBP 25 million.

Spice's investment will help LEON pursue its growth plans in the UK and internationally. Since Spice's investment in the company, LEON has opened seven new restaurants and expanded to other countries in Europe.

FINAL DIVESTMENT OF WIZ SOLUÇÕES

The logo for WIZ Soluções, featuring the word "WIZ" in a stylized, orange, sans-serif font.

During 3Q17, GP completed its final divestment of Wiz Soluções with the sale of the 4.8 million remaining shares, generating US\$28.2 million in net proceeds.

The investment in Wiz resulted in a cash-on-cash and IRR of 4.3x and 51.5%, respectively, in USD terms (6.6x and 71.1% in BRL terms).

CLOSING OF THE MERGER AGREEMENT WITH RIMINI STREET

The logo for Rimini Street, featuring the words "Rimini Street" in a bold, black, sans-serif font, with a yellow horizontal line underneath "Street".

On October 11, GP Investments announced the closing of GP Investments Acquisition Corp (GPIAC) definitive merger agreement with Rimini Street, Inc. The combined company retained the Rimini Street, Inc. name; its common stock was listed on the NASDAQ exchange and started trading as "RMNI" on October 11, 2017.

The transaction raised US\$50 million for Rimini Street. Proceeds were used to provide additional liquidity to the balance sheet, reduce total debt and pay transaction expenses.

GP invested a total of US\$36 million in the transaction, being US\$12 million directly and US\$24 million through Spice Private Equity. As a result, GP and Spice have stakes of 2.5% and 5.1%, respectively, in Rimini Street, already including the sponsor shares from GPIAC, as per the terms and conditions agreed upon its IPO in 2015.

GP will be able to benefit from significant governance of the combined company, working closely with Rimini Street's management team and with two representatives of GP joining the board of directors.

Rimini Street is a global provider of enterprise software support products and services, and the leading third-party support provider for Oracle and SAP software products. The company has redefined enterprise software support services since 2005 with an innovative, award-winning program that enables licensees of IBM, Microsoft, Oracle, SAP and other enterprise software vendors to save up to 90 percent on total support costs. Clients can remain on their current software release without any required upgrades for a minimum of 15 years. Over 1,330 global Fortune 500, midmarket, public sector and other organizations from a broad range of industries currently rely on Rimini Street as their trusted, third-party support provider.

CLOSING OF THE MERGER TRANSACTION BETWEEN MAGNESITA AND RHI



On October 26, 2017 the transaction to combine the operations of Magnesita Refratários and RHI AG was concluded. The transaction created RHI Magnesita, a leading company in the global refractory solutions sector, in which GP Investments became a significant shareholder. The combined company started trading on the London Stock Exchange's Main Market on October 27, 2017.

RHI Magnesita has international presence in more than 30 countries and will benefit from operational synergies, which will, alongside organic growth, support the company's operational performance going forward.

Following completion of the transaction, RHI Magnesita will launch a combined tag-along and delisting offer to acquire the remaining shares of Magnesita.

PORTFOLIO COMPANIES' PERFORMANCE



Magnesita's revenues increased by 21% in the third quarter of 2017 when compared to the same period of 2016. This was mainly driven by higher sales of refractories to the steel industry due to the increase in steel production in Brazil and North America during the period, combined with market share gains in new geographies.

Positive performance in steel more than compensated lower deliveries to industrial clients. As a result of higher sales, adjusted EBITDA increased by 23% with EBITDA margins remaining fairly stable at 15%.



The São Paulo market continues to show positive results. 3Q17 saw positive net absorption in the Triple A segment, lowering vacancy rates. Likewise, Rio de Janeiro had better performance than in the previous quarter. Rio's Triple A market also saw decreasing vacancy rates, albeit at a slower pace than São Paulo.

On a same-properties base, BR Properties was able to reduce its physical and financial vacancy through the quarter. The company continues to develop a healthy pipeline and is actively negotiating with potential new tenants to increase occupancy in the upcoming months.

The company is still focused on recycling its properties portfolio. It completed two acquisitions during the quarter (Centenário Complex-SP and Imbuia warehouse-SP) and one divestment (Ed. Henrique Schaumann-SP).

BR Properties is also working continuously on projects to improve its operating efficiency and capital structure.



Spice Private Equity posted Net Asset Value of US\$40.97 per share, a decrease of 1.7% from the US\$41.67 per share reported on June 30, 2017.

Total NAV for the quarter was US\$219.0 million, comprising cash & cash equivalents (48%), receivables from the sale of the legacy portfolio due in 4Q17 (17%) and the portfolio (35%), already including the investment in LEON Restaurants, Inc. As of September 30, 2017, the company was trading at a 30% discount to NAV.



The hospitality industry continues to suffer from the negative impacts of the ongoing reduced economic activity and the low level of corporate travel, combined with overcapacity in selected markets and a recent surge of violence in key geographies such as Rio de Janeiro. Nonetheless, after a long period of market recession, the industry started to show signs of recovery during 2Q17, which was confirmed by 3Q's positive trends and was driven by specific markets such as São Paulo and southern cities.

Despite the difficult market environment, BHG is making progress on strategic projects that aim to unlock value in the company's assets. Among the most relevant strategic initiatives is the sale of a set of BHG management agreements to Accor for R\$200 million. The agreement is expected to be closed late this year, so helping to boost the company's cash position.

Additionally, BHG is in final negotiations with a global luxury brand to convert the Marina Palace hotel in Rio de Janeiro into a high standard luxury hotel. In the meantime, BHG has already started working with architects and engineers on the renewal projects, and implementation should start in the coming months.



Centauro continued to deliver positive results in the third quarter of 2017 with sales volume increasing in both bricks-and-mortar stores and e-commerce in comparison to the same period of 2016, with high single-digit and double-digit growth in terms of same-store sales, respectively.

