

Hi Meesho,

I have a difficult news to share today.

We are reducing the size of the Meesho workforce by 15%, affecting 251 employees.

Through this email, I'm going to share as much context I can about it.

We grew by 10X from 2020 to 2022, helped by Covid tailwinds and aggressive investments. Even as we tracked to our plans, the macro climate undeniably and considerably changed. As a result, we have had to accelerate our timeline to profitability as part of Project Redbull, while readjusting our GMV growth goals to 30% YoY. While our cash reserves buffer us well for these harsh circumstances, we need to stay highly prudent on the cost front.

As leaders, we made judgement errors in over-hiring ahead of the curve. At the same time, we could have run our org structure in a more effective and lean manner overall. Our spans and layers were inflated, and this could have unintended consequences on our speed to execute.

While we are confident that Meesho business will stay strong, the economic reality is here to stay. We are now faced with the hard truth of aligning our people costs with the new projections for our business. We should have done better here.

I want to let you in on the principles we followed before making a plan of action:

- We questioned every single assumption behind our new projections and rationalised each cost head before we got here, including and not limited to, our infrastructure costs, discretionary growth spends, tool costs, support and other indirect costs.
- We mapped all reductions against our future plans and to a lean org structure that can stay true to our future growth. We are ensuring that the current plan will enable us to invest in the future while also delivering strong, ongoing results.
- We aligned the best treatment and transparency possible for both impacted and non-impacted Meeshoites.

I want to reiterate that the decision around who is impacted, has nothing to do with performance, and only to do with our business reality. That we are losing the best, hard-working talent as a result of this decision is not lost on me.

For Meeshoites who are impacted, we have planned the following:

Severance: Employees will receive full pay for Notice Period and 1 additional month, along with a tenure based payment of 15 days pay for every completed year of service, rounded up to the nearest year.

Equity: All ESOP holders will be entitled to the following benefits:

1) We are dropping the one-year vesting cliff on ESOPs so that employees departing, regardless of how long they have been here, are shareholders.

2) All ESOPs due to vest till August 5th, 2023, whether or not the grant has completed 1 year, will accelerate and vest immediately.

3) If Meesho does a buyback event till 4th May, 2024, exiting employees will be treated at par with full-time, current employees.

Healthcare: We will extend family insurance coverage upto 31st March, 2024.

Relocation: We also understand that many Meeshoites would have taken the decision to relocate to Bangalore recently. This is extremely harrowing, for Meeshoites and family members, and to this effect, for anyone who moved to Bengaluru since 1st Jan, 2023 till 5th May:

- Reimbursement as per the current relocation policy will be applicable
- An amount equivalent to the claim amount will be paid as a allowance to cover any costs towards relocating back to the hometown.

Gratuity and Leave Encashment: Leave encashment as per policy and gratuity as per applicable law.

Placement Support: We will gather opt-ins for Alumni Placement Support for the Meeshoites who are leaving.

1) Formal support: Our current Meesho recruiting team will become an Outplacement team for Meeshoites who opt-in to this channel for the next 6 months.

2) Informally offered Support- We encourage leaders, and the rest of Meesho to volunteer in building this talent directory, so as to help us assist departing team mates in a more structured way. Our collective networks could be far more valuable here.

More details of the above benefits, and outplacement support will be made available to you by HRBPs shortly.

What happens next:

Impacted employees will receive email communication in the next 60 mins about their status of employment with Meesho. We will share invite links to personal, 1 on 1 conversations that we leaders will take up through today.

We will keep gmail and slack channels available till Sunday evening for giving people time to speak to their colleagues and say goodbye.

Finally...

I understand this is bigger and more frustrating than any change we have braved together.

For those who are leaving: I say thank you and that I truly am sorry. You were the strength that moved mountains in our mission of democratising e-commerce for everyone and you made Meesho Meesho. While you leave a big gap behind, I am certain you will succeed in all your endeavours.

For those who are staying: take the day to say goodbyes, and honor your colleagues for their contributions to Meesho's story. Be strong for those who have to leave, more than anything else. Towards the end of today, I will do an All-hands to address your questions.

Our leaders and I will be available in-person and on Zoom, through today, tomorrow, and as long as it takes, for us to cope with this.

Vidit