UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31 , 2024
OR
□ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: 001-38073

CARVANA CO.

(Exact name of registrant as specified in its charter)

Delaware	**81-4549921**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

300 E. Rio Salado Parkway	**Tempe**	**Arizona**	**85281**
(Address of principal executive offices)			(Zip Code)

(602) 922-9866
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	**Name of each exchange on which registered**
Class A Common Stock, Par Value $0.001 Per Share	CVNA	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes q No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Actq Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes q No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes q No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐Yes ☒ No

As of June 30, 2024, the aggregate market value of the common stock of the registrant held by non-affiliates was $ 14.7 billion based on the closing price of the common stock on the New York Stock Exchange on June 28, 2024.

As of February 14, 2025, the registrant had 134,046,880 shares of Class A common stock outstanding and 79,119,471 shares of Class B common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement for its 2025 Annual Meeting of Shareholders are incorporated by reference into Part III of this Form 10-K.

CARVANA CO.
FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024
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PART I

In this Annual Report on Form 10-K, "we," "our," "us," "Carvana," and "the Company" refer to Carvana Co. and its consolidated subsidiaries, unless the context requires otherwise.

Forward-Looking and Cautionary Statements

This Annual Report on Form 10-K, as well as information included in oral statements or other written statements made or to be made by us, contain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Forward-looking statements can be identified by words such as "anticipate," "believe," "contemplate," "continue," "could," "envision," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "should," "target," "will," "would," and other similar expressions or variations or negatives of these words, although not all forward-looking statements contain these identifying words. Examples of forward-looking statements include, among others, statements we make regarding:

- expectations relating to the used car market and our industry;
- macroeconomic conditions, economic slowdown or recessions;
- future financial position;
- expectations and plans regarding our business strategy;
- budgets, projected costs, and plans;
- future industry growth;
- financing sources;
- short-and long-term liquidity;
- the impact and outcome of litigation, government inquiries, and investigations; and
- all other statements regarding our intent, plans, beliefs, or expectations or those of our directors or officers.

We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions, and expectations disclosed in the forward-looking statements we make. Important factors that could cause actual results and events to differ materially from those indicated in the forward-looking statements include, among others, those discussed under Part I, Item 1A —"Risk Factors" in this Annual Report on Form 10-K. The forward-looking statements in this Annual Report on Form 10-K represent our views as of the date hereof. We undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future developments or otherwise.

Market and Industry Data

Some of the market and industry data contained in this Annual Report on Form 10-K is based on industry publications or other publicly available information. Although we believe that these third-party sources are relevant and reliable, we have not independently verified and cannot assure you as to the accuracy or completeness of this information. As a result, you should be aware that the market and industry data contained herein, and our beliefs and estimates based on such data, may not be reliable.

ITEM 1. BUSINESS.

Carvana Co. is a holding company that was formed as a Delaware corporation in 2016 in order to operate the business of Carvana Group, LLC and its subsidiaries (collectively, "Carvana Group"). Carvana Co. Class A common stock trades on the New York Stock Exchange ("NYSE") under the symbol "CVNA."

Our Company

Carvana is the leading e-commerce platform for buying and selling used cars. We are transforming the used car buying and selling experience by giving consumers what they want - a wide selection, great value and quality, transparent pricing, and a simple, no pressure transaction. Our differentiated business model combines a comprehensive online sales experience with a vertically integrated supply chain, designed to sell high-quality vehicles to our customers transparently and efficiently at a low

price. The automotive retail industry is large – with approximately 36 million used auto retail transactions in the United States (“U.S.”) in 2023 according to Cox Automotive – and highly fragmented – with the top 10 used auto retailers in the U.S. accounting for less than 10% of the market share in 2023 according to Automotive News. These dynamics create an exceptional opportunity for disruption that our custom-built business model can capitalize on to remain well-positioned for long term growth. Over the years we have leveraged our growing logistics network, which spans 316 metropolitan statistical areas, and our in-house distribution network, servicing over 80% of the U.S. population as of December 31, 2024, to sell 2.2 million retail vehicles, generating $63.7 billion in total revenue since inception in 2012 through December 31, 2024.

Vehicle Acquisition. We primarily acquire our used vehicle inventory directly from customers, used car auctions, and wholesale used vehicle suppliers, including retail marketplace partners. Acquiring inventory directly from customers when they trade in or sell us their vehicles in a one-way transaction eliminates auction fees and provides for a more diverse set of vehicles. After answering a few questions about the vehicle condition and features, our online tool provides customers with an automated, conditional offer for their existing vehicle that can be applied to any vehicle purchase or paid directly without an associated vehicle purchase. Our online tool then allows customers to schedule a time to have their existing vehicle picked up at their home, and receive payment. We designed this process to be convenient, seamless, and to eliminate the need for a customer to visit a dealership or negotiate a private sale.

***Inspection and Reconditioning*.** Once we acquire a vehicle, we leverage our in-house logistics network or a vendor to transport the vehicle to one of our inspection and reconditioning centers ("IRC") or auction locations with reconditioning capabilities (together with IRCs "Reconditioning Sites"), at which point the vehicle enters our inventory management system. We then begin an inspection process covering controls, features, brakes, tires, and cosmetics. Each Reconditioning Site leverages proprietary inventory management technology and includes trained technicians, vehicle lifts, paintless dent repair, and paint capabilities and receives on-site support from vendors with whom we have integrated systems to expedite ready access to parts and materials. We have a uniform set of cosmetic standards across all Reconditioning Sites to provide a consistent customer experience. When an inspection is complete, we estimate the necessary reconditioning cost for the vehicle to meet our standards and expected timing for that vehicle to be made available for sale on our website. Vehicles that do not meet Carvana standards are sold wholesale, either through our wholesale marketplace platform or through third party auctions.

***Online Search and Shopping Experience*.** We offer a mobile-optimized website, where prospective retail car buyers can immediately begin browsing, researching, filtering, and identifying their vehicle of choice from an inventory of over 53,000 total website units that we offer for sale as of December 31, 2024. We leverage our patented, automated photo technology to offer an annotated virtual vehicle tour, which includes a 360-degree view of the interior and exterior of the actual vehicle and allows customers to view vehicle imperfections through high-definition photography. Our website also features integrations with various vehicle data providers for vehicle feature and option information to assist customers with purchase decisions.

Financing. We offer integrated financing using our proprietary loan origination platform. Customers who choose to apply for our in-house financing fill out a short prequalification form, and, if approved, are nearly instantaneously presented with an interactive set of conditional financing terms generated by our proprietary credit scoring and deal structuring algorithms for every vehicle in our inventory. Our financing tool intuitively and transparently shows the relationship between down payment, monthly payment and loan term to assist the customer in selecting the best payment plan tailored to their specific needs. This pre-approval involves a short process that does not impact customers’ credit unless they pursue a purchase and finance the transaction. For customers who choose not to utilize our financing, we also accept payment in cash or financing from third party lenders, such as banks or credit unions.

Complementary Products. As part of the integrated purchasing process, customers have the option to protect their vehicle with a vehicle service contract (“VSC”). VSCs provide customers with protection against the costs of certain mechanical repairs after the expiration of their vehicle’s original manufacturer warranty. In most states, customers financing their purchase with us are also offered guaranteed asset protection ("GAP") waiver coverage during checkout to provide customers with protection for the value of the loan. We have also partnered with Root, Inc. ("Root"), an online car insurance company, to offer an integrated auto insurance solution, through which customers in most states may conveniently access auto insurance directly from the Carvana e-commerce platform. We collectively refer to VSC, GAP, and auto insurance as complementary products.

Nationwide Logistics Network and Distinctive Fulfillment Experience. We have developed proprietary logistics software and an in-house nationwide delivery network which is aimed at allowing us to predictably and efficiently transport cars while providing customers with a distinctive fulfillment experience. Our logistics network and technologies that support it are based on a "hub and spoke" model, which connects Reconditioning Sites to vending machines and hubs via our fleet of multi-car and single-car haulers. This allows us to efficiently manage locations, routes, route capacities, trucks, and drivers while also dynamically optimizing for speed and cost. This proprietary logistics infrastructure enables us to offer our customers and

operations team highly accurate predictions of vehicle availability, to minimize delays, and promote a seamless and reliable customer experience. We offer customers in our markets a home delivery option that is typically conducted by a Carvana employee on a branded hauler. Customers in certain markets can also pick up their vehicles at one of our patented car vending machines, which are multi-story glass towers that store purchased vehicles, or at other customer-facing locations. As of December 31, 2024, we estimate that 75% of the U.S. population is within 100 miles of an IRC or auction site, which shortens the distance from our inventory pools to our customers to reduce delivery times.

Post-sale customer support. After purchase, our customer advocates handle post-sale coordination and assistance, including facilitating returns or exchanges under our seven-day return policy. As of December 31, 2024, customers rated us an average of 4.7 out of 5.0 from over 215,000 surveys on our website since inception, fostering repeat business and a strong referral network.

Strengths and Competitive Advantages

We aim to deliver the best selection, the best value, and the best experience for used car buyers and sellers. Since our inception, we have been developing and leveraging the following key strengths, which we believe provide for significant competitive advantages.

Purpose-Built Vertically Integrated E-commerce Platform

We believe our proprietary technology and vertically integrated business model allow us to enjoy a significantly lower variable cost structure versus traditional dealerships and to provide substantial value to our customers by providing a seamless, best-in-class car buying and selling experience. Our vertically integrated platform gives us control of all critical operations and transaction elements to allow us to facilitate a fast, simple, and consistent user experience. We control the algorithms that help determine the vehicles we make available to our customers, the prices of those vehicles, the financing terms offered to customers, complementary products, and the purchase prices and trade-in values we offer. Additionally, we control the logistics infrastructure that enables us to offer customers fast, specific, and reliable delivery and pick-up times. We have invested heavily in our customer-facing website to provide an intuitive user interface and have built a team of in-house customer advocates that is dedicated to providing first-rate customer service.

Differentiated Shopping Experience

We have developed technology that makes the online vehicle purchasing process intuitive, transparent and fun. Our patented photo technology, paired with custom photo processing and display technology, provides an interactive way for consumers to search for vehicles and take a virtual tour of the interior and exterior of a vehicle using annotated, high-definition photography. We believe this technology, coupled with our inspection process, uniform cosmetic standard, and seven-day return policy, generates the confidence and trust in our platform needed to buy a car online.

Proprietary Financing Technology

Our differentiated financing solutions provide customers with nearly instantaneous credit terms as well as flexibility and transparency in financing their vehicle purchase. We preapprove thousands of down payment and monthly payment combinations that allow customers to choose their preferred financing. We preapprove these terms utilizing "soft credit checks" which do not impact a customer's credit unless they complete a purchase and financing transaction. Our proprietary credit and underwriting platform is trained on over ten years of Carvana-originated loans, giving us information to make credit decisions aimed to optimize risk, vehicle characteristics, deal structure, and customer credit. We believe this significantly enhances the quality of the loans that we generate and the value we can capture when we sell them through securitization transactions or to our financing partners.

Efficient Logistics Network and Distinctive Fulfillment Experience

We have developed proprietary logistics software and an in-house delivery network that differentiates us from competitors, and which is designed to predictably and efficiently transport cars while providing customers with a distinctive fulfillment experience. Our home delivery and pickup is typically conducted by a Carvana employee on a branded hauler, as soon as the same day in certain markets. Customers in certain markets can also pick up or drop off their vehicles at one of our patented car vending machines, or at another customer-facing location. Our vending machines provide an attractive and unique pickup experience for our customers and develop brand awareness while lowering our variable fulfillment expenses. Following the

opening of a vending machine in one of our markets, our market penetration has typically seen a meaningful increase while our variable operating costs per vehicle sold have typically decreased.

Scaled Used Vehicle Infrastructure

As of December 31, 2024, we leverage a network of Reconditioning Sites throughout the U.S. and proprietary software for our vehicle reconditioning and logistics activities that required significant investment in time and capital to develop. This infrastructure gives us capacity to inspect and recondition more than 1 million cars per year at full utilization.

Scale Driving Powerful Network Effects

Our business benefits from powerful network effects. As of December 31, 2024, we offer all customers a nationally pooled inventory of over 53,000 high-quality used vehicles on our website. Our customer research indicates that size and breadth of selection are primary determinants of a customer's choice of retailer. We use proprietary algorithms to optimize our inventory acquisition based on extensive used vehicle market and customer behavior data. Furthermore, our nationally pooled inventory system maximizes the scope of vehicle selection for our customers in any given location, increasing the likelihood that customers are able to find the make, model, year, and color combination that they desire.

Business and Growth Strategies

The foundation of our business is retail vehicle unit sales, which drives the majority of our revenue and allows us to capture additional revenue streams associated with financing, complementary products offerings, as well as trade-in vehicles. As we evolve, we believe we will continue to improve profitability associated with these revenues and expand our offering of complementary products. However, all of these additional revenue opportunities are derived from retail vehicle unit sales and, as a result, our business strategies are primarily focused on this metric.

Our ability to generate retail vehicle sales is a function of our market penetration in existing markets, the number of markets we operate in, and our ability to build and maintain our brand by offering great value, transparency, and outstanding customer service.

Since the launch of our first market twelve years ago, our vertically integrated, customer-centered offering has enabled us to become one of the largest and fastest growing used automotive retailers in the U.S. as of December 31, 2024. In 2022 and 2023, as a result of changes in the economy, the market, and the industry, we shifted our focus to driving profitability through fundamental operating efficiency. We believe these profitability initiatives allowed us to deliver substantial cost efficiency improvements and build a strong operational foundation for future growth. Throughout 2024, we remained focused on driving operational efficiency and profitability while also shifting towards the long-term phase of driving profitable growth. In this early stage, we are pursuing growth at a rate that seeks to balance the long-term benefits of scale with the continued opportunities we see to further enhance customer experiences. We have physical infrastructure for continued growth, which gives us capacity to recondition over approximately 1 million vehicles per year.

Further, the acquisition of ADESA US Auction, LLC in 2022 provided us with 56 additional locations that could be built out to increase our reconditioning capacity. Six of these ADESA auction sites have been built out to provide IRC capabilities, and the remaining sites provide continued potential for further growth.

With more than 36 million transactions in 2023, according to Cox Automotive, the used vehicle retail market represents a massive, highly fragmented industry, of which Carvana currently holds only approximately 1% of the market share. We believe we are well positioned to benefit from secular e-commerce trends. According to Federal Reserve Economic Data (FRED), e-commerce as a share of non-automotive retail has risen steadily for over 20 years and made up approximately 18% of all non-automotive retail transactions as of 2023. Within the automotive retail industry, e-commerce adoption has lagged behind that of other retail segments, but we believe that as customers continue becoming more accustomed to making larger purchases online, e-commerce will make up an increasing share of automotive retail as it has in other retail segments. The large scale and fragmentation of the used retail vehicle market, coupled with the ongoing adoption of e-commerce more broadly, presents a differentiated opportunity for continued growth. Carvana intends to take advantage of this market opportunity by executing the following key elements of our growth strategy:

Increase Sales Through Further Penetration of Our Existing Markets

Our growth has historically been driven by opening new markets and increasing market penetration in our existing markets. Our long-term plan includes marketing and actively building our brand image and awareness in existing markets by improving the speed and efficiency of our operations and increasing our inventory size.

Optimize Our Inventory Selection

We seek to continue to optimize and broaden the selection of vehicles we make available to our customers. Expanding our inventory selection increases the likelihood that each visitor to our site finds a vehicle that matches his or her preferences and benefits all existing markets simultaneously due to our nationally pooled inventory model. Expanding our inventory selection depends on our ability to source and acquire a sufficient number of appropriate used vehicles, including acquiring more vehicles from customers, to develop processes for effectively utilizing capacity in our Reconditioning Sites, and to hire and train employees to staff these centers.

Continue to Innovate and Extend Our Technology Leadership

We are a technology-native retailer. This has allowed us to develop numerous custom-built tools designed to interact with one another to provide seamless and best-in-class customer experiences. In the long term, we intend to continue to make significant investments in improving and adding to our customer offering. We believe that the complexity of automotive retail transactions provides substantial opportunity for technology investment and that our leadership and continued growth will enable us to responsibly invest in further differentiating ourselves from our competitors' offerings.

Develop Broad Consumer Awareness of Our Brand

We believe our brand development efforts meaningfully impact our ability to acquire new customers. We intend to continue attracting new customers through advertising, customer referrals, customers selling us their vehicles, public relations, and social media. We operate 39 vending machines across the country which have catalyzed word-of-mouth publicity and increased awareness of our brand. Further, we believe that the shift of customer preference toward e-commerce has been, and will continue to be, a long-term asset to our brand awareness and growth.

Generate Referrals and Repeat Customers

We believe our growth is enhanced by providing a superior customer experience, which drives our ability to generate customer referrals and repeat sales. Our customers rated us an average of 4.7 out of 5.0 based on over 215,000 satisfaction surveys on our website from our inception through December 31, 2024. These positive reactions create opportunities for repeat customers and a strong referral network.

Develop New Products

We plan to continue leveraging our existing e-commerce and logistics infrastructure to increase monetization opportunities by introducing new complementary products and services. The car purchasing and ownership cycle provides many opportunities to add value for our customers, such as VSCs and auto insurance, and our technology expertise and process automation position us well to provide these services in differentiated ways.

Marketing

We believe our customer base is relatively similar to that of the overall market for used cars at the average price points of our vehicles, with a slight shift toward younger customers. Our sales and marketing efforts utilize a multi-channel approach, built on a seasonality-adjusted, market-based model budget. We typically utilize a combination of brand building as well as direct response channels to efficiently seed and scale our local markets. Our paid advertising efforts include, but are not limited to, advertisements through national and local television, search engine marketing, inventory site listing, social media, retargeting, organic referral, display, out-of-home, digital video, digital radio, direct mail, and branded pay-per-click channels. We believe our strong customer focus ensures customer loyalty which can drive both repeat purchases and referrals. In addition to our paid channels, we intend to attract new customers through enhancing our earned media and public relations efforts and further investing in our patented vending machines.

Competition

With tens of thousands of automotive retailers in the U.S., the used car marketplace is a highly fragmented and highly competitive industry. We believe the primary competitive factors in this market include transparency, convenience, price, selection, and vehicle quality. Our current and future competitors include:

- traditional used vehicle dealerships such as CarMax;
- internet and online automotive sites, such as Amazon, Autobytel, AutoTrader, Cars, Carfax, CarGurus, eBay Motors, Edmunds, Google, KBB, and TrueCar;
- providers of offline, membership-based car-buying services such as the Costco Auto Program;
- new and used vehicle dealers or marketplaces with e-commerce business or online platforms;
- marketplaces that could compete with our wholesale marketplace program;
- automobile manufacturers such as Ford, General Motors, Toyota, Volkswagen, Tesla, Rivian, and Lucid; and
- privately negotiated transactions.

However, we believe that our vertically integrated business model and other attributes described above provide significant competitive advantages.

Technology

Our business is driven by data and technology at all stages of the sale process, from inventory purchasing, reconditioning, photography, and annotation through online merchandising, sales, automobile financing, trade-ins, logistics, and delivery. Carvana's proprietary, custom built, and exclusive-use technology portfolio includes:

- a decision model for consolidating internal and external data to provide profitability estimates for inventory available for purchase on the basis of quality, inventory fit, consumer desirability, relative value, expected reconditioning costs, and vehicle location;
- an inventory management system that handles vehicles from acquisition through photography;
- a suite of technology applications that automates integration of systemized standards for process flow, reconditioning standards, and parts procurement at our network of Reconditioning Sites;
- an automated photography technology system that combines high-quality photos to produce an interactive, 360-degree virtual tour of both the exterior and interior of the vehicle, and creates a 3D model of the car allowing for future innovations;
- a website that includes advanced filtering and search technology that helps customers find a car that suits their tastes;
- a logistical model to optimize the transport of purchased inventory to and from the customer;
- an automated delivery tower, or vending machine, including customer experience enhancements such as automatically generated video (suitable for posting to social media) that captures the customer's pick-up experience;
- artificial intelligence technology used to power chatbots that streamline customer communication paths and assist customers and customer advocates in navigating the purchase process, to improve internal work efficiencies, and to enhance our recruitment and hiring processes; and
- sophisticated predictive models and application programming interfaces developed for our automobile finance services and consumer lending applications, process, and terms.

We also rely on third-party technology, including network infrastructure for our website and inventory, software to assist with customer interactions, and technology relating to our vending machines and transportation fleet.

Intellectual Property

We protect our intellectual property through a combination of trademarks, domain names, copyrights, trade secrets, patents, and contractual provisions and restrictions on access and use of our proprietary information and technology.

As of December 31, 2024, we hold 41 issued U.S. patents, which cover our vending machine technology, photo technology, website user interface technology, personalization methods for displaying digital media and imaging technology,

search and display technology, and artificial intelligence technology, and five issued international patents covering our photo technology. These patents have been held for between eight years and less than one year.

As of December 31, 2024, we have 27 domestic trademark registrations and six international trademarks in active use, including registrations for "Carvana," the Carvana design mark, the Carvana logo, and various slogans, and we are the registered holder of a variety of domestic and international domain names, including "carvana.com."

In addition to the protection provided by our intellectual property rights, we enter into confidentiality and proprietary rights agreements with our new employees, consultants, contractors, and business partners. We also require all new employees and most contractors to execute intellectual property assignment agreements and certain third parties to enter into nondisclosure agreements. Finally, we further control the use of our proprietary technology and intellectual property through provisions in both the general and product-specific terms of use on our website.

We have a cross-license agreement with DriveTime Automotive Group, Inc. (together with its subsidiaries and affiliates, other than us, "DriveTime"), a related party of the Company, pursuant to which DriveTime has obtained limited licenses to some of our intellectual property.

Human Capital

Carvana's mission is to change the way people buy cars, and achieving that mission would not be possible without attracting, engaging, and retaining high quality team members who view their work as more than just a job. We want our workplaces safe, our benefits and wages competitive, and our culture positive and collaborative. We believe in the importance of our teams' satisfaction and development. We continually invest in our team members by strengthening internal recruiting, talent development and engagement, as well as through committees, and programs that support our team members, supplemented by external resources, such as quarterly surveys to help gauge employee satisfaction.

We invest in our team members' development specifically by aiming to develop robust career paths and providing opportunities for training, mentorship, and upward mobility. We are an equal opportunity employer, and it is important to us that our development plans and programs are inclusive. Our Carvana Communities program supports our team in creating and leading company affinity groups open to all employees, with a mission of support, inclusion, and connection throughout Carvana. Our Carvana Cares program also reflects our shared values by providing platforms and resources to give back to the community and support causes that are important to our team members, customers, and communities. Additionally, our Learning Management System provides broader access to training and development information and resources across Carvana to foster a culture of continual growth and enrich the work environment for all teammates.

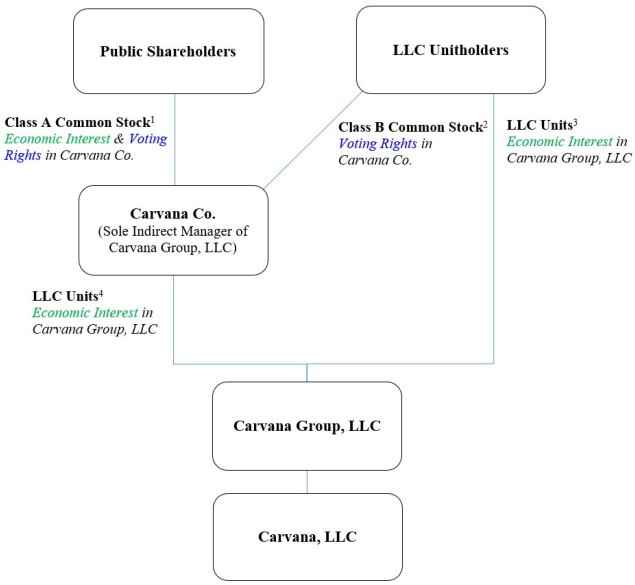
We consider our relationship with our team to be positive, and it is in large part because of their passion and hard work that Carvana is now one of the largest used automotive retailers in the U.S. As of December 31, 2024, we had over 17,400 full-time and part-time employees.

Seasonality

We expect to experience seasonal and other fluctuations in our quarterly operating results, including as a result of macroeconomic conditions, which may not fully reflect the underlying performance of our business. Used vehicle sales generally exhibit seasonality with sales peaking late in the first calendar quarter and diminishing through the rest of the year, with the lowest relative level of vehicle sales expected to occur in the fourth calendar quarter. Due to our historical and current rapid growth, our overall sales patterns in the past have not always reflected the general seasonality of the used vehicle industry. However, as our business continues to mature, our results may become more reflective of typical market seasonality. Used vehicle prices also exhibit seasonality, with used vehicles generally depreciating at a faster rate in the fourth and first quarters of each year and a slower rate in the second and third quarters of each year, all other factors being equal.

Organizational Structure

The following chart summarizes our organizational structure as of December 31, 2024. This chart is provided for illustrative purposes only and does not purport to represent all legal entities owned or controlled by us (footnote shares and units in thousands):



(1) 133,271 shares of Class A Common Stock issued and outstanding as of December 31, 2024, representing a 62.3% economic interest in Carvana Group, LLC through Carvana Co.

(2) 79,119 shares of Class B Common Stock issued and outstanding as of December 31 2024.

(3) 100,953 Carvana Group LLC Units (the "LLC Units"), held by holders of such units (the "LLC Unitholders"), issued and outstanding as of December 31, 2024, representing 80,713 shares of Class A Common Stock on an as-exchanged basis (adjusted for participation thresholds and the closing price of Class A Common Stock on December 31, 2024) and a 37.7% economic interest in Carvana Group, LLC.

(4) 166,419 LLC Units held by Carvana Co., issued and outstanding as of December 31, 2024.

Government Regulation

Industry and Vehicle Dealer Laws and Regulations

Various aspects of our business are or may be subject to U.S. federal, state, and municipal regulation. In particular, the advertising, sale, purchase, financing, and transport of motor vehicles are highly regulated by states in which we do business and by the U.S. federal government. The regulatory bodies that regulate the Company and our business include at the federal level: the Consumer Financial Protection Bureau, the Federal Trade Commission, the United States Department of Transportation, the Occupational Health and Safety Administration, the Department of Justice, the U.S. Securities and Exchange Commission (the "SEC"), and the Federal Communications Commission; at the state level: various state dealer licensing authorities, state consumer protection agencies including state attorney general offices, and state financial regulatory agencies; and at the municipal level: various municipal authorities covering licensing, zoning, occupancy, and tax obligations. We are subject to compliance audits of our operations by many of these authorities.

Certain states have concluded that our activities are subject to vehicle dealer licensing laws, requiring us to maintain a used vehicle dealer license in order to conduct business in that state. In certain other states, we have elected to obtain a vehicle dealer license to maximize operational flexibility and efficiency and invest in relationships with state regulators. As of December 31, 2024, we have at least one licensed facility in 39 states throughout the U.S.

Most states regulate retail installment sales, including setting a maximum interest rate, caps on certain fees, or maximum amounts financed. In addition, certain states require that we file a notice of intent or have a sales finance license or an installment sellers license in order to solicit or originate installment sales in that state. In certain other states, we have chosen to obtain such a license to invest in relationships with state regulators. We have obtained a sales finance license or installment seller license, or have filed consumer credit notices, in 31 states throughout the U.S., as of December 31, 2024.

Environmental Laws and Regulations

We are subject to a variety of federal, state, and local environmental laws and regulations that pertain to our operations. The regulations concern air and water quality, as well as material storage, handling, and disposal. The regulations also regulate our use and operation of gasoline dispensing tanks and equipment, oil tanks, and paint booths among other things. Our business involves the use, handling, and disposal of hazardous materials and wastes, including motor oil, gasoline, solvents, lubricants, paints, and other substances. We manage our compliance through permitting, operational, and engineering controls. Compliance with these laws and regulations did not have a material effect on our capital expenditures, earnings or competitive position in 2024 and is not expected to in 2025.

For a discussion of the various risks we face from regulation and compliance matters, see Part I, Item 1A "Risk Factors—Risks Related to Our Business—We operate in several highly regulated industries and are subject to a wide range of federal, state, and local laws and regulations. Changes in these laws and regulations, or our actual or alleged failure to comply with such laws and regulations, could have a material adverse effect on our business, results of operations, and financial condition."

Available Information

General information about us can be found at investors.carvana.com. The information contained on or connected to our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report filed with the SEC. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments to those reports, are available free of charge through our website as soon as reasonably practicable after we file them with, or furnish them to, the SEC. The SEC maintains a website at www.sec.gov that contains reports, proxy statements, and other information regarding SEC registrants, including Carvana Co.

ITEM 1A. RISK FACTORS.

Described below are certain risks to our business and the industry in which we operate. You should carefully consider the risks described below, together with the financial and other information contained in this Annual Report on Form 10-K and in our other public disclosures. If any of the following risks actually occurs, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. As a result, our future results could differ materially from historical results and from guidance we may provide regarding our expectations of our future financial performance, and the trading price of our Class A common stock could decline.

Risk Factors Summary

The following is a summary of the principal factors that make an investment in our securities speculative or risky, all of which are more fully described below in this section. This summary should be read in conjunction with the full description of "Risk Factors" in this section and should not be relied upon as an exhaustive summary of the material risks facing our business. In addition to the following summary and the information in this section, you should consider the other information contained in this Annual Report on Form 10-K before investing in our securities.

Risks Related to Our Business

- risks related to the larger automotive ecosystem, including consumer demand, global supply chain challenges, and other macroeconomic issues;
- our ability to raise additional capital to pursue our objectives;
- our ability to effectively manage our rapid growth;
- our ability to maintain customer service quality and reputational integrity and enhance our brand;
- the seasonal and other fluctuations in our quarterly and annual operating results;
- our relationship with DriveTime and other entities affiliated with our controlling stockholder;
- our ability to compete in the highly competitive industry in which we participate;
- the changes in prices of new and used vehicles;
- our ability to acquire and expeditiously sell desirable inventory;
- our ability to comply with the laws and regulations to which we are subject;
- our ability to grow complementary product and service offerings;
- our reliance on internal and external logistics to transport our vehicle inventory;
- our ability to protect the personal information and other data that we collect, process and store;
- breaches in our cybersecurity measures and disruptions in availability and functionality of our systems, website, and mobile application;
- our ability to protect our intellectual property, technology, and confidential information;
- our ability to obtain adequate insurance and the affordability of such insurance;
- our dependence on key personnel to operate our business;
- the risk of receiving less than the full amount of benefit we expect to receive from our minority equity investment in Root, Inc.;
- risks associated with acquisitions and strategic initiatives;
- legal proceedings; and
- our management's accounting judgments and estimates, as well as changes to accounting policies.

Risks Related to Our Automotive Finance Receivables

- our dependence on the sale of automotive finance receivables for a substantial portion of our gross profit;
- our access to capital markets at competitive rates and in sufficient amounts;
- errors in contracts with customers, which could render them unenforceable or ineligible for sale;
- the risks related to greater credit losses or prepayments with respect to our automotive finance receivables held; and
- the risk retention rules.

Risks Related to Our Organizational Structure

- the nature of being a holding company;
- the potential for conflicts of interest between our stockholders and LLC Unitholders; and
- risks related to payments due to LLC Unitholders under the Tax Receivable Agreement, if we derive benefits from using certain tax attributes; and
- our status as a "controlled company."

Risks Related to Our Indebtedness and Liquidity

- our substantial indebtedness; and
- our ability to generate sufficient cash flow.

Risks Related to Ownership of our Class A Common Stock

- the volatile trading price of our Class A common stock;
- the Garcia Parties' control us and their interests may conflict with our or our stockholders' interests;
- dilution due to issuance of additional Class A common stock or LLC Units in the future;
- we may issue shares of preferred stock in the future;
- Delaware law and our charter may prevent stockholders from changing decisions made by management; and
- the Court of Chancery of the State of Delaware is the sole and exclusive forum for certain stockholder litigation.

Risks Related to Our Business

Our business is subject to risks related to the larger automotive ecosystem, including consumer demand, global supply chain challenges, and other macroeconomic issues.

Our business is affected by industry and economic conditions. Purchases of new and used vehicles are typically discretionary for consumers and have been, and may continue to be, affected by negative trends in the economy. Consumer purchases of new and used vehicles generally decline during recessionary periods and other periods in which disposable income is adversely affected. Inflationary impacts on labor, materials, fuel, and other vehicle costs and services, as well as scarcity of certain products, have caused increased vehicle prices, which have adversely affected, and may continue to adversely affect, the market for used vehicles. In 2022 and 2023, as a result of changes in the economy, the market, and the industry, we shifted our focus to driving profitability through fundamental operating efficiency. Even though we were able to shift our focus towards long-term growth in 2024, if economic conditions worsen or a recession occurs, we have been and may again be required to take stricter measures to protect our business. Those measures, including restructurings and cost savings, could materially adversely affect our business, operations, and financial results.

Adverse conditions affecting one or more automotive manufacturers could also impact the supply of vehicles and our inventory, change consumer car purchasing behaviors, and have a material adverse effect on our sales and results of operations. Manufacturer recalls and the increased regulatory scrutiny surrounding selling used vehicles with open safety recalls could adversely affect used vehicle sales or valuations, cause us to temporarily remove vehicles from inventory, cause us to sell affected vehicles at a loss, cause us to incur increased costs, and expose us to litigation and adverse publicity related to the sale of recalled vehicles. Further adverse conditions, including labor disruptions at manufacturer facilities, may affect the market for new vehicles, thereby affecting the supply and market for used vehicles.

Increased environmental regulation has also made, and may in the future make, used vehicles more expensive and less desirable for consumers. Our business may also be negatively affected by challenges to the larger automotive ecosystem, including global health crises, such as the past COVID-19 pandemic, which may impact workforces, operations, and consumer behavior; increase in urbanization, which may decrease demand for vehicles due to the popularity of rideshare services such as Uber and Lyft; global supply chain challenges; military conflicts, such as the conflict in Ukraine and the Middle East, or changes in relations between countries, such as between the United States, China, and Taiwan; and other macroeconomic issues. New technologies such as autonomous driving software and the increasing popularity of electric vehicles also have the potential to change the dynamics of vehicle ownership in the future. In addition, technology related to generative AI is advancing rapidly, and its future impact on the automotive ecosystem is unknown. Finally, any new or increased tariffs or other trade restrictions implemented by the U.S. federal government or other countries may change vehicle supply or the supply of important vehicle parts and components, as well as customer vehicle purchasing behavior. Any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

We may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances. If such capital is not available to us, our business, operating results, and financial condition may be harmed.

We may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances, including to increase our marketing expenditures to improve our brand awareness, build and maintain our inventory of quality used vehicles, develop new products or services, further improve existing products and services, enhance our operating infrastructure, fund our growth or expansion into new markets, implement strategic initiatives,

or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional capital. However, additional capital may not be available when we need it, on terms that are acceptable to us, or at all. In addition, any debt financing that we secure in the future could involve restrictive covenants which may make it more difficult for us to obtain additional capital and to pursue business opportunities. For example, the indentures governing our Senior Secured Notes limit our ability and certain of our subsidiaries' ability to, among other things, incur additional debt or issue preferred stock, create new liens, create restrictions on intercompany payments, pay dividends and make other distributions, designate unrestricted subsidiaries, redeem or repurchase stock or prepay subordinated indebtedness, make certain investments or certain other restricted payments, guarantee indebtedness, sell certain kinds of assets, including assets securing our Senior Secured Notes, enter into certain types of transactions with affiliates, and effect mergers or consolidations. See Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Volatility in the credit markets may also have an adverse effect on our ability to obtain debt financing. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges or unforeseen circumstances could be significantly limited, and our business, operating results, financial condition and prospects could be adversely affected.

Our rapid growth may not be indicative of our future growth and, if we continue growing rapidly, we may not be able to manage our growth and profitability effectively.

Our history has often been characterized by rapid growth. For our revenues and profits to grow, we need a healthy industry and macroeconomic environment, and to successfully increase our penetration in existing markets, enter new markets, acquire more new and repeat customers, further improve the quality of our product offering, features, and complementary products and services, introduce high quality new products, services, and features, expand our brand awareness, and carry sufficient inventory with high enough quality and low enough cost to meet the demand for our vehicles. We have no control over the industry and macroeconomic environment we face, as occurred in 2022 and 2023, and our business strategy has and may be adversely affected as a result. Further, even if we succeed and our revenue and profits increase, we may not achieve historical rates of growth.

Our historical and current rapid growth has placed and may continue to place significant demands on our management and our operational and financial resources. We have in the past expended, and may again expend, substantial financial and other resources on marketing and advertising, inventory expansion, production capacity expansion, and general administration expenses related to being a growing public company. If we cannot manage our growth effectively to maintain profitability, as well as the quality and efficiency of our customers' car-buying and selling experience, our business could be harmed and our results of operations and financial condition could be materially and adversely affected.

Our failure to maintain our reputation and to otherwise maintain and enhance our customer service quality and brand could adversely affect our business, sales, and results of operations.

Our business model is based on our ability to provide customers with a transparent and simplified solution to car buying and selling that will save them time and money. Accordingly, our ability to consistently deliver a high-quality experience and our reputation as a company of integrity are critical to our success. Thus, we rely heavily on marketing and advertising to increase brand visibility. If we fail to maintain the high standards on which our reputation is built, or if an actual, or alleged failure of these standards occurs that damages this reputation, it could adversely affect consumer trust, customer demand, and our marketing and branding efforts, and have a material adverse effect on our business, sales, and results of operations. Even the perception of a decrease in the quality of our customer service or brand could impact our results. The operationally intensive aspect of our offering and the nature of automotive retail that necessitates the use of third-party vendors and systems to complete certain ancillary parts of the customer transaction (e.g., vehicle inspections, submitting title and registration paperwork to vendors or state entities) makes maintaining the quality of our customer experience a particularly difficult challenge. For example, we have been the subject of various complaints relating to the timely delivery of certificates of title and registration, and vehicle quality. While we do not believe these claims are material, irrespective of their validity, any claims, complaints, or negative publicity could diminish customer confidence in our platform and adversely affect our brand. The use of social media increases the speed with which information, misinformation, and opinions can be shared and thus the speed with which our reputation can be affected. Negative or inaccurate postings, articles, or comments on social media, the internet, or the press about us have, from time to time, generated negative publicity that damages the reputation of our brand. If we fail to correct or mitigate misinformation or negative information about us, the vehicles we offer to sell or purchase, our customer experience, or any aspect of our brand, including information spread through social media or traditional media channels, it could have a material adverse effect on our business, sales, and results of operations.

We experience seasonal and other fluctuations in our quarterly and annual operating results, which may not fully reflect the underlying performance of our business.

Our quarterly and annual results of operations, including our revenue, gross profit, and cash flow, vary from quarter to quarter and year to year based in part on, among other things, consumers' car-buying patterns. Used vehicle sales generally exhibit seasonality with sales typically peaking late in the first calendar quarter (coinciding with the time when the federal government issues tax refunds) and diminishing through the rest of the year, with the lowest relative level of sales expected to occur in the fourth calendar quarter. Due to our historical and current rapid growth, our overall sales patterns in the past have not always reflected the general seasonality of the used vehicle industry. However, as our business and markets continue to mature, we expect our results to become more reflective of typical market seasonality. Used vehicle prices also exhibit seasonality, with used vehicles generally depreciating at a faster rate in the fourth and first quarters of each year and a slower rate in the second and third quarters of each year, all other factors being equal. Other factors that cause our quarterly and annual results to fluctuate include, without limitation:

- profitability or other initiatives;
- fluctuations in consumer demand, vehicle supply, and labor supply due to macroeconomic conditions;
- the timing of sales of our automotive finance receivables;
- our ability to attract new customers;
- changes in the competitive dynamics of our industry;
- the regulatory environment;
- expenses associated with unforeseen quality issues and manufacturer recalls;
- the speed, persistence, and aggregate level of inflation;
- the pace and level of changes in benchmark interest rates; and
- litigation or other claims against us.

In addition, a significant portion of our expenses are fixed and do not vary proportionately with fluctuations in revenues. Accordingly, our results in any quarter or year may not indicate the results we may achieve in any subsequent quarter or for the full year, and period-to-period comparisons of our operating results may not be meaningful.

We maintain a business relationship with DriveTime Automotive Inc. and other entities affiliated with our controlling stockholders for certain services and processes.

We maintain a business relationship with DriveTime, a related party due to the Garcia Parties' control and ownership of substantially all of the interests in DriveTime. We benefit from our relationship and a series of arrangements with DriveTime and its affiliates that cannot be assumed to have been negotiated at arm's length. We continue to periodically engage DriveTime, its affiliates, and other entities controlled by our controlling stockholder to provide us with certain services, including lease agreements and the administration of VSCs. DriveTime has also in the past and may in the future purchase or sell certain vehicles or automotive finance receivables from or to us. Finally, before and after we sell automotive finance receivables originated by us, DriveTime performs ongoing servicing and collections. There can be no assurance that DriveTime and the other affiliates will continue these arrangements on similar terms, or at all, and as a result our financial condition and results of operations may be adversely affected and historical costs may not always accurately reflect future costs and expenses.

We participate in a highly competitive industry; pressure from existing and new companies may adversely affect our business and operating results.

The used car marketplace is a highly fragmented and highly competitive industry. We face significant competition from companies that provide listings, information, lead generation, and car-buying and selling services designed to reach businesses and consumers and enable dealers to reach these consumers and inventory sources. Our current and future competitors may include:

- traditional used vehicle dealerships such as CarMax;
- internet and online automotive sites, such as Amazon, Autobytel, AutoTrader, Cars, Carfax, CarGurus, eBay Motors, Edmunds, Google, KBB, and TrueCar;
- providers of offline, membership-based car-buying services such as the Costco Auto Program;
- new and used vehicle dealers or marketplaces with e-commerce business or online platforms;

- marketplaces that could compete with our wholesale marketplace program;
- automobile manufacturers such as Ford, General Motors, Toyota, Volkswagen, Tesla, Rivian, and Lucid; and
- privately negotiated transactions.

We also expect that competitors, both new and existing, will continue to enter the online and traditional automotive retail industry with competing brands, business models, products, and services, which could make it difficult to acquire inventory, attract customers, and sell vehicles at a profitable price. Some of these companies may have significantly greater resources than we do and may be able to provide customers access to a greater inventory of vehicles at lower prices or purchase vehicles from consumers at higher prices while delivering a competitive online experience. Additionally, there can be no assurance we will not experience competition from DriveTime, the company from which we were spun off and with which we currently have certain business relationships. Furthermore, we have a cross-license agreement with DriveTime pursuant to which DriveTime has obtained limited licenses to some of our intellectual property, which could impact our competitive position.

Our competitors may also develop and market new technologies that render our existing or future business model, products, and services less competitive, unmarketable, or obsolete. For example, rapid changes in technology, including rideshare services and the development of autonomous vehicles (including Waymo, which is offering autonomous ride-hailing services in certain markets), could lead to a decrease in demand for our products. Competitors may also impede our ability to reach consumers or commence operations in certain jurisdictions. For example, we depend in part on internet search engines, lead generators, automotive finance partners, social networking sites, and vehicle listing sites to drive traffic to our website and mobile application and our competitors may increase their search engine optimization efforts and outbid us for search terms on various search engines, use their political influence and increase lobbying efforts, or align with Internet search engine providers to receive a higher search result page ranking than ours. Any reduction in the number of users directed to our website and mobile application through internet search engines, lead generators, automotive finance providers, social networking sites, or vehicle listing sites, could harm our business and operating results. In addition, technology related to generative AI is advancing rapidly, and its future impact on the automotive ecosystem is unknown.

Private plaintiffs and federal, state, and local regulatory and law enforcement authorities continue to scrutinize advertising, sales, financing, and insurance activities in the purchase, sale, and leasing of used vehicles. If, as a result, other automotive retailers adopt more transparent, consumer-oriented business practices, our differentiation versus those retailers could be reduced.

In addition, if one or more of our competitors, or DriveTime, were to merge or partner with another of our competitors, the change in the competitive landscape could adversely affect our ability to compete effectively. Our competitors may also establish or strengthen cooperative relationships with our current or future data providers, technology partners, or other parties with whom we have relationships, thereby limiting our ability to develop, improve, and promote our solutions. We may not be able to compete successfully against current or future competitors, and competitive pressures may harm our revenue, business, and financial results.

Our business is sensitive to changes in the prices of new and used vehicles.

Any significant changes in prices for new or used vehicles could have a material adverse effect on our revenues and results of operations. An overall increase in prices or monthly payments for used vehicles, including as a result of increased interest rates customers face when financing a vehicle, makes it difficult for certain customers to afford to purchase a vehicle. Similarly, if prices for used vehicles rise relative to prices for new vehicles, it could make buying a new vehicle more attractive to our customers than buying a used vehicle. Manufacturer incentives could also contribute to narrowing this price gap. In addition, while lower used vehicle prices reduce our cost of acquiring new inventory, lower prices could also lead to reductions in the prices at which we can sell such inventory, which could have a negative impact on gross profit. Furthermore, any significant changes in wholesale prices for used vehicles could have a material adverse effect on our results of operations by reducing wholesale margins.

Our business is dependent upon our ability to acquire desirable vehicles and parts used to recondition vehicles, and to expeditiously sell such vehicle inventory. Obstacles to acquiring and selling attractive inventory, whether because of supply, competition, or other factors, could have a material adverse effect on our business, sales, and results of operations.

We acquire vehicles for sale through numerous sources, including directly from consumers, from wholesale auctions, including our wholesale marketplace, from other large fleet operators, from original equipment manufacturers, and from other retailers, which are evaluated for mechanical soundness, consumer desirability, and relative value as prospective inventory. There can be no assurance that the supply or price of desirable used vehicles will be sufficient to meet our needs. If we fail to

adjust appraisal offers to stay in line with broader market trade-in offer trends, to recognize those trends, or to properly assess vehicles before we purchase them, it could adversely affect our ability to acquire desirable inventory. Further, we rely on agreements with third-parties to finance our vehicle inventory purchases, and may require additional financing arrangements in the future. If we are unable to extend the current financing agreements on favorable terms or at all, if the agreements expire and are not renewed, if new financing arrangements are at higher interest rates or with less favorable terms, or if we are unable to secure new financing, our inventory supply may decline. A reduction in the availability of or access to sources of desirable inventory, including parts necessary to recondition such inventory, whether due to supply chain constraints, pricing, or otherwise, could have a material adverse effect on our business, sales and results of operations.

It is also common that commercial suppliers of used vehicles regularly review their relationships with used vehicle disposition channels, such as our wholesale marketplace platform or retail marketplace offering, through written requests for proposals. Such suppliers may from time to time require us to change the way we do business as part of the request for proposal process or provide services on less favorable terms. There can be no assurance that our existing agreements will not be canceled or that we will be able to enter into future agreements with these or other suppliers on similar terms, or at all.

Finally, used vehicle inventory has typically represented a significant portion of our total assets. Having such a large portion of our total assets in the form of used vehicle inventory for an extended period of time subjects us to depreciation, inflation, and other risks, which have in the past and may again affect our results of operations. Our purchases of used vehicles are based in large part on projected demand. If actual sales are materially less than our forecasts, we have and may again experience an over-supply of used vehicle inventory. An over-supply of used vehicle inventory will generally cause downward pressure on our product sales prices and margins and increase our average days to sale. This increase has and may again subject us to accelerated depreciation of our vehicle inventory due to changes in economic conditions, which could result in reduced retail and wholesale margins. Accordingly, if we have excess inventory or our average days to sale increases, we may be unable to liquidate such inventory at prices that allow us to meet margin targets or to recover our costs, which could have a material adverse effect on our results of operations.

We operate in several highly regulated industries and are subject to a wide range of federal, state, and local laws and regulations. Changes in these laws and regulations, or our actual or alleged failure to comply with such laws and regulations, could have a material adverse effect on our business, results of operations, and financial condition.

We are subject to a wide range of evolving federal, state, and local laws and regulations, many of which may have limited to no interpretation precedent as it relates to our business model. Our sale and purchase of used vehicles and related activities, including financing our customers' acquisition of those vehicles, shipping and delivery of vehicles and the sale of complementary products and services, are subject to state and local licensing requirements, state laws, regulations, and systems and process requirements related to title and registration, state laws regulating the sale of motor vehicles and related products and services, federal and state laws regulating advertising of motor vehicles and related products and services, federal and state consumer protection laws prohibiting unfair, deceptive or misleading practices toward consumers, customer insurance related regulations, regulations governing the internet, e-commerce or mobile commerce, anti-money laundering regulations, and labor laws.

Dealer and Finance Licensing Regulations: Regulators in jurisdictions in which we have a dealer or finance license have in the past, and may in the future, impose economic fines, suspend or revoke our license, or otherwise preclude us from buying or selling vehicles or providing financing products to customers. Regulators in jurisdictions where our customers reside but in which we do not have a dealer or financing license could require that we obtain a license or otherwise comply with various state regulations, and may seek to impose punitive fines for operating without a license or demand we seek a license in those jurisdictions, any of which may inhibit our ability to do business in those jurisdictions, increase our operating expenses and adversely affect our financial condition and results of operations.

Telephone Consumer Protection Act ("TCPA"). We utilize telephone calls and text messaging as a means of communicating with and marketing to consumers, some of which activities are regulated by the TCPA. Consumers have in the past and may in the future allege violations of the TCPA, and if we fail to adhere to or successfully implement appropriate processes and procedures in response to existing or future marketing regulations, it could result in legal and monetary liability, fines, penalties, or damage to our reputation. Further restrictions may also adversely affect our ability to attract customers.

Environmental, Transportation, and Logistics Related Laws and Regulations. Our facilities and business operations are subject to a variety of laws and regulations relating to environmental protection and health and safety. Our logistics operations, which we depend on to transport vehicles to and from wholesale auctions, our IRCs, our vending machines, our hubs, and our customers, are subject to regulation by the DOT and by the states through which our vehicles travel. New or additional

restrictive limitations on the transport of vehicles, such as the California Zero Emission Vehicle program, could increase our operating expenses.

Finance Related Laws and Regulations. The financing we offer to customers is subject to state licensing laws and to federal and state laws regulating the advertising and provision of consumer finance options, the collection of consumer credit and financial information, along with requirements related to online payments and electronic funds transfers.

The violation of any laws or regulations could inhibit our ability to execute our business, result in administrative, civil, or criminal penalties, or in a cease-and-desist order against some or all of our business activities, any of which could damage our reputation and have a material adverse effect on our business, sales, and results of operations. Additionally, even an allegation that we violated these laws by regulators, competitors, individuals, or consumers, could result in costly litigation with uncertain results. We have incurred and will continue to incur capital and operating expenses and other costs to comply with these laws and regulations.

This description of laws and regulations to which we are or may be subject is not exhaustive, and the regulatory framework governing our operations is subject to evolving interpretations and continuous change. For additional information regarding government regulations and compliance matters we are subject to, see Part I, Item 1 "Business—Government Regulation." The enactment of new laws and regulations or the interpretation of existing laws and regulations in an unfavorable way may affect the operation of our business, directly or indirectly, which could result in substantial regulatory compliance costs, civil or criminal penalties, including fines, adverse publicity, decreased revenues, and increased expenses.

Our ability to grow our complementary product and service offerings may be limited, which could negatively impact our growth rate, revenues and financial performance.

We plan to continue to utilize our online sales platform to offer additional complementary products and services, which may include services or products involving other inventory sources, new vehicles, additional trade-in options, additional financing options, various forms of insurance related to vehicle condition, property and casualty, or other insurance products, subscription services, shipping services, GAP waivers, customized accessories, leasing, or maintenance. We may incur losses or otherwise fail to enter these markets successfully. Our expansion into these markets also places us in competitive and regulatory environments with which we are unfamiliar and involve various risks, including the need to invest significant resources and the possibility that returns on such investments will not be achieved for several years, if at all. In attempting to establish new service or product offerings, we incur significant expenses and face various other challenges, such as expanding our customer advocate, management, and compliance personnel to cover new markets. In addition, we may not successfully demonstrate the value of these complementary products and services to consumers, and failure to do so would compromise our ability to successfully expand into these additional revenue streams. Any of these risks, if realized, could adversely affect our business and results of operations.

We rely on internal and external logistics to transport our inventory throughout the United States, which subjects us to business risks and costs associated with the transportation industry. Many of these risks and costs are out of our control, and any of them could have a material adverse effect on our business, financial condition, and results of operations.

We rely on a combination of internal and external logistics to transport vehicles to and from wholesale auctions, IRCs, hubs, vending machines, and our customers. As a result, we are exposed to risks associated with the transportation industry such as weather, traffic patterns, gasoline prices, recalls affecting our vehicle fleet, local and federal regulations, vehicular crashes, insufficient internal capacity, rising prices of transportation vendors, taxes, license and registration fees, insurance premiums, self-insurance levels, difficulty in recruiting and retaining qualified drivers, disruption of our technology systems, equipment supply, equipment quality, and increasing equipment and operational costs. Our failure to successfully manage our logistics and fulfillment process could cause a disruption in our inventory supply chain and distribution, which may adversely affect our operating results and financial condition.

We collect, process, store, share, transmit, disclose, and use information, including personally identifiable information, and implement artificial intelligence technology in certain offerings. Our actual or perceived failure to protect such information and data, comply with privacy and security-related requirements, mitigate data loss, and/or prevent a cybersecurity or other incident could damage our reputation and harm our business and operating results.

We collect, process, store, share, transmit, disclose, and use sensitive information and other data provided by consumers, employees, and business partners, including personally identifiable information ("PII"), to support our business operations. This information may include social security numbers, credit scores, credit card information, and financial information. Although we

have taken measures designed to safeguard such information and have received assurances from our third-party providers, our facilities and systems, and those of third-party providers, could be vulnerable to external or internal security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors, or other similar events. Additionally, our increased use of artificial intelligence ("AI") technology through third party generative AI platforms and internal software to, for example, power our chatbots that streamline customer interactions and assist customers in navigating the purchasing process, improve internal work efficiencies, and enhance our recruitment and hiring processes, may result in cybersecurity, data privacy, and labor and employment risks. Uncertainty around new and emerging AI technologies, including increased regulatory oversight, may require additional investment in the development and maintenance of proprietary datasets and machine learning models and development of appropriate protections and safeguards for handling the use of customer and employee data with AI technologies, which may be costly. Furthermore, any sensitive information (including regulated, proprietary, and confidential information, including PII) that we input into a third-party generative AI platform could be leaked or disclosed to others, including if sensitive information is used to train the third parties' AI model. Further, bad actors around the world use increasingly sophisticated methods, including the use of AI, to engage in illegal activities involving the theft and misuse of PII, confidential information, and intellectual property. The use of AI tools and programs by new or existing vendors may also introduce unique vulnerabilities whose existence or exploitation could have a material adverse effect on our business or operations.

We are subject to numerous and rapidly evolving federal, state, and local laws regarding privacy, cybersecurity and the collection, use, and disclosure of PII and other data. Many states, including California, have implemented laws that give consumers expanded rights to manage their personal information, adding to the evolving patchwork of U.S. privacy and cybersecurity law. In addition, cybersecurity has become a high priority for regulators, and some jurisdictions have enacted laws setting forth cybersecurity compliance standards and/or requiring companies to notify certain parties of data security breaches involving certain types of personal data. The SEC has adopted rules for public companies, requiring the mandatory disclosure of material cybersecurity incidents and the Federal Trade Commission and the New York Department of Financial Services have both also increased incident reporting and expanded cybersecurity program requirements. Any failure or perceived failure to maintain the security of and/or adhere to privacy-related obligations related to personal and other data that is provided to us by consumers, employees, and vendors, or any failure or perceived failure to appropriately report and respond to cyber incidents under expanded requirements, could harm our reputation and expose us to a risk of loss or litigation, regulatory scrutiny or enforcement actions, and possible liability, any of which could adversely affect our business and operating results.

If our cybersecurity measures are breached or there is a disruption in our technology systems, our business, brand, operating results, and financial condition could be harmed.

We are highly dependent on technology networks and infrastructure for our business. Our brand, reputation, and ability to attract consumers depend on the safe and reliable performance of our website and mobile application and the supporting systems, technology, and infrastructure, such as our logistics network. Although we consider cybersecurity protection and system stability to be an important piece of our business, strategy, and management, we have in the past and may in the future experience potentially significant interruptions to our systems. Interruptions in these systems, whether due to system failures, programming or configuration errors, computer viruses, or physical or electronic break-ins, including from ransomware or distributed denial of service attacks, could prevent us from selling cars, providing customary financing options to our customers, limit the availability of the inventory on our website and mobile application, prevent or inhibit consumers from accessing our website or mobile application, delay our communication, or cause a breach of data (including PII).

If an actual or perceived breach of our security occurs or there is a disruption in our technology systems, we could lose competitively sensitive business information, intellectual property or lose control of our information processes or internal controls. In addition, the public perception of the effectiveness of our security measures or services could be harmed, and we could lose employees, customers, and business partners. In the event of a security breach, we could suffer financial exposure in connection with demands from perpetrators, penalties and fines, remediation efforts, investigations and legal proceedings, and changes in our security and system protection measures. In the event of an error, defects, disruptions, or other performance or reliability problems with our network operations, our customers' physical or electronic access to our inventory, or purchase, financing, and fulfillment process, and our access to data that drives our inventory purchase operations could be interrupted as well as cause delays and additional expense in arranging access to new facilities and services, any of which could harm our reputation, business, operating results, and financial condition.

