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PRESENTATION

Anat Earon-Heilborn *- Freightos Ltd - VP of IR*

Hello, everyone. Welcome to Freightos Q4 and full year 2023 earnings conference call. A press release with detailed financial results for Q4 '23 was released earlier today and is available on the Investor Relations section of our website, freightos.com. My name is Anat Earon-Heilborn and I'm joined today by Zvi Schreiber, the CEO of Freightos; and Ran Shalev, CFO.

Following the prepared remarks, we will open the call for questions. We are sharing slides during the call, so we recommend using Zoom on a computer instead of dialing in by phone. The slides, as well as recordings of this earnings call, will also 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.

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. Questions can be submitted in writing during the call using the Q&A feature in Zoom.

Please note that in May, management will participate in three investor events, the Virtual Investor Summit by the Investor Summit group, the Wolfe Research Global Transportation Conference, and the Oppenheimer Annual Israeli Conference. Participation in investor conferences and events may be updated from time to time, and upcoming events are listed on Freightos' investor website.

Today's earnings call will begin with an overview of Q4 and the full-year performance by Zvi. We'll also discuss Freightos' long-term strategy and the 2024 plan. He will then provide insights into the current freight market trends using Freightos terminal data, including the impact of the Red Sea crisis. Next, Ran will present the financial results, offer guidance for Q1 and the full year of 2024, and will share our long-term financial targets. We will conclude with Q&A. Zvi, please go ahead.

Zvi Schreiber *- Freightos Ltd - Chairman & CEO*

Thanks a lot and thanks to everyone who joined. 2023 was a year of significant achievement for Freightos. It was our first year as a publicly traded company, and we take pride in having been able to raise money during a challenging year for tech investment and for the French industry. We believe this underscores our investors' faith in our mission to digitalize international freight, bringing efficiency and transparency to one of the world's most crucial economic infrastructures.

Now the growth of any platform centers around growing transaction volumes. Q4 was the 16th consecutive quarter of record transactions with 287,000 transactions, up 53% year-on-year. Transaction growth throughout the fiscal year has been remarkable with over a million transactions processed on our platforms during 2023. This consistent and strong growth, even in a tough market, highlights our resilience and the benefits that our users, freight buyers and sellers alike, gain from the marketplace we have built for them.

In addition to this resilience, in 2023 we demonstrated sound financial management, having raised approximately $65 million net of expenses last January, we ended the year with about $52 million in the bank, which positions us to continue to execute our growth plans and reach profitability using available funds while continuing to carefully control spend. Ran will speak more about our growth plans and expense controls. While the transaction growth is strong and consistent, we're only scratching the surface of the vast market potential that is available to us. And I will discuss the overall market potential in more detail a bit later.

In the fourth quarter, we again successfully increased the number of both buyers and sellers on our platform. The number of buyers saw year over year increase of 12%, reaching approximately 17,600 unique buyer and users. This growth not only demonstrates our platform's expanding appeal, but also strengthens our marketplaces' liquidity and diversity. We're adding new freight forwarding companies as buyers literally on a daily basis.

As we've said in the past, this chart is used to track cohorts of freight forwarders, and we consistently see that once a cohort of freight forwarder starts booking on our platform in a given month, their buying volumes continue to grow. So, these buyers have limitless lifetime value. The data for the two years old cohorts of the three months of Q4 2021 can be seen on the right-hand chart, and we can see that the trend is persistent, with monthly bookings by this cohort up 46 times since the first quarter as buyers.

Now let's talk about sellers. It was a strong quarter with unique carrier sellers increasing from 39 in Q3 to 45 in Q4. One of the newest sellers on WebCargo by Freightos is Japan Airlines, for example, which launched as recently as December and the sell-in was very quick to ramp up its selling through the system. We have a strong pipeline of carriers too. Several additional airlines have signed up during the fourth quarter to start selling early this year. In fact, some new airlines should be live during this first quarter. Expected new airline sellers include two top 20 carriers.