The company continues to enhance its omni-channel offering through the integration of on- and off-line operations, aiming at better serving customers by rolling out the Click and Collect and Ship from Store functionalities. These were implemented in a relevant set of stores and should start representing a relevant share of the e-commerce sales.

Finally, the company has delivered its first New Concept Store on September 18, 2017 and is expected to deliver other three new stores this year. The new concept is focused on enhancing the purchase experience by offering, among other things, Omni-channel integration (click and collect automatic lockers, totems for in-store originated online sales), smart retail (smart fitting room, RFID) and self-checkout functionalities, which should help to further boost the company's sales.



The company continues to face a challenging market situation. Even though consumer confidence has shown some signs of recovery, the purchasing power of the lower middle class (which comprises the majority of the company's clients) has been eroded by high unemployment. The beauty and care market experienced retraction in 2016, its second straight annual contraction after a string of 25 years of growth, and failed to show significant recovery in 9M17.

Reacting to the situation, the company continued to implement an extensive cost-cutting initiative and is working on the development of new product lines to adapt to the reduced purchasing power of its customers. The company also launched its e-commerce platform in 1H17 and is starting to sell products at some targeted specialized cosmetic stores in order to increase the offering of products through different channels.

Beleza Natural continues to press ahead with its entry into the U.S. market, with the first store due to open in New York by the beginning of 2018. The company is expected to start the training process of its U.S. employees in November in order to start operations in 2018 at full speed.



Industry volumes were modest during the quarter. Although better than the previous quarter, total aggregates sales were lower on a year over year basis, in line with low activity in the infrastructure and civil construction segments. Important projects have been delayed or slowed down in most regions, reflecting the political and economic instability in the country.

Despite the low sales volume in the quarter negatively affecting results, EBAM was able to maintain or even increase the market share of its main units. This helped generate relevant quarter over quarter EBITDA growth.

This was also a result of the company's efforts to control expenses and production costs, which remain below market average.

Going forward, EBAM is focused on managing its short-term liquidity position while continuously discussing strategic alternatives to create value via M&A opportunities – either to grow or to strengthen its capital structure.



Net revenues slightly decreased in the third quarter of 2017, mainly due to small churn in the company's client base and pressure on prices. Cost cutting efforts have continued to help the company to sustain its EBITDA.



The company reassessed its contracts during the quarter and terminated some in order to enhance profitability. This is likely to negatively affect top line growth going forward. Meanwhile, EBITDA is still expected to remain positive given that management was able to cut general and administrative expenses by 55% when compared to the same period of 2016.

REAL ESTATE PORTFOLIO

REAL ESTATE

During the third quarter of 2017, GP had the following developments in its real estate portfolio: (i) the complete sale of Upcon Blue, a 48-unit residential building in the city of São Paulo (São Paulo state); and (ii) the delivery of Central da Barra (Phase I), a 300-unit residential building also in the city of São Paulo.

Project updates during the 3Q17:

	Blue – São Paulo	Central da Barra (Phase I) – São Paulo
Residential	<p>Partner: Upcon Launched: Dec/13 Delivery: Feb/16</p> <p>Residential building dedicated to the high income Segment</p> <p>Update: 100% of the 48 units were sold</p> 	<p>Partner: Benx/Engelux Launched: Dec14 Delivery: Sept/17</p> <p>Residential building dedicated to the middle income Segment</p> <p>Update: The construction was delivered</p> 

As of September 30, 2017, GPRE had invested or committed to invest US\$121.6 million since its inception. Over-investment is possible because the fund was allowed to re-invest proceeds received during its investment period and this created additional dry powder to pursue deals. Assuming 100% re-investment of the proceeds received from projects during the investment period and considering the open commitments, the maximum fund commitment exposure is estimated at US\$87 million (roughly 72% of the total).

GP INVESTMENTS' RESULTS

GP Investments presents its results excluding non-controlling interests from its private equity and real estate activities and segregates its results into:

- Fund Management, which includes the fees received by GP Investments as the General Partner in its private equity and real estate funds and its ownership as the controlling shareholder of BRZ Investimentos and GP Advisors; and
- Capital Results, which include the participation of GP Investments as an investor in the funds it manages and other directly held investments.

In addition, Spice Private Equity's financial accounts are consolidated within GP's balance sheet. The proportional balance sheet consolidates 100% of Spice's individual accounts within GP's financials and the minority interests are excluded from the company's equity.

These are management figures and, as such, are unaudited.

The complete financial statements that include all non-controlling interests and are reviewed by our independent auditors are presented at the end of this release.

