

GP Investments, Ltd.

**Consolidated interim financial information as of June 30,
2022**



GP Investments

Earnings Release
Second Quarter 2022

2Q22 highlights

August 15, 2022 – GP Investments, Ltd. ('GP') [B3: **GPIV33**], a leader in private equity and alternative investments, announces its 2Q22 results. GP posted a **net loss** of USD 97.4 million in 2Q22; the **Net Asset Value** ('NAV') at the end of the period was USD 271.7 million. The main events of the second quarter were:

- **BR Properties** announced the sale of 12 commercial properties to **Brookfield** for a total of BRL 5.9 billion. The transaction was concluded in July. Proceeds will be used primarily for debt amortization and to support the company's share capital reduction.
- As a result of the substantial changes in valuation levels in public capital markets in recent months, management has updated the fair market value of private investments at both **GP** and **G2D**, following IPEV policy guidelines.
- In the quarter, GP announced its Public Tender Offer for all outstanding shares of **Spice Private Equity Ltd.**, for an offer price of USD 16.25 per share. The Board of Directors of Spice unanimously recommended Spice shareholders to accept the offer.
- In July 2022, the project to rebrand **Argo Seguros** was concluded, and the new brand, **Akad Seguros**, was announced to the market. The company received very positive feedback from brokers and clients.

Results of G2D: The updating of the fair market value resulted in the NAV of G2D falling by 33% from the end of 1Q22, so that its NAV at the end of 2Q22 was USD 142.6 million. The company posted net losses of USD 69.2 million for the period, of which USD 37.4 million is attributable to GP.

Results of Spice PE: On June 30, 2022 Spice PE's NAV was USD 144.4 million.

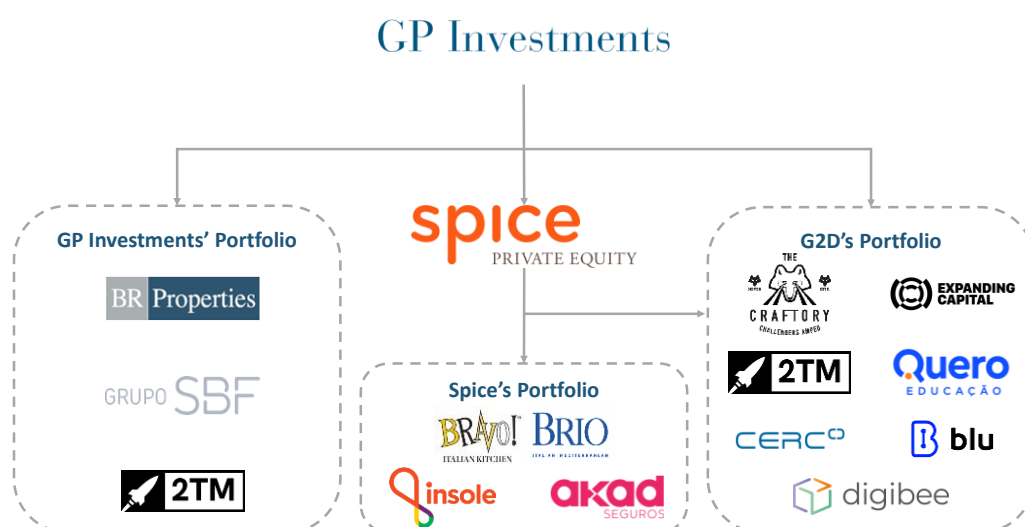
About GP Investments

GP Investments is a leading private equity and alternative investments firm. Since its founding in 1993, it has raised over USD 5 billion from investors worldwide, completed investments in more than 50 companies, and executed over 25 equity capital market transactions.

GP Investments has a consistent and disciplined investment strategy, targeting established companies that have the potential to grow and become more efficient and profitable by becoming leaders in their industries.

Since 2006, the Class A shares of GP Investments have traded in the form of Brazilian Depositary Receipts (BDRs) on the Brazilian Stock Exchange (B3 S.A. – *Brasil, Bolsa, Balcão*), under the ticker **GPIV33**, and on the Luxembourg Stock Exchange. GP Investments currently has offices in São Paulo, New York, London, and Bermuda.

GP Investments – Portfolio overview



GP Investments has a diversified portfolio of companies held directly or indirectly through affiliated vehicles which are managed by GP and have significant influence on their investee companies. Each investment vehicle focuses on distinct strategies, mainly differentiated by company size, geography, and sectors.



Spice Private Equity Ltd. ('Spice PE') is an investment company focused on global private equity investments and listed on the SIX Swiss Exchange (SPCE). Since 2016, the Board of Directors has reorganized the company to drive operational efficiency and to provide shareholders with direct access to an attractive portfolio of private equity investments. **GP Investments** is the controlling shareholder of **Spice PE**.

At the end of 2Q22 **Spice PE** reported Net Asset Value of USD 144.4 million. Its balance sheet after subsequent events comprised: Cash & cash equivalents (31% of total NAV); direct investments (58%); and the legacy portfolio (11%).



In July 2020, **GP Investments** and **Spice PE** created **G2D Investments, Ltd ('G2D')**, a new investment vehicle focused on companies that have developed disruptive technologies.

G2D primarily targets minority investments in tech-enabled companies operating in large addressable markets, led by outstanding management teams, and with clear competitive advantages.

G2D was born with a geographically diversified portfolio and with platforms that allow it to pursue new investment opportunities in companies headquartered in Europe, the United States and Brazil. On June 30, 2022, G2D's Investment portfolio comprised: 48% in disruptive brands in CPG through **The Craftory**; 42% in direct investments (**Blu**, **CERC**, **2TM Group**, **Quero Educação** and **Digibee**); and 10% in venture capital investments in Silicon Valley, through **Expanding Capital**.

GP Investments portfolio

	Date of investment	Investment vehicle
	November 2012	GPCP V
	Industry	Asset liquidity
	Sporting goods retail	Publicly traded

Grupo SBF (B3: **SBFG3**) is the holding company of: **Centauro**, Latin America's largest retailer of sporting goods; **Fisia**, the Brazilian operation of **Nike**; and **NWB**, a sports content producer that owns sports-related YouTube channels including *Desimpedidos* and *Acelerados*.


Update

For 2Q22, **Grupo SBF** reported **net revenues** of BRL 1.46 billion (+30% vs. 2Q21) and **adjusted EBITDA** of BRL 154.8 million (+3.3% vs. 2Q21). **Adjusted net profit** was BRL 51.4 million.

In 2Q22, **Grupo SBF** announced migration of 100% of the organic flow from nike.com.br to the proprietary platform of Grupo SBF, which will enable capture of synergies from expansion and the joint evolution of the websites of both business units, an important step in expanding the sports ecosystem of Grupo SBF.

Centauro: Gross revenues in 2Q22 were up 25% from 2Q21, with total **SSS** of 24%. **Adjusted gross margin** in 2Q22 was 50.4%, almost flat from 2Q21 (−0.1p.p.). At the end of the quarter the company had 231 stores, with total selling area of approximately 237,000 sq.m.

Fisia reported 2Q22 **gross revenue** of BRL 1,003 million (+38% vs. 2Q21). Of this total, DTC (direct-to-consumer) sales (which include brick and mortar stores and the digital platform) were 50%.

	Date of investment	Investment vehicle
	June 2016	GPCP VI
	Industry	Asset liquidity
	Commercial real estate	Publicly traded

BR Properties (B3: **BRPR3**) is one of Brazil's leading commercial real estate investment companies. It operates in acquisition, rental, management, development, and sale of commercial real estate, primarily in the high-end segment, including offices and warehouses (both logistics and industrial) in Brazil's main metropolitan areas.

Update

BR Properties ('**BRPR**') reported 2Q22 **net revenue** of BRL 98.0 million – representing same-portfolio growth of 25% from 2Q21 – and **Adjusted EBITDA** of BRL 67.4 million (**EBITDA margin** 69%).

At the end of the quarter **BRPR**'s financial and physical vacancy rates were 25.1% and 24.9%, respectively. Net debt on June 30 was BRL 2.3 billion, with average cost of 15.9% (CDI + 2.4%), resulting in a **leverage ratio** (Net Debt/Ebitda) of 9.7x.

New leases: In 2Q22 **BRPR** signed new leases for 1,757 sq.m. of its GLA, of which 1,340 sq.m. correspond to the lease on *Ed. Plaza Centenário*.

Average rent: In 2Q22 the average rent/sq.m./month of the same commercial property portfolio was up 9.8% in nominal terms from 2Q21. Compared to the previous quarter (1Q22), average rent increased 1.1%.

Portfolio Sale: In May the company announced the sale of 12 commercial properties to **Brookfield** group for BRL 5.9 billion. The transaction was concluded in July. 70% of the total amount was paid on the closing date of the acquisition and the remaining amount will be paid within 12 months from closing.

Debt amortization: After the closing, the company used part of the cash received to amortize part of its debt, in the amount of BRL 1.2 billion, referring to the entire outstanding balance plus pre-payment premium.

Capital reduction: In July, after an extraordinary general meeting, the company announced reduction of the company's share capital by BRL 1.1 billion, corresponding to approximately BRL 2.42 per share.



Date of investment

February 2021

Investment vehicle

GP Investments & G2D Investments

Industry

Fintech

Asset liquidity

Privately held

2TM Group, the parent company of **Mercado Bitcoin**, has democratized investments in alternative assets, offering new solutions for companies and end-consumers.

Update


During 2Q22, the **2TM Group** rebranded its portfolio company, *Mercado Bitcoin*, now called **MB**. This accompanies restructuring of several business and brands that belong to **2TM**. The reorganization of the product ecosystem aims to anticipate the democratization of Web3 and blockchain.

Also in the quarter, **MB** launched a new token (MBFP08), which sold out in less than 24 hours, raising more than BRL 1 million.

MB launched a new trading panel on its web platform, with a new layout, which will offer new features in a single screen: Asset selector, charts, indicators, and trading orders. In the Pro version there is also an addition of a Stop Limit order, a major desire expressed by customers.

Further, **MB Tokens** announced a partnership with the asset manager **FIDD**, to structure tokenization of Receivables Investment Funds (*FIDCs*).