A significant portion of our technology footprint, including the technology and infrastructure that supports our website and mobile applications, is hosted in third-party data center facilities that we do not own or control. Our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, telecommunications failure, terrorist attacks, acts of war,

electronic and physical break-ins, computer viruses, earthquakes, and similar events. The occurrence of any of these events could damage our systems and hardware or could cause them to fail which could result in interruptions in the delivery of our services or impair our operations, negatively impacting sales and operating results. Further, any problems faced by our web-hosting providers could adversely affect the experience of our customers, and if our web-hosting providers are unable to keep up with our growing capacity needs, our business could be harmed.

Failure to adequately protect our intellectual property, technology, and confidential information could reduce our competitiveness and harm our business and operating results.

Our business depends on our intellectual property, including proprietary algorithms, inventions, website content, mobile applications, trademarks, trade dress rights, registered domain names, AI technology, vending machine design and systems, and other confidential information, the protection of which is crucial to the success of our business. We rely on a combination of patents, trademarks, trade secrets, copyrights, and contractual restrictions to protect our intellectual property, technology, and confidential information. We also require all of our new employees and most contractors to enter into intellectual property assignment agreements and certain third parties to enter into nondisclosure agreements. However, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property, or technology, or grant all necessary rights to any inventions that may have been developed by the employees and consultants. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our website or mobile application features, software, and functionality, or to obtain and use information that we consider proprietary. Changes in the law or adverse court rulings may also limit the scope of our rights and inhibit us from preventing others from using our technology. Finally, the introduction of AI tools, such as our chatbot, into our business has also increased the risk of inadvertent disclosure of proprietary information and trade secrets. Steps taken to mitigate this risk, including agreements with vendors and policies relating to the safe use of AI tools may not effectively protect proprietary information and any incidents of inadvertent disclosure could undermine our intellectual property rights.

We may, and occasionally in the ordinary course of business do, receive communications alleging infringement or misappropriation of intellectual property or claims relating to licenses with respect thereto. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. At any given time, we may be involved as either a plaintiff or a defendant in a number of intellectual property actions, the outcomes of which may not be known for prolonged periods of time. As a result of such claims, we may have to pay monetary damages and lose valuable intellectual property rights or personnel. Further, even if we are successful in defending against such claims, litigation could result in substantial costs, harm our reputation, and be a distraction to management.

Lastly, we use open source software in our platform and expect to use open source software in the future. There is a risk that such licenses could be construed by courts in a manner that imposes unanticipated conditions or restrictions on our ability to market our platform. By the terms of certain open source licenses, we could be required to make our proprietary software available to be used by the public, re-engineer portions of code, or otherwise be limited to use such code or technology if we combine our proprietary software with open source software in a certain manner. Each of which could reduce or eliminate the value of our technologies and services developed.

An inability to obtain adequate insurance on our inventory or auto liability insurance, or the affordability of such insurance, may materially adversely affect our financial condition and results of operations.

We rely on inventory insurance to protect against catastrophic losses of our inventory, and similarly rely on auto liability insurance to protect us against auto-related liability, in relation to, among other things, our transportation and logistics network. However, the coverage limits of these policies may not be adequate to cover all future claims. Further, there is no guarantee that we will continue to be able to obtain insurance at affordable rates, or at all, through outside insurers. If we are unable to purchase affordable insurance, we may have to self-insure, reducing our ability to make other investments in our business and exposing us to financial risk. In addition, our inability to insure our inventory through an outside insurer, or to adequately self-insure, may adversely impact our ability to finance our inventory purchases. Our inventory is also pledged as collateral in finance agreements, and a failure to maintain sufficient insurance to financially protect the collateral assets could be inconsistent with the requirements of such finance agreements.

We depend on key personnel to operate our business. If we are unable to retain, attract, and integrate qualified personnel, our ability to develop and successfully grow our business could be harmed.

We believe our success has depended, and continues to depend, on the efforts and talents of our executives and employees. Our future success depends on our ability to attract, develop, motivate, and retain highly qualified and skilled employees, including operations staff onsite at IRCs, vending machines, hubs, and auction sites. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. In addition, the loss or inhibition of any of our key employees or senior executives could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. Our executive officers and other employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace.

We may not receive the full, expected benefit from our minority equity investment in Root, Inc.

We hold shares of Series A convertible preferred stock and warrants to acquire Class A common stock in Root. As a minority equity investor, our influence over Root is limited, and we may be unable to influence Root's business plan, assure quality control, or set the timing and pace of development, cause Root to effect significant transactions such as large expenditures or contractual commitments, develop insurance products, or borrow money. Our inability to control the operations or management of Root may result in us receiving or retaining less than the amount of benefit we might otherwise expect to receive from appreciation of the equity investment or from the commercial relationship associated therewith. We may be limited in our ability to monetize or exit our investment in Root given contractual restrictions on selling our investment and uncertainty in the trading market for Root's equity securities. In addition, we have in the past recognized, and may again recognize, decreases in fair value in relation to our Root Warrants, and we may also experience a decrease in fair value in relation to our Series A convertible preferred stock. Any other downward adjustment to or impairment of our equity investment could adversely impact our results of operations and financial condition.

We have acquired, and may continue to acquire, other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders and otherwise disrupt our operations and harm our operating results.

In the past, we have occasionally acquired complementary businesses and technologies, including the acquisition of our wholesale marketplace, and we may do so again in the future. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of technology, research and development, and sales and marketing functions;
- transition of the acquired company's users to our website and mobile application;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company's accounting, management information, human resources, cybersecurity, and other administrative systems;
- the need to implement or improve controls, policies, and procedures at a business that, prior to the acquisition, may have lacked effective controls, policies, and procedures;
- potential write-offs of intangibles or other assets acquired in such transactions that may have an adverse effect on our operating results;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, consumers, former investors, or other third parties; and
- incurrence of significant expenses in connection with integration.

Our failure to address these risks or other challenges encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and otherwise harm our business. Acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, and amortization expenses, any one of which could harm our financial condition. Additionally, acquisitions have resulted, and may again result, in impairments of intangible assets such as goodwill,

and tangible assets. Any of these risks, if realized, could materially and adversely affect our business, financial condition, and results of operations.

We are, and may in the future be, subject to legal proceedings, claims, and investigations, which could have a material adverse effect on our business, results of operations, and financial condition.

We are subject to various legal proceedings, claims, and investigations, from time to time, which could have a material adverse effect on our business, results of operations, and financial condition. Legal claims have been and could be asserted against us by individuals, either individually or through class actions, by governmental entities in civil or criminal investigations and proceedings, or by other entities. These claims have been and could be asserted under a variety of laws, including but not limited to consumer finance laws; consumer protection laws; intellectual property laws; laws governing motor vehicle dealers; laws, regulations, and systems and process requirements related to title and registration; state laws regulating the sale of motor vehicles and related products and services; privacy laws; labor and employment laws; securities laws; employee benefit laws; tax laws; contract laws; and tort laws. These actions have in the past and could in the future expose us to adverse publicity and to substantial monetary damages and legal defense costs, injunctive relief, and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business.

Further, the Attorney General offices of various states, from time to time, conduct inquiries regarding our inspection, reconditioning, advertising, sale, delivery, titling, registration, and post-sale service of retail vehicles. When such inquiries arise, we work with government agencies to respond to these requests and cooperate with any such inquiries, which if not amicably resolved, could result in state Attorney General offices filing claims against us.

Our results of operations and financial condition are subject to management's accounting judgments, estimates, and changes in accounting policies.

The preparation of our financial statements requires us to make estimates and assumptions affecting the reported amounts of our assets, liabilities, revenues, and expenses. If these estimates or assumptions are incorrect, it could have a material adverse effect on our results of operations or financial condition. We have identified several accounting policies as being "critical" to the fair presentation of our financial condition and results of operations because they involve major aspects of our business and require us to make judgments about matters that are inherently uncertain. These policies are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the notes to consolidated financial statements included in this Annual Report on Form 10-K. Further, the implementation of new accounting requirements or other changes to U.S. generally accepted accounting principles could have a material adverse effect on our reported results of operations and financial condition.

Risks Related to our Automotive Finance Receivables

We depend on the sale of automotive finance receivables for a substantial portion of our gross profit.

Many of our customers utilize our financing services to finance the acquisition of a vehicle from us. We then typically sell the resulting automotive finance receivables, and the proceeds therefrom account for a substantial portion of our gross profit. However, customers may elect to finance their vehicle purchases through other parties who may be able to offer more attractive terms. Any material decline in automotive finance receivables sold or the prices at which they are sold would result in the loss of a historically significant portion of our gross profits. The prices we are able to charge for automotive finance receivables that we sell are based on a variety of factors, including the terms and credit risk associated with automotive finance receivables, the relationship between the interest rates we quoted the customer at the time they priced their financing and market and projected interest rates at the time we sell the automotive finance receivables, forecasted loss rates, the historical credit performance of the automotive finance receivables we sell, demand for assets and related securities of that type in the financial markets, and other factors. If these variables or other factors were to change, we might be required to reduce our sale prices on automotive finance receivables, sell fewer of them, or both, which would reduce our gains on sales of automotive finance receivables.

The terms of the financing we offer are dependent in part on our assessment of such customers' credit-worthiness, which is based on data gathered from customers and other parties and assessed by our proprietary technology tools. If customers or other parties provide us with incorrect or fraudulent data, or if our technology miscalculates or incurs other errors not identified through our underwriting process, we may offer inappropriate terms to our customers, resulting in originating automotive finance receivables that do not perform as expected or that we are unable to sell because they are based on inaccurate credit profiles. Originating a material amount of receivables with inaccurate or fraudulent credit profiles could have a material adverse effect on our business, results of operations, and financial condition.

Any material decline in our access to the capital markets at competitive rates and in sufficient amounts could harm our business, results of operations, and financial condition.

We provide financing to customers and typically sell the related automotive finance receivables. For example, we have entered into various arrangements to pledge or sell automotive finance receivables that we originate, including through committed structured finance arrangements, term securitizations and fixed pool loan sales to financing partners, and plan to enter into new arrangements in the future. Our ability to obtain funding through those channels is subject to having sufficient assets eligible for use as collateral for the related programs and our ability to obtain derivatives to manage interest rate risk among other considerations. If we are unable to continue obtaining funding through those channels, including because we reached our capacity under these or future arrangements, our financing partners exercised constructive or other termination rights before we reached capacity or we reached the scheduled expiration date of the commitment, or if we are unable to enter into new arrangements on similar terms, we may not have adequate liquidity and our business, financial condition, and results of operations may be adversely affected. Furthermore, if our financing partners cease to purchase these receivables, we could be subject to the risk that some of these receivables are not paid when due and we are forced to incur unexpected asset write-offs and bad debt expense.

In addition, changes in the condition of the securitization market could lead us to incur higher costs to access funds in the market or lose access to the market, requiring us to seek alternative means to finance those originations that could be more expensive, or retain credit risk in excess of those required under the Risk Retention Rules (as defined below), which may prevent us from derecognizing the loans and recognizing a gain on sale. As a result, the value of any securities that we may retain in our securitizations might be reduced or, in some cases, eliminated as a result of an adverse change in economic conditions or the financial markets.

Errors in our contracts with our customers could render them unenforceable, ineligible for sale, or require us to repurchase them.

We enter into purchase agreements, buyer's orders, retail installment contracts, consumer loan contracts, and other contracts with our customers that are generated automatically based upon information the customer enters into our website or mobile application, and are subject to our underwriting process. The contracts are intended to comply with the applicable consumer lending and other commercial and legal requirements of the relevant jurisdictions. The auto-generated forms have contained, however, and may again in the future contain errors or omissions or otherwise fail to comply with applicable regulations in a manner that would render such contracts unenforceable. For example, most jurisdictions impose a maximum interest rate cap that we can charge our customers. If we exceed the relevant cap, our retail installment contracts in such jurisdiction may be unenforceable, and in some instances, we may be required to pay damages or repay any financing charges previously collected. If a significant number of our retail installment contracts are rendered unenforceable, our financial condition and results of operations may be adversely affected.

The financing partners who agree to buy or fund our automotive finance receivables, and the terms of our securitizations, require that we make certain customary representations about the eligibility of those automotive finance receivables for sale. If these receivables do not meet the specified representations, we have in the past been, and will likely in the future be forced to repurchase these receivables. If we sell a significant amount of receivables that do not meet the predetermined representations, we may be required to use cash on hand or to obtain alternative financing in order to repurchase them. Any significant repurchases could have a material adverse effect on our business, results of operations, and financial condition, and may jeopardize our ability to sell contracts to those or other financing partners or purchasers in the future.

We may experience greater credit losses or prepayments in automotive finance receivables than we anticipate.

Until we sell automotive finance receivables, and to the extent we retain interests in automotive finance receivables, we are exposed to the risk that applicable customers will be unable or unwilling to repay their loans according to their terms and that the vehicle collateral securing the payment of their loans may not be sufficient to ensure full repayment. Credit losses are inherent in the automotive finance receivables business and could have a material adverse effect on our results of operations.

We make various assumptions and judgments about the automotive finance receivables we originate using internally developed models to forecast loss rates and may provide an allowance for loan losses, value beneficial ownership interests, and estimate prepayment rates based on a number of factors that we believe are appropriate. However, these allowance, interests, or estimates may not be adequate. For example, if economic conditions were to deteriorate unexpectedly, additional loan losses not incorporated in the existing allowance or valuation may occur. Further, if the receivables we sell experience higher loss

rates than forecasted, we may obtain less favorable pricing on the receivables we sell to financing partners or in securitizations in the future and suffer reputational harm in the marketplace for the receivables we sell. As a result, losses or prepayments in excess of expectations could have a material adverse effect on our business, results of operations, and financial condition.

Risk Retention Rules may increase our compliance costs, limit our liquidity and otherwise adversely affect our operating results.

"Risk retention" rules promulgated by U.S. federal regulators under the Dodd-Frank Act (the "Risk Retention Rules") require a "securitizer" or "sponsor" of a securitization transaction to retain, directly or through a "majority-owned affiliate" (each defined in the Risk Retention Rules), in one or more prescribed forms, at least 5% of the credit risk of the securitized assets. For the securitization transactions for which we have acted as "sponsor," we have sought and will likely continue to seek to satisfy the Risk Retention Rules by retaining a "vertical interest" (as defined in the Risk Retention Rules) through either a majority-owned affiliate or directly on our balance sheet. In addition, we have entered into, and will likely continue to enter into, arrangements to finance a portion of the retained credit risk in one or more prescribed forms under the Risk Retention Rules. However, holding risk retention interests or automotive finance receivables in contemplation of structured financing increases our exposure to the performance of the automotive finance receivables that underlie or are expected to underlie those transactions. For additional information, see Note 2 — Summary of Significant Accounting Policies and Note 9 — Securitizations and Variable Interest Entities.

Risks Related to Our Organizational Structure

Our principal asset is our indirect interest in Carvana Group, and, accordingly, we depend on distributions from Carvana Group to pay our taxes and expenses, including payments under our debt obligations and Tax Receivable Agreement. Carvana Group's ability to make such distributions may be subject to various limitations and restrictions.

We are a holding company and have no material assets other than our indirect ownership of LLC Units of Carvana Group. As such, we have no independent means of generating revenue or cash flow, and our ability to pay our taxes, debt obligations, and operating expenses depends on the financial results and cash flows of Carvana Group and its subsidiaries and distributions we receive from Carvana Group. Under the terms of the LLC Agreement (as defined in Note 1 — Business Organization), Carvana Group is obligated to make distributions to LLC Unitholders, including Carvana Co. Sub LLC ("Carvana Co. Sub"), our wholly owned subsidiary, to allow us to pay for income taxes on our allocable share of the net taxable income of Carvana Group. The LLC Agreement also obligates Carvana Group to make distributions to us to allow us to pay for our debt obligations, which are represented by our Senior Secured Notes and Senior Unsecured Notes (described in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" and Note 10 — Debt Instruments), and to pay for our obligations under the Tax Receivable Agreement (as defined in Note 15 — Income Taxes).

While we intend to cause Carvana Group to make distributions to us in an amount sufficient to fund these taxes, obligations, and expenses, Carvana Group's ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which Carvana Group is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering Carvana Group insolvent. If we do not have sufficient funds to pay taxes, obligations or expenses, we may have to borrow funds, which could materially adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders.

Conflicts of interest could arise between our stockholders and the LLC Unitholders, which may impede business decisions that could benefit our stockholders.

Holders of LLC Units have the right to consent to certain amendments to the LLC Agreement, as well as to certain other matters, including the revaluation of membership interests in Carvana Group. Holders of these voting rights may exercise them in a manner that conflicts with the interests of our stockholders. Circumstances may arise in the future when the interests of the LLC Unitholders conflict with the interests of our stockholders. As we control Carvana Group, we have certain obligations to the LLC Unitholders that may conflict with fiduciary duties our officers and directors owe to our stockholders. These conflicts may result in decisions that are not in the best interests of stockholders.

Further, as discussed above, as a unitholder of Carvana Group, we are entitled to receive tax distributions to pay for our allocable share of income taxes. These tax distributions will likely exceed (as a percentage of Carvana Group's income) the overall effective tax rate applicable to a similarly situated corporate taxpayer. As a result of the potential differences in the

amount of net taxable income allocable to us and the LLC Unitholders, particularly in light of the reduction in corporate tax rates passed in 2017, it is possible that we will receive distributions significantly in excess of our tax liabilities and obligations to make payments under the Tax Receivable Agreement. To the extent we do not distribute such cash balances as dividends on our Class A common stock and instead, for example, hold such cash balances or lend them to Carvana Group, the LLC Unitholders would benefit from any value attributable to such accumulated cash balances as a result of their ownership of Class A common stock following an exchange of its LLC Units (including any exchange upon an acquisition of us).

The Tax Receivable Agreement with the LLC Unitholders requires us to make cash payments to them in respect of certain tax benefits to which we may become entitled, and we expect that the payments we will be required to make will be substantial.

We are party to a Tax Receivable Agreement with the LLC Unitholders, pursuant to which we will be required to make cash payments to such LLC Unitholders equal to 85% of the tax benefits, if any, that we actually realize, or, in some circumstances, are deemed to realize, as a result of (1) the increase in our wholly owned subsidiary's proportionate share of the existing tax basis of the assets of Carvana Group and an adjustment in the tax basis of the assets of Carvana Group reflected in that proportionate share as a result of any exchanges of LLC Units held by the LLC Unitholders for shares of our Class A common stock or cash, and (2) certain other tax benefits related to payments we make under the Tax Receivable Agreement. Due to the uncertainty of various factors, we cannot estimate the likely tax benefits we will realize as a result of LLC Unit exchanges, and the resulting amounts we are likely to pay to LLC Unitholders pursuant to the Tax Receivable Agreement; however, we estimate that such payments may be substantial. Any payments made by us to the LLC Unitholders under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to us, and will reduce funds available for reinvestment in our business.

To the extent that we are unable to make payments under the Tax Receivable Agreement, such payments generally will be deferred and will accrue interest until paid. Nonpayment for a specified period, however, may constitute a breach of a material obligation under the Tax Receivable Agreement and therefore accelerate payments due under the Tax Receivable Agreement, unless, generally, such nonpayment is due to a lack of sufficient funds. Furthermore, our future obligation to make payments under the Tax Receivable Agreement could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that may be deemed realized under the Tax Receivable Agreement. The payments under the Tax Receivable Agreement are also not conditioned upon the LLC Unitholders maintaining a continued ownership interest in Carvana Group.

The actual amount and timing of any payments under the Tax Receivable Agreement will vary depending upon a number of factors, including the timing of exchanges by the LLC Unitholders, the amount of gain recognized by such LLC Unitholders, the amount and timing of the taxable income we generate in the future and the federal tax rates then applicable.

The amounts that we may be required to pay to the LLC Unitholders under the Tax Receivable Agreement may be accelerated in certain circumstances and may also significantly exceed the actual tax benefits that we ultimately realize.

The Tax Receivable Agreement provides that if (1) certain mergers, asset sales, other forms of business combination, or other changes of control were to occur, (2) we breach any of our material obligations under the Tax Receivable Agreement or (3) we elect an early termination of the Tax Receivable Agreement, then the Tax Receivable Agreement will terminate and our obligations, or our successor's obligations, to make payments under the Tax Receivable Agreement would accelerate and become immediately due and payable. The amount due and payable in that circumstance is based on certain assumptions, including an assumption that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement. We may need to incur debt to finance payments under the Tax Receivable Agreement to the extent our cash resources are insufficient to meet our obligations under the Tax Receivable Agreement as a result of timing discrepancies or otherwise.

As a result of a change in control or our election to terminate the Tax Receivable Agreement early, (1) we could be required to make cash payments to the LLC Unitholders that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the Tax Receivable Agreement and (2) we would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring, or preventing certain mergers, asset sales, other forms of business combination, or other changes of control. There can be no assurance that we will be able to finance our obligations under the Tax Receivable Agreement.

We will not be reimbursed for any payments made to the LLC Unitholders under the Tax Receivable Agreement in the event that any tax benefits are disallowed.

We will not be reimbursed for any cash payments previously made to the LLC Unitholders pursuant to the Tax Receivable Agreement if any tax benefits initially claimed by us are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us to an LLC Unitholder will be netted against any future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement. However, a challenge to any tax benefits initially claimed by us may not arise for a number of years following the initial time of such payment or, even if challenged early, such excess cash payment may be greater than the amount of future cash payments that we are required to make under the terms of the Tax Receivable Agreement and, as a result, there may not be future cash payments to net against. The applicable U.S. federal income tax rules are complex and factual in nature, and there can be no assurance that the IRS or a court will agree with our tax reporting positions. As a result, it is possible that we could make cash payments under the Tax Receivable Agreement that are substantially greater than our actual cash tax savings.

We may not be able to realize all or a portion of the tax benefits that are currently expected to result from future exchanges of LLC Units for our Class A common stock and from payments made under the Tax Receivable Agreement.

Our ability to realize the tax benefits that we currently expect to be available as a result of the increases in tax basis created by any future exchanges of LLC Units for our Class A common stock, the payments made pursuant to the Tax Receivable Agreement, and the interest deductions imputed under the Tax Receivable Agreement all depend on a number of assumptions, including that we earn sufficient taxable income each year during the period over which such deductions are available and that there are no changes in applicable law or regulations. For example, the reduction in corporate tax rates pursuant to the 2017 changes in U.S. federal income tax law had the effect of reducing the expected value of the tax benefits we realize as a result of the increase in our proportionate share of the existing tax basis of the assets of Carvana Group arising from future exchanges of LLC Units held by an LLC Unitholder for shares of our Class A common stock or cash. The reduction in the value of such tax benefits is expected to have two primary consequences—it reduces the cash payments we expect to be required to make pursuant to the Tax Receivable Agreement and it reduces the expected value to us of the 15% of the amount of such tax benefits that we will retain pursuant to the Tax Receivable Agreement. Additionally, if our actual taxable income were insufficient or there were additional adverse changes in applicable laws or regulations, we may be further unable to realize all or a portion of the expected tax benefits and our cash flows and stockholders' equity (deficit) could be negatively affected.

We are a "controlled company" within the meaning of the rules of the NYSE and, as a result, we qualify for exemptions from certain corporate governance requirements. Our stockholders may not have the same protections afforded to stockholders of companies that are subject to such requirements.

The Garcia Parties control a majority of the combined voting power of Carvana Co. As a result, we continue to be a controlled company within the meaning of the NYSE corporate governance standards. Under such standards, a company of which more than 50% of the voting power is held by an individual, group, or another company is a "controlled company" and need not comply with certain requirements, including that a majority of our board of directors (the "Board") consist of independent directors, that our compensation and nominating and governance committees be composed entirely of independent directors, and that our Board and committees be subject to annual performance evaluations. We do not currently utilize these exemptions; however, for so long as we qualify as a controlled company, we will maintain the option to utilize some or all of these exemptions. In the event we rely on these exemptions in the future, our stockholders would not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

Risks Related to Our Indebtedness and Liquidity

Our substantial indebtedness, including any additional indebtedness incurred in the future, could adversely affect our financial flexibility, ability to incur additional debt, and our competitive position and prevent us from fulfilling our obligations under our financing agreements.

As of December 31, 2024, we had outstanding, on a consolidated basis (1) $205 million aggregate principal amount of our Senior Unsecured Notes, (2) $4.4 billion aggregate principal amount of our Senior Secured Notes, which includes $105 million of accrued payment-in-kind interest, (3) $67 million aggregate principal amount of borrowings under our Floor Plan Facility and the Finance Receivable Facilities (as defined below), (4) $183 million aggregate principal amount of indebtedness represented by our finance lease agreements between us and providers of equipment financing, (5) an outstanding balance of $354 million under our secured borrowing facility through which we finance certain retained beneficial interests in our

securitizations, and (6) $485 million of other long-term debt related to our sale leaseback transactions. Our substantial indebtedness has had and could have further significant effects on our business. For example, it has or could:

- make it more difficult for us to satisfy our obligations with respect to our current and future indebtedness, including o ur Senior Secured Notes and Senior Unsecured Notes (collectively the "Senior Notes," each as defined in Note 10 — Debt Instruments) and the Floor Plan Facility;
- increase our vulnerability to adverse changes in prevailing economic, industry, and competitive conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, the execution of our business strategy, and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limit our ability to incur additional debt or increase our cost of borrowing;
- restrict us from exploiting business opportunities; and
- place us at a disadvantage compared to our competitors that have fewer debt obligations.

We also may incur significant additional indebtedness in the future, subject to the restrictions in the indentures governing the Senior Notes, or we may pursue investments in joint ventures or acquisitions, which we may finance with additional debt. If we incur additional debt, the related risks that we face would intensify.

We may not be able to generate sufficient cash flow to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful, or may harm our business.

Our ability to make scheduled payments or to refinance outstanding debt obligations depends on our financial and operating performance, which will be affected by prevailing economic, industry, and competitive conditions and by financial, business, and other factors beyond our control. Additionally, some of our debt accrues interest at a variable rate that is based on SOFR or other market rates; if those market rates rise, so too will the amount we need to pay to satisfy our debt obligations, and we have been in the past and may again be required to enter into hedging agreements, which may not fully mitigate our interest rate risk, and may expose us to risk of financial loss if the counterparty defaults on its contractual obligations. We may not be able to maintain a sufficient level of cash flow from operating activities to permit us to pay the principal, premium, if any, and interest on our indebtedness. Any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which would also adversely affect our ability to incur additional indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital from banks or other lenders, through public offerings or private placements of debt or equity, through strategic relationships or other arrangements, or from a combination of these sources, or seek to restructure or refinance our indebtedness. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants. These alternative measures may not be successful, and we may be unable to meet our scheduled debt service obligations.

In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service obligations. We may not be able to consummate these asset sales to raise capital or sell assets at prices and on terms that we believe are fair, and any proceeds that we do receive may not be adequate to meet any debt service obligations then due. If we cannot meet our debt service obligations, the holders of our indebtedness may accelerate such indebtedness and, to the extent such indebtedness is secured, foreclose on our assets. In such an event, we may not have sufficient assets to repay our indebtedness. If any of these risks are realized, our business and financial condition would be materially adversely affected. Further, in the event of our bankruptcy, dissolution, or liquidation, the holders of our Senior Notes and our other indebtedness would be paid in full before any distribution can be made to the holders of our Class A common stock.

Risks Related to Ownership of our Class A Common Stock

The market price of our Class A common stock has been and may continue to be volatile or may decline regardless of our operating performance.

Volatility in the market price of our Class A common stock may prevent our stockholders from being able to sell their shares at or above the price they paid for them. The market price of our Class A common stock has fluctuated, and may continue to fluctuate widely due to many factors, some of which may be beyond our control. The closing price of our Class A

common stock between January 1, 2024 and January 1, 2025 has ranged from a low of $41.00 to a high of $260.80. Many factors may cause the market price of our Class A common stock to fluctuate significantly, including those described elsewhere in this "Risk Factors" section and this Annual Report on Form 10-K, as well as the following:

- adverse impacts to the larger automotive ecosystem, including consumer demand, global supply chain challenges (including the imposition of new or increased tariffs), and other macroeconomic issues;
- previous and future strategic actions and manipulations of the market for our securities by short sellers and "short squeezes;"
- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in our industry compared to market;
- future announcements or press coverage concerning our business or our competitors' businesses;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- the size of our public float;
- trading volume;
- coverage by or changes in financial estimates by securities analysts or failure to meet their expectations;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in laws or regulations which adversely affect our industry or us;
- negative research about our business or downgrades of our Class A common stock published by analysts or journalists or downgrades of our credit rating;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- changes in senior management or key personnel;
- issuances, exchanges, or sales or expected issuances, exchanges, or sales of our capital stock;
- cybersecurity events, pandemics, and other crises or disasters;
- adverse resolution of new or pending litigation, claims, or investigations against us; and
- changes in general market, economic, and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war, and responses to such events.

Volatility in the market price of our Class A common stock may prevent investors from being able to sell their Class A common stock at or above their purchase price or at all. These broad market and industry factors may materially reduce the market price of our Class A common stock, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our Class A common stock is low. Because we do not intend to pay dividends on our Class A common stock for the foreseeable future, any return on investment in our Class A common stock is solely dependent upon the appreciation of the price of our Class A common stock on the open market, which may not occur.

The Garcia Parties control us and their interests may conflict with our or our stockholders' interests in the future.

The Garcia Parties together hold approximately 84% of the voting power of our outstanding capital stock through their beneficial ownership of our Class A and Class B common stock as of December 31, 2024. The Garcia Parties are entitled to ten votes per share of Class B common stock they beneficially own, for so long as the Garcia Parties maintain, in the aggregate, direct or indirect beneficial ownership of at least 25% of the outstanding shares of Class A common stock (determined on an as-exchanged basis assuming that all of the Class A Units were exchanged for Class A common stock). Our Class A common stock and all other shares of Class B common stock have one vote per share. So long as the Garcia Parties continue to beneficially own a sufficient number of shares of Class B common stock, even if they beneficially own significantly less than 50% of the shares of our outstanding capital stock, the Garcia Parties will continue to be able to effectively control our business. For example, if the Garcia Parties hold Class B common stock representing 25% of our outstanding capital stock, they would collectively control 71% of the voting power of our capital stock.

As a result, the Garcia Parties have the ability to elect all of the members of our Board and thereby effectively control our policies and operations, including the appointment of management, future issuances of our Class A common stock or other securities, the payment of dividends, if any, on our Class A common stock, the incurrence of debt by us, amendments to our amended and restated certificate of incorporation and amended and restated bylaws, and the execution of extraordinary transactions. The interests of the Garcia Parties may not in all cases be aligned with our other stockholders' interests.

In addition, the Garcia Parties can determine the outcome of all matters requiring stockholder approval, cause or prevent a change of control of our company, and preclude any acquisition of our company. This concentration of voting control could deprive our stockholders of an opportunity to receive a premium for their shares of Class A common stock as part of a sale of our company and could affect the market price of our Class A common stock.

The Garcia Parties may also have an interest in pursuing acquisitions, divestitures, and other transactions that, in their judgment, could enhance their investment, even though such transactions might involve risks. For example, the Garcia Parties could cause us to make acquisitions that increase our indebtedness or cause us to sell revenue-generating assets. The Garcia Parties may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. The Garcia Parties control and own substantially all interest in DriveTime, which could compete more directly with us in the future. Our amended and restated certificate of incorporation provides that none of the Garcia Parties and/or their respective directors, partners, principals, officers, members, managers and/or employees (including any who also serves as one of our officers or directors) or his or her affiliates has any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. The Garcia Parties also may pursue acquisition opportunities that may otherwise be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Our stock may be diluted by future issuances of additional Class A common stock or LLC Units in connection with our incentive plans, acquisitions, or otherwise. Future sales of such shares in the public market or the expectations that such sales may occur could lower our stock price.

We issue additional shares of Class A common stock in several ways: (i) as authorized by our Board, in its sole discretion, whether in connection with acquisitions or otherwise; (ii) at the request of LLC Unitholders, requiring Carvana Group to redeem all or a portion of their LLC Units in exchange for newly issued shares of Class A common stock; (iii) under our equity incentive plans available to our directors, employees and consultants; and (iv) under our "at-the-market offering" program (the "ATM Program") that provides for the sale of the greater of (i) a number of shares of Class A common stock representing an aggregate offering price of $1.0 billion or (ii) an aggregate of 21,016,898 shares of its Class A common stock, from time to time.

Any stock that we issue or exchange dilutes the percentage ownership held by the investors who hold Class A common stock. The market price of shares of our Class A common stock could decline as a result of newly issued or exchanged stock, or the perception that we might issue or exchange stock. A decline in the price of our Class A common stock might impede our ability to raise capital through the issuance of additional shares of Class A common stock or other equity securities. In addition, in order to raise additional capital, we may in the future offer additional shares of our Class A common stock or other securities convertible into or exchangeable for our Class A common stock at various prices. Investors purchasing shares or other securities in the future could have rights superior to existing stockholders, and any future equity offerings will result in further dilution for our existing stockholders.

We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could depress the price of our Class A common stock, or otherwise adversely affect holders of our Class A common stock.

Our amended and restated certificate of incorporation authorizes us to issue one or more series of preferred stock. Our Board has the authority to determine the preferences, limitations, and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend, and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our Class A common stock at a premium to the market price, and materially adversely affect the market price and the voting and other rights of the holders of our Class A common stock.

Delaware law and certain provisions in our amended and restated certificate of incorporation may prevent efforts by our stockholders to change the direction or management of our company.

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and our amended and restated by-laws contain provisions that may make the acquisition of our company more difficult without the approval of our Board, including, but not limited to, the following:

- the Garcia Parties are entitled to ten votes for each share of our Class B common stock they hold of record on all matters submitted to a vote of stockholders for so long as the Garcia Parties maintain direct or indirect beneficial ownership of at least 25% of the outstanding shares of Class A common stock (determined on an as-exchanged basis assuming that all of the Class A Units were exchanged for Class A common stock);

- at such time as there are no outstanding shares of Class B common stock, only our Board may call special meetings of our stockholders;
- we have authorized undesignated preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval; and
- we require advance notice and duration of ownership requirements for stockholder proposals.

Our amended and restated certificate of incorporation also contains a provision that provides us with protections similar to Section 203 of the DGCL, and prevents us from engaging in a business combination with a person (excluding the Garcia Parties and their transferees) who acquires at least 15% of our common stock for a period of three years from the date such person acquired such common stock, unless board or stockholder approval is obtained prior to the acquisition. These provisions could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for our stockholders to elect directors of their choosing and cause us to take other corporate actions our stockholders desire, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our Class A common stock. In addition, because our Board is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team.

These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws, and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our Board or to initiate actions that are opposed by our then-current Board, a merger, tender offer, or proxy contest involving our company. The existence of these provisions could negatively affect the price of our Class A common stock and limit opportunities for our stockholders to realize value in a corporate transaction.

With limited exceptions, the Court of Chancery of the State of Delaware is the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or stockholders.

Pursuant to our amended and restated certificate of incorporation, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws, or (4) any other action asserting a claim against us that is governed by the internal affairs doctrine. The forum selection clause in our amended and restated certificate of incorporation may have the effect of discouraging lawsuits against us or our directors and officers and may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees, or stockholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 1C. CYBERSECURITY.

We consider cybersecurity protection, including protection of customer, employee, and partner information, to be a priority in the Company's business, strategy, and management. Carvana's enterprise risk management program, which is designed to identify, evaluate, and respond to our high priority risks and opportunities, integrates assessment, review, identification and management of cybersecurity risks.

While management is responsible for the day-to-day handling of our risk management program, the Board of Directors, as a whole and through its committees, oversees risk management, including cybersecurity risks. The Board has delegated certain risk management responsibilities with respect to cybersecurity to the Audit Committee, which is responsible for ensuring sufficient oversight of our cybersecurity risk exposures. The Audit Committee leads the full Board in periodic reviews of the adequacy and effectiveness of our information security program and internal controls, including quarterly and ad hoc updates of cybersecurity risks, initiatives, and key metrics. Senior leaders from our Information Security, Legal, Privacy, and Compliance teams provide the Board and Audit Committee with periodic briefings of our current risks and security strategy, as well as future plans with regard to cybersecurity posture, preparation, prevention, and incident response.

O ur Chief Information Security Officer ("CISO") , who has extensive cybersecurity knowledge and experience, with over 15 years in the field of information security, including over seven years of experience leading information security departments within financial services and technology organizations as a cybersecurity executive, is primarily responsible for assessing and managing cybersecurity risk. The CISO oversees a team of dedicated information security professionals (the "Information Security Team") who focus on specialty areas such as application security, security compliance, security architecture and engineering, vulnerability management, and security operations, each with relevant experience and industry certifications in their respective areas.

The Information Security Team leverages a variety of processes and controls to stay informed of and manage cybersecurity risk. It partners with a variety of business units, including our engineering, legal, privacy, compliance, internal audit, technology, and product teams to identify and control emerging risks. The Information Security and privacy teams also from time to time engage consultants and other third parties to assist in investigating and remediating security incidents, monitoring of security vulnerabilities, and performing risk assessments based on industry standards such as the National Institute of Standards and Technology (NIST) Cybersecurity Framework. Our Information Governance Committee, whose members include representatives from the Information Security Team and key senior leaders from relevant stakeholder groups, meets quarterly to review and discuss, among other topics, the implementation and management of these cybersecurity processes. The Information Security Team additionally has adopted security control principles based on ISO 27002:2022 and partners with counterparts in our legal department to use various formalized incident management and monitoring standards and incident response plans and playbooks, which define immediate steps in the event of a cybersecurity incident, roles and responsibilities, as well as materiality criteria to allow for efficient and effective incident management. This includes a third-party vendor management procedure, under which we conduct vendor risk assessments and, when appropriate, ongoing threat monitoring. In implementing these policies, the Information Security Team utilizes a layered approach, aided by industry leading technology, to detect, respond, and prevent cybersecurity risks and exposures.

As of the date hereof, we have not experienced any material cybersecurity incidents. However, future incidents, whether direct or through our third-party providers, could have a material impact on our business strategy, results of operations, or financial condition. We maintain cybersecurity insurance to mitigate the risks of a material cybersecurity incident; however, the costs may exceed our coverage and, therefore, may not be fully insured. See Part I, Item 1A - "Risk Factors" in this Annual Report on Form 10-K for a further discussion of various cybersecurity risks to the Company.

ITEM 2. PROPERTIES.

As of December 31, 2024, we operated the following facilities in the U.S.:

Description of use	Owned interior square footage (millions)	Leased interior square footage (millions)	Owned land acreage	Leased land acreage
Corporate headquarters	—	1.2	—	39
Other facilities [1]	5.2	5.7	4,162	3,125

(1) Other facilities include IRCs, hubs, vending machines, and auction locations.

We believe that our properties are adequate and suitable for our business as presently conducted.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, we are involved in various claims, legal actions, and government inquiries. For more information regarding our material pending legal proceedings, see “Legal Matters” in Note 17 — Commitments and Contingencies, included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information

Our Class A common stock trades on the NYSE under the ticker symbol "CVNA."

Our Class B common stock is not listed nor traded on any stock exchange.

Holders of Record

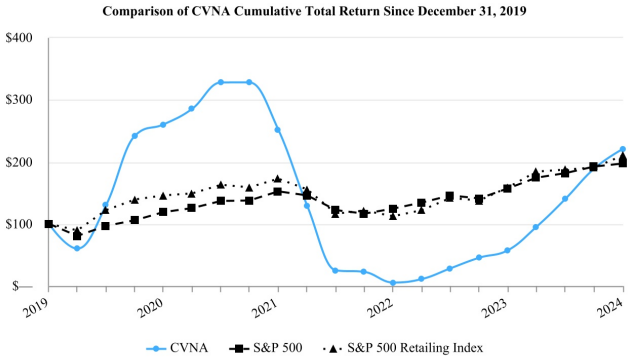
We are authorized to issue up to 500 million shares of Class A common stock, up to 125 million shares of Class B common stock and up to 50 million shares of preferred stock. As of February 14, 2025, there were 10 shareholders of record of our Class A common stock. The number of record holders does not include persons who held shares of our Class A common stock in "street name" accounts through brokers, banks, and other financial institutions. As of February 14, 2025, there were 9 shareholders of record of our Class B common stock.

Dividend Policy

We have not declared or paid any cash dividends on our Class A common stock during the fiscal year and do not currently anticipate paying cash dividends in the foreseeable future. Holders of our Class B common stock are not entitled to receive dividends.

Stock Performance Graph

The following graph compares the total shareholder return from December 31, 2019 through December 31, 2024 of (i) our Class A common stock, (ii) the Standard and Poor's 500 Stock Index ("S&P 500") and (iii) the Standard and Poor's 500 Retailing Index ("S&P 500 Retailing Index"), assuming an initial investment of $100 on December 31, 2019 and including reinvestment of dividends where applicable. The results presented below are not necessarily indicative of future performance.



Recent Sales of Unregistered Securities

There were no unregistered sales of equity securities during the year ended December 31, 2024, except as otherwise previously reported in a Current Report on Form 8-K.

During the year ended December 31, 2024, pursuant to the terms of the Exchange Agreement entered into in connection with our initial public offering, certain LLC Unitholders exchanged 8.7 million LLC Units and 6.5 million shares of Class B common stock for 6.9 million shares of Class A common stock. Such shares were issued in reliance on an exemption from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

None.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with Part I, including matters set forth in the "Risk Factors" section of this Annual Report on Form 10-K, and our financial statements and notes thereto included in Part II, Item 8 "Financial Statements and Supplementary Data," of this Form 10-K. Except when stated otherwise, we present the discussion in Management's Discussion and Analysis of Financial Condition and Results of Operations on a consolidated basis.

Overview

Carvana is the leading e-commerce platform for buying and selling used cars. We are transforming the used car buying and selling experience by giving consumers what they want - a wide selection, great value and quality, transparent pricing, and a simple, no pressure transaction. Each element of our business, from inventory procurement to fulfillment and overall ease of the online transaction, has been built for this singular purpose.

See Part I, Item 1 - "Business" for a detailed description and discussion of the Company's business.

Refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations* " in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on February 22, 2024 for discussion and analysis of our financial condition and results of operations for the fiscal year ended December 31, 2023 compared to the fiscal year ended December 31, 2022.

Retail Vehicle Unit Sales

Since launching to customers in Atlanta, Georgia in January 2013, we have historically experienced rapid growth in sales through our website www.carvana.com. During the year ended December 31, 2024, the number of vehicles we sold to retail customers increased by 33.1% to 416,348, compared to 312,847 in the year ended December 31, 2023.

We continue to view the number of vehicles we sell to retail customers as the most important long-term measure of our performance, and we expect to continue to focus on building a scalable platform to efficiently increase our retail units sold. This focus on retail units sold is motivated by several factors:

- Retail units sold enable multiple revenue streams, including the sale of the vehicle itself, the sale of finance receivables originated to finance the vehicle, complementary products, and the sale of vehicles acquired from customers.
- Retail units sold are the primary driver of customer referrals and repeat sales. Each time we sell a vehicle to a new customer, that customer may refer future customers and can become a repeat buyer in the future.
- Retail units sold are an important driver of the average number of days between when we acquire the vehicle and when we sell it. Reducing average days to sale impacts gross profit on our vehicles because used vehicles generally depreciate over time.
- Retail units sold allow us to benefit from economies of scale due to our centralized online sales model. We believe our model provides meaningful operating leverage in acquisition, reconditioning, transport, customer service, and delivery.

We are simultaneously maintaining our focus on efficiency gains and other profitability initiatives, while continuing to invest in technology and infrastructure to support efficient growth in retail units sold. This includes continued investment in our vehicle acquisition, reconditioning and logistics network, as well as continued investment in product development and engineering to deliver customers a best-in-class experience.

Revenue and Gross Profit

We generate revenue on retail units sold from four primary sources: the sale of the retail vehicles, wholesale sales of vehicles we acquire from customers, including sales through our wholesale marketplace, gains on the sales of loans originated to finance the vehicles, and sales of complementary products.

Our largest source of revenue, retail vehicle sales, totaled $9.7 billion and $7.5 billion during the years ended December 31, 2024 and 2023, respectively. We generally expect retail vehicle sales to trend proportionately with retail units sold, absent any material changes in macroeconomic conditions. We generate a majority of gross profit on retail vehicle sales from the difference between the retail selling price of the vehicle and our cost of sales associated with acquiring the vehicle and preparing it for sale. Retail vehicle sales also include shipping and delivery fees and service revenue from retail marketplace

transactions, which are retail marketplace partner vehicles sold to customers through Carvana that receive net revenue treatment due to the timing of payments with our partners.

Wholesale sales and revenues includes sales of trade-ins and other vehicles acquired from customers that do not meet the requirements for our retail inventory. We also include revenue earned from the sale of wholesale marketplace units by non-Carvana sellers through our wholesale marketplace platform, including auction fees and related service revenues, in wholesale sales and revenues. Wholesale sales and revenues totaled $2.8 billion and $2.5 billion during the years ended December 31, 2024 and 2023, respectively. We generally expect wholesale sales to trend proportionately with retail units sold through trade-ins and from customers who wish to sell us a car independent of a retail sale and with the movement of wholesale marketplace units. We generate gross profit on wholesale vehicle sales from the difference between the wholesale selling price of the vehicle and our cost of sales associated with acquiring the vehicle and preparing it for sale. We generate a gross profit on wholesale marketplace units from the difference between the revenue earned from the sale of wholesale marketplace units through our wholesale marketplace platform less our cost of sales associated with operating the wholesale marketplace platform.

Other sales and revenues, which primarily includes gains on the sales of finance receivables we originate and sales commissions on complementary products such as VSCs, GAP waiver coverage, and auto insurance, totaled $1.2 billion and $753 million during the years ended December 31, 2024 and 2023, respectively. We generally expect other sales and revenues to trend proportionately with retail units sold. We also expect other sales and revenues to increase as we improve our ability to monetize loans we originate, including through securitization transactions, and sell and offer attractive financing solutions and complementary products to our customers, including products customarily sold by automotive retailers or insurance products customarily sold by traditional insurance companies, absent any material changes in macroeconomic conditions. Other sales and revenues are 100% gross margin products for which gross profit equals revenue.

Our highest priority continues to be providing exceptional customer experiences while improving efficiency and utilizing our infrastructure to support efficient growth in retail units sold to help us move along the path to achieve sustained profitability. Strategies to support efficient growth initiatives, which we may undertake from time to time include the following:

- ***Increase the purchase of vehicles from customers.*** Over time, we plan to grow the number of vehicles that we purchase from our customers as trade-ins or independent of a retail sale. This will provide additional vehicles for our retail business, which on average are more profitable compared to the same vehicle acquired at auction, and expand our inventory selection. In addition, this in turn will grow our wholesale business.
- ***Optimize average days to sale.*** Our goal is generally to optimize our inventory size relative to sales to achieve our desired average days to sale. Reductions in average days to sale lead to fewer vehicle price reductions, and therefore higher average selling prices, all other factors being equal. Higher average selling prices in turn lead to higher gross profit per unit sold, all other factors being equal.
- ***Leverage existing inspection and reconditioning infrastructure.*** As we scale, we intend to more fully utilize the capacity at our existing IRCs and auction locations, which collectively have capacity to inspect and recondition more than 1 million vehicles per year at full utilization.
- ***Expand our logistics network.*** As we scale, we intend to further expand our in-house logistics network to transport cars to our IRCs or other sites after acquisition from customers or wholesale auctions.
- ***Increase conversion on existing products.*** We plan to continue to improve our website to highlight the benefits of our complementary product offerings, including financing, complementary products, and trade-ins.
- ***Add new products and services.*** We plan to utilize our online sales platform to offer additional complementary products and services to our customers.
- ***Increase monetization of our finance receivables.*** We plan to continue selling finance receivables in securitization transactions and otherwise expand our base of financial partners who purchase the finance receivables originated on our platform to reduce our effective cost of funds.
- ***Optimize purchasing and pricing.*** We are constantly improving the ways in which we predict customer demand, value vehicles sight unseen and optimize what we pay to acquire those vehicles. We also regularly test different pricing of our products, including vehicle sticker prices, trade-in and independent vehicle offers, and complementary product prices, and we believe we can improve by further optimizing prices over time.

Seasonality

We expect to experience seasonal and other fluctuations in our quarterly operating results, including as a result of macroeconomic conditions, which may not fully reflect the underlying performance of our business. Retail and wholesale used vehicle sales generally exhibit seasonality with sales peaking late in the first calendar quarter and diminishing through the rest of the year, with the lowest relative level of vehicle sales expected to occur in the fourth calendar quarter. Due to our historical and current rapid growth, our overall sales patterns in the past have not always reflected the general seasonality of the used vehicle industry. However, as our business continues to mature, our results may become more reflective of typical market seasonality. Used vehicle prices also exhibit seasonality, with used vehicles generally depreciating at a faster rate in the fourth and first quarters of each year and a slower rate in the second and third quarters of each year, all other factors being equal.

Investment in Growth

For the past several years, we have been and continue to be focused on driving fundamental gains in gross profit per unit and operational efficiency, flexibility, and scalability through process and technology improvements to increase profitability and provide a strong foundation for profitable growth. As we continue targeting initiatives aimed at improving efficiencies, we are simultaneously investing in the profitable expansion of our business. While we intend to become increasingly efficient over time, we also anticipate that our operating expenses will increase as we grow retail units sold, wholesale units sold, and wholesale marketplace units transacted. There is no guarantee that we will be able to realize the desired return on our investments.

Relationships with Related Parties

For discussion about our relationships with related parties, refer to Note 7 — Related Party Transactions of our consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K and our Proxy Statement for our 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

Key Operating Metrics

We regularly review a number of metrics, including the following key metrics, to evaluate our business, measure our progress and make strategic decisions. Our key operating metrics reflect the key drivers of our growth, including increasing brand awareness, enhancing the selection of vehicles we make available to our customers, and serving more of the U.S. population. Our key operating metrics also demonstrate our ability to translate these drivers into retail sales and to monetize these retail sales through a variety of product offerings.

	Years Ended December 31,	
	2024	2023
Retail units sold	416,348	312,847
Average monthly unique visitors (in thousands)	17,248	15,819
Total website units	53,360	33,075
Total gross profit per unit	$ 6,908	$ 5,511
Total gross profit per unit, non-GAAP	$ 7,196	$ 5,984

Retail Units Sold

We define retail units sold as the number of vehicles sold to customers in a given period, including retail marketplace partner vehicles, net of returns under our seven-day return policy. We view retail units sold as a key measure of our growth for several reasons. First, retail units sold is the primary driver of our revenues and, indirectly, gross profit, since retail unit sales enable multiple complementary revenue streams, including financing, complementary products, and trade-ins. Second, growth in retail units sold increases the base of available customers for referrals and repeat sales. Third, growth in retail units sold is an indicator of our ability to successfully scale our logistics, fulfillment, and customer service operations.

Average Monthly Unique Visitors

We define a monthly unique visitor as an individual who has visited our website or iOS/Android application within a calendar month, based on data provided by Google Analytics. We calculate average monthly unique visitors as the sum of monthly unique visitors in a given period, divided by the number of months in that period. We view average monthly unique visitors as a key indicator of the strength of our brand, the effectiveness of our advertising and merchandising campaigns, and consumer awareness of our brand. During 2024, the methodology used by Google Analytics to count unique visitors changed to include individuals visiting our iOS/Android application, in addition to those visiting our website. We believe this change allows us to more accurately calculate and reflect average monthly unique visitors. To conform to current period presentation, we have recast average monthly unique visitors for the year ended December 31, 2023. The change in measurement methodology resulted in 8.5% more average monthly unique visitors for the year ended December 31, 2023, compared to previously reported numbers.

Total Website Units

We define total website units as the number of vehicles listed on our website on the last day of a given reporting period, including vehicles available for sale, vehicles currently engaged in a purchase or reserved by a customer, and vehicles that can be reserved that generally have not yet completed the inspection and reconditioning process. We view total website units as a key measure of our growth. Growth in total website units increases the selection of vehicles available to our consumers, which we believe will allow us to increase the number of vehicles we sell over time. Moreover, growth in total website units indicates our ability to scale our vehicle purchasing, inspection and reconditioning operations. As part of our inventory strategy, over time we may choose not to expand total website units while continuing to grow sales, thereby improving other key operating metrics of the business.

Total Gross Profit per Unit

We define total gross profit per unit as the aggregate gross profit in a given period, divided by retail units sold in that period, including gross profit generated from the sale of retail vehicles, gains on the sales of loans originated to finance the vehicles, commissions on sales of VSCs, GAP waiver coverage, and other complementary products, and gross profit generated from wholesale sales of vehicles. We operate an integrated business with the objective of increasing the number of retail units sold and total gross profit per unit. Gross profits generated from the sale of retail and wholesale units are interrelated. For example, our nationwide reconditioning and inspection centers are designed to produce vehicles for both retail and wholesale sales, our vehicle storage locations have shared parking for both retail and wholesale vehicles, and our integrated multi-vehicle logistics and last mile delivery network is operated in service of both retail and wholesale sales. Such interrelationships require us to share finite operational capacity and optimize joint decisions between retail and wholesale sales, in order to position us to achieve our objective of increasing total gross profit per unit. As a result, the inclusion of gross profit generated from wholesale sales of vehicles in total gross profit per unit reflects our integrated business model and the interrelationship between wholesale and retail vehicle sales. We believe the total gross profit per unit metrics provide investors with the greatest opportunity to view our performance through the same lens that our management does, and therefore assists investors to best evaluate our business and measure our progress.

Total Gross Profit per Unit, Non-GAAP

We define total gross profit per unit, non-GAAP as the aggregate gross profit, non-GAAP in a given period, divided by retail units sold in that period. Gross profit, non-GAAP is defined as gross profit plus depreciation and amortization expense in cost of sales, share-based compensation expense in cost of sales, and restructuring expense, minus revenue related to warrants to purchase shares of Root's Class A common stock (the "Root Warrants") as discussed in Note 18 — Fair Value of Financial Instruments. Refer to "Non-GAAP Financial Measures" for more information, including the reconciliation of non-GAAP financial measures to the most directly comparable financial measures under generally accepted accounting principles in the United States ("GAAP").

Components of Results of Operations

Retail Vehicle Sales

Retail vehicle sales represent the aggregate sales of used vehicles to customers through our website. Revenue from retail vehicle sales is recognized upon delivery to the customer or pick up of the vehicle by the customer, and is reported net of a

reserve for expected returns. Factors affecting retail vehicle sales revenue include the number of retail units sold and the average selling price of these vehicles. Changes in retail units sold are a much larger driver of changes in revenue than are changes in average selling price.

Retail vehicle sales also include shipping and delivery fees and service revenue from retail marketplace transactions, which are retail marketplace partner vehicles sold to customers through Carvana, where we recognize revenue on the sale of the vehicle on a net basis, rather than recognizing the full amount of the vehicle sales price as revenue. As a result, an increase in retail marketplace units sold as a percentage of total retail units sold would lead to a decrease in retail revenue per unit sold, and vice versa, other things being equal.

The number of retail vehicles we sell depends on the volume of traffic to our website, our inventory selection, the effectiveness of our branding and marketing efforts, the quality of our customers' purchase experience, our volume of referrals and repeat customers, the competitiveness of our pricing, competition from other used car dealerships, and general macroeconomic and used car industry conditions. On a quarterly basis, the number of retail vehicles we sell is also affected by seasonality, with demand for retail vehicles generally reaching a seasonal high point late in the first quarter of each year, commensurate with the timing of tax refunds, and diminishing through the rest of the year, with the lowest relative level of retail vehicle sales generally expected to occur in the fourth calendar quarter. In 2023, heightened inflation and rising interest rates resulted in lower demand for used vehicles. Heightened inflation and interest rates persisted during the first several months of 2024, and, to a lesser extent, during the remainder of 2024, but were outweighed by seasonal demand associated with the timing of tax refunds and certain of our initiatives focused on growth in retail units sold.

Our revenue per retail unit depends on macroeconomic and used car industry conditions, the mix of vehicles we acquire, retail prices in our markets, our pricing strategy, our average days to sale, and the number of retail marketplace units sold. We may choose to shift our inventory mix to higher or lower cost vehicles, or to raise or lower our prices relative to market to take advantage of supply or demand imbalances, which could temporarily lead to average selling prices increasing or decreasing. We also generally expect lower average days to sale to be associated with higher retail average selling prices due to decreased vehicle depreciation prior to sale, all other factors being equal.

Wholesale Sales and Revenues

Wholesale sales and revenues include the aggregate proceeds we receive on vehicles we acquire and sell to wholesalers and wholesale marketplace revenues. The vehicles we sell to wholesalers are primarily acquired from customers who sell a vehicle to us without purchasing a retail vehicle and from our customers who trade-in their existing vehicles when making a purchase from us. Factors affecting wholesale sales and revenues include the number of wholesale units sold and the average wholesale selling price of these vehicles. The average selling price of our wholesale units is primarily driven by the mix of vehicles we sell to wholesalers, as well as general supply and demand conditions in the applicable wholesale vehicle market, including the level of depreciation in the wholesale vehicle market. Wholesale sales and revenues includes aggregate proceeds we receive on vehicles sold to DriveTime through competitive online auctions that are managed by an unrelated third party and through the Company's wholesale marketplace platform. Wholesale marketplace revenues include revenue earned from the sale of wholesale marketplace units by third-party sellers to buyers through our wholesale marketplace platform, including auction fees and related services revenue.

Other Sales and Revenues

We generate other sales and revenues primarily through the sales of loans we originate and sell in securitization transactions or to financing partners, reported net of a reserve for expected repurchases, commissions we receive on VSCs, sales of GAP waiver coverage, and auto insurance, including Root Warrants we receive on sales of auto insurance.