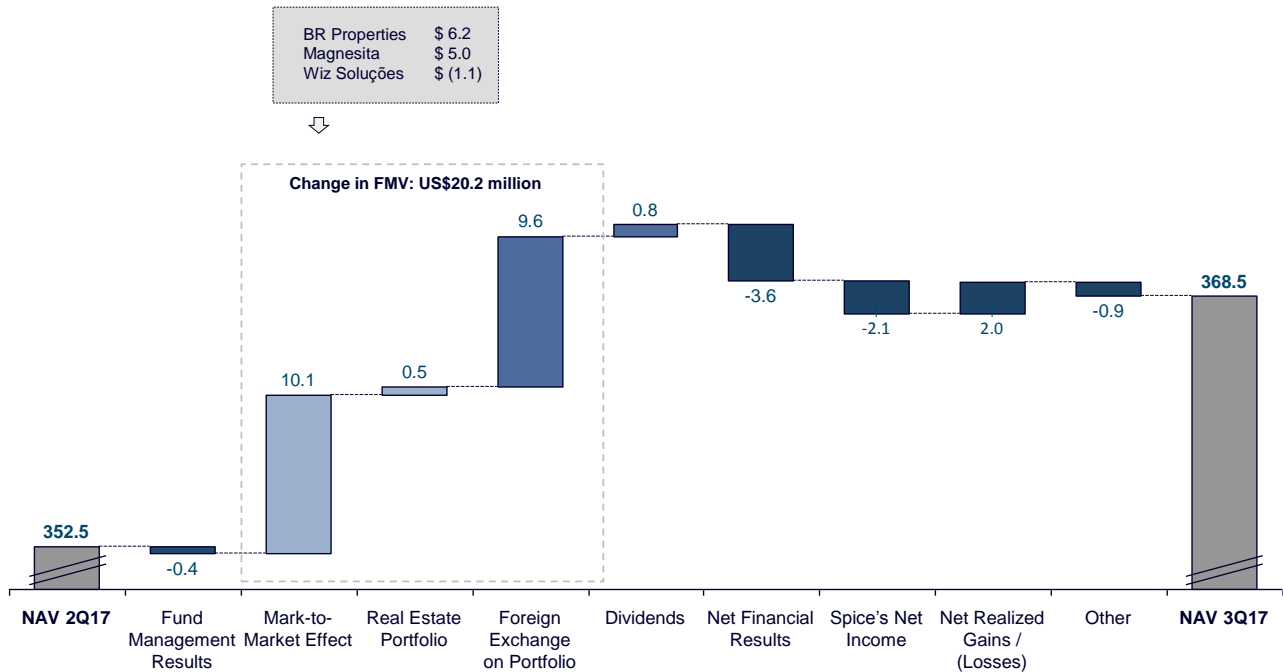
These financial statements are in accordance with U.S. GAAP standards and are being released simultaneously in all jurisdictions in which GP Investments has its securities traded. In compliance with requirements of the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários*) the issuer also releases financial statements in accordance with IFRS standards, which may differ from these financial statements due to the different basis of the accounting standard.

NET ASSET VALUE (NAV)

GP Investments' NAV totaled US\$368.5 million as of September 30, 2017, with NAV per share of US\$3.36, representing a 4.5% increase in NAV per share from June 2017.

NAV Change Breakdown

(In US\$ million)



The two main factors responsible for the NAV appreciation of US\$16.0 million from June 2017 to September 2017 were:

- (i) the US\$10.1 million mark-to-market effect of our listed portfolio companies, mostly explained by positive share performance from Magnesita and BR Properties; combined with
- (ii) the positive impact of the 4.2% BRL appreciation in the quarter on GP Investments' portfolio FMV, totaling US\$9.6 million;

In addition, GP Investments received: (i) a total of US\$0.8 million in dividends during the quarter, related to distributions from Magnesita; and (ii) US\$2.0 million of net realized gains relating to the sale of 4.8 million shares of Wiz Soluções in the quarter.

Finally, there was a total of: (i) US\$(3.6) million in net financial results during the quarter, mainly related to interest expenses from the perpetual bonds; and (ii) Spice's net income accounted for a negative US\$(2.1) million within GP's financials, related to the 58.48% stake in the company.

The following table shows the breakdown of GP Investments' NAV by company:

Value of Investments	GP	Spice	GP + Spice
US\$ million	30-Sep-17		
Publicly Traded Companies			
BR Properties ¹	31.9	-	31.9
Magnesita ¹	52.5	-	52.5
Publicly Traded Companies	84.4	-	84.4
Privately-held Companies/Investments			
Spice's Portfolio	-	77.4	77.4
Centauro ³	47.2	-	47.2
BHG ³	23.5	-	23.5
Real Estate Investments ⁴	26.3	-	26.3
EBAM ³	20.9	-	20.9
Beleza Natural ³	10.6	-	10.6
Allis ³	1.4	-	1.4
SPAC ⁵	6.1	-	6.1
BRZ Investimentos ²	2.6	-	2.6
Privately-Held Companies	138.6	77.4	216.0
Total Companies	223.0	77.4	300.4
Assets and Liabilities			
Cash and Cash Equivalents	88.2	104.5	192.7
Financial Investments	18.0	-	18.0
Other Assets	112.3	39.2	151.5
Liabilities	(201.0)	(0.7)	(201.7)
Minority Interest	-	(92.4)	(92.4)
Assets and Liabilities	17.5	50.6	68.1
NAV (Shareholders' Equity)	240.5	128.1	368.5

⁽¹⁾ The value of the investment is based on the company's market capitalization as of September 30, 2017

⁽²⁾ The investment in BRZ Investimentos is a direct stake and is therefore consolidated in GP Investments' balance sheet. BRZ's valuation shown above is based on its shareholders' equity as of September 30, 2017.

⁽³⁾ Discounted cash flow methodology, adjusted by the foreign exchange rate as of September 30, 2017

⁽⁴⁾ Value of the investment is based on the acquisition value for some of the fund's projects and on DCF methodology for others, according to GPRE's Policies described in the 1Q13 Earnings Release, both adjusted by the exchange rate as of September 30, 2017.

⁽⁵⁾ Value of the investment is based on the acquisition value adjusted by the exchange rate as of September 30, 2017.

RESULTS OVERVIEW

GP Investments posted net income of US\$14.0 million for the third quarter of 2017, mostly related to: (i) US\$20.2 million in unrealized changes in FMV, of which US\$10.6 million is mainly related to the positive impact of BR Properties and Magnesita shares appreciation during the quarter and US\$9.6 million explained by the positive effect of the BRL appreciation during the period; (ii) US\$7.3 million in management fees recognized during the period; (iii) US\$2.0 million in net realized gains due to the conclusion of the Wiz Soluções divestment; and (iv) US\$0.8 million related to dividends distribution from Magnesita during the quarter. This was partially offset by a negative financial result of US\$(3.6) million, combined with operating expenses of US\$(6.9) million.