Spice Private Equity portfolio

	Date of investment	Investment vehicle
	May 2018	Spice Private Equity
	Industry	Asset liquidity
	Restaurants	Privately held


Bravo Brio (formerly *FoodFirst Global Restaurants*) is the owner and operator of two distinct Italian restaurant brands in the upscale affordable dining segment: *Bravo Fresh Italian* and *Brio Italian Mediterranean*.

Update

Bravo Brio reports 1H22 sales growth in double digits compared to 1H21, and also positive growth vs 1H19. Nevertheless, higher inflation in the US has put pressure on margins, and recession worries are a concern for the coming months.

Following strong topline growth, margins have continued to improve, leading to positive cashflow generation. The company continues to closely monitor underperforming stores, tracking, and acting on key KPIs.

Recent performance of **VDC**, an investment made in October 2021, has been generally positive, with improvements in margins as more outside partners are added to the platform and provide more attractive unit economics.

	Date of investment	Investment vehicle
	December 2021	Spice Private Equity
	Industry	Asset liquidity
	Clean Fintech	Privately held

Insole is a clean energy fintech that offers financing and energy solutions for B2B and B2C clients, using installation of solar panels as the first step in this journey. This long-term, high-average-ticket relationship is supported by on-board technology and IoT devices. **Spice PE** led **Insole's** Series A round, with the aim of investment up to BRL 40 million. At the end of the quarter approximately BRL 27 million had been invested.

	Date of investment	Investment vehicle
	October 2021	Spice Private Equity
	Industry	Asset liquidity
	Insurance	Privately held

Akad Seguros (formerly *Argo Seguros Brasil*) is a Brazilian insurer offering customized solutions for various segments. **Spice's** investment included acquisition of shares of the company and a capital injection to foster the growth plan. At the end of the quarter, Spice held 87.5% of the shares in **Akad**.

Update

Akad posted a very strong top line in 2Q22, with a QoQ increase in Gross Written Premiums. In July 2022, the rebranding project was concluded, and the new brand, **Akad Seguros**, was presented to the market. The company received very positive feedback from brokers and clients.

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Report on the review of consolidated interim financial information

To
The Shareholders, Boa Members and Management of
GP Investments, Ltd.
São Paulo - SP

Introduction

We have reviewed the accompanying consolidated interim financial information of GP Investments, Ltd. ("Company"), which comprise the balance sheet as of June 30, 2022 and the related statements of income, statements of comprehensive income for the three and six month periods then ended, statement of changes in shareholders' equity and statement of cash flows for three-months period then ended, including explanatory notes.

Company's management is responsible for the preparation of the consolidated interim financial information in accordance with CPC 21(R1) and IAS 34 - Interim Financial Reporting issued by International Accounting Standards Board – IASB. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

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

Conclusion on consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information referred to above was not prepared, in all the material respects, in accordance with CPC 21(R1) and IAS 34, issued by IASB.

Other matters – Financial statements for the previous year audited by another auditor

The corresponding amounts related to the balance sheets as of December 31, 2021 were previously audited by other independent auditors who issued a report dated April 1, 2022 without modification. The examination of the interim information for the period ended June



30, 2021, originally prepared before the adjustments resulting from the restatement of the cash flow statement described in note 4, was carried out under the responsibility of another independent auditor, who issued an audit report without modification, dated August 26, 2021. As part of our examination of the June 30, 2022 interim information, we also examined the adjustments described in Note 4 that were made to change the corresponding amounts related to the June 30, 2021 interim information. In our opinion, these adjustments are appropriate and were correctly made. We were not engaged to audit, review or apply any other procedures on the Company's interim information for the period ended June 30, 2021 and, therefore, we do not express an opinion or any form of assurance on the interim information as of June 30, 2021.

São Paulo, August 15, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6

Eduardo Tomazelli Remedi
Contador CRC 1SP-259915/O-0

GP Investments, Ltd.

Consolidated balance sheet as of June 30, 2022 and December 31, 2021

(In thousands of US dollars, unless otherwise indicated)

	Note	06/30/2022	12/31/2021		Note	06/30/2022	12/31/2021
Assets				Liabilities			
Current				Current			
Cash and cash equivalents	7	63,371	120,396	Accounts payable		2,910	3,087
Financial investments	8.1	80,135	86,324	Taxes payable		554	487
Management and performance fees	9	49	48	Payroll accruals, bonuses and related	9	1,891	5,768
Deferred costs and prepaid expenses		596	1,043	Accrued interest on perpetual notes	11	1,393	1,394
Other assets		8,710	6,246	Loans and financings	10	20,062	20,252
Total current assets		152,861	214,057	Other liabilities		3,775	1,421
Non-current				Total current liabilities		30,585	32,409
Equity portfolio	8.2	439,346	480,774	Non-current			
Financial investments	8.3	3,613	8,011	Perpetual notes	11	74,997	74,997
Receivables from related parties	9	4,029	2,840	Provision for contingencies	12	21,578	21,869
Receivables from employees and	9	6,068	5,428	Total non-current liabilities		96,575	96,866
Furniture and equipments		627	598	Total liabilities		127,160	129,275
Other assets		631	568	Shareholders' equity			
Total non-current assets		454,314	498,219	Share capital	13	198	198
				Share premium		566,646	567,028
				Accumulated losses		(270,421)	(197,958)
				Treasury shares		(788)	-
				Accumulated other comprehensive loss		(26,910)	(27,750)
				Total shareholders' equity		268,725	341,518
				Attributable to GP Investments Ltd		268,725	341,518
				Non-controlling interest		211,290	241,483
Total assets		607,175	712,276	Total liabilities and shareholders' equity		607,175	712,276

The accompanying notes are an integral part of these consolidated financial information.

GP Investments, Ltd.

Consolidated interim statement of comprehensive income (loss)

For the three and six-month periods ended June 30, 2022 and 2021

(In thousands of US dollars, unless otherwise indicated)

		<u>Six-month period ending</u>		<u>Three-month period ending</u>	
	<u>Note</u>	<u>06/30/2022</u>	<u>06/30/2021</u>	<u>06/30/2022</u>	<u>06/30/2021</u>
Revenues					
Unrealized appreciation (depreciation) - Equity Portfolio	8.2	(89,802)	66,930	(150,885)	90,242
Realized gains (losses) - Equity Portfolio	8.2	(2,489)	25,749	475	22,446
Management fees		1,979	1,830	1,001	946
Dividends		142	771	142	88
Total revenues		(90,170)	95,280	(149,267)	113,722
Expenses					
General and administrative	15	(10,205)	(6,911)	(5,385)	(2,944)
Contingencies	12/15	291	(491)	1,758	(290)
Bonuses and carried on realized gain	15	(479)	(997)	(239)	(273)
Total expenses		(10,393)	(8,399)	(3,866)	(3,507)
Financial income	16	1,586	2,570	457	3,955
Financial expenses	16	(7,669)	(4,938)	(5,467)	(2,370)
Financial expenses, net		(6,083)	(2,368)	(5,010)	1,585
Net income (loss) before taxes		(106,646)	84,513	(158,143)	111,800
Income taxes	17	(774)	(38)	(113)	(16)
Net income (loss) for the period		(107,420)	84,475	(158,256)	111,784
Attributable to					
GP Investments, Ltd		(72,463)	43,018	(97,418)	51,037
Non-controlling interest		(34,957)	41,457	(60,838)	60,747
		(107,420)	84,475	(158,256)	111,784
Weighted average number of shares – basic		95,516,544	104,622,949	95,516,544	104,622,949
Profit (loss) attributable to GP Investments Ltd - basic (in US\$)	12(b)	(0.76)	0.41	(1.02)	0.24
Weighted average number of shares – diluted		95,516,544	104,622,949	95,516,544	104,622,949
Profit (loss) attributable to GP Investments Ltd - diluted (in US\$)	12(b)	(0.76)	0.41	(1.02)	0.24

The accompanying notes are an integral part of these consolidated financial information.

GP Investments, Ltd.

Consolidated interim statement of comprehensive income (loss)

For the three and six-month periods ended June 30, 2022 and 2021

(In thousands of US dollars, unless otherwise indicated)

	<u>Six-month period ending</u>		<u>Three-month period ending</u>	
	<u>06/30/2022</u>	<u>06/30/2021</u>	<u>06/30/2022</u>	<u>06/30/2021</u>
Net income (loss) for the period	(107,420)	84,475	(158,256)	111,784
Foreign currency translation adjustment	840	517	840	1,472
Total	840	517	840	1,472
 Total comprehensive income, net of taxes	 (106,580)	 84,992	 (157,416)	 113,256
 Attributable to				
GP Investments, Ltd	(71,623)	43,535	(96,578)	52,509
Non-controlling interest	(34,957)	41,457	(60,838)	60,747
	(106,580)	84,992	(157,416)	113,256

The accompanying notes are an integral part of these consolidated financial information.

GP Investments, Ltd.

Consolidated interim statement of changes

In shareholders' equity for the six-month period ended June 30, 2022 and 2021

(In thousands of US dollars, unless otherwise indicated)

	Note	Share capital	Share premium	Accumulated losses	Treasury shares	Accumulated other comprehensive income	Total	Non-controlling interest	Total
On January 01, 2021		274	603,687	(300,387)	(5,043)	(26,968)	271,563	193,210	464,773
Distribution to Limited Partners	13(d)(i)							(3,604)	(3,604)
Changes in non-controlling interest								71	71
Capital contribution by minorities G2D								37,009	37,009
Share-based compensation expenses			94				94		94
Income (loss) for the period				43,018			43,018	41,457	84,475
Gain on dilution of participation of minorities shareholders			1,873				1,873	713	2,586
Payment in shares to the Board of Directors					120		120		120
Cumulative translation adjustment						517	517		517
On June 30, 2021		274	605,654	(257,369)	(4,923)	(26,451)	317,185	268,856	586,041
On January 01, 2022		198	567,028	(197,958)		(27,750)	341,518	241,483	583,001
Capital increase			120				120	5,000	5,120
Capital reduction of minorities								(132)	(132)
Changes in non-controlling interest								995	995
Acquisition of treasury shares through Spice					(788)		(788)	(3,201)	(3,989)
Share-based compensation expenses			1,600				1,600		1,600
Income (loss) for the period				(72,463)			(72,463)	(34,957)	(107,420)
Gain on dilution of participation of minorities shareholders			(2,103)				(2,103)	2,103	
Cumulative translation adjustment						840	840		840
On June 30, 2022		198	566,646	(270,421)	(788)	(26,910)	268,725	211,290	480,015

The accompanying notes are an integral part of these consolidated financial information.