We generally seek to sell the loans we originate to securitization trusts we sponsor and establish or to financing partners. The securitization trusts issue asset-backed securities, some of which are collateralized by the finance receivables that we sell to the securitization trusts. We also sell the loans we originate under committed forward-flow arrangements, including a Master Purchase and Sale Agreement (as defined in Note 8 — Finance Receivables Sales Agreements of our consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K), and through fixed pool loan sales, with financing partners who generally acquire them at premium prices without recourse to us for their post-sale performance. Factors affecting revenue from these sales include the number of loans we originate, the average principal balance of the loans, the credit quality of the portfolio, the price at which we are able to sell them in securitization transactions or to financing partners, and economic conditions in the capital markets.

The number of loans we originate is driven by the number of retail vehicles sold and the percentage of our sales for which we provide financing, which is influenced by the financing terms we offer our customers relative to alternatives available to the customer. The average principal balance is driven primarily by the mix of vehicles we sell, since higher average selling prices typically mean higher average balances. The price at which we sell the loan is driven by the terms of our securitization transactions and forward-flow arrangement, applicable interest rates, and whether or not the loan includes GAP waiver coverage.

We receive a commission for selling VSCs that DriveTime administers under a master dealer agreement with DriveTime. The commission revenue we recognize on VSCs depends on the number of retail units we sell, the conversion rate of VSCs on these sales, commission rates we receive, VSC early cancellation frequency and product features. The GAP waiver coverage revenue we recognize depends on the number of retail units we sell, the number of customers that choose to finance their purchases with us, the frequency of GAP waiver coverage early cancellation, and the conversion rate of GAP waiver coverage on those sales.

Through our integrated auto insurance solution with Root, customers may conveniently access auto insurance directly from the Carvana e-commerce platform. We receive commissions and Root Warrants based on the Root insurance policies sold through the Integrated Platform. The commission revenue we recognize depends on the number of retail units we sell, the conversion rate of auto policies on those sales, commission rates we receive, and forecasted attrition. The revenue we recognize from Root Warrants as non-cash consideration depends on the probability of achieving certain auto policy sales thresholds within a specific timeline as well as our performance under the agreement with Root.

Cost of Sales

Cost of sales includes the cost to acquire, recondition, and transport vehicles associated with preparing them for resale, and wholesale marketplace cost of sales. Vehicle acquisition costs are driven by the mix of vehicles we acquire, the source of those vehicles, and supply-and-demand dynamics in the vehicle market. Reconditioning costs consist of direct costs, including parts, labor, and third-party repair expenses directly attributable to specific vehicles, as well as indirect costs, such as IRC overhead. Transportation costs consist of costs incurred to transport the vehicles from the point of acquisition to the IRC or other site. Cost of sales also includes any necessary adjustments to reflect vehicle inventory at the lower of cost or net realizable value. Wholesale marketplace cost of sales include costs related to the sale of wholesale marketplace units by third-party sellers through our wholesale marketplace platform, including labor, rent, depreciation and amortization.

Retail Vehicle Gross Profit

Retail vehicle gross profit is the vehicle sales price minus our costs of sales associated with vehicles that we list and sell on our website. Retail vehicle gross profit per unit is our aggregate retail vehicle gross profit in any measurement period divided by the number of retail units sold in that period.

Wholesale Gross Profit

Wholesale gross profit is the vehicle sales price minus our cost of sales associated with vehicles we sell to wholesalers, and wholesale marketplace revenues less wholesale marketplace cost of sales. Factors affecting wholesale gross profit include the number of wholesale units sold, the average wholesale selling price of these vehicles, the average acquisition price associated with these vehicles, the buyer and seller fees, and the number of wholesale marketplace units transacted.

Other Gross Profit

Other sales and revenues consist of 100% gross margin products for which gross profit equals revenue. Therefore, changes in gross profit and the associated drivers are identical to changes in revenues from these products and the associated drivers.

Selling, General and Administrative Expenses ("SG&A")

SG&A expenses include expenses associated with advertising and providing customer service to customers, including financing, title and registration and limited warranty services, operating our vending machines, hubs, physical auctions, logistics and fulfillment network and other corporate overhead expenses, including expenses associated with information technology, product development, engineering, legal, accounting, finance, and business development. SG&A expenses exclude the costs of inspecting and reconditioning vehicles and transporting vehicles from the point of acquisition to the IRC, which are

included in cost of sales, and payroll costs for our employees related to the development of software products for internal use, which are capitalized to software and depreciated over the estimated useful lives of the related assets.

Other Operating Expense, Net

Other operating expense, net primarily includes other general operating expenses such as gains or losses from disposals of long-lived assets.

Interest Expense

Interest expense includes interest incurred on our various tranches of Senior Secured Notes and Senior Unsecured Notes, our Floor Plan Facility, and our Finance Receivable Facilities (each as defined in Note 10 — Debt Instruments of our consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K), as well as our finance leases, and long-term debt, which are used to fund general working capital, our inventory, our transportation fleet, and certain of our property and equipment. Interest expense also includes amortization of capitalized debt issuance costs, which is offset by amortization of debt premium and interest income earned on cash and cash equivalents. Interest expense excludes the interest incurred during various construction projects to build, upgrade, or remodel certain facilities, which is capitalized to property and equipment and depreciated over the estimated useful lives of the related assets.

Other (Income) Expense, Net

Other (income) expense, net includes changes in fair value on our beneficial interests in securitizations, purchase price adjustment receivables, and fair value adjustments related to our Root Warrants as discussed in Note 18 — Fair Value of Financial Instruments of our consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K. Other (income) expense, net also includes expense related to our Tax Receivable Agreement ("TRA") liability. Refer to Note 15 — Income Taxes for further discussion of the TRA.

Income Tax (Benefit) Provision

Income taxes are recognized based upon our anticipated underlying annual blended federal and state income tax rates adjusted, as necessary, for any discrete tax matters occurring during the period. As the sole managing member of Carvana Group, LLC (together with its subsidiaries “Carvana Group”), Carvana Co. consolidates the financial results of Carvana Group. Carvana Group, LLC is treated as a partnership and therefore not subject to U.S. federal and most applicable state and local income tax purposes. Any taxable income or loss generated by Carvana Group is passed through to and included in the taxable income or loss of its members, including Carvana Co., based on its economic interest held in Carvana Group. Carvana Co. is taxed as a corporation and is subject to U.S. federal, state and local income taxes with respect to its allocable share of any taxable income or loss of Carvana Group, as well as any stand-alone income or loss generated by Carvana Co.

Results of Operations

	Years Ended December 31,		
	2024	2023	Change
	(dollars in millions, except per unit amounts)		
Net sales and operating revenues:			
Retail vehicle sales, net	$ 9,681	$ 7,514	28.8 %
Wholesale sales and revenues [1]	2,841	2,504	13.5 %
Other sales and revenues [2]	1,151	753	52.9 %
Total net sales and operating revenues	$ 13,673	$ 10,771	26.9 %
Gross profit:			
Retail vehicle gross profit	$ 1,379	$ 746	84.9 %
Wholesale gross profit [1]	346	225	53.8 %
Other gross profit [2]	1,151	753	52.9 %
Total gross profit	$ 2,876	$ 1,724	66.8 %
Unit sales information:			
Retail vehicle unit sales	416,348	312,847	33.1 %
Wholesale vehicle unit sales	199,780	156,545	27.6 %
Per unit revenue:			
Retail vehicles	$ 23,252	$ 24,018	(3.2) %
Wholesale vehicles [3]	$ 9,611	$ 10,527	(8.7) %
Per retail unit gross profit:			
Retail vehicle gross profit	$ 3,312	$ 2,385	38.9 %
Wholesale gross profit	831	719	15.6 %
Other gross profit	2,765	2,407	14.9 %
Total gross profit	$ 6,908	$ 5,511	25.3 %
Per wholesale unit gross profit:			
Wholesale vehicle gross profit [4]	$ 996	$ 888	12.2 %
Wholesale marketplace:			
Wholesale marketplace units transacted	955,802	871,200	9.7 %
Wholesale marketplace revenues	$ 921	$ 856	7.6 %
Wholesale marketplace gross profit [5]	$ 147	$ 86	70.9 %

(1) Includes $28 and $19, respectively, of wholesale sales and revenues from related parties.
(2) Includes $200 and $145, respectively, of other sales and revenues from related parties.
(3) Excludes wholesale marketplace revenues and wholesale marketplace units transacted.
(4) Excludes wholesale marketplace gross profit and wholesale marketplace units transacted.
(5) Includes $86 and $102, respectively, of depreciation and amortization expense.

Retail Vehicle Sales

Retail vehicle sales increased by $2.2 billion to $9.7 billion during the year ended December 31, 2024 compared to $7.5 billion during the year ended December 31, 2023. The increase in revenue was primarily due to an increase in the number of retail vehicles sold to 416,348 from 312,847 during the years ended December 31, 2024 and 2023, respectively, partially offset by a decrease in retail revenue per retail unit sold to $23,252 in the year ended December 31, 2024 from $24,018 in the prior year, due primarily to higher retail marketplace units sold as a share of total retail units sold, partially offset by faster turn times, compared to the year ended December 31, 2023.

Wholesale Sales and Revenues

Wholesale sales and revenues increased by $337 million to $2.8 billion during the year ended December 31, 2024, compared to $2.5 billion during the year ended December 31, 2023. The increase in revenue was primarily due to an increase in the number of wholesale units sold to 199,780 from 156,545 during the years ended December 31, 2024 and 2023, respectively. The increase in wholesale units sold was primarily a result of an increase in overall vehicle acquisitions during the year ended December 31, 2024 compared to the year ended December 31, 2023. The increase was partially offset by higher overall depreciation in the wholesale vehicle market as the wholesale revenue per wholesale unit sold decreased to $9,611 from $10,527 during the years ended December 31, 2024 and 2023, respectively. Additionally, wholesale marketplace revenues were higher during the year ended December 31, 2024 at $921 million, compared to $856 million during the year ended December 31, 2023, primarily due to an increase in the number of wholesale marketplace units transacted to 955,802 from 871,200 during the years ended December 31, 2024 and 2023, respectively.

Other Sales and Revenues

Other sales and revenues increased by $398 million to $1.2 billion during the year ended December 31, 2024, compared to $753 million during the year ended December 31, 2023. The increase was primarily due to an increase in gain on loan sales as a result of increased retail units sold, more loan sales, and higher loan sale spreads during the year ended December 31, 2024.

Retail Vehicle Gross Profit

Retail vehicle gross profit increased by $633 million to $1.4 billion during the year ended December 31, 2024, compared to $746 million during the year ended December 31, 2023. This increase was driven primarily by an increase in the number of retail vehicles sold to 416,348 from 312,847 during the years ended December 31, 2024 and 2023, respectively. Additionally, retail vehicle gross profit per unit increased to $3,312 for the year ended December 31, 2024, compared to $2,385 for the year ended December 31, 2023. The per unit increase was primarily driven by lower average days to sale, lower vehicle acquisition costs relative to sales prices, and lower reconditioning and inbound transport costs on retail vehicles sold during the year ended December 31, 2024.

Wholesale Gross Profit

Wholesale gross profit increased by $121 million to $346 million during the year ended December 31, 2024, compared to $225 million during the year ended December 31, 2023. This increase was primarily driven by an increase in wholesale units sold to 199,780 from 156,545 during the years ended December 31, 2024 and 2023, respectively, along with an increase in wholesale vehicle gross profit per wholesale unit to $996 from $888, respectively. The increase in wholesale units sold was primarily a result of an increase in overall vehicle acquisitions during the year ended December 31, 2024 compared to the year ended December 31, 2023. The increase in wholesale vehicle gross profit per wholesale unit was primarily a result of lower vehicle acquisition costs relative to sales prices during the year ended December 31, 2024. Additionally, the increase was driven by an increase in marketplace gross profit by $61 million to $147 million during the year ended December 31, 2024, compared to $86 million during the year ended December 31, 2023, due to an increase in the number of wholesale marketplace units transacted to 955,802 from 871,200 during the years ended December 31, 2024 and 2023, respectively.

Other Gross Profit

Other sales and revenues consist of 100% gross margin products for which gross profit equals revenue. Therefore, changes in other gross profit and the associated drivers are identical to changes in other sales and revenues and the associated drivers.

Components of SG&A

	Years Ended December 31,	
	2024	2023
	(in millions)	
Compensation and benefits [1]	$ 700	$ 661
Advertising	229	228
Market occupancy [2]	68	71
Logistics [3]	118	119
Other [4]	759	717
Total	$ 1,874	$ 1,796

(1) Compensation and benefits includes all payroll and related costs, including benefits, payroll taxes, and equity-based compensation, except those related to preparing vehicles for sale, which are included in cost of sales, and those related to the development of software products for internal use, which are capitalized to software and depreciated over the estimated useful lives of the related assets.
(2) Market occupancy costs includes occupancy costs of our vending machine and hubs. It excludes occupancy costs related to reconditioning vehicles which are included in cost of sales and the portion related to corporate occupancy which are included in other costs.
(3) Logistics includes fuel, maintenance and depreciation related to operating our own transportation fleet, and third-party transportation fees, except the portion related to inbound transportation, which is included in cost of sales.
(4) Other costs include all other selling, general and administrative expenses such as IT expenses, corporate occupancy, professional services and insurance, limited warranty, and title and registration.

Selling, general and administrative expenses increased by $78 million to $1.9 billion during the year ended December 31, 2024 compared to $1.8 billion during the year ended December 31, 2023, primarily due to higher employee headcount and other SG&A expenses, primarily associated with higher retail units sold.

Other Operating Expense, Net

Other operating expense, net increased by $4 million to $12 million during the year ended December 31, 2024 compared to $8 million during the year ended December 31, 2023, due to higher disposals of long-lived assets.

Interest Expense

Interest expense increased by $19 million to $651 million during the year ended December 31, 2024 compared to $632 million during the year ended December 31, 2023, primarily due to increased interest on the Senior Secured Notes, partially offset by lower interest on the Senior Unsecured Notes, floor plan facility, and finance receivable facilities, and higher interest income.

Loss (Gain) on Debt Extinguishment

Loss on debt extinguishment was $12 million during the year ended December 31, 2024, due to the repurchase of $370 million of 2028 Senior Secured Notes in the open market for $384 million, which included $8 million of accrued interest and $1 million in pro-rata write-offs of unamortized debt issuance costs and unamortized premium. Additionally, in the year ended December 31, 2024 the Company redeemed $100 million of 2028 Senior Secured Notes for $108 million, which included $3 million of accrued interest. Gain on debt extinguishment was $878 million during the year ended December 31, 2023, due to the exchange of $5.5 billion in principal of Senior Unsecured Notes for $4.2 billion in principal of Senior Secured Notes and $341 million in cash, along with the write off of $66 million of debt issuance costs and a $40 million deferred premium on a portion of the Senior Secured Notes.

Other (Income) Expense, Net

Other (income) expense, net was income of $73 million during the year ended December 31, 2024 and was primarily due to a $115 million increase in the fair value of Root Warrants and a $23 million increase in the fair value of beneficial interests in securitizations, partially offset by $67 million of TRA expense. Other (income) expense, net was income of $9 million during the year ended December 31, 2023 and was primarily due to a $14 million increase in the fair value of beneficial interests in

securitizations, $6 million of other income, and a $3 million increase in the fair value of Root Warrants, partially offset by $14 million of TRA expense.

Income Tax (Benefit) Provision

Income tax (benefit) provision changed by $29 million to a benefit of $4 million during the year ended December 31, 2024 compared to an expense of $25 million during the year ended December 31, 2023. The change was primarily due to the income tax expense related to the cancellation of debt income recognized on the exchange of $5.5 billion in principal of Senior Unsecured Notes for $4.2 billion in principal of Senior Secured Notes and $341 million in cash during the year ended December 31, 2023.

Non-GAAP Financial Measures

To supplement the consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we also present the following non-GAAP measures: Adjusted EBITDA; Adjusted EBITDA margin; Gross profit, non-GAAP; Total gross profit per retail unit, non-GAAP; SG&A expenses, non-GAAP; and Total SG&A expenses per retail unit, non-GAAP.

Adjusted EBITDA; Adjusted EBITDA margin; Gross profit, non-GAAP; Total gross profit per retail unit, non-GAAP; SG&A expenses, non-GAAP; and Total SG&A expenses per retail unit, non-GAAP

Adjusted EBITDA; Adjusted EBITDA margin; Gross profit, non-GAAP; Total gross profit per retail unit, non-GAAP; SG&A expenses, non-GAAP; and Total SG&A expenses per retail unit, non-GAAP are supplemental measures of operating performance that do not represent and should not be considered an alternative to net income (loss), gross profit, or SG&A expenses, as determined by GAAP.

Adjusted EBITDA is defined as net income (loss) plus income tax (benefit) provision, interest expense, other operating expense, net, other (income) expense, net, depreciation and amortization expense in cost of sales and SG&A expenses, share-based compensation expense in cost of sales and SG&A expenses, goodwill impairment, loss on debt extinguishment, and restructuring expense, minus revenue related to our Root Warrants and gain on debt extinguishment. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenues.

Gross profit, non-GAAP is defined as GAAP gross profit plus depreciation and amortization expense in cost of sales, share-based compensation expense in cost of sales, and restructuring expense in cost of sales, minus revenue related to our Root Warrants. Total gross profit per retail unit, non-GAAP is Gross profit, non-GAAP divided by retail vehicle unit sales.

SG&A expenses, non-GAAP is defined as GAAP SG&A expenses minus depreciation and amortization expense in SG&A expenses, share-based compensation expense in SG&A expenses, and restructuring expense in SG&A expenses. Total SG&A expenses per retail unit, non-GAAP is SG&A expenses, non-GAAP divided by retail vehicle unit sales.

We use these non-GAAP measures to measure the operating performance of our business as a whole and relative to our total revenues and retail vehicle unit sales. We believe that these metrics are useful measures to us and to our investors because they exclude certain financial, capital structure, and non-cash items that we do not believe directly reflect our core operations and may not be indicative of our recurring operations, in part because they may vary widely across time and within our industry independent of the performance of our core operations. We believe that excluding these items enables us to more effectively evaluate our performance period-over-period and relative to our competitors. Adjusted EBITDA; Adjusted EBITDA margin; Gross profit, non-GAAP; Total gross profit per retail unit, non-GAAP; SG&A expenses, non-GAAP; and Total SG&A expenses per retail unit, non-GAAP may not be comparable to similarly titled measures provided by other companies due to potential differences in methods of calculations.

A reconciliation of Adjusted EBITDA to net income (loss), Gross profit, non-GAAP to gross profit, and SG&A expenses, non-GAAP to SG&A expenses, which are the most directly comparable GAAP measures, and calculations of Adjusted EBITDA margin, Total gross profit per retail unit, non-GAAP, and Total SG&A expenses per retail unit, non-GAAP is as follows:

	Years Ended December 31,		
	2024	2023	2022
	(dollars in millions, except per unit amounts)		
Net income (loss)	$ 404	$ 150	$ (2,894)
Income tax (benefit) provision	(4)	25	1
Interest expense	651	632	486
Other operating expense, net	12	8	14
Other (income) expense, net	(73)	(9)	56
Depreciation and amortization expense in cost of sales	140	169	114
Depreciation and amortization expense in SG&A expenses	165	183	200
Share-based compensation expense in cost of sales	1	—	16
Share-based compensation expense in SG&A expenses	91	73	69
Goodwill impairment	—	—	847
Root warrant revenue	(21)	(21)	(7)
Loss (Gain) on debt extinguishment	12	(878)	—
Restructuring expense [1]	—	7	57
Adjusted EBITDA	$ 1,378	$ 339	$ (1,041)
Total revenues	$ 13,673	$ 10,771	$ 13,604
Net income (loss) margin	3.0 %	1.4 %	(21.3)%
Adjusted EBITDA margin	10.1 %	3.1 %	(7.7)%
Gross profit	$ 2,876	$ 1,724	$ 1,246
Depreciation and amortization expense in cost of sales	140	169	114
Share-based compensation expense in cost of sales	1	—	16
Root warrant revenue	(21)	(21)	(7)
Restructuring expense in cost of sales [1]	—	—	7
Gross profit, non-GAAP	$ 2,996	$ 1,872	$ 1,376
Retail vehicle unit sales	416,348	312,847	412,296
Total gross profit per retail unit	$ 6,908	$ 5,511	$ 3,022
Total gross profit per retail unit, non-GAAP	$ 7,196	$ 5,984	$ 3,337
SG&A expenses	$ 1,874	$ 1,796	$ 2,736
Depreciation and amortization expense in SG&A expenses	165	183	200
Share-based compensation expense in SG&A expenses	91	73	69
Restructuring expense in SG&A expenses [1]	—	7	50
SG&A expenses, non-GAAP	$ 1,618	$ 1,533	$ 2,417
Retail vehicle unit sales	416,348	312,847	412,296
Total SG&A expenses per retail unit	$ 4,501	$ 5,741	$ 6,636
Total SG&A expenses per retail unit, non-GAAP	$ 3,886	$ 4,900	$ 5,862

(1) For the year ended December 31, 2022, includes $28 million of lease termination fees, net of amounts written off for the corresponding operating lease right-of-use assets and operating lease liabilities which were terminated, $26 million of expenses associated with workforce reductions, of which $7 million was recorded to cost of sales, and $3 million of other restructuring-related costs.

Liquidity and Capital Resources

General

We generate cash from the sale of retail vehicles, wholesale vehicles, loans we originate, and VSCs, GAP waiver coverage, and other complementary products. We generate additional cash flows through our financing activities including our short-term revolving inventory and finance receivable facilities and real estate and equipment financing, the issuance of debt securities, and new issuances of equity. Historically, cash generated from financing activities has funded growth and expansion into new markets and strategic initiatives and we expect this to continue in the future.

In response to the macroeconomic environment, our focus in past years has been on driving profitability through initiatives to better conform our expense structure to unit volume levels and create a strong operational foundation, allowing us to shift focus throughout 2024 to the long-term phase of driving profitable growth. We expect to continue our focus on profitability initiatives as we continue to grow. We expect our primary sources of cash to continue to be sufficient to fund our operating activities and cash commitments for investing and financing activities for at least the next 12 months.

Our ability to service our debt and fund working capital, capital expenditures, and business development efforts in the long-term depends on our ability to generate cash from operating and financing activities, which is subject to our future operating performance, as well as to general economic, financial, competitive, legislative, regulatory, and other conditions, some of which are beyond our control. Our future capital requirements depend on many factors, including our ability to generate cash from operating activities, our ability to refinance indebtedness, our ability to obtain supplemental liquidity through debt, equity, including the issuance of equity pursuant to our ATM Program, strategic relationships or other arrangements on terms available or acceptable to us, our rate of revenue growth, our construction of IRCs and vending machines, the timing and extent of our spending to support our technology and software development efforts, our advertising spend, and increased population coverage. If we need to obtain supplemental liquidity, there can be no assurance that financing alternatives will be available in sufficient amounts or on terms acceptable to us in the future.

On July 19, 2023, the Company entered into an agreement (the "Distribution Agreement") to establish an ATM Program, and on July 31, 2024, the Company refreshed the ATM Program by entering into an Amended and Restated Distribution Agreement with Barclays Capital Inc., Citigroup Global Markets Inc., Moelis & Company LLC, and Virtu Americas LLC. Under the ATM Program as of December 31, 2024, the Company could sell up to the greater of (i) shares of Class A common stock representing an aggregate offering price of $1.0 billion, or (ii) an aggregate of 35 million shares of Class A common stock, from time to time. In the year ended December 31, 2024, we issued 6.8 million shares of Class A common stock at a weighted-average issuance price per share of $186.56, for gross proceeds of $1.3 billion, which we are using for general corporate purposes. However, there can be no assurance that we will sell further shares of Class A common stock through the ATM Program, or otherwise. See Item 9B “Other Information” for a description of amendments to the ATM Program after December 31, 2024.

Finally, subject to the restrictions in the indentures governing the Senior Secured Notes, we or our affiliates have and may again, at any time, and from time to time, repurchase shares of our Class A common stock, our Senior Unsecured Notes, our Senior Secured Notes, or any other securities we may issue, from time to time, in open market transactions, privately negotiated transactions, in exchange for property or other securities or otherwise. In addition, subject to the restrictions in the indentures governing the Senior Secured Notes and the terms of such notes and our Senior Unsecured Notes, we have and may again, redeem all or portions of such notes. During the year ended December 31, 2024, we repurchased and cancelled $370 million of principal amount of 2028 Senior Secured Notes and redeemed $100 million of 2028 Senior Secured Notes. Any additional repurchase or redemption decisions will be made after consideration of market conditions and liquidity needs and will be upon such terms and at such prices as we determine appropriate. However, there is no guarantee that a repurchase or redemption will take place.

Liquidity Resources

We had the following committed liquidity resources, secured debt capacity, and other unpledged assets available as of December 31, 2024 and 2023:

	December 31,	
	2024	2023
	(in millions)	
Cash and cash equivalents	$ 1,716	$ 530
Availability under short-term revolving facilities [(1)]	1,879	1,006
Committed liquidity resources available	$ 3,595	$ 1,536
Super senior debt capacity	1,500	1,262
Pari passu senior debt capacity	485	250
Unpledged beneficial interests in securitizations	110	80
Total liquidity resources	$ 5,690	$ 3,128

(1) Based on pledging all eligible vehicles and finance receivables under the Floor Plan Facility and Finance Receivables Facilities, excluding the impact to restricted cash requirements.

Our total liquidity potential is composed of cash and cash equivalents, availability under existing credit facilities, additional capacity under the indentures governing our Senior Secured Notes, which allow us to incur additional debt that can be senior or pari passu in lien priority as to the collateral securing the obligations under the Senior Secured Notes, and additional unpledged securities that can be financed using traditional asset-based financing sources.

Cash and cash equivalents includes cash deposits and highly liquid investment instruments with original maturities of three months or less, such as money market funds.

Availability under short-term revolving facilities is the available amount we can borrow under the Floor Plan Facility and Finance Receivable Facilities based on the value of pledgeable vehicle inventory and finance receivables on our balance sheet on the period end date. Availability under short-term revolving facilities is distinct from the total commitment amount of these facilities because it represents the amount we are able to borrow as of period end, rather than committed future amounts that could be borrowed to finance future additional assets. Effective November 1, 2023, we amended our vehicle inventory Floor Plan Facility to resize the line of credit to $1.5 billion through April 30, 2025.

As of December 31, 2024 and 2023, the short-term revolving facilities had a total commitment of $4.2 billion each period, an outstanding balance of $67 million and $668 million, respectively, and unused capacity of $4.1 billion and $3.5 billion, respectively.

Super senior debt capacity and pari passu senior debt capacity represents basket capacity to incur additional debt that could be senior or pari passu in lien priority as to the collateral securing the obligations under the Senior Secured Notes, subject to the terms and conditions set forth in the indentures governing the Senior Secured Notes. The availability of such additional sources depends on many factors and there can be no assurance that financing alternatives will be available to us in the future.

Unpledged beneficial interests in securitizations includes retained beneficial interests in securitizations that have not been previously pledged or sold. We historically have financed the majority of our retained beneficial interests in securitizations and expect to continue to do so in the future.

Additionally, in January 2025, we amended our Master Purchase and Sale Agreement to, among other things, reestablish the commitment by the purchaser to purchase up to $4.0 billion of principal balances of finance receivables between January 3, 2025 and January 2, 2026. See Note 8 — Finance Receivable Sale Agreements, included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K for discussion regarding principal balances and unused capacity under the Master Purchase and Sale Agreement.

To optimize our cost of capital, in any given period we may choose not to maximize borrowings on our short-term revolving facilities, maximize revolving commitment size, or immediately sale-leaseback real estate; and we may also choose to

retain beneficial interests in securitizations for varying amounts of time. This has the benefit of reducing interest expense and debt issuance costs and providing flexibility to minimize financing costs over time.

We consider our total liquidity resources as an input into our planning. In general, changes in total liquidity resources fall into two broad categories: changes due to current business operations and changes due to investments in automotive retail assets.

Changes in liquidity due to current business operations include impacts from fluctuations in Adjusted EBITDA, non-real estate capital expenditures, including technology, furniture, fixtures, and equipment, and changes in traditional working capital, including accounts receivable, accounts payable, accrued expenses, and other miscellaneous assets and liabilities.

In the ordinary course of business, we sponsor and engage in securitization transactions to sell our finance receivables to a diverse pool of investors. These securitizations involve unconsolidated variable interest entities in which we retain at least 5% of the credit risk of the underlying finance receivable by holding at least 5% of the notes and certificates issued by these entities. We are exposed to market risk in the securitization market. See Note 9 — Securitizations and Variable Interest Entities, included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K for further discussion regarding our transactions with unconsolidated variable interest entities.

In addition we also invest in and generate several types of assets, including vehicle inventory, finance receivables, retained beneficial interests in securitizations, and real estate. To maximize capital efficiency, we generally seek to finance these assets with matched sources of asset-based financing, including short-term revolving facilities for vehicle inventory and finance receivables, beneficial interests financing for retained beneficial interests in securitizations, and sale-leaseback or other real estate financing for IRCs and vending machines. We have historically used these sources of financing to finance our investment in these assets and expect to continue to do so in the future.

As of December 31, 2024 and 2023, our outstanding principal amount of indebtedness was $5.5 billion and $6.0 billion, respectively, summarized in the table below. See Note 10 — Debt Instruments and Note 16 — Leases of our consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K for further information on our debt.

	December 31,	
	2024	2023
	(in millions)	
Asset-Based Financing:		
Floor plan facility	$ 67	$ 113
Finance receivable facilities	—	555
Financing of beneficial interests in securitizations	354	293
Real estate financing	485	485
Total asset-based financing	906	1,446
Senior Secured Notes [1]	4,358	4,378
Senior Unsecured Notes	205	205
Total debt	5,469	6,029
Less: current portion	(302)	(777)
Less: unamortized debt issuance costs [2]	(46)	(60)
Plus: unamortized premium [3]	27	37
Total included in long-term debt, net	$ 5,148	$ 5,229

(1) Includes $105 million and $185 million of accrued paid-in-kind ("PIK") interest as of December 31, 2024 and 2023, respectively. Accrued PIK interest increases the principal amount of Senior Secured Notes on each semi-annual interest payment date.
(2) The unamortized debt issuance costs related to long-term debt are presented as a reduction of the carrying amount of the corresponding liabilities on the accompanying consolidated balance sheets. Unamortized debt issuance costs related to revolving debt arrangements are presented within other assets on our consolidated balance sheets and not included here.
(3) The unamortized premium relates to a portion of the notes exchange offers completed in September 2023 which were accounted for as a debt modification.

Cash Flows

The following table presents a summary of our consolidated cash flows from operating, investing, and financing activities for the years ended December 31, 2024, and 2023:

	Years Ended December 31,	
	2024	2023
	(in millions)	
Net cash provided by operating activities	$ 918	$ 803
Net cash (used in) provided by investing activities	(13)	31
Net cash provided by (used in) financing activities	261	(868)
Net increase (decrease) in cash, cash equivalents and restricted cash	1,166	(34)
Cash, cash equivalents, and restricted cash at beginning of period	594	628
Cash, cash equivalents, and restricted cash at end of period	$ 1,760	$ 594

Operating Activities

Our primary sources of operating cash flows result from the sales of retail vehicles, wholesale vehicles, loans we originate, and VSCs, GAP waiver coverage, and other complementary products. Our primary uses of cash from operating activities are purchases of inventory, personnel-related expenses, and cash used to acquire customers. Cash provided by operating activities was $918 million and $803 million for the years ended December 31, 2024 and 2023, respectively, an increase in cash provided by operating activities of $115 million, primarily due to an improvement in operating results and a $274 million reduction in interest paid due to higher PIK interest on the Senior Secured Notes in the year ended December 31, 2024, partially offset by increased vehicle inventory acquisitions and a lower ratio of finance receivables sold relative to originations of finance receivables.

Investing Activities

Our primary use of cash for investing activities is purchases of property and equipment. Cash used in and provided by investing activities was $13 million and $31 million during the years ended December 31, 2024 and 2023, respectively, an increase in cash used in investing activities of $44 million, primarily driven by lower proceeds received from the sale of property and equipment in the year ended December 31, 2024, partially offset by increased principal payments received on and proceeds from the sale of beneficial interests in securitizations during the year ended December 31, 2024.

Financing Activities

Cash flows from financing activities primarily relate to our short and long-term debt activity, including proceeds from and payments on our short-term revolving facilities. Cash provided by and used in financing activities was $261 million and $868 million during the years ended December 31, 2024 and 2023, respectively, an increase in cash provided by financing activities of $1.1 billion primarily driven by higher net proceeds from our ATM Program and lower reliance on short-term revolving facilities during the year ended December 31, 2024.

Contractual Obligations and Commitments

We are party to contractual obligations involving commitments to third parties for which we believe we have sufficient liquidity to fund our operations and meet our obligations as they come due. These contractual obligations impact our liquidity and future capital requirements and primarily consist of long-term debt and related interest payments, leases, short-term revolving facilities, financing of beneficial interests in securitizations, and other purchase obligations and commitments. See Note 8 — Finance Receivable Sale Agreements, Note 10 — Debt Instruments, Note 16 — Leases, and Note 17 — Commitments and Contingencies of the consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K, for more information related to these contractual obligations and commitments.

Fair Value Measurements

We report money market securities, certain receivables, warrants to acquire Root's Class A common stock and beneficial interests in securitizations at fair value. See Note 18 — Fair Value of Financial Instruments, included in Part II, Item 8, "Financial Statement and Supplementary Data," of this Annual Report on Form 10-K, which is incorporated into this item by reference.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenue and expenses and related disclosures of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions, impacting our reported results of operations and financial condition.

Certain accounting policies involve significant judgments and assumptions by management, which have a material impact on the carrying value of assets and liabilities and the recognition of income and expenses. The estimates and assumptions used by management are based on historical experience and other factors, which are believed to be reasonable under the circumstances. The significant accounting estimates which we believe are the most critical to aid in fully understanding and evaluating our reported financial results and have had or are reasonably likely to have a material impact on our financial condition or results of operation are described below. Refer to Note 2 — Summary of Significant Accounting Policies of the consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K, for more detailed information regarding our critical accounting policies.

Revenue Recognition

We sell retail vehicles directly to our customers through our website. We recognize revenue upon delivery to the customer or pick up of the vehicle by a customer at the agreed upon purchase price stated in the contract, including any delivery charges, less an estimate for returns. Our return policy allows customers to initiate a return during the first seven days after delivery. Estimates for returns are based on an analysis of historical experience, trends and sales data. Changes in these estimates are reflected as an adjustment to revenue in the period identified.

Customers purchasing retail vehicles from us may enter into contracts for VSCs and, if they finance with us, GAP waiver coverage. The prices of VSCs and GAP waiver coverage are set forth in each contract. We sell and receive a commission on VSCs under a master dealer agreement with DriveTime, pursuant to which we sell VSCs that DriveTime administers and is the obligor. We receive a commission on GAP waiver coverage contracts where the administrator of the contract is obligated to reimburse the holder of the underlying finance receivable for a balance that is in excess of the value of the financed vehicle in the event of a total loss. We recognize commission revenue at the time of sale, net of a reserve for estimated contract cancellations. Our risk related to contract cancellations is limited to the commissions that we receive. Cancellations fluctuate depending on the customer-financing default or prepayment rates, and shifts in customer behavior, including those related to changes in the coverage or term of the product. To the extent that actual experience differs from historical trends, there could be significant adjustments to our contract cancellation reserves. The reserve for cancellations of VSCs and GAP waiver coverage is estimated based upon historical experience and recent trends and is reflected as a reduction of other sales and revenues. Changes in these estimates are reflected as an adjustment to revenue in the period identified.

Under the master dealer agreement with DriveTime, we are also contractually entitled to receive profit-sharing revenues based on the performance of the VSCs once a required claims period has passed. This is a form of variable consideration we recognize as revenue to the extent that it is probable that it will not result in a significant revenue reversal. We apply the expected value method, utilizing expected VSC performance based on historical claims and cancellation data from our customers, as well as other qualitative assumptions to estimate the amount we expect to receive. We reassess the estimate each reporting period with any changes reflected as an adjustment to other sales and revenues in the period identified. Profit-sharing payments will begin when the underlying VSCs reach a specified level of claims history.

Finance Receivables

Finance receivables include installment contracts we originate to facilitate vehicle sales. We classify these receivables as held for sale, as we do not intend to hold the finance receivables we originate to maturity. We typically sell the finance

receivables we originate. We record a valuation allowance to report finance receivables at the lower of unpaid principal balance or fair value. To determine the fair value of finance receivables we utilize industry-standard modeling, such as discounted cash flow analysis, factoring in our historical experience, the credit quality of the underlying receivables, loss trends and recovery rates, as well as the overall economic environment. For purposes of determining the valuation allowance, finance receivables are evaluated collectively to determine the allowance as they represent a large group of smaller-balance homogeneous loans. To the extent that actual experience differs from historical trends, there could be significant adjustments to our valuation allowance. Principal balances of finance receivables are charged-off when we are unable to sell the finance receivable and the related vehicle has been repossessed and liquidated or the receivable has otherwise been deemed uncollectible. The estimates and trends used have historically been effective in our determination of our valuation allowance.

Beneficial Interests in Securitizations

The Company's beneficial interests in securitizations include rated notes and certificates and other assets, all of which are classified as Level 3 due to the lack of observable market data. The Company determines the fair value of its rated notes based on non-binding broker quotes. The non-binding broker quotes are based on models that consider the prevailing interest rates, recent market transactions, and current business conditions. The Company determines the fair value of its certificates and other assets using a combination of non-binding market quotes and internally developed discounted cash flow models. The discounted cash flow models use discount rates based on prevailing interest rates and the characteristics of the specific instruments. See Note 18 — Fair Value of Financial Instruments, included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K for further detail on the discount rates.

Significant increases or decreases in the inputs to the models could result in a significantly higher or lower fair value measurement. The Company elected the fair value option on its beneficial interests in securitizations, which allows it to recognize changes in the fair value of these assets in the period the fair value changes resulting in a gain or loss in that period.

Valuation of Inventory

Vehicle inventory consists of used vehicles, primarily acquired directly from customers and at auction. Direct and indirect vehicle reconditioning costs including parts and labor, inbound transportation costs and other incremental costs are capitalized as a component of inventory. Inventory is stated at the lower of cost or net realizable value. Vehicle inventory cost is determined by specific identification. Net realizable value is the estimated selling price less costs to complete, dispose and transport the vehicles. Selling prices are derived from historical data and trends, such as sales price and inventory turn times of similar vehicles, as well as independent market resources. Each reporting period we recognize any necessary adjustments to reflect vehicle inventory at the lower of cost or net realizable value through cost of sales. To the extent that there are significant changes to estimated vehicle selling prices or decreases in demand for used vehicles, there could be significant adjustments to reflect our inventory at net realizable value.

Income Taxes

We account for income taxes pursuant to the asset and liability method, which requires the recognition of deferred income tax assets and liabilities related to the expected future tax consequences arising from temporary differences between the carrying amounts and tax bases of assets and liabilities based on enacted statutory tax rates applicable to the periods in which the temporary differences are expected to reverse. Any effects of changes in income tax rates or laws are included in income tax expense in the period of enactment. We reduce the carrying amounts of deferred tax assets by a valuation allowance if, based on the evidence available, both positive and negative, as well as the objectivity and verifiability of that evidence, it is more likely than not that some portion or all of our deferred tax assets will not be realized. The assessment considers, among other matters, the nature, frequency, and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry forward periods by jurisdiction, our experience with loss carryforwards not expiring unutilized, and all tax-planning alternatives that may be available.

Tax Receivable Agreement

Our TRA liability is determined and recorded in accordance with ASC 450, *Contingencies*, which requires the determination of whether the liability is both probable and reasonably estimable. The primary consideration is our usage of deferred tax assets, which currently have a full valuation allowance applied against them. As such, we recognized a TRA liability of $82 million and $14 million as of December 31, 2024 and 2023, respectively, which represents the portion of the liability that is probable and reasonably estimable. For the remaining $2.0 billion TRA liability as of December 31, 2024, we determined that it was more likely than not that our deferred tax assets subject to the TRA would not be realized.

Business Combination Purchase Price Allocation

The purchase price of an acquisition is allocated to the identifiable assets acquired and liabilities assumed based on their fair values at the date of acquisition, with the excess purchase price being recorded as goodwill. The allocation of purchase price to the tangible and identifiable intangible assets acquired is specifically complex because of the significant estimates and assumptions involved in determining their fair values. Due to this higher degree of complexity, we obtained the assistance of outside valuation experts in the allocation of purchase price to the tangible and identifiable intangible assets acquired. While outside valuation experts were used, management has the ultimate responsibility for the valuation methods, models and inputs used and the resulting purchase price allocation. Critical estimates used in valuing tangible assets associated with the ADESA Acquisition include, but are not limited to, the similarity of the acquired real property to market comparable transactions, costs of similar personal property in new condition, and economic obsolescence rates. Critical estimates used in valuing identifiable intangible assets associated with the ADESA Acquisition include, but are not limited to, revenues and attrition rate.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure due to potential changes in inflation or interest rates. We do not hold financial instruments for trading purposes.

Interest Rate Risk

Our primary market risk exposure related to our debt is changing interest rates. We had total outstanding debt of $67 million under our short-term revolving facilities at December 31, 2024. Amounts outstanding under our short-term revolving facilities are generally due within one year and bear a variable interest rate of a fixed spread to a prime rate or SOFR. Refer to Note 10 — Debt Instruments of our consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K for more detail on this variable interest rate. Based on the amounts outstanding, a 100-basis point increase or decrease in market interest rates would result in a change to annual interest expense of $1 million at December 31, 2024. Our interest expense increased by $19 million to $651 million during the year ended December 31, 2024 compared to $632 million during the year ended December 31, 2023, primarily as a result of increased interest associated with the Senior Secured Notes, partially offset by decreased interest associated with the Senior Unsecured Notes and short-term revolving facilities.

Our long-term debt, consisting of our Senior Notes (as defined in Note 10 — Debt Instruments of our consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of this Annual Report on Form 10-K) and finance leases have fixed interest rates and terms, and as such, we consider the associated risk to our results of operations from changes in market rates of interest to be minimal.

We are also exposed to interest rate risk arising from market rate adjustments as they pertain to our securitization transactions and variable rate debt borrowings. Future sales of our finance receivables and interest expense may be affected by changes in market rates. We have previously managed these interest rate exposures through the use of derivative instruments such as interest rate swap contracts and cap agreements, and may continue to do so in the future.

Inflation Risk

We are affected by inflationary factors such as decreased vehicle affordability, including as a result of high interest rates, and increases in supply chain and logistics costs, materials costs, and labor costs. We do not believe that inflation has historically had a material effect on our business, financial condition, or results of operations. However, we continue to look for ways to manage any changes in consumer purchasing behavior and increased costs, both of which may adversely affect our business, financial condition, and results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Carvana Co.

Opinion on the financial statements
We have audited the accompanying consolidated balance sheets of Carvana Co. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule included under Item 15 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 19, 2025 expressed an unqualified opinion.

Basis for opinion
These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter
Critical audit matters are matters arising from the current period audit of the financial statements that are communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2015.

Southfield, Michigan
February 19, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Carvana Co.

Opinion on internal control over financial reporting
We have audited the internal control over financial reporting of Carvana Co. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2024, and our report dated February 19, 2025 expressed an unqualified opinion on those financial statements.

Basis for opinion
The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Southfield, Michigan
February 19, 2025

CARVANA CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except number of shares, which are reflected in thousands, and par values)

	December 31,	
	2024	**2023**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,716	$ 530
Restricted cash	44	64
Accounts receivable, net	303	266
Finance receivables held for sale, net	612	807
Vehicle inventory	1,608	1,150
Beneficial interests in securitizations	464	366
Other current assets, including $ 4 and $ 3 , respectively, due from related parties	122	138
Total current assets	4,869	3,321
Property and equipment, net	2,773	2,982
Operating lease right-of-use assets, including $ 13 and $ 10 , respectively, from leases with related parties	440	455
Intangible assets, net	34	52
Other assets	368	261
Total assets	$ 8,484	$ 7,071
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued liabilities, including $ 17 and $ 7 , respectively, due to related parties	$ 856	$ 596
Short-term revolving facilities	67	668
Current portion of long-term debt	309	189
Other current liabilities, including $ 16 and $ 3 , respectively, due to related parties	106	83
Total current liabilities	1,338	1,536
Long-term debt, excluding current portion	5,256	5,416
Operating lease liabilities, excluding current portion, including $ 10 and $ 7 , respectively, from leases with related parties	414	433
Other liabilities, including $ 48 and $ 11 , respectively, due to related parties	101	70
Total liabilities	7,109	7,455
Commitments and contingencies (Note 17)		
Stockholders' equity (deficit):		
Preferred stock, $ 0.01 par value - 50,000 shares authorized; none issued and outstanding as of December 31, 2024 and 2023	—	—
Class A common stock, $ 0.001 par value - 500,000 shares authorized, 133,271 and 114,239 shares issued and outstanding as of December 31, 2024 and 2023, respectively	—	—
Class B common stock, $ 0.001 par value - 125,000 shares authorized, 79,119 and 85,619 shares issued and outstanding as of December 31, 2024 and 2023, respectively	—	—
Additional paid in capital	2,676	1,869
Accumulated deficit	(1,416)	(1,626)
Total stockholders' equity attributable to Carvana Co.	1,260	243
Non-controlling interests	115	(627)
Total stockholders' equity (deficit)	1,375	(384)
Total liabilities & stockholders' equity (deficit)	$ 8,484	$ 7,071

See accompanying notes to consolidated financial statements.

CARVANA CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except number of shares, which are reflected in thousands, and per share amounts)

	Years Ended December 31,		
	2024	**2023**	**2022**
Sales and operating revenues:			
Retail vehicle sales, net	$ 9,681	$ 7,514	$ 10,254
Wholesale sales and revenues, including $ 28 , $ 19 , and $ 32 respectively, from related parties	2,841	2,504	2,609
Other sales and revenues, including $ 200 , $ 145 , and $ 176 , respectively, from related parties	1,151	753	741
Net sales and operating revenues	13,673	10,771	13,604
Cost of sales, including $ 6 , $ 4 , and $ 22 , respectively, to related parties	10,797	9,047	12,358
Gross profit	2,876	1,724	1,246
Selling, general and administrative expenses, including $ 31 , $ 33 , and $ 33 , respectively, to related parties	1,874	1,796	2,736
Goodwill impairment	—	—	847
Other operating expense, net	12	8	14
Operating income (loss)	990	(80)	(2,351)
Interest expense	651	632	486
Loss (Gain) on debt extinguishment	12	(878)	—
Other (income) expense, net	(73)	(9)	56
Net income (loss) before income taxes	400	175	(2,893)
Income tax (benefit) provision	(4)	25	1
Net income (loss)	404	150	(2,894)
Net income (loss) attributable to non-controlling interests	194	(300)	(1,307)
Net income (loss) attributable to Carvana Co.	210	450	(1,587)
Net income (loss) attributable to Class A common stockholders	$ 210	$ 450	$ (1,587)
Net earnings (loss) per share of Class A common stock - basic	$ 1.72	$ 4.12	$ (15.74)
Net earnings (loss) per share of Class A common stock - diluted	$ 1.59	$ 0.75	$ (15.74)
Weighted-average shares of Class A common stock outstanding - basic	122,344	109,323	100,828
Weighted-average shares of Class A common stock outstanding - diluted	132,206	200,578	100,828

See accompanying notes to consolidated financial statements.

CARVANA CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In millions, except number of shares, which are reflected in thousands)

	Class A Common Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Non-controlling Interests	Total Stockholders' Equity (Deficit)
Balance, December 31, 2021	89,930	$ —	82,900	$ —	$ 795	$ (489)	$ 219	$ 525
Net loss	—	—	—	—	—	(1,587)	(1,307)	(2,894)
Issuance of Class A common stock, net of underwriters' discounts and commissions and offering expenses	15,625	—	—	—	1,227	—	—	1,227
Adjustments to the non-controlling interests related to equity offering	—	—	—	—	(554)	—	554	—
Exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises	46	—	—	—	1	—	(1)	—
Establishment of deferred tax assets related to increases in tax basis in Carvana Group	—	—	—	—	22	—	—	22
Establishment of valuation allowance related to deferred tax assets associated with increases in tax basis in Carvana Group	—	—	—	—	(22)	—	—	(22)
Contribution of Class A common stock from related party	(128)	—	—	—	—	—	—	—
Issuance of Class A common stock to settle vested restricted stock units	390	—	—	—	—	—	—	—
Issuance of Class A common stock under ESPP	86	—	—	—	1	—	—	1
Forfeitures of restricted stock and restricted stock surrendered in lieu of withholding taxes	—	—	—	—	(8)	—	—	(8)
Options exercised	88	—	—	—	3	—	—	3
Equity-based compensation	—	—	—	—	93	—	—	93
Balance, December 31, 2022	106,037	$ —	82,900	$ —	$ 1,558	$ (2,076)	$ (535)	$ (1,053)
Net income (loss)	—	—	—	—	—	450	(300)	150
Issuance of Class A common stock, net of underwriters' discounts and commissions and offering expenses	7,157	—	—	—	327	—	—	327
Issuance of Class B common stock and LLC Units	—	—	2,721	—	—	—	126	126
Adjustments to the non-controlling interests related to equity offerings	—	—	—	—	(83)	—	83	—
Exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises	31	—	(2)	—	1	—	(1)	—
Contribution of Class A common stock from related party	(63)	—	—	—	—	—	—	—
Issuance of Class A common stock to settle vested restricted stock units	1,057	—	—	—	—	—	—	—
Issuance of Class A common stock under ESPP	33	—	—	—	—	—	—	—
Forfeitures of restricted stock and restricted stock surrendered in lieu of withholding taxes	(30)	—	—	—	(15)	—	—	(15)

	Class A Common Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Non-controlling Interests	Total Stockholders' Equity (Deficit)
Options exercised	17	—	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	81	—	—	81
Balance, December 31, 2023	114,239	$ —	85,619	$ —	$ 1,869	$ (1,626)	$ (627)	$ (384)
Net income	—	$ —	—	$ —	$ —	$ 210	$ 194	$ 404
Issuance of Class A common stock, net of underwriters' discounts and commissions and offering expenses	6,826	$ —	—	$ —	$ 1,264	$ —	$ —	$ 1,264
Adjustments to the non-controlling interests related to equity offerings	—	$ —	—	$ —	$ (515)	$ —	$ 515	$ —
Exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises	6,923	$ —	(6,500)	$ —	$ (33)	$ —	$ 33	$ —
Establishment of deferred tax assets related to increases in tax basis in Carvana Group	—	$ —	—	$ —	$ 289	$ —	$ —	$ 289
Establishment of valuation allowance related to deferred tax assets associated with increases in tax basis in Carvana Group	—	$ —	—	$ —	$ (289)	$ —	$ —	$ (289)
Contribution of Class A common stock from related party	(1)	$ —	—	$ —	$ —	$ —	$ —	$ —
Issuance of Class A common stock to settle vested restricted stock units	4,834	$ —	—	$ —	$ —	$ —	$ —	$ —
Issuance of Class A common stock under ESPP	10	$ —	—	$ —	$ 1	$ —	$ —	$ 1
Forfeitures of restricted stock and restricted stock surrendered in lieu of withholding taxes	—	$ —	—	$ —	$ (19)	$ —	$ —	$ (19)
Options exercised	440	$ —	—	$ —	$ 7	$ —	$ —	$ 7
Equity-based compensation	—	$ —	—	$ —	$ 102	$ —	$ —	$ 102
Balance, December 31, 2024	133,271	$ —	79,119	$ —	$ 2,676	$ (1,416)	$ 115	$ 1,375

See accompanying notes to consolidated financial statements.

CARVANA CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Years Ended December 31,		
	2024	**2023**	**2022**
Cash Flows from Operating Activities:			
Net income (loss)	$ 404	$ 150	$ (2,894)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	305	352	261
Goodwill impairment	—	—	847
Equity-based compensation expense	91	73	69
Loss on disposal of property and equipment	12	8	14
Loss (Gain) on debt extinguishment	12	(878)	—
Payment-in-kind interest expense	458	184	—
Provision for bad debt and valuation allowance	27	38	23
Amortization of debt issuance costs	15	24	27
Unrealized (gain) loss on warrants to acquire Root Class A common stock	(115)	(3)	80
Unrealized gain on beneficial interests in securitizations	(23)	(14)	(6)
Changes in finance receivable related assets:			
Originations of finance receivables	(8,329)	(6,041)	(7,214)
Proceeds from sale of finance receivables, net	8,805	6,594	6,297
Gain on loan sales	(755)	(434)	(411)
Principal payments received on finance receivables held for sale	188	186	190
Other changes in assets and liabilities:			
Vehicle inventory	(455)	711	1,354
Accounts receivable	(47)	(22)	145
Other assets	15	39	(83)
Accounts payable and accrued liabilities	260	(166)	(46)
Operating lease right-of-use assets	15	81	21
Operating lease liabilities	(10)	(71)	15
Other liabilities	45	(8)	(13)
Net cash provided by (used in) operating activities	918	803	(1,324)
Cash Flows from Investing Activities:			
Purchases of property and equipment	(91)	(87)	(512)
Proceeds from disposal of property and equipment	11	72	44
Payments for acquisitions, net of cash acquired	—	(7)	(2,196)
Principal payments received on and proceeds from sale of beneficial interests	67	53	81
Net cash (used in) provided by investing activities	(13)	31	(2,583)
Cash Flows from Financing Activities:			
Proceeds from short-term revolving facilities	3,096	6,709	12,982
Payments on short-term revolving facilities	(3,697)	(7,575)	(13,501)
Proceeds from issuance of long-term debt	191	132	3,435
Payments on long-term debt	(577)	(503)	(165)
Payments of debt issuance costs	(4)	(69)	(75)
Net proceeds from issuance of Class A common stock and LLC Units	1,264	453	1,227
Proceeds from equity-based compensation plans	7	—	4
Tax withholdings related to restricted stock units and awards	(19)	(15)	(8)
Net cash provided by (used in) financing activities	261	(868)	3,899
Net increase (decrease) in cash, cash equivalents and restricted cash	1,166	(34)	(8)
Cash, cash equivalents, and restricted cash at beginning of period	594	628	636
Cash, cash equivalents, and restricted cash at end of period	$ 1,760	$ 594	$ 628

See accompanying notes to consolidated financial statements.

NOTE 1 — BUSINESS ORGANIZATION

Description of Business

Carvana Co. and its wholly-owned subsidiary Carvana Co. Sub LLC (collectively, "Carvana Co.", and together with its consolidated subsidiaries, the "Company"), is the leading e-commerce platform for buying and selling used cars. The Company is transforming the used car sales experience by giving consumers what they want - a wide selection, great value and quality, transparent pricing, and a simple, no pressure transaction. Using the website or mobile application, customers can complete all phases of a used vehicle transaction, including financing their purchase, trading in their current vehicle, and purchasing complementary products such as vehicle service contracts ("VSC"), GAP waiver coverage, and auto insurance. Each element of the Company's business, from inventory procurement to fulfillment and overall ease of the online transaction, has been built for this singular purpose.

Organization

Carvana Co. is a holding company that was formed as a Delaware corporation on November 29, 2016, for the purpose of completing its initial public offering ("IPO") and related transactions in order to operate the business of Carvana Group, LLC and its subsidiaries (collectively, "Carvana Group"). Substantially all of the Company's assets and liabilities represent the assets and liabilities of Carvana Group, except the Company's Senior Secured Notes and Senior Unsecured Notes (each as defined in Note 10 — Debt Instruments) which were issued by Carvana Co. and are guaranteed by its and Carvana Group's existing domestic restricted subsidiaries, excluding, in the case of the Senior Unsecured Notes, ADESA US Auction, LLC ("ADESA"), and its subsidiaries.

In accordance with Carvana Group, LLC's amended and restated limited liability company agreement (the "LLC Agreement"), Carvana Co. is the sole manager of Carvana Group and conducts, directs and exercises full control over the activities of Carvana Group. There are two classes of common ownership interests in Carvana Group, Class A common units (the "Class A Units") and Class B common units (the "Class B Units"). As further discussed in Note 11 — Stockholders' Equity (Deficit), the Class A Units and Class B Units (collectively, the "LLC Units") do not hold voting rights, which results in Carvana Group being considered a variable interest entity ("VIE"). Due to Carvana Co.'s power to control and its significant economic interest in Carvana Group, it is considered the primary beneficiary of the VIE and the Company consolidates the financial results of Carvana Group. As of December 31, 2024, Carvana Co. owned approximately 62.3 % of Carvana Group and the LLC Unitholders (as defined in Note 11 — Stockholders' Equity (Deficit)) owned the remaining 37.7 %.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). As discussed in Note 1 — Business Organization, Carvana Group is considered a VIE and Carvana Co. consolidates its financial results due to the determination that it is the primary beneficiary. All intercompany balances and transactions have been eliminated.

Certain prior period amounts have been reclassified to conform to current period presentation to account for the additions of other operating expense, net and operating income (loss) in our accompanying consolidated statements of operations.

Liquidity

The Company has incurred losses in prior periods and may incur additional losses in the future as it continues to focus on driving profitable growth through operating efficiency. Historically, the Company's capital and liquidity needs were primarily satisfied through its debt and equity financings, operating cash flows, and short-term revolving facilities. During the year ended December 31, 2024, the Company (i) repurchased and cancelled $ 370 million of principal amount of 2028 Senior Secured Notes (as defined below); (ii) redeemed $ 100 million of principal amount of 2028 Senior Secured Notes; (iii) received net cash

proceeds of $ 1.3 billion from its "at-the-market offering" program (the "ATM Program"); and (iv) amended certain revolving credit facilities primarily to extend maturities. In January 2025, the Company (i) amended its Master Purchase and Sale Agreement (as defined below) for the purchaser to purchase up to a maximum of $ 4.0 billion of principal balances of finance receivables from the amendment date through January 2026; and (ii) extended another of its short-term revolving credit facilities through April 2026. Management believes that current working capital, cash flows from operations, and expected continued or new financing arrangements will be sufficient to fund operations for at least one year from the financial statement issuance date.