Income Statement In US\$ million	3Q17			9M17		
	Fund Management	Capital Results	Total	Fund Management	Capital Results	Total
Management fees	7.3	-	7.3	22.5	-	22.5
Performance fees	0.1	-	0.1	0.4	-	0.4
Unrealized change in FMV	-	20.2	20.2	-	50.2	50.2
Net realized gains	-	2.0	2.0	-	0.5	0.5
Dividends and others	-	0.8	0.8	-	6.2	6.2
Gain on purchase of investment	-	-	-	-	-	-
Unrealized performance fees	0.2	-	0.2	1.5	-	1.5
Net Revenues	7.6	23.1	30.7	24.4	57.0	81.3
Operating expenses	(6.9)	-	(6.9)	(18.9)	-	(18.9)
Bonus and carried interest sharing	(0.6)	(1.4)	(2.0)	(1.8)	(3.7)	(5.5)
Unrealized carried interest sharing	(0.2)	-	(0.2)	(1.5)	-	(1.5)
Expenses	(7.7)	(1.4)	(9.1)	(22.2)	(3.7)	(26.0)
Intercompany management fees	-	(1.1)	(1.1)	-	(3.8)	(3.8)
Intercompany performance fees	-	(0.0)	(0.0)	-	(0.1)	(0.1)
Stock options	-	(0.4)	(0.4)	-	(1.4)	(1.4)
Financial income / loss net	-	(3.6)	(3.6)	-	(14.2)	(14.2)
EBT	(0.1)	16.6	16.5	2.1	33.8	35.9
Income taxes	(0.4)	-	(0.4)	(1.5)	-	(1.5)
Spice's Net Income	-	(2.1)	(2.1)	-	(4.1)	(4.1)
Net Income	(0.4)	14.5	14.0	0.7	29.7	30.4

REVENUES

FUND MANAGEMENT:

Management fees, including intercompany management fees, totaled US\$7.3 million, combined with US\$0.1 million in performance fees in the third quarter of 2017.

FAIR MARKET VALUE:

The total FMV of our portfolio companies increased by US\$20.2 million in the third quarter of 2017, mainly driven by: (i) changes in valuation totaling US\$10.6 million mostly explained by the appreciation of the shares of our publicly listed portfolio companies, BR Properties and Magnesita; and (ii) the US\$9.6 million positive effect of the BRL appreciation in the quarter.

Change in Fair Market Value	3Q17			9M17		
	FX Variation	Change in Valuation	Total	FX Variation	Change in Valuation	Total
<i>(In US\$ million)</i>						
Magnesita	2.0	5.0	6.9	1.3	21.4	22.7
BR Properties	1.2	6.2	7.4	1.0	9.2	10.2
BHG	1.0	-	1.0	0.7	(0.8)	(0.1)
EBAM	0.9	-	0.9	0.6	-	0.6
Centaurus	2.0	-	2.0	1.3	-	1.3
Allis	0.1	-	0.1	0.0	-	0.0
Real Estate	1.2	0.5	1.7	1.0	(1.0)	0.0
Beleza Natural	0.4	-	0.4	0.3	-	0.3
Wiz Soluções	0.7	(1.1)	(0.4)	1.5	13.1	14.6
Others	0.2	-	0.2	0.1	0.5	0.6
Total	9.6	10.6	20.2	7.7	42.5	50.2

AGGREGATE REVENUES:

Aggregate revenues were US\$30.7 million in the quarter, as a result of: (i) US\$7.6 million in Fund Management of which US\$7.3 million from management fees, US\$0.1 million from performance fees and US\$0.2 million in unrealized performance fees; combined with (ii) US\$23.1 million in Capital Results mainly due to the US\$20.2 million change in FMV, reflecting the performance of our listed portfolio companies in the quarter.

Aggregated Revenues	3Q17	9M17
<i>(In US\$ million)</i>		
Fund Management	7.6	24.4
Management Fees	7.3	22.5
Performance Fees	0.1	0.4
Unrealized Performance Fees	0.2	1.5
Capital Results	23.1	57.0
Net Realized Gains	2.0	0.5
Dividends and Other	0.8	6.2
Change in FMV	20.2	50.2
Total	30.7	81.3

EXPENSES

Operating expenses decreased to US\$18.9 million in 9M17, against US\$27.3 million reported in the same period of 2016.

The decline in operating expenses is mainly explained by significant cost cutting efforts implemented in the last 12 months, impacting: (i) payroll expenses, which saw a 17.8% decrease year-on-year, from US\$11.4 million in 9M16 to US\$9.4 million in 9M17; and (ii) G&A expenses, which fell by 39.8% from US\$15.9 million in 9M16 to US\$9.6 million in 9M17.

Stock option expenses totaled US\$1.4 million in the first nine months of 2017. These are non-cash expenses that are recorded according to U.S. GAAP standards.

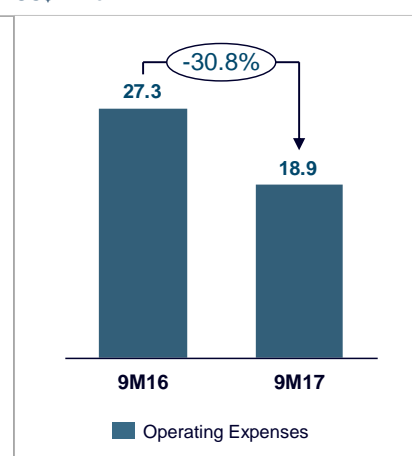
Expenses Breakdown

US\$ million

	9M17	9M16
Operating Expenses	(18.9)	(27.3)
G&A Expenses	(9.6)	(15.9)
Payroll	(9.4)	(11.4)
Intercompany Fees	(3.9)	(5.3)
Intercompany Management Fee	(3.8)	(4.0)
Intercompany Performance Fee	(0.1)	(1.3)
Stock Options	(1.4)	(1.4)
Total Expenses (ex- Bonus and Unrealized Carried Interest Expenses)	(24.2)	(34.1)
Bonus and carried interest sharing	(5.5)	(2.2)
Unrealized carried interest sharing	(1.5)	(2.0)
Total Expenses	(31.3)	(38.2)

Operating Expenses

US\$ million



BALANCE SHEET

On the asset side, investments are calculated according to GP Investments' pro-rata stakes in funds GPCP III, GPCP IV, GPCP V, GPCP VI and GPRE, and consolidation of BRZ Investimentos and GP Advisors.

