

Get To Know Our Business

HOW DOES MERCADO LIBRE'S ECOMMERCE PLATFORM WORK?

The platform provides a proprietary, fully-automated, topically-arranged and user-friendly online trading service. This service enables businesses of all sizes to list items and conduct their sales and purchases on the largest marketplace in Latin America.

WHO CAN SELL ON MERCADO LIBRE?

Any business or individual from Latin America can register and sell in Mercado Libre, as long as they follow the terms and conditions of the commerce platform. There are currently over 10 million sellers using Mercado Libre, from small, family businesses to known brands and official stores.

HOW MUCH OF THE GMV COMES FROM THE MARKETPLACE?

The majority of Mercado Libre's GMV comes from our marketplace sellers. Our first party business was created to offer products complementary to our sellers' assortment.

HOW DOES MERCADO LIBRE MONETIZE THE MARKETPLACE?

Sellers pay a take rate, which is a percentage of the GMV for each sale. The Premium take rate – higher than the Classic rate – enables sellers to offer their buyers the opportunity to purchase in interest-free installments. With the classic rate, sellers can offer installments with interest paid by the buyer. Sellers also contribute to the cost of our free shipping program, with fees dependent on the weight and dimensions of the product sold.

WHAT PORTION OF ORDERS ARE HANDLED BY MELI'S LOGISTICS NETWORK?

We handle more than 90% of packages with our Managed Network.

DOES MELI OWN THE VEHICLES AND EMPLOY THE DRIVERS THAT TRANSPORT PACKAGES?

We use third party delivery companies – many of them small- and medium-sized – to transport packages in their own vehicles, which may carry our company branding, logo and colors but are owned by the third parties.

DOES MELI OWN THE WAREHOUSES AND HIRE DIRECTLY LOGISTIC WORKERS?

MELI has long term leases on the warehouses and owns all the equipment inside of it. Logistic workers are directly hired by MELI.

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HOW DOES MERCADO LIBRE MANAGES SUCH A LARGE LOGISTIC NETWORK?

Mercado Libre developed proprietary technology to manage our logistic operation. We currently have thousands of engineers dedicated to improve efficiency, costs and delivery times all over Latin America.

WHAT ARE THE OPTIONS PROVIDED BY MELI'S LOGISTICS NETWORK?

Fulfilled by MELI: We have fulfillment centers across the region that hold sellers' merchandise, which makes the process of dispatching the product to the buyer quicker than other forms of delivery. Mercado Libre counts on fulfillment centers all over Latam, serving thousands of sellers by holding their inventory and shipping to consumers. Fulfillment is a key enabler of same- and next-day delivery. Our fulfillment operation enabled us to deliver faster than ever.

Cross Docking: Mercado Libre counts on millions of sellers in the region, we created a cross docking network tailored to the needs of smaller sellers and / or sellers with lower turn inventory. , Packages are collected by MELI or dropped-off at our service centers or MELI Places, and are then collected, consolidated and dispatched for last mile delivery outbounding packages as a sale is made.

Flex: This is a high-speed solution for when buyers and sellers that are in the same metropolitan region close to each other, and involves our transport partners vans delivering the product directly from one to the other directly, a more cost and time efficient solution

Drop Shipping: Sellers dispatch their goods sold directly through local carrier networks and they directly deliver them to the buyers.

MELI Air: Mercado Libre has counts on dedicated aircrafts (in a partnership with a third party airline) to take packages from distribution centers in one region of the country to another.

DOES MELI GENERATE REVENUE FROM LOGISTICS?

Sellers contribute to the cost of the free shipping program above the free shipping threshold, and buyers pay for the cost of shipping below the free shipping threshold. This is booked as revenue.

IS THE ADVERTISING TECHNOLOGY PROPRIETARY?

Mercado Libre's advertising technology is proprietary. To create a world class advertising platform, Mercado Libre has been investing in the development of technology, and we have hundreds of engineers allocated to the business. Behind our Ads products there is a complex tech stack, which includes the Ad Console, where advertisers manage, analyze and optimize campaigns. Our Ad Server decides which ads should be displayed, their placement and pricing. On top of that, our Ad Measurement technology gathers performance data and attribution for each ad.

WHERE ARE ADS SHOWN ON MERCADO LIBRE?

Consumers see advertisements throughout the ecosystem, on both the Mercado Libre and Mercado Pago platform. On the ecommerce platform, ads appear on the home page, in search results and within product pages, depending on the type of ad and its relevance to the buyer.

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IS MERCADO PAGO A BANK?

Mercado Pago is a financial institution, with specific licenses in each country to offer financial services.

IS MERCADO PAGO A FULL ACQUIRER?

Mercado Pago has the technology and capabilities to act as a full acquirer, and does so in the main geographies.

WHO CAN ACCESS A MERCADO PAGO ACCOUNT?

Mercado Pago accounts are available for free in all geographies where we operate our Fintech platform.

WHAT ARE THE DIFFERENT TOTAL PAYMENT VOLUMES (TPV) DISCLOSED?

On Marketplace TPV: Measure of the total U.S. dollar sum of all transactions made on Mercado Libre's ecommerce platform paid for using Mercado Pago.

Off Marketplace TPV: Measure of the total U.S. dollar sum of all transactions paid for using Mercado Pago with our Mobile Point of Sale (mPOS), QR Code or Merchant Services products. It does not include the transactions made on Mercado Libre's ecommerce platform.

Acquiring TPV: Measure of the total U.S. dollar sum of all of Mercado Pago's acquiring products.

Digital Account TPV: Measure of the total U.S. dollar sum of all of Mercado Pago's digital account products.

WHAT ARE MERCADO PAGO'S REVENUE STREAMS?

Mercado Pago's revenue streams are primarily composed of:

- 1) transactional fees charged for processing merchants' payments;
- 2) net financing fees, which are generated when Mercado Pago anticipates receivables to sellers;
- 3) POS device sales.

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WHAT ARE THE PRODUCTS OFFERED BY MERCADO PAGO?

Digital Account: Mercado Pago users access a number of financial services through their free digital accounts, beyond payments, transfers and other day to day transactions

Card: Mercado Pago users can receive a free debit card with their accounts and, for those with a pre-approved credit line, a credit card.

Investments: users are able to access a range of simple investment products, including savings pots, that help users to organize their finances to build reserves for emergencies or specific purchases such as a holiday, a car or home improvements. Users can also access basic fixed income investments, such as CDBs in Brazil

Insurance: users have access to life, personal accident, and card / account protection, as well as extended warranty insurance.

Crypto Wallet: Mercado Pago offers a crypto wallet so users can buy, hold and sell cryptocurrency through a third-party exchange.

Acquiring: Mercado Pago serves merchants with a wide range of payment solutions tailored to different needs, all combined with the ability to anticipate / discount receivables

Mobile Point of Sale (mPOS): Mercado Pago's POS devices are offered to serve merchants of all sizes. This product allows merchants to process physical credit and debit cards.

QR Payments: online or in-store QR payments to enable quick and easy payments
Merchant Services: Designed to meet the growing demand for internet-based payments systems in Latin America, allowing merchants to facilitate checkout and payment processes on their online stores or through payment links.