

REFINITIV STREETEVENTS

EDITED TRANSCRIPT

CRGO.OQ - Q3 2025 Freightos Ltd Earnings Call

EVENT DATE/TIME: NOVEMBER 17, 2025 / 1:30PM GMT

CORPORATE PARTICIPANTS

Anat Earon-Heilborn *Freightos Ltd - Investor Relations*

Zvi Schreiber *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Pablo Pinillos *Freightos Ltd - Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

Jason Helfstein *Oppenheimer & Co Inc - Analyst*

George Sutton *Craig-Hallum Holdings LLC - Analyst*

PRESENTATION

Anat Earon-Heilborn - *Freightos Ltd - Investor Relations*

Hello, and welcome to Freightos' Q3 2025 earnings conference call. A press release with detailed financial results was released earlier today and is available on the Investor Relations website -- section of our website, freightos.com/investors. My name is Anat Earon-Heilborn, and I'm joined today by Dr. Zvi Schreiber, the CEO of Freightos; and Pablo Pinillos, CFO.

Following the prepared remarks, we'll open the call for questions. We are sharing slides during the call and using video, so we recommend using Zoom on a computer rather than dialing in by phone. The slides, as well as a recording of this earnings call, will be available on our website shortly after the call.

Please be aware that today's discussion contains forward-looking statements, which are subject to a number of risks and uncertainties. Actual results may differ materially due to various risk factors. Please refer to today's press release and our SEC filings for more information on risk factors and other factors, which could impact forward-looking statements. Copies of these reports are available online.

In discussing the results of our operations, we'll be providing and referring to certain non-IFRS financial measures. You can find reconciliations to the most directly comparable IFRS financial measures along with additional information regarding those non-IFRS financial measures in the press release on our website at freightos.com/investors. The company undertakes no obligation to update any information discussed in this call at any time.

Before we begin, I'd like to note our upcoming investor events. In December, Freightos will participate in the A.G.P. Electric Vehicle & Transportation Conference and in Sidoti's Year-End Investor Conference. In February, the company will participate in the Oppenheimer Emerging Growth Conference. Links to webcasts when applicable and other event updates can be found on our website.

Today's earnings call will begin with an overview of Q3 performance and overall progress by Zvi. Next, Pablo will present the financial results and the guidance for Q4 and full year 2025. We'll conclude with Q&A. Questions can be submitted in writing during the call by using the Q&A feature in Zoom.

Zvi, please go ahead.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Thanks, Anat, and welcome, everyone. And today, I'll cover three topics. I'll start with the quarter's highlights and what they mean. Next, I'll discuss the product and network progress that will power our next phase of growth. Lastly, I'll share how the digital transformation of ocean carriers is creating a significant midterm opportunity for Freightos, particularly as we expand our multimodal capabilities.

First, let's start with the quarter. In Q3, we processed 429,000 transactions, up 27% year-on-year. It's our 23rd consecutive quarter of record transactions. Unique buyer users were about 20,600, and the number of carriers with more than five bookings from our platform during the quarter increased to 77.

Most major airlines are already connected to our platform, so new airline additions are often regional or niche airlines at this point. We're focused on expanding airline coverage in Asia and expect further global expansion as smaller carriers look to leverage our digital channel. These metrics tell a consistent story, more buyers and more sellers are using Freightos more frequently, driving short-term revenue growth and long-term scalability of our business. This gives us both breadth and depth on the platform, more opportunities to monetize transactions and to deepen relationships with higher frequency users.

Now, let's put this performance in context of the market. During Q3, air cargo volumes increased 4% compared to Q3 2024, reflecting growth in many markets, even as transpacific e-commerce volumes faced headwinds from tariffs and changes to US import regulations. According to our Freightos Air Index, FAX, average global air cargo rates decreased 6% compared to Q3 last year.

The bigger picture in the freight market given tariffs and macro uncertainty is that of volatility and nervousness. Such conditions make speed, transparency and automation in logistics more important. When customers need to move faster and make decisions with less friction, they turn to digital platforms. This is helpful to our Platform segment, but the market nervousness is unhelpful for selling solutions.

Now, let's discuss product and network progress. We're excited to highlight our strategic partnership with Visa and Transcard, announced by Visa a couple of weeks ago. This collaboration enables us to provide freight forwarders and importers and exporters with access to modern financing solutions through our platform.