GP Investments, Ltd.

Consolidated statement of cash flows - Indirect method For the Six-month period ended June 30, 2022 and 2021 (In thousands of US dollars, unless otherwise indicated)

	Note	Six-month period ending		Three-month period ending	
		06/30/2022	06/30/2021 (Restatement)	06/30/2022	06/30/2021 (Restatement)
Net income (loss) for the period		(107,420)	84,475	(158,256)	111,784
Reconciliation of net income (loss) to cash from operating activities					
Amortization of deferred costs and prepaid expenses		447	356	278	518
Accrued interests on current financial investments	8.1(b)	1,993	0	1,772	0
Unrealized appreciation (depreciation) of equity portfolio	8.2	89,802	(66,930)	150,885	(90,242)
Realized gains (losses) of equity portfolio	8.2	2,489	(25,749)	(475)	(22,446)
Accrued interests and FX variation on escrow		-	(132)	-	(396)
Accrued interests on non-current financial	8.3(b)	(405)	(932)	534	(1,794)
Accrued receivables from employees and	9	413	-	413	-
Depreciation of furniture and equipments		33	47	17	24
Accrued interests on payable of loans and financings	10	302	431	152	228
Accrued interests on perpetual notes	11	-	119	-	87
Accrued provision for contingencies	12/15	(291)	1	(1,758)	1
Accrued expenses on stock-based compensation	14/15	1,600	94	670	47
		(11,037)	(8,220)	(5,768)	(2,189)
Changes in assets/liabilities					
Receivables from related parties	9	(1,189)	4,136	(76)	4,136
Management and performance fees		(1)	(981)	1	(946)
Receivables from employees and shareholders	9	(1,050)	(201)	3	(1,004)
Other current assets		(2,464)	(4,647)	(3,342)	(3,258)
Other non-current assets		(63)	(24)	104	(78)
Accounts payable		(177)	(8)	149	165
Taxes payable		67	(57)	(390)	(151)
Payroll, performance bonuses and related charges	9	(3,877)	(2,496)	(320)	326
Other liabilities		2,354	(906)	3,329	(433)
Financial investments - Usage of cash reserves	8.1(b)	45	888	26	160
Transfer to Investment's vehicles for payment of expenses	8.2	(102)	117	(94)	150
Proceeds from ownership disposal - Equity Portfolio - Expanding Capital		256	(158)	256	-
Proceeds from ownership disposal - Equity Portfolio - Centauro		-	16,117	-	16,117
Proceeds from ownership disposal - Equity Portfolio - Investments owned through Spice		64	-	-	-
Proceeds from the release of escrow accounts		-	196	-	196
Ownership acquisition - Equity Portfolio - Inova FIP II		-	(3,138)	-	-
Ownership disposal (acquisition) - Equity Portfolio - Investments owned through G2D - Inova FIP		-	(2,409)	-	3,176
Ownership acquisition - Equity Portfolio - Investments owned through G2D - The Craftory	8.2	(6,535)	(7,017)	(6,535)	(1,164)
Ownership acquisition - Equity Portfolio - Investments owned through G2D - Digibee	8.2	(2,000)	-	-	-
Ownership disposal (acquisition) - Equity Portfolio - Investments owned through Spice	8.2	(42,191)	49,549	(11,256)	49,549

GP Investments, Ltd.

Consolidated statement of cash flows - Indirect method For the Six-month period ended June 30, 2022 and 2021 (In thousands of US dollars, unless otherwise indicated)

		Six-month period ending		Three-month period ending	
	Note	06/30/2022	06/30/2021 (Restatement)	06/30/2022	06/30/2021 (Restatement)
Ownership acquisition - Equity Portfolio - Other invested assets		-	(222)	-	(420)
Ownership disposal - Equity Portfolio - Rimini Street		-	1,159	-	1,159
Change of investments - Equity Portfolio - Other investments	8.2	(352)	(460)	-	(460)
Net cash provided by (used in) operating activities		(68,252)	41,218	(23,913)	65,031
Cash flows from investing activities					
Proceeds from disposal of current financial investments	8.1(b)	14,489	8,433	4,057	27
Acquisition of current financial investments	8.1(b)	(5,949)	(21,687)	(5,061)	(21,631)
Financial investments and trading securities, net		-	(360)	-	(244)
Sale (acquisition) of furniture, properties and equipment		(62)	(59)	(4)	(48)
Sale (acquisition) of financial assets at fair value through profit and loss		-	6	-	6
Sale (acquisition) of financial assets at fair value through other comprehensive income		-	(45)	-	-
Proceeds from disposal of non-current financial investments	8.3(b)	841	-	-	-
Net cash provided by (used in) investing activities		9,319	(13,712)	(1,008)	(21,890)
Cash flows from financing activities					
Repayments of loans and financings	10	(492)	(12,129)	(492)	(12,129)
Proceeds from loans and financing	10	-	12,000	-	-
Amortization of perpetual notes		-	2,334	-	80
Capital subscription		120	-	120	-
Capital reduction of minorities		(132)	-	-	-
Capital contribution from minorities		5,000	-	-	-
Capital subscription from minorities of Spice		-	37,009	-	37,009
Acquisition of treasury shares		(788)	-	(788)	-
Acquisition of treasury shares through Spice		(3,201)	-	-	-
Distribution to Limited Partners		-	(3,532)	-	(3,532)
Distribution to Limited Partners - Real Estate		-	(73)	-	-
Payment of board of directors with treasury shares		-	120	-	120
Net cash provided by (used in) financing activities		507	35,729	(1,160)	21,548
Effects of exchange rate changes on cash and equivalents foreign subsidiaries		1,401	4,428	(355)	2,974
Net decrease in cash and cash equivalents		(57,025)	67,663	(26,436)	67,663
Cash and cash equivalents at beginning of the period		120,396	40,597	89,807	40,597
Cash and cash equivalents at end of the period		63,371	108,260	63,371	108,260

Notes to the consolidated interim financial information
(In thousands of US dollars, unless otherwise indicated)

1 Business

GP Investments, Ltd. ("Company" or "GP") is a company domiciled in the Islands of Bermuda ("Bermuda") with shares listed on the Luxembourg Stock Exchange and traded on the Euro MTF market and listed and traded in the form of Brazilian Depositary Receipts (BDR) on the Brazilian Stock Exchange (B3).

The Company's operations comprise of private equity, real estate and direct investment activities, including the management of Limited Partnerships. GP's business is conducted through its wholly owned subsidiaries: GP North America, LLC ("GP North America"), GP UK Corporate, Ltd. ("GP UK Corporate"), GP Cash Management, Ltd. ("GP Cash"), GPAM, Ltd. ("GPAM") and GPIC, Ltd. ("GPIC").

The Company conducts its private equity and real estate business through GPIC, either directly or through private equity and real estate funds managed by the Company. "The private equity funds" are comprised by GP Capital Partners IV, LP ("GPCP IV"), GP Capital Partners V, LP ("GPCP V"), GP Capital Partners VI, LP ("GPCP VI"). "The real estate funds" are comprised by GP Real Estate A, LP ("GPRE A"), GP Real Estate B, LP ("GPRE B"), GP Real Estate C, LP ("GPRE C"). The direct investments are made through its subsidiaries Spice Private Equity, Ltd. ("Spice") and G2D Investments, Ltd. ("G2D").

Ownership summary

		Ownership %	
	Country	06/30/2022	12/31/2021
Relevant wholly-owned subsidiaries			
GP North America, LLC	United States	100%	100%
GP UK Corporate, Ltd	United Kingdom	100%	100%
GPAM, Ltd	Cayman Islands	100%	100%
GP Cash Management, Ltd	Bahamas	100%	100%
GPIC, LLC	United States	100%	100%
Private Equity Funds			
GP Capital Partners IV, LP	Cayman Islands	31.56%	31.56%
GP Capital Partners V, LP	Cayman Islands	47.51%	47.51%
GP Capital Partners VI, LP	United States	3.17%	3.17%
Real Estate Funds			
GP Real Estate A, LP	Cayman Islands	39.06%	39.06%
GP Real Estate B, LP	Cayman Islands	28.79%	28.79%
GP Real Estate C, LP	Cayman Islands	64.95%	64.95%
Direct Investments			
Spice Private Equity, Ltd	Switzerland	65.67%	65.67%
G2D Investments, Ltd	Bermudas	69.46%	69.46%

a. Private Equity Funds

GP Capital Partners IV, LP

GP Capital Partners IV, LP is a Cayman Islands based limited partnership ("GPCP IV Partnership"), registered under the Private Funds Act of the Cayman Islands. The acquisition of portfolio companies is organized by GP Investments IV, Ltd. ("GP IV" or "GPCP IV General Partner"), advised by GP Investimentos Ltda according to the terms of the "Advisory Agreement" dated July 1, 2007.

The GPCP IV General Partner held the two closings amounting to US\$ 1,267,275,000, comprising US\$ 1,267,265,000 from the Limited Partners (including GPIC) and US\$ 10,000 from the GPCP IV General Partner. The ownership of the GPCP IV General Partner is represented by 0.0008%.

Pursuant to the Limited Partnership Agreement ("GPCP IV LPA"), the terms of GPCP IV Partnership commenced on July 1, 2007 ("GPCP IV Initial Closing") and continued for a period of ten years after the date of the GPCP IV Initial Closing. The GPCP IV General Partner could extend the term of the GPCP IV Partnership for one or two successive additional one-year periods, subject to approval by the majority of the Advisory Committee representatives. The Advisory Committee approved one-year extensions until July 2019. On July 1, 2019, GPCP IV commenced its winding up period.

GP Capital Partners V, LP

GP Capital Partners V, LP is a Cayman Islands based limited partnership ("GPCP V Partnership"), registered under the Private Funds Act of the Cayman Islands. The acquisition of portfolio companies is organized by GP Investments V, Ltd. ("GP V" or "GPCP V General Partner"), advised by GP Investimentos Ltda according to the terms of the "Advisory Agreement" dated July 31, 2008.

