

To our valued shareholders,

20 years ago on a hot day in Palo Alto, several future members of the Carvana team sat impatiently fidgeting during our college commencement address. We didn't realize it then, but that commencement speech by Steve Jobs would end up being considered one of the greatest commencement speeches of all time.

Speaking for myself, I completely failed to appreciate how much wisdom he shared with us when he said:

"You can't connect the dots looking forward; you can only connect them looking backwards."

Of all the dots we can connect from that speech with the benefit of hindsight, I think the most important might be what he ended with:

"Stay hungry. Stay foolish."

Words carry connotations that we are all familiar with and "hungry" has a positive one while "foolish" has a negative one. I think sometimes saying something positive with a word that is usually regarded as negative is a very effective way to communicate because it makes you really confront the underlying idea.

I think builders are always hungry and foolish. And I think experiences in the world tend to slowly take that away from us. We "mature." We suddenly find ourselves "realistic."

The team inside Carvana started hungry and foolish and that gave us the opportunity to build something awesome. When people told us customers wouldn't buy cars online, we didn't listen. When they told us it was too expensive and too complicated to build the customer solution we wanted to build, we pushed forward anyway. When we struggled to raise money and were told that we needed to be realistic and convert the business to a software solution for traditional dealers, we refused to compromise. We stubbornly marched.

Connecting the dots from where we sit today, there was no path to becoming the fastest growing and most profitable automotive retailer that didn't start with "foolish".

But "foolish" isn't free. Everything has costs. I think our challenges in 2022 were the result of many headwinds coming together that were hard to foresee in advance, but one reason it hit us so hard was that we had been foolishly ambitious and aggressive.

These days I sometimes find myself in meetings with investors where I feel like they are asking us to say:

"We lived through 2022. We learned to not be foolish. We added to our toolset and now everything will just be better, and you don't have to worry about looking foolish."

We hear you. And we hope and believe that what you want to believe is more true today than it has ever been. We have learned lessons the hard way. We have added to our toolset. We are the most productive versions of ourselves we have ever been, and we plan to keep marching in that same direction. But it isn't completely true.

Sometimes, when a question is complex enough, you can't expect to get it exactly right. You have to pick your errors – and you have to acknowledge who you are.

We are hungry and foolish. And we plan to stay that way. Please don't expect us to get it exactly right. We won't. But we will claw and fight and push and build. And we will continuously learn.

We will relentlessly focus on creatively finding solutions for our customers, building them, and continually improving them.

We will set ambitious goals for ourselves and we will aggressively pursue them.

We will learn from our successes and from our mistakes and find ways to get more of the former and less of the latter without changing who we are.

We will buy and sell millions annually, and we will do so by delivering the best experiences our customers can find anywhere.

And if we do all of that, we will fulfill our mission of changing the way people buy and sell cars by building a business that operates at a scale and with a level of impact that hasn't been seen before in our industry.

And we will have fun doing it. Foolishly.

The march continues,



Ernie