

Yahoo Finance Interview
Supply chain challenges 'have actually existed for decades': Transfix CEO
December 17, 2021
Transcript

Lily Shen, CEO of Transfix

Julie, great to see you. I think it's really hard to predict exactly what's going to be happening, obviously with the cases. So, hard to say if it's going to be a repeat, if it's going to get better, or if it's going to get worse. But what I will say, is obviously, this has affected everyone, and certainly the supply chain. And, obviously with the supply chain, we continue to see disruptions across the board. But the truth is, Julie, that these challenges in the supply chain have actually existed for decades. Those who were not familiar with those challenges certainly realize it now. And you know, a lot of that actually still, in fact, holds true. A third of truck miles continue to be driven empty every single year. And the truth is that the role of technology, which has been huge across so many sectors, has actually not been the case in transportation and logistics, and it speaks to the opportunity for those that are in this space today.

Adam Shapiro, Yahoo! Finance

FedEx said something interesting on their earnings call last night, that they don't see an end to these bottlenecks in the supply chain. Are you on board with that?

Lily Shen, CEO of Transfix

One thing I will say, is that in the supply chain, there are constant challenges. And the truth is that there is always going to be some level of demand and supply imbalance. But Transfix's platform seeks to really help our customers, as well as carriers, manage that through any time of imbalance, through any type of volatility, and obviously, we're continuing to see extreme cases of volatility. But our platform really solves that by doing it in a number of ways. And that's really by providing many to many matching platform for customers, as well as carriers who we seek to work with us, who are constantly looking for access as well as reliability and capacity. And for those carriers that are also looking for access and reliability and freight, our platform has really been built over time to be able to manage that, and being able to do that not only with the technology and machine learning algorithms that we have in place, but also with the people, with industry experts and those who have been in the space and understand and have seen a lot over the years to be able to manage that effectively for the customers that we work with.

Julie Hyman, Yahoo! Finance

So Lily, let's back up a sec. Why are a third of trucks, or if not a third of trucks a third of the space within trucks to say that correctly, why is it empty? Why isn't why aren't trucks full all the way?

Lily Shen, CEO of Transfix

It's a great question. A number of reasons. So, one, highly, highly inefficient. So, the use of data and technology, and the ability to match has really not existed in the past. So, we understand exactly where carriers are at, where they're going, and we're able to we're able to actually match that with freight that is available at any given point in time. Because the technology and systems have either been nonexistent, or archaic, or actually extremely siloed, no one's been able to really bring that all together. And that actually has driven a lot of the inefficiency that's in the system. So, when we say a third of truck miles have been driven empty, it's because of that level of access data and visibility that hasn't existed in the industry. The other reason that I want to mention here is that everyone's talking about driver shortage and so obviously there's a huge opportunity to drive more efficiency in the system. But one thing that continues to also come up, is obviously the number of drivers coming into the system, and the ability for everyone, every player in the space to also provide better conditions for drivers as well.

Adam Shapiro, Yahoo! Finance

I imagine Lily, you have incredible pricing power in your business right now.

Lily Shen, CEO of Transfix

Well, I would say that our algorithms have been built in such a way that we're able to determine the right price at the right time, based on challenges and based on what's working in the overall system. So, we certainly take a look at where the markets are at but also look at the strength of our platform, look at the strength of the available capacity in our platform to be able to help customers and our shippers really best manage their costs

Julie Hyman, Yahoo! Finance

Lily, thanks for being here. We're gonna keep in touch because one thing we didn't mention is you're going to be going public via a SPAC deal that's going to close in the first part of next year. So, we'll check back in with you at that point. Lily Shin is the CEO and President of Transfix. Thank you.

Important Information and Where to Find It

In connection with the proposed business combination involving G Squared Ascend I Inc. ("G Squared Ascend I") and Transfix, Inc. ("Transfix"), Transfix Holdings, Inc. ("Transfix Holdings") has filed a registration statement on Form S-4 (the "Registration Statement") with the Securities and Exchange Commission (the "SEC"). The Registration Statement includes a proxy statement of G Squared Ascend I and a prospectus of Transfix Holdings. Additionally, G Squared Ascend I and Transfix Holdings will file other relevant materials with the SEC in connection with the business combination. Copies may be obtained free of charge at the SEC's website at www.sec.gov. Security holders of G Squared Ascend I are urged to read the proxy statement/prospectus and the other relevant materials when they become available before making any voting decision with respect to the proposed business combination because they will contain important information about the business combination and the parties to the business combination and related matters. The information contained on, or that may be accessed through, the websites referenced in this communication is not incorporated by reference into, and is not a part of, this communication.

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G Squared Ascend I and its directors and officers may be deemed participants in the solicitation of proxies of G Squared Ascend I's stockholders in connection with the proposed business combination. Transfix and its officers and directors may also be deemed participants in such solicitation. Security holders may obtain more detailed information regarding the names, affiliations and interests of certain of G Squared Ascend I's executive officers and directors in the solicitation by reading G Squared Ascend I's final prospectus for its initial public offering filed with the SEC on February 8, 2021, and the proxy statement/prospectus and other relevant materials filed with the SEC in connection with the business combination when they become available. Information concerning the interests of G Squared Ascend I's participants in the solicitation, which may, in some cases, be different than those of their stockholders generally, will be set forth in the proxy statement/prospectus relating to the business combination when it becomes available.

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In addition, G Squared Ascend I and Transfix caution you that the forward-looking statements contained in this communication are subject to the following factors: (i) the occurrence of any event, change or other circumstances that could delay the business combination or give rise to the termination of the agreements related thereto; (ii) the outcome of any legal proceedings that may be instituted against G Squared Ascend I or Transfix following announcement of the transactions; (iii) the inability to complete the business combination due to the failure to obtain approval of the shareholders of G Squared Ascend I, or other conditions to closing in the transaction agreement; (iv) the risk that the proposed business combination disrupts G Squared Ascend I's or Transfix's current plans and operations as a result of the announcement of the transactions; (v) Transfix's ability to realize the anticipated benefits of the business combination, which may be affected by, among other things, competition and the ability of Transfix to grow and manage growth profitably following the business combination; (vi) costs related to the business combination; (vii) changes in applicable laws or regulations; (viii) rollout of Transfix's business and the timing of expected business milestones, (ix) the effects of competition on Transfix's business, (x) supply shortages in the materials necessary for the production of Transfix's products, (xi) risks related to original equipment manufacturers and other partners being unable or unwilling to initiate or continue business partnerships on favorable terms, (xii) the termination or reduction of government clean energy and electric vehicle incentives, (xiii) delays in the construction and operation of production facilities, (xiv) the amount of redemption requests made by G Squared Ascend I's public stockholders, (xv) changes in domestic and foreign business, market, financial, political and legal conditions, and (xvi) the possibility that Transfix may be adversely affected by other economic, business, and/or competitive factors. 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G Squared Ascend I's SEC filings are available publicly on the SEC's website at www.sec.gov.