The GPCP V General Partner held four closings amounting to US\$ 1,052,425,469, comprising US\$ 1,052,415,469 from the Limited Partners (including GPIC) and US\$ 10,000 from the GPCP V General Partner. The ownership of the GPCP V General Partner is represented by 0.0009%.

Pursuant to the Limited Partnership Agreement ("GPCP V LPA"), the terms of GPCP V Partnership commenced on April 4, 2008 ("GPCP V Initial Closing") and continued for a period of ten years commencing on the date of the GPCP V Initial Closing. The GPCP V General Partner could extend the term of the GPCP V Partnership for one or two successive additional one-year periods, subject to approval by the majority of the Advisory Committee representatives. The Advisory Committee approved the one-year extensions up to July 31, 2021. On August 1, 2021, GPCP V commenced its winding up period.

GP Capital Partners VI, LP

GPCP VI, LP is a Delaware based limited partnership formed pursuant to a Limited Partnership Agreement ("GPCP VI LPA") dated March 9, 2016, between GP Investments VI, Ltd. ("GP VI" or "GPCP VI General Partner") and its Limited Partners.

The GPCP VI General Partner held two closings amounting to US\$ 641,249,681, comprising US\$ 641,248,681 from the Limited Partners (including GPIC) and US\$ 1,000 from the GPCP VI General Partner. In July 2017, the GPCP VI Partnership have completed the follow-on contribution to the fund in the amount of US\$ 209,043,029 (including GPIC). The ownership of the GPCP VI General Partner is represented by less than 0.0001%.

b. Real Estate Funds

GP Real Estate A, B and C, LP are Cayman Islands based limited partnerships ("GPRE Partnerships" or "GPRE Funds"), registered under the Private Funds Act of the Cayman Islands. The acquisition of portfolio companies is organized by GP Real Estate I, Ltd. ("GP RE I" or "GPRE General Partner").

GPRE A was established in the Cayman Islands through the Limited Partnership Agreement ("GPRE A LPA") dated December 22, 2010. GPRE B and GPRE C were established in the Cayman Islands through the Limited Partnership Agreement dated April 19, 2011 ("GPRE B LPA" and "GPRE C LPA").

The GPRE Partnership held three closings amounting to US\$ 116,950,000.

c. Direct Investments

G2D Investments, Ltd

G2D Investments, Ltd. is an investment company located on 16 Burnaby Street, Hamilton, HM 11, Bermuda. G2D has shares listed on the Bermuda Stock Exchange and Brazilian Depositary Receipts (BDRs) on the Brazilian Stock Exchange ("B3"). G2D was incorporated on July 27, 2020, in Bermuda, with the objective of investing in innovative and high growth companies primarily in Brazil, the United States and Europe.

Spice Private Equity, Ltd.

Spice Private Equity Ltd. is an investment company located in Switzerland. Spice is established under the relevant provisions of the Swiss Code of Obligations and domiciled in Zug. The Company's shares are listed on the SIX Swiss Exchange. The investment objective of Spice is to achieve long-term capital growth for shareholders by investing directly in companies and in private equity specialized funds.

2 Summary of significant accounting policies

2.1 Basis of presentation

The consolidated interim financial information was prepared in accordance with the international standard IAS 34 – “Interim Financial Reporting”, issued by the International Accounting Standards Board (IASB).

The consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021, considering that its purpose is to provide an update on the activities, events and significant circumstances in relation to those presented in the annual financial statements.

The information regarding the basis for the preparation and presentation of the interim information, the summary of the main accounting practices and the use of estimates and judgments did not change compared to that disclosed in the notes 2 of the annual Financial Statements for the year ended on December 31, 2021.

All relevant information to the consolidated interim financial information is being evidenced and corresponds to that used by Management.

The preparation of interim financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and related disclosures in the interim financial statements. Actual results could differ from those estimates. Such estimates include, but are not limited to, the valuation of the investments made by GP and its subsidiaries. There were no significant changes in the accounting policies during the second quarter of 2022.

The Company’s Management have authorized the issuance of the consolidated interim financial information on August 12, 2022.

2.1.1 New accounting standards

The following standards, amendments and interpretations of existing standards have been published but are not yet in effect. The Company evaluated the impact of the standards and interpretations mentioned below. Based on the analysis carried out, the Company concludes that the new standards do not have a material impact on the Company's accounting policies, its global results and financial position.

New Pronouncements - IFRS	Title	Effective for the year ended December 31,
Amendments to IAS 1	Presentation of financial statements	2023
IFRS 17	Insurance contracts	2023

3 Risks and risk management

3.1 Risks

The main risks related to financial instruments are credit risk, market risk, liquidity risk and currency risk. The management of these risks is a process that involves different levels of the Company and encompasses various policies and strategies. In addition to the Company's investment in shares and its interest in GPCP IV, GPCP V and GPCP VI, as of June 30, 2022, there was no significant concentration of credit, market, liquidity and currency risk with respect to banks and financial investment funds.

3.1.1 Credit Risk

Credit risk is the risk that arises from the possibility of loss resulting from the non-receipt, by counterparties or creditors, of the amounts they have agreed to pay to the Company. The Company mitigates credit risks related to banks and financial investment funds by investing in short-term securities of excellent quality financial institutions and funds managed by investment managers.

3.1.2 Market Risk

Market risk is related to the possibility of loss due to fluctuations in rates related to unprotected terms, currencies and indices in the Company's portfolio. The Company acquires interests in privately held companies, the sale of which may take some time and the amounts realized may be lower than the appraisal value. The Company only has a diversified portfolio of investments and, therefore, its revenue may be affected by an unfavorable performance.

3.1.3 Liquidity Risk

Liquidity risk management is designed to control the risk related to mismatched settlement periods of the Company's rights and obligations. Knowledge and monitoring of this risk are crucial to enable the Company to settle transactions in a timely and secure manner. Liquidity risk management involves a set of controls, mainly related to the establishment of technical limits, and the positions taken are constantly evaluated.

3.1.4 Currency Risk

As a portion of the implied market value of private equity investments is denominated in Reais and in British pounds, the Company is exposed to foreign exchange risks. The Company is exposed to a certain degree of foreign exchange risk, which may affect performance. Fluctuations in exchange rates affect the net asset value of investments and, therefore, the Company's consolidated interim financial information. The Company may enter foreign exchange contracts to mitigate these foreign exchange risks. As of June 30, 2022, the Company does not have any derivative contracts.

- (*) The investment in The Craftory is made in sterling pound (£), thus, it will be affected by exchange rate variations against the dollar, and after it will be converted to the presentation currency (R\$).

3.1.5 Interest rate variation risk

06/30/2022

Investment	Currency	Fair Value	Depreciation (10%)	Appreciation (10%)
Centauro	R\$	115,366	11,537	(11,537)
BR Properties	R\$	15,277	1,528	(1,528)
Inova II FIP	R\$	37,882	3,788	(3,788)
The Craftory, LTD (*)	£	72,916	(7,292)	7,292
BLU Pagamentos S.A.	R\$	19,816	1,982	(1,982)
Inova FIP	R\$	37,747	3,775	(3,775)
		299,004	15,317	(15,317)

The Company is subject to cash flow interest rate risk due to fluctuations in prevailing market interest rate levels. Changes in interest rates affect financial assets and liabilities. The Investment Manager monitors interest rates regularly and informs the Board of Directors at its quarterly meetings.

3.2 Capital Management

GP's capital management policy considers the fulfillment of current and future commitments related to the Company's activities, the maintenance of capital levels consistent with the debt profile and the fulfillment of the share buyback plan issued by GP, in the form approved by the Board of Directors. In line with these objectives, short-term cash and cash equivalents are used to obtain the best possible rate of return, investing predominantly in conservative investments, without jeopardizing the liquidity necessary to meet current commitments and futures inherent to GP's activities.

GP's (individual) financial leverage ratios can be summarized as follows:

	06/30/2022	12/31/2021
Current liabilities		
Accrued interests	1,393	1,394
Loans and financings	20,062	20,052
Non-current liabilities		
Perpetual notes	74,997	74,997
Total Company's debt	96,452	96,643
(-) GP (individual) Cash and cash equivalents	(292)	(264)
(-) GP (individual) Cash and cash equivalents	96,160	96,379
Shareholders' capital	566,844	567,226
Percentual	16.96%	16.99%

The financial leverage ratio (net debt divided by total capital) ranged from 17.00% on December 31, 2021 to 16.97% on June 30, 2022. In May 2008, the Company's Board of Directors approved the General Guidelines and Policies of the Company (General Guidelines and Policies) defining that GP should always seek to maintain its maximum level of financial leverage at 50%. The variation between the periods presented is considered healthy and normal by management, given that the financial leverage ratio complies with the policy defined by the Board of Directors.

GP's capital, as well as market risks, is managed independently from the companies invested in by the private equity funds managed by GP. Capital is not managed at the consolidated level, which includes funding operations and loans to portfolio companies. In addition, GP is not the guarantor of any debt or loans of companies invested in by private equity funds.

4 Restatement of Cash Flows

After the filing of the interim financial information for the period ended June 30, 2021, an error was identified which directly affects the Statement of Cash Flows.

Management evaluated the qualitative and quantitative effects on the interim financial statement, and voluntarily chose to restate the Statement of Cash Flows for the period ended June 30, 2021, in accordance with IAS 7 - Statement of Cash Flows, issued by the International Accounting Standards Board – IASB, for better consistency of information.

Management identified that the figures presented in the interim financial information in Reais were not translated at the average rate for the period mentioned above, as provided for by IAS 7 and, in addition, reclassified items that were in the investment activities group to the operational activities group, to be more consistent with the nature of the transactions as well as with the core business of GP.

