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TRANSCRIPCIÓN DEL AUDIO ORIGINAL REALIZADA POR FIDELITY INTERPRETERS

1. PRESENTATION

JUAN GÓMEZ

Good evening ladies and gentlemen. Welcome to the Neinor Homes conference call presenting the business plan 2019-2021. This edition will be hosted by our new CEO, Borja Garcia-Egotxeaga and our CFO and deputy CEO, Jordi Argemí. Our CEO will first present the outline of the 2019-2021 business plan, explain its pillars and discuss at length the profile of the next three years. Following that, **Jordi** Argemí will discuss the financial implications of the business plan as well as the shareholder remuneration component. Following that, Borja Garcia-Egotxeaga will give closer remarks and the Q&A session will begin. The Q&A session will consist of five questions for those of you that dial in the provided conference call number, and as usual you shall be able to submit questions at any time during the presentation through the "submit the question to the presenter" window in the webcast application. This webcast is being recorded and will be available within the next few days for replay on demand. Additionally, within the next few days a transcript of this call will be available for you to be able to download. Borja, let us begin.

BORJA GARCIA-EGOTXEAGA

Thank you, and good afternoon everyone. My name is Borja Garcia-Egotxeaga and I am the new CEO of Neinor Homes. The board has given me the opportunity and the honour to take this position, which I accepted gratefully. The objective of today's call is to present the strategic review of Neinor's business plan for the upcoming years.

Before we start, let me introduce myself. I have been working in the Spanish residential developers' sector for almost 20 years. In my previous job, in a Basque developer, supervising all the departments of the company. And for the last three years, in Neinor Homes, where I was he COO, I was running the operations of the company, with many responsibilities from the design, construction and delivery of the new buildings. First, of course, I would like to thank Juan Velayos, for his great job during the last years in this company. So please let's start with the highlights. During this presentation, we will go through six different parts. I guess that all of you would like to go to the new BP, but before, please give me a couple of minutes to talk about the execution capacity of this company and the housing sector in Spain; then we will go with the new management team and the strategic business plan proposed. Later, Jordi Argemí will walk us through financials. And finally, we will jump to conclusions.

Let's go please to page number 4. The first important message is that Neinor is a profitable company with proven industrial capacity that is already generating positive cashflows. Last year we delivered more than 1,000+ units and made €56m of EBITDA, and €50m of net income, outperforming market expectations. If you please go to the next page I would like to give you some facts. First, Neinor has the best and prime land bank in Spain with more than 13,000 units. In the Annex of this document you will find details of this 100% fully permitted land bank, located in the six highest-growth regions of Spain. Second, just to remark, our operational capacity and a business that is fully de-risked for the next three years. We already delivered 700 units in the last quarter of 2018, without any operational problems. Today we have 5,000 units under construction in 59 developments, perfectly managed. We have obtained licenses for more than 6,000 units and we have licenses already requested for an additional 3,000 units. The third concept I want to discuss is financing. We work closely with the main local banks. Banks are our partners. We sell the primest mortgages in Spain and our subrogation level is more than 70%. We will keep improving and expanding relationships as it is a key part of our business and allows us to announce the return to our shareholders. Fourth and last part I want to remark, is sales which allows us to fully de-risk our business and where we have with advantages with the go to market. Here, just a few remarks: more than 7,000 units in commercialisation, more than 2,700 units and almost €1 billion in order book and two aspects that are key for this.
80% of our leads are generated online and our Neinor. We have changed the way to sell homes in Spain.

If you go to page No. 6 you will find some figures regarding the housing sector in Spain. Spain today is one of the fastest-growing economies in Europe, unemployment is decreasing fast, and it is a good and healthy democracy. With regards to the development sector, it was completely destroyed by the crisis and now it is recovering fast. All the recoveries bring a lot of new opportunities and some challenges and right now, the one affecting more to our business is time delays, license achievements and concession timings. Of course, inflation is another issue, which not only affects economics but also the negotiation timings with contractors. When the sector stabilizes led times got longer than the company expected from previous crisis. Having said all this, this situation allowed us to capture more HPA. Last year more than 8% increase in our profits.