The partnership integrates Visa's global commercial solution expertise with Transcard's payment orchestration technology, creating a more efficient payment experience for our users. The fact that a global leader like Visa has chosen to partner with Freightos demonstrates the significant potential they see in the \$600 billion international freight markets and the role that we, Freightos, play in it.

Next, we launched and commercially validated our new multimodal rate management and quoting SaaS product, WebCargo Rate & Quote Ocean. In Q3, we completed a rollout at our first multinational freight forwarder customer and proved that the workflow quoting air and ocean in one product works well in practice.

Unifying air and ocean quoting allows freight forwarders to give a superior service to their customers, the importers and exporters. But the real transition towards digital booking happens when that workflow is supported by bookable carrier inventory. For Ocean, that bookable inventory depends on carriers digitalizing more meaningfully, so we can connect them to our platform. I'll expand on that in a moment.

A notable early adopter of this product, the new multimodal solution, is Nippon Express, a top five global freight forwarder. Nippon Express expanded its use of Freightos this quarter, moving from air only usage to a multimodal deployment across much of its global network. This expansion increased their annual commitment to Freightos by multiples. Given that 90% of goods are transported by ocean, we expect to see many more upsells from air to ocean.

Other successes in our Solutions segment this quarter included a number of renewals and targeted scope expansions. For example, we closed an upsell of our Terminal's rates benchmarking capabilities to a global mining company, expanded Procure tendering functionality with a top five pharma company and extended our Terminal data contracts with a major electronics customer.

That said, we had anticipated even stronger solutions revenue growth than the 30% year-on-year we delivered this quarter. As we mentioned earlier in the year, due to tariffs and the current macro environment, enterprise SaaS deals have had longer sales cycles. So in the meantime, we're strengthening commercial execution. Michael Netter recently joined Freightos as Chief Revenue Officer. Michael brings deep experience scaling digital logistics and enterprise sales, most recently as VP of EMEA at Proemion and previously as SVP of Sales for Intermodal at project44 and other B2B companies. He has a proven track record of building commercial relationships across carriers, forwarders and shippers, which will help us

further scale multimodal adoption and our enterprise deployments. Michael will ensure Freightos has world-class sales and customer success capabilities with value-based selling to both enterprises and small and medium-sized businesses worldwide, optimizing our LTV to CAC ratio.

Now, we talked about our updated software solution for quoting ocean, but what about ocean booking transactions on our platform? This, of course, requires ocean carriers to make capacity pricing and booking, available digitally, through APIs. We discussed one ocean carrier integration success on our last call. And in Q3, we made progress with two more integrations, which we expect to go live in the coming quarters. Each integration brings more capacity into our system in an automated form, helping forwarders better source and decide on shipping options in real-time. We're now among the first platforms receiving rates from several major global ocean carriers. And our launch of a next-generation ocean rate management solution is, of course, synergistic with our platform finally making progress integrating to ocean liners.

With ocean representing approximately 3 times the GBV of air cargo, the potential is significant, but we do expect adoption to follow a measured pace, as the conservative industry works through its transformation. We anticipate meaningful revenue contribution in the midterm, not in the immediate future, as this transition continues to unfold.

Of course, platform growth is not limited to new carriers. Once a carrier is launched on Freightos, we can continue to grow in different geographies. We can add more advanced services, like expanding from general air cargo to temperature control services, expanding from spot bookings or one-offs to handling bookings against negotiated contracts.

So these are the operational and commercial priorities that drove our Q3 progress. Pablo will now walk through the financials and explain how these milestones translate into revenue, margin and cash. Pablo?

Pablo Pinillos - *Freightos Ltd - Chief Financial Officer*

Thank you, Zvi, and good morning, everyone. I will now go through how the quarter's operating progress translated to the P&L, cover cash and liquidity and then walk through our near-term outlook and priorities.

Revenue for the quarter was \$7.7 million, up 24% year-over-year. Platform revenue was \$2.6 million, up 15% year-on-year, and Solutions revenue was \$5.1 million, up 30% year-on-year. As Zvi said, solutions and platforms support each other. The way solutions drive bookings is practical and proven.

Our mission-critical SaaS solutions become embedded in a customer's day-to-day operations. Our customers' centralized pricing and workflow on freighters makes it far easier for them to quote and then convert those quotes into bookings. Our data supports that dynamic. Forwarders that adopt our tools tend to grow transaction volume materially over time.