This chart on the right side is now tracking cohorts of carriers as sellers. It shows how carriers reap growing benefits from being part of our platform, with their initial booking volumes quickly growing by thousands of percentage points, sometimes within a few months. These are all signs of a very healthy marketplace. Numbers of buyers and sellers growing while existing buyers and sellers also strongly grow their volumes. That was our platform segment.

Complementing our platform is our solutions business, which includes SaaS and data subscriptions for freight forwarders, importers and exporters, and carriers. Q4 was a solid quarter for the solutions business, including our largest SaaS deal ever. Providing solutions is part of our strategy of being a partner to forwarders and airlines in their digitalization needs, and our solutions actually help our customers to be more automated and to leverage our platforms more, so the platform and solution segments are definitely [seller]

On top of growing your marketplaces' liquidity by adding sellers and buyers, we're actively pursuing additional growth avenues. I would highlight four ways in which we're expanding beyond just adding more buyers and sellers. Firstly, we're continuously introducing more types of transactions, extending beyond the core offering. In 2023 for example, we launched the ability to book new [LDs] which are air cargo containers similar to booking a whole shipping container for ocean. And just recently in 2024, we introduced the ability to get an estimate for the trucking costs from a US airport to the final destination. We expected in the near future, we will integrate the actual booking of such travel services into the platform alongside the airline bookings.

Secondly, the transactions booked through our platforms are evolving to include more services. We have already integrated payment systems, insurance, and customs brokerage right into our platforms. And in 2023, we started to offer customs brokerage capabilities for freight forwarders to co-brand and embed in their own systems. In 2024, we hope to expand this trend as we explore offering more third-party services within our platform and roll out payments for more countries. We expect the impact of these additional aspects of each transaction to gradually increase the gross booking value and improve our take rate.

Thirdly, we create more opportunities for buyer and seller interactions. To this end in 2023, we introduced interlining, where one airline purchases cargo services from another airline, similarly to code sharing in passenger air travel. We've seen a great deal of interest from carriers and while it's still early days, we've already started to see transactions of this type of scale. It's exciting to see the very same airlines who joined us as sellers now becoming buyers as well.

This year we plan to introduce a new version of our white label sales portal for freight forwarders and we're already engaged in a number of such pilots. And we're not stopping there, our platform generates a wealth of data, and we're making that data work smarter. In mid-2023, we launched Freightos Terminal, with market intelligence for global air and ocean freight presented in a beautiful and insightful way. The current Red Sea crisis, regrettable as it is, has actually sparked a spike in interest and attracted new subscribers to our data services, including companies as diverse as a multi-national technology conglomerate, an American furniture retail company, and a leading construction equipment company.

Our upcoming initiatives to increase utilization of our data are targeted at improving the monetization of these data assets and increasing customer retention. We'll see examples of the Freightos Terminal when I talk about the freight industry soon.

Another important initiative for our platforms is merging the software stacks we built and the ones we acquired in the project which is internally known as one stack. In 2023, we made significant strides in consolidating our technology platforms, moving towards a unified system that seamlessly connects international freight service buyers and sellers. Once the initiative is set to revolutionize the industry by providing a single platform that encompasses all facets of international freight carriers, freight forwarders, and shippers, that is importers and exporters, and which spans all notes in one platform. This integration will eliminate complexities and pave the way for more connected and transparent global freight ecosystem.

Our investors are focused on our long-term potential. And so, I'd like to take this opportunity to provide some more detail about the total market available to Freightos. Later, Ran will talk about the target growth rates as we move to capture these huge opportunities.

Let's start with WebCargo, which is the part of our platform that connects freight forwarders to carriers, analogous to Amadeus and Sabre in passenger travel. In any cargo, the market size, which also represents our potential gross booking value or GBV, was estimated at $134 billion last year. It will take many years to capture this huge market, but we are already a clear market leader and we do have strong growth momentum as we saw earlier. The carrier market for ocean is even bigger as an estimated $250 billion, but digitalization here is really in its infancy.