If you go to the next slide, we will talk about management. Neinor has decided to go for a change in the management team with a new leadership. The first task of the new management team has been to revisit our business plan, because the market today is not reflecting our achievements and the value of this company. As I said earlier, I am the CEO and in my new role I will be supported by Jordi Argemí, who has been promoted by the previous CEO thanks to his excellent performance within Neinor and with the objective of integrating both operating and financial perspectives of the company. Also Jorge Pepa, a former proprietary director, will stay on the board but as executive vice-president, showing a clear commitment with the long term of this company.

And let's go now to the next three pages well you will see a detail of the management proposals. A business plan, the whole management team feels very comfortable to achieve and that has been unanimously approved by the board. We are setting the delivery targets to meet the ongoing market cycle. We are breaking for once and for all with the previous guidance, because, as industry leaders, it is time to recover the trust of our shareholders. The first slide in page number 8, describes the basic pillars we have been working on. First, the delivery guidance for the upcoming years which some of you have been asking. You will see that we have established ranges and we included guidance for 2021, which is when we will reach our run-rate. We have full visibility in a de-risked business for the upcoming years. We have a solid grasp on timings, revenues, and risk control. Having said this, going forward, our targets are based on EBITDA generation, and we want to be prudent, so please assume the low end of the range. Second pillar: we revisit the run-rate of the company and we set it between 2,500 and 3,000 units per year. Yes, we want to do a lot more, but today we want to be prudent and we want to execute first. Third, our land bank. Although our land bank is trading with a heavy discount, Neinor has one of the best landbanks in Spain, which already covers almost the next 5 years of deliveries. This translates in lower pressure of higher volume land acquisition. Having said this, we still see plenty of opportunities in the Spanish market. There is still a lot of land in Spain that is not sitting in natural holders and sooner or later will go to the market. We have established an acquisition program of €100 million between 2019 and 2020. €150 million for 2021 and €260 million for the upcoming years. Fourth pillar: we will leverage our existing capacities. The company already has a servicing division that generates an EBITDA of €15-€20 million per year. We will expand this business. Opportunistically, we will consider asset rotation, new servicing contracts, fee development, joint ventures and so on to exploit the company potential. And, fifth pillar, the last and main one: shareholders profitability and remuneration will be top priority to Neinor Homes. Jordi will give us details later. But now and moving forward in the next slide I will give you more new details about our new guidance. For this year 2019 we will generate more than €70 millions of EBITDA. This relates to 1,200 units delivered. There are an additional 500 units that can go to the last quarter of 2019 or the beginning of 2020. But we will prioritise profit maximisation, the quality of our products and Neinor's client satisfaction. For 2020 Neinor will generate more than €100m of EBITDA. This relates to 1,700 units delivered. There is an additional 700 units that can jump between this year and 2021. But again, we will prioritise profits, quality and customer satisfaction. For 2021 Neinor will generate more than €150m of EBITDA. We have 30 developments in our XXX 15 of them are already in construction and all the remaining licenses were submitted more than eight months ago. At 2021 we will reach run-rate. With an EBITDA between €150m and €170m. From an operational point of view, the company's structure is already organised to achieve this target. The last slide relating to the business plan is in page 11. Here, an important note: we have full visibility for the upcoming three years, where we reach our run-rate target. And here, is where my role becomes relevant. As CEO, with almost 20 years of experience, here is where I will have 100% of my focus and guarantee execution. I will make sure we not only achieve but exceed your expectations as shareholders of this company. As you can see, for this year, the pre-sales are going in line with our internal policy blocking units to optimise HPA and making sure we de-risk properly the coming years' business. And this is the summary of our industrial plan. Now we will go over the financials, and Jordi, who is the expert, will give you more details.