Looking to our cohort data, we see 3 to 4 times growth in transaction volumes for cohorts over their initial two years using our platform. Put it simple, Solutions creates the stickiness that enables more frequent platform bookings. Because we're still early in the industry's transition to platform model, Solutions today represents the majority of our revenue. Over the long term, we target Platform revenue to scale faster and ultimately outpace Solutions revenue.

Now, let's take a closer look at Platform revenue. You will notice that platform transaction volume and GBV are growing faster than our platform revenue. This is purely due to our business mix. Take rates are not going down in any segment. Our WebCargo platform, which connects freight forwarders with carriers, consistently grows at a faster rate than Freightos.com, which serves importers and exporters.

WebCargo operates mainly on a fixed fee model with a lower implied take rate compared to Freightos.com higher take rate structure. As the faster-growing WebCargo continues to outpace Freightos.com, the aggregate revenue platform naturally grows more slowly than transactions volume. Our carrier cohort analysis reinforce this, carriers run quickly after integration, producing a strong booking growth, but much of that early volume is under relatively low fixed fees. So it doesn't translate into proportional transaction revenue immediately.

Gross margins were strong this quarter. On an IFRS basis, gross margin improved from 65% a year ago to 69.1% in Q3 this year. And our non-IFRS gross margin rose from 72.7% to 74.8%. That improvement reflects the inherent operating leverage in our model as we continue scaling. We are seeing benefits from our automation efforts in customer services, which allow us to handle more transactions with proportional increases in personnel or infrastructure costs.

Looking ahead, restructuring our hosting agreements and infrastructure improvements represents our next significant opportunity to enhance margins. While we have made good progress optimizing our infrastructure costs, there is still more efficiencies to capture.

Adjusted EBITDA improved to negative \$2.6 million in Q3 2025 versus negative \$2.8 million in Q3 last year. That improvement reflects revenue growth, a stronger gross margin and disciplined cost management. Those operational gains were, however, partially offset by continued currency impact. A stronger euro and shekel versus the US dollar reduced the gain in adjusted EBITDA compared to our operating performance.

Our hedging program limited the impact on the cash, so the translation effect shows in the P&L more than in the cash balance. We closed the quarter with \$30.6 million in cash and short-term bank deposits, a position that supports our continued measured investments in product and commercial execution, while we scale the business to breakeven.

Looking ahead, we remain focused on the levers that will narrow losses and drive durable profitability. The overall plan remains the same, keep growing revenue and margins while keeping OpEx close to constant. Our new CRO is already laser focused on cost-efficient growth. With these concrete actions, we continue to plan to reach adjusted EBITDA breakeven in Q4 2026.

For the fourth quarter of 2025, we anticipate continued year-on-year growth across transactions, GBV and revenue. Adjusted EBITDA will likely continue to be impacted by foreign exchange headwinds. This means that for the full year, we now expect a more modest year-on-year improvement in adjusted EBITDA than what we have projected at the beginning of the year.

Despite successfully reducing our total cost by almost 5% this quarter and 3% year-to-date compared to our budget in a constant currency basis, exchange rate fluctuations have created an unfavorable impact that has significantly reduced these cost savings. A secondary factor relates to our revenue composition, while we remain on track to meet our revenue guidance despite a challenging year on the logistics industries, the mix between our revenue streams differs from our initial expectations. We are finishing the year with a slightly better performance of platform revenue relative to solutions revenue than what we had planned, which we attribute to the longer sales cycles, as Zvi has mentioned it earlier. Since solutions typically generate higher margins, this shift in mix has modestly impacted our overall profitability.

Nevertheless, we are pleased that our cash spend remain on track throughout the year. We expect to end the year with cash and equivalents of approximately \$27 million, reflecting cash burn of about \$10 million for 2025 compared with \$15 million in 2024. We remain focused on the fundamentals, growing revenue while maintaining disciplined cost management and operational efficiency. Based on these fundamentals, we continue to expect reaching breakeven adjusted EBITDA by Q4 2026.

Thank you for your attention. We are now open to questions.

QUESTIONS AND ANSWERS

Anat Earon-Heilborn - *Freightos Ltd - Investor Relations*

Our first question will come from the line of Jason Helfstein.