Finally, the market for multimodal services, air, ocean, and first and last mile brought together by freight forwarders and sold to the end customers, the importers and exporters, has a market size of $208 billion at current prices. We have a tiny fraction of this market, but we are recognized leaders in digitalization. And here we already enjoy a healthy take rate, in some cases as high as 10%. These market sizes, totaling about $600 billion, represent the potential GBV, gross booking value, for our Freightos platform. And that's just in our core markets of air and ocean freight.

Now, admittedly, some of these markets are tied up in long-term contracts, but data suggests that 30% to 50% of the international freight markets are transactional in the nature and have potential for platformification. Provided, of course, that the platform that has us, Freightos, add value to the transactions. And as we add more value, we can earn a higher take rate as well from buyers and sellers who benefit from greater liquidity and all the value added services we talked about before.

The assumptions I've just shared with the total addressable market for our platform business, which over time will be dominant and will be the dominant segment of our business, is of the order of magnitude of $10 billion, and that's very high-margin, reoccurring transactional revenue. Ran will talk later about the growth rates we can expect as we move to capture these huge markets.

Now let me switch to discussing freight market conditions. As we've discussed in previous quarters, 2023 saw a significant downturn in the freight industry and while the crisis in the Red Sea has affected the entire industry, reducing capacity and increasing rates temporarily, it has not changed the industry's cyclical fundamentals. Let's take a look at ocean and air volumes. The chart of ocean volumes on the left shows typical seasonal patterns with elevated volumes in the summer and through October, ahead of the holiday season. Total quarterly volumes in Q4 were 7% higher than Q4 2022. Total global volumes in 2023 were essentially flat on 2022 levels.

On the right side, IATA data for global air cargo volumes shows that the global demand continues its gradual recovery in Q4, up 7% from Q4 of 2022. For the year 2023, global volumes were 2% lower than in 2022 and 3.6% lower than 2019 pre-COVID totals.

Now let's look in air and ocean freight price levels using our own Freightos Terminal. As you probably know, general rates in 2023 dropped sharply. Ocean container shipping rates dipped to a new record low for our FBX index in October, as overcapacity pushed rates down. But strict capacity management by ocean carriers and the start of the Red Sea diversions pushed rates up 14% at the end of the year when compared to the end of Q3. The Red Sea crisis also pushed rates up more than 150% in the first six weeks of 2024. Prices are expected to remain above typical levels until Suez Canal traffic resumes fully. As even more new shipping capacity continues to enter the market in 2024, there will be continued downward pressure on prices.

On the air cargo side, as tracked by our Freightos Air Index, rates increased 16% by early December as air cargo ended its typical peak season which is closer to the holidays. Rates closed the year however, 21% lower than at the close of 2022. Air cargo rates are also depressed by increasing capacity, in this case due to more aircraft being deployed to serve increased passenger travel, creating cargo capacity as a byproduct.

In summary, the unfortunate Red Sea crisis is creating a spike in rates, especially ocean, for as long as it lasts. But otherwise, both air and ocean freight are subject to significant downward price pressure due to increased capacity.

In closing, I want to extend my gratitude to our dedicated team whose hard work and commitment to our mission have been the cornerstone of our success in 2023. To our shareholders, your support and belief in our vision and long-term potential fuel our drive to innovate and lead in this transformative journey.

Let me now hand over to our CFO, Ran, to discuss our Q4 results, guidance for the first quarter and the current year, and long-term growth goals. Ran?

Ran Shalev - *Freightos Ltd - CFO*

Thanks, Zvi. I'm pleased to share our fourth quarter and full-year results, which surpasses our expectation in transaction GBV and adjusted EBITDA, and reach the upper end of our revenue forecast.

As we conclude our first year as a public company, we are striking a healthy balance between growth and a clear path to profitability. Revenue for Q4 of '23 was $5.3 million, up 8% compared to Q4 of '22, and total revenues for full year '23 was $20.3 million, up 6% compared to the previous year. Total platform revenues in the fourth quarter was $1.9 million, up 1% compared to the fourth quarter of '22, as the gains in volumes were offset by a drop in prices. Solution revenue was $3.4 million, up 13% from Q4 last year. Solution revenue growth reflects solid growth in revenues generated by some of the solutions of freight forwarders and strong uptake of our data solution, Freightos Terminal, which Zvi mentioned. We also closed our largest SaaS contract ever, although that revenue is not yet recognized.