JORDI ARGEMI

Thanks, Borja. Let me summarise how financial statements will look like going forward as a result of what Borja has just explained. And in slide 12 you will see that this is already a profitable company with €56m of EBITDA and we expect it to grow it by 40% every single year until reaching more than €150m in 2021 when the run rate takes place. This run rate assumes that with 2,500 and 3,000 units but does not consider other businesses such as servicing and "*promoción delegada"*. So this is relevant that this business plan done to be achieved. Regarding leverage, there will not be any changes. This will continue being a conservative and a prudent company from a leverage perspective because of that we will be in 2020 with a loan-to-value of 30% and in a run-rate we will be in 20-ish percent, as we have always promised. Obviously the new delivery curve implies lower cash generation in the short term, and as a result of this we have already signed a new term loan with Deutsche Bank with a maturity of 2.5 years that basically replaces the current JP Morgan bridge loan and with better spread conditions, which shows how banks trust in Neinor. Now, given that investors are a pillar to this management, let's jump to slide 12.

The critical message is that this business plan implies around €300m of lower capital needs during the following three years. This amount means more than one third of the current market cap. And, what do we plan to do with these €300m? On one side, we will start distributing dividends, next year 2020, with an initial pay-out ratio of 50% and that we will increase up to 70% in the run rate. This basically means around €200m for the period 2020-2022. On the other side, given the great opportunity that our depressed share price offers, we are prepared to invest between €50m to €100m of treasury stock, increasing, as a result, our EPS. Given that the cash generation will come with the deliveries between 2019 and 2020, and the opportunity in our shares is today, we have already agreed an equity swap with Goldman Sachs, for a maturity of 18 months that allow us to start acquiring shares since now, since today. And the last comment in this slide: these €300m assumes that corporate debt will be completely repaid in the period. Should we keep recurrent corporate leverage on the company, additional €100m could be distributed.

If we turn to slide 13, I will finish with Neinor Homes value proposition, which is a sum of three different concepts. The first one: our existing landbank with more than 13,000 units, equivalent to 5 years, with a high visibility and a de-risk curve of deliveries, as Borja has just explained. But what is the value behind our landbank? If we look at the net book value, this is around €900m, which means around €750 per square metre, and remember that this land bank was acquired in the last four years, being Neinor Homes completely alone in the market. If we look at third party valuations, the value is €1.4 billion. this means that our current market cap is trading at a discount of more than 40% of our net asset value, and even below our net book value.

Second concept, the value of the platform. As of today, it is worth zero or I could even say negative according to the capital markets, but it is important to understand that to have a run rate of €150m - €175m of EBITDA, implies a number of launches, a number of pre-sales, a number of WIP units and also capacity to notarize that Neinor Holmes has already demonstrated in 2018, so that platform is already proven. And the value, if not today, should come in the short to medium term.

And third and last concept: servicing and other new businesses that will come. So the conclusion: we strongly believe that our share price is depressed, and we should be able to provide a relevant profitability to our shareholders in the short to medium term with this business plan.

BORJA GARCIA-EGOTXEAGA

Thank you, Jordi. As conclusions I just want to leave you with four messages.

First: Neinor Homes is a profitable company, with a capacity that has been already proven and we feel comfortable to achieve its targets.

Second, Neinor has a primest land bank for almost 5 years. But we have high visibility and a de-risked business for the next three years when we will reach run rate.

And, last but not least, we will be working hard to achieve and exceed your expectations. We see plenty of opportunities and will pursue each is one of them. But the most important is that we will focus on our investors. We want to get back to your trust. Execution, shareholders profitability, and dividend distribution will be our priorities. Thank you very much for your time.

2. Q&A

JUAN GÓMEZ

Thank you, Borja. We will now go into the Q&A session.

Thank you very much Sir. Ladies and gentlemen, if you wish to ask a question please press star one on your telephone keypad and wait for your name to be announced.

