

RNI Reports 2Q19 Results

São José do Rio Preto, August 8, 2019: RNI (B3: RDNI3), a real estate developer and builder, announces today its audited results for the second quarter of 2019. The following financial and operating information is presented on a consolidated basis in accordance with generally accepted accounting practices in Brazil based on Brazilian Corporation Law, International Financial Reporting Standards (IFRS) and the rules issued by the Brazilian Accounting Pronouncements Committee (CPC).

Period Highlights:

- **Launch** of 1 project in 2Q19, with total potential sales value (PSV) of R\$71 million;
- **Net Sales** in 2Q19 of R\$54 million, while in the year to date, net sales reached R\$134 million, advancing 37% compared to 1H18;
- **Cancellations** fall to another record low since the IPO, of R\$19 million in 2Q19;
- **Net Revenue** of R\$66 million in 2Q19 and R\$145 million in 1H19, up 59% from 1H18;
- **Adjusted gross margin** of 26.3% in 2Q19, expanding 7.6 p.p. from 1Q19, reflecting the higher quality sales and the contribution to the result from MHML products;
- **Net financial income (expenses)** returned to positive territory, to R\$5.2 million in 2Q19, reflecting the recovery in the indexes used to adjust the own receivables portfolio and the low debt balance;
- **Net income** of R\$2.3 million in 2Q19, reducing by 64% the net loss in the year to date;
- The **Net debt (ex-production debt)/Net equity** ratio set another record by falling to -21.0%, attesting to the quality of RNI's debt, 88% of which currently consists of production debt;
- Expansion of 4.9 p.p. compared to 2Q18 in the gross margin of **Unearned Revenue (Backlog)**, which amounted to R\$156 million in 2Q19, reflecting the entry of products from the Current Model (products launched 2H18 onward, under the new strategic direction).

Conference Call to discuss the 2Q19 Results:

Portuguese (with simultaneous translation into English)

August 09, 10:00 a.m. (Brasília time)/ 09:00 a.m. (New York time)

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OPERATING AND FINANCIAL HIGHLIGHTS

The complete consolidated financial statements for 2Q19, accompanied by the respective notes, can be found in the Quarterly Information (ITR) document, which is available on our Investor Relations website (ri.rni.com.br) and on the website of the Securities and Exchange Commission of Brazil – CVM (www.cvm.gov.br).

Operating and Financial Information								
Highlights	2Q19	1Q19	2Q19 vs 1Q19	2Q18	2Q19 vs 2Q18	1H19	1H18	1H19 vs 1H18
Launches								
Project Launches - RNI PSV (R\$ '000)	70,977	-	N/A	-	N/A	70,977	77,446	-8%
Project Launches - Total PSV (R\$ '000) ⁽¹⁾	70,977	-	N/A	-	N/A	70,977	77,446	-8%
Project Launches - Total PSV - SBPE (R\$ '000)	70,977	-	N/A	-	N/A	70,977	77,446	-8%
Project Launches - Total PSV - MHML (R\$ '000)	-	-	N/A	-	N/A	-	-	N/A
RNI's share of total launches	100%	-	-	-	-	100%	100%	0.0 p.p.
# Projects Launched	1	-	N/A	-	N/A	1	2	-50%
Units Launched	220	-	N/A	-	N/A	220	182	21%
Units Launched - Subdivision	-	-	N/A	-	N/A	-	-	N/A
Average Price of Units Launched (R\$ '000/unit) - SBPE	323	-	N/A	-	N/A	323	426	-24%
Average Price of Units Launched (R\$ '000/unit) - MHML	-	-	N/A	-	N/A	-	-	N/A
Contracted Sales								
Gross Contracted Sales RNI PSV (R\$ '000)	64,841	96,571	-33%	59,210	10%	161,413	145,033	11%
Gross Contracted Sales Total PSV (R\$ '000)	73,346	106,015	-31%	70,343	4%	179,361	167,646	7%
Net Contracted Sales RNI PSV (R\$ '000)	48,560	73,631	-34%	29,139	67%	122,191	88,236	38%
Net Contracted Sales Total PSV (R\$ '000) ⁽²⁾	54,122	79,895	-32%	33,581	61%	134,017	97,753	37%
RNI's share of total Contracted Sales	90%	92%	-2.4 p.p.	87%	3.0 p.p.	91%	90%	0.9 p.p.
Financial Indicators in R\$ '000								
Net Revenue	65,985	78,901	-16%	41,107	61%	144,886	91,208	59%
Gross Profit	14,783	10,620	39%	9,685	53%	25,403	15,352	65%
% Gross Margin	22.4%	13.5%	8.9 p.p.	23.6%	-1.2 p.p.	17.5%	16.8%	0.7 p.p.
Adjusted EBITDA ⁽³⁾	1,946	(2,035)	N/A	(6,464)	N/A	(89)	(14,529)	-99%
% Adjusted EBITDA Margin	2.9%	-2.6%	5.5 p.p.	-15.7%	N/A	-0.1%	-15.9%	15.9 p.p.
Net Income	2,340	(9,817)	N/A	(9,119)	-126%	(7,477)	(20,869)	-64%
% Net Margin	3.5%	-12.4%	16.0 p.p.	-22.2%	25.7 p.p.	-5.2%	-22.9%	17.7 p.p.
Earnings per Share (in R\$)	0.06	(0.23)	N/A	(0.22)	N/A	(0.18)	(0.49)	-64%
Shares Outstanding ⁽⁴⁾	42,189	42,189	0%	42,189	0%	42,189	42,189	0%
Backlog Revenue								
Backlog Revenue (R\$ '000)	156,043	157,204	-1%	126,271	24%	156,043	126,271	24%
Backlog Results (R\$ '000)	41,662	40,605	3%	27,496	52%	41,662	27,496	52%
% Backlog Margin	26.7%	25.8%	0.9 p.p.	21.8%	4.9 p.p.	26.7%	21.8%	4.9 p.p.
Balance Sheet								
Net Debt (R\$ '000)	207,082	239,508	-14%	206,134	0%	207,082	206,134	0%
Net Debt ex Production Debt (R\$ '000)	(129,701)	(92,237)	41%	(19,791)	555%	(129,701)	(19,791)	555%
Cash Position (R\$ '000)	176,670	137,237	29%	118,920	49%	176,670	118,920	49%
Shareholders' Equity (R\$ '000)	616,649	615,709	0%	630,878	-2%	616,649	630,878	-2%
Net Debt/Shareholders' Equity	33.6%	38.9%	-5.3 p.p.	32.7%	0.9 p.p.	33.6%	32.7%	0.9 p.p.
Net Debt ex Production Debt/Shareholders' Equity	-21.0%	-15.0%	-6.1 p.p.	-3.1%	-17.9 p.p.	-21.0%	-3.1%	-17.9 p.p.

(1) Total PSV Launched, including Rodobens' share added to partners

(2) Total Contracted Sales value of all project that Rodobens participates, including Rodobens' share added to partners'. Including cancellations of Contracted Sales.

(3) Adjusted EBITDA: includes capitalized interest because it is an operating expenses.

(4) Shares Outstanding: excludes treasury shares.