The following table summarizes the impacts on GP's interim financial information:

	<u>Six-month period ending</u>			<u>Three-month period ending</u>		
	<u>06/30/2021</u>	<u>06/30/2021</u>	<u>06/30/2021</u>	<u>06/30/2021</u>	<u>06/30/2021</u>	<u>06/30/2021</u>
	<i>(Statement)</i>	<i>(Adjustments)</i>	<i>(Restatement)</i>	<i>(Statement)</i>	<i>(Adjustments)</i>	<i>(Restatement)</i>
Net income for the period	84,475	-	84,475	111,784	-	111,784
Reconciliation of net income(loss) to cash from operating activities						
Amortization of deferred costs and prepaid expenses	356	-	356	518	-	518
Depreciation (appreciation) in fair value of the investments	(66,930)	-	(66,930)	(90,242)	-	(90,242)
Realized loss (gain), net	(25,749)	-	(25,749)	(22,446)	-	(22,446)
Accrued interests and FX variation on escrow account	(132)	-	(132)	(396)	-	(396)
Accrued interests on financial assets at fair value through profit and loss	(932)	-	(932)	(1,794)	-	(1,794)
Depreciation of fixed assets	47	-	47	24	-	24
Accrued interests on loan payable	575	(144)	431	228	-	228
Accrued interests on perpetual notes	137	(18)	119	87	-	87
Provision for contingencies	1	-	1	1	-	1
Stock based compensation	94	-	94	47	-	47
Cash reserves	888	(888)	-	160	(160)	-
	<u>(7,170)</u>	<u>(1,050)</u>	<u>(8,220)</u>	<u>(2,029)</u>	<u>(160)</u>	<u>(2,189)</u>
Changes in assets/liabilities						
Cash reserves	-	888	888	-	160	160
Loan receivable from related parties	4,136	-	4,136	4,136	-	4,136
Management and performance fees	(1,830)	849	(981)	(946)	-	(946)
Transfer to SPVs for payment of expenses	-	117	117	-	150	150
Ownership acquisition - Expanding Capital	-	(158)	(158)	-	-	-
Acquisition of investment - Inova FIP	-	(2,409)	(2,409)	-	3,176	3,176
Acquisition of investment - Inova FIP II	-	(3,138)	(3,138)	-	-	-
Acquisition of investment - Craftory	-	(7,017)	(7,017)	-	(1,164)	(1,164)
Sale (acquisition) of investment - Rimini	-	1,159	1,159	-	1,159	1,159
Receivable on sale of investments – Centauro	-	16,117	16,117	-	16,117	16,117
(Acquisition) sale of investments owned through Spice	-	49,549	49,549	-	49,549	49,549
Proceeds from release of escrow	-	196	196	-	196	196
Sale (acquisition) of other invested assets	-	(222)	(222)	-	(420)	(420)
Sale (acquisition) of real estate investments	-	(460)	(460)	-	(460)	(460)

	Six-month period ending			Three-month period ending		
	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021
	(Statement)	(Adjustments)	(Restatement)	(Statement)	(Adjustments)	(Restatement)
Receivable from employees and shareholders	(201)	-	(201)	(1,004)	-	(1,004)
Accounts payable	(8)	-	(8)	165	-	165
Taxes payable	(57)	-	(57)	(151)	-	(151)
Other - long term	(24)	-	(24)	(78)	-	(78)
Payroll, performance bonuses and related charges	(2,496)	-	(2,496)	326	-	326
Other assets	(4,068)	(579)	(4,647)	(3,258)	-	(3,258)
Other liabilities	(888)	(18)	(906)	(433)	-	(433)
Net cash provided by (used in) operating activities	(12,626)	53,824	41,218	(3,542)	68,303	65,031
Cash flows from investing activities						
Proceeds from sale of financial investments	8,433	-	8,433	27	-	27
Acquisition of financial investments	(21,687)	-	(21,687)	(21,631)	-	(21,631)
Financial investments and trading securities, net	(360)	-	(360)	(244)	-	(244)
Sale (acquisition) of furniture, properties and equipment	(59)	-	(59)	(48)	-	(48)
Sale (acquisition) of financial assets at fair value through profit and loss	(39)	45	6	6	-	6
Sale (acquisition) of financial assets at fair value through other comprehensive income	-	(45)	(45)	-	-	-
Transfer to SPVs for payment of expenses	117	(117)	-	150	(150)	-
Acquisition of investment - Inova FIP	(2,409)	2,409	-	3,176	(3,176)	-
Acquisition of investment - Inova FIP II	(3,138)	3,138	-	-	-	-
Acquisition of investment - Craftory	(7,017)	7,017	-	(1,164)	1,164	-
Sale (acquisition) of investment – Rimini Street	1,159	(1,159)	-	1,159	(1,159)	-
Receivable on sale of investments – Centauro	16,117	(16,117)	-	16,117	(16,117)	-
(Acquisition) sale of investments owned through Spice	49,549	(49,549)	-	49,549	(49,549)	-
Proceeds from release of escrow	196	(196)	-	196	(196)	-
Sale (acquisition) of other invested assets	(420)	420	-	(420)	420	-
Sale (acquisition) of real estate investments	-	-	-	(460)	460	-
Net cash provided by (used in) investing activities	40,442	(54,154)	(13,712)	46,833	(68,303)	(21,890)
Cash flows from financing activities						
Repayments of loans and financings	(12,129)	-	(12,129)	(12,129)	-	(12,129)
Distribution to limited partners	(3,532)	-	(3,532)	(3,532)	-	(3,532)
Amortization of perpetual notes	2,334	-	2,334	80	-	80
Capital subscription of minorities of G2D	37,009	-	37,009	37,009	-	37,009
Payment of board of directors with treasury shares	120	-	120	120	-	120
Proceeds from loans and financing	11,856	144	12,000	-	-	-
Distribution to limited partners - Real Estate	(73)	-	(73)	-	-	-

GP Investments, Ltd.
*Notes to the consolidated interim financial information
as of June 30, 2022*

	Six-month period ending			Three-month period ending		
	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021
	<i>(Statement)</i>	<i>(Adjustments)</i>	<i>(Restatement)</i>	<i>(Statement)</i>	<i>(Adjustments)</i>	<i>(Restatement)</i>
Net cash provided by (used in) financing activities	35,585	144	35,729	21,548	-	21,548
Effects of exchange rate changes on cash and equivalents	2,914	1,514	4,428	2,824	150	2,974
Net increase in cash and cash equivalents	66,315	1,348	67,663	67,663	-	67,663
Cash and cash equivalents at beginning of the period	41,945	(1,348)	40,597	40,597	-	40,597
Cash and cash equivalents at end of the period	108,260	-	108,260	108,260	-	108,260

5 Fair value estimates

In addition to the fair value measurement approach highlighted, IFRS standards require the Company to disclose fair value measurements at the level of the following fair value measurement hierarchy:

- **Level I:** the fair value of financial instruments traded in active markets is based on market prices quoted at the balance sheet date.
- **Level II:** the fair value of financial instruments that are not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of market-based data, where available, and rely as little as possible on entity-specific estimates.
- **Level III:** if one or more relevant information is not based on data adopted by the market, the instrument will be included in Level III.

The table below presents the assets and liabilities measured at fair value as of June 30, 2022, classified according to the fair value measurement levels:

	06/30/2022			
	Level I	Level II	Level III	Total
Equity portfolio - Private Equity and Direct Investments	130,643	-	297,243	427,886
Equity portfolio - Real Estate		-	8,560	8,560
Equity portfolio - Other investments		-	2,900	2,900
	130,643	-	308,703	439,346
Financial investments - current, excluding cash reserves	26,771	-	-	26,771
Financial investments - non-current	-	-	3,613	3,613
	26,771	-	3,613	30,384
Total assets at fair value through profit and loss	157,414	-	312,316	469,730

The table below presents the assets and liabilities measured at fair value as of December 31, 2021, classified according to the fair value measurement levels:

	12/31/2021			
	Level I	Level II	Level III	Total
Equity portfolio - Private Equity and Direct Investments	140,608	-	327,656	468,264
Equity portfolio - Real Estate	-	-	9,179	9,179
Equity portfolio - Other investments	-	-	3,331	3,331
	140,608	-	340,166	480,774
Financial investments - current	86,324	-		86,324
Financial investments - non-current	-	-	8,011	8,011
	86,324	-	8,011	94,335
Total assets at fair value through profit and loss	226,932	-	348,177	575,109

Investments whose values are based on quoted market prices in active markets and therefore classified as Level I, include listed equities. The Company does not adjust the quoted price for these instruments.

6 Financial Instruments per category

The Company's assets are categorized in amortized cost and measured at fair value through profit and loss, as follows:

	Assets at amortized cost	Assets at fair value through profit and loss	Total
At June 30, 2022			
<i>Assets, according to the Balance Sheet</i>			
Cash and cash equivalents	63,371		63,371
Financial investments - current and non-current		83,748	83,748
Management fees	49		49
Receivables from related parties	10,097		10,097
Other receivables	9,937		9,937
Equity portfolio		439,346	439,346
	83,454	523,094	606,548

	Assets at amortized cost	Assets at fair value through profit and loss	Total
At December 31, 2021			
<i>Assets, according to the Balance Sheet</i>			
Cash and cash equivalents	120,396		120,396
Financial investments - current and non-current		94,335	94,335
Management fees	48		48
Receivables from related parties	8,268		8,268
Other receivables	6,814		6,814
Equity portfolio		480,774	480,774
	135,526	575,109	710,635

The Company's liabilities are categorized in amortized cost, as follows:

	Liabilities at amortized cost
At June 30, 2022	
<i>Liabilities, according to the Balance Sheet</i>	
Accounts payable	2,910
Loans and financings	20,062
Perpetual notes	76,390
Others	3,775
	103,137

	Liabilities at amortized cost
At December 31, 2021	
<i>Liabilities, according to the Balance Sheet</i>	
Accounts payable	3,087
Loans and financings	20,252
Perpetual notes	76,391
Others	1,423
	101,153

7 Cash and cash equivalents

Cash and cash equivalents comprise spot deposits, with immediate convertibility and are subject to a negligible risk of change in value. The cash position of the Company as of June 30, 2022 is mainly in US Dollars, as per below:

	Note	06/30/2022	12/31/2021
US dollars - US\$	(i)	60.336	118.685
Brazilian reais - R\$	(ii)	2.990	1.635
Swiss francs - CHF	(iii)	45	76
		63.371	120.396

- (i) The cash denominated in US dollars is concentrated in readily available bank accounts (US\$ 60,336) (December 31, 2021 - US\$ 118,685).
- (ii) The cash denominated in Brazilian reais is deposited in bank accounts (US\$ 2,990) (December 31, 2021 - US\$ 1,635).
- (iii) The cash denominated in Swiss francs is deposited in bank accounts (US\$ 45) (December 31, 2021 – US\$ 76).