Also, following the increase of the stake in Spice to a total of 58.48% of ordinary shares, GP Investments started to consolidate Spice figures within its balance sheet. As demonstrated at the end of this document, GP consolidates the entirety of Spice's accounts and excludes minority interests from the company's equity.

Of the US\$662.6 million in total assets, US\$441.5 million comes from GP Investments' balance sheet, and US\$221.1 comes from Spice.

- Cash & Cash Equivalents and Financial Investments totaled US\$210.7 million, of which US\$106.2 million comes from GP Investments and US\$104.5 million from Spice.
- Non-current assets totaled US\$361.8 million. Of this amount, US\$77.4 million comes from Spice's financials, specifically from its private equity portfolio.

Total liabilities stood at US\$203.2 million, with US\$201.1 million coming from GP and US\$2.1 million from Spice.

- Current liabilities totaled US\$24.6 million, of which US\$22.5 million represents GP's balance sheet, while Spice Private Equity represents just US\$2.1 million, comprising accounts payable.

- Non-current liabilities of US\$178.6 million are fully represented by GP Investments' balance sheet, comprising the perpetual notes and provision for contingencies.

The amount of US\$459.4 million in consolidated shareholders' equity comprises US\$240.4 million from GP and US\$219.0 from Spice, of which US\$90.9 million is represented by minority interests.

BREAKDOWN OF FUNDS

On September 30, 2017, the aggregate value of investments in the nine portfolio companies and more than 20 real estate projects totaled US\$1,612.2 million, and included:

- US\$25.9 million from GPCP III; US\$196.1 million from GPCP IV; US\$188.1 million from GPCP V; US\$1,005.9 million for GPCP VI; and US\$63.1 million from GPRE, with:
 - US\$1,267.3 million from limited partners; and
 - US\$211.8 million from GP Investments;
- US\$128.1 million from GP Investments' direct stake in Spice Private Equity at book value;
- US\$2.5 million from GP Investments' direct stake in Magnesita;
- US\$2.6 million from GP Investments' direct stake in BRZ Investimentos.

Portfolio Companies	Value of Investment** (US\$ million)								Ownership* (% as of September 30, 2017)								
	GPCP III	GPCP IV	GPCP V	GPCP VI	GPRE	GP's Stake	LPs	GP Direct Stake	Total	Co-Investors	GPCP III	GPCP IV	GPCP V	GPCP VI	GPRE	GP Direct Stake	GP Total Ownership**
• Magnesita ⁽¹⁾	25.9	117.5	-	-	-	50.0	93.3	2.5	39.5%	16.7%	4.0%	18.5%	-	-	-	0.4%	7.7%
• Allis ⁽³⁾	-	4.3	-	-	-	1.4	3.0	-	77.5%	-	-	77.5%	-	-	-	-	24.0%
• BHG ⁽³⁾	-	74.3	-	-	-	23.5	50.8	-	100.0%	72.4%	-	27.6%	-	-	-	-	8.6%
• EBAM ⁽³⁾	-	-	50.0	-	-	20.9	29.1	-	80.2%	-	-	-	80.2%	-	-	-	33.3%
• Centauro ⁽³⁾	-	-	112.9	-	-	47.2	65.7	-	36.5%	12.2%	-	-	24.3%	-	-	-	10.1%
• Beleza Natural ⁽³⁾	-	-	25.2	-	-	10.6	14.7	-	33.7%	-	-	-	33.7%	-	-	-	14.0%
• BR Properties ⁽¹⁾	-	-	-	1,006	-	31.9	974.0	-	70.0%	-	-	-	-	70.0%	-	-	2.2%
• Real Estate Investments ⁽⁴⁾	-	-	-	-	63.1	26.3	36.8	-	100.0%	-	-	-	-	-	100.0%	-	40.9%
Total Fund Investments	25.9	196.1	188.1	1,005.9	63.1	211.8	1,267.3	2.5	-	-	-	-	-	-	-	-	-
• BRZ Investimentos ⁽²⁾	-	-	-	-	-	-	-	2.6	84.3%	-	-	-	-	-	-	84.3%	84.3%
• Spice PE ⁽²⁾	-	-	-	-	-	-	-	128.1	58.5%	-	-	-	-	-	-	58.5%	58.5%
Total	25.9	196.1	188.1	1,005.9	63.1	211.8	1,267.3	133.1									

* Figures include value and ownership of investments in the GPCP III, GPCP IV, GPCP V, GPVP VI and GPRE funds.

** The value of the investments represents GP Investments' direct and indirect stake in each company within the portfolio.

⁽¹⁾ The value of the investment is based on the company's market capitalization as of September 30, 2017.

⁽²⁾ The investments in BRZ Investimentos and in Spice Private Equity are consolidated in GP Investments' balance sheet. The companies' valuation shown above is based on its shareholders' equity as of September 30, 2017.

⁽³⁾ Discounted cash flow methodology, adjusted by the foreign exchange rate as of September 30, 2017.

⁽⁴⁾ Value of the investment is based on the acquisition value for some of the fund's projects and on DCF methodology for others, according to GPRE's policies described in the 1Q13 Earnings Release, both adjusted by the exchange rate as of September 30, 2017.

CONSOLIDATED RESULTS

REVENUES

The change in FMV of our investments totaled US\$42.3 million in the third quarter of 2017. This positive result was mainly driven by the mark-to-market effect on our publicly listed portfolio companies.