Use of Estimates

The preparation of these consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions. Certain accounting estimates involve significant judgments, assumptions and estimates by management that have a material impact on the carrying value of certain assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period, which management considers to be critical accounting estimates. The judgments, assumptions and estimates used by management are based on historical experience, management's experience, and other factors, which are believed to be reasonable under the circumstances. Because of the nature of the judgments and assumptions made by management, actual results could differ materially from these judgments and estimates, which could have a material impact on the carrying values of the Company's assets and liabilities and the results of operations.

Comprehensive Income (Loss)

During the years ended December 31, 2024, 2023, and 2022, the Company did no t have any other comprehensive income (loss) and, therefore, the net income (loss) and comprehensive income (loss) were the same for all periods presented.

Cash and Cash Equivalents

The Company has cash deposits and cash equivalents deposited in or managed by major financial institutions. Cash equivalents include highly liquid investment instruments with original maturities of three months or less, and consist primarily of money market funds. At times the related amounts are in excess of the amounts insured by the Federal Deposit Insurance Corporation. The Company has not experienced any losses with these financial institutions and does not believe it represents significant credit risk.

Restricted Cash

Amounts included in restricted cash primarily represent the deposits required under the Company's short-term revolving facilities and any undistributed amounts collected on the finance receivables pledged under the Company's finance receivable facilities as explained in Note 10 — Debt Instruments, as well as certain cash held for corporate insurance purposes.

Accounts Receivable, Net

Accounts receivable, net of an allowance for doubtful accounts, includes certain amounts due from customers and their finance providers. The allowance for doubtful accounts is estimated based upon historical experience, current economic conditions, and other factors and is evaluated periodically. The allowance for doubtful accounts was $ 9 million as of both December 31, 2024 and 2023.

Finance Receivables Held for Sale, Net

Finance receivables include installment contracts the Company originates to its customers to facilitate vehicle sales. The Company classifies these receivables as held for sale, as it does not intend to hold the finance receivables it originates to maturity. The Company typically sells the finance receivables it originates, as explained in Note 8 — Finance Receivable Sale Agreements and Note 9 — Securitizations and Variable Interest Entities. The Company records a valuation allowance to report finance receivables at the lower of unpaid principal balance or fair value. To determine the fair value of finance receivables the Company utilizes industry-standard modeling, such as discounted cash flow analysis, factoring in the Company's historical experience, the credit quality of the underlying receivables, loss trends and recovery rates, as well as the overall economic environment. For purposes of determining the valuation allowance, finance receivables are evaluated collectively to determine the allowance as they represent a large group of smaller-balance homogeneous loans. The allowance was $ 38 million and $ 59

million as of December 31, 2024 and 2023, respectively. Principal balances of finance receivables are charged-off when the Company is unable to sell the finance receivable and the related vehicle has been repossessed and liquidated or the receivable has otherwise been deemed uncollectible. Interest income on finance receivables held for sale is recognized when earned based on contractual loan terms and is included in other sales and revenues. Loan origination costs are capitalized and recognized as a reduction to the gain on loan sale when the loans are sold.

Vehicle Inventory

Vehicle inventory consists of used vehicles, primarily acquired directly from customers and at auction. Direct and indirect vehicle reconditioning costs including parts and labor, inbound transportation costs and other incremental overhead costs are capitalized as a component of inventory. Inventory is stated at the lower of cost or net realizable value. Vehicle inventory cost is determined by specific identification. Net realizable value is the estimated selling price less costs to complete, dispose and transport the vehicles. Selling prices are derived from historical data and trends, such as sales price and inventory turn times of similar vehicles, as well as independent market resources. Each reporting period the Company recognizes any necessary adjustments to reflect vehicle inventory at the lower of cost or net realizable value through cost of sales in the accompanying consolidated statements of operations.

Property and Equipment

Property and equipment consists of land, buildings and improvements, transportation fleet equipment, software, and furniture, fixtures and equipment and is stated at cost less accumulated depreciation and amortization. Repairs and maintenance costs that extend the life or utility of an asset are also capitalized. Ordinary repairs and maintenance are charged to expense as incurred. Costs incurred during construction are capitalized as construction in progress and reclassified to the appropriate fixed asset categories when the project is completed. In addition, interest on borrowings during the active construction period of construction projects is capitalized and depreciated over the estimated useful lives of the related assets. Costs incurred during the preliminary project planning phase are charged to expense as incurred.

The Company capitalizes direct costs of materials and services consumed in developing or obtaining internal-use software. The Company also capitalizes payroll and payroll-related costs for employees who are directly associated with and who devote time to the development of software products for internal use, to the extent of the time spent directly on the project. Capitalization of costs begins during the application development stage and ends when the software is available for general use. Costs incurred during the preliminary project and post-implementation stages are charged to expense as incurred.

Depreciation and amortization are computed using the straight-line method over the lesser of the remaining lease term or the following estimated useful lives:

Buildings and improvements	15 - 30 years
Transportation fleet equipment	5 years
Software	3 years
Furniture, fixtures and equipment	3 - 5 years

Management reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The Company compares the sum of estimated undiscounted future cash flows expected to result from the use of the asset to the carrying value of the asset. When the carrying value of the asset exceeds its estimated undiscounted future cash flows, the Company recognizes an impairment charge for the amount by the which the carrying value of the asset exceeds the fair value of the asset. The Company periodically reassesses the useful lives of its long-lived assets when events or circumstances indicate that useful lives have significantly changed from the previous estimate. The Company recorded no impairment charges during the years ended December 31, 2024, 2023, and 2022. See Note 4 — Property and Equipment, Net for additional information on property and equipment.

Goodwill and Intangible Assets

Intangible assets are recognized and recorded at their acquisition date fair values. Definite-lived intangible assets consist of developed technology, customer relationships, and non-compete agreements and are generally amortized on a straight-line basis over their estimated useful lives. The Company determined the useful lives of its definite-lived intangible assets based on multiple factors including technological obsolescence, the make-up of the acquired customer base and expected attrition, and

the period over which expected cash flows are used to measure the fair value of the intangible asset at acquisition. The Company periodically reassesses the useful lives of its definite-lived intangible assets when events or circumstances indicate that useful lives have significantly changed from the previous estimate. No impairment charges related to intangible assets were recognized during the years ended December 31, 2024, 2023, or 2022.

Goodwill represents the excess purchase price over the fair value of the net assets acquired. Goodwill is not amortized but is tested annually or more frequently when events or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company has one operating segment, which is its reporting unit; therefore, management analyzes goodwill associated with all of its operations when analyzing for potential impairment. When conducting annual or interim impairment assessments, if applicable, a two-step process is used. First, an optional qualitative evaluation is performed as to whether it is more likely than not that the fair value of the Company's sole reporting unit is less than its carrying value, using an assessment of relevant events and circumstances. In performing this assessment, the Company is required to make assumptions and judgments including, but not limited to, an evaluation of macroeconomic conditions as they relate to the business, industry and market trends, as well as the overall future financial performance of the reporting unit. If it is determined that it is not more likely than not that the fair value of the reporting unit is less than its carrying value, no additional tests are performed. However, if the Company concludes otherwise or elects not to perform the qualitative assessment, the Company performs a second step consisting of a quantitative assessment of goodwill impairment. This assessment requires the Company to compare the fair value of its reporting unit with its carrying value. If the carrying amount exceeds the fair value, an impairment charge will be recognized. In performing this assessment, the Company is required to make assumptions and judgments including, but not limited to, financial projections, discount rate, and future market conditions. During the year ended December 31, 2022, the Company performed a quantitative goodwill impairment test for the Company's reporting unit and as a result recorded a non-cash goodwill impairment charge of $ 847 million, which is reflected as Goodwill impairment in the accompanying consolidated statements of operations.

Leases

The Company determines if an arrangement is a lease at inception by evaluating if the asset is explicitly or implicitly identified or distinct, if the Company will receive substantially all of the economic benefit or if the lessor has an economic benefit and the ability to substitute the asset. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company assesses whether the lease is an operating or finance lease at its inception. Operating lease liabilities are recognized at commencement date based on the present value of the lease payments over the lease term. To calculate the present value, the Company uses the implicit rate in the lease when readily determinable. However, the Company's leases generally do not provide an implicit rate and it uses its incremental borrowing rate. The incremental borrowing rate is based on collateralized borrowings of similar assets with terms that approximate the lease term when available and when collateralized rates are not available, it uses uncollateralized rates with similar terms adjusted for the fact that it is an unsecured rate. The operating lease ROU asset is the initial lease liability adjusted for any prepayments, initial indirect costs incurred by the Company, and lease incentives. The Company's operating leases are included in operating lease right-of-use assets, other current liabilities, and operating lease liabilities on the accompanying consolidated balance sheets. The Company's finance leases are included in property and equipment and long-term debt on the accompanying consolidated balance sheets.

Securitizations and Variable Interest Entities

The Company reviews subsidiaries and affiliates, as well as other entities, to determine if they should be considered VIEs, and whether it should change the consolidation determinations based on changes in their characteristics. The Company considers an entity a VIE if its equity investors own an interest therein that lacks the characteristics of a controlling financial interest or if such investors do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or if the entity is structured with non-substantive voting interests. A VIE is consolidated by its primary beneficiary, the party that has both the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. The Company evaluates whether it has variable interests in the VIE and if so, if it is the primary beneficiary of the VIE on an ongoing basis. The Company consolidates VIEs when it is deemed to be the primary beneficiary.

The Company sponsors asset-backed securitization transactions. These transactions often result in the creation of securitization trusts, which are VIEs. To comply with Regulation RR of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Risk Retention Rules") the Company retains at least a 5% interest in the credit risk of the underlying finance receivables, which it accomplishes by retaining at least a 5% interest in each security issued by the

securitization trusts. Typically, this includes notes and certificates, which are presented as beneficial interests in securitizations on the accompanying consolidated balance sheets.

Other Assets

Other current assets consist of various items, including, among other items, software licenses and subscriptions, prepaid expenses, the estimated reserve for vehicle inventory returns, sales tax receivables, the current portion of the purchase price adjustment receivables based on the performance of the Company's finance receivables, and deposits.

Other assets consist of various items, including, among other items, investment in equity instruments and derivative assets related to Root Warrants (each as further discussed in Note 18 — Fair Value of Financial Instruments), the purchase price adjustment receivables based on the performance of the Company's finance receivables, collateral for insurance, deferred tax assets, and debt issuance costs on revolving debt instruments.

Accrued Liabilities

Accrued liabilities consist of various items payable within one year, including, among other items, accruals for sales tax, compensation and benefits, vehicle licenses and fees, interest expense on the Senior Notes, reserves for returns and cancellations, and advertising expenses.

Other Liabilities

As of December 31, 2024 and 2023, other current liabilities primarily consist of the current portion of operating lease liabilities, deferred revenue associated with Root Warrants (as further discussed in Note 18 — Fair Value of Financial Instruments), and tax receivable agreement ("TRA") liability (as further discussed in Note 15 — Income Taxes). Other liabilities consist of various items to be recognized beyond one year, including the deferred revenue associated with Root Warrants, and tax receivable agreement ("TRA") liability.

Revenue Recognition

The Company recognizes revenue in accordance with the five-step model prescribed by ASC 606 that includes: (1) identify the contract; (2) identify the performance obligations; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations; and (5) recognize revenue when (or as) performance obligations are satisfied.

Retail Vehicle Sales

The Company sells retail vehicles directly to its customers through its website. The prices of retail vehicles are set forth in the customer contracts at stand-alone selling prices which are agreed upon prior to delivery. The Company satisfies its performance obligation for retail vehicle sales upon delivery when the risks and rewards of ownership and control pass to the customer. The Company recognizes revenue at the agreed upon purchase price stated in the contract, including any delivery charges, less an estimate for returns. Estimates for returns are based on an analysis of historical experience, trends and sales data. Changes in these estimates are reflected as an adjustment to revenue in the period identified. Retail vehicle sales also include service revenue from retail marketplace transactions, which are retail marketplace partner vehicles sold to customers through Carvana, where the Company recognizes revenue on the sale of the vehicle on a net basis. The amount of consideration received for retail vehicle sales includes noncash consideration representing the value of trade-in vehicles, if applicable, as stated in the contract. Prior to the delivery of the vehicle, the payment is received or financing has been arranged. Payments from customers that finance their purchases with third parties are typically due and collected within 30 days of delivery of the retail vehicle. Revenue excludes any sales taxes, title and registration fees, and other government fees that are collected from customers.

Wholesale Sales and Revenues

The Company sells vehicles to wholesalers. These vehicles sold to wholesalers are primarily acquired from customers and do not meet the Company’s quality standards to list and sell through its website. The Company satisfies its performance obligation for wholesale sales and revenues when the wholesale purchaser obtains control of the underlying vehicle, which is upon delivery or pick up at an auction when the transfer of title, risks and rewards of ownership, and control pass to the wholesale purchaser. The Company recognizes revenue at the amount it expects to receive for the used wholesale vehicle,

which is the fixed price determined at the auction, or for wholesale marketplace transactions, at the amount it expects to receive for auction and service fees charged in facilitating the transaction. The purchase price of the wholesale vehicle is typically due and collected within 30 days of delivery of the wholesale vehicle and auction fees are typically due within two days of a completed sale.

Other Sales and Revenues

Other sales and revenues include gains on the sales of finance receivables, commissions on VSCs, GAP waiver coverage, and other complementary products and interest income received on finance receivables prior to selling them to investors.

Customers purchasing retail vehicles from the Company may enter into contracts for VSCs and, if they finance with the Company, GAP waiver coverage. The prices of VSCs and GAP waiver coverage are set forth in each contract. The Company sells and receives a commission on VSCs under a master dealer agreement with DriveTime, pursuant to which the Company sells VSCs that DriveTime administers and is the obligor. The Company receives a commission on GAP waiver coverage contracts where the administrator of the contract is obligated to reimburse the holder of the underlying finance receivable for a balance that is in excess of the value of the financed vehicle in the event of a total loss. The Company recognizes commission revenue at the time of sale, net of a reserve for estimated contract cancellations. GAP waiver coverage contracts obligate whoever holds the underlying finance receivable to not attempt collection of a balance that is in excess of the value of the financed vehicle in the event of a total loss. GAP waiver coverage is recognized as the performance obligation is satisfied over the period of coverage, generally on a straight-line basis over the expected period the outstanding balance of the related finance receivable will exceed the value of the financed vehicle, less a reserve for cancellations. Upon selling the corresponding finance receivable, the Company recognizes any remaining deferred revenue. The reserve for cancellations of VSCs and GAP waiver coverage contracts is estimated based upon historical experience and recent trends and is reflected as a reduction of other sales and revenues. Changes in these estimates are reflected as an adjustment to other sales and revenues in the period identified.

Under the master dealer agreement with DriveTime, the Company is also contractually entitled to receive profit-sharing revenues based on the performance of the VSCs once a required claims period has passed. This is a form of variable consideration the Company recognizes as revenue to the extent that it is probable that it will not result in a significant revenue reversal. The Company applies the expected value method, utilizing expected VSC performance based on historical claims and cancellation data from its customers, as well as other qualitative assumptions to estimate the amount it expects to receive. The Company reassesses the estimate each reporting period with any changes reflected as an adjustment to other sales and revenues in the period identified. Profit-sharing payments will begin when the underlying VSCs reach a specified level of claims history. As of both December 31, 2024 and 2023, the Company had ending receivables of less than $ 1 million related to cumulative profit-sharing payments recognized as revenue to which it expects to be entitled. The receivables are included in other current assets and other assets on the accompanying consolidated balance sheets.

The Company accounts for sales of finance receivables in accordance with ASC Topic 860, *Transfers and Servicing* ("ASC 860"). ASC 860 states that a transfer of an entire financial asset, a group of entire financial assets, or a participating interest in an entire financial asset in which the transferor surrenders control over those financial assets is accounted for as a sale only if all of the following conditions are met:

- The transferred financial assets have been isolated from the transferor - put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership.
- Each transferee has the right to pledge or exchange the assets (or beneficial interests) it received, and no condition both constrains the transferee (or third-party holder of its beneficial interests) from taking advantage of its right to pledge or exchange the asset and provides more than a trivial benefit to the transferor.
- The transferor, its consolidated affiliates included in the financial statements being presented or its agents do not maintain effective control over the transferred financial assets or third-party beneficial interests related to those transferred assets.

For the years ended December 31, 2024, 2023, and 2022, all transfers of finance receivables met the requirements for sale treatment. The Company records the gain on the sale of a finance receivable upon receipt of proceeds, in an amount equal to the fair value of the net proceeds received less the carrying amount of the finance receivable. The Company has made customary representations related to the sales of finance receivables. Any significant estimated post-sale obligations or contingent obligations to the purchaser of the receivables would be accrued if probable and estimable in accordance with ASC 450, *Contingencies*. Any such obligations are considered in the Company's determination of the accounting for the transfers of the finance receivables under ASC 860.

Cost of Sales

Cost of sales includes the cost to acquire used vehicles and direct and indirect vehicle reconditioning costs associated with preparing the vehicles for resale. Vehicle reconditioning costs include parts, labor, inbound transportation costs, and other incremental overhead costs, which are allocated to inventory via specific identification and standard costing. Occupancy and labor costs not related to vehicle acquisition or reconditioning are expensed as incurred as a component of selling, general and administrative expense. Cost of sales also includes any necessary adjustments to reflect vehicle inventory at the lower of cost or net realizable value.

Selling, General, and Administrative Expenses

Selling, general, and administrative ("SG&A") expenses primarily include compensation and benefits, advertising, depreciation expense, facilities costs, technology expenses, logistics and fulfillment expenses, and other administrative expenses. SG&A expenses exclude the costs related to reconditioning vehicles and inbound transportation, which are included in cost of sales, and payroll costs of employees related to the development of software products for internal use, which are capitalized to software and depreciated over the estimated useful lives of the related assets.

Advertising Costs

Advertising production costs are expensed the first time the advertising takes place. All other advertising costs are expensed as incurred. Advertising expenses are included in SG&A expenses on the accompanying consolidated statements of operations. Advertising expenses were $ 229 million, $ 228 million, and $ 490 million during the years ended December 31, 2024, 2023, and 2022, respectively.

Equity-Based Compensation

The Company classifies equity-based awards granted in exchange for services as either equity awards or liability awards. The classification of an award as either an equity award or a liability award is generally based upon cash settlement options. Equity awards are measured based on the fair value of the award at the grant date. Liability awards are re-measured to fair value each reporting period. The Company recognizes equity-based compensation on a straight-line basis over the award's requisite service period, which is generally the vesting period of the award, less actual forfeitures. No compensation expense is recognized for awards for which participants do not render the requisite services. For equity and liability awards earned based on performance or upon occurrence of a contingent event, when and if the awards will be earned is estimated. If an award is not considered probable of being earned, no amount of equity-based compensation is recognized. If the award is deemed probable of being earned, related compensation expense is recorded over the estimated service period. To the extent the estimate of awards considered probable of being earned changes, the amount of equity-based compensation recognized will also change. See Note 13 — Equity-Based Compensation for additional information on equity-based compensation.

Shipping and Handling

The Company's logistics costs related to transporting its used vehicle inventory include fuel, maintenance, and depreciation related to operating its own transportation fleet, and third-party transportation fees. The portion of these costs related to inbound transportation from the point of acquisition to the inspection and reconditioning center are capitalized to inventory and then included in cost of sales when the related used vehicle is sold. Logistics costs not included in cost of sales are included in selling, general and administrative expenses in the accompanying consolidated statements of operations and were $ 118 million, $ 119 million, and $ 235 million during the years ended December 31, 2024, 2023, and 2022, respectively, excluding compensation and benefits.

Defined Contribution Plan

The Company sponsors a qualified 401(k) retirement plan (defined contribution plan) for its employees. The plan covers substantially all employees who have attained the age of 18. Participants may voluntarily contribute to the plan up to the maximum limits established by Internal Revenue Service regulations. The Company provides matching contributions of 40 % up to the first 6 % of an employee’s compensation, which vests evenly over the employee’s initial five-year service period. On January 1, 2022, the plan was amended whereby prospective participants' employer matching contributions vest evenly over the employee's initial four-year service period. Employer contributions to the plan, net of forfeitures, were $ 8 million for each the

years ended December 31, 2024, 2023, and 2022. Employer contributions are included in selling, general, and administrative expenses in the accompanying consolidated statements of operations.

Derivative Instruments and Hedging Activities

The Company from time to time enters into primarily short-term derivative instruments to manage risks arising from its business operations and economic conditions, primarily cash flow variability that may arise from interest rate changes between the time the Company originates finance receivables and the time it sells them through securitizations. The Company does not designate these derivative instruments as hedges under ASC 815, *Derivatives and Hedging* for hedge accounting treatment and as a result they are accounted for as economic hedges. Gains and losses related to the derivative instruments are included within other sales and revenues to follow the presentation of the hedged item within the accompanying consolidated statements of operations and any derivative instruments outstanding as of the end of the period are reported at fair value on the accompanying consolidated balance sheets.

Fair Value Measurements

The fair value of financial instruments is based on estimates using quoted market prices, discounted cash flows, or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and the estimated timing and amount of future cash flows. Therefore, the estimates of fair value may differ substantially from amounts that ultimately may be realized or paid at settlement or maturity of the financial instruments, and those differences may be material. Accordingly, the aggregate fair value amounts presented may not represent the Company's underlying institutional value.

The Company uses the three-tier hierarchy established by GAAP, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value to determine the fair value of its financial instruments. This hierarchy indicates to what extent the inputs used in the Company's calculations are observable in the market. The different levels of the hierarchy are defined as follows:

Level 1:	Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2:	Other than quoted prices that are observable in the market for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3:	Inputs are unobservable and reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The Company has elected the fair value option for its beneficial interests in securitizations, which primarily include notes and certificates of the securitization trusts. Electing the fair value option allows the Company to recognize changes in the fair value of these assets in the period the fair value changes. The changes in fair value are recorded within other (income) expense, net and amounts attributable to interest income are reported in interest expense, net as earned on the accompanying consolidated statements of operations. See Note 18 — Fair Value of Financial Instruments for additional information.

Segments

Business segments are defined as components of an enterprise about which discrete financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing operating performance. The Company operates and manages an integrated business with the overall objective of increasing the number of retail units sold and total gross profit per retail unit. Because of this, the Company has determined that it currently operates with one operating segment and therefore one reportable segment. The CODM is the chief executive officer and focuses on consolidated results, specifically consolidated net income (loss), in assessing operating performance and allocating resources. Furthermore, the Company offers similar products and services and uses similar processes to sell those products and services to similar classes of customers throughout the United States ("U.S."). The amounts presented in each revenue line item in the accompanying consolidated statements of operations represent categories of revenue disaggregated by product and customer type. The measure of segment assets is reported on the accompanying consolidated balance sheets as total assets. Substantially all revenue is generated and all assets are held in the U.S. for all periods presented.

Segment information for the years ended December 31, 2024 and 2023 are as follows:

	Years ended December 31,		
	2024	2023	2022
		(in millions)	
Net sales and operating revenues	$ 13,673	$ 10,771	$ 13,604
Cost of sales	10,797	9,047	12,358
Gross profit	2,876	1,724	1,246
Compensation and benefits	700	661	943
Advertising	229	228	490
Market occupancy	68	71	93
Logistics	118	119	235
Other [1]	759	717	975
Goodwill impairment	—	—	847
Other operating expense, net	12	8	14
Operating income (loss)	990	(80)	(2,351)
Interest expense	651	632	486
Loss (Gain) on debt extinguishment	12	(878)	—
Other (income) expense, net	(73)	(9)	56
Net income (loss) before income taxes	400	175	(2,893)
Income tax (benefit) provision	(4)	25	1
Net income (loss)	$ 404	$ 150	$ (2,894)

(1) Other costs include all other selling, general and administrative expenses such as IT expenses, corporate occupancy, professional services and insurance, limited warranty, and title and registration.

Income Taxes

The Company accounts for income taxes pursuant to the asset and liability method, which requires the recognition of deferred income tax assets and liabilities related to the expected future tax consequences arising from temporary differences between the carrying amounts and tax bases of assets and liabilities based on enacted statutory tax rates applicable to the periods in which the temporary differences are expected to reverse. Any effects of changes in income tax rates or laws are included in income tax expense in the period of enactment. The Company reduces the carrying amounts of deferred tax assets by a valuation allowance if, based on the evidence available, both positive and negative, as well as the objectivity and verifiability of that evidence, it is more likely than not that some portion or all of the Company's deferred tax assets will not be realized. The assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry forward periods by jurisdiction, the Company's experience with loss carryforwards not expiring unutilized, and all tax planning alternatives that may be available. See Note 15 — Income Taxes for additional information.

Tax Receivable Agreement

The Company's TRA liability is determined and recorded in accordance with ASC 450, *Contingencies*, which requires the determination of whether the liability is both probable and reasonably estimable. The primary consideration is the Company's usage of deferred tax assets, which currently have a full valuation allowance applied against them. As such, the Company recorded a TRA liability of $ 82 million and $ 14 million as of December 31, 2024 and 2023, respectively, which represents the portion of the liability that is probable and reasonably estimable. For the remaining $ 2.0 billion TRA liability as of December 31, 2024, the Company determined that it was more likely than not that its deferred tax assets subject to the TRA would not be realized.

Adoption of New Accounting Standards

In November 2023, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update "ASU" 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which requires the disclosure of significant segment expenses that are regularly provided to the CODM. The amendments also require disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. These amendments apply regardless of the Company having one operating segment. The Company adopted ASU 2023-07 in its fourth quarter of 2024 using a retrospective transition method.

Accounting Standards Issued But Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* , which expands disclosures in an entity's income tax rate reconciliation table and disclosures regarding cash taxes paid both in the U.S. and foreign jurisdictions. The update will be effective for annual periods beginning after December 15, 2025. The Company is currently evaluating the impact that this guidance will have on the presentation of its consolidated financial statements and accompanying notes.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* , which requires entities to disclose certain additional information including, among other items, purchases of inventory, employee compensation, depreciation, and intangible asset amortization included within each consolidated statements of operations expense caption. The update will be effective for annual reporting periods beginning after December 15, 2026. The Company is currently evaluating the impact that this guidance will have on the presentation of its consolidated financial statements and accompanying notes.

The Company assessed all other Accounting Standards Updates issued but not yet adopted and determined they are not relevant to the Company or are not expected to have a material impact upon adoption.

NOTE 3 — BUSINESS COMBINATIONS

Acquisition of ADESA U.S. Physical Auction Business

On May 9, 2022, the Company completed its acquisition of 100 % of the equity interests in the U.S. physical auction business of ADESA from Openlane, Inc., fka KAR Auction Services, Inc. for approximately $ 2.2 billion in cash (the "ADESA Acquisition"). Proceeds from the issuance and sale of the 2030 Senior Unsecured Notes (as defined below) were used to fund the acquisition. The acquisition included 56 auction sites throughout the U.S. with 6.5 million square feet of buildings on more than 4,000 acres of land, significantly expanding the Company's infrastructure and enhancing its customer offering by facilitating a broader selection of vehicles and faster delivery times.

Identifiable intangible assets acquired consist of the following (in millions):

	Fair Value	Useful Life
Customer relationships	$ 50	10 years
Developed technology	$ 29	3 years

Customer relationships were valued using the multi-period excess earnings method of the income approach. Developed technology was valued using the replacement cost method of the cost approach. Significant assumptions used in the valuations were forecasted revenues and attrition rate and are classified as Level 3 due to the lack of observable market data. No residual values were assigned to the customer relationships and developed technology intangible assets and they are amortized on an economic useful life basis commensurate with future anticipated cash flows and straight line, respectively. As of December 31, 2024, the remaining weighted-average amortization period for the intangible assets acquired was 4.6 years.

Real property was valued using market comparable transactions of the market approach, for which the key assumption is the similarity of the acquired property to market comparable transactions. Personal property was valued using the replacement cost method of the cost approach, for which the key assumptions are the costs of similar personal property in new condition and economic obsolescence rates.

The acquisition resulted in the recognition of $ 838 million of goodwill, which is deductible for tax purposes and represents the future economic benefits expected to arise from anticipated synergies and intangible assets that do not qualify for separate recognition, including an assembled workforce, non-contractual relationships and other agreements.

For the years ended December 31, 2023 and 2022, the Company recognized $ 856 million and $ 490 million, respectively, of wholesale sales and revenues, $ 770 million and $ 472 million, respectively, of cost of sales, and a net loss of $ 83 million and $ 101 million, respectively, from ADESA operations, which includes $ 122 million and $ 83 million, respectively, of depreciation and amortization, including acquired intangible assets amortization expense of $ 15 million for each year.

The following unaudited pro forma combined results of operations information for the year ended December 31, 2022 has been prepared as if the ADESA Acquisition occurred on January 1, 2022:

		Unaudited
		Year ended December 31, 2022
		(in millions)
Revenues	$	13,903
Net loss		(3,024)
Net loss attributable to non-controlling interests		(1,343)
Net loss attributable to Carvana Co.	$	(1,681)
Net loss per share of Class A common stock - basic and diluted	$	(15.89)
Weighted-average shares of Class A common stock - basic and diluted		105,808

The unaudited pro forma combined results of operations information reflect the following pro forma adjustments:

		Unaudited
		Year ended December 31, 2022
		(in millions)
Interest expense	$	123
Lease expense	$	5
Depreciation and amortization expense	$	13
Intercompany revenues and cost of sales	$	(7)

The unaudited pro forma combined results of operations information is provided for informational purposes only and is not necessarily intended to represent the results that would have been achieved had the ADESA Acquisition been consummated on January 1, 2022 or indicative of the results that may be achieved in the future.

NOTE 4 — PROPERTY AND EQUIPMENT, NET

The following table summarizes property and equipment, net, as of December 31, 2024 and 2023:

	December 31,	
	2024	2023
	(in millions)	
Land and site improvements	$ 1,335	$ 1,331
Buildings and improvements	1,380	1,344
Transportation fleet	545	570
Software	301	296
Furniture, fixtures, and equipment	147	144
Total property and equipment excluding construction in progress	3,708	3,685
Less: accumulated depreciation and amortization on property and equipment	(994)	(775)
Property and equipment excluding construction in progress, net	2,714	2,910
Construction in progress	59	72
Property and equipment, net	$ 2,773	$ 2,982

Depreciation and amortization expense on property and equipment in cost of sales was $ 140 million, $ 169 million, and $ 114 million for the years ended December 31, 2024, 2023, and 2022, respectively. Depreciation and amortization expense on property and equipment in selling, general and administrative expense was $ 147 million, $ 166 million, and $ 183 million during the years ended December 31, 2024, 2023, and 2022, respectively.

NOTE 5 — INTANGIBLE ASSETS

The following table summarizes intangible assets, net as of December 31, 2024 and 2023:

	December 31,	
	2024	2023
	(in millions)	
Customer relationships	$ 50	$ 50
Developed technology	41	41
Intangible assets, acquired cost	91	91
Less: accumulated amortization	(57)	(39)
Intangible assets, net	$ 34	$ 52

Amortization expense was $ 18 million, $ 17 million and $ 16 million during the years ended December 31, 2024, 2023, and 2022, respectively. As of December 31, 2024, the remaining weighted-average amortization period for definite-lived intangible assets was 4.0 years. The anticipated annual amortization expense to be recognized in future years as of December 31, 2024 is as follows:

	Expected Future Amortization
	(in millions)
2025	$ 14
2026	7
2027	5
2028	3
2029	2
Thereafter	3
Total	$ 34

NOTE 6 — ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

The following table summarizes accounts payable and accrued liabilities as of December 31, 2024 and 2023:

	December 31,	
	2024	2023
	(in millions)	
Accounts payable, including $ 17 and $ 7 , respectively, due to related parties	$ 236	$ 231
Accrued interest expense	96	7
Accrued compensation and benefits	92	41
Sales taxes and vehicle licenses and fees	87	77
Reserve for returns and cancellations	75	57
Customer deposits	63	30
Accrued advertising costs	18	4
Income tax liability	—	3
Other accrued liabilities	189	146
Total accounts payable and accrued liabilities	$ 856	$ 596

NOTE 7 — RELATED PARTY TRANSACTIONS

Lease Agreements

In November 2014, the Company and DriveTime Automotive Group, Inc. (together with its consolidated affiliates, collectively, "DriveTime"), a related party of the Company due to Ernest Garcia II, Ernest Garcia III, and entities controlled by one or both of them (collectively the "Garcia Parties") controlling and owning substantially all of the interests in DriveTime, entered into a lease agreement, which currently governs the occupation of two inspection and reconditioning centers in Blue Mound, Texas and Delanco, New Jersey. The lease for the Blue Mound, Texas location expires in 2029, with two five-year renewal options, and the lease for the Delanco, New Jersey location expires in 2026, with no current renewal options. The Company makes monthly lease payments based on DriveTime's actual rent expense. In addition, the Company is responsible for the actual insurance costs, tenant improvements required to conduct operations, and real estate taxes.

In February 2017, the Company entered into a lease agreement with DriveTime for sole occupancy of a fully operational inspection and reconditioning center in Winder, Georgia. In May 2024, the lease expiration for the Winder, Georgia location was extended to 2030, subject to two remaining renewal options of five years each.

Expenses related to these operating lease agreements are allocated based on usage to inventory and selling, general and administrative expenses in the accompanying consolidated balance sheets and statements of operations. Costs allocated to inventory are recognized as cost of sales when the inventory is sold. Total costs related to these operating lease agreements, including those noted above, were $ 3 million, $ 3 million, and $ 4 million, for the years ended December 31, 2024, 2023, and 2022, respectively, allocated between inventory and selling, general, and administrative expenses.

Office Leases

In September 2016, the Company entered into a lease for office space in Tempe, Arizona. In connection with that lease, the Company entered into a sublease with DriveTime for the use of another floor in the same building. The lease and sublease each had a term of 83 months, subject to the right to exercise three five-year extension options. Pursuant to the sublease, the Company paid the rent equal to the amounts due under DriveTime's master lease directly to DriveTime's landlord. The lease and sublease expired in February 2024. The rent expense incurred related to the first floor sublease was less than $ 1 million during each of the years ended December 31, 2024, 2023, and 2022.

In December 2019, Verde Opportunity Heath LLC, an affiliate of DriveTime ("Verde"), purchased an office building in Tempe, Arizona that the Company leased from an unrelated landlord prior to Verde's purchase. In connection with the purchase, Verde assumed that lease. The lease has an initial term of ten years expiring in 2029, subject to the right to exercise

two five-year extension options. The rent expense incurred under the lease with Verde was $ 1 million during each of the years ended December 31, 2024, 2023, and 2022.

Wholesale Vehicle Sales

DriveTime purchases wholesale vehicles from the Company through competitive auctions that are open to other dealers. As a result, the Company recognized $ 12 million, $ 10 million, and $ 30 million of wholesale sales and revenues from DriveTime during the years ended December 31, 2024, 2023, and 2022, respectively.

Wholesale Marketplace Revenues

DriveTime sells vehicles to, and purchases vehicles from, third parties through the Company's wholesale marketplace platform. These transactions occur through competitive auctions in which all registered buyers and sellers are able to bid on and purchase, or list and sell, wholesale vehicles. In addition, beginning in September 2023, certain auction locations provide DriveTime with reconditioning services. As a result, the Company recognized $ 16 million, $ 9 million, and $ 2 million of wholesale sales and revenues from DriveTime during the years ended December 31, 2024, 2023, and 2022, respectively, and $ 2 million and less than $ 1 million of cost of sales to DriveTime related to reconditioning services during the years ended December 31, 2024 and 2023, respectively.

Retail Vehicle Acquisitions and Reconditioning

During the second quarter of 2021, the Company began acquiring reconditioned retail vehicles from DriveTime. The purchase price of each vehicle was equal to the wholesale price of the vehicle plus a fee for transportation and reconditioning services. As of December 31, 2024 and 2023, zero and less than $ 1 million, respectively, related to these vehicles and reconditioning services were included in vehicle inventory in the accompanying consolidated balance sheets. The Company also recognized less than $ 1 million, $ 4 million, and $ 22 million of cost of goods sold during the years ended December 31, 2024, 2023, and 2022, respectively, related to these vehicles.

Master Dealer Agreement

In December 2016, the Company entered into a master dealer agreement with DriveTime (the "Master Dealer Agreement"), most recently amended in April 2021, pursuant to which the Company may sell VSCs to customers purchasing a vehicle from the Company. The Company earns a commission on each VSC sold to its customers and DriveTime is obligated by and subsequently administers the VSCs. The Company collects the retail purchase price of the VSCs from its customers and remits the purchase price net of commission to DriveTime. The Master Dealer Agreement further allows the Company to receive payments for excess reserves based on the performance of the VSCs versus the reserves held by the VSC administrator, once a required claims period for such VSCs has passed. During the years ended December 31, 2024, 2023, and 2022, the Company recognized $ 193 million, $ 138 million, and $ 176 million, respectively, of commissions earned on VSCs sold to its customers and administered by DriveTime, net of a reserve for estimated contract cancellations, and payments for excess reserves to which it expects to be entitled, which are included in other sales and revenues in the accompanying consolidated statements of operations.

Beginning in 2017, DriveTime also administers the Company's limited warranty provided to all customers. The Company pays a per-vehicle fee to DriveTime to administer the limited warranty included with every purchase. The Company incurred $ 19 million, $ 17 million, and $ 18 million during the years ended December 31, 2024, 2023, and 2022, respectively, related to the administration of limited warranty.

Profit Sharing Agreement

In June 2018, the Company entered into an agreement with an unaffiliated third party, pursuant to which the Company would sell certain Road Hazard ("RH") and Pre-Paid Maintenance ("PPM") contracts. Under this agreement, third parties would administer the RH and PPM contracts, including providing customer and administrative services, and pay a profit sharing component to the Company. In 2022, the Company began selling equivalent offerings from DriveTime, pursuant to the Master Dealer Agreement discussed above, and all rights and obligations in connection with existing RH and PPM contracts were transferred to DriveTime (the "Transferred Contracts"). Finally, in December 2022, the Company entered into a profit sharing agreement with DriveTime with regard to the Transferred Contracts (the "Profit Sharing Agreement"). The Company recognized $ 7 million in revenue during each of the years ended December 31, 2024 and 2023, and $ 3 million during the year ended 2022 under the Profit Sharing Agreement.

Servicing and Administrative Fees

DriveTime provides servicing and administrative functions associated with the Company's finance receivables. The Company incurred expenses of $ 10 million, $ 13 million, and $ 10 million for the years ended December 31, 2024, 2023, and 2022, respectively, related to these services.

Aircraft Time Sharing Agreement

The Company entered into an agreement to share usage of two aircraft owned by Verde and operated by DriveTime on October 22, 2015, and the agreement was subsequently amended in 2017. Pursuant to the agreement, the Company agreed to reimburse DriveTime for actual expenses for each of its flights. The original agreement was for 12 months, with perpetual 12 -month automatic renewals. Either the Company or DriveTime can terminate the agreement with 30 days' prior written notice. The Company reimbursed DriveTime less than $ 1 million under this agreement during each of the years ended December 31, 2024, 2023, and 2022.

Accounts Payable Due to Related Party

As of December 31, 2024 and 2023, $ 17 million and $ 7 million, respectively, was due to related parties primarily related to the agreements mentioned above, and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

Tax Receivable Agreement Liability

As further discussed in Note 15 — Income Taxes, as of December 31, 2024 and 2023, the Company recorded a tax receivable agreement ("TRA") liability of $ 82 million and $ 14 million, respectively, of which $ 61 million and $ 11 million, respectively, is due to related parties. Refer to Note 15 — Income Taxes for further discussion of the TRA.

Contributions of Class A Common Stock From Ernest Garcia III

On January 5, 2022, in recognition of the Company selling its 1 millionth vehicle in the fourth quarter of 2021, the Company's CEO, Ernest Garcia III ("Mr. Garcia"), committed to giving then-current employees 23 shares of Class A common stock each from his personal shareholdings once employees reach their two-year employment anniversary ("CEO Milestone Gift" or "Gift"). As a result and during the three months ended March 31, 2022, the Company granted 23 restricted stock units ("RSUs") to each current employee, which vested after completion of their second year of employment, for a total of 435,035 RSUs granted during the period. For every Gift that vested, and pursuant to a contribution agreement (the "Contribution Agreement") entered into by and between the Company and Mr. Garcia on February 22, 2022, Mr. Garcia contributed to the Company, at the end of each fiscal quarter, the number of shares of Class A common stock, granted pursuant to the CEO Milestone Gift, that had vested during such quarter. The shares contributed shall be shares of Class A common stock that Mr. Garcia individually owned, at no charge. During the years ended December 31, 2024 and 2023, 1,104 and 62,606 RSUs, respectively, vested and an equal number of shares of Class A common stock were contributed by Mr. Garcia. As of January 2024, all RSUs granted pursuant to the CEO Milestone Gift had vested or been forfeited. Although the Company does not expect Mr. Garcia to incur any tax obligations related to the contribution, the Company has agreed to indemnify Mr. Garcia from any such obligations that may arise.

Private Placement

On July 17, 2023, the Company entered into a Transaction Support Agreement pursuant to which, among other things, and subject to certain conditions, the Garcia Parties committed to purchase up to $ 126 million of equity in the Company. In satisfaction of that commitment, on August 18, 2023, the Company entered into a Securities Purchase Agreement with the Garcia Parties providing for the purchase of an aggregate of 3.4 million Class A Units, together with 2.7 million shares of Class B common stock, at a price equivalent to $ 46.31 per share of Class A common stock, or $ 37.048 per Class A Unit on an as-exchanged basis. The Company used the proceeds therefrom to partially fund the cash tender offer to purchase a portion of the 2025 Senior Unsecured Notes (as defined in Note 10 — Debt Instruments).

NOTE 8 — FINANCE RECEIVABLE SALE AGREEMENTS

The Company originates loans for its customers and sells them to partners and investors pursuant to finance receivable sale agreements. Historically, the Company has sold loans through two types of arrangements: forward flow agreements and fixed pool loan sales, including securitization transactions.

Master Purchase and Sale Agreement

In December 2016, the Company entered into a master purchase and sale agreement (the "Master Purchase and Sale Agreement" or "MPSA") with Ally Bank and Ally Financial Inc. (collectively the "Ally Parties"). Pursuant to the MPSA, the Company sells finance receivables meeting certain underwriting criteria under a committed forward flow arrangement without recourse to the Company for their post-sale performance. On January 11, 2024, the Company and the Ally Parties amended the MPSA to reestablish the commitment by the Ally Parties to purchase up to $ 4.0 billion of principal balances of finance receivables between January 11, 2024 and January 10, 2025.

During the years ended December 31, 2024, 2023, and 2022, the Company sold $ 3.0 billion, $ 3.6 billion, and $ 3.8 billion, respectively, in principal balances of finance receivables under the MPSA and had $ 1.0 billion of unused capacity as of December 31, 2024. On January 3, 2025, the Company and the Ally Parties amended the MPSA to, among other things, reestablish the commitment by the Ally Parties to purchase up to $ 4.0 billion of principal balances of finance receivables between January 3, 2025 and January 2, 2026.

Securitization Transactions

The Company sponsors and establishes securitization trusts to purchase finance receivables from the Company. The securitization trusts issue asset-backed securities, some of which are collateralized by the finance receivables that the Company sells to the securitization trusts. Upon sale of the finance receivables to the securitization trusts, the Company recognizes a gain or loss on sales of finance receivables. The net proceeds from the sales are the fair value of the assets obtained as part of the transactions and typically include cash and at least 5% of the beneficial interests issued by the securitization trusts to comply with the Risk Retention Rules, as defined and further discussed in Note 9 — Securitizations and Variable Interest Entities.

During the years ended December 31, 2024, 2023 and 2022, the Company sold $ 3.8 billion, $ 2.8 billion and $ 2.4 billion, respectively, in principal balances of finance receivables through securitization transactions.

Fixed Pool Loan Sales

During the year ended December 31, 2024, the Company completed fixed pool loan sales of $ 1.5 billion in principal balances of finance receivables to an unrelated third party on terms substantially similar to the Company’s securitization transactions and sales under the MPSA. There were no fixed pool loan sales other than securitization transactions during the years ended December 31, 2023 or 2022.

Gain on Loan Sales

The total gain related to finance receivables sold to financing partners and pursuant to securitization transactions was $ 755 million, $ 434 million, and $ 411 million during the years ended December 31, 2024, 2023, and 2022, respectively, which is included in other sales and revenues in the accompanying consolidated statements of operations.

NOTE 9 — SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

As noted in Note 8 — Finance Receivable Sale Agreements, the Company sponsors and establishes securitization trusts to purchase finance receivables from the Company. The securitization trusts issue asset-backed securities, some of which are collateralized by the finance receivables that the Company sells to the securitization trusts. Upon sale of the finance receivables to the securitization trusts, the Company recognizes a gain or loss on sales of finance receivables. The net proceeds from the sales are the fair value of the assets obtained as part of the transactions and typically include cash and at least 5% of the beneficial interests issued by the securitization trusts to comply with Regulation RR of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Risk Retention Rules"). The beneficial interests retained by the Company include, but are not limited to, rated notes and certificates of the securitization trusts. The holders of the certificates issued by the

securitization trusts have rights to cash flows only after the holders of the notes issued by the securitization trusts have received their contractual cash flows. The securitization trusts have no direct recourse to the Company's assets, and holders of the securities issued by the securitization trusts can look only to the assets of the securitization trusts that issued their securities for payment. The beneficial interests held by the Company are subject principally to the credit and prepayment risk stemming from the underlying finance receivables.

The securitization trusts established in connection with asset-backed securitization transactions are VIEs. For each VIE that the Company establishes in its role as sponsor of securitization transactions, it performs an analysis to determine whether or not it is the primary beneficiary of the VIE. The Company's continuing involvement with the VIEs consists of retaining a portion of the securities issued by the VIEs, providing industry standard representations and warranties regarding the underlying finance receivables, and performing ministerial duties as the trust administrator. As of December 31, 2024, the Company was not the primary beneficiary of these securitization trusts because its retained interests in the VIEs do not have exposures to losses or benefits that could potentially be significant to the VIEs. As such, the Company does not consolidate the securitization trusts.

The assets the Company retains in the unconsolidated VIEs are presented as beneficial interests in securitizations on the accompanying consolidated balance sheets, which as of December 31, 2024 and 2023 were $ 464 million and $ 366 million, respectively. The Company held no other assets or liabilities related to its involvement with unconsolidated VIEs as of December 31, 2024 and 2023.

The following table summarizes the carrying value and total exposure to losses of its assets related to unconsolidated VIEs with which the Company has continuing involvement, but is not the primary beneficiary at December 31, 2024 and 2023. Total exposure represents the estimated loss the Company would incur under severe, hypothetical circumstances, such as if the value of the interests in the securitization trusts and any associated collateral declined to zero. The Company believes the possibility of this is remote. As such, the total exposure presented below is not an indication of the Company's expected losses.

	December 31, 2024		December 31, 2023	
	Carrying Value	Total Exposure	Carrying Value	Total Exposure
	(in millions)			
Rated notes	$ 355	$ 355	$ 287	$ 287
Certificates and other assets	109	109	79	79
Total unconsolidated VIEs	$ 464	$ 464	$ 366	$ 366

The beneficial interests in securitizations are considered securities available for sale subject to restrictions on transfer pursuant to the Company's obligations as a sponsor under the Risk Retention Rules. As described in Note 10 — Debt Instruments, the Company has entered into secured borrowing facilities through which it finances certain of these retained beneficial interests in securitizations. These securities are interests in securitization trusts, thus there are no contractual maturities. The amortized cost and fair value of securities available for sale as of December 31, 2024 and 2023 were as follows:

	December 31, 2024		December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in millions)			
Rated notes	$ 356	$ 355	$ 294	$ 287
Certificates and other assets	104	109	71	79
Total securities available for sale	$ 460	$ 464	$ 365	$ 366

NOTE 10 — DEBT INSTRUMENTS

Debt instruments, excluding finance leases, which are discussed in Note 16 — Leases, as of December 31, 2024 and 2023 consisted of the following:

	December 31,	
	2024	2023
	(in millions)	
Asset-based financing:		
Floor plan facility	$ 67	$ 113
Finance receivable facilities	—	555
Financing of beneficial interests in securitizations	354	293
Real estate financing	485	485
Total asset-based financing	906	1,446
Senior Secured Notes (1)	4,358	4,378
Senior Unsecured Notes	205	205
Total debt	5,469	6,029
Less: current portion	(302)	(777)
Less: unamortized debt issuance costs (2)	(46)	(60)
Plus: unamortized premium (3)	27	37
Total included in long-term debt, net	$ 5,148	$ 5,229

(1) Includes $ 105 million and $ 185 million of accrued paid-in-kind ("PIK") interest as of December 31, 2024 and 2023, respectively. Accrued PIK interest increases the principal amount of Senior Secured Notes on each semi-annual interest payment date.
(2) The unamortized debt issuance costs related to long-term debt are presented as a reduction of the carrying amount of the corresponding liabilities on the accompanying consolidated balance sheets. Unamortized debt issuance costs related to revolving debt arrangements are presented within other assets on the accompanying consolidated balance sheets and not included here.
(3) The unamortized premium relates to a portion of the notes exchange offers completed in September 2023 which were accounted for as a debt modification.

Short-Term Revolving Facilities

Floor Plan Facility

The Company previously entered into a floor plan facility with the Ally Parties to finance its vehicle inventory, which was secured by Carvana LLC's vehicle inventory, general intangibles, accounts receivable, and finance receivables (as amended, the "Floor Plan Facility"). On September 1, 2023, the Company amended the Floor Plan Facility in connection with the issuance of the Senior Secured Notes (as defined below) to provide for an additional exclusive grant of collateral over certain deposit accounts and the cash on deposit in those accounts in favor of the lender and to amend certain other affirmative and negative covenants. The Company amended and restated the Floor Plan Facility on November 1, 2023, to resize the line of credit to $ 1.5 billion through April 30, 2025 and to lower the interest rate to (i) a prime rate plus 0.10 % when amounts drawn under the facility are under 50 % of the then current inventory balance and (ii) a prime rate plus 0.50 % when amounts drawn are over 50 %.

Under the Floor Plan Facility, repayment of amounts drawn for the purchase of a vehicle should generally be made within several days after selling or otherwise disposing of the vehicle. Outstanding balances related to vehicles held in inventory for more than 120 days require monthly principal payments equal to 10 % of the original principal amount of that vehicle until the remaining outstanding balance is equal to the lesser of (i) 50 % of the original principal amount or (ii) 50 % of the wholesale value. Prepayments may be made without incurring a premium or penalty. Additionally, the Company is permitted to make prepayments to the lender to be held as principal payments under the Floor Plan Facility and subsequently reborrow such amounts. The Floor Plan Facility also requires monthly interest payments and restricted cash requirements on a sliding scale whereby at least 12.5 % of the total principal amount owed to the lender is required to be held as restricted cash if amounts

drawn are under 50 % of the then current inventory balance, which requirement increases to (i) 17.5 % required to be held as restricted cash if amounts drawn are between 50 % and 59.99 %, (ii) 22.5 % required to be held as restricted cash if amounts drawn are between 60 % and 69.99 %, and (iii) 25 % required to be held as restricted cash if amounts drawn are equal to or over 70 %. The Company is also required to pay the lender an availability fee based on the average unused capacity during the prior calendar quarter under the Floor Plan Facility.

As of December 31, 2024, the Company had $ 67 million outstanding under the facility, unused capacity of $ 1.4 billion, and held $ 8 million in restricted cash related to this facility. During the year ended December 31, 2024, the Company's effective interest rate on the Floor Plan Facility was 6.85 %.

As of December 31, 2023, the Company had $ 113 million outstanding under the Floor Plan Facility, unused capacity of $ 1.4 billion, and held $ 14 million in restricted cash related to this facility. For the year ended December 31, 2023, the Company's effective interest rate on the facility was 7.86 %.

Finance Receivable Facilities

The Company has various short-term revolving credit facilities to fund certain finance receivables originated by the Company prior to selling them, which are typically secured by the finance receivables pledged to them (the "Finance Receivable Facilities").

In January 2020, the Company entered into an agreement pursuant to which a lender agreed to provide a revolving credit facility to fund certain finance receivables originated by the Company. In 2023, the Company amended its agreement to, among other things, adjust the line of credit to $ 500 million. In January 2024, the maturity date was extended to January 19, 2025, which date was further extended on January 15, 2025, for a maturity date of April 15, 2026.

In February 2020, the Company entered into an agreement pursuant to which a second lender agreed to provide a $ 500 million revolving credit facility to fund certain finance receivables originated by the Company. In December 2021, the Company amended its agreement to, among other things, increase the line of credit to $ 600 million and in December 2023, the maturity date was extended to December 8, 2025.

In April 2021, the Company entered into an agreement pursuant to which a third lender agreed to provide a $ 500 million revolving credit facility to fund certain finance receivables originated by the Company. In December 2021, the Company amended its agreement to, among other things, increase this line of credit to $ 600 million, and in April 2024 the maturity date was extended to October 10, 2025.

In March 2022, the Company entered into an agreement pursuant to which a fourth lender agreed to provide a $ 500 million revolving credit facility to fund certain finance receivables originated by the Company. In August 2024, the Company amended its agreement to extend the maturity date to August 7, 2025.

In May 2023, the Company entered into an agreement pursuant to which a fifth lender agreed to provide a $ 500 million revolving credit facility to fund certain finance receivables originated by the Company until May 31, 2024. In May 2024, the Company amended its agreement to extend the maturity date to August 15, 2025.

The Finance Receivable Facilities require that any undistributed amounts collected on the pledged finance receivables be held as restricted cash. The Finance Receivable Facilities require monthly payments of interest and fees based on usage and unused facility amounts. The Finance Receivable Facilities self-amortize from the end of the draw period until maturity, offer full prepayment rights, and have no credit sublimits or aging restrictions, subject to negotiated concentration limits. The subsidiaries that entered into these Finance Receivable Facilities are each wholly-owned, special purpose entities whose assets are not available to the general creditors of the Company. As of December 31, 2024 and 2023, the Company had zero and $ 555 million, respectively, outstanding under these Finance Receivable Facilities, unused capacity of $ 2.7 billion and $ 2.1 billion, respectively, and held $ 2 million and $ 8 million, respectively, in restricted cash related to these Finance Receivable Facilities. During the years ended December 31, 2024 and 2023, the Company's effective interest rate on these Finance Receivable Facilities was 7.39 % and 6.60 %.

Long-Term Debt

Senior Secured Notes

The Company has issued various tranches of Senior Secured Notes (collectively, the "Senior Secured Notes") as further described below:

Senior Secured Notes	December 31, 2024	December 31, 2023	Year 1 PIK Interest Rate	Year 2 Cash/PIK Toggle Interest Rate	Thereafter Cash Interest Rate
			(in millions, except percentages)		
Notes due December 1, 2028 (the "2028 Senior Secured Notes")	$ 611	$ 981	12 %	9 %/ 12 %	9 %
Notes due June 1, 2030 (the "2030 Senior Secured Notes")	1,660	1,471	13 %	11 %/ 13 %	9 %
Notes due June 1, 2031 (the "2031 Senior Secured Notes")	1,982	1,741	14 %	- - / 14 %	9 %
Accrued PIK interest	105	185			
Total principal amount	$ 4,358	$ 4,378			
Less: unamortized debt issuance costs	(40)	(53)			
Plus: unamortized premium	27	37			
Total Senior Secured debt	$ 4,345	$ 4,362			

Interest on each of the Senior Secured Notes is payable semi-annually on February 15 and August 15, and commenced on February 15, 2024. On February 15, 2024 and as required by the indentures governing the Senior Secured Notes, the Company increased the principal amount of the 2028, 2030, and 2031 Senior Secured Notes in connection with the payment of interest in kind of $ 53 million, $ 88 million, and $ 111 million, respectively. Further, on August 15, 2024 and as required by the indentures governing the Senior Secured Notes, the Company increased the principal amount of the 2028, 2030, and 2031 Senior Secured Notes in connection with the payment of interest in kind of $ 47 million, $ 101 million, and $ 130 million, respectively. On February 15, 2025, the Company paid interest for the 2028 and 2030 Senior Secured Notes in cash, and intends to continue to pay cash interest for the 2028 and 2030 Senior Secured Notes at the next semi-annual payment date on August 15, 2025. As a result, beginning on August 15, 2024, the Company is accruing PIK interest only on the 2031 Senior Secured Notes. Cash interest expense on the 2028 and 2030 Senior Secured Notes is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

The Company may redeem some or all of each series of Senior Secured Notes at any time prior to certain specified redemption dates (the "Secured Early Redemption Dates") and at 100 % of the principal amount outstanding plus applicable make-whole premiums set forth in each respective indenture, plus any accrued and unpaid interest to the redemption date. Prior to the Secured Early Redemption Dates, the Company may also redeem up to 35 % of the original aggregate principal amount of the 2028 and 2030 Senior Secured Notes at a redemption price equal to 109 % of the principal amount outstanding, together with accrued and unpaid interest to, but not including, the date of redemption, using the net cash proceeds of certain equity offerings. Finally, on or after the Secured Early Redemption Dates, the Company may redeem its Senior Secured Notes in whole or in part at redemption prices set forth in each respective indenture, plus accrued and unpaid interest up to but excluding the redemption date. If the Company experiences certain change of control events, it must make an offer to purchase all of the Senior Secured Notes at 101 % of the principal amount thereof, plus any accrued and unpaid interest, to the repurchase date.