One thing, sorry about that. So, we will go to the Q&A session. I must say we had budgeted to go until 7:45, any overflows will be taken offline. We will meet many of you in the next few days, so we will be on the phone. And we will try to tackle all the questions coming on the line, on the website application, but the first thing is the live questions that we have. So, operator please proceed with any request that we have already.

Thank you very much Sir.

The first question is from Flora Trinidade, from CaixaBank. Please go ahead.

Yes, good afternoon, the first question is a very general one:

Can you just explain us, there has been a huge downgrade of targets. Can you explain us what has changed? Is this anything relating with the progress you are seeing in the markets? What business planning? We were expecting downgrades, but the magnitude really surprised us. Can you help us to understand the reasoning the new numbers?

The second one is on the specifics of guidance: is there any chance of giving us any details of gross margins, if we're looking to the targets of EBITDA for the whole company and considering the servicing of €17m or €18m a year of EBITDA, it seems that the development EBITDA is relatively small. So, does this mean that you are seeing a higher cost of construction or the OPEX, can you give us some light there?

And then finally I was just wondering, you mentioned €100m loan to acquire shares. Can you explain the rationale of leveraging the company to acquire shares? Thank you.

Thank you. Just one second so we organise who takes which. Give us one second.

Hi. I am going to try and answer in the order that you have put the questions, no? Regarding the number of deliveries. You know that we have a big concentration of deliveries in Q4, basically deliveries of 2019 and 2020, no? 70% was considered in the last quarter, so there was a big risk there, no? What we have done with this year's business plan, that Borja has explained, is to put numbers we feel comfortable with, this is about reinforcing the trust of the market and this means that whatever we put, whatever we promise, we achieve it, or even exceed it. So, the numbers are here just to be accomplished. Regarding the margins, maybe you have the whole detail of developments in the slide 17 in the appendix.16.

Regarding the second question, basically on the margins, in like-for-like basis, the margins or gross margins or EBITDA margins that we are assuming are similar to the ones that we have on the previous year. The only thing is that we have run these numbers because we are focusing on EBITDAs and, again, we want to be prudent, we want to be conservative, but be comfortable that all the units that are licensed are work-in-progress units. All of them have a like-for-like gross margin comparison, similar to the one that we had. So, we are not losing margin there. And regarding the third concept, which is the share buyback, the rationale is basically: investors is a pillar for this management team and as we commended, we have dividends and also the share buyback. We have the share price depressed, if you analyse what is the value per square metre of our market cap is around €700, of land that as you know is active, we have more than 6000 licenses, we have almost 1 billion of order book, so it's not pure land. That's why we see it is quite accretive. Invest €50m to €100m of share buyback in the following days and months. Yeah, and also to the question on why and what is the rationale to increase debt, this is in anticipation of the flows that come at the end of the year and the beginning of 2020 but the board and the management see the opportunity today that why it is targeted with this facility.

Okay, thank you. Is there any chance of sharing with us the cost of this loan?

Sure, this is about 325 basis points on the amount finally invested, which is at our discretion.

Okay, thank you

Thank you very much, as a reminder, ladies and gentlemen, it's star one if you wish to ask a question.

The next is from José Cravo, from Banco Santander, please go ahead.

Hi, good afternoon, can you hear me?
Yeah, yeah.
So, two questions on my side.

I mean, it seems that you guys have been buying land for a while, yet you are saying that there is plenty of opportunities to buy land in Spain. Obviously if you decrease the run rate, as you did, you have a bigger land bank. Can you comment a little bit more on what you're seeing in terms of land acquisitions? Whether you still find attractive opportunities?

And my second question will be for your run rate.

You say that you will get to an EBITDA of €150m from €900m of revenues. I would just like to know what is the implicit margins that you have here, what Is the increase in price that you have here, and whether you think those prices will be sustainable after 2021.

Okay, thank you. Give us one second, José, and we will get back to you.