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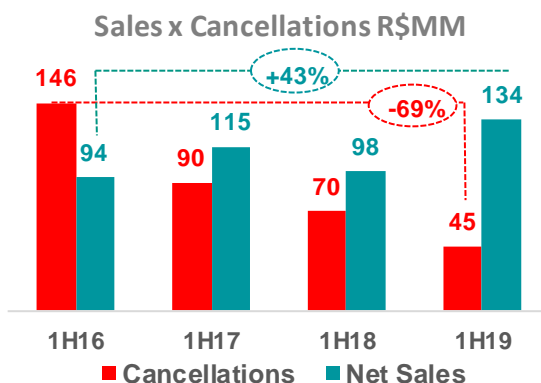
MESSAGE FROM MANAGEMENT

We closed the first half of the year with an optimistic perception of the market, though remaining cautious and awaiting important political and economic decisions (e.g., pension reform). We believe that once we have greater clarity on such issues, the market should begin to realize expectations and gradually respond, with strong growth in 2020.

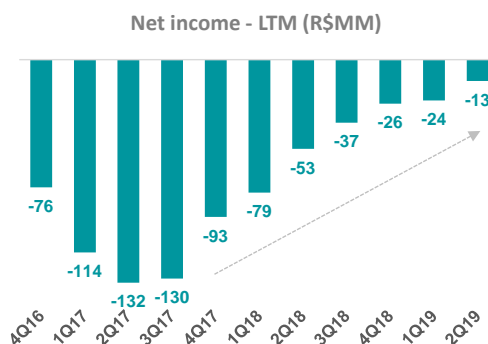
In RNI's operations, the level of launches is lower than we expected, given pending details in project approvals, which postponed launches to the second half of the year. However, these delays are unlikely to affect the company's growth target for launches in the year, with the new projects concentrated in the last few months of the year.

In 2Q19, we worked to improve the quality of our sales by adopting a less flexible pricing policy. In parallel, the low level of cancellations also was important for reducing the impact on the company's results and cash. In the comparison of 1H19 with 1H18, cancellations decreased 69%, while net sales increased 37%.

The following chart shows the growth in net sales and decline in cancellations in the first half of the year since 2016.



Lastly, to sum up RNI's results, we have i) revenue and margin growth, ii) a more streamlined structure, and iii) financial gains from own receivables portfolios, which combined have led our results to breakeven, with net income of R\$2.3 million in the quarter. In 1H19, net income is still in negative territory, but the improvement is consistent and clear, as shown in the following chart of net income **in the last 12 months (LTM)**:



Our debt level remains healthy and under control. The Net Debt (ex-production debt)/Net Equity ratio ended the quarter at -21.0%, which is the lowest level since RNI's first corporate debt operation, in 2009. On June 28, 2019, we carried out a transaction for the assignment of receivables from the sale of land, which benefitted the ratio and boosted cash flow in both the quarter and year.

We remain focused on executing our strategy. The macro-regions and products we will target have already been defined and our structure is poised to absorb growth. RNI is well positioned to accompany the market's reaction and growth.

The Management.

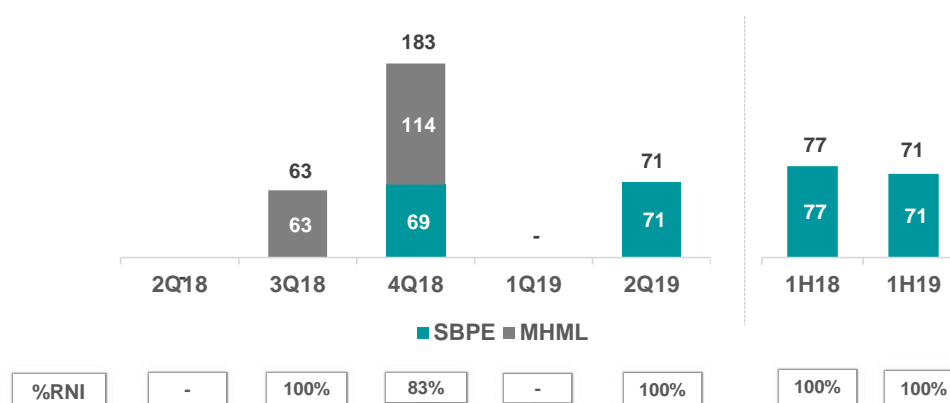
LAUNCHES

In 2Q19, RNI launched the second phase of the project Origem VG located in Várzea Grande, Mato Grosso. The first phase, which was launched in December 2018, consisted of 220 units with PSV of R\$71 million, 70% of which have been sold.

The projects slated for launch in 2Q19 were affected by minor delays in the approval of licenses and permits and should be launched in the second half of the year. That is the case of the MHML project in Ourinhos, São Paulo (Moradas Clube Ourinhos), which initially was planned to be launched in the first half of the year and has secured all necessary approvals, with only its development registration pending.

In line with the strategy, launches in the year will be concentrated in the second half and in the My Home, My Life ("MHML") segment.

Launches - Total PSV (R\$MM)



Launches	2Q19	1Q19	Q/Q (%)	2Q18	Y/Y (%)	1H19	1H18	Y/Y (%)
PSV 100% - R\$ Million	71.0	-	<i>n.a.</i>	-	<i>n.a.</i>	71.0	77.4	-8%
MHML	-	-	<i>n.a.</i>	-	<i>n.a.</i>	-	-	<i>n.a.</i>
SBPE	71.0	-	<i>n.a.</i>	-	<i>n.a.</i>	71.0	77.4	-8%
PSV %RNI - R\$ Million	71.0	-	<i>n.a.</i>	-	<i>n.a.</i>	71.0	77.4	-8%
MHML	-	-	<i>n.a.</i>	-	<i>n.a.</i>	-	-	<i>n.a.</i>
SBPE	71.0	-	<i>n.a.</i>	-	<i>n.a.</i>	71.0	77.4	-8%
Units (un.)	220	-	<i>n.a.</i>	-	<i>n.a.</i>	220	182	21%
MHML	-	-	<i>n.a.</i>	-	<i>n.a.</i>	-	-	<i>n.a.</i>
SBPE	220	-	<i>n.a.</i>	-	<i>n.a.</i>	220	182	21%
Average Ticket (R\$000)	-	-	0%	-	0%	-	-	0%
MHML	-	-	<i>n.a.</i>	-	<i>n.a.</i>	-	-	<i>n.a.</i>
SBPE	322.6	-	<i>n.a.</i>	-	<i>n.a.</i>	322.6	425.5	-24%

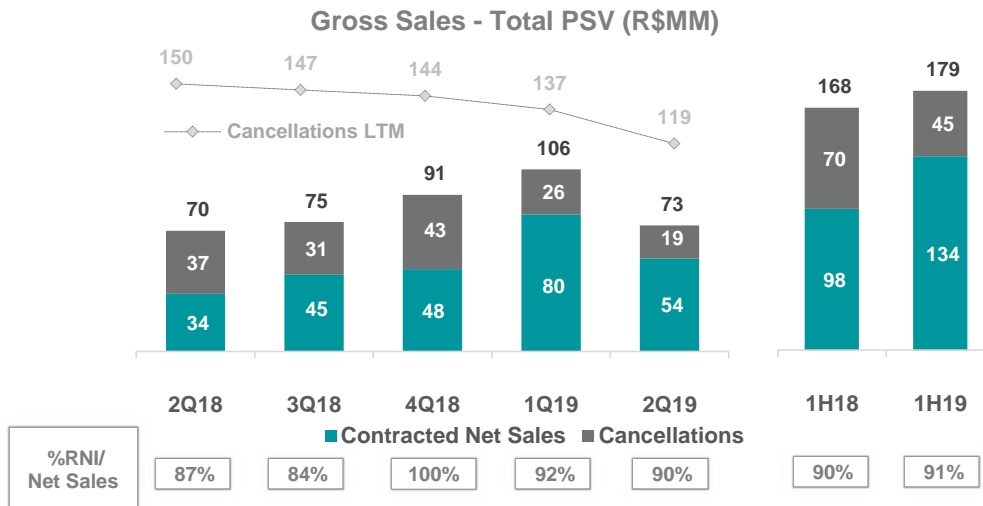
CONTRACTED SALES

Gross sales amounted to R\$73 million in 2Q19, growing by 4% compared to 2Q18. In relation to 1Q19, gross sales contracted by 31%. In the year to date, gross sales came to R\$179 million, growing by 7% in relation to 1H19, driven by stronger sales of MHML products.