During the year ended December 31, 2024, the Company repurchased $ 370 million of principal amount of the 2028 Senior Secured Notes in the open market for $ 384 million which included $ 8 million of accrued interest. Additionally, during the year ended December 31, 2024, the Company redeemed $ 100 million of principal amount of the 2028 Senior Secured Notes for $ 108 million which included $ 3 million of accrued interest. The repurchased notes were cancelled upon receipt. The repurchases and redemption are treated as an extinguishment of debt, with any realized discount (premium) recognized as a gain (loss) on debt extinguishment in the accompanying consolidated statements of operations, net of transaction fees and write-offs of related unamortized debt issuance costs and unamortized premium. As a result of the repurchases and redemption, during the year ended December 31, 2024, the Company recognized a net loss on debt extinguishment of $ 12 million which included $ 2 million of transaction fees and write-offs of related unamortized debt issuance costs and unamortized premium.

The Senior Secured Notes mature as specified in the table above unless earlier repurchased or redeemed and are fully and unconditionally guaranteed on a senior secured basis, jointly and severally, by all of the domestic restricted subsidiaries of the Company (other than, subject to certain exceptions, any subsidiary that constitutes an "immaterial subsidiary," "captive insurance subsidiary," "securitization subsidiary" or "permitted joint venture"). The Senior Secured Notes and the guarantees are secured by (i) second-priority liens on certain assets and property of the Company, pledged in favor of the Ally Parties under the Floor Plan Facility and (ii) first-priority liens on certain assets and property of the Company and the guarantors, as identified in the indentures to the Senior Secured Notes.

The indentures to the Senior Secured Notes contain restrictive covenants that limit the ability of the Company and its restricted subsidiaries to, among other things and subject to certain exceptions, incur additional debt or issue preferred stock, create new liens, create restrictions on intercompany payments, pay dividends and make other distributions in respect of the Company's capital stock, redeem or repurchase the Company's capital stock or prepay subordinated indebtedness, make certain investments or certain other restricted payments, guarantee indebtedness, designate unrestricted subsidiaries, sell certain kinds of assets, enter into certain types of transactions with affiliates, and effect mergers or consolidations.

On September 1, 2023, the Company completed a series of transactions whereby it exchanged validly tendered senior unsecured notes for newly issued senior secured notes (the "Exchange Offers"). Concurrently with the Exchange Offers, the Company also completed a cash tender offer to purchase any and all of the Company's outstanding 2025 Senior Unsecured Notes for cash at a purchase price equal to 85.0 % of the aggregate principal amount thereof (the "Cash Tender Offer" and together with the Exchange Offers, the "Offers"). Upon consummation of the Offers, the Company exchanged Senior Unsecured Notes with an aggregate outstanding principal amount of $ 5.5 billion for $ 4.2 billion in aggregate principal amount of newly issued senior secured notes (collectively the "Senior Secured Notes"), paid $ 341 million in cash for validly tendered 2025 Senior Unsecured Notes, and paid $ 146 million in cash related to accrued and unpaid interest for validly tendered Senior Unsecured Notes. Additionally, the Company wrote off $ 66 million of debt issuance costs in connection with the Offers.

The Company assessed the Offers to determine whether the transactions represent debt modifications or debt extinguishments under ASC 470. As a result of certain lenders that participated in the Offers, the Company determined that a majority of the Offers were a debt extinguishment and the remainder of the Offers were a debt modification, which resulted in a gain on debt extinguishment of $ 878 million. As a result, during the year ended December 31, 2023, the Company initially recognized a $ 40 million premium which is reflected as an addition to the principal balance of the Senior Secured Notes and will be amortized against interest expense over the respective lives of the Senior Secured Notes.

The aggregate principal amounts of the Senior Unsecured Notes that were validly tendered and accepted by the Company in the Offers are set forth in the table below.

					Allocation to Senior Secured Notes Issued			
Senior Unsecured Notes	**Outstanding Principal Prior to Exchange**	**Principal Amount Validly Tendered and Accepted**	**Accepted as % of Outstanding**	**Cash Tender Offer Payment**	**2028 Senior Secured Notes**	**2030 Senior Secured Notes**	**2031 Senior Secured Notes**	**Total Senior Secured Notes**
				(in millions, except percentages)				
2025 Senior Unsecured Notes	$ 500	$ 402	80.3 %	$ 341	$ —	$ —	$ —	$ —
2027 Senior Unsecured Notes	600	568	94.7 %	—	102	153	181	436
2028 Senior Unsecured Notes	600	578	96.3 %	—	90	135	160	385
2029 Senior Unsecured Notes	750	724	96.6 %	—	110	165	195	470
2030 Senior Unsecured Notes	3,275	3,248	99.2 %	—	679	1,018	1,205	2,902
Total	$ 5,725	$ 5,520	96.4 %	$ 341	$ 981	$ 1,471	$ 1,741	$ 4,193

Senior Unsecured Notes

The Company has issued various tranches of Senior Unsecured Notes (the "Senior Unsecured Notes") each under a separate indenture, as further described below:

Senior Unsecured Notes	December 31, 2024	December 31, 2023	Interest Rate
		(in millions, except percentages)	
Notes due October 1, 2025 ("2025 Senior Unsecured Notes")	$ 98	$ 98	5.625 %
Notes due April 15, 2027 ("2027 Senior Unsecured Notes")	32	32	5.500 %
Notes due October 1, 2028 ("2028 Senior Unsecured Notes")	22	22	5.875 %
Notes due September 1, 2029 ("2029 Senior Unsecured Notes")	26	26	4.875 %
Notes due May 1, 2030 ("2030 Senior Unsecured Notes")	27	27	10.250 %
Total principal amount	205	205	
Less: current portion	(98)	—	
Less: unamortized debt issuance costs	(1)	(1)	
Total included in long-term debt, net	$ 106	$ 204	

Each of the 2025, 2027, 2028 and 2029 Senior Unsecured Notes were issued pursuant to an indenture entered into by and among the Company, each of the guarantors party thereto and U.S. Bank National Association, as trustee. The 2030 Senior Unsecured Notes were issued pursuant to an indenture entered into by and among the Company, each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. Interest on each of the Senior Unsecured Notes is payable semi-annually. The Senior Unsecured Notes mature as specified in the table above unless earlier repurchased or redeemed and are guaranteed by certain of the Company's subsidiaries. In March 2023, the Company designated ADESA and its subsidiaries as unrestricted subsidiaries under the indentures governing the Senior Unsecured Notes.

The Company may redeem some or all of each series of Senior Unsecured Notes at any time prior to certain specified redemption dates (the "Unsecured Early Redemption Dates") at the redemption prices and applicable make-whole premiums set forth in each respective indenture, plus any accrued and unpaid interest to the redemption date. Prior to the Unsecured Early Redemption Dates, the Company may also redeem up to 35 % of the aggregate principal amount at a redemption price equal to 100 % plus the respective interest rate specified in the table above, together with accrued and unpaid interest to, but not including, the date of redemption, with the net cash proceeds of certain equity offerings. With respect to the 2030 Senior Unsecured Notes, the Company may, at its option, redeem in the aggregate up to 10 % of the original aggregate principal amount of the 2030 Senior Unsecured Notes during the period from, and including, May 1, 2025 to, but excluding May 1, 2027, at a redemption price equal to 105.125 % of the 2030 Senior Unsecured Notes to be redeemed, plus accrued and unpaid interest thereon to the relevant redemption rate. Finally, on or after the Unsecured Early Redemption Dates, the Company may redeem some or all of the Senior Unsecured Notes in whole or in part at redemption prices set forth in each respective indenture, plus accrued and unpaid interest up to but excluding the redemption date.

As discussed above, on September 1, 2023, the Company completed the Offers, including the Exchange Offers to exchange an outstanding principal amount of $ 5.1 billion of the Senior Unsecured Notes for newly issued Senior Secured Notes, and the Cash Tender Offer to purchase an outstanding principal amount of $ 402 million of the 2025 Senior Unsecured Notes, leading to a total reduction of an aggregate outstanding principal amount of $ 5.5 billion of the Senior Unsecured Notes. In connection with the Exchange Offers, the Company obtained consents from holders of each series of Senior Unsecured Notes to amend the indentures governing the notes to eliminate substantially all of the restrictive covenants as well as certain events of default and related provisions therein, and on August 30, 2023, the Company and the trustee entered into supplemental indentures to effect such amendments.

Real Estate Financing

The Company finances certain purchases and construction of its property and equipment through various sale and leaseback transactions. As of December 31, 2024, none of these transactions have qualified for sale accounting due to meeting the criteria for finance leases, or forms of continuing involvement, such as repurchase options or renewal periods that extend the lease for substantially all of the asset's remaining useful life, and are therefore accounted for as financing transactions.

These arrangements require monthly payments and have initial terms of 20 to 25 years. Some of the agreements are subject to renewal options of up to 25 years and some are subject to base rent increases throughout the term. As of both December 31, 2024 and 2023, the outstanding liability associated with these sale and leaseback arrangements, net of unamortized debt issuance costs, was $ 482 million and was included in long-term debt in the accompanying consolidated balance sheets.

Financing of Beneficial Interests in Securitizations

As discussed in Note 9 — Securitizations and Variable Interest Entities, the Company has retained certain beneficial interests in securitizations pursuant to the Company's obligations as a sponsor under the Risk Retention Rules. Beginning in June 2019, the Company entered into secured borrowing facilities through which it finances certain retained beneficial interests in securitizations whereby the Company sells such interests and agrees to repurchase them for their fair value at a stated time of repurchase.

As of December 31, 2024 and 2023, the Company had pledged $ 354 million and $ 293 million, respectively, of its beneficial interests in securitizations as collateral under the repurchase agreements with expected repurchases ranging from October 2025 to December 2032. The securitization trusts distribute payments related to the Company's pledged beneficial interests in securitizations directly to the lenders, which reduces the beneficial interests in securitizations and the related debt balance. Pledged collateral levels are monitored daily and are generally maintained at an agreed-upon percentage of the fair value of the amounts borrowed during the life of the transactions. In the event of a decline in the fair value of the pledged collateral, the repurchase price of the pledged collateral will be increased by the amount of the decline.

The outstanding balance of these facilities, net of unamortized debt issuance costs, was $ 351 million and $ 290 million, as of December 31, 2024 and 2023, respectively, of which $ 136 million and $ 108 million, respectively was included in current portion of long-term debt in the accompanying consolidated balance sheets.

Principal Maturities

The following table summarizes the aggregate principal maturities due in each period for Senior Secured Notes (excluding any accrued PIK interest), Senior Unsecured Notes, real estate financing, and financing of beneficial interests in securitizations as of December 31, 2024. Maturities related to financing of beneficial interests in securitizations are estimated based on expected timing of payments from the securitization trusts to the lender.

	As of December 31, 2024
	(in millions)
2025	$ 235
2026	98
2027	94
2028	670
2029	43
Thereafter	4,157
Total	$ 5,297

As of December 31, 2024, the Company was in compliance with all debt covenants.

NOTE 11 — STOCKHOLDERS' EQUITY (DEFICIT)

Classes of Common Stock and LLC Units

Carvana Co.'s amended and restated certificate of incorporation, among other things, authorizes (i) 50 million shares of Preferred Stock, par value $ 0.01 per share, (ii) 500 million shares of Class A common stock, par value $ 0.001 per share, and (iii) 125 million shares of Class B common stock, par value $ 0.001 per share. Each share of Class A common stock generally entitles its holder to one vote on all matters to be voted on by stockholders. Each share of Class B common stock held by the Garcia Parties generally entitles its holder to ten votes on all matters to be voted on by stockholders, for so long as the Garcia Parties maintain direct or indirect beneficial ownership of at least 25 % of the outstanding shares of Carvana Co.'s Class A common stock determined on an as-exchanged basis assuming that all of the Class A Units were exchanged for Class A

common stock. All other shares of Class B common stock generally entitle their holders to one vote per share on all matters to be voted on by stockholders. Holders of Class B common stock are not entitled to receive dividends and would not be entitled to receive any distributions upon the liquidation, dissolution or winding down of the Company. Holders of Class A and Class B common stock vote together as a single class on all matters presented to stockholders for their vote or approval, except as otherwise required by applicable law.

Carvana Group's amended and restated LLC Agreement provides for two classes of common ownership interests in Carvana Group: (i) Class A Units and (ii) Class B Units (together, the "LLC Units"). Carvana Co. is required to, at all times, maintain (i) a four-to-five ratio between the number of shares of Class A common stock issued and outstanding by Carvana Co. and the number of Class A Units owned by Carvana Co. (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities and subject to adjustment as set forth in the exchange agreement (the "Exchange Agreement") further discussed below, and taking into account Carvana Co. Sub LLC's 0.1 % ownership interest in Carvana, LLC) and (ii) a four-to-five ratio between the number of shares of Class B common stock owned by the original holders of LLC Units prior to the IPO (the "Original LLC Unitholders") and the number of Class A Units owned by the Original LLC Unitholders. The Company may issue shares of Class B common stock only to the extent necessary to maintain these ratios. Shares of Class B common stock are transferable only if an Original LLC Unitholder elects to exchange them, together with 1.25 times as many LLC Units, for consideration from the Company. Such consideration from the Company can be, at the Company's election, either shares of Class A common stock or cash.

As of December 31, 2024 and 2023, there were 265 million and 250 million Class A Units, respectively, and 2 million at each period of Class B Units (as adjusted for the participation thresholds and closing price of Class A common stock on December 31, 2024 and 2023), issued and outstanding. As discussed in Note 13 — Equity-Based Compensation, Class B Units were issued under the Company's LLC Equity Incentive Plan (the "LLC Equity Incentive Plan") and are subject to a participation threshold, and are earned over the requisite service period.

At-the-Market Offering

On July 19, 2023, the Company entered into a distribution agreement with Citigroup Global Markets Inc. and Moelis & Company LLC to establish an ATM Program, and on July 31, 2024, the Company refreshed the ATM Program by entering into an Amended and Restated Distribution Agreement with Barclays Capital Inc., Citigroup Global Markets Inc., Moelis & Company LLC, and Virtu Americas LLC. Under the ATM Program as of December 31, 2024, the Company could sell up to the greater of (i) shares of Class A common stock representing an aggregate offering price of $ 1.0 billion or (ii) an aggregate of 35 million shares of Class A common stock, from time to time. The Company uses the net proceeds from the ATM Program to purchase Class A Units.

The following table summarizes the activity under the ATM Program for the years ended December 31, 2024 and 2023.

	December 31, 2024	December 31, 2023
	(in millions, except share and per share amounts)	
Shares of Class A common stock issued	6,826,264	7,156,838
Weighted-average issuance price per share	$ 186.56	$ 46.94
Gross proceeds [1]	$ 1,274	$ 336

(1) Net proceeds were $ 1.264 billion and $ 327 million, respectively, after deducting $ 10 million and $ 9 million, respectively, of commissions and other offering expenses incurred.

Private Placement

On July 17, 2023, the Company entered into a Transaction Support Agreement pursuant to which, among other things, and subject to certain conditions, the Garcia Parties committed to purchase up to $ 126 million of equity in the Company. In satisfaction of that commitment, on August 18, 2023, the Company entered into a Securities Purchase Agreement with the Garcia Parties providing for the purchase of an aggregate of 3.4 million Class A Units, together with 2.7 million shares of Class B common stock, at a price equivalent to $ 46.31 per share of Class A common stock. The price equivalent of $ 46.31 per share of Class A common stock was equal to the weighted average sale price per share of Class A common stock sold under the ATM Program through August 18, 2023. As further described below, Class B common stock is exchangeable for an equivalent

number of shares of Class A common stock, which exchange must be accompanied by 1.25 times as many Class A Units. As exchanged, the price per Class A Unit was $ 37.048 . The Company may, at its election, pay consideration for such exchange in either shares of Class A common stock or in cash. The Company used the proceeds therefrom to partially fund the Cash Tender Offer as discussed in Note 10 — Debt Instruments.

Exchange Agreement

Carvana Co. and the Original LLC Unitholders together with any holders of LLC Units issued subsequent to the IPO (together, the "LLC Unitholders") entered into an Exchange Agreement under which each LLC Unitholder (and certain permitted transferees thereof) may receive shares of the Company's Class A common stock in exchange for their LLC Units on a four-to-five conversion ratio, or cash at the option of the Company, subject to (i) conversion ratio adjustments for stock splits, stock dividends, reclassifications and similar transactions, (ii) vesting for certain LLC Units, and (iii) the respective participation threshold for Class B Units. To the extent such owners also hold Class B common stock, they are required to deliver to Carvana Co. a number of shares of Class B common stock equal to the number of shares of Class A common stock being exchanged for. Any shares of Class B common stock so delivered are canceled. The number of exchangeable Class B Units is determined based on the value of Carvana Co.'s Class A common stock and the applicable participation threshold. Finally, in connection with each exchange, in order to preserve the required four-to-five ratio between the number of shares of Class A common stock issued and outstanding by Carvana Co. and the number of Class A Units owned by Carvana Co., an equivalent number of LLC units to the LLC units exchanged are issued to Carvana Co.

The exchanges affected pursuant to the Exchange Agreement during the years ended December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
	(in thousands)	
LLC Units exchanged by certain LLC Unitholders	8,685	34
Shares of Class B common stock retired	6,500	2
Newly issued Class A common stock	6,923	31
LLC Units received by Carvana Co.	8,653	39

Class A Non-Convertible Preferred Units

In accordance with the Carvana Group, LLC amended and restated LLC Agreement, and in connection with the issuance of Senior Secured Notes or Senior Unsecured Notes by Carvana Co., Carvana Group, LLC is authorized to issue Class A Non-Convertible Preferred Units to Carvana Co. In each case, the consideration for the capital contribution made or deemed to have been made by Carvana Co. is equal to the net proceeds of notes issuances. As of December 31, 2024 and 2023, Carvana Co. held 4.5 million and 4.4 million Class A Non-Convertible Preferred Units, respectively.

When Carvana Co. makes payments on the Senior Unsecured Notes and Senior Secured Notes (collectively the "Senior Notes"), Carvana Group makes an equal cash distribution, as necessary, to the Class A Non-Convertible Preferred Units. For each $ 1,000 principal amount of Senior Notes that Carvana Co. repays or otherwise retires, one Class A Non-Convertible Preferred Unit is canceled and retired. During the year ended December 31, 2024, the Company cancelled and retired 0.47 million of Class A Non-Convertible Preferred Units in conjunction with the repurchases and redemption of 2028 Senior Secured Notes as discussed in Note 10 — Debt Instruments and issued 0.53 million of Class A Non-Convertible Preferred Units in conjunction with the PIK interest payments the Company was required to make on each of February 15 and August 15, 2024. During the year ended December 31, 2023, the Company cancelled and retired 5.5 million of Class A Non-Convertible Preferred Units in conjunction with the exchange of a portion of its Senior Unsecured Notes for new Senior Secured Notes.

Tax Asset Preservation Plan

On January 16, 2023, the Company entered into a Section 382 Rights Agreement, which was later amended and restated (the “Tax Asset Preservation Plan”). On June 3, 2024, the Company determined that the Tax Asset Preservation Plan was no longer necessary for the preservation of material valuable Tax Attributes (as defined therein) and set a final expiration date of June 4, 2024, upon which date the preferred share purchase rights expired and the Tax Asset Preservation Plan terminated. In connection therewith, the associated Series B Preferred Stock underlying the preferred share purchase rights was eliminated by

filing of a Certificate of Elimination with the State of Delaware on June 5, 2024, returning such Preferred Stock to authorized but undesignated shares.

NOTE 12 — NON-CONTROLLING INTERESTS

As discussed in Note 1 — Business Organization, Carvana Co. consolidates the financial results of Carvana Group and reports a non-controlling interest related to the portion of Carvana Group owned by the LLC Unitholders. Changes in the ownership interest in Carvana Group while Carvana Co. retains its controlling interest will be accounted for as equity transactions. Exchanges of LLC Units result in a change in ownership and reduce the amount recorded as non-controlling interests and increase additional paid-in capital.

Upon the issuance of shares of Class A common stock by Carvana Co. related to the Company's equity compensation plans such as the exercise of options, issuance of restricted or non-restricted stock, payment of bonuses in stock or settlement of stock appreciation rights in stock, Carvana Group is required to issue to Carvana Co. a number of Class A Units equal to 1.25 times the number of shares of Class A common stock being issued in connection with the exercise of such options or issuance of other types of equity compensation, subject to adjustment for stock splits, stock dividends, reclassifications, and similar transactions. Activity related to the Company's equity compensation plans may result in a change in ownership which will impact the amount recorded as non-controlling interest and additional paid-in capital.

The non-controlling interest related to the Class B Units is determined based on the respective participation thresholds and the share price of Class A common stock on an as-converted basis. To the extent that the number of as-converted Class B Units change or Class B Units are forfeited, the resulting difference in ownership will be accounted for as equity transactions adjusting the non-controlling interest and additional paid-in capital.

During the years ended December 31, 2024, 2023, and 2022, the total adjustments related to exchanges of LLC Units and non-controlling interest related to restricted stock unit ("RSU") vesting and stock option ("NQSO") exercises were an increase in non-controlling interests and a corresponding decrease in additional paid-in capital of $ 33 million, and a decrease in non-controlling interests and a corresponding increase in additional paid-in capital of $ 1 million, and $ 1 million, respectively, which have been included in exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises in the accompanying consolidated statements of stockholders' equity (deficit). During the years ended December 31, 2024, 2023, and 2022, Carvana Co. utilized the net proceeds from its equity offerings and ATM Program to purchase Class A Units, which resulted in adjustments to increase non-controlling interests and to decrease additional paid-in capital by $ 515 million, $ 83 million, and $ 554 million, respectively, which have been included in adjustments to the non-controlling interests related to equity offerings in the accompanying consolidated statements of stockholders' equity (deficit).

As of December 31, 2024, Carvana Co. owned 62.3 % of Carvana Group with the LLC Unitholders owning the remaining 37.7 %. The net income (loss) attributable to the non-controlling interests on the accompanying consolidated statements of operations represents the portion of the net income (loss) attributable to the economic interest in Carvana Group held by the non-controlling LLC Unitholders calculated based on the weighted average non-controlling interests' ownership during the periods presented.

	Years Ended December 31,		
	2024	2023	2022
	(in millions)		
Transfers (to) from non-controlling interests:			
Decrease as a result of issuances of Class A and B common stock	$ (515)	$ (83)	$ (554)
(Decrease) Increase as a result of exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises	(33)	1	1
Total transfers to non-controlling interests	$ (548)	$ (82)	$ (553)

NOTE 13 — EQUITY-BASED COMPENSATION

Equity-based compensation is recognized based on amortizing the grant-date fair value on a straight-line basis over the requisite service period, which is generally the vesting period of the award, less actual forfeitures. A summary of equity-based compensation recognized during the years ended December 31, 2024, 2023, and 2022 is as follows:

	Years Ended December 31,		
	2024	2023	2022
	(in millions)		
Restricted Stock Units and Awards	$ 81	$ 65	$ 80
Options	21	16	13
Total equity-based compensation	102	81	93
Equity-based compensation capitalized to property and equipment	(9)	(7)	(8)
Equity-based compensation capitalized to inventory	(2)	(1)	(16)
Equity-based compensation, net of capitalized amounts	$ 91	$ 73	$ 69

During the years ended December 31, 2024, 2023, and 2022, the Company capitalized $ 9 million, $ 7 million, and $ 8 million, respectively, of equity-based compensation to property and equipment related to software development and $ 2 million, $ 1 million, and $ 16 million, respectively, to inventory related to reconditioning and inbound transportation of vehicles. All other equity-related compensation is included in selling, general, and administrative expenses in the accompanying consolidated statements of operations.

As of December 31, 2024, unrecognized equity-based compensation related to outstanding awards and the related weighted-average period over which it is expected to be recognized subsequent to December 31, 2024 is presented in the table below. Total unrecognized equity-based compensation will be adjusted for actual forfeitures.

	Unrecognized Equity-Based Compensation Related to Outstanding Awards (in millions)	Remaining Weighted-Average Amortization Period (in years)
Restricted Stock Units and Awards	$ 146	2.5
Options	41	2.6
Total unrecognized equity-based compensation	$ 187	

2017 Omnibus Incentive Plan

In connection with the IPO, the Company adopted the 2017 Omnibus Incentive Plan (the "2017 Incentive Plan"). The number of shares authorized for issuance under the 2017 Incentive Plan is subject to an automatic annual increase (the "Automatic Increase") of the lesser of two percent of the Company's outstanding Class A common stock or an amount determined by the Compensation and Nominating Committee of the Board. On each of January 1, 2025 and 2024, the number of shares authorized for issuance under the 2017 Incentive Plan increased by two percent of the then outstanding Class A common stock under the Automatic Increase. In addition, on May 1, 2023, the Company's stockholders approved an amendment to the 2017 Incentive Plan to further increase the number of shares available under the 2017 Incentive Plan by 20 million shares (the "Amendment Increase"). After taking into account the January 1, 2024 Automatic Increase and the Amendment Increase, as of December 31, 2024, 17 million shares of Class A common stock are available for issuance under the 2017 Incentive Plan, which the Company may grant as stock options, stock appreciation rights, restricted stock awards, restricted stock units and other equity-based awards to employees, directors, officers, and consultants. The majority of equity granted by the Company vests over four-year periods based on continued employment with the Company.

Restricted Stock Awards and Restricted Stock Units

Restricted stock awards ("RSAs") entitle recipients to vote and to receive all dividends declared with respect to such shares, payable upon vesting. RSAs vest over a period of two years , subject to the recipient's continued employment or service. During the year ended December 31, 2022, the Company issued certain employees an aggregate of less than 0.1 million RSAs pursuant to the terms of the 2017 Incentive Plan with a weighted-average grant-date fair value of $ 34.21 . The Company determined the grant-date fair value of the RSAs based on the closing price of the Company's Class A common stock on the grant date. The Company did not grant any RSAs during the years ended December 31, 2024 and 2023.

Restricted stock units ("RSUs") do not entitle recipients to vote or receive dividends. RSUs generally vest over a period of four years , subject to the recipient's continued employment. RSUs also include performance-based awards granted to certain executive employees that cliff vest upon the achievement of certain financial targets, subject to the recipient's continued employment. During the years ended December 31, 2024, 2023, and 2022, the Company issued certain employees an aggregate of 2.0 million, 10.4 million, and 3.5 million RSUs, respectively, pursuant to the terms of the 2017 Incentive Plan with a weighted-average grant-date fair value of $ 48.00 , $ 13.13 , and $ 65.26 , respectively. The Company determined the grant-date fair value of the RSUs based on the closing price of the Company's Class A common stock on the grant date. RSUs are settled in shares of Class A common stock on a one -to-one basis within thirty days of vesting.

RSA and RSU activity during the years ended December 31, 2024, 2023, and 2022 was as follows:

	Number of RSAs/RSUs (in thousands)	Weighted-Average Grant-Date Fair Value
Outstanding at January 1, 2022	553	$ 162.32
Granted	3,482	$ 65.26
Settled	(432)	$ 113.96
Forfeited	(951)	$ 134.83
Outstanding and nonvested at December 31, 2022	2,652	$ 52.62
Granted	10,392	$ 13.13
Settled	(1,550)	$ 41.39
Forfeited	(1,591)	$ 24.25
Outstanding and nonvested at December 31, 2023	9,903	$ 17.49
Granted	1,984	$ 48.00
Settled	(4,938)	$ 18.10
Forfeited	(446)	$ 23.40
Outstanding and nonvested at December 31, 2024	6,503	$ 25.93

Employee Stock Purchase Plan

In May 2021, the Company adopted an employee stock purchase plan (the "ESPP"), which went into effect on July 1, 2021. The ESPP allows substantially all employees, excluding members of senior management, to acquire shares of the Company's Class A common stock through payroll deductions over six-month offering periods, commencing on January 1 and July 1 of each year. The per share purchase price is equal to 90 % of the fair market value of a share of the Company's Class A common stock on the last day of the offering period. Participant purchases are limited to maximums that may vary between $ 10,000 and $ 25,000 of stock per calendar year. The Company is authorized to grant up to 0.5 million shares of Class A common stock under the ESPP.

During the years ended December 31, 2024, 2023 and 2022, the Company issued 10,396 , 32,790 and 86,352 shares of Class A common stock, respectively, and as of December 31, 2024, 367,968 shares of Class A common stock remained

available for future issuance. During each of the three years ended December 31, 2024, 2023 and 2022, the Company recognized less than $ 1 million of equity-based compensation expense related to the ESPP.

Non-Qualified Stock Options

Non-qualified stock options allow recipients to purchase shares of Class A common stock at a fixed exercise price. The fixed exercise price is equal to the price of a share of Class A common stock at the time of grant. The options typically vest 25 % on the anniversary of the grant date and in equal monthly installments thereafter for a total vesting period of four years and expire ten years after the grant date.

Stock option activity during the years ended December 31, 2024, 2023, and 2022 was as follows:

	Number of Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2022	1,066	$ 39.74	6.7	$ 183
Options granted	297	$ 119.53		n/a
Options exercised	(89)	$ 37.89		$ 7
Options forfeited or expired	(9)	$ 30.97		n/a
Outstanding at December 31, 2022	1,265	$ 80.26	6.4	$ —
Options granted	2,805	$ 10.07		n/a
Options exercised	(17)	$ 13.62		$ —
Options forfeited or expired	(47)	$ 50.08		n/a
Outstanding at December 31, 2023	4,006	$ 31.75	8.1	$ 135
Options granted	762	$ 44.80		n/a
Options exercised	(441)	$ 16.45		$ 59
Options forfeited or expired	—	$ —		n/a
Outstanding at December 31, 2024	4,327	$ 35.60	7.5	$ 735
Vested and exercisable as of December 31, 2024	1,830	$ 48.93	6.3	$ 291
Expected to vest as of December 31, 2024	2,497	$ 25.84	8.4	$ 444

The Company determined the grant-date fair value of the options granted during the years ended December 31, 2024, 2023, and 2022 using the Black-Scholes valuation model with the following weighted-average assumptions:

	Years Ended December 31,		
	2024	2023	2022
Expected volatility [1]	93.8 %	74.6 %	69.2 %
Expected dividend yield	— %	— %	— %
Expected term (in years) [2]	6.00	6.30	6.28
Risk-free interest rate	4.1 %	3.6 %	2.0 %
Weighted-average grant-date fair value per option	$ 37.99	$ 6.94	$ 74.85

(1) Measured using the Company's historical data, market option volatility and selected high-growth guideline companies and considering the risk factors that would influence the range of expected volatility because the Company does not have sufficient historical data to provide a reasonable basis upon which to estimate the expected volatility for the entirety of the term.
(2) Expected term represents the estimated period of time until an option is exercised and was determined using the simplified method because the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term.

Class A Units

During 2018, the Company granted certain employees Class A Units with service-based vesting over two- to four-year periods and a grant-date fair value of $ 18.58 per Class A Unit. The grantees entered into the Exchange Agreement under which each LLC Unitholder (and certain permitted transferees thereof) may receive shares of the Company's Class A common stock in exchange for their LLC Units on a four-to-five conversion ratio, or cash at the option of the Company, subject to conversion ratio adjustments for stock splits, stock dividends, reclassifications, and similar transactions and subject to vesting.

A summary of the Class A Unit activity for the years ended December 31, 2024, 2023, and 2022 is as follows:

	Class A Units	
	Number of Class A Units (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding at January 1, 2022	85	
Granted	—	n/a
Exchanged	—	n/a
Forfeited	(6)	$ 18.58
Outstanding at December 31, 2022	79	
Granted	—	n/a
Exchanged	—	n/a
Forfeited	—	n/a
Outstanding at December 31, 2023	79	
Granted	—	n/a
Exchanged	(13)	n/a
Forfeited	—	n/a
Outstanding at December 31, 2024	66	
Vested as of December 31, 2024	66	$ 18.58
Expected to vest as of December 31, 2024	—	n/a

Class B Units

In March 2015, Carvana Group adopted the LLC Equity Incentive Plan. Under the LLC Equity Incentive Plan, Carvana Group could grant Class B Units to eligible employees, non-employee officers, consultants and directors with service-based vesting, typically four to five years . In connection with the completion of the IPO, Carvana Group discontinued the grant of new awards under the LLC Equity Incentive Plan, however the LLC Equity Incentive Plan will continue in connection with administration of existing awards that remain outstanding. Grantees may receive shares of the Company's Class A common stock in exchange for Class B Units on a four-to-five conversion ratio, or cash at the option of the Company, subject to conversion ratio adjustments for stock splits, stock dividends, reclassifications, and similar transactions and subject to vesting and the respective participation threshold for Class B Units. Class B Units do not expire. There were no Class B Units issued during the years ended December 31, 2024, 2023, and 2022. As of December 31, 2024, outstanding Class B Units had participation thresholds between $ 0.00 to $ 12.00 .

A summary of the Class B Unit activity for the years ended December 31, 2024, 2023, and 2022 is as follows:

	Class B Units	
	Number of Class B Units (in thousands)	Weighted-Average Participation Threshold per Class B Unit
Outstanding at January 1, 2022	2,627	$ 5.60
Granted	—	n/a
Exchanged	(61)	$ 5.75
Forfeited	—	n/a
Outstanding at December 31, 2022	2,566	$ 5.60
Granted	—	n/a
Exchanged	(34)	$ 3.52
Forfeited	—	n/a
Outstanding at December 31, 2023	2,532	$ 5.62
Granted	—	n/a
Exchanged	(546)	$ 7.95
Forfeited	—	n/a
Outstanding at December 31, 2024	1,986	$ 4.98
Vested as of December 31, 2024	1,986	$ 4.98
Expected to vest as of December 31, 2024	—	n/a

NOTE 14 — NET EARNINGS (LOSS) PER SHARE

Basic and diluted net earnings (loss) per share is computed by dividing the net earnings (loss) attributable to Class A common stockholders by the weighted-average shares of Class A common stock outstanding during the period. Diluted net earnings (loss) per share is computed by giving effect to all potentially dilutive shares. Potentially dilutive shares have been excluded from the computation of diluted net earnings (loss) per share when their effect is anti-dilutive. Net earnings (loss) for all periods presented is attributable only to Class A common stockholders, due to no activity related to convertible preferred stock during those periods.

The following table presents the calculation of basic and diluted net earnings (loss) per share during the years ended December 31, 2024, 2023, and 2022:

	Years Ended December 31,		
	2024	2023	2022
	(in millions, except number of shares, which are reflected in thousands, and per share amounts)		
Numerator:			
Net income (loss)	$ 404	$ 150	$ (2,894)
Net income (loss) attributable to non-controlling interests	194	(300)	(1,307)
Net income (loss) attributable to Carvana Co. Class A common stockholders - basic	210	450	(1,587)
Impact on net income of assumed conversions from LLC Units	—	(300)	—
Net income (loss) attributable to Carvana Co. Class A common stockholders - diluted	$ 210	$ 150	$ (1,587)
Denominator:			
Weighted-average shares of Class A common stock outstanding	122,346	109,347	100,848
Nonvested weighted-average restricted stock awards	(2)	(24)	(20)
Weighted-average shares of Class A common stock outstanding - basic	122,344	109,323	100,828
Dilutive effect of Class A common shares:			
Stock Options [1]	3,173	979	—
Restricted Stock Units and Awards [1]	6,689	4,815	—
Class A Units [2]	—	83,976	—
Class B Units [2]	—	1,485	—
Weighted-average shares of Class A common stock outstanding - diluted	132,206	200,578	100,828
Net earnings (loss) per share of Class A common stock - basic	$ 1.72	$ 4.12	$ (15.74)
Net earnings (loss) per share of Class A common stock - diluted	$ 1.59	$ 0.75	$ (15.74)

(1) Calculated using the treasury stock method, if dilutive
(2) Calculated using the if-converted stock method, if dilutive

Shares of Class B common stock do not share in the losses or income of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted net earnings (loss) per share of Class B common stock under the two-class method has not been presented.

The following table presents potentially dilutive securities, as of the end of the period, excluded from the computations of diluted net earnings (loss) per share of Class A common stock for the years ended December 31, 2024, 2023, and 2022, respectively:

	Years Ended December 31,		
	2024	2023	2022
	(in thousands)		
Options [1]	365	976	1,265
Restricted Stock Units and Awards [1]	11	1,308	64
Class A Units [2]	83,509	—	82,963
Class B Units [2]	1,763	—	1,559

(1) Represents number of instruments outstanding at the end of the period that were evaluated under the treasury stock method for potentially dilutive effects and were determined to be anti-dilutive.
(2) Represents the weighted-average as-converted LLC units that were evaluated under the if-converted method for potentially dilutive effects and were determined to be anti-dilutive.

NOTE 15 — INCOME TAXES

As described in Note 1 — Business Organization and Note 11 — Stockholders' Equity (Deficit), as a result of the IPO, Carvana Co. began consolidating the financial results of Carvana Group. Carvana Group is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, Carvana Group is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by Carvana Group is passed through to and included in the taxable income or loss of its members, including Carvana Co., based on its allocable share held in Carvana Group. Carvana Co. was formed on November 29, 2016 and did not engage in any operations prior to the IPO. Carvana Co. is taxed as a corporation and is subject to U.S. federal, state and local income taxes with respect to its allocable share of any taxable income or loss of Carvana Group, as well as any stand-alone income or loss generated by Carvana Co.

Net income (loss) before income taxes was $ 400 million, $ 175 million, and $(2.9) billion for the years ended December 31, 2024, 2023, and 2022, respectively. The Company had an income tax (benefit) provision of $(4) million, $ 25 million, and $ 1 million for the years ended December 31, 2024, 2023, and 2022, respectively.

The components of income tax (benefit) provision are as follows:

	Years Ended December 31,		
	2024	2023	2022
	(in millions)		
Federal - Current	$ —	$ 25	$ 2
Federal - Deferred	(3)	(4)	(1)
Federal - Total	(3)	21	1
State - Current	(1)	4	—
State - Deferred	—	—	—
State - Total	(1)	4	—
Income tax (benefit) provision	$ (4)	$ 25	$ 1

A reconciliation of the U.S. federal rate to the Company's effective income tax rate is as follows:

	Years Ended December 31,					
	2024		2023		2022	
	Amount	Percent	Amount	Percent	Amount	Percent
	(dollars in millions)					
Expected U.S. federal income taxes at statutory rate	$ 84	21.0 %	$ 37	21.0 %	$ (607)	21.0 %
(Income) Loss attributable to non-controlling interests	(42)	(10.6)%	61	34.9 %	274	(9.5)%
State taxes	1	0.3 %	19	10.9 %	(64)	2.2 %
Excess tax benefits related to stock-based compensation	(50)	(12.5)%	—	— %	—	— %
Valuation allowance	(10)	(2.5)%	(96)	(54.9)%	398	(13.7)%
Disallowed interest	15	3.8 %	5	2.9 %	—	— %
Benefit of tax credits	(2)	(0.5)%	(2)	(1.1)%	—	— %
Other	—	— %	1	0.6 %	—	— %
Income tax (benefit) provision	$ (4)	(1.0)%	$ 25	14.3 %	$ 1	— %

Deferred income taxes reflect the net tax effects of temporary differences between the tax basis in an asset or liability and its reported amount under GAAP. These temporary differences result in taxable or deductible amounts in future years. The components of the Company's deferred tax assets are as follows:

	Years Ended December 31,	
	2024	2023
	(in millions)	
Deferred tax assets:		
Investment in Carvana Group	$ 1,510	$ 1,362
Net operating loss carryforward	299	299
Interest expense carryforward	302	177
Tax credit carryforward	6	4
Cancellation of debt income	103	116
Other	24	9
Total gross deferred tax assets	2,244	1,967
Valuation allowance	(2,241)	(1,962)
Total deferred tax assets, net of valuation allowance	$ 3	$ 5
Deferred tax liabilities	$ —	$ —
Total deferred tax assets and liabilities	$ 3	$ 5

As of both December 31, 2024 and 2023, the Company had federal and state net operating loss carry forwards of $ 1.2 billion. All federal net operating losses can be carried forward indefinitely, certain state net operating losses can be carried forward indefinitely, and others can be carried forward between 10 and 20 years.

As described in Note 11 — Stockholders' Equity (Deficit), the Company acquires LLC Units in connection with exchanges with LLC Unitholders. During the years ended December 31, 2024 and 2023, the Company recognized a gross deferred tax asset of $ 280 million and less than $ 1 million, respectively, associated with the difference in basis in its investment in Carvana Group related to these acquisitions of LLC Units. Additionally, as described in Note 11 — Stockholders' Equity (Deficit), the Company issues shares under the ATM Program and utilizes the proceeds from the issuance of Class A common stock to

purchase Class A Units in Carvana Group. During the years ended December 31, 2024 and 2023, the Company recognized a gross deferred tax asset of $ 9 million and $ 21 million, respectively, associated with the difference in basis in its investment in Carvana Group related to these acquisitions of LLC Units.

As described in Note 10 — Debt Instruments, during the year ended December 31, 2023, the Company completed the Exchange Offers, whereby it exchanged validly tendered Senior Unsecured Notes for newly issued Senior Secured Notes. For U.S. tax purposes the Company recognized cancellation of debt income ("CODI") on the difference between the adjusted issue price of the debt exchanged and the fair market value of the new debt issued. As a result, during the year ended December 31, 2023, the Company recognized $ 1.4 billion of CODI for tax purposes.

As described in Note 3 — Business Combinations, the Company acquired ADESA on May 9, 2022. The Company made an election under Section 336(e) of the United States Internal Revenue Code of 1986, as amended (the "Code") to treat the acquisition as a deemed asset acquisition for income tax purposes and as such received a step up in asset basis and is able to amortize the acquired Goodwill under Section 197 of the Code over a 15-year period. The total Goodwill amortization expense was $ 56 million for each of the years ended December 31, 2024 and 2023, and $ 37 million for the year ended December 31, 2022.

During the year ended December 31, 2024, management performed an assessment of the recoverability of deferred tax assets. This assessment considered both objective and subjective factors. These factors included, but were not limited to, a history of taxable losses in prior years, excess tax benefits related to equity-based compensation, and future reversal of existing temporary differences. After evaluating all available evidence, management determined, based on the accounting standards applicable to such assessment, that there was sufficient evidence as a result of the Company's cumulative losses to conclude it was more likely than not that its deferred tax assets would not be realized and has maintained a full valuation allowance against its deferred tax assets. Given the improvement in the Company's operating results and depending on the amount of equity-based compensation tax deductions available in the future, among other factors, a release of the deferred tax asset valuation allowance may be possible in the next few years. Release of all, or a portion, of the valuation allowance would result in the recognition of certain deferred tax assets and a decrease to income tax provision for the period the release is recorded.

The Company recognizes uncertain income tax positions when it is more-likely-than-not the position will be sustained upon examination. As of the year ended December 31, 2024 and 2023, the Company has no t identified any uncertain tax positions and has no t recognized any related reserves.

The Company's effective tax rate for the years ended December 31, 2024 and 2023 was a benefit of 1.0 % and an expense of 14.3 %, respectively.

Tax Receivable Agreement

Carvana Co. expects to obtain an increase in its share of the tax basis in the net assets of Carvana Group when LLC Units are exchanged by the LLC Unitholders and other qualifying transactions. As described in Note 11 — Stockholders' Equity (Deficit), each change in outstanding shares of Class A common stock results in a corresponding increase or decrease in Carvana Co.'s ownership of LLC Units. The Company intends to treat any exchanges of LLC Units as direct purchases of LLC interests for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that Carvana Co. would otherwise pay in the future to various taxing authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

In connection with the IPO, the Company entered into a TRA. Under the TRA, the Company generally will be required to pay to the LLC Unitholders 85 % of the amount of cash savings, if any, in U.S. federal, state or local tax that the Company actually realizes directly or indirectly (or are deemed to realize in certain circumstances) as a result of (i) certain tax attributes created as a result of any sales or exchanges (as determined for U.S. federal income tax purposes) to or with the Company of their interests in Carvana Group for shares of Carvana Co.'s Class A common stock or cash, including any basis adjustment relating to the assets of Carvana Group and (ii) tax benefits attributable to payments made under the TRA (including imputed interest). The Company expects to benefit from the remaining 15 % of any tax benefits that it may actually realize. To the extent that the Company is unable to timely make payments under the TRA for any reason, such payments generally will be deferred and will accrue interest until paid.

If the Internal Revenue Service or a state or local taxing authority challenges the tax basis adjustments that give rise to payments under the TRA and the tax basis adjustments are subsequently disallowed, the recipients of payments under the

agreement will not reimburse the Company for any payments the Company previously made to them. Any such disallowance would be taken into account in determining future payments under the TRA and would, therefore, reduce the amount of any such future payments. Nevertheless, if the claimed tax benefits from the tax basis adjustments are disallowed, the Company's payments under the TRA could exceed its actual tax savings, and the Company may not be able to recoup payments under the TRA that were calculated on the assumption that the disallowed tax savings were available.

The TRA provides that if (i) certain mergers, asset sales, other forms of business combinations, or other changes of control were to occur, (ii) there is a material breach of any material obligations under the TRA; or (iii) the Company elects an early termination of the TRA, then the TRA will terminate and the Company's obligations, or the Company's successor's obligations, under the TRA will accelerate and become due and payable, based on certain assumptions, including an assumption that the Company would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the TRA and that any LLC Units that have not been exchanged are deemed exchanged for the fair market value of the Company's Class A common stock at the time of termination.

As of December 31, 2024 and 2023, the Company recorded a TRA liability of $ 82 million and $ 14 million, respectively, of which $ 61 million and $ 11 million, respectively, will be paid to related parties. As of December 31, 2024 and 2023, $ 17 million and zero , respectively, is included in other current liabilities and $ 65 million and $ 14 million, respectively, is included in other liabilities on the accompanying consolidated balance sheets. For the remaining $ 2.0 billion TRA liability as of December 31, 2024, the Company has concluded, based on applicable accounting standards, that it was more likely than not that its deferred tax assets subject to the TRA would not be realized; therefore, the Company has not recorded an additional liability related to the tax savings it may realize from utilization of such deferred tax assets. If utilization of the deferred tax assets subject to the TRA becomes more likely than not in the future, the Company will record a liability related to the TRA which will be recognized as expense within its consolidated statements of operations.

Uncertain Tax Positions

Based on the Company's analysis of tax positions taken on income tax returns filed, no uncertain tax positions existed as of December 31, 2024, 2023, and 2022. Carvana Co. was formed in November 2016 and did not engage in any operations prior to the IPO and associated organizational transactions. Carvana Co. was not required to file 2016 tax returns and filed its first tax returns for the tax year 2017, the first year it became subject to examination by taxing authorities for U.S. federal and state income tax purposes. Carvana Group, LLC is treated as a partnership for U.S. federal and state income tax purposes and its tax returns are subject to examination by taxing authorities. Carvana Group has filed income tax returns for years through 2023. These returns are subject to examination by the taxing authorities in the respective jurisdictions, generally for three or four years after they were filed.

NOTE 16 — LEASES

The Company is party to various lease agreements for real estate and transportation equipment. For each lease agreement, the Company determines its lease term as the non-cancellable period of the lease and includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option. The Company also assesses whether each lease is an operating or finance lease at the lease commencement date. Rent expense of operating leases is recognized on a straight-line basis over the lease term and includes scheduled rent increases as well as amortization of tenant improvement allowances.

Operating Leases

As of December 31, 2024, the Company is a tenant under various operating leases related to certain of its hubs, vending machines, inspection and reconditioning centers, auction locations, storage, parking, and corporate offices. The initial terms expire at various dates between 2025 and 2038. Many of the leases include one or more renewal options ranging from one to twenty years and some contain purchase options. The Company leases and subleases certain of its real estate to third parties. Lease and sublease income for the years ended December 31, 2024, 2023, and 2022 was $ 7 million, $ 5 million, and $ 3 million, respectively, and is included in selling, general and administrative expenses in the accompanying consolidated statements of operations.

The Company's operating leases are included in operating lease right-of-use assets, other current liabilities, and operating lease liabilities on the accompanying consolidated balance sheets.

Refer to Note 7 — Related Party Transactions for further discussion of operating leases with related parties.

Finance Leases

The Company has finance leases for certain equipment in its transportation fleet. The leases have initial terms of two to five years , some of which include extension options for up to four additional years, and require monthly payments. The Company's finance leases are included in current portion of long-term debt and long-term debt on the accompanying consolidated balance sheets.

Lease Costs and Activity

The Company's lease costs and activity during the years ended December 31, 2024, 2023, and 2022 were as follows:

	December 31,		
	2024	2023	2022
		(in millions)	
Lease costs:			
Finance leases:			
Amortization of finance lease assets	$ 96	$ 108	$ 95
Interest obligations under finance leases	13	17	19
Total finance lease costs	$ 109	$ 125	$ 114
Operating leases:			
Fixed lease costs to non-related parties [1]	$ 61	$ 66	$ 129
Fixed lease costs to related parties	4	5	5
Variable short-term lease costs to related parties	—	—	1
Total operating lease costs	$ 65	$ 71	$ 135
Cash payments related to lease liabilities included in operating cash flows:			
Operating lease liabilities to non-related parties	$ 93	$ 109	$ 83
Operating lease liabilities to related parties	$ 4	$ 5	$ 5
Interest payments on finance lease liabilities	$ 13	$ 18	$ 19
Cash payments related to lease liabilities included in financing cash flows:			
Principal payments on finance lease liabilities	$ 81	$ 115	$ 139

(1) The year ended December 31, 2022 includes $ 28 million of lease termination fees, net of amounts written off for the corresponding operating lease right-of-use assets and operating lease liabilities which were terminated.

Maturity Analysis of Lease Liabilities

The following table summarizes maturities of lease liabilities as of December 31, 2024:

		Operating Leases [1]			
	Finance Leases	Related Party [2]	Non-Related Party	Total Operating	Total
			(in millions)		
2025	$ 84	$ 4	$ 97	$ 101	$ 185
2026	71	3	95	98	169
2027	34	3	88	91	125
2028	8	3	79	82	90
2029	—	2	61	63	63
Thereafter	—	—	193	193	193
Total minimum lease payments	197	15	613	628	825
Less: amount representing interest	(14)	(3)	(144)	(147)	(161)
Total lease liabilities	$ 183	$ 12	$ 469	$ 481	$ 664

(1) Leases that are on a month-to-month basis, short-term leases, and lease extensions that the Company does not expect to exercise are not included.
(2) Related party lease payments exclude rent payments due under the DriveTime lease Agreements for locations where the Company shares space with DriveTime, as those are variable lease payments contingent upon the Company's utilization of the leased assets.

As of December 31, 2024 and 2023, none of the Company's lease agreements contain material residual value guarantees or material restrictive covenants.

Lease Terms and Discount Rates

The weighted-average remaining lease terms and discount rates as of December 31, 2024, 2023, and 2022 were as follows, excluding short-term operating leases:

	December 31,		
	2024	2023	2022
Weighted average remaining lease terms (years)			
Operating leases	7.2	7.8	8.4
Finance leases	2.6	3.5	4.2
Weighted-average discount rate			
Operating leases	7.3 %	7.1 %	7.1 %
Finance leases	5.9 %	5.9 %	5.7 %

NOTE 17 — COMMITMENTS AND CONTINGENCIES

Accrued Limited Warranty

As part of its retail strategy, the Company provides a 100 -day or 4,189 -mile limited warranty to customers to repair certain broken or defective components of each used vehicle sold. As such, the Company accrues for such repairs based on actual claims incurred to-date and repair reserves based on historical trends. The liability was $ 21 million and $ 16 million, as of December 31, 2024 and 2023, respectively, and is included in accounts payable and other accrued liabilities in the accompanying consolidated balance sheets. The expense was $ 116 million, $ 87 million, and $ 144 million for the years ended December 31, 2024, 2023, and 2022, respectively, and is included in selling, general and administrative expenses in the accompanying consolidated statements of operations.

Purchase Obligations

The Company has purchase obligations for certain customary services related to operating a wholesale auction business of $ 109 million in aggregate over the next four years , as of December 31, 2024. These purchase obligations are recorded as liabilities when the services are rendered.

Legal Matters

From time to time, the Company is involved in various claims, legal actions, and governmental inquiries. For example, the Company is currently a party to legal and regulatory disputes, including intellectual property disputes, putative class action lawsuits, and shareholder derivative lawsuits, alleging, among other things, patent infringement, the violation of federal securities and antitrust laws and state laws regarding consumer protection, stockholders' rights, and the titling and registration of vehicles sold to its customers. These disputes include, but are not limited to, *Carvana, LLC v. IBM Corp.* , United States District Court for the Southern District of New York (Case No. 7:23-cv-08616-KMK-VR); *Dana Jennings, et al. v. Carvana, LLC,* United States District Court for the Eastern District of Pennsylvania (Case No. 5:21-cv-05400-EGS); and *Syretta Harvin et al. v. Carvana, LLC et al.* , United States District Court for the Eastern District of Pennsylvania (Case No. 2:23-cv-02068-MRP).

In 2024, *In re Carvana Co. Stockholders Litigation* , Delaware Chancery Court (Case No. 2020-0415-KSJM) was dismissed, all charges against Company officers and directors brought in *In re Carvana Co. Stockholders Litigation* , Delaware Chancery Court (Case No. 2023-0600-KSJM) were dismissed, and *Michael Cribier v. Carvana, LLC* , United States District Court for the Southern District of California (Case No. 3:24-cv-00094-DMS-JLB) was settled for an immaterial amount.

Additionally, the Attorney General offices of various states, from time to time, conduct inquiries regarding the Company's inspection, reconditioning, advertising, sale, delivery, titling, registration, and post-sale service of retail vehicles. The Company works closely with government agencies to respond to these requests and fully cooperates with any such inquiries, which if not amicably resolved, have resulted and may again result in state Attorney General offices filing claims against the Company.

The Company believes the claims or counterclaims against the Company in the legal matters above are not material or are without merit, as may be applicable, and intends to defend the matters vigorously. As of December 31, 2024 and 2023, the Company has an accrual for unresolved legal matters, including, if applicable, those discussed above, of $ 10 million and $ 3 million, respectively. The accrual is classified in accounts payable and accrued expenses in the accompanying consolidated balance sheets and selling, general and administrative expenses in the accompanying statements of operations. If an unfavorable ruling or development were to occur, there exists the possibility of a material adverse impact on the Company's business, results of operations, financial condition, or cash flows.

Securities Class Action

On August 3, 2022, a putative class action complaint titled *John Brent v. Carvana Co., et al.* was filed in the United States District Court for the District of New Jersey against the Company and certain of the Company's executive officers. The complaint was filed on behalf of a purported class of stockholders and asserts violations of Section 10(b) and 20(a) of the Exchange Act and Rule 10b-5. The complaint sought unspecified damages and an award of fees, costs, and expenses. On September 29, 2022, a second putative class action complaint titled *Rodeo Collection Ltd. v. Carvana Co., et al.* was filed in the United States District Court for the District of New Jersey, alleging similar claims against the same defendants, and seeking the same form of relief. The two cases were then consolidated and subsequently transferred to the United States District Court for the District of Arizona (the "Arizona District Court") as *In re Carvana Co. Securities Litigation* , United States District Court for the District of Arizona (Case No. CV-22-2126-PHX-MTL). On February 14, 2023, a consolidated complaint was filed in the Arizona District Court, alleging new claims for violation of Section 20A of the Exchange Act and Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, as amended (the "Securities Act"), and naming as new defendants certain Carvana directors, officers, and underwriters. The Arizona District Court granted the Company's motion to dismiss the consolidated complaint on February 29, 2024 and gave the plaintiff leave to file an amended complaint, which was filed on March 29, 2024. On December 16, 2024, the Company's motion to dismiss the consolidated complaint, as amended, was granted with respect to alleged violations of Section 20A of the Exchange Act and Section 12(a)(2) of the Securities Act, granted in part and denied in part with respect to alleged violations of Section 10(b) and Rule 10b-5 of the Exchange Act and Section 11 of the Securities Act, and denied with respect to alleged violations of Section 20(a) of the Exchange Act and Section 15 of the Securities Act. The Company intends to vigorously defend the remaining claims under this action in all respects. At this time, the Company is not

in a position to assess the likelihood of any potential loss or adverse effect on its financial condition or to estimate the amount or range of potential losses, if any, from this action.

Future litigation may be necessary to defend the Company and its partners by determining the scope, enforceability and validity of third-party proprietary rights or to establish its proprietary rights. The results of any current or future litigation or government inquiries cannot be predicted with certainty, and regardless of the outcome, litigation and government inquiries can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors.

NOTE 18 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company holds certain assets that are required to be measured at fair value on a recurring basis, and beneficial interests in securitizations for which it elected the fair value option. A description of the fair value hierarchy and the Company's methodologies are included in Note 2 — Summary of Significant Accounting Policies.

The following tables are a summary of fair value measurements and hierarchy level at December 31, 2024 and 2023:

	December 31, 2024			
	Carrying Value	Level 1	Level 2	Level 3
	(in millions)			
Assets:				
Money market funds	$ 1,154	$ 1,154	$ —	$ —
Beneficial interests in securitizations	$ 464	$ —	$ —	$ 464
Purchase price adjustment receivables	$ 2	$ —	$ —	$ 2
Root Warrants	$ 120	$ —	$ —	$ 120

	December 31, 2023			
	Carrying Value	Level 1	Level 2	Level 3
	(in millions)			
Assets:				
Money market funds	$ 339	$ 339	$ —	$ —
Beneficial interests in securitizations	$ 366	$ —	$ —	$ 366
Purchase price adjustment receivables	$ 7	$ —	$ —	$ 7
Root Warrants	$ 5	$ —	$ —	$ 5

Money Market Funds

Money market funds consist of highly liquid investments with original maturities of three months or less and are classified in cash and cash equivalents and restricted cash in the accompanying consolidated balance sheets.