Okay, thank you very much.
Our land acquisition, we see a lot of opportunities in the Spanish market.
Last year we were able to acquire almost €250 million. For this year we have many opportunities and many lands that we are studying and we feel comfortable that we will be able to buying new land with the same margin that we have been doing before, so, even increasing it.
And about the second question, regarding the margins in the run rate, we assume what we had initially. This is about 22% gross margin with an embedded HPA very conservative which is about 1, 2 or 3% depending on the locations, and this means that the EBITDA will be around 18%, so we have not changed that target, as Borja is saying, we see we have a strong pipeline in front of us, you have said that we have not acquired last year, we have acquired a lot last year, more than €200 million, 80, which is basically strategic, we deployed around 80 million euros, now we are saying that we are now going to deploy €100 million in the following months. So hopefully we will be able to obtain and achieve several units because we are going to focus on the equity efficient acquisitions.

Thank you very much. Are you taking the next question, Sir?

It comes from the line of Alex Fries from Goldman Sachs. Please go ahead

Hi, good evening. Thanks for taking my questions. So, my first one, clearly there is a significant reduction in the rate of the ramp-up but also to the terminal run rate as well. First of all, what is the most difficult part of this process. Is it buying the land to feed the rates? Is it actually constructing and building the homes? Or is it actually selling the homes to the end customer? Where are you finding the blockage that is causing you to bring down these targets so significantly?

And then, the second question, could you expand a little on the executive vice-president's role, Jorge Pepa? And how he fits into the management structure as well, please?

Absolutely. Regarding the first question what I will say is that the 6000 units, I mean, the 2000 plus the 4000, that we have. All of them have already been launched and 90% of them we have got the license. So, I mean, we have everything at the cut-off date, but the truth is that the bottleneck should be more in obtaining the license on timing. So we got the license, that is true, no? But there were some delays. Now with these units on our hands we are putting the timing that we feel comfortable with, to deliver in a proper way to our client and to protect margins. But it is important to understand that these 6000 units are already launched, most of them with cranes, the value is embedded because most of them have a relevant percentage of pre-sales.

And regarding the run rate that we have decreased. This is again because we want to be conservative. No one is trusting run rates of 3000 units and above so our objective is to put a number that anyone can understand that we can achieve with facts. Obviously, the management team will want to go for father number in a run rate. We will. But let us first achieve what we are promising.

And regarding the second question, the role of Jorge Pepa, this was approved by the board with the objective of improve the communication channels between the capital markets, the board and also the company. So, obviously, there is no overlap with the executive roles of the company. But Jorge Pepa has a strong background from capital markets in New York so the board has understood that they can help us, or he can help us on this business plan from the capital markets perspective.

Great. Thanks very much.

And the next question today is from Alvaro Soriano, from Societé Generale, please go ahead.

Yes, hello, just a quick question for Jordi, during the presentation you said that the new business plan uses €300m of cashflows that you intend to devote to share buyback, and dividends. Could you explain how those €300 million are released within, in the new business plan?

Absolutely. The general concept is that we are going to distribute these dividends once we generate the cash and it depends on the deliveries, that we are going to have basically in 2020, we will be able to distribute the dividend, no?

And regarding the share buyback. This is about 18 months of maturity, so again we are postponing any potential payment to the final cash-in that will come with the deliveries of 2020. That we have a significant amount there.

Okay but I do not understand. You said that this new business plan, like, releases €300 million of cash flow or makes available for shareholder distribution in any case €300 million. How that is possible? Or, I mean…

Well, this is about the cash that we will generate, is based on two different concepts. The first one is the EBITDA that Borja explained before, in 2019, 2020 and 2021 and even 2022, which is that period for distribution that we have just explained.
And also almost 30% of our revenues which is a release of the land.
So this is cash-in that we will have in the company.
And if you sum all these units for the following three years, we have this excess of a cash generation up to €300m.

Which you didn't have in the previous business plan? Even deploying or delivering a higher amount of units?