Cancellations in 2Q19, which continued the trend of quarterly declines, fell to their lowest level since 2007, of R\$19 million. In 1H19, cancellations were 35% lower than in 1H18.

Net sales in the quarter amounted to R\$54 million, advancing by 61% compared to 2Q18 and declining by 32% compared to 1Q19. In the year to date, net sales grew by 34% to R\$134 million. The main

drivers of net sales growth were the projects Green Life São Marcos (MHML – 3) in São José do Rio Preto, São Paulo and Origem VG (SBPE) in Várzea Grande, Mato Grosso, which combined accounted for 30% of net sales in the 1H19.



Sales R\$ Million	2Q19	1Q19	Q/Q (%)	2Q18	Y/Y (%)	1H19	1H18	Y/Y (%)
Gross Sales - 100%	73.3	106.0	-31%	70.3	4%	179.4	167.6	7%
MHML	15.8	19.3	-18%	3.3	373%	35.1	6.3	458%
SBPE	46.2	74.0	-38%	57.5	-20%	120.2	131.3	-8%
Subdivision	11.4	12.7	-11%	9.5	20%	24.1	30.0	-20%
Cancellations - 100%	19.2	26.1	-26%	36.8	-48%	45.3	69.9	-35%
MHML	1.2	1.4	-11%	1.5	-18%	2.6	2.4	6%
SBPE	8.4	12.7	-34%	22.6	-63%	21.1	41.4	-49%
Subdivision	9.6	12.0	-20%	12.7	-24%	21.6	26.0	-17%
Net Sales - 100%	54.1	79.9	-32%	33.6	61%	134.0	97.8	37%
MHML	14.6	17.9	-19%	1.9	684%	32.5	3.8	746%
SBPE	37.8	61.3	-38%	34.9	8%	99.1	89.9	10%
Subdivision	1.8	0.7	163%	(3.2)	n.a.	2.5	4.0	-39%
By Product	54.1	79.9	-32%	33.6	61%	134.0	97.8	37%
Inventory	49.2	79.9	-38%	33.6	47%	129.1	83.3	55%
Launches	4.9	-	n.a.	-	n.a.	4.9	14.5	-66%
SoS Net Sales %	10%	14%	(4 p.p.)	7%	3 p.p.	21%	18%	2 p.p.

INVENTORY*

On June 30, 2019, the total PSV of our inventory stood at R\$498 million, represented by 2,128 units.

The inventory of finished units as a ratio of total inventory stood at 26% (based on RNI's share), representing an increase of 3 p.p. compared to 1Q19.

The change in inventory is explained by RNI's operations in the quarter. The inventory of the MHML and Subdivision segments declined, while the inventory of the SBPE segment grew by 10%, reflecting the launch of the second phase of the project Origem VG.

Inventory	Units	%	100% R\$MM	%	%RNI R\$MM	%
Launch Date	2,128	100%	497.6	100%	427.2	100%
Until 2017	993	47%	266.2	53%	221.1	52%
2018 Onward	1,135	53%	231.4	47%	206.1	48%
Status	2,128	100%	497.6	100%	427.2	100%
Projects Delivered	309	15%	130.7	26%	109.5	26%
Unders Construction	1,819	85%	366.8	74%	317.8	74%

Inventory PSV 100%	1Q19			2Q19		
	Units	R\$MM	%	Units	R\$MM	%
Product	2,109	480.9	100%	2,128	497.6	100%
MHML	916	131.9	27%	824	122.4	25%
SBPE	674	288.6	60%	803	316.1	64%
Subdivision	519	60.4	13%	501	59.1	12%

Inventory	Units	%	100% R\$MM	%	%RNI R\$MM	%
Launch Date	2,128	100%	497.6	100%	427.2	100%
BA	289	14%	41.9	8%	41.9	10%
CE	404	19%	55.8	11%	30.7	7%
GO	433	20%	47.4	10%	23.7	6%
MG	4	0%	0.7	0%	0.6	0%
MT	398	19%	128.2	26%	128.1	30%
PR	1	0%	0.2	0%	0.2	0%
RJ	2	0%	1.4	0%	0.9	0%
RS	15	1%	3.6	1%	3.6	1%
SP	582	27%	218.3	44%	197.6	46%

*Inventory net of commissions

PROJECTS DELIVERED

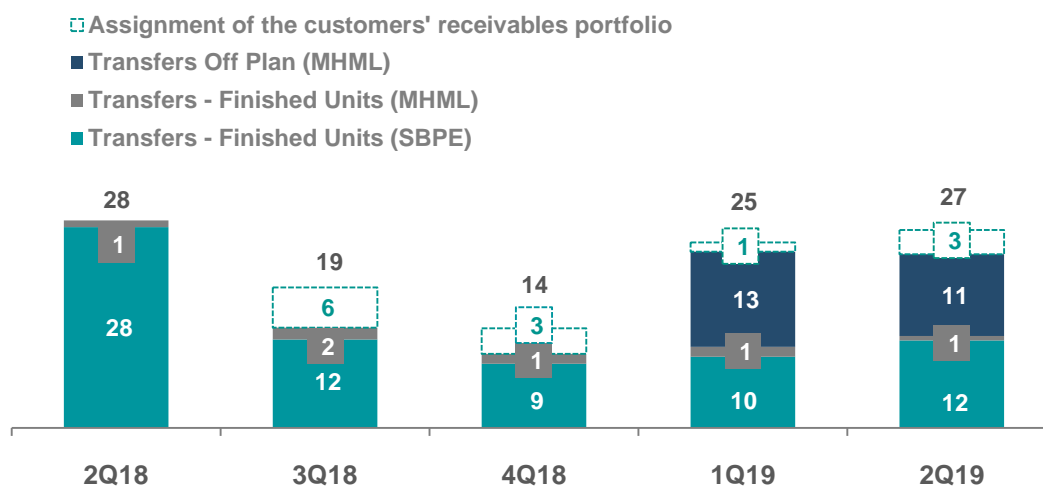
As anticipated in the previous quarter, in 2Q19, we delivered 2 of the 3 projects slated for delivery in the year, with combined value of R\$107 million. The projects delivered consisted of one SBPE project in Sinop, Mato Grosso and of another Subdivision project in Uberaba, Minas Gerais.