Beneficial Interests in Securitizations

Beneficial interests in securitizations include rated notes and certificates of the securitization trusts, the same securities as issued to other investors as described in Note 9 — Securitizations and Variable Interest Entities. Beneficial interests in securitizations are initially treated as Level 2 assets when the securitization transaction occurs in close proximity to the end of the period and there is a lack of observable changes in the economic inputs. When the securitization transaction does not occur in close proximity to the end of the period and there have been observable changes in the economic inputs, beneficial interests in securitizations are classified as Level 3.

The Company's beneficial interests in securitizations include rated notes and certificates and other assets, all of which are classified as Level 3 due to the lack of observable market data. The Company determines the fair value of its rated notes based

on non-binding broker quotes. The non-binding broker quotes are based on models that consider the prevailing interest rates, recent market transactions, and current business conditions. The Company determines the fair value of its certificates and other assets using a combination of non-binding market quotes and internally developed discounted cash flow models. The discounted cash flow models use discount rates based on prevailing interest rates and the characteristics of the specific instruments. As of December 31, 2024 and 2023, the range of discount rates were 6.0 % to 10.0 % and 6.2 % to 12.0 %, respectively, and the weighted average of discount rates were 9.7 % and 8.9 %, respectively. Significant increases or decreases in the inputs to the models could result in a significantly higher or lower fair value measurement. The Company elected the fair value option on its beneficial interests in securitizations, which allows it to recognize changes in the fair value of these assets in the period the fair value changes. Changes in the fair value of the beneficial interests in securitizations are reflected in other (income) expense, net in the accompanying consolidated statements of operations.

For beneficial interests in securitizations measured at fair value on a recurring basis, the Company's transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period on a quarterly basis. There were no transfers out of Level 3 during the years ended December 31, 2024 and 2023.

The Company sells certain of its beneficial interests in securitizations that are not required to be retained by the Risk Retention Rules. For the years ended December 31, 2024 and 2023, the Company sold beneficial interests in securitizations for a purchase price totaling $ 9 million and $ 13 million, respectively.

The following table presents additional information about Level 3 beneficial interests in securitizations measured at fair value on a recurring basis for the years ended December 31, 2024 and 2023:

	Years Ended December 31,	
	2024	2023
	(in millions)	
Opening Balance	$ 366	$ 321
Received in securitization transactions	272	194
Payments received	(188)	(150)
Change in fair value	23	14
Sales of beneficial interests	(9)	(13)
Ending Balance	$ 464	$ 366

Purchase Price Adjustment Receivables

The Company's purchase price adjustment receivables are carried at fair value and classified as other assets and other current assets in the accompanying consolidated balance sheets. Under the MPSA, the purchaser will make future cash payments to the Company based on the performance of the finance receivables sold. The fair value of the purchase price adjustment receivables are determined based on the extent to which the Company's estimated performance of the underlying finance receivables exceeds a mutually agreed upon performance threshold of the underlying finance receivables as of measurement dates specified in the MPSA. The Company develops its estimate of future cumulative losses based on the historical performance of finance receivables it originated with similar characteristics as well as general macro-economic trends. The Company then utilizes a discounted cash flow model to calculate the present value of the expected future payment amounts. Due to the lack of observable market data these receivables are classified as Level 3. The adjustments to the fair value of the purchase price adjustment receivables were a loss of of less than $ 1 million and gain of $ 1 million during the years ended December 31, 2024 and 2023, respectively, and are reflected in other (income) expense, net in the accompanying consolidated statements of operations.

Root Warrants

In October 2021, the Company purchased Series A convertible preferred shares in Root, Inc. ("Root"), an equity security that does not have a readily determinable fair value. The Company elected to measure this investment using a measurement alternative pursuant to the accounting standards and recorded the investment at its cost of $ 126 million, which will subsequently be adjusted for observable price changes. The Company considered all relevant transactions since the date of its investment and has not recorded any impairments or upward or downward adjustments to the carrying amount of its investment in Root, as there have not been changes in the observable price of its equity interest through December 31, 2024.

Also in October 2021, the Company entered into a commercial agreement with Root, under which the Root auto insurance products were to be embedded into the Company's e-commerce platform. In accordance with the provisions of the commercial agreement, the Company received eight tranches of warrants to purchase shares of Root's Class A common stock (the "Root Warrants"). On September 1, 2022, the integrated auto insurance solution, which embedded into the Company's e-commerce platform was completed. The first tranche of Root Warrants, consisting of 2.4 million shares of Root's Class A common stock, became exercisable upon completion of the integrated solution, and is considered a derivative instrument. The second tranche of Root Warrants, consisting of 3.2 million shares of Root's Class A common stock, became exercisable on November 14, 2023, and the third tranche, consisting of 1.6 million shares of Root's Class A common stock, became exercisable on May 3, 2024. Both the second and third tranche of the Root Warrants became exercisable upon the achievement of certain insurance sales metrics through the integrated solution, and are considered derivative investments. The other tranches vest based on a combination of the arrival of certain dates and further insurance product sales through the integrated solution and are considered derivative instruments. The Company used a Monte Carlo simulation to estimate the fair value of these Root Warrants, which are classified as Level 3. Under this Monte Carlo simulation, the primary unobservable input utilized in determining the fair value of the Root Warrants was the expected volatility of Root's class A common stock, which was implied from the historical volatility of their stock. As of December 31, 2024 and 2023, the expected volatility utilized in the Monte Carlo simulation was 100 % and 85 %, respectively.

At contract inception, the Company recognized an asset of $ 30 million for the Root Warrants and deferred revenue, classified in other assets and other liabilities, respectively in the accompanying consolidated balance sheets. In 2022, the Company determined it was probable that the volume of insurance products required to earn the Root Warrants would be achieved and recorded an additional $ 75 million of Root Warrants and deferred revenue based on the contract inception date fair value as determined by the Monte Carlo simulation. As of December 31, 2024 and 2023, the deferred revenue balance was $ 57 million and $ 78 million, respectively, and the Company recognized $ 21 million in Root Warrant revenue during each of the years ended December 31, 2024 and 2023, and $ 7 million during the year ended December 31, 2022. The Root Warrants and deferred revenue are classified in other assets and other liabilities, respectively, in the accompanying consolidated balance sheets. The deferred revenue is recognized over the expected contract performance period within other sales and revenues in the accompanying consolidated statements of operations.

The following table presents changes in the Company's Level 3 Root Warrants measured at fair value:

	Years Ended December 31,	
	2024	2023
	(in millions)	
Opening balance	$ 5	$ 2
Unrealized gain	115	3
Ending balance	$ 120	$ 5

In relation to the Root Warrants, the Company recognized an increase in fair value of $ 115 million and $ 3 million during the years ended December 31, 2024 and 2023, respectively, which are included in other (income) expense, net in the accompanying consolidated statements of operations.

Interest Rate Caps

The Company utilizes non-designated cash flow hedges including interest rate cap agreements to minimize its exposure to interest rate fluctuations on variable rate debt borrowings. Interest rate caps provide that the counterparty will pay the purchaser at the end of each contractual period in which the index interest rate exceeds the contractually agreed upon cap rate.

During the year ended December 31, 2023, the Company entered into two interest rate cap agreements to limit exposure to interest rate risk on variable rate debt associated with finance receivables. The two interest rate caps each had cap rates of 5.0 %, notional amounts of $ 364 million and $ 236 million, and expiry dates of July 2027 and April 2027, respectively.

The fair value of the Company's interest rate caps is impacted by the credit risk of both the Company and its counterparty. The Company has an agreement with its derivative financial instrument counterparty that contains provisions providing that if the Company defaults on the indebtedness associated with its derivative financial instrument, then the Company could also be

declared in default on its derivative financial instrument obligation. In addition, the Company minimizes nonperformance risk on its derivative instrument by evaluating the creditworthiness of its counterparty, which is limited to major banks and financial institutions.

The Company does not apply hedge accounting to the interest rate caps and records all mark-to-market adjustments directly to other (income) expense, net in the accompanying consolidated statements of operations. The fair value of the interest rate caps is categorized as Level 2 in the fair value hierarchy as they are based on well-recognized financial principles and available market data. For the year ended December 31, 2023, the Company recognized mark-to-market adjustments of $ 2 million of expense within other (income) expense, net in the accompanying consolidated statements of operations. The interest rate caps were terminated during the year ended December 31, 2023.

Fair Value of Financial Instruments

The carrying amounts of restricted cash, accounts receivable, accounts payable and accrued liabilities, and accounts payable to related party approximate fair value due to their respective short-term maturities. The carrying value of the short-term revolving facilities were determined to approximate fair value due to their short-term duration and variable interest rates that approximate prevailing interest rates as of each reporting period. The carrying value of sale leasebacks were determined to approximate fair value as each of the transactions were entered into at prevailing interest rates during each respective period and they have not materially changed as of or during the years ended December 31, 2024 and 2023. The carrying value of the financing of beneficial interests in securitizations was determined to approximate fair value because in the event of a decline in the fair value of the pledged collateral of the financing, the repurchase price of the pledged collateral will be increased by the amount of the decline.

The fair value of the Senior Notes, which are not carried at fair value on the accompanying consolidated balance sheets, was determined using Level 2 inputs based on quoted market prices for the identical liability. The fair value of the Senior Notes as of December 31, 2024 and 2023 was as follows:

	December 31,	
	2024	2023
	(in millions)	
Carrying value, net of unamortized debt issuance costs, unamortized premium, and accrued PIK interest	$ 4,549	$ 4,566
Fair value	$ 5,050	$ 3,866

The fair value of finance receivables, which are not carried at fair value on the accompanying consolidated balance sheets, was determined utilizing the estimated sales price based on the historical experience of the Company. Such fair value measurement of the finance receivables, net is considered Level 2 under the fair value hierarchy. The carrying value and fair value of the finance receivables as of December 31, 2024 and 2023 were as follows:

	December 31,	
	2024	2023
	(in millions)	
Carrying value	$ 612	$ 807
Fair value	$ 670	$ 854

NOTE 19 — SUPPLEMENTAL CASH FLOW INFORMATION

The following table summarizes supplemental cash flow information for the years ended December 31, 2024, 2023, and 2022:

	Years Ended December 31,		
	2024	2023	2022
	(in millions)		
Supplemental cash flow information:			
Cash payments for interest	$ 115	$ 538	$ 423
Cash payments for taxes	$ 5	$ 28	$ 3
Non-cash investing and financing activities:			
Capital expenditures included in accounts payable and accrued liabilities	$ 1	$ 1	$ 18
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ 38	$ 2	$ 375
Property and equipment acquired under finance leases	$ 1	$ 51	$ 326
Warrants to acquire Root Class A common stock	$ —	$ —	$ 75
Equity-based compensation expense capitalized to property and equipment	$ 9	$ 8	$ 8
Fair value of beneficial interests received in securitization transactions	$ 272	$ 194	$ 148
Reductions of beneficial interests in securitizations and associated long-term debt	$ 130	$ 110	$ 134

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the accompanying consolidated balance sheets that sum to the total of the same amounts shown in the accompanying consolidated statements of cash flows for all periods presented:

	December 31,		
	2024	2023	2022
	(in millions)		
Cash and cash equivalents	$ 1,716	$ 530	$ 434
Restricted cash	44	64	194
Total cash, cash equivalents and restricted cash	$ 1,760	$ 594	$ 628

NOTE 20 — SUBSEQUENT EVENTS

Master Purchase and Sale Agreement

On January 3, 2025, the Company and the Ally Parties amended the MPSA to, among other things, reestablish the commitment by the Ally Parties to purchase up to $ 4.0 billion of principal balances of finance receivables between January 3, 2025 and January 2, 2026.

Finance Receivable Facilities

On January 15, 2025, the Company amended one of its agreements governing one of its short-term revolving credit facilities to, among other things, extend the maturity date to April 15, 2026.

ATM Program

On February 19, 2025, the Company entered into a Second Amended and Restated Distribution Agreement (the "Second A&R Distribution Agreement") with Barclays Capital Inc., Citigroup Global Markets Inc., and Virtu Americas LLC to further refresh its ATM Program, whereby the Company may sell up to the greater of (i) a number of shares of Class A common stock representing an aggregate offering price of $ 1.0 billion or (ii) an aggregate of 21,016,898 shares of its Class A common stock, from time to time. In connection therewith, the Company intends to file a Registration Statement on Form S-3 on February 19, 2025 in connection with the offer and sale of shares contemplated by the Second A&R Distribution Agreement.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of such date. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Controls over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment, management has concluded that its internal control over financial reporting was effective as of December 31, 2024 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. Our independent registered public accounting firm, Grant Thornton LLP, has issued an audit report with respect to our internal control over financial reporting, which appears in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal controls over financial reporting during the three months ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations of Effectiveness of Controls and Procedures and Internal Control over Financial Reporting

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

ITEM 9B. OTHER INFORMATION.

Rule 10b5-1 Trading Plan Elections

On December 3, 2024 , Tom Taira , the Company's President of Special Projects , entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act (a "10b5-1 Plan"). Mr. Taira's 10b5-1 Plan provides for the potential sale of up to 128,471 shares of Class A common stock, including shares obtained through the exercise of vested stock options, between the first potential sale date on March 4, 2025 and the expiration of the 10b5-1 Plan on December 31, 2025 .

On December 11, 2024 , Daniel Gill , the Company's Chief Product Officer , terminated his previously disclosed 10b5-1 Plan, entered into on June 14, 2023. On December 13, 2024 , Mr. Gill entered into a new 10b5-1 Plan , providing for the

potential sale of up to 515,166 shares of Class A common stock, including shares obtained through the exercise of vested stock options, between the first potential sale date on March 14, 2025, and the expiration of the 10b5-1 Plan on December 31, 2026 .

On December 13, 2024 , Benjamin Huston , the Company's Chief Operating Officer , modified a previously adopted 10b5-1 Plan . The previously adopted 10b5-1 Plan was entered into on March 16, 2021, was set to expire on December 31, 2024, and provided for the potential sale of up to approximately 499,973 shares of Class A common stock, including shares obtained from the conversion of Carvana Group, LLC Class B common units into shares of Class A common stock. Mr. Huston's modified 10b5-1 Plan provides for the potential sale of up to 608,495 shares of Class A common stock, including shares obtained through the exercise of vested stock options and shares obtained from the conversion of Carvana Group, LLC Class B common units into shares of Class A common stock, between the first potential sale date on March 14, 2025, and the expiration of the 10b5-1 Plan on December 31, 2026 .

On December 13, 2024 , Ernest Garcia III , the Company's Chief Executive Officer , entered into a 10b5-1 Plan providing for the potential sale of up to 1,000,000 shares of Class A common stock between the first potential sale date on March 14, 2025, and the expiration of the 10b5-1 Plan on March 16, 2026 .

ATM Program

On February 19, 2025, the Company entered into a Second Amended and Restated Distribution Agreement (the "Second A&R Distribution Agreement") with Barclays Capital Inc., Citigroup Global Markets Inc., and Virtu Americas LLC to refresh its ATM program, whereby the Company may sell up to the greater of (i) a number of shares of Class A common stock representing an aggregate offering price of $1.0 billion or (ii) an aggregate of 21,016,898 shares of its Class A common stock, from time to time. In connection therewith, the Company intends to file a Registration Statement on Form S-3 on February 19, 2025 to register the offer and sale of the Class A common stock under the Second A&R Distribution Agreement.

The foregoing description of the Second A&R Distribution Agreement is not complete and is qualified in its entirety by reference to the Second A&R Distribution Agreement, a copy of which is attached to this Annual Report on Form 10-K as Exhibit 10.38 and incorporated by reference herein.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE.

The information required by this item is incorporated by reference to Carvana's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this item is incorporated by reference to Carvana's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Securities Authorized for Issuance under Equity Incentive Plans

The following table provides information about our equity compensation plans under which our Class A common stock is authorized for issuance as of December 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options [2]	Weighted-average exercise price of outstanding options [3]	Number of securities remaining available for future issuance under equity compensation plans [2][4][5]
Equity compensation plans approved by security holders [1]	4,327	$ 35.60	17,638
Equity compensation plans not approved by security holders	—	$ —	—
Total	4,327	$ 35.60	17,638

(1) Includes awards granted and available for future issuance under our 2017 Omnibus Incentive Plan and offerings under our Employee Stock Purchase Plan ("ESPP"), which was approved in 2021. As of December 31, 2024, there were 17,637,779 shares of Class A common stock outstanding under our equity compensation plans, which includes 17,269,811 shares of Class A common stock outstanding under the 2017 Omnibus Incentive Plan and 367,968 shares of Class A common stock outstanding under the ESPP. The latest offering period under our ESPP ended on December 31, 2024.
(2) Presented in thousands.
(3) The weighted-average exercise price is calculated based solely on the exercise prices of the outstanding options and does not reflect the shares that will be issued upon the vesting of outstanding awards of RSUs, which have no exercise price.
(4) Consists of shares available under the ESPP and shares available under the 2017 Omnibus Incentive Plan. Includes 260,270 shares of Class A common stock issuable in respect of performance restricted stock units, representing the maximum number of shares that may be issued upon vesting if the maximum performance goal is achieved for the performance period.
(5) The number of shares authorized for issuance under the 2017 Omnibus Incentive Plan is subject to an automatic annual increase of the lesser of two percent of our outstanding common stock or an amount determined by the Compensation and Nominating Committee of our Board. The number of securities remaining available for future issuances under equity compensation plans does not include 2,665,416 shares added to the 2017 Omnibus Incentive Plan pursuant to the automatic annual increase on January 1, 2025.

The additional information required by this item is incorporated by reference to Carvana's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by this item is incorporated by reference to Carvana's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information required by this item is incorporated by reference to Carvana's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2024.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES.

1. Financial Statements: The Consolidated Financial Statements of Carvana are set forth in Part II, Item 8, "Financial Statements and Supplementary Data," of this Form 10-K.
2. Financial Statement Schedules: Schedule II - Valuation and Qualifying Accounts.

Schedule II - Valuation and Qualifying Accounts

		Additions			
	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Reductions	Balance at end of period
			(in millions)		
Deferred tax asset valuation allowance:					
Year ended December 31, 2024	$ 1,962	$ (10)	$ 289 (1)	$ —	$ 2,241
Year ended December 31, 2023	$ 2,058	$ (96)	$ — (1)	$ —	$ 1,962
Year ended December 31, 2022	$ 1,638	$ 398	$ 22 (1)	$ —	$ 2,058

(1) Amount relates to a valuation allowance established on deferred taxes related to our investment in Carvana Group.

All other financial statement schedules are not required or are not applicable, or the required information is shown in the consolidated financial statements or notes to the consolidated financial statements.

3. Exhibits: The exhibits listed in the accompanying Exhibit Index are filed, furnished or incorporated by reference as part of this Form 10-K.

ITEM 16. FORM 10-K SUMMARY.

None.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Carvana Co., dated April 27, 2017 (incorporated by reference to Exhibit 3.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 3, 2017).
3.2	Amended and Restated Bylaws of Carvana Co., dated April 27, 2017 (incorporated by reference to Exhibit 3.2 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 3, 2017).
3.3	Certificate of Designations of Series B Preferred Stock of Carvana Co., as filed with the Secretary of State of the State of Delaware on January 17, 2023 (incorporated by reference to Exhibit 3.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on January 17, 2023).
3.4	Certificate of Elimination of Series B Preferred Stock of Carvana Co., dated June 5, 2024 (incorporated by reference to Exhibit 3.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on June 6, 2024).
4.1	Indenture, dated as of October 2, 2020, among Carvana Co., each of the guarantors party thereto and U.S. Bank National Association, as trustee, related to the 5.625% Senior Notes due 2025 (incorporated by reference to Exhibit 4.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on October 5, 2020).
4.2	Form of 5.625% Senior Notes due 2025 (incorporated by reference to Exhibit 4.3 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on October 5, 2020).
4.3	Supplemental Indenture, dated as of May 9, 2022, among Carvana Co., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee, related to the 5.625% Senior Notes due 2025 (incorporated by reference to Exhibit 4.7 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 10, 2022).
4.4	Second Supplemental Indenture dated as of August 30, 2023, with respect to the 2025 Senior Unsecured Notes (incorporated by reference to Exhibit 4.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.5	Indenture, dated March 29, 2021, among Carvana Co., each of the guarantors party thereto and U.S. Bank National Association, as trustee, related to the 5.500% Senior Notes due 2027 (incorporated by reference to Exhibit 4.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on March 30, 2021).
4.6	Form of 5.500% Senior Notes due 2027 (incorporated by reference to Exhibit 4.2 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on March 30, 2021).
4.7	Supplemental Indenture, dated as of May 9, 2022, among Carvana Co., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee, related to the 5.500% Senior Notes due 2027 (incorporated by reference to Exhibit 4.6 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 10, 2022).
4.8	Second Supplemental Indenture dated as of August 30, 2023, with respect to the 2027 Senior Unsecured Notes (incorporated by reference to Exhibit 4.2 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.9	Indenture, dated as of October 2, 2020, among Carvana Co., each of the guarantors party thereto and U.S. Bank National Association, as trustee, related to the 5.875% Senior Notes due 2028 (incorporated by reference to Exhibit 4.2 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on October 5, 2020).
4.10	Form of 5.875% Senior Notes due 2028 (incorporated by reference to Exhibit 4.4 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on October 5, 2020).
4.11	Supplemental Indenture, dated as of May 9, 2022, among Carvana Co., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee, related to the 5.875% Senior Notes due 2028 (incorporated by reference to Exhibit 4.5 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 10, 2022).
4.12	Second Supplemental Indenture dated as of August 30, 2023, with respect to the 2028 Senior Unsecured Notes (incorporated by reference to Exhibit 4.3 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.13	Indenture, dated August 16, 2021, among Carvana Co., each of the guarantors party thereto and U.S. Bank National Association, as trustee, related to the 4.875% Senior Notes due 2029 (incorporated by reference to Exhibit 4.1 to Carvana Co.'s Current Report on Form 8-K files with the SEC on August 16, 2021).
4.14	Form of 4.875% Senior Notes due 2029 (incorporated by reference to Exhibit 4.2 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on August 16, 2021).
4.15	Supplemental Indenture, dated as of May 9, 2022, among Carvana Co., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee, related to the 4.875% Senior Notes due 2029 (incorporated by reference to Exhibit 4.4 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 10, 2022).
4.16	Second Supplemental Indenture dated as of August 30, 2023, with respect to the 2029 Senior Unsecured Notes (incorporated by reference to Exhibit 4.4 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.17	Indenture, dated as of May 6, 2022, among Carvana Co., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee, related to the 10.2500% Senior Notes due 2030 (incorporated by reference to Exhibit 4.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 10, 2022).
4.18	Form of 10.2500% Senior Notes due 2030 (incorporated by reference to Exhibit 4.2 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 10, 2022).
4.19	Supplemental Indenture, dated as of May 9, 2022, among Carvana Co., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee, related to the 10.2500% Senior Notes due 2030 (incorporated by reference to Exhibit 4.3 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 10, 2022).
4.20	Second Supplemental Indenture dated as of August 30, 2023, with respect to the 2030 Senior Unsecured Notes (incorporated by reference to Exhibit 4.5 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.21	2028 Secured Notes Indenture dated as of September 1, 2023 with respect to the 2028 Senior Secured Notes (incorporated by reference to Exhibit 4.6 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.22	Form of 9.0%/12.0% Cash/PIK Senior Secured Notes due 2028 (incorporated by reference to Exhibit A to Exhibit 4.6 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.23	2030 Secured Notes Indenture dated as of September 1, 2023 with respect to the 2030 Senior Secured Notes (incorporated by reference to Exhibit 4.7 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.24	Form of 9.0%/11.0%/13.0% Cash/PIK Senior Secured Notes due 2030 (incorporated by reference to Exhibit A to Exhibit 4.7 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.25	2031 Secured Notes Indenture dated as of September 1, 2023 with respect to the 2031 Senior Secured Notes (incorporated by reference to Exhibit 4.8 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.26	Form of 9.0%/14.0% Cash/PIK Senior Secured Notes due 2031 (incorporated by reference to Exhibit A to Exhibit 4.8 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on September 1, 2023).
4.27	Description of Registrant's Securities, filed herewith.
10.1	Tax Receivable Agreement, dated April 27, 2017, by and among the Carvana Co., Carvana Group, LLC, a Delaware limited liability company and the TRA Holders (as defined therein) (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 3, 2017).
10.2	Fifth Amended and Restated Limited Liability Company Agreement of Carvana Group, LLC, dated October 2, 2020, by and among Carvana Group, LLC and its Members (as defined therein) (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on October 5, 2020).
10.3	Amendment to Fifth Amended and Restated Limited Liability Company Agreement of Carvana Group, LLC, dated December 9, 2022, by and among Carvana Group, LLC and its Members (as defined therein), (incorporated by reference to Carvana Co.'s Annual Report on Form 10-K filed with the SEC on February 23, 2023).
10.4	Second Amendment to Fifth Amended and Restated Limited Liability Company Agreement of Carvana Group, LLC, dated March 4, 2024, by and among Carvana Group, LLC and its Members (as defined therein), (incorporated by reference to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC on May 1, 2024).
10.5	Exchange Agreement, dated April 27, 2017, by and among the Company, Carvana Group, Carvana Co. Sub LLC and the holders of the Company's Common Units (as defined therein) (incorporated by reference to Exhibit 10.3 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 3, 2017).
10.6	Second Amended and Restated Registration Rights Agreement, dated April 27, 2017, by and among the Company, Carvana Group and the other signatories party thereto (incorporated by reference to Exhibit 10.4 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 3, 2017).
10.7†	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.10 to Carvana Co.'s Registration Statement on Form S-1 filed with the SEC on March 31, 2017).
10.8†	Carvana Group, LLC Equity Incentive Plan (incorporated by reference to Exhibit 10.15 to Carvana Co.'s Registration Statement on Form S-1 filed with the SEC on March 31, 2017).
10.9†	Carvana Co. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 3, 2017).
10.10†	First Amendment to 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC on June 6, 2017).
10.11†	Second Amendment to 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC on November 7, 2017).
10.12†	Third Amendment to the Carvana Co. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 3, 2023).
10.13†	Form of Incentive Stock Option Agreement (incorporated by reference to Exhibit 10.5 to Carvana Co.'s Registration Statement on Form S-1 filed with the SEC on March 31, 2017).
10.14†	Form of Restricted Stock Agreement (incorporated by reference to Exhibit 10.6 to Carvana Co.'s Registration Statement on Form S-1 filed with the SEC on March 31, 2017).
10.15†	Form of Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.7 to Carvana Co.'s Registration Statement on Form S-1 filed with the SEC on March 31, 2017).
10.16†	Form of Stock Appreciation Rights Agreement (incorporated by reference to Exhibit 10.8 to Carvana Co.'s Registration Statement on Form S-1 filed with the SEC on March 31, 2017).
10.17†	Form of Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.9 to Carvana Co.'s Registration Statement on Form S-1 filed with the SEC on March 31, 2017).
10.18†	Form of Cash-Based Award Agreement Pursuant to the Carvana Co. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 7, 2018).
10.19†	Form of Performance Restricted Stock Unit Agreement Pursuant to the Carvana Co. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.2 to Carvana Co.'s Current Report 8-K filed with the SEC on May 7, 2018).
10.20†	Form of Restricted Stock Unit Agreement Pursuant to the Carvana Co. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on July 31, 2018).
10.21†	Form of Nonqualified Stock Option Agreement Pursuant to the Carvana Co. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.2 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on July 31, 2018).
10.22	Carvana Co. Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.3 to Carvana Co.'s Registration Statement on Form S-8 filed with the SEC on May 7, 2021).
10.23*	Amended and Restated Inventory Financing and Security Agreement, dated as of November 1, 2023, by and among Ally Bank, Ally Financial Inc., and Carvana, LLC (incorporated by reference to Exhibit 10.6 to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC on November 2, 2023).
10.24*	Second Amended and Restated Master Purchase and Sale Agreement, dated as of November 1, 2022, among Ally Bank, Ally Financial Inc. and Carvana Auto Receivables 2016-1 LLC (incorporated by reference to Exhibit 10.3 to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC of November 3, 2022).
10.25*	First Amendment to the Second Amended and Restated Master Purchase and Sale Agreement, dated as of January 13, 2023, among Ally Bank, Ally Financial Inc. and Carvana Auto Receivables 2016-1 LLC (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on January 17, 2023).
10.26	Second Amendment to the Second Amended and Restated Master Purchase and Sale Agreement, dated January 20, 2023, among Ally Bank, Ally Financial Inc. and Carvana Auto Receivables 2016-1 LLC (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on January 20, 2023).
10.27	Third Amendment to the Second Amended and Restated Master Purchase and Sale Agreement, dated March 24, 2023, among Ally Bank, Ally Financial Inc. and Carvana Auto Receivables 2016-1 LLC (incorporated

	by reference to Exhibit 10.3 to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
10.28	Fourth Amendment to the Second Amended and Restated Master Purchase and Sale Agreement, dated April 17, 2023, among Ally Bank, Ally Financial Inc. and Carvana Auto Receivables 2016-1 LLC (incorporated by reference to Exhibit 10.4 to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC on May 4, 2023).
10.29*	Fifth Amendment to the Second Amended and Restated Master Purchase and Sale Agreement, dated January 11, 2024, among Ally Bank, Ally Financial Inc. and Carvana Auto Receivables 2016-1 LLC (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on January 16, 2024).
10.30*	Sixth Amendment to the Second Amended and Restated Master Purchase and Sale Agreement , dated January 3, 2025, among Ally Bank, Ally Financial Inc. and Carvana Auto Receivables 2016-1 LLC (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on January 6, 2025).
10.31	SilverRock Automotive Master Dealer Agreement, dated December 8, 2016 among SilverRock Automotive, Inc., SilverRock Automotive of Florida, Inc. and Carvana, LLC (incorporated by reference to Exhibit 10.24 to Carvana Co.'s Registration Statement on Form S-1 filed with the SEC on March 31, 2017).
10.32	Amendment to the Master Dealer Agreement, effective October 1, 2018 among SilverRock Automotive, Inc., SilverRock Automotive of Florida, Inc., and Carvana, LLC (incorporated by reference to Exhibit 10.5 to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC on November 7, 2018).
10.33*	Second Addendum to the Master Dealer Agreement, effective August 31, 2020 among SilverRock Automotive, Inc., SilverRock Automotive of Florida, Inc., and Carvana, LLC (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC on October 29, 2020).
10.34	Third Addendum to the Master Dealer Agreement, effective April 19, 2021, among SilverRock Automotive, Inc., SilverRock Automotive of Florida, Inc., and Carvana, LLC,(incorporated by reference to Exhibit 10.4 to Carvana Co.'s Quarterly Report on Form 10-Q, filed with the SEC on May 6, 2021).
10.35†	Non-Compete Agreement between Carvana, LLC and Ernest C. Garcia III (incorporated by reference to Exhibit 99.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on November 1, 2018).
10.36	Securities Purchase Agreement, dated as of August 18, 2023, by and between Carvana Co., Carvana Group, LLC, and the Purchasers (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on August 21, 2023).
10.37	Consent and Agreement, dated as of September 1, 2023, by and among Carvana, LLC, Ally Bank, and Ally Financial Inc. (incorporated by reference to Exhibit 10.7 to Carvana Co,'s Quarterly Report on Form 10-Q filed with the SEC on November 2, 2023).
10.38	Amended and Restated Distribution Agreement, dated as of July 31, 2024, by and among Carvana Co. and Barclays Capital Inc., Citigroup Global Markets Inc., Moelis & Company LLC, and Virtu Americas LLC as sales agents (incorporated by reference to Exhibit 10.1 to Carvana Co.'s Quarterly Report on Form 10-Q filed with the SEC on July 31, 2024).
10.39	Second Amended and Restated Distribution Agreement, dated as of February 19, 2025, by and among Carvana Co., Carvana Group, LLC and Barclays Capital Inc., Citigroup Global Markets Inc. , and Virtu Americas LLC as sales agents, filed herewith.
19.1	C arvana Co. Securities Trading Policy, filed herewit h.
21.1	Carvana Co. Subsidiaries, filed herewith.
23.1	Consent of Grant Thornton, LLP, filed herewith.
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a), filed herewith.
31.2	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a), filed herewith.
32.1	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, filed herewith.
32.2	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, filed herewith.
97.1	Carvana Co. Clawback Policy (incorporated by reference to Exhibit 97.1 to Carvana Co.'s Annual Report on Form 10-K filed with the SEC on February 22, 2024).
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

* Certain portions of this exhibit have been omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K. The registrant agrees to furnish supplementally an unredacted copy of this exhibit to the U.S. Securities and Exchange Commission upon its request.

† Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 19, 2025

Carvana Co.
(Registrant)

By: /s/ Ernest C. Garcia, III
Ernest C. Garcia, III
President, Chief Executive Officer and Chairman
February 19, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ernest C. Garcia, III Ernest C. Garcia, III	President, Chief Executive Officer, and Chairman (Principal Executive Officer)	February 19, 2025
/s/ Mark Jenkins Mark Jenkins	Chief Financial Officer (Principal Financial Officer)	February 19, 2025
/s/ Stephen Palmer Stephen Palmer	Vice President of Accounting and Finance (Principal Accounting Officer)	February 19, 2025
/s/ Michael Maroone Michael Maroone	Lead Director	February 19, 2025
/s/ Ira Platt Ira Platt	Director	February 19, 2025
/s/ Dan Quayle Dan Quayle	Director	February 19, 2025
/s/ Greg Sullivan Greg Sullivan	Director	February 19, 2025
/s/ Neha Parikh Neha Parikh	Director	February 19, 2025

Exhibit 4.27

Description of Registrant's Securities

The following is a description of each class of securities of Carvana Co. ("we," "our," the "Company") that is registered under Section 12 of the Securities and Exchange Act of 1934, as amended, and does not purport to be complete. For a complete description of the terms and provisions of such securities, refer to the Company's amended and restated certificate of incorporation (our "certificate"), and amended and restated by-laws (our "bylaws"), copies of which have been filed as Exhibit 3.1 and 3.2, respectively, to our Annual Report on Form 10-K, of which this Exhibit 4.28 is a part.

General

Our certificate authorizes capital stock consisting of:

- 500,000,000 shares of Class A common stock, par value $0.001 per share;
- 125,000,000 shares of Class B common stock, par value $0.001 per share; and
- 50,000,000 shares of undesignated preferred stock, with a par value per share that may be established by our Board of Directors (our "Board") in the applicable certificate of designations.

As of February 14, 2025, we had 134,046,880 and 79,119,471 shares of our Class A common stock and Class B common stock issued and outstanding, respectively.

Class A Common Stock

Holders of shares of our Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. The holders of our Class A common stock do not have cumulative voting rights in the election of directors.

Holders of shares of our Class A common stock vote together with holders of our Class B common stock as a single class on all matters presented to our stockholders for their vote or approval, except for certain amendments to our certificate described below or as otherwise required by applicable law or the certificate.

Holders of shares of our Class A common stock are entitled to receive dividends when and if declared by our Board out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock.

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of our Class A common stock will be entitled to receive pro rata our remaining assets available for distribution.

Holders of shares of our Class A common stock do not have preemptive, subscription, redemption or conversion rights. There are no redemption or sinking fund provisions applicable to the Class A common stock.

Class B Common Stock

Each holder of Class B common stock is entitled to one vote for each share of Class B common stock held of record by such holder; provided that each holder that, together with its affiliates (which, in the case of the Garcia Parties, includes each other Garcia Party), (1) beneficially owns 50% or more of the LLC Units of Carvana Group, LLC ("LLC Units") immediately following the consummation of the initial public offering of the Company's Class A common stock and (2) as of the applicable record date or other date of determination maintains direct or indirect beneficial ownership of an aggregate of at least 25% of the outstanding shares of Class A common stock (determined assuming that each Class A Unit held by holders other than the Carvana Co. Sub LLC ("Carvana Sub") were exchanged for Class A common stock), is entitled to ten votes for each share of Class B common stock held of

record by such holder. Each other share of our Class B common stock entitles its holder to one vote on all matters to be voted on by stockholders generally. The Garcia Parties holding shares of our Class B common stock will be entitled to one vote for each share held of record on all matters submitted to a vote of stockholders when the Garcia Parties' direct or indirect beneficial ownership of the outstanding shares of Class A common stock (determined on an as-exchanged basis assuming that all of the Class A Units were exchanged for Class A common stock) is less than 25%. The holders of our Class B common stock do not have cumulative voting rights in the election of directors.

Holders of shares of our Class B common stock vote together with holders of our Class A common stock as a single class on all matters presented to our stockholders for their vote or approval, except for certain amendments to our certificate described below or as otherwise required by applicable law or the certificate.

Holders of our Class B common stock do not have any right to receive dividends or to receive a distribution upon dissolution or liquidation or the sale of all or substantially all of our assets. Additionally, holders of shares of our Class B common stock do not have preemptive, subscription, redemption or conversion rights. There are no redemption or sinking fund provisions applicable to the Class B common stock. Any amendment of our certificate that gives holders of our Class B common stock (1) any rights to receive dividends or any other kind of distribution, (2) any right to convert into or be exchanged for Class A common stock or (3) any other economic rights will require, in addition to stockholder approval, the affirmative vote of holders of our Class A common stock voting separately as a class.

Holders of Class A Units own 100% of our outstanding Class B common stock.

Preferred Stock

Under the terms of our certificate, our Board is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our Board has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our Board to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Additionally, the issuance of preferred stock may adversely affect the holders of our Class A common stock by restricting dividends on the Class A common stock, diluting the voting power of the Class A common stock or subordinating the liquidation rights of the Class A common stock. As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of our Class A common stock.

Forum Selection

Our certificate provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the United States District Court for the District of Delaware) will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against the company or any director or officer of the company arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL"), our certificate or our bylaws or (4) any other action asserting a claim against the company or any director or officer of the company that is governed by the internal affairs doctrine. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers.

Anti-Takeover Provisions

Our certificate, bylaws and the DGCL contain provisions, which are summarized in the following paragraphs, that are intended to enhance the likelihood of continuity and stability in the composition of our Board. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control and enhance the ability of our Board to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these provisions may have an anti-takeover effect and may delay, deter or prevent a merger or acquisition of us by means of a tender offer, a proxy contest or other takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the prevailing market price for the shares of Class A common stock held by stockholders.

These provisions include:

Dual Class of Common Stock. As described above in "— Class A Common Stock " and "— Class B Common Stock," our certificate provides for a dual class common stock structure pursuant to which the Garcia Parties holding our Class B common stock are entitled to ten votes for each share held of record on all matters submitted to a vote for so long as the Garcia Parties maintain, in the aggregate, direct or indirect beneficial ownership of at least 25% of the outstanding shares of Class A common stock (determined on an as-exchanged basis assuming that all of the Class A Units were exchanged for Class A common stock), thereby giving the Garcia Parties the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A and Class B common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets, and current investors, executives and employees with the ability to exercise significant influence over those matters.

Classified Board. Our certificate provides that our Board be divided into three classes of directors, with the classes as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our Board is elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our Board. Our certificate also provides that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors be fixed exclusively pursuant to a resolution adopted by our Board. Our Board currently has six members.

Stockholder Action by Written Consent. Our certificate precludes stockholder action by written consent at any time the Garcia Parties are no longer entitled to ten votes for each share of Class B common stock held of record on all matters submitted to a vote.

Special Meetings of Stockholders. Except as required by law, special meetings of our stockholders shall be called at any time only by or at the direction of our Board or the chairman of our Board; provided, however, (1) at any time when the Garcia Parties beneficially own any of our Class B common stock, special meetings of our stockholders shall also be called by our Board or the chairman of our Board at the request of the Garcia Parties and (2) at any time when the Garcia Parties holding our Class B common stock are entitled to ten votes for each share held of record on all matters submitted to a vote, special meetings of our stockholders shall also be called by holders of a majority in voting power of the outstanding shares of our capital stock entitled to vote on all matters to be voted on by stockholders generally, voting together as a single class. Our bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of us.

Advance Notice Procedures. Our bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our Board; provided, however, such advance notice procedure does not apply to the Garcia Parties. Stockholders at an annual meeting are only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our Board or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the bylaws do not give our Board the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of

precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Removal of Directors; Vacancies. Directors may be removed with or without cause upon the affirmative vote of a majority in voting power of all outstanding shares of stock entitled to vote thereon, voting together as a single class; provided, however, at any time when the Garcia Parties holding our Class B common stock are no longer entitled to ten votes for each share held of record on all matters submitted to a vote, directors may only be removed for cause, and only by the affirmative vote of holders of at least 66 2/3% in voting power of all the then-outstanding shares of stock of the company entitled to vote thereon, voting together as a single class. In addition, our certificate also provides that, subject to the rights granted to one or more series of preferred stock then outstanding, any newly created directorship on our Board that results from an increase in the number of directors and any vacancies on our Board will be filled at any time when the Garcia Parties holding our Class B common stock are entitled to ten votes for each share held of record on all matters submitted to a vote, either (1) upon the affirmative vote of a majority in voting power of all outstanding shares of capital stock entitled to vote thereon, voting together as a single class or (2) if no such appointment has been made by the tenth day following the occurrence of the vacancy, or if such shareholders holding a majority in voting power of all outstanding shares of capital stock notify our Board that no appointment shall be made, by the affirmative vote of a majority of the remaining directors, even if less than a quorum, or by the sole remaining director. At any time the Garcia Parties holding our Class B common stock are no longer entitled to ten votes for each share held of record on all matters submitted to a vote, any newly created directorship on our Board that results from an increase in the number of directors and any vacancy occurring on our Board will be filled by the affirmative vote of a majority of the remaining directors, even if less than a quorum, or by the sole remaining director.

Supermajority Approval Requirements. Our Board is expressly authorized to make, alter, amend, change, add to, rescind or repeal, in whole or in part, our bylaws without a stockholder vote in any matter not inconsistent with the laws of the State of Delaware and our certificate. For as long as the Garcia Parties holding our Class B common stock are entitled to ten votes for each share held of record on all matters submitted to a vote, any amendment, alteration, rescission or repeal of our bylaws by our stockholders requires the affirmative vote of a majority in voting power of the outstanding shares of our stock entitled to vote on such amendment, alteration, change, addition, rescission or repeal. When the Garcia Parties holding our Class B common stock are no longer entitled to ten votes for each share held of record on all matters submitted to a vote, any amendment, alteration, rescission or repeal of our bylaws by our stockholders will require the affirmative vote of the holders of at least 66 2/3% in voting power of all the then-outstanding shares of stock of the company entitled to vote thereon, voting together as a single class.

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation, unless the certificate requires a greater percentage.

At any time when the Garcia Parties holding our Class B common stock are no longer entitled to ten votes for each share held of record on all matters submitted to a vote, the following provisions in our certificate may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least 66 2/3% (as opposed to a majority threshold that would apply when holders of our Class B common stock are entitled to ten votes for each share held of record on all matters submitted to a vote) in voting power of all the then-outstanding shares of stock entitled to vote thereon, voting together as a single class:

- the provision requiring a 66 2/3% supermajority vote for stockholders to amend our bylaws;
- the provisions providing for a classified Board (the election and term of our directors);
- the provisions regarding resignation and removal of directors;
- the provisions regarding entering into business combinations with interested stockholders;
- the provisions regarding stockholder action by written consent;
- the provisions regarding calling special meetings of stockholders;
- the provisions regarding filling vacancies on our Board and newly created directorships;
- the provisions eliminating monetary damages for breaches of fiduciary duty by a director; and

- the amendment provision requiring that the above provisions be amended only with a 66 2/3% supermajority vote.

The combination of the classification of our Board, the lack of cumulative voting and the supermajority voting requirements will make it more difficult for our existing stockholders to replace our Board as well as for another party to obtain control of us by replacing our Board. Because our Board has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management.

Authorized but Unissued Shares. Our authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval, subject to stock exchange rules. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. One of the effects of the existence of authorized but unissued common stock or preferred stock may be to enable our Board to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive our stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Business Combinations. We are not subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that the person becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation's voting stock.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions: (1) before the stockholder became an interested stockholder, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; (2) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or (3) at or after the time the stockholder became an interested stockholder, the business combination was approved by the Board and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares.

We have opted out of Section 203; however, our certificate contains similar provisions providing that we may not engage in certain "business combinations" with any "interested stockholder" for a three-year period following the time that the stockholder became an interested stockholder, unless:

- prior to such time, our Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our Board and by the affirmative vote of holders of at least 66 2/3% of our outstanding voting stock that is not owned by the interested stockholder.

Under certain circumstances, this provision will make it more difficult for a person who would be an "interested stockholder" to effect various business combinations with the company for a three-year period. This provision may encourage companies interested in acquiring the company to negotiate in advance with our Board because the stockholder approval requirement would be avoided if our Board approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our Board and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Our certificate provides that the Garcia Parties, and any of their direct or indirect transferees and any group as to which such persons are a party, do not constitute "interested stockholders" for purposes of this provision.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our certificate of incorporation includes a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions is to eliminate our rights and the rights of our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation does not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

Our bylaws provide that we must indemnify and advance expenses to our directors and officers to the fullest extent authorized by the DGCL. We also are expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification and advancement provisions and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions that are included in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for breaches of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Corporate Opportunity Doctrine

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors or stockholders. Our certificate, to the maximum extent permitted from time to time by Delaware law, renounces any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to certain of our officers, directors or stockholders or their respective affiliates, other than those officers, directors, stockholders or affiliates acting in their capacity as our employee or director. Our certificate provides that, to the fullest extent permitted by law, any director or stockholder who is not employed by us or our affiliates does not have any duty to refrain from (1) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (2) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that any director or stockholder, other than directors or stockholders acting in their capacity as our director or as a stockholder, acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its or his affiliates or for us or our affiliates, such person has no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our certificate does not renounce our interest in any business opportunity that is expressly offered to an employee director or employee in his or her capacity as a director or employee of Carvana Co. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless

we would be permitted to undertake the opportunity under our certificate, we have sufficient financial resources to undertake the opportunity and the opportunity would be in line with our business.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation of Carvana Co. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is Equiniti Trust Company, LLC. Its address is 6201 15th Avenue, Brooklyn, NY 11219.

Listing

Our Class A common stock is listed on the NYSE under the trading symbol "CVNA."

Exhibit 10.39

AMENDED AND RESTATED DISTRIBUTION AGREEMENT

February 19, 2025

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Virtu Americas LLC
1633 Broadway
41st Floor
New York, New York 10019

Ladies and Gentlemen:

Carvana Co., a Delaware corporation (the "**Company**") confirms its agreement with Barclays Capital Inc., Citigroup Global Markets Inc. and Virtu Americas LLC, as agents and/or principals, under any Terms Agreement (as defined in Section 1(a) below) ("**you**" or the "**Agents**"), with respect to the issuance and sale from time to time by the Company, in the manner and subject to the terms and conditions described below in this Amended and Restated Distribution Agreement (as so amended and restated, this "**Agreement**"), of up to the greater of (i) shares of Class A Common Stock, $0.001 par value per share (the "**Class A Common Stock**") representing an aggregate offering price of $1,000,000,000 (the "**Maximum Amount**"), or (ii) an aggregate number of 21,016,898 shares (the "**Maximum Number**") of Class A Common Stock, of the Company, on the terms set forth in Section 1 of this Agreement (excluding, and in addition to, any amount or number of shares of Class A Common Stock offered and sold pursuant to the Distribution Agreement (as defined below) prior to the date hereof). Such shares are hereinafter referred to as the "**Shares**" and are described in the Prospectus referred to below.

This Agreement amends and restates the Amended and Restated Distribution Agreement, dated as of July 31, 2024, among the Company, Carvana Group, LLC (**Carvana Group**"), Barclays Capital Inc., Citigroup Global Markets Inc. and Virtu Americas LLC (the "**Distribution Agreement**"), as set forth herein. In the event of any inconsistency or conflict between this Agreement and the Distribution Agreement with respect to the matters set forth herein, the terms, provisions and conditions contained in this Agreement shall govern and control, and the Carvana Parties and the Agents hereby affirm, confirm and ratify the same.

On the date hereof, the Company will file with the Securities and Exchange Commission (the "**Commission**") a registration statement on Form S-3ASR (the "**registration statement**") for the registration of the Shares and other securities of the Company under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the

"**Act**"); and such registration statement will set forth the terms of the offering, sale and plan of distribution of the Shares and contains additional information concerning the Company and its business. Except where the context otherwise requires, "**Registration Statement**," as used herein, means the registration statement, as amended at the time of such registration statement's effectiveness for purposes of Section 11 of the Act, as such section applies to the Agents, including (1) all documents filed as a part thereof or incorporated or deemed to be incorporated by reference therein and (2) any information contained or incorporated by reference in a prospectus filed with the Commission pursuant to Rule 424(b) under the Act, to the extent such information is deemed, pursuant to Rule 430B or Rule 430C under the Act, to be part of the registration statement at the effective time. "**Base Prospectus**" means the prospectus filed as part of the Registration Statement, including the documents incorporated by reference therein as of the date of such prospectus; "**Prospectus Supplement**" means the most recent prospectus supplement, including any amendments thereto, relating to the Shares, to be filed by the Company with the Commission pursuant to Rule 424(b) under the Act on or before the second (2nd) business day after the date of its first use in connection with a public offering or sale of Shares pursuant hereto (or such earlier time as may be required under the Act), in the form furnished by the Company to the Agents in connection with the offering of the Shares; "**Prospectus**" means the Prospectus Supplement (and any additional prospectus supplement prepared in accordance with the provision of Section 4(h) of this Agreement and filed in accordance with the provisions of Rule 424(b)) together with the Base Prospectus attached to or used with the Prospectus Supplement; and "**Permitted Free Writing Prospectus**" has the meaning set forth in Section 3(b). Any reference herein to the Registration Statement, the Base Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus shall, unless otherwise stated, be deemed to refer to and include the documents, if any, incorporated by reference, or deemed to be incorporated by reference, therein (the "**Incorporated Documents**"), including, unless the context otherwise requires, the documents, if any, filed as exhibits to such Incorporated Documents. Any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement, the Base Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus shall, unless stated otherwise, be deemed to refer to and include the filing of any document under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "**Exchange Act**") on or after the initial effective date of the Registration Statement, or the date of the Base Prospectus, the Prospectus Supplement, the Prospectus or such Permitted Free Writing Prospectus, as the case may be, and deemed to be incorporated therein by reference. References in this Agreement to financial statements or other information that is "contained," "included," "described," "set forth" or "provided" in the Registration Statement, the Base Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus and any similar references shall, unless stated otherwise, include any information incorporated or deemed to be incorporated by reference therein.

The Company and Carvana Group are herein referred to as the **Carvana Parties**."

The Carvana Parties and the Agents, severally and not jointly, agree as follows:

1. Issuance and Sale.

(a) Upon the basis of the representations, warranties and agreements and subject to the terms and conditions set forth herein and provided that each of the Carvana Parties provides the Agents with any due diligence materials and information reasonably requested by the Agents necessary for each Agent to satisfy its respective due diligence obligations, on any Exchange Business Day (as defined below) selected by the Company, the Company and one Agent selected by the Company shall enter into an agreement in accordance with Section 2 hereof regarding the number of Shares to be placed by such Agent, as agent, and the manner in which and other terms upon which such placement is to occur (each such transaction being referred to as an "**Agency Transaction**"). The Company may also offer to sell the Shares directly to one Agent selected by the Company, as principal, in which event such parties shall enter into a separate agreement (each, a "**Terms Agreement**") in substantially the form of Exhibit A hereto (with such changes thereto as may be agreed upon by the Company and such Agent to accommodate a transaction involving additional underwriters), relating to such sale in accordance with Section 2(g) of this Agreement (each such transaction being referred to as a "**Principal Transaction**"). As used herein, (i) the "**Term**" shall be the period commencing on the date hereof and ending on the earlier of (x) the date on which the aggregate number of Shares issued and sold pursuant to this Agreement and any Terms Agreements are equal to the Maximum Amount or the Maximum Number, as applicable, and (y) any termination of this Agreement pursuant to Section 8, (ii) an "**Exchange Business Day**" means any day during the Term that is a trading day for the Exchange other than a day on which trading on the Exchange is scheduled to close prior to its regular weekday closing time, and (iii) "**Exchange**" means the New York Stock Exchange.

(b) Subject to the terms and conditions set forth below, the Company appoints the Agents as agents in connection with the offer and sale of Shares in any Agency Transactions entered into hereunder. The Agents will use commercially reasonable efforts, consistent with its normal trading and sales practices, to sell such Shares in accordance with the terms and subject to the conditions hereof and of the applicable Transaction Acceptance (as defined below). Neither the Company nor the Agents shall have any obligation to enter into an Agency Transaction. The Company shall be obligated to issue and sell through an Agent, and such Agent shall be obligated to use commercially reasonable efforts, consistent with its normal trading and sales practices and as provided herein and in the applicable Transaction Acceptance, to place Shares only if and when the Company makes a Transaction Proposal to such Agent related to such an Agency Transaction and a Transaction Acceptance related to such Agency Transaction has been delivered to the Company by such Agent as provided in Section 2 below.

(c) The Agents, as agents in any Agency Transaction, hereby covenant and agree, severally and not jointly, not to make any sales of the Shares on behalf of the Company pursuant to this Agreement other than (A) by means of ordinary brokers' transactions between members of the Exchange that qualify for delivery of a Prospectus in accordance with Rule 153 under the Act and meet the definition of an "at the market offering" under Rule 415(a)(4) under the Act (such transactions are hereinafter referred to as "**At the Market Offerings**") and (B) such other sales of the Shares on behalf of the Company in their respective capacities as agents of the Company as shall be agreed by the Company and the Agents in writing.

(d) If Shares are to be sold in an Agency Transaction in an At the Market Offering, the Agent selected by the Company for such Agency Transaction will confirm in writing to the Company the number of Shares sold on any Exchange Business Day and the related Gross Sales Price (as such term is defined in Section 2(b) below) no later than 5:00 p.m. (New York City time) on the Exchange Business Day on which such Shares are sold (any such date, a "**Sale Date**").

(e) If the Company shall default on its obligation to deliver Shares to the Agent selected by the Company pursuant to the terms of any Agency Transaction or Terms

Agreement, the Carvana Parties jointly and severally shall (i) indemnify and hold harmless such Agent and its successors and assigns from and against any and all losses, claims, damages, liabilities and expenses arising from or as a result of such default by the Company and (ii) notwithstanding any such default, pay to the Agent for such Agency Transaction or Terms Agreement the commission to which the Agent would otherwise be entitled in connection with such sale in accordance with Section 2(b) below.

(f) Each of the Carvana Parties acknowledges and agrees that (i) there can be no assurance that the Agents will be successful in selling the Shares, (ii) the Agents shall incur no liability or obligation to the Company or any other person or entity if any Agent does not sell Shares for any reason other than a failure by the Agents to use their commercially reasonable efforts consistent with their normal trading and sales practices and applicable law and regulations to sell such Shares in accordance with the terms of this Agreement, and (iii) the Agents shall be under no obligation to purchase Shares on a principal basis pursuant to this Agreement, except as may otherwise be specifically agreed by the Agents and the Company in a Terms Agreement.

2. Transaction Acceptances and Terms Agreements.

(a) The Company may, from time to time during the Term, propose to one Agent selected by the Company that they enter into an Agency Transaction to be executed on a specified Exchange Business Day or over a specified period of Exchange Business Days, which proposal shall be made to such Agent by telephone or by email from any of the individuals listed as an authorized representative of the Company on Schedule A hereto to make such sales and shall set forth the information specified below (each, a "**Transaction Proposal**"). If such Agent selected by the Company agrees to the terms of such proposed Agency Transaction or if the Company and such Agent mutually agree to modified terms for such proposed Agency Transaction, then such Agent shall promptly deliver to the Company by email a notice (each, a "**Transaction Acceptance**") confirming the terms of such proposed Agency Transaction as set forth in such Transaction Proposal or setting forth the modified terms for such proposed Agency Transaction as agreed by the Company and such Agent, as the case may be, whereupon such Agency Transaction shall become a binding agreement between the Company and the Agents (acting severally and not jointly). Each Transaction Proposal shall specify:

(i) the Agent selected by the Company for such Agency Transaction;

(ii) the Exchange Business Day(s) on which the Shares subject to such Agency Transaction are intended to be sold (each, a**Purchase Date**");

(iii) the maximum number of Shares to be sold by such Agent (the "**Specified Number of Shares**") on, or over the course of, such Purchase Date(s), or as otherwise agreed between the Company and such Agent and documented in the relevant Transaction Acceptance;

(iv) the lowest price, if any, at which the Company is willing to sell Shares on each such Purchase Date or a formula pursuant to which such lowest price shall be determined (each, a "**Floor Price**"); and

(v) if other than 2.0% of the Gross Sales Price, such Agent's discount or commission.