Looking at our full year, the picture is more balanced with platform revenues and solution revenues both increasing 6% from 2022. Profitability measures continues to improve with IFRS gross margins at 62.2%, up from 59.2% in Q4 of '22 and non-IFRS gross margin reached 70% for the quarter, up from 65.8% in Q4 of '22. For the full year, non-IFRS gross margins was 67.4%, up from 65.2% in 2022. As we mentioned in our last call, the improved efficiency that supports our gross margin expansion should continue as we scale and we therefore anticipate non-IFRS gross margins will remain at approximately 70% going forward.

Adjusted EBITDA in Q4 '23 was negative $3.8 million, marking a sequential improvement from the $4.1 million loss in Q3 and continuing the progress seen from Q2 to Q3. We remain committed to balancing growth with expense control and are confident in reaching breakeven with our current cash reserves. Our cash balance at the end of the year, which includes bank deposits and short-term investments, was $51.7 million, down only $3.5 million from the end of September.

Let's move on to our Q1 full-year 2024 guidance. In Q1, we expect a mid-28% growth in transactions, reaching between 280,500 and 288,000. We expect transaction growth to accelerate throughout the year and our full-year expectations reflect at the midpoint of 30% year-on-year increase.

GBV growth is expected to continue to lack transaction growth due to continued low prices in the market. Our assumption for '24 is that current freight rates will prevail throughout the year. GBV growth in the first half of this year will appear muted year on year due to higher freight rates in the first part of 2023.

We anticipate generating between $5.2 million and $5.3 million in revenues in Q1 and between $22.4 million and $24 million in the full year. Year-on-year growth in the first quarter is expected to be lower than the rest of the year for the reason I just mentioned. In Q1 '23, freight prices were much higher than they are currently. Adjusted EBITDA losses are expected to be between $4.2 million and $3.9 million in Q1, a slight increase from Q4 of last year due to seasonal expenses, mainly modest annual raises. And between $15.3 million and $13.8 million for the full year. These near-term targets are essential step towards the growth and profitability we aim for in the coming years, positioning us to succeed in capturing the massive opportunity that is ahead of us.

Let me now share with you these longer-term targets for 2025 to 2030. Growth of the platform starts with liquidity. We aim to grow transactions by 20% to 30% annually by adding buyers, adding sellers, creating new buyers, sellers, combinations, and adding new types of transactions and transaction features. Core booking value will also grow 20% to 30% on average. But clearly in this long term, there will be rate fluctuations that will affect GBV growth. In 2024, we expect revenue growth to still lack transaction growth as our revenue is still mostly from the slower growing solution revenues. However, we expect that over the years, our fast-growing platform revenues will become the dominant part of our revenue and will drive revenue growth 25% to 30% year on year.

Our non-IFRS gross margins are already close to 70%, and we expect those to continue to go even higher, eventually approaching 80% in line with best-in-class mature software companies. With this top-line growth and high margins and with our expenses under control, we expect to see adjusted EBITDA continuing to increase steadily. In fact, we think that the adjusted EBITDA margins, that is the ratio of adjusted EBITDA over revenues, can grow by 8 to 12 percent points annually, bringing us to profitability by the end of 2026 and leading for this to become a highly profitable company in the later years.

Thank you for your attention and support as we move forward with our strategy.

QUESTIONS AND ANSWERS

Anat Earon-Heilborn - *Freightos Ltd - VP of IR*

Thank you, Zvi and Ran. We'll start with the Q&A session now.

Jason Helfstein, Oppenheimer.