Projects Delivered	2Q19	1Q19	Q/Q (%)	2Q18	Y/Y (%)	1H19	1H18	Y/Y (%)
PSV 100% (R\$ Million)	107.1	-	<i>n.a.</i>	186.1	-42%	107.1	186.1	-42%
MHML	-	-	<i>n.a.</i>	-	<i>n.a.</i>	-	-	<i>n.a.</i>
SBPE	81.9	-	<i>n.a.</i>	186.1	-56%	81.9	186.1	-56%
Subdivision	25.2	-	<i>n.a.</i>	-	<i>n.a.</i>	25.2	-	<i>n.a.</i>
Units (un.)	624	-	<i>n.a.</i>	491	27%	624	491	27%
MHML	-	-	<i>n.a.</i>	-	<i>n.a.</i>	-	-	<i>n.a.</i>
SBPE	283	-	<i>n.a.</i>	491	-42%	283	491	-42%
Subdivision	341	-	<i>n.a.</i>	-	<i>n.a.</i>	341	-	<i>n.a.</i>

TRANSFER TO BANKS OF CLIENT BALANCES / OFF-PLAN PROPERTIES

Transfers of client balances and off-plan properties amounted to R\$27 million in 2Q19. The period highlight was the start of transfers of units from the MHML projects launched in 2018.

Individual Mortgages (R\$MM)



Transfers	2Q19	1Q19	Q/Q (%)	2Q18	Y/Y (%)	1H19	1H18	Y/Y (%)
R\$ Million	27.1	25.4	7%	28.4	-5%	52.6	50.9	3%
Assignment of Receivables	3.3	1.3	164%	-	<i>n.a.</i>	4.6	-	<i>n.a.</i>
MHML Off Plan	11.2	13.1	-14%	-	<i>n.a.</i>	24.3	-	<i>n.a.</i>
MHML Finished Units	0.6	1.3	-54%	0.9	-30%	2.0	2.2	-12%
SBPE	12.0	9.8	23%	27.6	-56%	21.8	48.6	-55%

LANDBANK

On June 30, 2019, RNI's landbank stood at R\$4.1 billion, 50% of which was allocated to MHML projects. The change is mainly explained by the SBPE project launched in the period and by modifications to projects.

Landbank	2Q19	1Q19	Q/Q (%)	2Q18	Y/Y (%)
PSV 100% (R\$ Million)	4,135.5	4,336.6	-5%	3,629.1	14%
MHML	2,076.0	2,094.4	-1%	1,272.6	63%
SBPE	1,686.9	1,869.7	-10%	1,984.1	-15%
Subdivision	372.5	372.5	0%	372.4	0%
Units (un.)	19,610	20,454	-4%	15,496	27%
MHML	13,775	14,137	-3%	8,318	66%
SBPE	3,360	3,842	-13%	4,703	-29%
Subdivision	2,475	2,475	0%	2,475	0%
Average Ticket (R\$000)					
MHML	150.7	148.1	2%	153.0	-1%
SBPE	502.1	486.7	3%	421.9	19%
Subdivision	150.5	150.5	0%	150.5	0%

ECONOMIC AND FINANCIAL PERFORMANCE

Current and Legacy Model

Consolidated R\$ Thousand 1H19	Total	Legacy	Current Model
Net Revenue	144,886	130,368	14,518
Total Cost	(119,483)	(108,223)	(11,259)
Adjusted Gross Profit*	32,174	28,506	3,668
Adjusted Gross Margin*	22.2%	21.9%	25.3%

To improve the transparency of the results of the company's current business model, we opted to break them down into products prior to the new strategy, which we refer to as Legacy, and products under the new strategy, which we refer to as the Current Model. Current Model projects are those launched as from 2H18, in other words, as of the company's return to projects with incentives under the federal government's My Home, My Life housing project (MCMV).

The numbers already demonstrate the higher profitability of products under the Current Model and consequently of the company's strategic direction. However, we still expect gross margin to improve gradually in step with new launches. It is important to note that a large part of sales revenues will be reported under Unearned Revenue (Backlog) with these high margins and with recognition accompanying percentage of construction and contributing to the company's future result.

Income Statement

Consolidated, R\$ '000	2Q19	1Q19	2Q19 vs 1Q19	2Q18	2Q19 vs 2Q18	1H19	1H18	1H19 vs 1H18
Net Operating Revenue	65,985	78,901	-16%	41,106	61%	144,886	91,207	59%
Gross Profit	14,783	10,620	39%	9,684	53%	25,403	15,351	65%
Gross Margin	22.4%	13.5%	8.9 p.p.	23.6%	-1.2 p.p.	17.5%	16.8%	0.7 p.p.
Adjusted Gross Profit*	17,374	14,800	17%	13,287	31%	32,174	23,572	36%
Adjusted Gross Margin*	26.3%	18.8%	7.6 p.p.	32.3%	-6.0 p.p.	22.2%	25.8%	-3.6 p.p.
Operating Expenses	(15,977)	(17,380)	-8%	(20,234)	-21%	(33,357)	(39,142)	-15%
Selling expenses	(6,291)	(6,642)	-5%	(7,494)	-16%	(12,933)	(14,207)	-9%
General and Administrative Expenses	(10,632)	(9,477)	12%	(10,721)	-1%	(20,109)	(20,220)	-1%
Equity Income	3,441	71	4746%	(799)	N/A	3,512	(952)	N/A
Other Operating Revenue	(2,495)	(1,332)	87%	(1,220)	105%	(3,827)	(3,763)	2%
Adjusted EBITDA	1,946	(2,035)	N/A	(6,464)	N/A	(89)	(14,529)	-99%
Adjusted EBITDA Margin	2.9%	-2.6%	5.5 p.p.	-15.7%	18.7 p.p.	-0.1%	-15.9%	15.9 p.p.
Net Financial Income (Expenses)	5,151	(2,101)	N/A	2,660	94%	3,050	5,858	-48%
Income tax and social contribution	(1,939)	(1,826)	6%	(1,639)	18%	(3,765)	(3,316)	14%
Net Income	2,340	(9,817)	N/A	(9,119)	N/A	(7,477)	(20,869)	-64%
Net Margin	3.5%	-12.4%	16.0 p.p.	-22.2%	25.7 p.p.	-5.2%	-22.9%	17.7 p.p.

*Excludes financial expenses recorded at cost.

Net Revenue

In 2Q19, net revenue was R\$66.0 million. The decline compared to the prior quarter naturally accompanies the variation in sales. Compared to the prior-year quarter, the growth of 61% mainly is explained by the lower level of cancellations and the significant progress in construction of the projects launched in 2017/18. In the year to date, revenue amounted to R\$145 million, with these operational factors key to the advance of 59% compared to 1H18.

Adjusted Gross Margin

Adjusted gross margin in 2Q19 stood at 26.3%, expanding 7.6 p.p. from 1Q19, with this recovery reflecting the less flexible pricing policy, the better sales mix and the lower cancellations. Compared to the previous year, adjusted gross margin compressed by 6.0 p.p. mainly due to the lack of one-off events, given that 2Q18 was marked by the recognition of an amendment to a land sale agreement. In 1H19, adjusted gross margin stood at 22.2%, decreasing 3.6 p.p. from 1H18, which is explained by the aforementioned non-recurring event, the flexibilization of prices and the unfavorable mix in 1Q19.