Change in Fair Market Value	3Q17	9M17
<i>(In US\$ million)</i>		
Magnesita	20.1	65.6
BR Properties	7.4	10.2
BHG	3.1	(0.3)
EBAM	2.1	1.3
Centauro	4.8	3.1
Allis	0.2	0.1
Real Estate	4.0	0.1
Spice	(0.3)	(1.6)
Beleza Natural	1.1	0.7
Wiz Soluções	(0.4)	14.6
Others	0.2	(3.6)
Change in FMV*	42.3	90.2

** Includes FMV variations and foreign exchange effect*

EXPENSES

Operating expenses were US\$9.6 million in 3Q17, comprising G&A expenses of US\$5.9 million and payroll totaling US\$3.7 million.

Bonus expenses were US\$2.0 million during 3Q17, related to GP Investments and BRZ Investimentos.

Stock option expenses are non-cash and contributed negative US\$0.4 million to our results in 3Q17.

FINANCIAL RESULTS

GP Investments reported a net financial loss of US\$2.6 million in 3Q17. Financial income in the quarter totaled US\$2.2 million, while expenses were US\$(4.7) million in the same period.

BALANCE SHEET

Total assets were US\$944.3 million:

- Cash and cash equivalents totaled US\$193.6 million and financial investments were US\$18.1 million, resulting in an aggregate liquid position of US\$211.7 million.
- Non-current assets totaled US\$680.1 million. Investments totaled US\$617.6 million.

Total liabilities were US\$214.6 million:

- Current liabilities totaled US\$22.0 million and were mainly attributable to: (i) US\$5.2 million in accounts payable; (ii) US\$8.4 million in payroll accruals; and (iii) US\$3.2 million in accrued interest.
- Non-current liabilities totaled US\$192.5 million, comprising mainly the perpetual notes and provision for contingencies.

Shareholders' equity totaled US\$729.7 million:

- Non-controlling interests totaled US\$361.3 million.

ABOUT GP INVESTMENTS

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Conference Call

English

November 14, 2017

11:00 am (New York time)

14:00 am (Brasília time)

Phone (International): +1 (412) 317 5455

Phone (Brazil): 0800 891 0015

Code: GP Investments

GP Investments – Income Statement (excluding non- controlling interests)

Income Statement

In thousands of U.S. Dollars

	3Q17			2Q17		
	Fund Management	Capital Results	Total	Fund Management	Capital Results	Total
Revenues						
•Management fees	7,272	-	7,272	8,810	-	8,810
•Performance fees	64	-	64	269	-	269
•Appreciation / Depreciation in fair value of investments	-	20,229	20,229	-	8,499	8,499
•Reversal of unrealized fair value on disposal of investments	-	-	-	-	(1,642)	(1,642)
•Net realized gains	-	2,046	2,046	-	3,446	3,446
•Dividends and others	-	847	847	-	-	-
•Unrealized performance fees	227	-	227	335	-	335
Total Revenues	7,563	23,123	30,686	9,414	10,303	19,717
Expenses						
•Operating expenses	(6,886)	-	(6,886)	(6,705)	-	(6,705)
-General and administrative	(3,277)	-	(3,277)	(3,408)	-	(3,408)
-Payroll	(3,608)	-	(3,608)	(3,297)	-	(3,297)
•Bonus	(575)	(1,409)	(1,984)	(1,016)	(576)	(1,592)
•Carried Interest	(180)	-	(180)	(321)	-	(321)
Operating Expenses + Bonuses	(7,641)	(1,409)	(9,050)	(8,042)	(576)	(8,618)
•Intercompany management fees	-	(1,148)	(1,148)	-	(1,327)	(1,327)
•Intercompany performance fees	-	(35)	(35)	-	(28)	(28)
•Stock options	-	(356)	(356)	-	(446)	(446)
•Financial income / loss net	-	(3,576)	(3,576)	-	(4,023)	(4,023)
- Financial income	-	1,079	1,079	-	(128)	(128)
- Financial expenses	-	(4,655)	(4,655)	-	(3,895)	(3,895)
Net Income / loss for the period before taxes	(78)	16,598	16,520	1,372	3,903	5,275
•Income taxes	(364)	-	(364)	(632)	-	(632)
•Spice's Net income	-	(2,109)	(2,109)	-	1,103	1,103
Net Income / loss for the period	(442)	14,490	14,047	740	5,006	5,746

GP Investments – Income Statement (excluding non-controlling interests)

Income Statement					
In thousands of U.S. Dollars					
	3Q17	2Q17	9M17	3Q16	9M16
Revenues					
•Management fees	7,272	8,810	22,503	6,393	20,222
•Performance fees	64	269	340	7	3,020
•Appreciation / Depreciation in fair value of investments	20,229	8,499	50,244	14,333	64,294
•Net realized gains	2,046	(1,642)	507	203	2,173
•Dividends and others	847	3,446	6,212	2,083	6,408
•Gain on purchase of investment	-	-	-	-	41,577
•Unrealized performance fees	227	335	1,501	(966)	3,115
Total Revenues	30,686	19,717	81,308	22,053	140,809
Expenses					
•Operating expenses	(6,886)	(6,705)	(18,934)	(8,406)	(27,333)
-General and administrative	(3,277)	(3,408)	(9,561)	(4,533)	(15,933)
-Payroll	(3,608)	(3,297)	(9,372)	(3,873)	(11,400)
•Bonus and carried interest sharing expenses	(1,984)	(1,592)	(5,519)	(471)	(2,172)
•Unrealized carried interest sharing expenses	(180)	(321)	(1,511)	373	(1,986)
Operating Expenses + Bonuses	(9,050)	(8,618)	(25,964)	(8,504)	(31,491)
•Intercompany management fees	(1,148)	(1,327)	(3,795)	(1,322)	(5,170)
•Intercompany performance fees	(35)	(28)	(63)	-	(1,338)
•Stock options	(356)	(446)	(1,428)	(633)	(1,415)
•Financial income / loss net	(3,576)	(4,023)	(14,186)	(2,945)	(27,596)
-Financial income	1,079	(128)	2,197	4,186	7,967
-Financial expenses	(4,655)	(3,895)	(16,383)	(7,131)	(35,563)
Net Income / loss for the period before taxes	16,520	5,275	35,871	8,649	73,799
•Income taxes	(364)	(632)	(1,461)	(381)	(1,193)
•Spice's Net income	(2,109)	1,103	(4,051)	1,677	1,677
Net Income / loss for the period	14,047	5,746	30,357	9,945	74,283

