

Letter from Marcos Galperin

In 2023, we had another year of challenges and exceptional results. Our end of the year report offers a great chance to reflect on the decisions we have made, and not just the ones leading to positive actions. In Mercado Libre's history, decisions not to pursue certain actions proved to be equally, if not more, significant. Today the company's 25th anniversary is almost upon us, and our impact continues to reach millions of people throughout Latin America, proving to us that performance means having the conviction to take decisions every day.

A survey we undertook jointly with Euromonitor International found that more than 1.8 million families in the region see our platform as their main source of income. It currently enables more than 574,000 small and medium-sized enterprises to trade, and provides more than half their revenues for 40% of them. The multiplier effect of our ecosystem for these entrepreneurs, with more than 70% being family businesses, continues to grow. In 2023, we exceeded 84 M unique purchasers for the first time, with over 1,404.4 M products sold for a total volume of 44.7 billion.

These results go hand in hand with a constant improvement in the user experience, especially in terms of logistics: 94.4% of shipments now come from our distribution centers. On time deliveries also reached record levels in Brazil, Mexico, Chile and Colombia, and of the total volume of goods, 75.7% was delivered within 48 hours in the region and almost 20% on the same day, or the day after purchase.

This is possible thanks to a long-term investment plan, steadily reducing the geographical barriers: in 2023 we opened 25 new logistics centers.

We also reinforced our commitment to do all of this while being as efficient as possible in environmental terms: we have migrated 13 new sites to 100% renewable energy, ending the year with 44% of our entire operation powered by renewable energy. At the same time, we continued to enlarge our electrical fleet to a record number of 2,321 vehicles, consolidating the largest such fleet in Latin America, which has enabled us to ship over 22 millions packages through sustainable modes of transportation.

In addition to our strategies for reducing our carbon footprint, we continue to invest in nature-based solutions to face up to climate change. "Regenera América", our program to finance biome restoration and conservation projects in Latin America, reached a total of US\$23.5 million invested in nine projects in 2023, contributing to the recognition of our entrepreneurial efforts in the biodiversity agenda by Thomson Reuters #BiodiversityChampionAward. It is a matter of great pride for us to confirm that, a mere three years since its launch, it initiated restoration and conservation processes for more than 14,500 hectares of native forest, the equivalent of more than 13 million trees restored or conserved.

Mercado Pago continued to establish itself as an integrated financial services platform, democratizing financial inclusion for thousands of individuals and enterprises that had been locked out of the traditional system: more than 68.8 million unique users executed 300 transactions per second, with over 30.4 million users investing through our digital bank. We achieved a 35.6% increase in the volume of credits granted to individuals and businesses, up to 13.6 billion USD, and we launched our first credit card in Mexico. We reached 9.73 million life and accident insurance policies, including services such as telemedicine and reimbursements for drugs.

We also launched a tool permitting users to better organize their expenses flows and plan their budget, and Reservas, our new savings tool.

We never tire of innovating. With the ambition of having the best loyalty program in the region, we have launched Meli+, our new subscription program that offers the largest and most comprehensive package of benefits in Latin America, tailored to the needs and profiles of our users. We also have Mercado Play, our streaming platform that provides millions of people with free access to a full catalog of movies, series, documentaries, reality TV and content for kids.

I get huge satisfaction from the results we have achieved. And at Mercado Libre we make it clear that nobody acts alone. None of our achievements would be possible without the commitment and entrepreneurial spirit of the more than 58,000 people who make up our team.

We have the privilege of being architects of our own destiny, taking decisions as a team and creating solutions from and for Latin America. We are aware of the challenges but also of the enormous potential of the region, and that is why we will never be quite satisfied, and never lose the will to do new things and exceed new targets.

This is what our work entails every day: continuing to take risks, exploring and opening up new horizons, but above all, having fun and believing in the future.

Marcos Galperin