Jason Helfstein - *Oppenheimer & Co Inc - Analyst*

Thank you for all the color. Appreciate it. So when I look at the contribution margin, it's basically year-to-date, it doubled year-over-year, so clearly, you're seeing efficiency and the sales cycle. I think your OpEx, excluding sales and marketing, is up 9% against revenue up, I don't know, some 27% or 29%. And obviously, you called out the pressure of the FX. So you're doing everything you can do.

I guess the question is, and you've now told us you're going to -- the plan is breakeven EBITDA by the end of next year. So I guess, is there anything you could do to grow faster organically or inorganically? And I guess, how much of the gating factor of growth at this point is kind of the path to breakeven EBITDA and managing the cash balance? And then I have one quick follow-up.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Yes. Thanks, Jason. Well, that was a complicated question. So I'm thinking where to start from. The -- look, it's a constant balance. I mean, even now as we finalize our budget for next year, it's a constant balance between growth and breakeven. And we very much want to grow and break even by the end of next year. And so it's a balance between them. For sure, yes, we're doing what we can. Thank you for calling out.

We have done a lot of work on efficiency. In fact, if you look back a bit, we've grown in the last -- two years, I think revenue has grown 40-something percent and the team hasn't grown at all. So we're certainly becoming more productive the whole time. And beyond that, we are, of course, now with AI, there may be further opportunities for efficiency.

So we've been doing that the sort of the hard way, and now, there may be other ways to become more efficient. And Pablo mentioned, we're already seeing some improvements in the customer support using AI. So we're going to continue pushing on that side as well. And then, it's just the balance between how much do you want to spend in sales and marketing to grow, but also to break even. And we'll -- we're finalizing a budget, which will allow us to grow as fast as we can without compromising the target of breakeven.

Jason Helfstein - *Oppenheimer & Co Inc - Analyst*

And then just to follow up, I mean, where do you feel like we are with kind of the tariffs volatility? Like are we at a point where now you feel like you're seeing kind of normal shipping volumes? And I don't say normal, like the volatility has slowed down. Like are their patterns now that makes sense? Or it still feels like the ecosystem is still working through the kind of week-to-week changes around certain products and certain tariffs, et cetera? And I don't know if you want to call out China specifically, but any color how it's impacting your kind of thinking, your forecasting of the business?

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Yes. It's a bit of both. I mean, certainly, there was not as much uncertainty as there was in April or something like that. But even so I just saw today a headline that President Trump canceled certain tariffs on food. And so it's still -- a, there's still some uncertainty, and you never know what you're going to -- what's going to happen tomorrow.

And secondly, even if there's no uncertainty, the tariffs are higher, and that certainly creates some friction for imports to the United States. So in the market data, I presented actually that the overall global trade is up on the year, but trade with the US, if I'm not mistaken, was down a bit. So it's still an issue. The uncertainty is still an issue, the tariffs themselves still create some friction, but it's not at the levels that it were and people are at least to some extent adjusting to the new normal.

Like I said in my remarks, it affects us more. We don't feel it's affected. On the platform side, it can be good as well as bad because uncertainty drives the need for marketplaces and finding new opportunities to ship in different ways or from different sources. But solutions, yes, although things have somewhat stabilized, people are still -- freight forwarders, importers and exporters are still more nervous than they used to be to write big

checks. We're now busy talking to customers about their plans for next year and getting a feel for whether things can get back to normal. But it was harder to get a big contract signed this year for sure, although we did several, but it was harder than expected, yes.

Jason Helfstein - *Oppenheimer & Co Inc - Analyst*

Thank you. Appreciate the color.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Thanks, Jason.

Anat Earon-Heilborn - *Freightos Ltd - Investor Relations*

Next question from the line of George Sutton.

George Sutton - *Craig-Hallum Holdings LLC - Analyst*

Thank you. I wondered if we could just talk about penetration. You mentioned a lot of the growth will come from -- at least on the air cargo side, from just growing your penetration with the carriers. Can we talk about where we stand in terms of penetration? Any sort of cohort type analysis that you could suggest?

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Yes. If you look at -- it sort of -- it varies quite a bit by geography. Our penetration in the European market from a supply perspective is very high. We've got virtually every airline in Europe turned on to the platform, at least for a lot of the capacity, not always for all their capacity. But in Europe, we have a very significant penetration. We have a very nice proportion of the freight forwarders in Europe.

I don't know have exact numbers -- I don't know exact numbers at all because there isn't a very reliable list, but very significant in the US. We're growing nicely, but it's still smaller penetration. And in Asia, we reckon we're still sort of -- whether you look at supply or demand, we're still in the single digits of penetration. There's still a huge amount to do there.