GP Investments – Balance Sheet (excluding non-controlling interests)

Balance Sheet

In thousands of U.S. dollars

Assets	3Q17	2016	3Q16	Liabilities and shareholders' equity	3Q17	2016	3Q16
• Current assets				• Current liabilities			
- Cash and cash equivalents	192,746	156,883	121,900	- Accounts payable	4,550	3,607	4,827
- Financial investments - trading securities	17,975	44,516	52,644	- Taxes payable	6,899	441	1,415
- Funds held in escrow		1,732	4,256	- Payables related to derivative instruments	70		252
- Management and performance fees	1,252	482	987	- Payroll accruals and related charges	5,597	5,186	7,401
- Deferred costs and prepaid expenses	2,617	1,460	1,391	- Accrued interest	3,164	5,471	3,703
- Receivable related to derivative instruments		200		- Other	4,357	2,322	3,839
- Other assets	86,208	121,284	93,521		24,637	17,027	21,437
	300,798	326,557	274,699	• Non-current liabilities			
• Non-current assets				- Provision for contingencies	25,585	27,575	24,721
- Investments	319,493	303,212	287,144	- Loans and financings		44,491	44,667
- Equity Portfolio	308,178	294,519	355,047	- Perpetual notes	152,992	149,182	149,182
- Financial investments - available for sale	11,315	8,693	7,059	- Other		2,672	7,725
- Deferred costs		24	62		178,577	223,920	226,295
- Other receivables	13,540	12,762	12,958	• Shareholders' equity			
- Furniture and equipment	973	1,085	1,216	- Share capital	274	273	272
- Loans receivable	7,499	7,352	19,249	- Share premium	596,095	593,319	592,545
- Other	7,918	3,383	45,046	- Retained earnings / losses	(213,000)	(243,285)	(184,633)
- Funds held in escrow	12,375	14,156	11,323	- Treasury shares			
	361,798	341,974	451,960	- Other accumulated comprehensive income	(14,909)	(16,563)	(23,201)
				- Minority Interest	90,923	93,840	93,944
					459,383	427,584	478,927
Total assets	662,596	668,531	726,659	Total liabilities and shareholders' equity	662,596	668,531	726,659

GP Investments – Balance Sheet (GP Investments and Spice Private Equity)

Balance Sheet	GP Investments	Spice	GP + Spice		GP Investments	Spice	GP + Spice
In thousands of U.S. dollars							
Assets	3Q17	3Q17	3Q17	Liabilities and shareholders' equity	3Q17	3Q17	3Q17
• Current assets				• Current liabilities			
- Cash and cash equivalents	88,210	104,536	192,746	- Accounts payable	2,418	2,132	4,550
- Financial investments - trading securities	17,975	-	17,975	- Taxes payable	6,899	-	6,899
- Funds held in escrow	-	-	-	- Payroll accruals and related charges	5,597	-	5,597
- Management and performance fees	1,252	-	1,252	- Accrued interest	3,164	-	3,164
- Deferred costs and prepaid expenses	1,043	1,574	2,617	- Payables related to derivative instruments	-	-	70
- Receivable related to derivative instruments	-	-	-	- Other	4,357	-	4,357
- Other assets	48,644	37,564	86,208		22,505	2,132	24,637
	157,123	143,675	300,798	• Non-current liabilities			
• Non-current assets				- Provision for contingencies	25,585	-	25,585
- Investments	242,050	77,443	319,493	- Perpetual notes	152,992	-	152,992
- Equity Portfolio	230,735	77,443	308,178	- Other	-	-	-
- Financial investments - available for sale	11,315	-	11,315		178,577	-	178,577
- Deferred costs	-	-	-	• Shareholders' equity			
- Other receivables	13,540	-	13,540	- Shareholders Equity (ex- minority interests)	240,397	128,063	368,460
- Furniture and equipment	973	-	973	- Minority interest	-	90,923	90,923
- Loans receivable	7,499	-	7,499		240,397	218,986	459,383
- Other	7,919	-	7,918				
- Funds held in escrow	12,375	-	12,375	Total liabilities and shareholders' equity	441,479	221,118	662,596
	284,356	77,443	361,798				
Total assets	441,479	221,118	662,596				

GP Investments – Consolidated Income Statement

Income Statement					
In thousands of U.S Dollars					
	3Q17	2Q17	9M17	3Q16	9M16
Revenues					
•Management fees	3,102	5,359	11,010	2,485	8,281
•Performance fees	20	236	264	8	238
•Appreciation / Depreciation in fair value of investments	42,279	22,066	90,239	30,284	138,737
•Net realized gains	2,057	2,638	4,817	242	6,891
•Dividends and others	2,923	6,055	11,747	1,319	8,153
•Gain on purchase of investment					41,577
Total Revenues	50,381	36,354	118,077	34,338	203,877
Expenses					
•Operating Expenses	(9,621)	(7,553)	(23,008)	(9,206)	(32,214)
-General and administrative	(5,925)	(4,079)	(13,274)	(5,232)	(17,222)
-Payroll	(3,696)	(3,474)	(9,734)	(3,974)	(11,715)
•Bonus and carried interest sharing expenses	(2,014)	(1,717)	(5,731)	(520)	(2,330)
•Unrealized carried interest	(359)	(642)	(1,159)	138	(569)
•Stock options	(373)	(463)	(1,479)	(670)	(1,464)
•Contingencies	(156)	(5,565)	(6,079)	(313)	(998)
Total Expenses	(12,523)	(15,940)	(37,456)	(10,571)	(34,298)
•Financial income / loss net	(2,563)	(2,445)	(10,385)	(2,073)	(22,034)
-Financial income	2,156	3,038	8,270	6,005	15,791
-Financial expenses	(3,707)	(5,553)	(17,780)	(8,078)	(37,825)
-Other	(1,012)	70	(875)	-	-
Net Income / loss for the period before taxes	35,295	17,969	70,236	21,694	147,545
•Income taxes	(398)	(713)	(1,614)	(416)	(1,307)
Net Income / loss for the period	34,897	17,256	68,622	21,278	146,238
•Non-controlling net income / loss for the period	20,850	11,510	38,265	11,333	71,955
Net Income / loss for the period attributable to GP	14,047	5,746	30,357	9,945	74,283