Jason Helfstein - *Oppenheimer & Co. Inc. - Analyst*

Thanks. Two questions. First is about the first quarter, obviously, you're guiding for slower gross bookings growth, but you're still -- but revenue will still be growing pretty consistent with what you saw in the fourth quarter. Maybe just talk about -- I think you alluded to the fact that you have some comms on the -- some tough comms on the gross booking side, then you're offsetting that with other factors such as take rate or solutions revenue growth. So maybe just unpack how you're able to turn more modest GBV growth into still solidly revenue growth.

And then second question, on the slide, we talked about the four different areas you're looking to improve the product. When could we start to see that actually flow through the financials? Is that back half of '24? Is that more '25? Maybe elaborate a little more when some of those initiatives actually flow through the model.

And then just one more. I think the EBITDA guidance is a little better than we expected on more muted revenue. Are you purposely doing anything to reduce expenses that might be impacting growth in '24 to get the EBITDA up faster. Thank you.

Zvi Schreiber - *Freightos Ltd - Chairman & CEO*

Thanks, Jason. Three interesting questions there, let me do our best to address them. And then, Ran, if you want to add anything. Q1 revenue, you're asking that the growth in revenues in some ways better than the growth in GBV. You've got to remember when you look at GBV that Q1 is really -- the prices are quite low compared to Q1. The prices in the market are quite low compared to Q1 of last year. Latest this year that will be less of an impact because by the second half of 2023, the rates were low anyway. So, if they do this year, that will be like for like. But in Q1, you are still seeing GBV depressed by the fact that when you compare to last year, the rates in the market are lower.

And then also as you'll appreciate, we're still in a situation where most of our revenue is from solutions. We're definitely projecting that will change over time and that platform will grow faster and eventually become a dominant business. But in the end, as still the majority of our revenue is solutions and it's growing by unrelated to the -- it's not directly related to the transactional growth at all.

And second of all, those areas of improvement, that's a great question. I think we talked about new types of transactions like interlining, we talked about new services. I think the material effect, of course, there will be some small effect this year because those are all things that have started to happen. But I think you won't see any of those materially affecting this year's results. Interlining is a great example where we've got these new transactions, we've got transactions every day, it's growing, but it's still at this point, a teeny fraction. And it will take certainly a year, maybe, even two years for it to really have a substantial impact. But it's something which can be very, very significant for the long-term because it creates new combinations, it creates stickiness, it creates value for our customers. We think it's really, really important for the long-term, but don't expect any visible impact on this year's results and even next year. It will still be modest in my opinion.

And then your third question was about 2024 guidance and you're saying we're guiding a little bit better on EBITDA, a little bit less in revenue. Look --

Ran Shalev - *Freightos Ltd - CFO*

Zvi, I can answer that.

Zvi Schreiber - *Freightos Ltd - Chairman & CEO*

Okay, yeah. What I was just going to say, generically, and then I'll let you answer, Ran. But just say generically, there's always a trade-off between growing more aggressively but putting more money and growing less aggressively, so it's always a trade-off that we're making a judgment call on. And maybe Ran can discuss how we looked at that for this year.

Ran Shalev - *Freightos Ltd - CFO*

So I think that we have -- we were able to reach to a good balance between growing our gross margins to around the 70% level, together with the fact that we were able to control our OpEx, mainly the part relating to being public expenses where we were able to lower them. So, we're not anticipating any slowdown with new product release that might impact the growth in the future. I think that all in all, we are controlling the OpEx, which eventually falls directly to the bottom line and therefore, our adjusted EBITDA is looking better.

Jason Helfstein - *Oppenheimer & Co. Inc. - Analyst*

But I guess the question was more like, are you doing it on purpose or just the way the numbers are playing out?

Ran Shalev - *Freightos Ltd - CFO*

No. That's how the numbers are playing out. As to the savings that we have and not relating to employees or any kind of savings relating to growth. It's mainly around flat expenses relating to G&A and stuff like that.

Jason Helfstein - *Oppenheimer & Co. Inc. - Analyst*

Okay. Thank you. I appreciate all the color.

Ran Shalev - *Freightos Ltd - CFO*

Sure.

Anat Earon-Heilborn - *Freightos Ltd - VP of IR*

Thanks, Jason.

George Sutton, Craig-Hallum.