A Transaction Proposal shall not set forth a Specified Number of Shares that, when added to the aggregate number of Shares previously purchased and to be purchased pursuant to pending Transaction Acceptances (if any) hereunder and any Terms Agreements, results or could result in

a total number of shares that exceeds the Maximum Amount or the Maximum Number, as applicable, nor shall it set forth a Floor Price which is lower than the minimum price authorized from time to time by the Company's board of directors or, if permitted by applicable law and the Company's charter and by-laws, a duly authorized committee thereof. The Company shall have responsibility for maintaining records with respect to the aggregate number of Shares sold and for otherwise monitoring the availability of Shares for sale under the Registration Statement and for insuring that the aggregate number of Shares offered and sold does not exceed, and the price at which any Shares are offered or sold is not lower than, the aggregate number of Shares and the minimum price authorized from time to time by the Company's board of directors or, if permitted by applicable law and the Company's charter and by-laws, a duly authorized committee thereof. In the event that more than one Transaction Acceptance with respect to any Purchase Date(s) is delivered by the same Agent to the Company, the latest Transaction Acceptance shall govern any sales of Shares for the relevant Purchase Date(s), except to the extent of any action occurring pursuant to a prior Transaction Acceptance and prior to the delivery to the Company of the latest Transaction Acceptance. The Company or the Agent for an Agency Transaction may, upon notice to the other such party by telephone (confirmed promptly by e-mail), suspend or terminate the offering of the Shares pursuant to such Agency Transaction for any reason; *provided*, *however*, that such suspension or termination shall not affect or impair the parties' respective obligations with respect to the Shares sold hereunder prior to the receipt of such notice by the other party or their respective obligations under any Terms Agreement. Notwithstanding the foregoing, if the terms of any Agency Transaction contemplate that Shares shall be sold on more than one Purchase Date, then the Company and the Agent for such Agency Transaction shall mutually agree to such additional terms and conditions as they deem reasonably necessary in respect of such multiple Purchase Dates, and such additional terms and conditions shall be set forth in or confirmed by, as the case may be, the relevant Transaction Acceptance and be binding to the same extent as any other terms contained therein.

(b) The Purchase Date(s) in respect of the Shares deliverable pursuant to any Transaction Acceptance shall be set forth in or confirmed by, as the case may be, the applicable Transaction Acceptance. Except as otherwise agreed between the Company and the Agent for an Agency Transaction, such Agent's commission for any Shares sold through such Agent pursuant to this Agreement shall be a percentage, not to exceed 2.0%, of the actual sales price of such Shares (the "**Gross Sales Price**"), which commission shall be as set forth in or confirmed by, as the case may be, the applicable Transaction Acceptance; *provided*, *however*, that such commission shall not apply when any Agent acts as principal, in which case such commission or a discount shall be set forth in the applicable Terms Agreement. Such commission payable to the Agent for any Agency Transactions shall be set forth and invoiced in monthly periodic statements from such Agent to the Company, with payment to be made by the Company to such Agent promptly after its receipt thereof. Notwithstanding the foregoing, in the event the Company engages any Agent for a sale of Shares in an Agency Transaction that would constitute a "distribution," within the meaning of Rule 100 of Regulation M under the Exchange Act, the Company will provide such Agent, at the Agent's request and upon reasonable advance notice to the Company, on or prior to the Settlement Date the opinions of counsel, accountants' letters and officers' certificates pursuant to Section 5(a) hereof, each dated the Settlement Date, and such other documents and information as such Agent shall reasonably request, and the Company and such Agent will agree to compensation that is customary for such Agent with respect to such transaction.

(c) Payment of the Gross Sales Price for Shares sold by the Company on any Purchase Date pursuant to a Transaction Acceptance shall be made to the Company by wire transfer of immediately available funds to the account of the Company (which the Company shall provide to the Agent for an Agency Transaction at least one (1) Exchange Business Day prior to the applicable Agency Settlement Date (as defined below)) against delivery of such Shares to such Agent's accounts, or accounts of such Agent's respective designees, at The Depository Trust Company through its Deposit and Withdrawal at Custodian System ("**DWAC**") or by such other means of delivery as may be agreed to by the Company and such Agent. Such payment and delivery shall be made at or about 10:00 a.m. (New York City time) on the second (2nd) Exchange Business Day (or such other day as may, from time to time, become standard industry practice for settlement of such a securities issuance or as agreed to by the Company and such Agent) following each Purchase Date (each, an "**Agency Settlement Date**").

(d) If, as set forth in or confirmed by, as the case may be, the related Transaction Acceptance, a Floor Price has been agreed to by the applicable parties with respect to a Purchase Date, and the Agent for such Agency Transaction thereafter determines and notifies the Company that the Gross Sales Price for such Agency Transaction would not be at least equal to such Floor Price, then the Company shall not be obligated to issue and sell through such Agent, and such Agent shall not be obligated to place, the Shares proposed to be sold pursuant to such Agency Transaction on such Purchase Date, unless the Company and such Agent otherwise agree in writing.

(e) If any party has reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are not satisfied with respect to the Shares, it shall promptly notify the other party and sales of the Shares under this Agreement, any Transaction Acceptance or any Terms Agreement shall be suspended until that or other exemptive provisions have been satisfied in the judgment of each party. On or prior to the delivery of a prospectus that is required (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with the offering or sale of the Shares, the Company shall calculate the average daily trading volume (as defined under "**ADTV**" by Rule 100 of Regulation M under the Exchange Act) of the Class A Common Stock based on market data provided by Bloomberg L.P. or such other sources as agreed upon by the Company and the Agents.

(f) (i) If the Company wishes to issue and sell the Shares pursuant to this Agreement but other than as set forth in Section 2(a) of this Agreement, it will notify one Agent selected by the Company for such Principal Transaction of the proposed terms of the Principal Transaction. If any such Agent, acting as principal, wishes to accept such proposed terms (which such Agent may decline to do for any reason in its sole discretion) or, following discussions with the Company, wishes to accept amended terms, the Company and such Agent shall enter into a Terms Agreement setting forth the terms of such Principal Transaction.

(ii) The terms set forth in a Terms Agreement shall not be binding on the Company or such Agent unless and until the Company and such Agent have each executed and delivered such Terms Agreement accepting all of the terms of such Terms Agreement. In the event of a conflict between the terms of this Agreement and the terms of a Terms Agreement, the terms of such Terms Agreement shall control.

(g) Each sale of the Shares to an Agent in a Principal Transaction shall be made in accordance with the terms of this Agreement and a Terms Agreement, which shall provide for the sale of such Shares to, and the purchase thereof by, such Agent for such Principal Transaction (acting severally and not jointly). A Terms Agreement may also specify certain provisions relating to the reoffering of such Shares by such Agent. The commitments of the Agent selected by the Company for such Principal Transaction to purchase the Shares pursuant

to any Terms Agreement shall be deemed to have been made on the basis of the representations, warranties and agreements of the Company contained, and shall be subject to the terms and conditions set forth, in this Agreement and such Terms Agreement. Any such Terms Agreement shall specify the number of the Shares to be purchased by the Agent party thereto, the price to be paid to the Company for such Shares, any provisions relating to rights of, and default by, underwriters, if any, acting together with the Agent for such Principal Transaction in the reoffering of the Shares, and the time and date (each such time and date being referred to herein as a "**Principal Settlement Date**"; and, together with any Agency Settlement Date, a "**Settlement Date**") and place of delivery of and payment for such Shares.

(h) Notwithstanding any other provision of this Agreement, the Carvana Parties shall not offer, sell or deliver, or request the offer or sale, of any Shares pursuant to this Agreement (whether in an Agency Transaction or a Principal Transaction) and, by notice to the Agents given by telephone (confirmed promptly by email), shall cancel any instructions for the offer or sale of any Shares, and the Agents shall not be obligated to offer or sell any Shares, (i) during any period in which the Company's insider trading policy, as in effect from time to time, would prohibit the purchases or sales of the Company's Class A Common Stock by any of its officers or directors, (ii) during any period in which the Company is in possession of material non-public information or (iii) at any time from and including the date on which the Company shall issue a press release containing, or shall otherwise publicly announce, its earnings, revenues or other results of operations (an "**Earnings Announcement**") through and including the time that is twenty-four (24) hours after the time that the Company files a Quarterly Report on Form 10-Q or an Annual Report on Form 10-K that includes consolidated financial statements as of and for the same period or periods, as the case may be, covered by such Earnings Announcement.

(i) The Carvana Parties agree that any offer to sell, any solicitation of an offer to buy, or any sales of Shares by the Company shall be effected only by or through one Agent on any Exchange Business Day.

(j) Anything in this Agreement to the contrary notwithstanding, the Carvana Parties shall not authorize the issuance and sale of, and the Agents, as sales agents, shall not be obligated to use their commercially reasonable efforts, consistent with its normal trading and sales practices, to sell, any Shares at a price lower than the minimum price, or in a number or with an aggregate gross or net sales price in excess of the number or aggregate gross or net sales price, as the case may be, authorized from time to time to be issued and sold under this Agreement and any Terms Agreement, in each case by the Company's board of directors or, if permitted by applicable law and the Company's charter and by-laws, a duly authorized committee thereof, or in a number in excess of the number of Shares approved for listing on the Exchange, or in excess of the number or amount of Shares available for issuance on the Registration Statement or as to which the Company has paid the applicable registration fee, it being understood and agreed by the parties hereto that compliance with any such limitations shall be the sole responsibility of the Company.

3. Representations, Warranties and Agreements of the Company. Each of the Carvana Parties jointly and severally represents and warrants to, and agrees with, the Agents, on and as of (i) the date hereof, (ii) each date on which the Company receives a Transaction Acceptance (the "**Time of Acceptance**"), (iii) each date on which the Company executes and delivers a Terms Agreement, (iv) each Time of Sale (as defined in Section 3(a)), (v) each Settlement Date and (vi) each Bring-Down Delivery Date (as defined in Section 6(b)) (each such date listed in (i) through (vi), a "**Representation Date**"), except for any representations and warranties that speak as of a specific date, in which case such representation and warranty speaks only as of such date, as follows:

(a) Registration Statement, Prospectus and Disclosure at Time of Sale. The Registration Statement is an "automatic shelf registration statement" as defined under Rule 405 of the Act. The initial effective date of the Registration Statement was not earlier than the date three (3) years prior to the date hereof; there is no order preventing or suspending the use of the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, and, to the knowledge of the Company, no proceeding for that purpose or pursuant to Section 8A of the Act against the Company or related to the offering of the Shares has been initiated or threatened by the Commission; no notice of objection of the Commission to the use of such Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company; the Registration Statement complied when it initially became effective, complies as of the date hereof and, as then amended or supplemented, as of each other Representation Date will comply, in all material respects, with the requirements of the Act; the conditions to the use of Form S-3 in connection with the offering and sale of the Shares as contemplated hereby have been satisfied; the Registration Statement meets, and the offering and sale of the Shares as contemplated hereby comply with, the applicable requirements of Rule 415 under the Act (including, without limitation, Rule 415(a)(5)); the Prospectus complied or will comply, at the time it was or will be filed with the Commission, and will comply, as then amended or supplemented, as of each Representation Date, in all material respects, with the applicable requirements of the Act; the Registration Statement did not, as of the time of its initial effectiveness, and does not or will not, as then amended or supplemented, as of each Representation Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; as of each Representation Date, the Prospectus, as then amended or supplemented, together with all of the then issued Permitted Free Writing Prospectuses, if any, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however,* that the Company makes no representation or warranty with respect to any statement in or omission from the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus made in reliance upon and in conformity with information concerning the Agents and furnished in writing by or on behalf of the Agents expressly for use in the Registration Statement, the Prospectus or such Permitted Free Writing Prospectus (it being understood that such information consists solely of the information specified in Section 9(b)). As used herein, "**Time of Sale**" means (i) with respect to each offering of Shares pursuant to this Agreement, the time of the Agents' initial entry into contracts with investors for the sale of such Shares and (ii) with respect to each offering of Shares pursuant to any relevant Terms Agreement, the time of sale of such Shares.

(b) Permitted Free Writing Prospectus. Prior to the execution of this Agreement, the Company has not, directly or indirectly, offered or sold any of the Shares by means of any "prospectus" (within the meaning of the Act) or used any "prospectus" (within the meaning of the Act) in connection with the offer or sale of the Shares, in each case other than the Base Prospectus. The Company represents and agrees that, unless it obtains the prior consent of the Agents, until the termination of this Agreement, it has not made and will not make any offer relating to the Shares that would constitute an "issuer free writing prospectus" (as defined in Rule 433 under the Act) or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405 under the Act) other than any Permitted Free Writing Prospectus. Any such free writing prospectus relating to the Shares consented to by the Agents (including any Free Writing Prospectus prepared by the Company solely for use in connection with the offering contemplated by a particular Terms Agreement) is hereinafter referred to as a "**Permitted Free Writing Prospectus**." The Company has complied and will comply in all material respects with the requirements of Rule 433 under the Act applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping. The conditions set forth in one or more of subclauses (i) through (iv), inclusive, of Rule 433(b)(1) under the Act are satisfied, and the registration statement relating to the offering of the Shares contemplated hereby, as initially filed with the Commission, includes a prospectus that, other

than by reason of Rule 433 under the Act, satisfies the requirements of Section 10 of the Act; the Company is not disqualified, by reason of Rule 164(f) or (g) under the Act, from using, in connection with the offer and sale of the Shares, "free writing prospectuses" (as defined in Rule 405 under the Act) pursuant to Rules 164 and 433 under the Act; the Company was as of the latest eligibility determination date and is a "well-known seasoned issuer" (each as defined in Rule 405 under the Act); and, if the latest determination date for purposes of the Rule 164 and 433 under the Act were the date of this Agreement, the Company would not be considered to be an "ineligible issuer" and be considered a "well-known seasoned issuer." The Company has paid or, no later than the business day after the date of this Agreement, will pay the registration fee for the offering of the Maximum Amount of Shares pursuant to Rule 457 under the Act.

(c) Incorporated Documents. The Incorporated Documents, when they were filed with the Commission (or, if any amendment with respect to any such document was filed, when such amendment was filed), conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and none of such documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and any further documents so filed during the Term and incorporated by reference in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Independent Accountants. The accountants who certified the financial statements of the Company and any supporting schedules included in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus are independent public accountants with respect to the Company as required by the Act, the Exchange Act and the Public Company Accounting Oversight Board (United States).

(e) Financial Statements. The financial statements of the Carvana Parties included or incorporated by reference in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, together with the related schedules (if any) and notes, present fairly in all material respects the financial position of the Company and its consolidated subsidiaries at the dates indicated and the results of operations, changes in stockholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; and all such financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved and comply with all applicable accounting requirements under the Act and the Exchange Act. The supporting schedules, if any, included in the Registration Statement present fairly, in all material respects and in accordance with GAAP, the information required to be stated therein. All "non-GAAP financial measures" (as such term is defined in the rules and regulations of the Commission), if any, contained or incorporated by reference in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus comply with Item 10 of Regulation S-K of the Commission, to the extent applicable. The pro forma financial information and the related notes thereto included or incorporated by reference in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus have been prepared in accordance with the applicable requirements of the Act and the Exchange Act; and the assumptions underlying such pro forma financial information are reasonable and are set forth in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (or documents incorporated by reference therein). Except as included therein or have been filed with the Commission, no historical or pro forma financial statements or supporting schedules (or other financial information) are required to be included or incorporated by reference in the Registration

Statement, the Prospectus or any Permitted Free Writing Prospectus under the Act or the Exchange Act.

(f) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus (in each case exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), (A) there has been no material adverse change or any development that could reasonably be expected to result in a material adverse change in the financial condition, results of operations, business, properties, management or business prospects of the Carvana Parties and their respective subsidiaries taken as a whole (in any such case, a "**Material Adverse Effect**"); (B) except as otherwise disclosed in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (in each case exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), neither of the Carvana Parties nor any of their respective subsidiaries has incurred any liability or obligation or entered into any transaction or agreement that, individually or in the aggregate, is material with respect to the Carvana Parties and their respective subsidiaries, taken as a whole, and neither the Carvana Parties nor any of their respective subsidiaries has sustained any loss or interference with its business or operations from fire, explosion, flood, earthquake or other natural disaster or calamity, whether or not covered by insurance, or from any labor dispute or disturbance or court or governmental action, order or decree which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; and (C) there has not been any change in the capital stock (other than the issuance of shares of Class A Common Stock upon exercise of stock options issued under, and the grant of options and awards under, equity incentive plans described in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, or the issuance of Shares pursuant to this Agreement), or short-term debt or long-term debt (except for borrowings and the repayment of borrowings in the ordinary course of business) of the Carvana Parties or any of their respective subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Carvana Parties or any of their respective subsidiaries on any class of capital stock (other than regularly scheduled cash dividends in amounts that are consistent with past practice);

(g) Good Standing of the Company and Carvana Group Each of the Company and Carvana Group has been duly organized and is validly existing as a corporation and a limited liability company, respectively, in good standing under the laws of the State of Delaware and has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus and to enter into and perform its obligations under this Agreement; and each of the Company and Carvana Group is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(h) Good Standing of Subsidiaries. Each of the subsidiaries listed on Exhibit C hereto has been duly organized and is validly existing as a corporation, limited or general partnership or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its organization, has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus and is duly qualified as a foreign corporation, limited or general partnership or limited liability company, as the case may be, to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect; except as otherwise disclosed in the Registration Statement, the

Prospectus and any Permitted Free Writing Prospectus, all of the issued and outstanding shares of capital stock of each such subsidiary that is a corporation, all of the issued and outstanding partnership interests of each such subsidiary that is a limited or general partnership and all of the issued and outstanding limited liability company interests, membership interests or other similar interests of each such subsidiary that is a limited liability company have been duly authorized and validly issued, are fully paid and (except in the case of general partnership interests) non-assessable and are owned by the Company or Carvana Group, as applicable, directly or through subsidiaries, free and clear of all Liens, except for such Liens as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and none of the issued and outstanding shares of capital stock of any such subsidiary that is a corporation, none of the issued and outstanding partnership interests of any such subsidiary that is a limited or general partnership, and none of the issued and outstanding limited liability company interests, membership interests or other similar interests of any such subsidiary that is a limited liability company were issued in violation of any preemptive rights, rights of first refusal or other similar rights of any securityholder of such subsidiary or any other person that have not been waived in writing. Any subsidiaries of the Company and Carvana Group which are "significant subsidiaries" as defined by Rule 1-02 of Regulation S-X are listed on Exhibit C hereto under the caption "Material Subsidiaries."

(i) Capitalization. The Company's authorized capital stock is as set forth in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus; as of February 14, 2025, the Company had [●] shares of Class A Common Stock issued and outstanding (except for subsequent issuances, if any, subsequent to the date of this Agreement pursuant to employee or director stock option, stock purchase or other equity incentive plans described in the Registration Statement and the Prospectus, upon the exercise of options issued pursuant to any such stock option, stock purchase or other equity incentive plans as so described, or upon vesting and settlement of restricted stock awards and units described in the Registration Statement and the Prospectus) and no shares of Preferred Stock were issued and outstanding. The shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non assessable, and were issued in compliance in all material respects with all applicable state and federal securities and "blue-sky" laws; and none of the outstanding shares of capital stock of the Company was issued in violation of any preemptive rights, rights of first refusal or other similar rights of any securityholder of the Company or any other person that have not been waived in writing. All of the membership interests of Carvana Group outstanding upon consummation of this offering will be validly issued, the holders of such membership interests will have no obligation to make any further payments for the purchase of such membership interests or contributions to Carvana Group solely by reason of their ownership of such membership interests, and, to the extent owned by the Company, will be owned free and clear of any perfected security interest or any other security interests, claims, liens or encumbrances other than as described in the Registration Statement and the Prospectus.

(j) Stock Options. With respect to the stock options (the "**Stock Options**") granted pursuant to the stock-based compensation plans of the Company and its subsidiaries (the "**Company Stock Plans**"), (i) each Stock Option intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended, so qualifies, (ii) each grant of a Stock Option was duly authorized no later than the date on which the grant of such Stock Option was by its terms to be effective (the "**Grant Date**") by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, (iii) each such grant was made in accordance with the terms of the Company Stock Plans, the Exchange Act and all other applicable laws and regulatory rules or requirements, including the rules of the Exchange and any other exchange on which Company securities are traded, and (iv) each such grant was

properly accounted for in accordance with GAAP in the financial statements (including the related notes) of the Company and disclosed in the Company's filings with the Commission in accordance with the Exchange Act and all other applicable laws. The Company has not knowingly granted, and there is no and has been no policy or practice of the Company of granting, Stock Options prior to, or otherwise coordinating the grant of Stock Options with, the release or other public announcement of material information regarding the Company or its subsidiaries or their results of operations or prospects.

(k) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by each of the Company and Carvana Group, as applicable, and any Terms Agreement will have been duly authorized, executed and delivered by each of the Company and Carvana Group, as applicable. The Carvana Parties have full right, power and authority to execute and deliver this Agreement and any Terms Agreement and perform their obligations hereunder or thereunder, including the Company's issuance, sale and delivery of the Shares as provided herein and therein; and all action required to be taken for the due and proper authorization, execution and delivery by each of the Carvana Parties of this Agreement and any Terms Agreement and the consummation by it of the transactions contemplated hereby and thereby has been duly and validly taken (or, in the case of any Terms Agreement, such action will have been duly and validly authorized).

(l) Authorization of Securities. The Shares to be sold by the Company under this Agreement or under any Terms Agreement have been duly authorized for issuance and sale and, when issued and delivered by the Company pursuant to this Agreement or any Terms Agreement against payment of the consideration set forth herein or therein, as the case may be, will be validly issued, fully paid and non-assessable; no holder of the Shares is or will be subject to personal liability by reason of being such a holder; and the issuance and sale of the Shares to be sold by the Company under this Agreement or under any Terms Agreement are not subject to any preemptive rights, rights of first refusal or other similar rights of any securityholder of the Company or any other person. The membership interests of Carvana Group outstanding prior to the consummation of this offering have been duly authorized and are validly issued, fully paid and non-assessable.

(m) Description of Securities. The Class A Common Stock, the authorized but unissued Preferred Stock, all classes or series of Preferred Stock outstanding on the date of this Agreement, all outstanding warrants and convertible securities, the authorized membership interests of Carvana Group and the Company's charter and bylaws conform in all material respects to the respective statements relating thereto contained in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectuses and such statements conform in all material respects to the rights set forth in the respective instruments and agreements defining the same.

(n) Absence of Defaults and Conflicts. Neither of the Carvana Parties nor any of their respective subsidiaries is in violation of its Organizational Documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any Company Document, except (solely in the case of Company Documents other than Subject Instruments) for such defaults that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and any Terms Agreement, and the consummation of the transactions contemplated herein and therein and in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectuses (including the issuance and sale of the Shares and the use of the proceeds from the sale of the Shares as described in the Registration Statement and the Prospectus under the caption "Use of Proceeds") and compliance by the Carvana Parties with their obligations under this Agreement and any Terms Agreement do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default,

Termination Event or Repayment Event under, or result in the creation or imposition of any Lien upon any property or assets of the Carvana Parties or any of their respective subsidiaries pursuant to, any Company Documents, except (solely in the case of Company Documents other than Subject Instruments) for such conflicts, breaches, defaults or Liens that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, nor will such action result in any violation of (i) the provisions of the Organizational Documents of either Carvana Party or any of their respective subsidiaries or (ii) any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Carvana Parties or any of their respective subsidiaries or any of their respective assets, properties or operations, except for such violations as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(o) Absence of Further Requirements. (A) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign, (B) no authorization, approval, vote or consent of any holder of capital stock or other securities of the Carvana Parties or creditor of the Carvana Parties or any of their respective subsidiaries, (C) no authorization, approval, waiver or consent under any (i) Subject Instrument or (ii) other Company Document that is material with respect to the Carvana Parties and their subsidiaries taken as a whole, and (D) no authorization, approval, vote or consent of any other person or entity, is necessary or required for the authorization, execution, delivery or performance by the Carvana Parties of this Agreement or any Terms Agreement, for the offering of the Shares as contemplated by this Agreement or any Terms Agreement, for the issuance, sale or delivery of the Shares to be sold by the Company pursuant to this Agreement or any Terms Agreement, or for the consummation of any of the other transactions contemplated by this Agreement or any Terms Agreement in each case on the terms contemplated by the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, except such as have been obtained under the Act, the Exchange Act and except that no representation is made as to such authorization, approval, vote or consent as may be required under state or foreign securities laws.

(p) Absence of Labor Dispute. No labor dispute with the employees of the Carvana Parties or any subsidiary of the Carvana Parties exists or, to the knowledge of the Carvana Parties, is imminent, which might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(q) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Carvana Parties, threatened, against or affecting the Carvana Parties or any of their respective subsidiaries which is required to be disclosed in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (other than as disclosed therein), or which might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or to materially and adversely affect the consummation of the transactions contemplated in this Agreement or any Terms Agreement or the performance by the Carvana Parties of their respective obligations under this Agreement or any Terms Agreement; the aggregate of all pending legal or governmental proceedings to which the Carvana Parties or any of their respective subsidiaries is a party or of which any of their respective property or assets is the subject which are not described in the Registration Statement and the Prospectus, including ordinary routine litigation incidental to the business, would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(r) Accuracy of Descriptions and Exhibits. The information in the Prospectus under the captions “Organizational Structure,” “Description of Capital Stock,” and “Material U.S. Federal Income Tax Considerations for Non-U.S. Holders,” and the information in the

Registration Statement under Items 14 and 15, in each case to the extent that it constitutes matters of law, summaries of legal matters, summaries of provisions of the Carvana Parties' charter, bylaws or organizational documents, as applicable, or any other instruments or agreements, summaries of legal proceedings, or legal conclusions, is correct in all material respects; all descriptions in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus of any other Company Documents are accurate in all material respects; and there are no franchises, contracts, indentures, mortgages, deeds of trust, loan or credit agreements, bonds, notes, debentures, evidences of indebtedness, leases or other instruments, agreements or documents required to be described or referred to in the Registration Statement or the Prospectus or the documents incorporated or deemed to be incorporated by reference therein or to be filed as exhibits to the Registration Statement or the documents incorporated or deemed to be incorporated by reference therein which have not been so described and filed as required. This Agreement conforms, and each Terms Agreement will conform, in all material respects to the description thereof contained in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus.

(s) Possession of Intellectual Property. (i) The Carvana Parties and their respective subsidiaries own and possess or have valid and enforceable licenses to use, all patents, patent rights, patent applications, licenses, copyrights, inventions, know how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names, service names, software, internet addresses, domain names and other intellectual property (including all goodwill associated with, and all registrations and applications for registration of, the foregoing) (collectively, "**Intellectual Property**") that is described in the Registration Statement and the Prospectus or that is necessary for the conduct of their respective businesses as currently conducted, as proposed to be conducted and as described in the Registration Statement and the Prospectus; and (ii) neither the Carvana Parties nor any of their respective subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with rights of others with respect to any Intellectual Property, in each case of (i) and (ii), except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. There is no pending or, to the knowledge of the Carvana Parties, threatened action, suit, proceeding or claim by any third party challenging the Carvana Parties' or any of their respective subsidiaries' rights in or to their Intellectual Property, or challenging the validity, enforceability or scope of any such Intellectual Property, or asserting that the Carvana Parties or any of their respective subsidiaries infringes or otherwise violates Intellectual Property rights of any third party, in each instance, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. The Carvana Parties are unaware of any facts which could form a reasonable basis for any such action, suit, proceeding or claim, in each instance, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. To the knowledge of the Carvana Parties and their respective subsidiaries, (i) no third party has infringed, misappropriated or otherwise violated any Intellectual Property owned by or exclusively licensed to the Carvana Parties in any material respects; (ii) the Carvana Parties and their respective subsidiaries have in all material respects complied with the terms of each agreement pursuant to which any Intellectual Property has been licensed to the Carvana Parties or any of their respective subsidiaries, all such agreements are in full force and effect, and no event or condition has occurred or exists that gives or, with notice or passage of time or both, would give any person the right to terminate any such agreement; and (iii) to the knowledge of the Carvana Parties, there is no patent or patent application that contains claims that interfere with the issued or pending claims of any such Intellectual Property of the Carvana Parties or any of their respective subsidiaries that could reasonably be used to challenge the validity, enforceability or scope of any such Intellectual Property.

(t) Possession of Licenses and Permits. Except as disclosed in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, the Carvana

Parties and their respective subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them; and, except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, the Carvana Parties and their respective subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, all such Governmental Licenses are valid and in full force and effect and neither the Carvana Parties nor any of their respective subsidiaries have received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses that would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(u) Title to Property. The Carvana Parties and their respective subsidiaries have good and marketable title in fee simple to all real property owned by any of them (if any) and good title to all other properties and assets owned by any of them, in each case, free and clear of all Liens except such as (a) are described in the Registration Statement and the Prospectus or (b) are not, individually or in the aggregate, material to the Carvana Parties and their respective subsidiaries taken as a whole, are not required to be disclosed in the Registration Statement or the Prospectus, do not, individually or in the aggregate, materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Carvana Parties or any of their respective subsidiaries; all real property, buildings and other improvements, and all equipment and other property, held under lease or sublease by the Carvana Parties or any of their respective subsidiaries is held by them under valid, subsisting and enforceable leases or subleases, as the case may be, with, solely in the case of leases or subleases relating to real property, buildings or other improvements, such exceptions as are not material and do not materially interfere with the use made or proposed to be made of such property and buildings or other improvements by the Carvana Parties or any of their respective subsidiaries, and all such leases and subleases are in full force and effect; and neither of the Carvana Parties nor any of their respective subsidiaries has received any notice of any claim of any sort that has been asserted by anyone adverse to the rights of the Carvana Parties or any of their respective subsidiaries under any of the leases or subleases mentioned above or affecting or questioning the rights of the Carvana Parties or any of their respective subsidiaries to the continued possession of the leased or subleased premises, or to the continued use of the leased or subleased equipment or other property, except for such claims which, if successfully asserted against the Carvana Parties or any of their respective subsidiaries, would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(v) Investment Company Act. Neither of the Carvana Parties are, and upon the issuance and sale of the Shares as herein contemplated and the receipt and application of the net proceeds therefrom as described in the Registration Statement and the Prospectus under the caption "Use of Proceeds," will not be, an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the 1940 Act.

(w) Environmental Laws. (i) Except as described in the Registration Statement and the Prospectus and except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (A) neither the Carvana Parties nor any of their respective subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or natural resources, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of

Hazardous Materials (collectively, "**Environmental Laws**"), (B) the Carvana Parties and their respective subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the knowledge of the Carvana Parties, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Carvana Parties or any of their respective subsidiaries and (D) to the knowledge of the Carvana Parties, there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental authority or agency, against or affecting the Carvana Parties or any of their respective subsidiaries relating to Hazardous Materials or any Environmental Laws.

(x) Absence of Registration Rights. There are no persons with registration rights or other similar rights to have any securities (debt or equity) (A) registered pursuant to the Registration Statement or included in the offering contemplated by this Agreement or any Terms Agreement or (B) otherwise registered by the Company under the Act, and there are no persons with co-sale rights, tag-along rights or other similar rights to have any securities (debt or equity) included in the offering contemplated by this Agreement or any Terms Agreement or sold in connection with the sale of Shares, except in each case for such rights that have been duly waived; and the Carvana Parties have given all notices required by, and has otherwise complied with their obligations under, all registration rights agreements, co-sale agreements, tag-along agreements and other similar agreements in connection with the transactions contemplated by this Agreement.

(y) Exchange Listing. The outstanding shares of Class A Common Stock are listed on the Exchange and the Shares being sold hereunder by the Company have been approved for listing, subject only to official notice of issuance, on the Exchange.

(z) Actively-Traded Security. The Class A Common Stock is an "actively-traded security" excepted from the requirements of Rule 101 of Regulation M under the Exchange Act by Rule 101(c)(1) thereunder.

(aa) Tax Returns. The Company and its subsidiaries have filed all non-U.S., federal, state and local tax returns that are required to be filed or have obtained extensions thereof, except where the failure so to file would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, and have paid all taxes (including, without limitation, any estimated taxes) required to be paid and any other assessment, fine or penalty, to the extent that any of the foregoing is due and payable, except for any such tax, assessment, fine or penalty that is currently being contested in good faith by appropriate actions and except for such taxes, assessments, fines or penalties the nonpayment of which would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(ab) Insurance. The Carvana Parties and their respective subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; all policies of insurance and any fidelity or surety bonds insuring the Carvana Parties or any of their respective subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect except as would not individually or in the aggregate reasonably be expected to result in a Material Adverse Effect; the Carvana Parties and their respective subsidiaries are in compliance with the terms of such policies and instruments in all material respects; there are no claims by the Carvana Parties or any of their respective subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and neither the Carvana Parties nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance

coverage as and when such coverage expires or to obtain similar coverage from similar insurers at a cost that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(ac) Accounting and Disclosure Controls. The Carvana Parties and their respective subsidiaries have established and maintain effective "internal control over financial reporting" (as defined in Rule 13a-15 of the Exchange Act). The Carvana Parties and their respective subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (E) interactive data in eXtensible Business fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto. Except as described in the Registration Statement and the Prospectus, there has not been (1) since the first (1st) day of the Carvana Parties' earliest fiscal year for which audited financial statements for either Carvana Party are included in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus or at any time subsequent thereto, any material weakness (as defined in Rule 1-02 of Regulation S-X of the Commission) in the Carvana Parties' internal control over financial reporting (whether or not remediated), or (2) any fraud, whether or not material, involving management or other employees who have a role in the Carvana Parties' internal control over financial reporting and, since the end of the Carvana Parties' most recent fiscal year for which audited financial statements are included in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, there has been no change in the Carvana Parties' internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Carvana Parties' internal control over financial reporting. The Carvana Parties and their respective subsidiaries have established, maintained and periodically evaluate the effectiveness of "disclosure controls and procedures" (as defined in Rules 13a-15 and 15d-15 of the Exchange Act); such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and the interactive data in eXtensible Business Reporting Language included as an exhibit to the Registration Statement or incorporated by reference in the Registration Statement are recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive officer or officers and principal financial officer or officers, as appropriate, to allow timely decisions regarding disclosure.

The Carvana Parties' independent public accountants and the audit committee of the Carvana Parties' boards of directors have been advised of all material weaknesses, if any, and significant deficiencies (as defined in Rule 1-02 of Regulation S-X of the Commission), if any, in the Carvana Parties' internal control over financial reporting and of all fraud, if any, whether or not material, involving management or other employees who have a role in the Carvana Parties' internal controls and financial reports, in each case that occurred or existed, or was first detected, at any time during the Carvana Parties' fiscal years for which audited financial statements for either Carvana Party are included or incorporated by reference in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus or at any time subsequent thereto.

(ad) Compliance with the Sarbanes-Oxley Act. There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as

such, to comply with any provision of the Sarbanes-Oxley Act with which any of them is required to comply, including Section 402 related to loans and Sections 302 and 906 related to certifications.

(ae) Pending Proceedings and Examinations; Comment Letters. The Registration Statement is not the subject of a pending proceeding or examination under Section 8(d) or 8(e) of the Act, and the Company is not the subject of a pending proceeding under Section 8A of the Act. The Company has provided the Agents with true, complete and correct copies of any written comments received from the Commission by the Company or its legal counsel or accountants, and of any transcripts made by the Company, its legal counsel or accountants of any oral comments received from the Commission, with respect to the Registration Statement, the Prospectus, any Permitted Free Writing Prospectus, any document filed by the Company under the Exchange Act or any amendments or supplements to any of the foregoing and of all written responses thereto, and no such comments remain unresolved.

(af) Absence of Manipulation. The Company has not taken and will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security to facilitate the sale or resale of the Shares; provided, however, the Company makes no such representation or warranty with respect to actions of the Agents or any of their respective affiliates or agents.

(ag) No Unlawful Payments. Neither the Carvana Parties nor any of their respective subsidiaries nor any director or officer of the Carvana Parties or any of their respective subsidiaries, nor, to the knowledge of the Carvana Parties, any agent, manager, employee, affiliate or other person associated with or acting on behalf of the Carvana Parties or any of their respective subsidiaries is aware of or has taken any action, directly or indirectly, that has resulted or would result in (i) the use of any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to a political activity; (ii) the making or taking of an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government or regulatory official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) a violation by any such person of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti-corruption laws; or (iv) the making, offering, requesting or taking of, or the agreement to take, an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Carvana Parties and their respective subsidiaries have instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(ah) Compliance with Anti-Money Laundering Laws. The operations of the Carvana Parties and their respective subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental or regulatory agency (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Carvana Parties or any of their respective subsidiaries

with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Carvana Parties or any of their respective subsidiaries is, threatened.

(ai) No Conflicts with Sanction Laws Neither the Carvana Parties nor any of their respective subsidiaries, directors or officers, nor, to the knowledge of the Carvana Parties, any agent, manager, employee or affiliate or other person acting on behalf of the Carvana Parties or any of their respective subsidiaries is currently the subject or the target of any sanctions administered or enforced by the U.S. Government, (including, without limitation, OFAC or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the UNSC, the European Union, His Majesty's Treasury ("**HMT**"), or other relevant sanctions authority (collectively, "**Sanctions**"), nor are the Carvana Parties or any of their respective subsidiaries located, organized or resident in a country, region or territory that is the subject or the target of Sanctions, including, without limitation, the non-government controlled areas of the Kherson and Zaporizhzhia regions of Ukraine, the so- called Donetsk People's Republic, the so-called Luhansk People's Republic or any other Covered Region of Ukraine identified pursuant to Executive Order 14065, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria (each, a "**Sanctioned Country**"); and the Carvana Parties will not directly or indirectly use any of the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or the target of any Sanctions, (ii) to fund or facilitate any activities of or any business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of any Sanctions. For the past five (5) years, the Carvana Parties and their respective subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of any Sanctions or with any Sanctioned Country.

(aj) ERISA Compliance. None of the following events has occurred or exists: (i) a failure to fulfill the obligations, if any, under the minimum funding standards of Section 302 of ERISA with respect to a Plan (as defined below) determined without regard to any waiver of such obligations or extension of any amortization period; (ii) an audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other federal, state or foreign governmental or regulatory agency with respect to the employment or compensation of employees by the Carvana Parties or any of their respective subsidiaries that might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; or (iii) any breach of any contractual obligation, or any violation of law or applicable qualification standards, with respect to the employment or compensation of employees by the Carvana Parties or any of their respective subsidiaries that might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. None of the following events has occurred or is reasonably likely to occur: (i) a material increase in the aggregate amount of contributions required to be made to all Plans in the current fiscal year of the Carvana Parties and their respective subsidiaries compared to the amount of such contributions made in the Carvana Parties' most recently completed fiscal year; (ii) a material increase in the "accumulated post-retirement benefit obligations" (within the meaning of Accounting Standards Codification Topic No. 715) of the Carvana Parties and their respective subsidiaries compared to the amount of such obligations in the Carvana Parties' most recently completed fiscal year; (iii) any event or condition giving rise to a liability under Title IV of ERISA that might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; or (iv) the filing of a claim by one or more employees or former employees of the Carvana Parties or any of their respective subsidiaries related to its or their employment that might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. For purposes of this paragraph and the definition of ERISA, the term "**Plan**" means a

plan (within the meaning of Section 3(3) of ERISA) with respect to which the Carvana Parties or any of their respective subsidiaries may have any liability.

(ak) Lending and Other Relationship. Except as disclosed in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, (i) neither the Carvana Parties nor any of their respective subsidiaries has any material lending or similar relationship with the Agents or any bank or other lending institution affiliated with the Agents; (ii) the Carvana Parties will not, directly or indirectly, use any of the proceeds from the sale of the Shares by the Company hereunder to reduce or retire the balance of any loan or credit facility extended by the Agents or any of their respective "affiliates" or "associated persons" (as such terms are used in FINRA Rule 5121) or otherwise direct any such proceeds to any Agents or any of their respective "affiliates" or "associated persons" (as so defined); and (iii) there are and have been no transactions, arrangements or dealings between the Carvana Parties or any of their respective subsidiaries, on one hand, and the Agents or any of their respective "affiliates" or "associated persons" (as so defined), on the other hand, that, under FINRA Rule 5110 or 5121, must be disclosed in a submission to FINRA in connection with the offering of the Shares contemplated hereby or disclosed in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus.

(al) Changes in Management. Except as disclosed in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, none of the persons who were officers or directors of the Carvana Parties as of the date of the Prospectus has given oral or written notice to the Carvana Parties or any of their respective subsidiaries of his or her resignation (or otherwise indicated to the Company or any of its subsidiaries an intention to resign within the next twelve (12) months), nor has any such officer or director been terminated by the Carvana Parties or otherwise removed from his or her office or from the board of directors, as the case may be (including, without limitation, any such termination or removal which is to be effective as of a future date) nor is any such termination or removal under consideration by the Carvana Parties or their respective boards of directors.

(am) Transfer Taxes . There are no stock or other transfer taxes, stamp duties, capital duties or other similar duties, taxes or charges payable in connection with the execution or delivery of this Agreement or any Terms Agreement by the Carvana Parties or the issuance or sale by the Company of the Shares to be sold by the Company hereunder or thereunder.

(an) Related Party Transactions. There are no business relationships or related party transactions involving the Carvana Parties or any of their respective subsidiaries or, to the knowledge of the Carvana Parties, any other person that are required to be described in the Prospectus that have not been described as required.

(ao) Offering Materials. Without limitation to the provisions hereof, the Company has not distributed and will not distribute, directly or indirectly (other than through the Agents), any "written communication" (as defined Rule 405 under the Act) or other offering materials in connection with the offering or sale of the Shares, other than the Prospectus, any amendment or supplement to any of the foregoing that are filed with the SEC and any Permitted Free Writing Prospectuses.

(ap) No Restrictions on Dividends. Neither the Carvana Parties nor any of their respective subsidiaries is a party to or otherwise bound by any instrument or agreement that limits or prohibits or could limit or prohibit, directly or indirectly, the Carvana Parties from paying any dividends or making other distributions on their capital stock, and no subsidiary of the Carvana Parties is a party to or otherwise bound by any instrument or agreement that limits or prohibits or could limit or prohibit, directly or indirectly, any subsidiary of the Carvana Parties from paying any dividends or making any other distributions on its capital stock, limited or

general partnership interests, limited liability company interests, or other equity interests, as the case may be, or from repaying any loans or advances from, or (except for instruments or agreements that by their express terms prohibit the transfer or assignment thereof or of any rights thereunder) transferring any of its properties or assets to, the Carvana Parties or any other subsidiary, in each case except as described in the Registration Statement and the Prospectus.

(aq) Brokers. There is not a broker, finder or other party that is entitled to receive from the Carvana Parties any brokerage or finder's fee or other fee or commission as a result of any of the transactions contemplated by this Agreement or any Terms Agreement, except for discounts or commissions payable to the Agents in connection with the sale of the Shares pursuant to this Agreement or any Terms Agreement.

(ar) Interactive Data. The interactive data in eXtensible Business Reporting Language included as an exhibit to the Registration Statement or incorporated by reference in the Registration Statement fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(as) Cybersecurity. (i) There has been no security breach or incident, unauthorized access or disclosure, or other compromise (collectively, "Incidents") of or relating to the Company's or its subsidiaries' information technology and computer systems, networks, hardware, software, data and databases (including, without limitation, the data and information of their respective customers, employees, suppliers and vendors and any third party data maintained, processed or stored by the Company and its subsidiaries, and any such data processed or stored by third parties on behalf of the Company and its subsidiaries), equipment or technology (collectively, "IT Systems and Data"), except for any such Incidents of the IT Systems and Data that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) neither the Company nor its subsidiaries have been notified of, and have no knowledge of any event or condition that would result in, Incidents relating to their IT Systems and Data, except for any such Incident of the IT Systems and Data that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (iii) the Company and its subsidiaries have implemented commercially reasonable controls, policies, procedures, and technological safeguards to maintain and protect the integrity, continuous operation, redundancy and security of their IT Systems and Data reasonably consistent with industry standards and practices, or as required by applicable regulatory standards; and (iv) the Company and its subsidiaries are presently in material compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, except where the failure to be so in compliance would not reasonably be expected to have a Material Adverse Effect.

(at) Certificates. Any certificate signed by any officer, general partner, managing member or other authorized representative of the Company or any subsidiary of the Company and delivered to the Agents or to counsel to the Agents pursuant to or in connection with this Agreement or any Terms Agreement shall be deemed a representation and warranty by the Company to the Agents as to the matters covered thereby.

4. Certain Covenants of the Company. Each of the Carvana Parties, jointly and severally covenants with the Agents as follows, as applicable:

(a) For so long as the delivery of a prospectus is required (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with the offering or sale of Shares, before using or filing any Permitted Free Writing Prospectus and

before using or filing any amendment or supplement to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (in each case, other than due to the filing of an Incorporated Document), to furnish to the Agents a copy of each such proposed Permitted Free Writing Prospectus, amendment or supplement within a reasonable period of time before filing with the Commission or using any such Permitted Free Writing Prospectus, amendment or supplement and the Company will not use or file any such Permitted Free Writing Prospectus or any such proposed amendment or supplement to which the Agents reasonably object, unless the Company's legal counsel has advised the Company that use or filing of such document is required by law; and the Company will not use or file any such Permitted Free Writing Prospectus or proposed, amendment or supplement to which the Agents reasonably object unless the Company's legal counsel has advised the Company that use or filing of such document is required by law.

(b) To file the Prospectus, each Prospectus Supplement and any other amendments or supplements to the Prospectus pursuant to, and within the time period required by, Rule 424(b) under the Act (without reference to Rule 424(b)(8)) and to file any Permitted Free Writing Prospectus to the extent required by Rule 433 under the Act and to provide copies of the Prospectus, each Prospectus Supplement, any other amendments or supplements to the Prospectus and each Permitted Free Writing Prospectus (to the extent not previously delivered or filed on the Commission's Electronic Data Gathering, Analysis and Retrieval system or any successor system thereto (collectively, "**EDGAR**")) to the Agents via e-mail in ".pdf" format on such filing date to an e-mail account designated by the Agents and, at the Agents' request, to also furnish copies of the Prospectus, each Prospectus Supplement, any other amendments or supplements to the Prospectus and each Permitted Free Writing Prospectus to each exchange or market on which sales were effected as may be required by the rules or regulations of such exchange or market.

(c) To file timely all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with the offering or sale of the Shares, and during such same period to advise the Agents, promptly after the Company receives notice thereof, (i) of the time when any amendment to the Registration Statement has been filed or has become effective or any supplement to the Prospectus or any Permitted Free Writing Prospectus or any amended Prospectus has been filed with the Commission; (ii) of the issuance by the Commission of any stop order or any order preventing or suspending the use of any prospectus relating to the Shares or the initiation or threatening of any proceeding for that purpose, pursuant to Section 8A of the Act; (iii) of any objection by the Commission to the use of Form S-3ASR by the Company pursuant to Rule 401(g)(2) under the Act; (iv) of the suspension of the qualification of the Shares for offering or sale in any jurisdiction or of the initiation or threatening of any proceeding for any such purpose; (v) of any request by the Commission for the amendment of the Registration Statement or the amendment or supplementation of the Prospectus (in each case including any documents incorporated by reference therein) or for additional information; (vi) of the occurrence of any event as a result of which the Prospectus or any Permitted Free Writing Prospectus as then amended or supplemented includes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus or any such Permitted Free Writing Prospectus is delivered to a purchaser, not misleading; and (vii) of the receipt by the Company of any notice of objection of the Commission to the use of the Registration Statement or any post-effective amendment thereto.

(d) In the event of the issuance of any such stop order or of any such order preventing or suspending the use of any such prospectus or suspending any such qualification, or

of any notice of objection pursuant to Rule 401(g)(2) under the Act, to use promptly its commercially reasonable efforts to obtain its withdrawal.

(e) To furnish such information as may be required and otherwise cooperate in qualifying the Shares for offering and sale under the securities or blue sky laws of such states or other jurisdictions as the Agents may reasonably designate and to maintain such qualifications in effect so long as required for the distribution of the Shares; provided that the Company shall not be required to qualify as a foreign corporation, become a dealer of securities, or become subject to taxation in, or to consent to the service of process under the laws of, any such state or other jurisdictions (except service of process with respect to the offering and sale of the Shares); and to promptly advise the Agents of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the initiation of any proceeding for such purpose.

(f) To make available to the Agents at its offices in New York City, without charge, as soon as reasonably practicable after the Registration Statement becomes effective, and thereafter from time to time to furnish to the Agents, as many copies of the Prospectus and the Prospectus Supplement (or of the Prospectus or Prospectus Supplement as amended or supplemented if the Company shall have made any amendments or supplements thereto and documents incorporated by reference therein after the effective date of the Registration Statement) and each Permitted Free Writing Prospectus as the Agents may reasonably request for so long as the delivery of a prospectus is required (whether physically or through compliance with Rule 172 under the Act or any similar rule); and for so long as this Agreement is in effect, the Company will prepare and file promptly such amendment or amendments to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as may be necessary to comply with the requirements of Section 10(a)(3) of the Act.

(g) To furnish or make available to the Agents during the Term (i) copies of any reports or other communications which the Company shall send to its stockholders or shall from time to time publish or publicly disseminate and (ii) copies of all annual, quarterly and current reports filed with the Commission on Forms 10-K, 10-Q and 8-K, or such other similar form as may be designated by the Commission, and to furnish to the Agents from time to time during the Term such other information as the Agents may reasonably request regarding the Company or its subsidiaries, in each case as soon as such reports, communications, documents or information becomes available or promptly upon the request of the Agents, as applicable; provided, however, that the Company shall have no obligation to provide the Agents with any document filed or furnished on EDGAR or included on the Company's internet website.

(h) If, at any time during the Term, any event shall occur or condition shall exist as a result of which it is necessary in the reasonable opinion of counsel for the Agents or counsel for the Company, to further amend or supplement the Prospectus or any Permitted Free Writing Prospectus as then amended or supplemented in order that the Prospectus or any such Permitted Free Writing Prospectus will not include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading, in light of the circumstances existing at the time the Prospectus or any such Permitted Free Writing Prospectus is delivered to a purchaser, or if it shall be necessary, in the reasonable opinion of either such counsel, to amend or supplement the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus in order to comply with the requirements of the Act, in the case of such a determination by counsel to the Company, immediate notice shall be given, and confirmed in writing, to the Agents to cease the solicitation of offers to purchase the Shares in the Agents' capacity as agent, and, in either case, the Company will, subject to Section 4(a) above, promptly prepare and file with the Commission such amendment or supplement, whether by filing documents pursuant to the Act, the Exchange Act or otherwise, as may be necessary to correct such untrue statement or omission or to make

the Registration Statement, the Prospectus or any such Permitted Free Writing Prospectus comply with such requirements.

(i) To generally make available to its security holders as soon as reasonably practicable, but not later than sixteen (16) months after the first day of each fiscal quarter referred to below, an earnings statement (in form complying with the provisions of Section 11(a) under the Act and Rule 158 of the Commission promulgated thereunder) covering each twelve (12)-month period beginning, in each case, not later than the first day of the Company's fiscal quarter next following each "effective date" (as defined in such Rule 158) of the Registration Statement with respect to each sale of Shares, provided that the Company will be deemed to have made available such statement to its security holders to the extent it is filed or furnished on EDGAR or included on the Company's internet website.

(j) To apply the net proceeds from the sale of the Shares in the manner described in the Prospectus Supplement under the caption "Use of Proceeds."

(k) Not to, and to cause its subsidiaries not to, take, directly or indirectly, any action designed to cause or result in, or that constitutes or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares; *provided* that nothing herein shall prevent the Company from filing or submitting reports under the Exchange Act or issuing press releases in the ordinary course of business.

(l) Except as otherwise agreed between the Company and the Agents, to pay all costs, expenses, fees and taxes in connection with (i) the preparation and filing of the Registration Statement, the Prospectus, any Permitted Free Writing Prospectus, and any amendments or supplements thereto, and the printing and furnishing of copies of each thereof to the Agents and to dealers (including costs of mailing and shipment), (ii) the registration, issue and delivery of the Shares, (iii) the qualification of the Shares for offering and sale under the securities or blue sky laws of such states or other jurisdictions as the Agents may reasonably designate as aforesaid (including filing fees and the reasonable and documented legal fees and disbursements of counsel to the Agents in connection therewith) and the printing and furnishing of copies of any blue sky surveys to the Agents, (iv) the listing of the Shares on the Exchange and any registration thereof under the Exchange Act, (v) any filing for review, and any review, of the public offering of the Shares by FINRA (including filing fees and the reasonable and documented legal fees and disbursements of counsel to the Agents in connection therewith), (vi) the fees and disbursements of counsel to the Company and of the Company's independent registered public accounting firm, (vii) the performance of the Company's other obligations hereunder and under any Terms Agreement and (viii) the reasonable and documented out-of- pocket expenses of the Agents, including the reasonable and documented fees, disbursements and expenses of counsel to the Agents in connection with this Agreement and ongoing services in connection with the transactions contemplated hereunder (in addition to clauses (iii) and (v) above); *provided* that the fees, disbursements and expenses of counsel for the Agents incurred in connection with, and reimbursable by the Company pursuant to this clause (viii) shall not exceed $125,000.

(m) With respect to the offering(s) contemplated by this Agreement or any Terms Agreement, the Company will not offer shares of Class A Common Stock or any securities convertible into or exchangeable or exercisable for shares of the Class A Common Stock in a manner in violation of the Act or the Exchange Act; and the Company will not distribute any offering material in connection with the offer and sale of the Shares, other than the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus and any amendments or supplements thereto.

(n) Unless the Company has given written notice to the Agents that the Company has suspended activity under this Agreement and there are no pending Agency Transactions or Principal Transactions, the Company will not, without (A) giving the Agents at least two (2) Exchange Business Days' prior written notice specifying the nature of the proposed sale and the date of such proposed sale and (B) the Agents suspending activity under this program for such period of time as requested by the Company or deemed appropriate by the Agents in light of the proposed sale, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Class A Common Stock or other equity securities of the Company or any securities convertible into or exercisable, redeemable or exchangeable for Class A Common Stock or other equity securities of the Company, or submit to, or file with, the Commission any registration statement under the Act with respect to any of the foregoing (other than a registration statement on Form S-8 or post-effective amendment to the Registration Statement), or publicly announce the intention to undertake any of the foregoing, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Class A Common Stock or other equity securities of the Company, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of Class A Common Stock or other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) Shares offered and sold under this Agreement or any Terms Agreement or (B) securities issued pursuant to any of the Company's equity incentive plans described in the Registration Statement and the Prospectus or upon the exercise of options granted thereunder. Any lock-up provisions relating to a Principal Transaction shall be set forth in the applicable Terms Agreement.

(o) The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Permitted Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Act.

(p) The Company will use commercially reasonable efforts to cause the Shares to be listed on the Exchange.

(q) The Company consents to any Agent trading in the Class A Common Stock for such Agent's own account and for the account of its respective clients at the same time as sales of the Shares occur pursuant to this Agreement or any Terms Agreement.

(r) [Reserved].

5. Execution of Agreement. The Agents' obligations under this Agreement shall be subject to the satisfaction of the following conditions in connection with and on the date of the execution of this Agreement:

(a) the Company shall have delivered to the Agents:

(i) an officers' certificate signed by two (2) officers of the Company (one of whom shall be the Chief Financial Officer or other senior financial officer) certifying as to the matters set forth in Exhibit B hereto;

(ii) an opinion and a negative assurance letter of Kirkland & Ellis LLP, counsel for the Company, addressed to the Agents and dated the date of this Agreement, in form and substance reasonably satisfactory to the Agents;

(iii) a "comfort" letter from Grant Thornton LLP, independent registered public accounting firm for the Company, addressed to the Agents and dated the date of this Agreement, addressing such matters as the Agents may reasonably request;

(iv) a certificate from the Company signed by the Company's Chief Financial Officer, in the form agreed with the Agents, certifying as to certain financial, numerical and statistical data not covered by the "comfort" letters referred to in Section 5(a)(iii) hereof;

(v) evidence reasonably satisfactory to the Agents and its counsel that the Shares have been approved for listing on the Exchange, subject only to notice of issuance on or before the date hereof;

(vi) resolutions duly adopted by the Company's board of directors, and certified by an officer of the Company, authorizing the Company's execution of this Agreement and the consummation by the Company of the transactions contemplated hereby, including the issuance and sale of the Shares; and

(vii) such other documents as the Agents shall reasonably request; and

(b) The Agents shall have received a legal opinion and a negative assurance statement, of Simpson Thacher & Bartlett LLP, counsel to the Agents, addressed to the Agents and dated the date of this Agreement, addressing such matters as the Agents may reasonably request.

6. Additional Covenants of the Carvana Parties Each of the Carvana Parties further covenants and agrees with the Agents as follows, as applicable:

(a) Each Transaction Proposal made by the Company that is accepted by the applicable Agent by means of a Transaction Acceptance and each execution and delivery by the Company of a Terms Agreement shall be deemed to be (i) an affirmation that the representations, warranties and agreements of the Company herein contained and contained in any certificate delivered to the Agents pursuant hereto are true and correct at such Time of Acceptance or the date of such Terms Agreement, as the case may be, and (ii) an undertaking that such representations, warranties and agreements will be true and correct on any applicable Time of Sale and Settlement Date, as though made at and as of each such time (it being understood that such representations, warranties and agreements shall relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of such Transaction Acceptance or Terms Agreement, as the case may be).

