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## Newsletter Smartvel S2 2024

5 mensajes

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30 de julio de 2024, 9:51

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Good morning/afternoon to everybody,

I do have the pleasure to send you our newsletter for Q2 2024. I remember you that within the [Investor's webpage](#) you have access to Sales Dashboards and other important information.

### Summary S1 2024

1. Churn with EntryDocs has been tougher than expected with more impact in the second semester. Although we have managed to keep relevant accounts like United, Latam, Saudia, etc with the new versions and upgrades of EntryDocs, we've lost relevant accounts like Delta, Singapore, BA, and others. This has meant a total MRR lost in the first semester of -41K, vs -39K expected, in the second semester the expected Churn is going to be around -20K vs -4K expected.
2. New sales are not going well. We have a lot of relevant new leads, and although we've been informed by the customer about a go ahead in some relevant ones (Accor, Etihad), the truth is that the contract is still not signed. Impacting heavily on the MRR. Total new MRR has been +16K vs a Budget of +56K. That means that total MRR has been -25K vs +17K expected.
3. Cash Flow has been close to zero with a negative figure of FCF of -12K. Besides that we have paid 253 K of ArrivalGuides second payment (Jan24) and -305K of Debt. Total cash at the end of the semester was +1.6 M €.
4. Results, as informed in the JGA has been slightly negative in the S1 with a EBITDA I of -70K.
5. Although not impacted in S1, we've closed the ArrivalGuides earn-out last payment in 75K vs 250K expected. That will impact our cash flow in a positive way.
6. We also closed the acquisition of Avuxi for 20K of Debt + 72K in consulting services to the co-founders, we expect to make the full onboarding process in S2 2024. This transaction has been closed on July 25th.
7. We have got positive news from the Grants asked for (CAM and Segittur - Next Generation funding) for 505K that will impact in +300K in 2024. This projects will be implemented in the next 9 months.
8. Product roadmap is at capacity, and with the Grants projects we will be without new products capacity for the next months, at least nine months.
9. Final settlement for the acquisition of ArrivalGuides has been closed and I enclose a brief summary of the total figures (real) in the first six months vs the business plan model.

PERIODO 1-JUL 2023 a 30-JUN 2024 (first 12 months) - including final settlement and SPA payments

	PESIMISTA	PRUDENTE	CONTRATO BASE	ESPERADO	OPTIMISTA	REALIDAD	DIF. vs ESPERADO
FIRST 12 MONTHS	SALES	499.066	601.386	680.000	780.000	880.000	809.670 29.670
	CASH OPEX	50.666	195.926	350.000	403.167	503.167	389.567 -13.600
	CASH CAPEX	-675.000	-825.950	-1.050.000	-1.315.000	-1.580.000	-881.385 433.615
	CASH TOTAL	-74.334	-80.024	-150.000	-911.833	3.167	-491.818 420.015
	EBITDA (Sin TREI)	69.666	214.926	322.167	422.167	476.291	425.540 3.373

So in the first six months the operation has meant a total impact on cash of -491K (including full payment of the transaction), and a total EBITDA I of +425K. Total figures improve the expected scenario because of the last negotiation in the earn-out third payment.

Key Metrics Q1:

We share P&L until June 24.

	JUN 24				JUN 23		
	Accrued	Budget	€	%	Accrued	€	%
Total Revenue	1.310,1	1.362,4	-52,4	-3,8%	1456,3	-146,2	-10,0%
Net Sales	1.142,8	1.197,8	-55,0	-4,6%	1.284,5	-141,7	-11,0%
Costs	1.213,1	1.283,8	-70,7	-5,5%	1209,6	3,4	0,3%
EBITDA	97,0	78,7	18,3	23,3%	246,6	-149,6	-60,7%
EBITDA I	-70,3	-85,9	15,7	-18,2%	74,9	-145,1	-193,8%

Although we are within budget in terms of EBITDA, we are below 2023 for the Churn of EntryDocs (Covid solution), not being compensated with New Sales.

We are still positive to fulfill the total budget of EBITDA for the year because of the Grants, and because the second semester of ArrivalGuides should be positive (total sales in S2 account for 76% of the year). New Sales in Smartvel should have a positive impact and total EBITDA I in the year should be above budget goals (+330K).

Avuxi impact will be slightly negative in 2024, we calculate -40K aprox. because of the extra payment of the founders in the first six months as part of the transaction.

We have started a cost reduction plan with certain actions like sharing the office (-50% cost), and freezing new hirings. If we not fulfill the expected sales in S2 we will reduce headcount at the end of the year to keep the +300K positive EBITDA in 2025 with the current ARR.

Thanks, take care, I wish you a great holiday, anything that you need, please let me know. I will take my yearly holidays from Aug 15th till Sept 1st, as always I will be at Galicia (Sanxenxo area), if any of you is around the area and want to have a talk, please let me know.

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