George Sutton - *Craig-Hallum Capital Group LLC - Analyst*

Thank you. So, I noticed you called out twice the largest SaaS deal ever. Can you just walk through what that means? How significant that is? Is that something we should start to see eclipsed in further transactions?

Zvi Schreiber - *Freightos Ltd - Chairman & CEO*

Yeah. That was the SaaS deal, we don't have permission to say the details of the customer, but it was a single SaaS deal of over $1 million. I believe, Ran, correct me if I'm wrong, but I believe given the rollout, it's a complicated deal. I believe very little of that will actually be recognized this year. So that's already some -- building up a book of revenue for next year more than anything. But I think it's also a good sign that our customers are seeing our products is the kind of products which can get a seven digits price tag, and that's why we wanted to call it out. And I hope in time we'll have permission to give you more details of that particular deal.

George Sutton - *Craig-Hallum Capital Group LLC - Analyst*

So it would seem that take rates, obviously, the big opportunity in front of you, and we've talked for a while now about payments and insurance and customs have been added since. Can you just walk through what the expectations are for attachments there? Give us an update in terms of how you think it's been going thus far and is there any change in your anticipated opportunity there?

Zvi Schreiber - *Freightos Ltd - Chairman & CEO*

George, we still got an interesting mix with the take rate we've discussed, I think, before a little. And the take rate, if you look for example, at our two platforms, Freightos and WebCargo, Freightos again is between the end customer and the forwarders with cargoes between the forwarders and the carriers, and you're actually seeing the take rates and Freightos is high and it's stable. Take rate on WebCargo is much lower, but the growth is much faster and it's -- the take rate is increasing. But you never see that in the overall numbers because of the mix. So, although the WebCargo take rate is increasing, it's a lot less and then the lower take rate becomes more of the mix. You've got this funny sort of mix effect which hides the great progress that we're making on -- or at least the consistent progress we're making on take rate.

Eventually you'll see that. I don't know exactly, I don't know in the model when, but eventually, WebCargo becomes big enough that you can really see that take rate increase even in the total numbers. But clearly for us, take rate is all about adding value. The key for us is to work really hard to provide in those four areas that I talked about in new types of transactions and new services and more data. We're seeing the customers respond well. We're seeing that as we provide more value that they're willing to pay a fair price for those richer, platform services.

George Sutton - *Craig-Hallum Capital Group LLC - Analyst*

One other question, if I could. Relative to your geographic strengths and weaknesses, you talked about adding Japan Airlines, which is great. I know you added some Chinese carriers last year as well. So Europe had been your strength, I believe, the far East in becoming stronger. Can you just talk about other parts of the world where there are big open-ended opportunities as you see them?

Zvi Schreiber - *Freightos Ltd - Chairman & CEO*

Yeah. I mean, I think you put your finger on it. Asia is the big one for us. And Europe, when it comes to WebCargo, Europe is already very strong. We've got pretty much all the major airlines and a very high proportion of the freight forwarders. North America is certainly growing and partly because of an acquisition that we made and because of organic growth -- of seven airfreight couple of years ago and partly because just the organic growth that we have there. So North America is doing well.

On Freightos, actually North America's slightly reversed. North America is stronger, Europe's a bit of a growth area. But in both cases, you know, Asia has been the weak spot, not for any fault of our own but just because for some reason, the Asian carriers, the Asian airlines were a lot slower to digitize. So we've always considered Asia important, but it took us longer and I don't know why, but it took us longer to get major Asian airlines. But as you said correctly, we have now got a few, Japan Airlines is the most recent. So we now have -- we're starting to get a good -- approaching a good critical mass of Asian airlines as well. Plus, of course, the European and American Airlines fly to Asia also.

So yeah, Asia is definitely going to be a big growth area for us. It's such a huge market and we have a team there distributed around Asia. I hope we're in strong position to grow in Asia.

George Sutton - *Craig-Hallum Capital Group LLC - Analyst*

Thank you very much.