Selling, General and Administrative Expenses

Operating Revenues (Expenses), R\$ '000	2Q19	1Q19	2Q19 vs 1Q19	2Q18	2Q19 vs 2Q18	1H19	1H18	1H19 vs 1H18
Operating Expenses	(15,977)	(17,380)	-8%	(20,234)	-21%	(33,357)	(39,142)	-15%
Selling expenses	(6,291)	(6,642)	-5%	(7,494)	-16%	(12,933)	(14,207)	-9%
Commission	(2,870)	(3,530)	-19%	(1,792)	60%	(6,400)	(4,593)	39%
Other selling expenses	(3,421)	(3,112)	10%	(5,702)	-40%	(6,533)	(9,614)	-32%
General and Administrative Expenses	(10,632)	(9,477)	12%	(10,721)	-1%	(20,109)	(20,220)	-1%
Equity Income	3,441	71	4746%	(799)	N/A	3,512	(952)	N/A
Other Operating Revenue	(2,495)	(1,332)	87%	(1,220)	105%	(3,827)	(3,763)	2%

Selling expenses in 2Q19 amounted to R\$6.3 million, down 5% from 1Q19, due to lower expenses with commissions. Compared to the last year, selling expenses declined due to lower costs with advertising and marketing, which is only natural, since in 1H18 RNI already had launched 2 projects of mid and mid-high income.

General and administrative expenses amounted to R\$10.6 million, 12% higher than in 1Q19, due to the normalization of legal expenses, since that quarter was marked by seasonal effects that benefitted expenses. On the other hand, in relation to the same quarter last year, G&A expenses were stable, attesting to and reaffirming the adequacy and optimization of RNI's structure.

Other Operating Income/Expenses

Equity income amounted to R\$3.4 million in 2Q19. The increase compared to prior periods is mainly explained by the performance of projects with partners in Goiânia and Ribeirão that benefitted from the new sales strategies adopted in the region.

Other operating income/expenses was an expense of R\$2.5 million, reflecting the costs over budget with projects under the legacy model.

Adjusted EBITDA

Consolidated Adjusted EBITDA, R\$ '000	2Q19	1Q19	2Q19 vs 1Q19	2Q18	2Q19 vs 2Q18	1H19	1H18	1H19 vs 1H18
Net Income Consolidated (RNI + Minority Interest)	2,018	(10,687)	N/A	(9,528)	N/A	(8,669)	(21,248)	-59%
(+) Income tax and social contribution	1,939	1,826	6%	1,639	18%	3,765	3,316	14%
(+) Net Financial Income	(5,151)	2,101	N/A	(2,660)	94%	(3,050)	(5,858)	-48%
(+) Depreciation & Amortization	549	545	1%	482	14%	1,094	1,040	5%
EBITDA	(645)	(6,215)	-90%	(10,067)	-94%	(6,860)	(22,750)	-70%
EBITDA Margin	-1.0%	-7.9%	6.9 p.p.	-24.5%	23.5 p.p.	-4.7%	-24.9%	20.2 p.p.
(+) Financial Expenses on Cost	2,590	4,181	-38%	3,603	-28%	6,771	8,221	-18%
Adjusted EBITDA*	1,946	(2,035)	N/A	(6,464)	N/A	(89)	(14,529)	-99%
Adjusted EBITDA Margin	2.9%	-2.6%	5.5 p.p.	-15.7%	18.7 p.p.	-0.1%	-15.9%	15.9 p.p.

* EBITDA: net income for the period, plus income tax, financial expenses net of financial income, and depreciation, amortization and depletion. Adjusted EBITDA refers to the adjustment of expenses with capitalized interest, given the operational nature of this expense.

Adjusted EBITDA was R\$2.0 million in 2Q19, compared to negative R\$2.0 million in 1Q19.

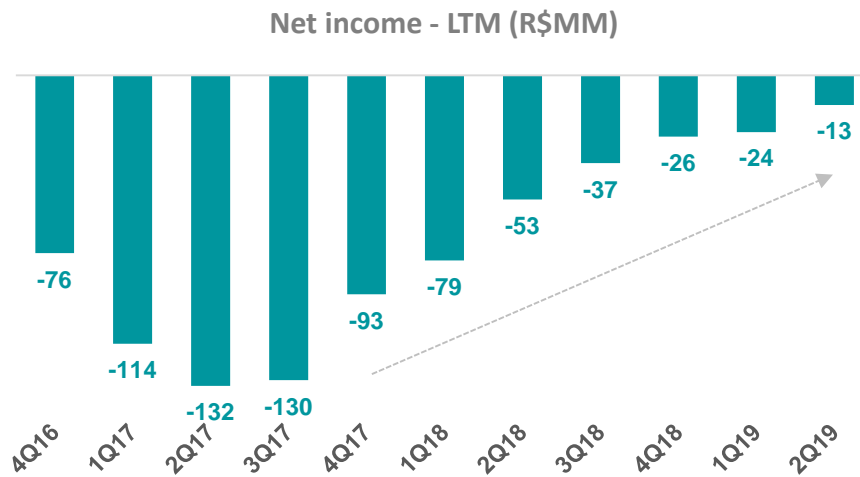
Net Financial Income (Expense)

Net Interest (Expenses) Revenue, R\$ '000	2Q19	1Q19	2Q19 vs 1Q19	2Q18	2Q19 vs 2Q18	1H19	1H18	1H19 vs 1H18
Monetary Variation, Net	7,504	1,394	438%	3,508	114%	8,898	7,919	12%
Financial Revenue	5,378	4,465	20%	5,444	-1%	9,843	11,443	-14%
Financial Expenses	(7,731)	(7,960)	-3%	(6,292)	23%	(15,691)	(13,504)	16%
Total	5,151	(2,101)	N/A	2,660	94%	3,050	5,858	-48%

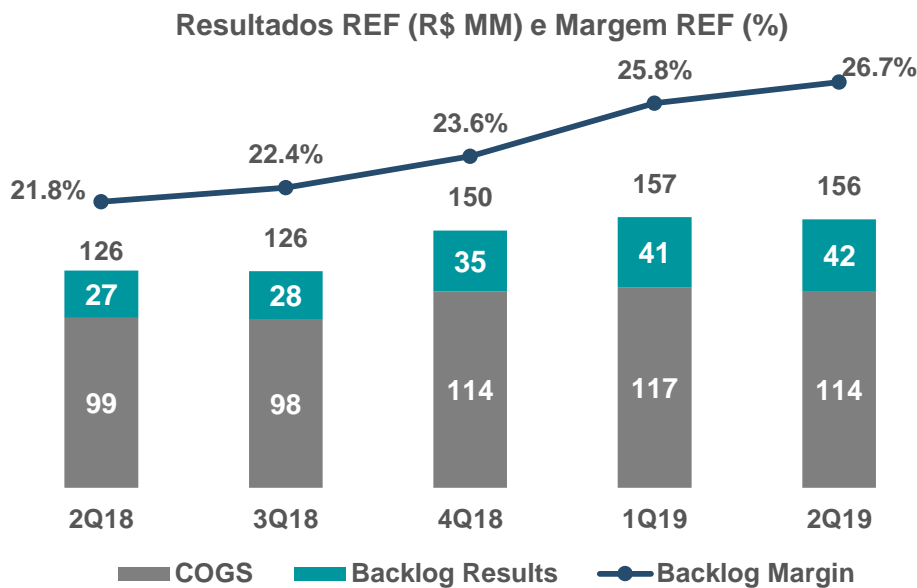
Net financial income returned to positive territory, at R\$5.2 million, compared to negative R\$2.1 million in 1Q19. The result was due to the variation in the indexes used to adjust the company's portfolios. It is important to note that 1Q19 was adversely affected by charges related to the funding operation CRI 31 and by the early recognition of settlement expenses related to CRI 27.