George Sutton - *Craig-Hallum Holdings LLC - Analyst*

So I wondered if you could explain the Visa link and how that might impact your opportunity? And just give us a sense of how it was occurring prior to that or separate from that.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

George, you said Visa?

George Sutton - *Craig-Hallum Holdings LLC - Analyst*

Yes.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Yes. Good. So one of our initiatives with airlines, both to add more value and to get -- to monetize more to get a better take rate with the airlines, is handling payments. That's still a minority of the transactions, the vast majority of transactions on our platform are with airlines. And in most cases, the freight forwarder books on our platform and then pays through an offline system.

But we have a growing platform value add, where we handle the payments. And up to now, we've been doing that with other financial partners or through our own sort of bank accounts in certain cases, depending each country with its regulation, et cetera. Now, with Visa, obviously, we have a partner who's a worldwide name and who has credit lines and other sort of financial technology that we just don't have.

So we definitely think that this will enhance our payment solution a lot, and we hope to see payments growing and over time really bringing up our average take rates with the airlines, which as you know is one of the issues is we have this fantastic amount of airline revenue being generated from our system. The monetization is still modest. Payments is definitely a way we increase that, and the partnership with Visa is a keyway that we make our payments more attractive.

George Sutton - *Craig-Hallum Holdings LLC - Analyst*

Last question for (technical difficulty) in the Ocean (technical difficulty) a midterm growth opportunity, but maybe how you define mid --

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

George, you were pretty cut off there, but I think I got the question.

George Sutton - *Craig-Hallum Holdings LLC - Analyst*

I'm just curious how you're defining midterm growth relative to the ocean carriers.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Okay. Yes, very good. That's what I thought you said. So how do I define midterm? Let's say only meaningfully contributing to revenue in 2028. Next year, we won't see -- I don't think Pablo is even going to budget at all for -- there'll be some, but I don't think there's -- it will be even in the budget. 2027, it will start growing. I think it's only in 2028 that we get significant revenue from that aspect.

But, of course, just to remind you, and we've discussed this before, George, but once you become the leading platform, that can be a -- that can hold for decades. So this is a very strong long-term opportunity. Pablo, do you agree with that?

Pablo Pinillos - *Freightos Ltd - Chief Financial Officer*

Yes. Yes. To double down on what you just said, and we will provide guidance for 2026, whenever we provide, but we will probably won't assume revenue for oceans bookings in 2026 at all, and really, really, really probably a small 2027. Any significant will come in 2028, as you said.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

But on the solutions side, we did start to see -- I mentioned the deal with Nippon Express and a couple of others, where I didn't give names, we will see a nice contribution from solutions to ocean in -- already in 2026.

George Sutton - *Craig-Hallum Holdings LLC - Analyst*

Okay. Thanks guys.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Thanks, George.

Anat Earon-Heilborn - *Freightos Ltd - Investor Relations*

Okay. I'm going to read a question from the chat. So as you've stated earlier that platform revenue will be driving the revenue in the future, what target do you have for the take rate by the end of 2026?

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Pablo, you want to take that? Or do you want me to comment?

Pablo Pinillos - *Freightos Ltd - Chief Financial Officer*

No, I can start. So we are finalizing the plan for next year. And of course, the -- we will be driving plan to increase the take rate. It will all depend, as we've been saying about the mix, the business mix and how the growth in the WebCargo platform versus the Freightos.com, and within that mix, what are the faster growth carriers that will drive that mix. Right now, we are in the middle of addressing all of that, and -- but for sure, the take rate will not decline year-on-year, and we are expecting that to grow.

Anat Earon-Heilborn - *Freightos Ltd - Investor Relations*

Next question is, why is revenue growth slowing down in Q4 despite the addition of carriers and forwarders? How much do you expect FX headwind to affect the revenue? And if the FX stays at the same level as Q4, would it delay the timing of breakeven point?

Pablo Pinillos - *Freightos Ltd - Chief Financial Officer*

Let me take this, Zvi. So this, again, for us, is the slowdown in Q4 revenues is related to slower revenue -- solution revenues coming in that we have seen a slightly delay in being able to close business. It's important to say as well that the -- most of our revenue in Solutions revenue is recurring with a small piece of nonrecurring revenue.