Anat Earon-Heilborn - *Freightos Ltd - VP of IR*

Okay. So we have a number of questions that came in writing. The first one is from Greg Pendy from Chardan. Can you talk about the trucking market and how should we expect you to roll out in this space?

Zvi Schreiber - *Freightos Ltd - Chairman & CEO*

Sure. Trucking is not a primary market. We really focus on air and ocean, and the domestic trucking on its own. You know, if somebody is selling, for example, in the US from ZIP code to ZIP code or someone's trucking something from France to Italy, we don't, at this time, consider that part of our market. And there are several other companies who are creating platforms for that area. So that's a more competitive space. A little bit simpler than air and ocean. And so, it's not a focus for us. We focus on international shipping.

We did, I mentioned in the comments, we definitely look at trucking when it's part of the international. So someone shipping something internationally by air or by ocean, we are interested in the first mile and the last mile, we're interested in that whole trip, end to end. And that's -- but that's part of the value-added service around air and ocean. When it comes to trucking on its own, we do as it happens, we have some through our 7L subsidiary. We do have some database of less than truckload rates in the US, but that's really the secondary for us. We picked up through an acquisition, but we're really competing in air and ocean. And in the trucking in as much as part of international freight, and domestic trucking or trucking on its own is really a separate industry -- they're adjacent industry, but not one that we're addressing.

Anat Earon-Heilborn - *Freightos Ltd - VP of IR*

Okay. The next question is for you, Ran. Why is EBITDA guidance lower for Q1 than it was in Q4.

Ran Shalev - *Freightos Ltd - CFO*

Yes. Indeed, Q4, we were able to close at that $3.8 million EBITDA -- adjusted EBITDA loss, and we are guiding for $3.9 million to $4.2 million. Those are mainly seasonal expenses that are added at the beginning of the year. It's mainly around some salary adjustments, some hirings in order to support the growth going forward. And those will balance out as we continue with the growth in revenues as per the guidance that we gave.

Anat Earon-Heilborn - *Freightos Ltd - VP of IR*

Okay. And another question. WiseTech has launched their new airline e-booking platform fully integrated with their TMS. Is the impact already taken into account in the revenue projections?

Zvi Schreiber - *Freightos Ltd - Chairman & CEO*

Well, in a way, yes, because it's not new. WiseTech have got a big market share as an operational sort of transportation management system for freight forwarders and they've been doing some form of e-booking for a few years. And now they have announced the more modern version of that. But it's not news that they're in that business. And also, their market share in so far has been very, very small. We're much, much bigger than them in the e-booking. We've also done, I think, a good job of making sure -- many of the freight forwarders who use WebCargo by Freightos are also using WiseTech as their operational systems.

So we play nice with them. And we think that our customers are happy to use the combination, use us for what we're good at, which is the e-booking, and they use WiseTech as the operational system. This is something which has been around for a while. It hasn't slowed our growth in any way. The customers have been happy to use the combination of the two products. Again, I can't say for sure what will happen in the future. We don't know exactly as they update their products, if it will become more of an impact or not. But we can just go on what we're seeing so far, which is that they are good -- our products complement each other and they're not directly taking market share from us in the e-booking.

Anat Earon-Heilborn - *Freightos Ltd - VP of IR*

Okay. And the last question that we will take is can you increase your rates this year with existing contract, carriers, and freight forwarders to increase revenue?

Zvi Schreiber - *Freightos Ltd - Chairman & CEO*

To some extent, we're always looking every time contracts come up for renewal, we're trying to see if we can add more value, improve our product, improve our services, improve the richness of our platform and then use that as a way to persuade the customer to pay a higher price. So that's something we're doing on a continuous basis. Then again, we have to earn the higher prices, we can't just impose them. And I think we're doing that quite well. We do see most often when booking contracts renew or when SaaS contracts renew, many times, we're able to justify a price increase by improving the product. And that's something we do on a continuous basis. And I think that that's built into the projections that we made for 2024.

Anat Earon-Heilborn - *Freightos Ltd - VP of IR*

Okay. That concludes today's call. Thank you, everyone, for listening in. Have a good day.