8 Financial assets measured at fair value through profit and loss

8.1 Financial investments - Current

a. Balance composition

	<u>Note</u>	<u>Currency</u>	<u>30/06/2022</u>	<u>31/12/2021</u>
Corporate bonds	(i)	US\$	-	10,346
Investments in funds	(ii)	R\$	3,315	2,474
Stocks	(iii)	US\$	3,066	4,819
Time deposits	(iv)	US\$	20,390	15,276
Cash reserves	(v)	US\$	53,364	53,409
			<u>80,135</u>	<u>86,324</u>

- (i) These investments are highly-liquid and are recorded based on quoted market values and traded in international market.
- (ii) Investments in funds denominated in reais.
- (iii) Diverse stock portfolio held by the Company, through GP Cash.
- (iv) Time deposits held by the Company through Spice.
- (v) Cash reserves relates to the amount retained at the GPCP IV Fund level for potential liabilities that may arise during the liquidation process of GPCP IV.

b. Balance movement

	2022
At January 01, 2022	86,324
Reclassification from non-current to current	4,389
Investments	5,949
Appreciation/depreciation	(1,993)
Divestments	(14,489)
Usage of the cash reserve	(45)
At June 30, 2022	<u>80,135</u>
	2021
At January 01, 2021	93,164
Investments	21,700
Appreciation/depreciation	356
Divestments	(8,442)
Usage of the cash reserve	(888)
At June 30, 2021	<u>105,890</u>

8.2 Equity portfolio

On June 30, the Company equity portfolio consists primarily of investments made by the funds GPCP IV, GPCP V, GPCP VI, GPRE and by the subsidiaries G2D and Spice.

		06/30/2022			12/31/2021		Net change in unrealized gain (loss) with equity portfolio for the period	
	Total direct and indirect - %	Cost	General partner's valuation	Total direct and indirect - %	Cost	General partner's valuation	06/30/2022	06/30/2021
Private Equity Funds								
Level I								
Centauro	13.2	127,071	115,366	13.2	127,071	128,764	(13,398)	55,440
BR Properties	2.2	26,644	15,277	2.2	26,644	11,844	3,433	(650)
		153,715	130,643		153,715	140,608	(9,965)	54,790
Level III								
Lácteos Brasil (LBR)	38.9	261,106	-	38.9	261,048	-	(58)	(60)
San Antonio	58.1	354,401	-	58.1	354,401	-	-	-
Allis		-	-		-	-	-	(25)
EBAM		-	-		-	-	-	(133)
		615,507	-		615,449	-	(58)	(218)
Direct investments								
Rimini Street – Level I		-	-		-	-	-	2,688
GP Investments Acquisition Corp. -		-	-		-	-	-	2,430
GPCM II - Level III								
Inova II FIP	3.2	3,138	37,882	3.2	3,138	57,669	(19,787)	-
Investments through G2D – Level III								
The Craftory, LTD	16.4	60,000	72,916	16.4	53,465	96,418	(30,037)	-
BLU Pagamentos S.A.	16.1	12,067	19,816	16.1	12,067	28,226	(8,410)	1,191
Expanding Capital (*)	*	18,737	14,868	*	18,542	20,507	(5,834)	(968)
Sim;paul	6.4	2,544	-	6.4	2,534	6	(16)	66

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		06/30/2022				12/31/2021		Net change in unrealized gain (loss) with equity portfolio for the period	
		Total direct and indirect - %	Cost	General partner's valuation		Total direct and indirect - %	Cost	General partner's valuation	
Quero Educação	3.2		5,000	5,107	3.2		5,000	5,107	-
Inova FIP	**		9,266	37,747	**		9,266	56,922	(19,175)
Digibee	1.6		2,000	2,000			-	-	-
Investments through Spice – Level III	65.5				65.5		140,566	62,802	-
Direct Co-Investments			190,073	94,482			147,100	51,601	(94)
Global EM Funds Portfolio			8,730	12,387			8,730	11,049	1,338
Latin American Portfolio			78	38			73	56	(23)
Asia-Pacific Funds Portfolio			-	-			3,033	94	2,939
Other investments			2,900	2,900			3,330	3,330	-
			1,083,755	430,786			1,035,442	471,595	(89,122)
Real Estate Funds			57,688	8,560			57,627	9,179	(680)
Total			1,141,443	439,346			1,093,069	480,774	(89,802)
									66,930

The changes in the investment account were as follows:

	06/30/2022	06/30/2021
At the beginning of the year	480,774	427,249
Unrealized appreciation (depreciation) - Equity Portfolio	(89,802)	66,930
Ownership disposal - EBAM	-	3,138
Ownership disposal - Allis	-	(1,584)
Ownership disposal - Centauro	-	(117)
Ownership acquisition - Rimini Street	-	(13,742)
Ownership disposal - Inova FIP II	-	2,408
Change of investments - Other investments	352	-
Transfer to Investment's vehicles	128	-
Ownership acquisition via G2D - Inova FIP	-	6,039
Ownership disposal via G2D - Sim;paul	-	7,017
Ownership acquisition via G2D - Digibee	2,000	-
Capital call via G2D- The Craftory	6,535	(34,174)
Capital call via G2D - Expanding Capital	-	-
Others - Investments through G2D	196	-
Ownership acquisition via Spice - Argo Seguros	39,435	-
Ownership acquisition via Spice - Spice FIP Multistratégia	2,756	-
Ownership disposal via Spice - Other investments	(3,028)	478
At the beginning of the year	439,346	463,642

During the first semester of 2022, substantial macroeconomic changes, including energy prices surges, supply chain disruptions, accelerating inflation and corresponding increases in interest rates, have led to a reset in public capital market valuations. As a result, most publicly listed companies have seen their share prices plummet, with implicit valuation multiples trending below their historical averages. Based on this macro backdrop, Management believes that it is important to reflect the impact of such market conditions on GP's portfolio valuations levels, even though the operational and financial performance of invested companies has not meaningfully changed and long-term prospects remain positive.

In order to reflect the current market conditions, Management calculated a discount rate based on average changes in implicit revenue multiples of each sector's trading comparables from December 31, 2021 to June 30, 2022, as per detailed below:

Sector	Companies	Discount rate
Fintechs	Blu, 2TM and CERC	(34.28%)
Consumer staples	The Craftory	(21.64%)
Expanding Capital	Expanding Capital	(33.71%)

Such discount factors were applied to each corresponding pillar of our portfolio companies, in addition our usual assessment of the fair value changes, as described below:

Portfolio	Fair Value Assessment
Centauro	Public company - market share price
BR Properties	Public company - market share price
Inova II FIP	Recent transaction and comparable multiples
The Craftory, LTD	Recent transaction and NAV
BLU Pagamentos S.A.	Recent transaction and comparable multiples
Expanding Capital	NAV
Sim;paul	Recent transaction
Quero Educação	Recent transaction and discounted cash flow
Inova FIP - 2TM	Recent transaction and comparable multiples
Inova FIP - CERC	Recent transaction and discounted cash flow
Digibee	Recent transaction (cost)
Spice - Direct Co-Investments	Market share price and discounted cash flow
Spice - Global EM Funds Portfolio	NAV
Spice - Latin American Portfolio	NAV
Spice - Asia-Pacific Funds Portfolio	NAV

The Company considers as realized gains or losses transactions of sale of investments carried out both in the level of investment vehicles as well as direct investments. The total realized gains (losses) during the six-month period ended June 30 are as follows:

	<u>06/30/2022</u>	<u>06/30/2021</u>
GP Portfolio	25	2,007
G2D Portfolio	450	6,039
Spice Portfolio	(2,964)	17,703
	<u>(2,489)</u>	<u>25,749</u>

During the second quarter of 2022, the following relevant transactions were held:

Ownership acquisition – G2D Portfolio - DGB USA Inc (“Digibee”)

In February 2022, G2D invested US\$ 2 million in Digibee as part of a US\$ 25 million investment round led another investor. DGB USA Inc is a company that integrates systems with a focus on digital information and the wholly owner of Digibee Inc and Digibee Soluções em Tecnologia Eireli Ltda.

Ownership acquisition – Spice Portfolio - Argo Seguros Brasil S.A. (“Argo Seguros”)

In early March 2022, Spice invested US\$ 31 million in Argo Seguros. In May 2022, Spice contributes another US\$ 2.5 million and there was a contribution from another investor (minority) of US\$ 5 million.

Ownership disposal – Spice Portfolio – Other investments

During the first trimester of 2022, there was an ownership disposal of investments related to the Asia Pacific portfolio through Spice. The ownership disposal generated a realized loss of US\$ 2.9 million.

Capital Call – G2D Portfolio– The Craftory

In the second quarter of 2022, G2D contributed another US\$ 6.5 million (approximately R\$ 31.4 million) in The Craftory from its committed capital, as per the shareholders' agreement.

Ownership acquisition – Spice Portfolio– Spice Fundo de Investimento em Participação Multiestratégica

In early May 2022, Spice invested US\$ 2.7 million in Spice FIP Multiestratégica (approximately R\$ 13,8 million).

8.3 Financial investments – non-current

a. Balance composition

			06/30/2022			12/31/2021		
			Fair Value	Cost	Unrealized gain (loss)	Fair Value	Cost	Unrealized gain (loss)
Level III	Currency	Domicile						
Logística Brasil	R\$	Brazil	174	30	(377)	587	66	(467)
Empreendedor Brasil	R\$	Brazil	907	218	55	857	223	84
Brasil Agronegócio FIP	R\$	Brazil	1,473	1,319	140	1,515	1,501	591
Brasil Sustentabilidade FIP	R\$	Brazil	323	168	66	269	180	83
Brasil Portos e Ativos Logísticos FIP	R\$	Brazil	694	951	(40)	775	992	345
Terras Brasil	R\$	Brazil	42	185	(12)	46	175	19
GP FIDC FCVS	R\$	Brazil	-	-	-	108	98	15
GP FIDC FCVS 2	R\$	Brazil	-	-	-	3,854	1,522	485
			3,613	2,871	(168)	8,011	4,757	1,155

b. Balance movement

	<u>06/30/2022</u>	<u>12/31/2021</u>
At the beginning of the year	8,011	4,155
Reclassification from non-current to current	(3,963)	3,962
Appreciation (depreciation) in fair value of investments	(170)	(15)
Ownership disposal - Logística Brasil	(35)	(2)
Ownership disposal - Empreendedor Brasil	(6)	(10)
Ownership disposal - Brasil Agronegócio	(182)	(39)
Ownership disposal - Brasil Sustentabilidade	(12)	(5)
Ownership disposal - Brasil Portos e Ativos Logísticos	(40)	(26)
Appreciation - Terras Brasil FIP	10	(9)
At the end of the period	<u>3,613</u>	<u>8,011</u>

9 Receivables from (payable to) related parties

The balances held with related parties as of June 30, 2022 and December 31, 2021, arise from receivables and obligations that GP Investments has with the companies that are in its portfolio, as well as key personnel.