Net Income

Supported by its constant search for operational improvements in its sales and cost structure and by the financial gains, the company reported net income of R\$2.3 million. In the year to date, the net loss was R\$7.5 million, compared to the net loss of R\$20.9 million in 1H18, representing improvement of 64%. The following chart of RNI's net income in the last 12 months shows this consistent and gradual improvement in the net loss.



Unearned Revenue (Backlog)



Backlog margin stood at 27% at the end of 2Q19. The expansion of 0.9 p.p. from 1Q19 reflects the entry of projects from the cycle launched in late 2018, which have higher margins and still-low PoC.



This means that as the legacy projects advance in their construction and consume revenue, the Backlog will increasingly consist of products from the new cycle with higher margins.

Note that the amounts recorded in Backlog Margin have not yet been subjected to PIS/COFINS taxes and do not include the financial expenses related to COGS.

BALANCE SHEET: Main items

Trade Accounts Receivable

The balance of Trade Accounts Receivable stood at R\$581 million on June 30, 2019, of which R\$439 million is recorded on the balance sheet with the associated revenue already recognized. Of this total, R\$171 million is recorded in current assets and R\$268 million in non-current assets, as shown in the following table.

Credits with clients (R\$ '000)	2Q19	%	1Q19	%	2Q19 vs 1Q19	2Q18	%	2Q19 vs 2Q18
Current Assets								
Amounts Realized	170,534	29%	149,686	27%	14%	219,029	42%	-22%
Amounts Non Realized	39,193	7%	29,789	5%	32%	28,752	6%	36%
Total Current Assets	209,727	36%	179,475	32%	17%	247,781	48%	-15%
Non Current Assets								
Amounts Realized	268,402	46%	265,575	48%	1%	199,562	38%	34%
Amounts Non Realized	103,076	18%	112,141	20%	-8%	71,496	14%	44%
Total Non Current Assets	371,478	64%	377,716	68%	-2%	271,058	52%	37%
TOTAL	581,205	100%	557,190	100%	4%	518,839	100%	12%

Credits not yet recorded on the balance sheet and for which the associated revenue has not yet been recognized in the profit or loss using the percentage of completion (PoC) method amounted to R\$142 million on June 30, 2019. The difference between the R\$156 million recognized under Backlog and this R\$142 million refers to advances from clients, which came to R\$14 million at the end of 2Q19.

The performed receivables portfolio amounted to R\$349 million at the end of 2Q19.

The following table provides a breakdown and the status of performed receivables classified by phase and order of monetization:

PERFORMED Receivables Account details (R\$ million)	2Q19	1Q19	%
Clients transferred (filed at notary) awaiting credit	15,137	17,348	4.3%
Clients in Analysis/Transfer to Banks	30,835	20,359	8.8%
Clients from recently concluded units with certificates of occupancy, pending documentation	1,278	1,564	0.4%
Clients in legal discussion with secured fiduciary sale	12,842	12,014	3.7%
Clients in renegotiation (further conversion into inventory)	16,723	11,613	4.8%
Others	11,023	11,570	3.2%
Performed Receivables Account (Not Financed by the Company)	87,838	74,468	25.2%
Clients Financed by Company	251,613	219,860	72.1%
Clients Financed by Company (Pro-Soluto)	9,423	10,796	2.7%
Total of Performed Clients Receivables Account	348,877	305,125	100.0%

* The portfolio degree liquidity is indicated per color. The strongest color means greater liquidity, while the lighter color suggests lower liquidity

The following table shows the changes in the performed receivables portfolio:

Changes in Performed Receivables	2Q19
(beginning of period)	305,125
(+) Performed during the period	59,748
(-) Received in the period	17,751
(-) Transfer / Rescission of Performer clients written in the period	14,276
(+) Monetary variation - adjustment index in the period	10,265
(+) Sales of inventory in the period	22,198
(-) Cancelled sales during the period	13,773
(+) Others	2,658
Balance	348,879

Cash and Debt

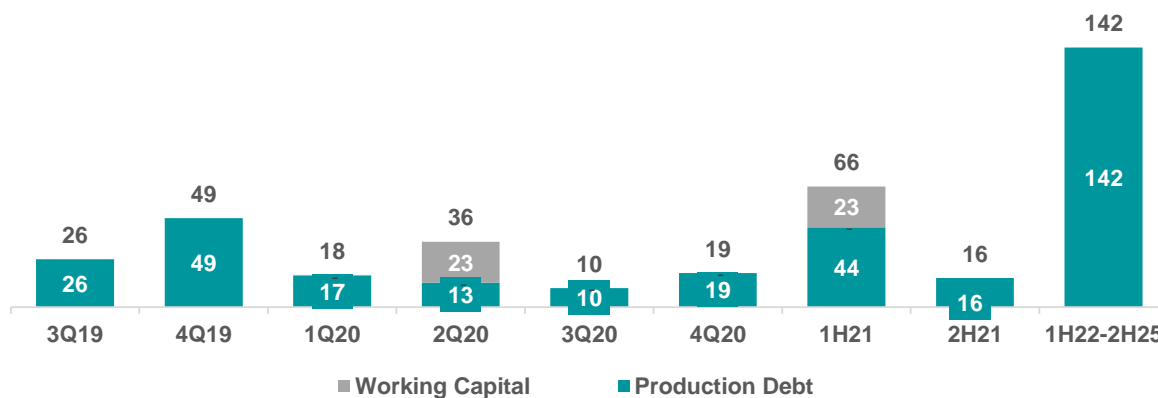
RNI ended 2Q19 with a cash position of R\$177 million. Cash generation in the period was R\$32 million. In the year, cash generation was R\$18 million, which is in large part explained by the assignment of receivables transaction carried out in June, as disclosed to the market on June 28, 2019.

	2Q18	3Q18	4Q18	1Q19	2Q19
Net Cash (1)	119	96	92	137	177
Debts (2)	325	300	318	377	384
Construction Funding	226	218	237	332	337
Construction Loans	59	54	63	69	82
CCBI/CRI	166	164	174	263	255
Bank debt	99	83	81	45	47
CCBI/CRI	53	37	36	0	0
Working Capital	46	46	45	45	47
Net Debt (2-1)	206	204	225	240	207
Shareholders' Equity	631	635	626	616	617
Net Debt/Shareholders' Equity	32.7%	32.2%	36.0%	38.9%	33.6%
Net Debt (ex-SFH/SFI)/Shareholders' Equity	-3.1%	-2.1%	-1.8%	-15.0%	-21.0%

The breakdown of the debt position at the end of the quarter remained stable in relation to 1Q19, consisting mostly (88%) of production debt, with a healthy cash position and a long debt maturity profile.

On June 30, 2019, the Net Debt/Equity ratio stood at 33.6%, quarterly down 5.3 p.p. Meanwhile, the Net debt (ex-production debt)/Net equity ratio ended the quarter at negative 21.0%, marking the lowest level since RNI's first corporate debt transaction, in 2009.