And the decline of Q4 that we see is specifically related to a completion of one of development that finished in Q3 that when we did plan, we expected to -- that the Solutions revenue will overcome that decline. But so far, we are -- due to the delays, we are not able to foresee that in the future.

And the second question is, if FX stays at the same level as Q4, it won't -- from our point of view, it doesn't mean that it will delay our breakeven in 2026. As a guiding principle, we're going to manage expenses as needed to breakeven in Q4 2026, even if Solutions revenue doesn't accelerate in the future.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

And I think Pablo, the FX is mainly affecting us on the expense side, right? Our revenue is mostly dollars and less affected by FX.

Pablo Pinillos - *Freightos Ltd - Chief Financial Officer*

Yes. But if the FX maintains the same in a 12-month cycle, everything at the end compensates.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Yes, because we'll budget for next year based on the exchange rates that we know now. Yes. And just to emphasize a point that Pablo made, the -- our Solutions revenue is mostly recurring. And recurring revenue for Solutions will be up, we believe, in Q4, not by as much as we hope for the reasons we discussed, but it will be up. And if you see a dip, it will be just, as Pablo said, because of a nonrecurring project, which has recently come to an end.

Anat Earon-Heilborn - *Freightos Ltd - Investor Relations*

Okay. The next question, I think we answered part of it, but the second part -- of the first part, so you recently launched WebCargo Rate & Quote Ocean integrating air and ocean quoting into a single multimodal platform. What early traction have you seen with major forwarders? And how quickly do you expect Ocean to scale relative to air in terms of transactions and platform revenue? So I think we answered to George about the second part, but maybe we can talk about the traction with forwarders?

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Yes. So I want to separate when it comes to ocean, which is obviously a major part of how we grow in the next few years. I want to separate Platform and Solutions. Platform, as we said, we are connecting one by one to some very big ocean carriers, which is exciting progress, but we're not yet at critical mass. We're not expecting for at least a few months to see real volume on the platform side.

But Solutions, we mentioned Nippon Express, we mentioned a couple of others. I can also mention that we've just started selling ocean to some of our small forwarders. And so we expect to see good traction on the Solutions side. With Ocean, we have -- the great thing is its existing customers. So we have 4,000 freight forwarders roughly using our solution for air, using our software for air. And so it's just going back to the same freight forwarders and saying now we've got a modern solution to ocean, you can do air and ocean in one platform in a beautiful modern software. And so we expect that to be a major part of how we grow solutions revenue next year.

Anat Earon-Heilborn - *Freightos Ltd - Investor Relations*

Okay. Our next question is about revenue share with partners. If partners like Megacap Aviation bring 13 carriers to Freightos platform, what would Megacap benefit from the partnership? Would Megacap get the revenue share from this partnership?

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

It's not -- yes, interesting question. It's not really a revenue share scenario because they are resellers of the carriers. They're a general sales agent or whatever arrangement they have. So from our perspective, they're a carrier. They may be a virtual carrier, but we treat them as a carrier.

They pay us a fee for bringing them a booking. And then, what's between them and the airline is between them and the airlines. So they're not a channel in that respect. They may be a reseller of the airline. But as far as we're concerned, they're a carrier or a virtual carrier. They're the ones selling the capacity on our platform.

Anat Earon-Heilborn - *Freightos Ltd - Investor Relations*

Okay. Our last question, I believe. Could you please say how much proportion is recurring and non-recurring among the Solutions revenue?

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

I don't think we give numbers, but Pablo, I think it's fair to say that a very big majority is recurring of our solutions revenue, right?

Pablo Pinillos - *Freightos Ltd - Chief Financial Officer*

Non-recurring, it doesn't get up to 5%.

Zvi Schreiber - *Freightos Ltd - Founder, Chief Executive Officer of Freightos Group*

Yes. We only mentioned it this quarter because there was a big part of the non-recurring came to an end. And that's actually not -- it's not our business model to do non-recurring. We do it sometimes because we have to help a -- if we need to help a customer with a project and help them adopt our software, we do it sometimes. And we had one big project, which just came to an end on the non-recurring, but yes, as Pablo said, that's not our model. Our model is selling SaaS and data subscriptions, and it's almost all recurring.

Anat Earon-Heilborn - *Freightos Ltd - Investor Relations*

Okay. That was the end of the questions. Thanks, everyone, for joining.

DISCLAIMER

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2025, Refinitiv. All Rights Reserved.