Correct, even that, well part of it yes, because obviously we were distributing dividends in 2020 but only part of it. The other part given that we have a run rate of 2,500-3,000 units, we have a huge land bank of five years, and, as you know we don't need a five years land by portfolio.

Okay thank you guys. Thank you, bye.

Thank you very much the next question is from Ignacio Romero from Sabadell, please go ahead

Yes, hello, looking at page 15 in the presentation, I can see that gross development value as of December is €3.9 billion but if you look at the Q4 presentation this figure was €4.6 million. So, you know, I was wondering where the difference comes from? Is this have to do with the strategic plan?

This is regarding the strategic land.

Okay, okay this delay, do you believe that this delay will have any impact on the appraisals from Savills or not?

No. we do not see any additional increase due to this. Obviously, as far as we are postponing some units, probably we will be able to get additional HPA as far as we have good HPAs in the market, but as you know, Savills, somehow is prudent with the analysis and they don't assume relevant HPAs in the markets. So, this could be an outside that we could get. But as we always say, any additional HPA, don't assume that in the business models, please, because this is a cushion that we have in potential increases in the construction site, if at the end of the day we can have this HPA and we can just don't have higher construction costs, it is better for everyone.

Okay, thank you.

Thank you very much. Our next question is from Ami Galla, Citigroup please go ahead.

Hi, good evening guys.
Just two questions from me: The first one is on the delivery targets. You've given quite a wide range between the bottom and the top of the range. Can you explain, can you help us explain some of the risks associated with it? And, also, can you give us some colour as to know in the revised targeted deliveries how much is expected in Q4 of each year in 2019 and 2020

My second question is on net debt. You've helpfully given us some colour on the loan-to-value ratio expected. Can you give us for the bottom end and the top end of the range. How has the LTV ratio changed? Thank you.

Okay, about the deliveries and the percentage of the deliveries for the last part of the year right now we are very comfortable and it's not more than 25%, more or less. So we have a very comfortable that we are going to be able to comply with this business plan. And regarding debt, first, the real cost, if you remember, this is about, we have assumed for all the numbers the prudent version, this is the lower range, lower part of the range. As you know, I mean, the debt, the PIK with of €500 million which in absolute terms is lower than what you have, but from a loan to value in relative terms, it seems larger to what we have already promised. So if we can anticipate and if we can go to the highest part of the range, obviously the net debt will be reduced, compared to the numbers that we are seeing

Sorry. Just, to follow, just to clarify, is the difference between the bottom end of the range and the top end of the range function you'd be able to complete the actual delivery based on authorisation delays? Or is it also related to the timelines in the construction? Between the two volume targets.

It is on both things. But if we've seen the reality of last year, we have, as I said, this is a prudent business plan and we are budgeting for delays either on getting the first of occupancy licenses or on the finishing or getting the perfect product that we want to deliver so these are the units that take you from the bottom to the top end.

Thank you.

There are no currently further questions waiting at this time.

Okay. We take the few questions that came through the application.

The first one from Adam and this is also one that was asked by Tom Horsey. But the question from Adam: Is there a risk of buyers asking you to give that money back of the deposits because of pushing down the delivers?

The answer is no. Absolutely no. When we get the license and we sign the contract with the contractor, is when we sign the direct contract. So there, we have a clear visibility on when we are going to deliver that development. And on top of this, this contract already assumes a cushion on the period that we signed. But again, the bottleneck was on the license, once the license is in place, we signed the contract.

Okay, then, a few comments from Oliver Collins.

The first thing is, when can you expect to be doing the buyback.

The second one, is there a margin contraction in this EBITDAs that you have pointed out.

The third one: If you choose the lower range for 2019 and 2020, Does this mean that the 500 units that you do not deliver in 2019 are accounted for in the lower range of 2020 or not.

Regarding the share buyback. Everything is in place, so since tomorrow we are in a position to start acquiring shares.