The debt maturity schedule is shown below:

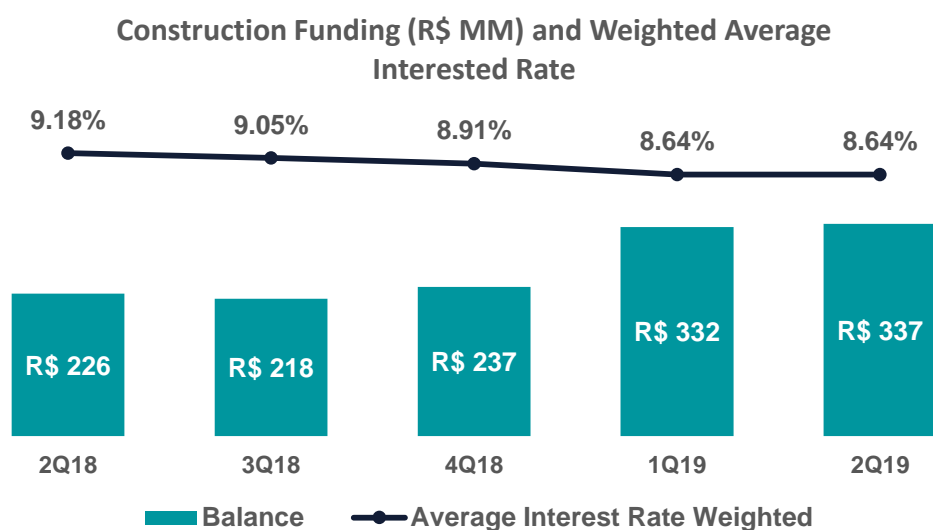


Our debt is divided into the following types of credit facilities:

Loans and Financing	Rate	2Q19
Construction Loans	TR + 8.0% to 10.5% p.a.	82,224
CCB/CRI	TR + 11.5% p.a. ; TR + 14.9% p.a ; CDI + 2.0% p.a. and 115.0% of CDI	254,559
Construction Loan		336,783
Debentures	CDI + 1,6% p.a.	46,969
Bank debt		46,969
Total		383,751

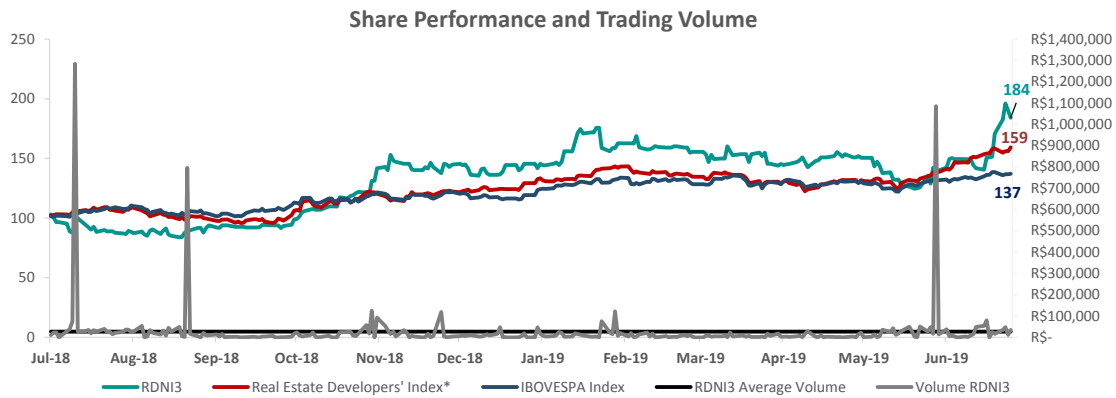
*Funds raised through CCBI/CRI are used to finance real estate projects.

The following chart shows the evolution of construction debt and the average interest rate weighted by the share of the outstanding balance of each project in the total.



RDNI3 Stock Performance

The following chart shows the performance of RDNI3 stock in the last 12 months in terms of price and trading volume. The stock's closing quote on June 30, 2019 was R\$6.96.



*Index composed of the stocks CYRE3, DIRR3, EVEN3, EZTC3, GFS3, HBOR3, JHSF3, MRVE3, PDGR3, RDNI3, RSID3, TCSA3, TRIS3 and VIVR3 weighted by market capitalization.

Base = 100 on June 28, 2018

Source: Reuters

DISCLAIMER

The statements contained herein regarding the business prospects, projections of financial and operating results and growth prospects that affect the operations of RNI, as well as any other forward-looking statements regarding the Company's business are merely estimates and as such are subject to risks and uncertainties and therefore are not guarantees of future results. These forward-looking statements depend substantially on market conditions, government regulations, competitive pressures, performance of the industry and the Brazilian economy and other factors, and therefore are subject to change without prior notice.

Consolidated Balance Sheet

BALANCE SHEET (R\$ '000)	2Q19	1Q19	2Q19 vs. 1Q19	2Q18	2Q19 vs. 2Q18
ASSETS					
CURRENT ASSETS	572,280	494,321	16%	571,713	0%
Cash and Equivalents	172,804	135,297	28%	116,986	48%
Trade accounts receivable	170,534	149,686	14%	219,029	-22%
Accounts Receivable from sale of lots	2,564	2,134	20%	2,220	15%
Real estate for sale	188,744	172,208	10%	185,726	2%
Credits with third parties	17,154	16,868	2%	19,053	-10%
Expenses to be transferred to SPEs ¹	2,919	2,476	18%	2,147	36%
Sales expenses to be recognized	5,185	5,242	-1%	4,446	17%
Prepaid expenses	3,054	1,429	114%	2,252	36%
Clients co-obligation	-	-	N/A	377	N/A
Dividends Receivable	27	77	-65%	77	-65%
Other receivables	9,295	8,904	4%	19,400	-52%
NON-CURRENT ASSETS	693,565	760,135	-9%	593,289	17%
Financial Investments	3,866	1,940	99%	1,934	100%
Trade accounts receivable	268,402	265,575	1%	199,562	34%
Other receivables	8,577	8,822	(0)	-	N/A
Related parties	764	754	1%	590	29%
Deposits in court	6,104	5,837	5%	7,078	-14%
Dividends Receivable	6,903	7,122	-3%	7,273	-5%
Real estate for sale	190,748	211,541	-10%	140,009	36%
Land to be received	69,181	123,991	-44%	103,035	-33%
Investments in subsidiaries and joint subsidiaries	116,058	113,276	2%	110,977	5%
Property, plant and equipment	17,068	17,546	-3%	19,209	-11%
Intangible assets	3,613	3,731	-3%	3,622	0%
TOTAL ASSETS	1,265,845	1,254,456	1%	1,165,002	9%
LIABILITIES & Shareholders' Equity					
CURRENT LIABILITIES	267,069	218,356	22%	263,259	1%
Trade accounts payable	19,518	18,238	7%	14,506	35%
Construction Loans	105,617	103,249	2%	99,619	6%
Borrowing	24,469	-	N/A	948	2481%
Bank Credit Bill ("CCB")	-	-	N/A	14,759	N/A
Social and labor obligations	5,556	5,826	-5%	4,615	20%
Tax obligations	6,167	2,242	175%	1,983	211%
Current accounts with partners in projects	125	136	-8%	491	-75%
Accounts payable for property acquisitions	58,843	39,475	49%	67,242	-12%
Deferred Taxes	6,470	6,844	-5%	6,598	-2%
Provision for customer warranty	7,112	7,856	-9%	9,472	-25%
Advances from clients	13,774	15,275	-10%	26,023	-47%
Related parties	1,293	1,261	3%	993	30%
Provision for losses in subsidiaries	1,690	1,659	2%	1,645	3%
Other accounts payable	16,435	16,295	1%	13,988	17%
Clients co-obligation	-	-	N/A	377	N/A
NON-CURRENT LIABILITIES	382,127	420,391	-9%	270,865	41%
Deferred Taxes	19,024	21,092	-10%	17,364	10%
Construction Loans	231,166	228,496	1%	126,306	83%
Borrowing	22,500	45,000	-50%	45,000	-50%
Bank Credit Bill ("CCB")	-	-	N/A	38,422	N/A
Provision for contingencies	11,542	11,845	-3%	14,193	-19%
Accounts payable for property acquisitions	97,895	113,958	-14%	29,580	231%
SHAREHOLDERS' EQUITY	616,649	615,709	0%	630,878	-2%
Share capital	512,438	512,438	0%	512,438	0%
Legal reserve	27,140	27,140	0%	27,140	0%
Retained earnings	91,668	91,741	0%	117,836	-22%
Treasury stock	(15,876)	(16,020)	-1%	(16,020)	-1%
Accrued income	(7,477)	(9,817)	-24%	(20,869)	-64%
Non-controlling interest	8,756	10,227	-14%	10,353	-15%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,265,845	1,254,456	1%	1,165,002	9%