(b) Each time that (i) the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall be amended or supplemented (including, except as noted in the proviso at the end of this Section 6(b), by the filing of any Incorporated Document), (ii) there is a Principal Settlement Date pursuant to a Terms Agreement, or (iii) there is filed with the Commission any annual report on Form 10-K or quarterly report on Form 10-Q, or any other document that contains financial statements or financial information that is incorporated by reference into the Registration Statement, or any amendment thereto (each date referred to clauses (i), (ii) and (iii) above, a "**Bring-Down Delivery Date**"), the Company shall, unless the Agents agree otherwise, furnish or cause to be furnished to the Agents certificates, dated as of such Bring-Down Delivery Date and delivered within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, delivered on such Principal Settlement Date, of the same tenor as the certificates referred to in Sections 5(a)(i) and 5(a)(iv) hereof, modified as necessary to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of delivery of such certificates and, in the case of the Chief Financial Officer's certificate, covering such other financial, numerical and statistical data that is not covered by the accountants' "comfort" letter dated as of such Bring-Down Delivery Date as the Agents may reasonably request, or, in lieu of such certificates, certificates to the

effect that the statements contained in the certificates referred to in Sections 5(a)(i) and, unless the Agents shall have requested that the Chief Financial Officers' certificate cover different or additional data as aforesaid, 5(a)(iv) hereof furnished to Agents are true and correct as of such Bring-Down Delivery Date as though made at and as of such date (except that such statements shall be deemed to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of delivery of such certificate); *provided*, *however*, that the filing of a Current Report on Form 8-K will not constitute a Bring- Down Delivery Date under clause (i) above unless either (A) (x) such Current Report on Form 8- K is filed at any time during which either a Transaction Acceptance is binding and the Company has not suspended the use thereof (and prior to the settlement of the Shares specified therein) or a prospectus relating to the Shares is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule) or such Current Report on Form 8-K is filed at any time from and including the date of a Terms Agreement through and including the related Settlement Date and (y) the Agents have reasonably requested that such date be deemed to be a Bring-Down Delivery Date based upon the event or events reported in such Current Report on Form 8-K or (B) such Current Report on Form 8-K contains capsule financial information, historical or pro forma financial statements, supporting schedules or other financial data, including any Current Report on Form 8-K or part thereof under Item 2.02 of Regulation S-K of the Commission that is considered "filed" under the Exchange Act; and *provided, further,* that an amendment or supplement to the Registration Statement or the Prospectus relating to the offering of other securities pursuant to the Registration Statement will not constitute a Bring-Down Delivery Date.

(c) Each Bring-Down Delivery Date, the Company shall, unless the Agents agree otherwise, cause to be furnished to Agents (A) the written opinion and negative assurance letter of Kirkland & Ellis LLP, counsel to the Company, and the written opinion and negative assurance letter of Simpson Thacher & Bartlett LLP, counsel to the Agents, each dated as of the applicable Bring-Down Delivery Date and delivered within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, dated and delivered on such Principal Settlement Date, of the same tenor as the opinions and letters referred to in Section 5(a)(ii) or Section 5(b) hereof, as applicable, but modified as necessary to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of delivery of such opinions and letters, or, in lieu of such opinions and letters, such counsel shall furnish the Agents with a letter substantially to the effect that the Agents may rely on the opinion and letter of such counsel referred to in Section 5(a)(ii) or Section 5(b), as applicable, furnished to the Agents, to the same extent as though they were dated the date of such letter authorizing reliance (except that statements in such last opinion and letter of such counsel shall be deemed to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of delivery of such letters authorizing reliance).

(d) Each Bring-Down Delivery Date, the Company shall, unless the Agents agree otherwise, use its reasonable best efforts to cause Grant Thornton LLP, independent registered public accounting firm for the Company to furnish to the Agents a "comfort" letter, dated as of the applicable Bring-Down Delivery Date and delivered within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, delivered on such Principal Settlement Date, of the same tenor as the letters referred to in Section 5(a)(iii) and Section 5(a)(iv) hereof, but modified to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the date of such letter, and, if the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall include or incorporate by reference the financial statements of any entity or business (other than the consolidated financial statements of the Company and its subsidiaries), the Company shall, if requested by the Agents, cause a firm of independent public accountants to furnish to the Agents

a “comfort” letter, dated as of the applicable Bring-Down Delivery Date and delivered within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, delivered on such Principal Settlement Date, addressing such matters as the Agents may reasonably request**.**

(e) (i) No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A under the Act shall be pending before or threatened by the Commission; the Prospectus and each Permitted Free Writing Prospectus shall have been timely filed with the Commission under the Act (in the case of a Permitted Free Writing Prospectus, to the extent required by Rule 433 under the Act); and all requests by the Commission for additional information shall have been complied with to the satisfaction of the Agents and no suspension of the qualification of the Shares for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes, shall have occurred and be in effect at the time the Company delivers a Transaction Proposal to the Agents or the time the Agents deliver a Transaction Acceptance to the Company; and (ii) the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading at the time the Company delivers a Transaction Proposal to the Agents or the time the Agents deliver a Transaction Acceptance to the Company.

(f) The Company shall reasonably cooperate with any reasonable due diligence review requested by the Agents or its counsel from time to time in connection with the transactions contemplated hereby or any Terms Agreement, including, without limitation, (i) at and prior to the commencement of each intended Purchase Date and any Time of Sale or Settlement Date, providing certain information and making available appropriate documents and appropriate corporate officers of the Company and, upon reasonable request, representatives of Grant Thornton LLP (and, if the Registration Statement, the Prospectus or any Permitted Free-Writing Prospectus shall include or incorporate by reference the financial statements of any entity or business (other than the consolidated financial statements of the Company and its subsidiaries), representatives of the independent public accountants that audited or reviewed such financial statements) for an update on diligence matters with representatives of the Agents and (ii) at and prior to each Bring-Down Delivery Date and otherwise as the Agents may reasonably request, including in anticipation of such Bring-Down Date or following a Transaction Proposal and through to the related Purchase Date, providing certain information and making available documents and appropriate corporate officers of the Company and representatives of Grant Thornton LLP (and, if the Registration Statement, the Prospectus or any Permitted Free-Writing Prospectus shall include or incorporate by reference the financial statements of any entity or business (other than the consolidated financial statements of the Company and its subsidiaries), representatives of the independent public accountants that audited or reviewed such financial statements) for one or more due diligence sessions with representatives of the Agents and their counsel.

(g) The Company shall disclose, in its quarterly reports on Form 10-Q and in its annual report on Form 10-K and, if requested by the Agents, in supplements to the Prospectus to be filed by the Company with the Commission from time to time, the number of the Shares sold through the Agents under this Agreement and any Terms Agreement, and the gross and net proceeds to the Company from the sale of the Shares and the compensation paid by the Company with respect to sales of the Shares pursuant to this Agreement during the relevant quarter or, in the case of any such prospectus supplement, such shorter period as the Agents may reasonably request or, in the case of an Annual Report on Form 10-K, during the fiscal year covered by such Annual Report and the fourth quarter of such fiscal year.

All opinions, letters and other documents referred to in Sections 6(b) through (d) above shall be reasonably satisfactory in form and substance to the Agents. The Agents will provide the Company with such notice (which may be oral, and in such case, will be confirmed via e- mail as soon as reasonably practicable thereafter) as is reasonably practicable under the circumstances when requesting an opinion, letter or other document referred to in Sections 6(b) through (d) above.

7. Conditions of the Agents' Obligations. The Agents' obligations to solicit purchases on an agency basis for the Shares or otherwise take any action pursuant to a Transaction Acceptance and to purchase the Shares pursuant to any Terms Agreement shall be subject to the satisfaction of the following conditions:

(a) At the Time of Acceptance, at the time of the commencement of trading on the Exchange on the Purchase Date(s) and at the relevant Time of Sale and Agency Settlement Date, or with respect to a Principal Transaction pursuant to a Terms Agreement, at the time of execution and delivery of the Terms Agreement by the Company and at the relevant Time of Sale and Principal Settlement Date:

(i) The representations, warranties and agreements on the part of the Carvana Parties herein contained or contained in any certificate of an officer or officers, general partner, managing member or other authorized representative of the Carvana Parties or any subsidiary of the Carvana Parties delivered pursuant to the provisions hereof shall be true and correct in all respects.

(ii) Each of the Carvana Parties shall have performed and observed its covenants and other obligations hereunder and/or under any Terms Agreement, as the case may be, in all material respects.

(iii) In the case of an Agency Transaction, from the Time of Acceptance until the Agency Settlement Date, or, in the case of a Principal Transaction pursuant to a Terms Agreement, from the time of execution and delivery of the Terms Agreement by the Company until the Principal Settlement Date, trading in the Class A Common Stock on the Exchange shall not have been suspended.

(iv) From the date of this Agreement, no event or condition of a type described in Section 3(e) hereof shall have occurred or shall exist, which event or condition is not described in a Permitted Free Writing Prospectus (excluding any amendment or supplement thereto) or the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Agents makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the applicable Settlement Date on the terms and in the manner contemplated by this Agreement, any Terms Agreement, any Permitted Free Writing Prospectus and the Prospectus.

(v) Subsequent to the relevant Time of Acceptance or, in the case of a Principal Transaction, subsequent to execution of the applicable Terms Agreement, (A) no downgrading shall have occurred in the rating accorded any debt securities or preferred equity securities of or guaranteed by the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined by the Commission for purposes of Section 3(a)(62) of the Exchange Act and (B) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of any debt securities or preferred

equity securities of or guaranteed by the Company or any of its subsidiaries (other than an announcement with positive implications of a possible upgrading) in each case that has not been described in the Prospectus or any Permitted Free Writing Prospectus issued prior to any related Time of Sale.

(vi) The Shares to be issued pursuant to the Transaction Acceptance or pursuant to a Terms Agreement, as applicable, shall have been approved for listing on the Exchange, subject only to notice of issuance.

(vii) (A) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the relevant Settlement Date, prevent the issuance or sale of the Shares and (B) no injunction or order of any federal, state or foreign court shall have been issued that would, as of the relevant Settlement Date, prevent the issuance or sale of the Shares.

(viii) (A) No order suspending the effectiveness of the Registration Statement shall be in effect, no proceeding for such purpose or pursuant to Section 8A of the Act shall be pending before or threatened by the Commission and no notice of objection of the Commission to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Act shall have been received by the Company; (B) the Prospectus and each Permitted Free Writing Prospectus shall have been timely filed with the Commission under the Act (in the case of any Permitted Free Writing Prospectus, to the extent required by Rule 433 under the Act); (C) all requests by the Commission for additional information shall have been complied with to the satisfaction of the Agents; and (D) no suspension of the qualification of the Shares for offering or sale in any jurisdiction, and no initiation or threatening of any proceedings for any of such purposes, shall have occurred and be in effect. The Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading at the time the Agents deliver a Transaction Acceptance to the Company or the Company and the Agents execute a Terms Agreement, as the case may be.

(ix) No amendment or supplement to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall have been filed to which the Agents shall have reasonably objected in writing.

(b) Within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, on such Principal Settlement Date, the Agents shall have received the officer's certificates, opinions and negative assurance letters of counsel and "comfort" letters and other documents provided for under Sections 6(b) through (d), inclusive, unless otherwise agreed to by the Agents. For purposes of clarity and without limitation to any other provision of this Section 7 or elsewhere in this Agreement, the parties hereto agree that the Agents' obligations, if any, to solicit purchases of Shares on an agency basis or otherwise take any action pursuant to a Transaction Acceptance shall, unless otherwise agreed in writing by the Agents, be suspended during the period from and including a Bring-Down Delivery Date through and including the time that the Agents shall have received the documents described in the preceding sentence.

8. Termination.

(a) (i) The Company may terminate this Agreement in its sole discretion at any time upon prior written notice to the Agents. Any such termination shall be without liability of any party to any other party, except that (A) with respect to any pending sale, the obligations of the Company, including in respect of compensation of the Agents, shall remain in full force and effect notwithstanding such termination; and (B) the provisions of Sections 3, 4 (except that if no Shares have been previously sold hereunder or under any Terms Agreement, only Section 4(l)), 9, 13, 14 and 16 of this Agreement shall remain in full force and effect notwithstanding such termination.

(ii) In the case of any sale by the Company pursuant to a Terms Agreement, the obligations of the Company pursuant to such Terms Agreement and this Agreement may not be terminated by the Company without the prior written consent of the Agents.

(b) (i) Each Agent may terminate this Agreement with respect to itself in its sole discretion at any time upon giving prior written notice to the Company. Any such termination shall be without liability of any party to any other party, except that the provisions of Sections 3, 4 (except that if no Shares have been previously sold hereunder or under any Terms Agreement, only Section 4(l)), 9, 13, 14 and 16 of this Agreement shall remain in full force and effect notwithstanding such termination.

(ii) In the case of any purchase by the Agents pursuant to a Terms Agreement, the obligations of the Agents pursuant to such Terms Agreement shall be subject to termination by the Agents at any time prior to or at the Principal Settlement Date if (A) since the time of execution of the Terms Agreement or the respective dates as of which information is given in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus,

(iii) trading generally shall have been suspended or materially limited on or by any of the Exchange, the Nasdaq Stock Market, the Chicago Board Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade; (ii) trading of any securities issued or guaranteed by the Company or any of its subsidiaries shall have been suspended on any exchange or in any over-the counter market, (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York state authorities, (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, solely in the case of events and conditions described in this clause (iv), in the Agents' judgment, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the terms and in the manner contemplated in the Prospectus or such Terms Agreement. If the Agents elect to terminate their obligations pursuant to this Section 8(b)(ii), the Company shall be notified promptly in writing.

(c) This Agreement shall remain in full force and effect until the earliest of (A) termination of the Agreement pursuant to Section 8(a) or 8(b) above or otherwise by mutual written agreement of the parties, (B) such date that the Maximum Amount or the Maximum Number, as applicable, of Shares has been sold in accordance with the terms of this Agreement and any Terms Agreements, and (C) April 20, 2025, in each case except that the provisions of Section 3, 4 (except that if no Shares have been previously sold hereunder or under any Terms Agreement, only Section 4(l)), 9, 13, 14 and 16 of this Agreement shall remain in full force and effect notwithstanding such termination.

(d) Any termination of this Agreement shall be effective on the date specified in such notice of termination; *provided* that, notwithstanding the foregoing, such termination shall not be effective until the close of business on the date of receipt of such notice by the Agents or the Company, as the case may be, or such later date as may be required pursuant to Section 8(a) or (b). If such termination shall occur prior to the Settlement Date for any sale of Shares, such sale shall settle in accordance with the provisions of Section 2 hereof.

9. Indemnity and Contribution.

(a) Each of the Carvana Parties jointly and severally agrees to indemnify and hold harmless the Agents, their respective affiliates, directors and officers and each person, if any, who controls any Agent within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonable and documented out of pocket legal fees and other expenses incurred in connection with defending or investigating any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto) or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Permitted Free Writing Prospectus (or any amendment or supplement thereto), any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act or any road show as defined in Rule 433(h) under the Act (a "**road show**"), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Agents furnished to the Carvana Parties in writing by the Agents expressly for use therein, it being understood and agreed that the only such information furnished by the Agents consists of the information described as such in subsection (b) below.

(b) Each Agent, severally and not jointly, agrees to indemnify and hold harmless each of the Carvana Parties, its directors, its officers who signed the Registration Statement and each person, if any, who controls either of the Carvana Parties within the meaning of Section 15 of the Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Agent furnished to the Carvana Parties in writing by such Agent expressly for use in the Registration Statement (or any amendment thereto), the Prospectus (or any amendment or supplement thereto), any Permitted Free Writing Prospectus (or any amendment or supplement thereto) or any road show, it being understood and agreed upon that such information shall consist solely of the following: the legal and marketing names of the Sales Agents set forth on the front and back cover of the Prospectus Supplement.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either Section 9(a) or 9(b) above, such person (the "**Indemnified Person**") shall promptly notify the person against whom such indemnification may be sought (the "**Indemnifying Person**") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the

Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 9. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 9 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel), but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) included both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm (in addition to any local counsel) for (A) the Agents and their respective affiliates, directors and officers and its control persons, if any, or (B) the Carvana Parties, such party's directors, officers who signed the Registration Statement and control persons, if any, as the case may be, and that all such reasonable fees and expenses shall be paid or reimbursed as they are incurred. Any such separate firm for the Agents and their respective affiliates, directors and officers and its control persons, if any, shall be designated in writing by the Agents, and any such separate firm for the Carvana Parties, such party's directors, its officers who signed the Registration Statement and its control persons, if any, shall be designated in writing by such party. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested an Indemnifying Person to reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this Section 9(c), the Indemnifying Person agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than thirty (30) days after receipt by such Indemnifying Person of the aforesaid request and (ii) such Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification is or could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) If the indemnification provided for in Sections 9(a) and 9(b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such Sections, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Agents, on the other, from the offering of the Shares pursuant to this Agreement

and any Terms Agreements or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Carvana Parties, on the one hand, and the Agents, on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Carvana Parties, on the one hand, and the Agents, on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Carvana Parties from the sale of the Shares pursuant to this Agreement and any Terms Agreements and the total discounts and commissions received by the Agents in connection therewith bear to the aggregate Gross Sales Price of such Shares. The relative fault of the Carvana Parties, on the one hand, and the Agents, on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Carvana Parties, on the one hand, or by the Agents, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Each of the Carvana Parties and the Agents agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 9(d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in Section 9(d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 9, in no event shall any Agent be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Agent with respect to the offering of the Shares pursuant to this Agreement and any Terms Agreements exceeds the amount of any damages that such Agent has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) The Agents' obligations to contribute pursuant to this Section 9 are several in proportion to the Shares sold by the Agents pursuant to the Agreement any Terms Agreement.

(g) The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

10. Notices. All notices and other communications under this Agreement and any Terms Agreement shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of communication, and, if to the Agents, shall be sufficient in all respects if delivered or sent to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: (646) 834-8133), with a copy, in the case of any notice pursuant to Section 9(c), to the Director of Litigation, Office of the General Counsel, Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019; Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013, Attention: General Counsel, facsimile number +1-646-291-1469; and Virtu Americas LLC, 1633 Broadway, New York, New York 10019, Attention: Virtu Capital Markets; ATM@Virtu.com; and, if to the Carvana Parties, shall be sufficient in all respects if delivered or sent to the Company at Carvana Co., to the attention of Paul Breaux, fax no. (480) 401-5770, EXT 10154 (with such fax to be confirmed by telephone to (512) 217-3905) or by email at paul.breaux@carvana.com, with a copy (which shall not constitute notice) to Kirkland & Ellis LLP at 300 North LaSalle, Chicago, Illinois 60654, to the attention of Robert Goedert, P.C.

(telephone number (312) 862-7317, email: robert.goedert@kirkland.com). Notwithstanding the foregoing, Transaction Proposals shall be delivered by the Company to the Agents by telephone or email to: Barclays Capital Inc., Attention: Brian Ulmer, brian.ulmer@barclays.com, (212) 526-9420 and Kevin Condon, kevin.condon@barclays.com, (212) 526-9420; Citigroup Global Markets Inc., Attention: SETG Origination (email: setg.origination@citi.com); and Virtu Americas LLC, Attention: Virtu Capital Markets; ATM@Virtu.com; with a copy (which shall not constitute notice) to Simpson Thacher & Bartlett LLP at 425 Lexington Avenue, New York, New York, 10017, to the attention of David Azarkh (telephone number (212) 455-2462, email: dazarkh@stblaw.com).

11. No Fiduciary Relationship. Each of the Carvana Parties acknowledges and agrees that the Agents are acting solely in the capacity of an arm's length contractual counterparty to the Carvana Parties with respect to the offering of Shares contemplated hereby and any Terms Agreements (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, either or both of the Carvana Parties or any other person. Additionally, the Agents are not advising either or both of the Carvana Parties or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. Each of the Carvana Parties shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and no Agent shall have responsibility or liability to the Carvana Parties with respect thereto. Any review by the Agents of the Carvana Parties, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Agents and shall not be on behalf of the Carvana Parties.

12. Adjustments for Stock Splits. The parties acknowledge and agree that all share related numbers contained in this Agreement, any Transaction Proposal and any Transaction Acceptance shall be adjusted to take into account any stock split or combination effected with respect to the Shares.

13. Miscellaneous.

(a) *Governing Law.* This Agreement, any Terms Agreement and any claim, controversy or dispute arising under or relating to this Agreement or any Terms Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

(b) *Submission to Jurisdiction.* Each of the Carvana Parties hereby submits to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the Carvana Parties waives any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. Each of the Carvana Parties agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon such party and may be enforced in any court to the jurisdiction of which such party is subject by a suit upon such judgment.

(c) *Waiver of Jury Trial.* Each of the parties hereto hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement and any Terms Agreement.

14. Persons Entitled to Benefit of Agreement. This Agreement and any Terms Agreement shall inure to the benefit of and be binding upon the parties hereto and thereto, respectively, and their respective successors and the officers, directors, affiliates and controlling persons referred to in Section 9 hereof. Nothing in this Agreement or any Terms Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or

claim under or in respect of this Agreement or any such Terms Agreement or any provision contained herein or therein. No purchaser of Shares from or through the Agents shall be deemed to be a successor merely by reason of purchase.

15. Counterparts. This Agreement and any Terms Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

16. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Carvana Parties and the Agents contained in this Agreement or any Terms Agreement or made by or on behalf of the Carvana Parties or the Agents pursuant to this Agreement or any Terms Agreement or any certificate delivered pursuant hereto or thereto shall survive the delivery of and payment for the Shares and shall remain in full force and effect, regardless of any termination of this Agreement or any Terms Agreement or any investigation made by or on behalf of the Carvana Parties or the Agents.

17. Certain Defined Terms. For purposes of this Agreement, except where otherwise expressly provided:

"affiliate" has the meaning set forth in Rule 405 under Act;

"business day" means any day other than a day on which banks are permitted or required to be closed in New York City;

"Company Documents" means (i) all Subject Instruments and (ii) all other contracts, indentures, mortgages, deeds of trust, loan or credit agreements, bonds, notes, debentures, evidences of indebtedness, swap agreements, hedging agreements, leases or other instruments or agreements to which the Carvana Parties or any of their respective subsidiaries is a party or by which either of the Carvana Parties or any of their respective subsidiaries is bound or to which any of the property or assets of the Carvana Parties or any of their respective subsidiaries is subject;

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder;

"Existing Credit Agreements" means the Third Amended and Restated Inventory Financing and Security Agreement, dated as of September 22, 2022 among Ally Bank, Ally Financial Inc., and Carvana, LLC, a subsidiary of the Company, as amended, supplemented or restated, if applicable, and including any promissory notes, pledge agreements, security agreements, mortgages, guarantees and other instruments or agreements entered into by the Carvana Parties or any of their respective subsidiaries in connection therewith or pursuant thereto, in each case as amended, supplemented or restated, if applicable;

"FINRA" means the Financial Industry Regulatory Authority, Inc.;

"GAAP" means generally accepted accounting principles;

"Lien" means any security interest, mortgage, pledge, lien, encumbrance, claim or equity;

"OFAC" means the Office of Foreign Assets Control of the U.S. Treasury Department;

"Organizational Documents" means (a) in the case of a corporation, its charter and by-laws; (b) in the case of a limited or general partnership, its partnership certificate, certificate of formation or similar organizational document and its partnership agreement; (c) in the case of a limited liability company, its articles of organization, certificate of formation or similar organizational documents and its operating agreement, limited liability company agreement, membership agreement or other similar agreement; (d) in the case of a trust, its certificate of trust, certificate of formation or similar organizational document and its trust agreement or other similar agreement; and (e) in the case of any other entity, the organizational and governing documents of such entity;

"Preferred Stock" means the Company's preferred stock, par value $0.01 per share;

"Repayment Event" means any event or condition which, either immediately or with notice or passage of time or both, (i) gives the holder of any bond, note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any subsidiary of the Company, or (ii) gives any counterparty (or any person acting on such counterparty's behalf) under any swap agreement, hedging agreement or similar agreement or instrument to which the Company or any subsidiary of the Company is a party the right to liquidate or accelerate the payment obligations or designate an early termination date under such agreement or instrument, as the case may be;

"Sarbanes-Oxley Act" means the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder or implementing the provisions thereof;

"Subject Instruments" means the Existing Credit Agreements and all other instruments, agreements and documents filed or incorporated by reference as exhibits to the Registration Statement pursuant to Rule 601(b)(10) of Regulation S-K of the Commission; provided that if any instrument, agreement or other document filed or incorporated by reference as an exhibit to the Registration Statement as aforesaid has been redacted or if any portion thereof has been deleted or is otherwise not included as part of such exhibit (whether pursuant to a request for confidential treatment or otherwise), the term "Subject Instruments" shall nonetheless mean such instrument, agreement or other document, as the case may be, in its entirety, including any portions thereof which shall have been so redacted, deleted or otherwise not filed;

"subsidiary" has the meaning set forth in Rule 405 under the Act;

"Termination Event" means any event or condition which gives any person the right, either immediately or with notice or passage of time or both, to terminate or limit (in whole or in part) any Company Documents or any rights of the Carvana Parties or any of their respective subsidiaries thereunder, including, without limitation, upon the occurrence of a change of control of the Carvana Parties or other similar events;

"UNSC" means the United Nations Security Council; and

"1940 Act" means the Investment Company Act of 1940, as amended.

All references in this Agreement to the Registration Statement, the Registration Statement, the Prospectus, any Permitted Free Writing Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the version thereof filed with the Commission pursuant to EDGAR and all versions thereof delivered (physically or electronically) to the Agents.

All references in this Agreement to financial statements and schedules and other information that is "contained," "included" or "stated" in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information that is incorporated by reference in or otherwise deemed by the Act to be a part of or included in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall be deemed to mean and include the filing of any document under the Exchange Act that is incorporated by reference in or otherwise deemed by the Act to be a part of or included in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, as the case may be.

18. Recognition of the U.S. Special Resolution Regimes

(a) In the event that any Agent is a Covered Entity and becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Agent of this Agreement or any Terms Agreement, and any interest and obligation in or under this Agreement or any Terms Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement or any Terms Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Agent is a Covered Entity or a BHC Act Affiliate of such Agent and becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement or any Terms Agreement that may be exercised against such Agent are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement or any Terms Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 18:

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

19. Compliance with USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Agents are required to obtain, verify and record information that identifies its clients, including the Carvana Parties, which information may include the name and address of its clients, as well as other information that will allow the Agents to properly identify their clients.

20. Amendments or Waivers. No amendment or waiver of any provision of this Agreement or any Terms Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto or thereto as the case may be.

21. Headings. The headings herein and in any Terms Agreement are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement or any Terms Agreement.

[*Signature Page Follows****]***

If the foregoing correctly sets forth the understanding between the Company and the Agents, please so indicate in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement among the Company and the Carvana Parties.

Very truly yours,

CARVANA CO.

By: /s/ Paul Breaux
Name: Paul Breaux
Title: Vice President, General Counsel and Secretary

CARVANA GROUP, LLC

By: /s/ Paul Breaux
Name: Paul Breaux
Title: Vice President, General Counsel and Secretary

Accepted and agreed to as of the
date first above written:

BARCLAYS CAPITAL INC.

By: /s/ Robert Stowe
Name: Robert Stowe
Title: Managing Director

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Brian Yick
Name: Brian Yick
Title: Managing Director, Head of Internet Investment Banking

VIRTU AMERICAS LLC

By: /s/ Josh Feldman
Name: Josh Feldman
Title: Managing Director

Schedule A

Authorized Company Representatives

Ernie Garcia III, Chief Executive Officer
Mark Jenkins, Chief Financial Officer
Mike McKeever, Vice President, Capital Markets & Investor Relations
Meg Kehan, Senior Director, Capital Markets & Investor Relations

Exhibit A

Carvana Co. Class A Common Stock

TERMS AGREEMENT

_____, 20____

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Virtu Americas LLC
1633 Broadway
41st Floor
New York, New York 10019

Dear Sirs:

Carvana Co., a Delaware corporation (the "**Company**"), proposes, subject to the terms and conditions stated herein and in the Distribution Agreement dated February [●], 2025 (the **Distribution Agreement**") among the Company, Carvana Group, LLC, a Delaware limited liability company ("**Carvana Group**"), Barclays Capital Inc., Citigroup Global Markets Inc. and Virtu Americas LLC, [*Insert name of Agent for the transaction*] (the "**Agent**"), to issue and sell to the Agent the securities specified in the Schedule hereto (the **Purchased Securities**"). Unless otherwise defined below, terms defined in the Distribution Agreement shall have the same meanings when used herein.

Each of the provisions of the Distribution Agreement not specifically related to the solicitation by the Agent, as agent of the Company, of offers to purchase securities is incorporated herein by reference in its entirety, and shall be deemed to be part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein. Each of the representations, warranties and agreements set forth therein shall be deemed to have been made as of the date of this Terms Agreement and the Settlement Date set forth in the Schedule hereto.

An amendment to the Registration Statement or a supplement to the Prospectus, as the case may be, relating to the Purchased Securities, in the form heretofore delivered to the Agent, is now proposed to be filed with the Securities and Exchange Commission.

Subject to the terms and conditions set forth herein and in the Distribution Agreement which are incorporated herein by reference, the Company agrees to issue and sell to the Agent, and the latter agrees to purchase from the Company, the Purchased Securities at the time and place and at the purchase price set forth in the Schedule hereto.

Notwithstanding any provision of the Distribution Agreement or this Terms Agreement to the contrary, the Company consents to the Agent trading in the Class A Common Stock for the Agent's own account and for the account of its clients at the same time as sales of the Purchased Securities occur pursuant to this Terms Agreement.

[*Signature Page Follows***]**

If the foregoing is in accordance with your understanding, please sign and return to us a counterpart hereof, whereupon this Terms Agreement, including those provisions of the Distribution Agreement incorporated herein by reference, shall constitute a binding agreement among the Agent, the Company and Carvana Group.

Very truly yours,

CARVANA CO.

By : _____
Name:
Title:

CARVANA GROUP, LLC

By : _____
Name:
Title:

Accepted and agreed as of the date first above written:

BARCLAYS CAPITAL INC.

By : _____
Name:
Title:

CITIGROUP GLOBAL MARKETS INC.

By : _____
Name:
Title:

VIRTU AMERICAS LLC

By : _____
Name:
Title:

Schedule to Terms Agreement

Title of Purchased Securities:
Class A Common Stock, par value $0.001 per share

Number of Shares of Purchased Securities:
_____ shares

Initial Price to Public:
$_____ per share

Purchase Price Payable by the Agent:
$_____ per share

Method of and Specified Funds for Payment of Purchase Price:
[By wire transfer to a bank account specified by the Company in same day funds]

Method of Delivery:
[To the Agent's account, or the account of the Agent's designee, at The Depository Trust Company via DWAC in return for payment of the purchase price].

Settlement Date:
_____, 202___

Closing Location:
_____

Documents to be Delivered:

The following documents referred to in the Distribution Agreement shall be delivered on the Settlement Date as a condition to the closing for the Purchased Securities (which documents shall be dated on or as of the Settlement Date and shall be appropriately updated to cover any Permitted Free Writing Prospectuses and any amendments or supplements to the Registration Statement, the Prospectus, any Permitted Free Writing Prospectuses and any documents incorporated by reference therein):

(1) the officer's certificate referred to in Section 5(a)(i);
(2) the opinion and negative assurance letter of the Company's outside counsel referred to in Section 5(a)(ii);
(3) the "comfort" letter referred to in Section 5(a)(iii);
(4) the Chief Financial Officer's certificate referred to in Section 5(a)(iv);
(5) the opinion and negative assurance letter referred to in Section 5(b); and
(6) such other documents as the Agent shall reasonably request.

Time of sale: _____[a.m./p.m.] (New York City time) on _____, _____

Time of sale information:

- The number of shares of Purchased Securities set forth above
- The initial price to public set forth above

Exhibit B

OFFICERS' CERTIFICATE

CARVANA CO. and CARVANA GROUP, LLC

Dated _____, 202____

We, Paul Breaux, Vice President, General Counsel and Secretary, and Mark Jenkins, Chief Financial Officer, of Carvana Co., a Delaware corporation (the "**Company**"), and Mark Jenkins, Chief Financial Officer, and Paul Breaux, Vice President, General Counsel and Secretary, of Carvana Group, LLC, a Delaware limited liability company ("**Carvana Group**"), do hereby certify that this certificate is signed by us pursuant to the Distribution Agreement dated February 19, 2025, by and among the Company, Carvana Group and Barclays Capital Inc., Citigroup Global Markets Inc. and Virtu Americas LLC, as agents (the "**Agreement**"), and do hereby further certify, solely in our capacity as officers and not in our individual capacities, on behalf of the Company, as follows:

1. To the knowledge of the undersigned, the representations and warranties of the Company and Carvana Group in the Agreement are true and correct on and as of the date hereof as though made on and as of this date;

2. The Company and Carvana Group have performed all obligations and satisfied all conditions on its part to be performed or satisfied pursuant to the Agreement on or prior to the date hereof;

3. The Company's Registration Statement (File No. 333-[●]) and any post- effective amendments thereto have become effective under the Act; no stop order suspending the effectiveness of such Registration Statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the Act has been initiated or, to the knowledge of the undersigned, threatened by the Commission; no notice of objection of the Commission to the use of such Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company; and all requests for additional information on the part of the Commission have been complied with; and

4. Since the respective dates as of which information is given in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, except as otherwise stated therein, (i) there has not been any change in the capital stock, other than the issuance of shares of Class A Common Stock upon exercise of stock options issued under, and the grant of options and awards under, equity incentive plans disclosed in the Registration Statement and the Prospectus or the issuance of Shares pursuant to the Agreement, or short-term debt or long-term debt (except for borrowings and the repayment of borrowings in the ordinary course of business), of the Company, Carvana Group or any of their respective subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company or Carvana Group on any class of capital stock (other than regularly scheduled cash dividends in amounts that are consistent with past practice), or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company, Carvana Group or any of their respective subsidiaries taken as a whole; (ii) none of the Company, Carvana Group or any of their respective subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) that

is material to the Company, Carvana Group or any of their respective taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company, Carvana Group or any of their respective taken as a whole; and (iii) none of the Company, Carvana Group or any of their respective subsidiaries has sustained any loss or interference with its business that is material to the Company, Carvana Group or any of their respective subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority.

All capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in the Agreement.

[*Signature Page Follows****]***

CARVANA CO.

By: _____
Name: Paul Breaux
Title: *Vice President, General Counsel and Secretary*

By: _____
Name: Mark Jenkins
Title: *Chief Financial Officer*

CARVANA GROUP, LLC

By: _____
Name: Mark Jenkins
Title: *Chief Financial Officer*

By: _____
Name: Paul Breaux
Title: *Vice President, General Counsel and Secretary*

EXHIBIT C

MATERIAL SUBSIDIARIES

Name	Jurisdiction of Organization	Type of Entity	Managing Member
Carvana Co. Sub LLC	Delaware	Limited Liability Company	Managing Member: Carvana Co. 100%
Carvana Group, LLC	Delaware	Limited Liability Company	Managing Member: Carvana Co. Sub LLC Members: Carvana Co. Sub LLC ~58.0% Pre-IPO LLC Unitholders ~42.0%
Carvana Operations HC LLC	Delaware	Limited Liability Company	Managing Member: Carvana Group, LLC Members: Carvana Co. Sub LLC .1% Carvana Group: 99.9%
Carvana, LLC	Arizona	Limited Liability Company	Managing Member: Carvana Operations HC LLC 100%
Adesa US Auction, LLC	Delaware	Limited Liability Company	Managing Member: Carvana Operations HC LLC 100%

CARVANA CO.

SECURITIES TRADING POLICY

PURPOSE

This Securities Trading Policy (this "Policy") provides guidelines with respect to transactions in the securities of Carvana Co. ("Carvana") and the handling of confidential information about Carvana and the companies with which Carvana does business. Carvana's Board of Directors (the "Board") has adopted this Policy to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of material non-public information about a company from: (i) trading in securities of that company; or (ii) providing material non-public information to other persons who may trade on the basis of that information. Regulators have adopted sophisticated surveillance techniques to identify insider trading transactions, and it is important to Carvana to avoid even the appearance of impropriety.

PERSONS SUBJECT TO THE POLICY

This Policy applies to all directors, officers and employees of Carvana and its subsidiaries. The General Counsel may also determine and designate other persons to be subject to this Policy, such as contractors or consultants who have access to material non-public information. This Policy also applies to Family Members and Controlled Entities, each as defined below. All of the aforementioned covered by this Policy are collectively referred to as "Carvana Personnel."

TRANSACTIONS SUBJECT TO THE POLICY

Transactions subject to this Policy include, among other transactions, purchases, sales, bona-fide gifts and other acquisitions or dispositions of securities.

Carvana and Carvana Securities: This Policy applies to transactions in Carvana's securities (collectively referred to in this Policy as "Carvana Securities"), including Carvana's Class A common stock, units in Carvana Group, LLC, options to purchase shares of Class A common stock, or any other type of securities that Carvana may issue, including (but not limited to) preferred stock, convertible debentures and convertible bonds and warrants, as well as derivative securities that are not issued by Carvana, such as exchange-traded put or call options or swaps relating to Carvana Securities.

Other Company Securities: In the ordinary course of doing business, Carvana Personnel may come into possession of material non-public information about Carvana's customers, suppliers, business partners or other companies with which Carvana does business or may learn of material non-public information about a company that is involved in a potential transaction or business relationship with Carvana. In addition, material non-public information about Carvana could affect, directly or indirectly, the price of the securities of other, similarly situated, companies whether or not Carvana does business with such companies ("Economically Linked Companies"). Such material non-public information may include, among other things, information regarding mergers, acquisitions, divestitures, renewals or terminations of significant contracts or other arrangements. This Policy also applies to transactions in the securities of

these other companies. As a result, you are prohibited from trading in the securities of such other companies, whether or not Carvana does business with them, while aware of material non-public information about Carvana or such other companies. You are also prohibited from communicating such information to any other person for such use.

INDIVIDUAL RESPONSIBILITY

Carvana Personnel have ethical and legal obligations to maintain the confidentiality of information about Carvana and to not engage in transactions in Carvana Securities, securities of other companies with which Carvana does business, or Economically Linked Companies while in possession of material non-public information. Each individual is responsible for making sure that he or she complies with this Policy, and that any Family Member or Controlled Entity also complies with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material non-public information rests with that individual, and any action on the part of Carvana, the General Counsel or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by Carvana for any conduct prohibited by this Policy or applicable securities laws, as described below in more detail under the heading "Consequences of Violations."

STATEMENT OF POLICY

It is Carvana's policy that no Carvana Personnel who is aware of material non-public information relating to Carvana, other entities with which Carvana does business, or Economically Linked Companies, may, directly, or indirectly through Family Members or Controlled Entities:

1. Engage in transactions in Carvana Securities, except as otherwise specified in this Policy under the headings "Transactions Under Company Plans and Others" and "Rule 10b5-1 Plans;"
2. Engage in transactions in the securities of other companies with which Carvana does business or Economically Linked Companies while in possession of material non-public information;
3. Recommend the purchase or sale of any Carvana Securities, securities of other companies with which Carvana does business, or Economically Linked Companies while in possession of material non-public information;
4. Disclose material non-public information to persons within Carvana whose jobs do not require them to have that information, or outside of Carvana to other persons, including, but not limited to, family, friends, business associates, investors and expert consulting firms, unless any such disclosure is made in accordance with Carvana's policies regarding the protection or authorized external disclosure of information; or
5. Assist anyone engaged in the above activities.

All Carvana Personnel must maintain all material non-public information about Carvana in strict confidence, and should not communicate such information to any person unless the person has a need to know the information for legitimate reasons related to Carvana's business. Similarly, participating in discussion about material non-public information online, including via social media, is prohibited. Please see Carvana's External Communications and Social Media Policy for additional information on

the protection of confidential or non-public information when engaging online. This prohibition applies to inquiries about Carvana from the press, investment analysts or others in the financial community. It is important that all such communications on behalf of Carvana be made only through authorized individuals. This confidentiality obligation also applies to information regarding other business partners and entities that Carvana Personnel obtain in the course of their service to or employment with Carvana.

There are no exceptions to this Policy other than as specifically noted herein. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or de minimis transactions, are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve Carvana's reputation for adhering to the highest standards of conduct.

It is also the policy of Carvana that Carvana will not engage in transactions in Carvana Securities, securities of other companies with which Carvana does business, or Economically Linked Companies, while aware of material nonpublic information relating to Carvana, Carvana Securities, or such other companies and their securities.

DEFINITION OF MATERIAL NON-PUBLIC INFORMATION

Material Information: Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. Any information that could be expected to affect the price of a company's securities, whether it is positive or negative, or whether it is with respect to Carvana, other companies with which Carvana does business, or Economically Linked Companies, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- Projections of key operating metrics (e.g., the number of cars sold in a given period), future earnings or losses, or other earnings guidance;
- Changes to previously announced earnings guidance, or the decision to suspend earnings guidance;
- Changes in relationships with significant customers, suppliers or industry partners;
- Proposals, agreements or news regarding a pending or proposed merger, acquisition or tender offer, joint venture, divestiture, significant acquisition or disposition of a significant assets or the disposition of a subsidiary or industry consolidation;
- Development of a significant new product, process, or service;
- Bank borrowings or other financing transactions out of the ordinary course;

- Calls, redemptions, repurchases or exchanges of Carvana Securities, including the establishment of a repurchase program for Carvana Securities;
- A change in management or other significant personnel;
- Pending or threatened significant litigation, or the resolution of such litigation; and
- Significant cybersecurity incidents.

If you are unsure whether information is material, you should either consult Carvana's legal department before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates, or assume that the information is material.

Non-public Information: Information that has not been disclosed to the public is generally considered to be non-public information. Information generally would be considered disclosed to the public if it has been announced through newswire services, a broadcast on widely-available radio or television programs, publication in a widely-available newspaper, magazine or news website, or public disclosure documents filed with the U.S. Securities and Exchange Commission ("SEC") that are available on the SEC's website. By contrast, information would likely not be considered widely disseminated if it is available only to Carvana Personnel, or if it is only available to a select group of analysts, brokers and institutional investors.

Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the public until after the first full trading session of the New York Stock Exchange following the day on which the information is released. For example, assuming the New York Stock Exchange is open each applicable day, if Carvana were to make an announcement before the market opens on a Monday, you should not trade in Carvana Securities until Tuesday, and if Carvana were to make an announcement after the market closes on a Monday, you should not trade in Carvana Securities until Wednesday.

TRANSACTIONS BY FAMILY MEMBERS AND OTHERS

This Policy applies to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), *anyone else who lives in your household* and any family members who do not live in your household but whose transactions in Carvana Securities, securities of other companies with which Carvana does business, or Economically Linked Companies are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade (collectively referred to as "Family Members"). Carvana Personnel are responsible for the transactions of Family Members and therefore should make them aware of the need to confer with you before they trade in Carvana Securities or securities of other companies with which Carvana does business or Economically Linked Companies, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were made by you. This Policy does not, however, apply to personal securities

transactions of Family Members where the decision to transact is made by a third party not controlled by, influenced by or related to you or your Family Members.

TRANSACTIONS BY ENTITIES THAT YOU INFLUENCE OR CONTROL

This Policy applies to any entities under Carvana Personnel influence or control, including any corporations, partnerships or trusts (collectively referred to as "Controlled Entities"), and you should treat transactions by these Controlled Entities for the purposes of this Policy and applicable securities laws as if they were made by you.

TRANSACTIONS UNDER COMPANY PLANS AND OTHERS

This Policy does not apply in the case of the following transactions, except as specifically noted:

1. Stock Option Exercises: This Policy does not apply to the exercise of an employee stock option acquired pursuant to Carvana's plans, or to the exercise of a tax withholding right pursuant to which a person has elected to have Carvana withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

2. Restricted Stock and Restricted Stock Unit Awards: This Policy does not apply to the vesting of restricted stock or restricted stock units or the exercise of a tax withholding right pursuant to which a person has elected to have Carvana withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock or restricted stock units. The Policy does apply, however, to any market sale of restricted stock or restricted stock units upon vesting.

3. 401(k) Plan: This Policy does not apply to purchases of Carvana Securities in Carvana's 401(k) plan(s) resulting from your contributions to the plan(s) pursuant to payroll deductions. This Policy does apply, however, to certain elections you may make under the 401(k) plan(s), including: (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to Carvana stock; (b) an election to make an intra-plan transfer of an existing account balance into or out of Carvana stock; (c) an election to borrow money against your 401(k) plan(s) account if the loan will result in a liquidation of some or all of your Carvana stock; and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to Carvana stock.

4. Employee Stock Purchase Plan: This Policy does not apply to purchases of Carvana Securities in the employee stock purchase plan (the "ESPP") resulting from your periodic contribution of money to the ESPP pursuant to the election you made at the time of your enrollment in the ESPP, nor does it apply to your initial election to participate in the ESPP. However, this Policy does apply to sales of Carvana Securities purchased pursuant to the ESPP.

5. Mutual Funds: Transactions in portfolio products, including mutual funds or index funds where Carvana Securities are not a significant portion are not transactions subject to this Policy.

SPECIAL AND PROHIBITED TRANSACTIONS

Carvana has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. It

therefore is Carvana's policy that Carvana Personnel may not engage in any of the following transactions:

Restricted Securities: Carvana may prohibit certain Carvana Personnel and their Family Members and Controlled Entities (collectively, the "Restricted Group") from trading in securities of another company (each, a "Restricted Security") if the General Counsel determines that, based on its relationship with or ownership interest in such other company, certain Carvana Personnel are or are likely to be in possession of material non-public information with regard to such company. The Restricted Securities and Restricted Group shall be set forth on a list (the "Restricted List") maintained by Carvana's legal department. If you are a member of the Restricted Group, you will be notified of such designation and of the Restricted List, including any changes thereto.

Asset-Backed Securities: Carvana Personnel are prohibited from trading in any securities issued in a Carvana-sponsored asset backed securitization.

Debt Securities: Carvana Personnel are prohibited from trading in Carvana debt securities (e.g. senior notes, senior secured notes, convertible notes and the like) without prior authorization from the General Counsel (or his or her designee).

Derivatives: Transactions in put options, call options or other derivative securities, whether over-the-counter, on an exchange or in any other organized market, are prohibited by this Policy.

Short Sales: Short sales of Carvana Securities are prohibited.

Short-Term Trading: Members of the Board and any officer (a "Section 16 Officer"), as defined by Rule 16a-1 of the Securities Exchange Act of 1934 (the "Exchange Act") who purchase Carvana Securities in the open market are prohibited from selling any Carvana Securities of the same class during the six months following the purchase (or vice versa) without prior authorization from the General Counsel (or his or her designee).

Hedging Transactions: Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions are prohibited.

Margin Accounts and Pledged Securities: Members of the Designated Group are prohibited from holding Carvana Securities in a margin account or otherwise pledging Carvana Securities as collateral for a loan.

Exceptions to this prohibition may be granted where members of the Designated Group demonstrate the financial capacity to repay any loan or meet a margin call without a related transaction of Carvana Securities or are otherwise approved subject to the General Counsel's discretion. Members of the Designated Group who wish to pledge Carvana Securities as collateral for a loan or purchase Carvana Securities on margin must submit a written request for approval to the General Counsel at least two weeks prior to the proposed execution of any such transaction. Notwithstanding the foregoing, Carvana Personnel, including members of the Designated Group, are prohibited from selling Carvana Securities

under a margin call, pledge additional collateral to avoid the sale of Carvana Securities under a margin call or execute a pledge if they are in possession of material non-public information.

Standing and Limit Orders: Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as described below) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a director, officer or other employee is in possession of material non-public information. Carvana therefore discourages placing standing or limit orders on Carvana Securities. If any Carvana Personnel determines that they must use a standing order or limit order, the order should be limited to short duration and should otherwise comply with the restrictions and procedures outlined below under the heading "Pre-Clearance and Blackouts." Standing orders (except under approved Rule 10b5-1 Plans) that have not been executed at the start of a blackout period should be cancelled prior thereto.

PRE-CLEARANCE AND BLACKOUTS

Carvana has established additional procedures in order to facilitate the administration of this Policy, compliance with laws prohibiting insider trading, and to avoid the appearance of any impropriety. These additional procedures are applicable only to those individuals described below.

Pre-Clearance Procedures: The following individuals, as well as the Family Members and Controlled Entities of such persons (collectively, the "Designated Group"), may not engage in any transaction in Carvana Securities without first obtaining pre-clearance of the transaction.

- Members of Carvana's Board;
- Director level or higher employees;
- All current employees in the Legal (excluding employees in Safe & Secure and Corporate Risk), Finance, Accounting, Quantitative Marketing, and Financial Planning and Analysis teams; and
- All other individuals as designated by Carvana's General Counsel (or his or her designee) as being subject to these procedures.

The General Counsel (or his or her designee) is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. If a member of the Designated Group seeks pre-clearance and permission to engage in the transaction is denied or revoked, then they should refrain from initiating any transaction in Carvana Securities, and should not inform any other person of the restriction.

All trades must be effected within five business days of receipt of pre-clearance. A person who has not effected a transaction within the time limit may not engage in such transaction without again obtaining pre-clearance of the transaction.

Trading During "Open Window" Periods: Carvana Personnel may not conduct any transactions involving Carvana Securities (other than as specified by this Policy), except during an open window period (the "Open Window"). Each Open Window typically begins after at least one full trading session on the New York Stock Exchange after the date on which Carvana releases its earnings to the public for the immediately preceding fiscal period and ends when the market closes on the 15th day of the third

month of each fiscal quarter. Assuming the New York Stock Exchange is open each day, if earnings are released before the market opens on a Wednesday, the first acceptable day of trading would be Thursday, and if earnings are released after the market closes on a Wednesday, the first acceptable day of trading would be Friday. The General Counsel has discretion to determine the length of each trading window and may authorize Open Windows at other appropriate times (e.g., in the event Carvana conducts an offering or other action that results in public disclosure of significant amounts of material non-public information). Family Members and Controlled Entities are also prohibited from trading in Carvana Securities outside of Open Windows.

Any time outside of the Open Window periods and during which trading in Carvana Securities is prohibited is generally referred to as a "blackout period."

Event-Specific Blackout Periods:

- From time to time, an event may occur that is material to Carvana or to companies on the Restricted List and is known by only a few directors, officers and/or employees, such as planned mergers, acquisitions, dispositions, product launches, partnerships, or cybersecurity incidents. So long as the event remains material and non-public, the persons designated by the General Counsel (or his or her designee) may not trade Carvana Securities or Restricted Securities.
- In addition, Carvana's financial results or projected financial results may be known sufficiently early in a particular fiscal quarter that, in the judgment of the General Counsel, designated persons should refrain from trading in Carvana Securities even sooner than the typical blackout period described above.

In the foregoing situations, the legal department may notify these persons that they should not trade in Carvana Securities, without disclosing the reason for the restriction. The existence of an event-specific trading restriction period or extension of a blackout period will not be announced to Carvana Personnel as a whole, and should not be communicated to any other person. Even if the General Counsel (or his or her designee) has not designated you as a person who should not trade due to an event-specific restriction, you should not trade while aware of material non-public information.

Exceptions. The quarterly trading restrictions and event-driven trading restrictions do not apply to those transactions to which this Policy does not apply, as described above under the heading "Transactions Under Company Plans and Others." Further, the requirement for pre-clearance, the quarterly trading restrictions and event-driven trading restrictions do not apply to transactions conducted pursuant to approved Rule 10b5-1 plans, described under the heading "Rule 10b5-1 Plans."

RULE 10B5-1 PLANS

Rule 10b5-1 under the Exchange Act provides an affirmative defense to insider trading allegations under federal law. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Carvana Securities that meets certain conditions specified in the Rule (a "Rule 10b5-1 Plan"). If the plan meets the requirements of Rule 10b5-1, Carvana Securities may be purchased or sold without regard to certain insider trading restrictions described in this Policy. Unless

specifically authorized by the General Counsel (or his or her designee), a Rule 10b5-1 Plan must be entered into or amended during an open trading window and Rule 10b5-1 Plans must always be entered into or amended at a time when you are not aware of material non-public information about Carvana or Carvana Securities. Once the plan is adopted, you may not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Any new or amended Rule 10b5-1 Plan must be submitted for approval by the General Counsel (or his or her designee, if applicable) prior to entry into the Rule 10b5-1 Plan and meet the requirements of Rule 10b5-1. The General Counsel may delegate approval authority for Rule 10b5-1 Plans for individuals that are not subject to Section 16 of the Exchange Act. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan is required.

The first trade under any new or materially modified Rule 10b5-1 Plan is subject to the following "Cooling-Off Period":

- The first trade under any Rule 10b5-1 Plan entered into by a member of the Board or a Section 16 Officer cannot occur until the later of:

  (a) ninety (90) days after the adoption or modification of the Rule 10b5-1 Plan, or

  (b) two business days following the disclosure of Carvana's financial results in a Quarterly Report on Form 10-Q or Annual Report on Form 10-K for the completed fiscal quarter in which the plan was adopted (but in any event, not to exceed 120 days after the adoption of the Rule 10b5-1 Plan).

- The first trade under any Rule 10b5-1 Plan entered into by any other Carvana Personnel cannot occur until thirty (30) days after the adoption or modification of the Rule 10b5-1 Plan.

Directors and officers must include a representation in their Rule 10b5-1 Plan certifying that: (i) they are not aware of any material non-public information; and (ii) they are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5. Anyone entering into a Rule 10b5-1 plan must act in good faith with respect to that plan.

You may not have more than one Rule 10b5-1 Plan outstanding at the same time, except in limited circumstances pursuant to Rule 10b5-1 and subject, in all cases, to pre-approval by the General Counsel (or his or her designee).

Note that Carvana will be required to make certain quarterly disclosures, in accordance with Rule 10b5-1, regarding any adoption, modification or termination of a 10b5-1 Plan by a member of the Board or Section 16 Officer and disclose certain material terms of each 10b5-1 Plan, including the name and title of the person entering into a 10b5-1 Plan and the total amount of securities to be purchased or sold under the 10b5-1 Plan.

PRE-TRANSACTION NOTIFICATION AND FORM 144 REPORTS

Members of the Board and executive officers are required to file a Form 144 with the SEC before making an open market sale of Carvana Securities. Form 144 notifies the SEC of an individual's intent to sell Carvana Securities. Often prepared and filed by a broker pursuant to a previously executed limited power of attorney, this form and its timely filing is each individual's personal responsibility and is in addition to the Section 16 reports (Form 4 and Form 5).

POST-TRANSACTION NOTIFICATION

Section 16(a) of the Exchange Act requires that certain transactions by members of the Board and Section 16 Officers be reported on Form 4s filed with the SEC within two business days following the date of the transaction. All members of the Board and Section 16 Officers must report the details of any transaction in Carvana Securities to the General Counsel (or his or her designee) before the close of business on the date the transaction occurred. This includes all purchases, sales, and transfers by gift or otherwise, trades pursuant to approved Rule 10b5-1 Plans, and option exercises.

TRANSACTIONS AFTER TERMINATION OF EMPLOYMENT OR SERVICE

This Policy continues to apply to transactions in Carvana Securities and Restricted Securities by all Carvana Personnel even after termination of service to Carvana. If you are in possession of material non-public information when your service terminates, you may not trade in Carvana Securities or Restricted Securities until that information has become public or is no longer material. The pre-clearance procedures specified under the heading "Pre-Clearance and Blackouts" above, however, will cease to apply to transactions in Carvana Securities upon the expiration of any blackout period or other Carvana-imposed trading restrictions applicable at the time of the termination of service.

CONSEQUENCES OF VIOLATIONS

The purchase or sale of securities while aware of material non-public information, or the disclosure of material non-public information to others who then trade in possession of such information, is prohibited by federal and state laws. Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and state enforcement authorities, as well as the laws of foreign jurisdictions.

Punishment for insider trading violations is severe, and could include, for individuals who trade on material non-public information (or tip such information to others) civil penalties up to three times the profit gained or loss avoided, significant criminal fines, and imprisonment. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

In addition, an individual's failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissal for cause, regardless of whether the employee's failure to comply results in a violation of law or external proceedings. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish Carvana's reputation, harm Carvana's stock price, as well as tarnish a person's reputation and irreparably damage a career.

COMPANY ASSISTANCE

Any person who has a question or concern about this Policy or its application to any proposed transaction may obtain additional guidance from Carvana's legal team, who can be reached by e-mail at preclearance@carvana.com. As part of Carvana's mission to operate ethically and to support a culture of integrity, Carvana also provides additional avenues to submit concerns, questions or report situations you know, or suspect in good faith, may violate legal or regulatory obligations or company policies and procedures. These reports will be treated confidentially, and can be submitted anonymously. You may also reach out to your supervisor, People Operations or either of the following:

Carvana Integrity Line: 800-683-0084 or access the web based reporting form.

Exhibit 21.1

SUBSIDIARIES OF THE COMPANY

The following are the direct and indirect subsidiaries of Carvana Co. as of December 31, 2024:

Subsidiary	Jurisdiction of Organization
Carvana Co. Sub LLC	Delaware
Carvana Group, LLC	Delaware
Carvana Operations HC LLC	Delaware
Carvana, LLC	Arizona
ADESA US Auction, LLC	Delaware
ADESA California, LLC	California
Carvana Insurance Services LLC	Arizona
Carvana Logistics, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated February 19, 2025, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Carvana Co. on Form 10-K for the year ended December 31, 2024. We consent to the incorporation by reference of said reports in the Registration Statements of Carvana Co. on Form S-3 (File No. 333-264391) and on Forms S-8 (File No. 333-217520, File No. 333-255914, File No. 333-269560, File No. 333-271690, and File No. 333-277329).

/s/ GRANT THORNTON LLP

Southfield, Michigan
February 19, 2025

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ernest C. Garcia, III, certify that:

1. I have reviewed this Annual Report on Form 10-K of Carvana Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2025

/s/ Ernest C. Garcia, III

Ernest C. Garcia, III

Chairman and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Mark Jenkins, certify that:

1. I have reviewed this Annual Report on Form 10-K of Carvana Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2025

/s/ Mark Jenkins

Mark Jenkins

Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Carvana Co. (the "Company") for the fiscal year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Ernest C. Garcia, III, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2025

/s/ Ernest C. Garcia, III
Ernest C. Garcia, III
Chairman and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Carvana Co. (the "Company") for the fiscal year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Mark Jenkins, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2025

/s/ Mark Jenkins
Mark Jenkins
Chief Financial Officer