	<u>Note</u>	<u>Nature</u>	<u>06/30/2022</u>	<u>12/31/2021</u>
Management and performance fees	(i)	Assets	49	48
Receivables from employees and shareholders	(ii)	Assets	6,068	5,428
Receivables from related parties	(iii)	Assets	4,029	2,840
Payroll accruals, bonuses and related charges	(v)	Liabilities	(1,891)	(5,768)
			<u>8,255</u>	<u>2,548</u>

- (i) Management and performance fees receivable
- (ii) These loans are remunerated based on interest rates of federal public securities and interest rates obtained by the Company on its financial investments. These loans were granted as retaining and alignment of Key Persons.
- (iii) These receivables are related to LBR one of the equity investments of GP's.

- (iv) The provision for performance bonuses on realized gain recorded in "Payroll accruals, bonuses and related charges" is defined according to the metrics determined by the Nomination and Compensation Committee.

10 Loans and financings

a. Balance composition

	<u>Note</u>	<u>Currency</u>	<u>06/30/2022</u>	<u>12/31/2021</u>
Loans and financings	(i)	US\$	20,062	20,252
			<u>20,062</u>	<u>20,252</u>

- (i) These loans are due to be settled by July 31, 2022.

b. Balance movement

	2022
At January 01, 2022	20,252
Accrued interests	302
Amortization of loans	(492)
At June 30, 2022	20,062
	2021
At January 01, 2021	20,248
Loans raised	12,000
Accrued interests	431
Amortization of loans	(12,000)
Payment of interest	(129)
At June 30, 2021	20,550

11 Perpetual notes

a. Balance composition

	<u>Currency</u>	<u>Annual interest rate</u>	<u>06/30/2022</u>	<u>12/31/2021</u>
Perpetual notes	US\$	10%	74,997	74,997
Accrued interest on perpetual notes	US\$	10%	1,393	1,394
			<u>76,390</u>	<u>76,391</u>

b. Balance movement

	<u>2022</u>
At January 01, 2022	74,997
At June 30, 2022	<u>74,997</u>
	<u>2021</u>
At January 01, 2021	72,526
Accrued interest	119
Sale of GP's perpetual notes held by GP Cash	2,352
At June 30, 2021	<u>74,997</u>

Since the additional issue of perpetual notes that occurred in 2007, the Company paid approximately US\$ 115 million on perpetual notes. The payments started in 2014, and the latest was made in 2019.

12 Provision for contingencies

The Company's subsidiaries are party of certain legal proceedings arising in the normal course of business, and the Company, when applicable, has made provisions or recorded losses on the sale of its investments, whenever management believes that such losses are probable and can be reasonably estimated.

Lawsuits, claims and proceedings have been or may be initiated against GP and its subsidiaries. Although the amounts claimed in a given time may be substantial, if the ultimate liability cannot be reasonably determined due to the considerable uncertainties that exist, it is possible that revenues and expenses or liquidity, in a particular period, could be materially affected by

such contingencies. However, based on available facts, management and its external legal advisors believe that the disposition of matters that are currently available demonstrates that the ongoing processes will not have a material adverse effect on the financial position of the Company.

Most of the amounts presented below refers to contingencies (civil and labor) generated from portfolio companies and the corporate veil disregard doctrine, in which third parties pursue the Company's joint liability for portfolio companies' debts.

	<u>06/30/2022</u>	<u>12/31/2021</u>
Provision for contingencies	21,578	21,869
	<u>21,578</u>	<u>21,869</u>

In June 2022, Management reviewed the balance of contingencies together with its legal advisors and provisioned US\$ 1.5 million. Based on current facts and taking into consideration the opinion of the Company's legal advisors, management believes that the existing provisions are sufficient to cover any losses related to current process.

(i) Possible Losses, not recorded in the balance sheet

As of December 31, 2021, the Company had civil, labor and tax litigations involving risks of losses classified by management as possible, amounting to US\$ 26 US\$ 0.38 and US\$ 21 million, respectively, which are based on the evaluation of the legal advisors, for which no provision for estimated losses were recognized. There was no significant change in the balances for contingencies not provided in the balance sheet during the second quarter of 2022.

13 Shareholders' equity

a. Share Capital

The Company's subscribed and paid-in capital for the respective period/year is below:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Subscribed and paid-in share capital	198	198
	<u>198</u>	<u>198</u>

There were no changes in the number of shares during the six-month period ended June 30, 2022, as follows:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Class A - at the end of the year/period	44,785,251	44,785,251
Class B - at the end of the year/period	34,424,288	34,424,288
Total - at the end of the year/period	<u>79,209,539</u>	<u>79,209,539</u>

Class A shares are restricted voting common shares and have a par value of US\$ 0.0025 per share. Class B shares are common shares and have a par value of US\$ 0.0025 per share.

b. Accumulated other comprehensive income

The balances that make up the valuation adjustment refer to the differences between the conversion rate of assets and liabilities and the result. Such differences are recognized as a separate component in equity, in the account "Accumulated translation adjustments (CTA)".

c. Earnings per share

Earnings per share for the period ended June 30, 2022 and 2021 are based upon the weighted average number of shares (in thousands, except share amounts), as follows:

	<u>06/30/2022</u>	<u>06/30/2021</u>
Net income (loss) for the period attributable to GP Investments	(72,463)	43,018
Weighted average common shares outstanding - basic	81,554,894	104,622,949
Weighted average common shares outstanding - diluted	81,554,894	104,622,949
Profit (loss) per share in US\$ – basic	<u>(0.89)</u>	<u>0.41</u>
Profit (loss) per share in US\$ – diluted	<u>(0.89)</u>	<u>0.41</u>

d. Non-controlling interest

(i) Distribution to Limited Partners

Distribution to Limited Partners refers to the portion of divestments in equity portfolio due to the Limited Partners from private equity and real estate funds. During the period ended June 30, 2022, there were no capital distributions from Limited Partners (June 31, 2021 – US\$ 3.604).

14 Stock options

As of June 30, 2022, the existing Stock Option Programs are:

(i) 2011 Program

On April 25, 2011, the Board of Directors approved and adopted, with the concurrence of the Nomination and Compensation Committee, a subordinated Stock Purchase Option Program ("2011 Program") to the 2006 Stock Purchase Option Program and the form of agreements to be entered into between the Company and each beneficiary.

The options granted had five years vesting period (20% per year) and will expire after ten years of the grant date. As of June 30, 2022, 23,968 options were vested, but not exercised by the holders (December 31, 2021 – 347,040).

The information related to the number of options outstanding to employees is as follows:

	Number of outstanding options to employees	Vested	Non-vested	Exercise price (US\$)	Option fair market value (US\$)
On June 30, 2022	23,968				
Options granted in August 2015	23,968	23,968	-	1.83	1.23
	Number of outstanding options to employees				
On December 31, 2021	119,840				
Options forfeited	(95,872)				
On June 30, 2022	23,968				

Pursuant to the Black-Scholes options pricing method, the fair value of the options granted under the 2011 Program was measured at the grant date. For calculation purposes, the following assumptions were used:

	<u>Exercise price (US\$)</u>	<u>Dividends yield</u>	<u>Expected average annual volatility (i)</u>	<u>Risk free rate (ii)</u>	<u>Option fair market value (US\$)</u>
Options granted in August 2015	1.83	5.00	38.96	2.23	0.43

- (i) The expected stock price volatility assumption was determined using the volatility of the Company's Class A shares.
- (ii) The interest rate is based on the US Treasury Bills rate for a period similar to the expected term of the options.

There was no intrinsic value of the 2011 program as of June 30, 2022, due to the fair market value of US\$ 0.84 be lower than the strike price of the options.

For the period ended June 30, 2022, no expenses were recorded in respect to the 2011 Program (June 30, 2021 - nil).

(ii) 2016 Program

In 2016, the Board of Directors approved and adopted, with the concurrence of the Nomination and Compensation Committee, the Stock Purchase Option Program ("2016 Program") and the form of agreements to be entered into between the Company and each beneficiary.

The options granted had five years vesting period (20% per year) and will expire after ten years of the grant date. On June 30, 2022, 7,900,000 options were granted, but not exercised by the holders (December 31, 2021 – 8,250,000).

The information related to the number of options outstanding to employees is as follows:

	<u>Number of outstanding options to employees</u>	<u>Vested</u>	<u>Non-vested</u>	<u>Exercise price (US\$)</u>	<u>Option fair market value (US\$)</u>
On June 30, 2022	<u>7,900,000</u>				

Options granted in August 2018	900,000	500,000	900,000	1.68	1.23
Options granted in August 2021	7,000,000	-	7,000,000	1.10	1.23

	Number of outstanding options to employees
On December 31, 2021	<u>8,150,000</u>
Options forfeited	(250,000)
On June 30, 2022	<u><u>7,900,000</u></u>

Pursuant to the Black-Scholes options pricing method, the fair value of the options granted under the 2016 Program was measured at the grant date. For calculation purposes, the following assumptions were used:

	Exercise price (US\$)	Dividends yield	Expected average annual volatility (i)	Risk free rate (ii)	Option fair market value (US\$)
Options granted in August 2018	1.68	5.00	37.83	3.00	0.51
Options granted in August 2021	1.10	-	58.91	1.28	0.59

- (i) (The expected stock price volatility assumption was determined using the volatility of the Company's Class A shares.
- (ii) The interest rate is based on the US Treasury Bills rate for a period similar to the expected term of the options.

There was no intrinsic value of the 2016 program as of June 30, 2021, due to the fair market value of US\$ 0.84 be lower than the strike price of the options.

For the six-month period ended June 30, 2022, an expense of US\$ 960 was recorded in respect to the 2016 Program (June 30, 2021 - US\$ 94) and is presented in "General and administrative expenses".