Consolidated Statement of Income

INCOME STATEMENT	2Q19	1Q19	2Q19 vs. 1Q19	2Q18	2Q19 vs. 2Q18	1H19	1H18	1H19 vs. 1H18
(R\$ '000)								
NET OPERATING REVENUE	65,985	78,901	-16%	41,107	61%	144,886	91,208	59%
COST OF PROJECTS SOLD	(51,202)	(68,281)	-25%	(31,422)	63%	(119,483)	(75,856)	58%
GROSS PROFIT	14,783	10,620	39%	9,685	53%	25,403	15,352	65%
OPERATING INCOME (EXPENSES)	(15,977)	(17,380)	-8%	(20,234)	-21%	(33,357)	(39,142)	-15%
Selling expenses	(6,291)	(6,642)	-5%	(7,494)	-16%	(12,933)	(14,207)	-9%
General and administrative expenses	(10,632)	(9,477)	12%	(10,721)	-1%	(20,109)	(20,220)	-1%
Other Operating Income	(2,495)	(1,332)	87%	(1,220)	105%	(3,827)	(3,763)	2%
Equity Income	3,441	71	4746%	(799)	n.a.	3,512	(952)	n.a.
OPERATING INCOME (LOSS) BEFORE INTEREST INCOME (EXPENSE)	(1,194)	(6,760)	-82%	(10,549)	-89%	(7,954)	(23,790)	n.a.
NET INTEREST (EXPENSES) REVENUE	5,151	(2,101)	n.a.	2,660	94%	3,050	5,858	-48%
Monetary variations, net	7,504	1,394	438%	3,508	114%	8,898	7,919	12%
Interest income	5,378	4,465	20%	5,444	-1%	9,843	11,443	-14%
Interest expenses	(7,731)	(7,960)	-3%	(6,292)	23%	(15,691)	(13,504)	16%
EARNINGS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	3,957	(8,861)	n.a.	(7,889)	n.a.	(4,904)	(17,932)	n.a.
INCOME TAX AND SOCIAL CONTRIBUTION	(1,939)	(1,826)	6%	(1,639)	18%	(3,765)	(3,316)	14%
Current	(2,426)	(1,308)	85%	(1,773)	37%	(3,734)	(3,889)	-4%
Deferred charges	487	(518)	n.a.	134	263%	(31)	573	n.a.
NET INCOME BEFORE NON-CONTROLLING INTERESTS	2,018	(10,687)	n.a.	(9,528)	n.a.	(8,669)	(21,248)	n.a.
Minority interests	322	870	-63%	409	-21%	1,192	379	215%
NET INCOME	2,340	(9,817)	n.a.	(9,119)	n.a.	(7,477)	(20,869)	-64%
Earnings per share (in R\$)	0.06	(0.23)	n.a.	(0.22)	n.a.	(0.18)	(0.49)	-64%

Consolidated Cash Flow Statement

CASH FLOW Consolidate (R\$ '000)	4Q18	4Q17	1H19	1H18
CASH FLOW PROVIDED BY OPERATIONS ACTIVITIES				
NET INCOME	2,018	(9,528)	(8,669)	(21,248)
Adjustments to reconcile net income (loss) in the period to net cash provided by (used in) operating activities				
Deferred Taxes	(1,924)	(812)	136	(1,907)
Deferred Income Taxes and Social Contribution	(518)	-	-	-
Depreciation/Amortization	1,029	1,066	1,997	2,101
Expenses with stock option plan	-	5	-	19
Equity income	(3,483)	658	(3,568)	463
Provision for doubtful accounts	(384)	(310)	(599)	1,885
Result from divestiture	500	150	1,013	301
Provisions for losses in subsidiaries	42	141	56	489
Derecognition of property, plant and equipment	-	180	-	262
Provision for contingencies	(303)	(1,812)	(188)	(1,699)
Interest and monetary variations on loans	7,550	7,545	14,094	14,775
Provision for warranties	257	(789)	660	(21)
Increase (decrease) in operating assets				
Credits with clients	(23,291)	23,201	(59,738)	43,423
Land to be received	54,380	(5,981)	55,122	(14,998)
Real estate for sale	4,257	(9,008)	22,928	(31,740)
Credit with third parties	(67)	349	(125)	5,720
Expenses to be transferred to SPCs	(443)	(64)	(743)	378
Selling expenses to be recognized	57	256	-	113
Prepaid expenses	(1,625)	114	(1,653)	42
Other credits	(146)	(637)	(495)	(1,788)
Related parties	(10)	(215)	462	(354)
Legal provisions	(267)	85	(554)	(301)
Increase (decrease) in operating liabilities				
Suppliers	1,280	(1,957)	3,876	1,686
Taxes and social charges payable	5,084	1,727	6,498	3,340
Income tax and social contribution	3,305	9,862	13,856	33,410
Provision for warranties	(1,001)	(1,255)	(2,258)	(2,301)
Land acquisitions payable	(1,501)	(898)	(4,107)	947
Advance from customers	(11)	(25)	(183)	(39)
Debt with related parties	32	11	273	22
Accounts payable for equity acquisition	-	-	-	-
Other accounts payable	140	(664)	1,763	(821)
Clients co-obligation	-	-	-	-
NET CASH GENERATED BY OPERATING ACTIVITIES	44,957	11,395	39,854	32,159
Payment interest-free financing	(7,168)	(6,363)	(15,812)	(13,351)
Income Tax and Social Contribution Payment	(1,429)	(1,947)	(2,625)	(5,175)
NET CASH USED IN OPERATING ACTIVITIES	36,360	3,085	21,417	13,633
CASH FLOW PROVIDED BY INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(433)	(452)	(857)	(5,652)
Increase of investments	240	(1,574)	(936)	7,972
Financial investments	(1,926)	570	(2,069)	4,939
NET CASH USED IN INVESTING ACTIVITIES	(2,119)	(1,456)	(3,862)	7,259
CASH FLOW PROVIDED BY FINANCING ACTIVITIES				
Amortization of borrowings	(13,149)	(126,849)	(80,347)	(181,800)
New borrowings	17,493	141,664	145,977	177,748
NON-CONTROLLING SHAREHOLDERS				
Dividends payable - Non-controlling shareholders	(225)	(135)	(445)	(135)
Capital increase by non-controlling shareholders	99	1,745	584	2,648
Capital decrease by non-controlling shareholders	(1,023)	-	(1,195)	(437)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	3,266	16,425	64,645	(1,976)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	37,507	18,054	82,200	18,916
Cash balance				
At the beginning of the period	135,297	98,932	90,604	98,072
At the end of the period	172,804	116,986	172,804	116,986
	37,507	18,054	82,200	18,914