GP Investments – Consolidated Balance Sheet

Balance Sheet

In thousands of U.S. dollars

Assets	3Q17	2Q17	3Q16	Liabilities and shareholders' equity	3Q17	2Q17	3Q16
• Current assets				• Current liabilities			
- Cash and cash equivalents	193,581	209,143	124,397	- Accounts payable	5,235	4,508	6,054
- Financial investments - trading securities	18,106	23,584	50,909	- Taxes payable	1,664	1,866	1,584
- Deferred costs and prepaid expenses	2,620	1,141	1,394	- Payroll accruals, bonuses and related charges	8,424	6,415	8,221
- Management and performance fees	1,355	1,515	1,090	- Payables related to derivative instruments	70	-	252
- Funds held in escrow	-	-	13,867	- Accrued interest	3,164	3,164	3,703
- Receivable related to derivative instruments	-	84	-	- Other	3,474	4,846	2,796
- Other assets	48,540	47,222	56,974		22,031	20,799	22,610
	264,202	282,689	248,631	• Non-current liabilities			
• Non-current assets				- Provision for contingencies	33,126	33,126	24,721
- Investments	617,620	560,429	594,166	- Loans and financings	-	-	44,667
- Equity Portfolio	605,065	548,201	640,270	- Perpetual notes	152,992	149,187	149,182
- Financial investments - available for sale	12,555	12,228	8,034	- Other	6,414	6,233	9,206
- Deferred costs and prepaid expenses	-	-	62		192,532	188,546	227,776
- Receivables from employees and shareholders	13,542	12,734	12,958	• Shareholders' equity			
- Furniture and equipment	982	1,006	1,235	- Share capital	274	274	272
- Loans receivables from related parties	7,499	7,409	19,249	- Share premium	596,095	595,582	592,545
- Other	10,880	10,333	47,737	- Retained earnings / losses	(213,000)	(227,047)	(184,633)
- Funds held in escrow	29,575	27,811	22,413	- Other accumulated comprehensive loss	(14,909)	(16,339)	(23,201)
	680,098	619,722	751,958	- Treasury shares	-	-	-
				- Non-controlling interest	361,277	340,596	365,220
					729,737	693,066	750,203
Total assets	944,300	902,411	1,000,589	Total liabilities and shareholders' equity	944,300	902,411	1,000,589

GP Investments – Consolidated Cash Flow

Cash Flow	
In thousands of U.S. Dollars	
	<u>3Q17</u>
Cash flows from operating activities	
- Net income / loss for the period attributable to GP	14,047
Reconciliation of net income (loss) to cash used in operating activities	
- Non-controlling net income / loss for the year	20,850
- Unrealized gain / loss on derivative instruments	1,012
- Reversal of unrealized fair value on disposal of investments	21,588
- Unrealized gain / loss on items denominated in foreign currency, net	-
- Stock based compensation	356
- Amortization of deferred debt issuance costs	(1,478)
- Depreciation of fixed assets	69
- Accrued interest on assets available for sale	(184)
- Foreign exchange variation on derivative instruments	-
- Accrued interests on loan receivables	(89)
- Accrued interests on perpetual notes	(483)
- Accrued interests	(1,765)
- Net Realized Gains - private equity, net	(23,645)
- Depreciation (appreciation) in fair value of the investments	(42,279)
- Provision for contingencies	-
- Interests receivable on other invested assets	(62)
Changes in assets / liabilities	
- Other liabilities	(76)
- Payable relative to taxes and penalties	(80)
- Management and performance fees	(1,137)
- Loan Receivable	-
- Receivable from employees and shareholders	(807)
- Other assets	(1,804)
- Payroll, performance bonuses and related charges	2,009
- Receivable (payables) relative to derivative instruments	(858)
- Accounts payable and taxes payable	786
Net cash provided by (used in) operating activities	(14,030)
Cash flows from investing activities	
- Proceeds from sale of financial investments	800
- Proceeds from sale of investments – Wiz Soluções	28,161
- Acquisition of investments - through Spice	(31,579)
- Sale (acquisition) of other assets	-
- Acquisition of available for sale investment	(26)
- Acquisition of investments - other investments	(2,631)
- Acquisition of furniture, properties and equipment	(45)
- Transfer to SPVs for payment of expenses	(40)
- Loans Receivable	-
- Acquisition of financial investments	4,774
- Financial investments and trading securities, net	(96)
- Proceeds from release of escrow	-
- Follow on BR Properties	(6,439)
Net cash provided by (used in) investing activities	(7,121)
Cash flow from financing activities	
- Capital contribution by Limited Partners - Private Equity Investments	-
- Acquisition of perpetual notes	4,288
- Acquisition of treasury shares by non-controlling Spice	-
- Capital Increase	120
- Capital subscription of minorities of BRZ Investimentos S.A.	17
- Distribution to Limited Partners - private equity investments	(165)
- Repayment of loans and financing	-
Net cash (used in) provided by financing activities	4,260
Effects of exchange rate changes on cash and equivalents	1,329
Net increase (decrease) in cash and cash equivalents	(15,562)
Cash and cash equivalents at beginning of the period	209,143
Cash and cash equivalents at end of the period	193,581
Supplemental Information	
- Interest paid	4,250
- Income taxes and social contributions paid	452