(iii) 2021 Program

On August 25, 2021, the Board of Directors approved and adopted, with the concurrence of the Nomination and Compensation Committee, a new stock option plan for the award of 5,000,000 Class A Shares. The options granted have three years vesting period (33.33% per year) starting August 2024 and will expire after ten years of the grant date.

On June 30, 2022, 5,000,000 options were granted, but not exercised by the holders as the options were not vested yet (December 31, 2021 – 5,000,000).

	Number of outstanding options to employees	Vested	Non-vested	Exercise price (US\$)	Option fair market value (US\$)
On June 30, 2022	5,000,000				
Options granted in August 2015	5,000,000	-	5,000,000	1.10	1.23
	Exercise price (US\$)	Dividends yield	Expected average annual volatility (i)	Risk free rate (ii)	Option fair market value (US\$)
Options granted in August 2021	1.10	-	58.91	1.28	0.59

(i) The expected stock price volatility assumption was determined using the volatility of the Company's Class A shares.

(ii) The interest rate is based on the US Treasury Bills rate for a period similar to the expected term of the options.

There was no intrinsic value of the 2021 program as of December 31, 2021, due to the fair market value of US\$ 0.84 be lower than the strike price of the options.

For the period ended June 30, 2022, an expense of US\$ 641 was recorded in respect to the 2021 Program (June 30, 2021 - nil) and is presented in "General and administrative expenses".

15 Expenses

		<u>Six-month period ending</u>		<u>Three-month period ending</u>	
	<u>Note</u>	<u>06/30/2022</u>	<u>06/30/2021</u>	<u>06/30/2022</u>	<u>06/30/2021</u>
Salaries		(3,022)	(2,928)	(1,547)	(1,363)
Tax expense		(1,033)	(544)	(476)	(428)
Legal fees		(486)	-	(391)	-
Projects		(235)	(741)	(270)	121
Stock options	13	(1,600)	(94)	(670)	(47)
Audit and consulting		(1,323)	(927)	(472)	(415)
Rental expenses		(481)	(474)	(243)	(251)
Restricted stock options		(408)	(306)	(408)	(306)
Travel expenses		(142)	(72)	(92)	(37)
Insurance		(526)	(312)	(231)	(116)
Office		(144)	(58)	(101)	(37)
Other		(805)	(455)	(484)	(65)
Total expenses geral and administrative		(10,205)	(6,911)	(5,385)	(2,944)
Contingencies	11	291	(491)	1,758	(290)
Total contingencies		291	(491)	1,758	(290)
Bonuses and carried on realized gain		(479)	(997)	(239)	(273)
Total bonuses and carried on realized gain		(479)	(997)	(239)	(273)
		(10,393)	(8,399)	(3,866)	(3,507)

16 Financial results

The breakdown of financial results as of June 30, 2022 and 2021 is shown below:

	<u>Six-month period ending</u>		<u>Three-month period ending</u>	
	<u>06/30/2022</u>	<u>06/30/2021</u>	<u>06/30/2022</u>	<u>06/30/2021</u>
Financial income				
Investment funds	932	350	106	595
Stocks	(1,006)	276	-	108
Others	1,660	1,944	351	3,252
Total financial income	1,586	2,570	457	3,955
	<u>06/30/2022</u>	<u>06/30/2021</u>	<u>06/30/2022</u>	<u>06/30/2021</u>
Financial expenses				
Losses on investments	(1,412)	(223)	(1,412)	(114)
Interest on perpetual bonds	(3,750)	(3,867)	(1,875)	(1,962)
Capital loss	(1,042)	(150)	(1,042)	
Effects of exchange rates	(337)		(337)	
Others	(1,128)	(711)	(801)	(294)
Losses on receivables	-	13	-	
Total financial expenses	(7,669)	(4,938)	(5,467)	(2,370)

17 Income taxes

As of December 31, 2021, some Brazilian subsidiaries had tax losses that amounted to US\$ 4.8 million (approximately R\$ 19 million) available for compensation against future taxable profits, for which the Company chose not to register the respective deferred tax assets for not meeting all conditions of realization. There was no significant change in the balances of accumulated tax losses during the second quarter of 2022.

	<u>Six-month period ending</u>		<u>Three-month period ending</u>	
	<u>06/30/2022</u>	<u>06/30/2021</u>	<u>06/30/2022</u>	<u>06/30/2021</u>
Income tax expenses	564	25	79	9
Social contribution expense	210	13	34	7
	<u>774</u>	<u>38</u>	<u>113</u>	<u>16</u>

A full valuation allowance has been provided by the Company, Income tax and social contribution amounts for the period ended June 30, 2022 and 2021, presented in the statements of operations are reconciled to their nominal rates as follows:

	Six-month period ending	
	06/30/2022	06/30/2021
Net income (loss) for the period before income taxes	(106,646)	84,513
Net income (loss) generated by subsidiaries domiciled in the Bahamas, Bermuda and Cayman Islands (non-taxable income/nondeductible expenses)	108,998	(84,036)
Taxable income attributable to the Brazilian subsidiaries of GP Investments, Ltd. before income taxes	2,352	477
Income tax and social contribution benefit expense at nominal rates in Brazil - 34%	(800)	(162)
Adjustments to obtain the effective rates		
Net effect of the presumed profit tax regime in Brazil	26	124
Income taxes	(774)	(38)
	Three-month period ending	
	06/30/2022	06/30/2021
Net income (loss) for the period before income taxes	(158,143)	111,800
Net income (loss) generated by subsidiaries domiciled in the Bahamas, Bermuda and Cayman Islands (non-taxable income/nondeductible expenses)	158,629	(111,540)
Taxable income attributable to the Brazilian subsidiaries of GP Investments, Ltd. before income taxes	486	260

Income tax and social contribution benefit expense at nominal rates in Brazil - 34%	(165)	(88)
Adjustments to obtain the effective rates		
Net effect of the presumed profit tax regime in Brazil	52	72
Income taxes	<u>(113)</u>	<u>(16)</u>

18 Commitments

As of December 31, 2020, the Company has fulfilled its outstanding commitment to fund GPCP III and GPCP IV. Unfunded committed capital from the limited partners is not shown on the balance sheet, as the GP has no unconditional right to receive cash as long as it has not identified an investment to invest in:

	<u>06/30/2022</u>	<u>12/31/2021</u>
Outstanding commitments		
GP Real Estate A, LP	4,583	7,668
GP Real Estate B, LP	5,121	10,200
GP Real Estate C, LP	4,179	8,118
GPCP V	194,297	210,582
	<u>208,180</u>	<u>236,588</u>

19 Segment information

The Company's operations are managed through two operating segments: the private equity business and the real estate business, which represent the segment information available and used by executive management to assess performance and to allocate resources. These segments were established based on the nature of investment activities in each fund, including the specific type of investment made, the frequency of trading, and the level of control over the investment.

The financial results for the segments are as follows:

	<u>Six-month period ending</u>					
	<u>06/30/2022</u>			<u>06/30/2021</u>		
	<u>Real Estate</u>	<u>Private Equity</u>	<u>Total</u>	<u>Real Estate</u>	<u>Private Equity</u>	<u>Total</u>
Revenues						
Unrealized appreciation (depreciation) - Equity Portfolio	(1,463)	(88,339)	(89,802)	(794)	67,724	66,930
Realized gains (losses) - Equity Portfolio	-	(2,489)	(2,489)	-	25,749	25,749
Management fees	-	1,979	1,979	-	1,830	1,830
Dividends	-	142	142	675	96	771
Total revenues	(1,463)	(88,707)	(90,170)	(119)	95,399	95,280

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Expenses						
General and administrative	(254)	(9,951)	(10,205)	(111)	(6,800)	(6,911)
Contingencies	-	291	291	-	(491)	(491)
Bonuses and carried on realized gain	-	(479)	(479)	-	(997)	(997)
Total expenses	(254)	(10,139)	(10,393)	(111)	(8,288)	(8,399)
Financial income	-	1,586	1,586	-	2,570	2,570
Financial expenses	-	(7,669)	(7,669)	(3)	(4,935)	(4,938)
Financial expenses, net	-	(6,083)	(6,083)	(3)	(2,365)	(2,368)
Net income (loss) before taxes	(1,717)	(104,929)	(106,646)	(233)	84,746	84,513
Income taxes	-	(774)	(774)	-	(38)	(38)
Net income (loss) for the period	(1,717)	(105,703)	(107,420)	(233)	84,708	84,475

	Three-month period ending					
	06/30/2022			06/30/2021		
	Real Estate	Private	Total	Real Estate	Private	Total
Revenues						
Unrealized appreciation (depreciation) - Equity Portfolio	(1,233)	(149,652)	(150,885)	(2,477)	92,719	90,242
Realized gains (losses) - Equity Portfolio	-	475	475	-	22,446	22,446
Management fees	-	1,001	1,001	-	946	946
Dividends	-	142	142	1,350	(1,262)	88
Total revenues	(1,233)	(148,034)	(149,267)	(1,127)	114,849	113,722
Expenses						
General and administrative	(104)	(5,281)	(5,385)	(52)	(2,892)	(2,944)
Contingencies	-	1,758	1,758	-	(290)	(290)
Bonuses and carried on realized gain	-	(239)	(239)	-	(273)	(273)
Total expenses	(104)	(3,762)	(3,866)	(52)	(3,455)	(3,507)
Financial income	-	457	457		3,955	3,955
Financial expenses	-	(5,467)	(5,467)	(1)	(2,369)	(2,370)
Financial expenses, net	-	(5,010)	(5,010)	(1)	1,586	1,585
Net income (loss) before taxes	(1,337)	(156,806)	(158,143)	(1,180)	112,980	111,800
Income taxes	-	(113)	(113)	-	(16)	(16)
Net income (loss) for the period	(1,337)	(156,919)	(158,256)	(1,180)	112,964	111,784

The most relevant balance sheet items by segment are as follows:

	06/30/2022		
	Real Estate	Private Equity	Total
Investments at fair value	8,560	430,786	439,346
Total assets	8,560	598,615	607,175
	12/31/2021		
	Real Estate	Private Equity	Total
Investments at fair value	11,408	415,841	427,249
Total assets	11,408	588,294	599,702

20 Subsequent events

The Company analyzed and concluded that there were not any events or transactions that would cause material effect on these financial statements.