Regarding the margin compression, there is no margin compression in our numbers. It is important to understand that obviously if we increase the revenues to pass any offset increase in the construction, there is no impact in absolute terms in gross margin. In relative terms, it can be a decrease of 1% but this is max. The reality is that in a like-for-like basis, in absolute terms, there is no margin compression as of today.

And the third question. Oh yeah, ah, the deliveries, so, yes, obviously if we anticipate and we go for a higher part of the range, these units should be deducted from the following year. That's the reality. You have the details in the slide number 16.
Obviously if we are able not to go for the prudent view, that we have put on the table, this will mean that we should be able also to also anticipate in the whole curve. But let's see. Let's be conservative. Let's go for the lower range and if we have good surprises, this would be good news.

One last one from Oliver and then we will go to the others.
On slide slide 10 when you mentioning the pre-sales, what does it mean that some units can be sold after deliveries, so what is the strategy behind that?

The strategy, I mean, this assumes that have analysed in the last years and this is the curve that we have identified as the optimal one to capture the highest HPA possible.
So, last year, 2018, we got 80%, 95%, this 30% for the following year because and what we are seeing, what we are projecting is to maintain thses curves as far as the market is pushing hard, and the HPA is relevant in the market. One question from Tom Horsey that was not answered before. That €150m – €175m EBITDA target includes or does not include the servicing EBITDA.

It does not include, because being conservative, what we are saying is that the contract ends in 2022 May. The reality is that obviously as we have said, we are going to push for these servicing business, and other businesses so hopefully this should be on top of these numbers.

We have a couple more questions, just to finish up.
They come from Mariano Miguel. Are there any changes to the assumptions behind HPA and construction costs in new business plan? Secondly, is there any updates on the strategic plan as it progresses? Can you repeat please the targets of the land acquisitions is for the coming years, and can you give an update on how the pre-sales are going in Q1.

Regarding the HPA, we are assuming that once the supply is increasing and is matching the demand of the market, obviously the HPA will be reduced, this means that in 2018 we were able to get these 8% HPA, for this year we see more around 5% and decreasing and 2020 and 2021 we should be in a position where supply and demand matches the 125,000 units that we expect for this market. This would mean that the market is more established and as a result of this we should not expect relevant HPAs. Whatever is on top of this, it would impact positively in our margins.

Regarding the strategic land, they are progressing as expected, I mean, we are doing good progress with the milestones, and we are budgeting the same level of payment for the startegic land for this this year and next year that we had when when we acquired the land so this means that there has not been any change from a timing perspective.

Regarding the targets of land acquisition, we have said that this €100 million between 2019 and 2020, at our discretion depending on the jewels that we will be able to find on the market and then it increases from 2021 onwards. This means that in 2021 we should be in a position to acquire roughly €150 million of land, 175 million in 2022, and then we should get the run rate of land acquisition program of €250 million roughly.

And the last one, pre-sales, no, we are having a good progress from a business perspective, and we are even above the budget of pre-sales that we had for these Q1 of presales of this year, so, again, we are not seeing that there has been a reduction on the rhythm of the pre-sales, on the contrary we're acquiring units to continue achieving the HPA according to our curves, that again, are the ones that are optimising the HPA.

And the last question, coming from Fernando Abril, why is the level of pre-sales for 2019 still 80%, and it's not in line with the figures that you have given us today? Do they refer to the lower end of the deliveries or to the high end? Everything relates to the low range of what we have said, which is 80% if they are equivalent to the total portfolio that we wanted to deliver, so that's the reason, in a proportional basis

Very good, so this finishes up the questions that we have, anything else it is not answered, we will take it off-line and we discuss it. Before finishing, let me remind you that we will be on the road very soon.

This week actually, we are going to be in London, we've already had contact with some of you, but get in touch with the investors relations team for seeing you on Wednesday and Thursday and after the Easter break, we will be seeing the local investors in Madrid and Barcelona and we may go to New York in Paris, so please get in touch so we can arrange that roadshow

Operator, this is all from my side so you can close the call.