

Spokesperson: Ritesh Agarwal

Audience: All OYO India SA employees

Date: January 13, 2020

Proposed subject: 2020 - A renewed focus on economics, excellence, people and values

Dear OYOpreneurs,

It's been almost two weeks since the New Year started. As we enter 2020 together, I'm writing to update you on our strategy which OYO leaders agreed upon when we came together for the 2019 Global Leadership Meet in December. We had a single-point agenda - to plan on how OYO will continue to drive its success in 2020 and beyond.

2019 - a year of significant growth and learning

But before I come to that, let me take a step back and spend a few moments on the year gone by. I would also like to ask for your patience as you go through this detailed but critical note.

As a young, 6-year-old startup, OYO has naturally and actively evolved as an organization. We are proud of the hard work, dedication and passion of every OYOpreneur who has helped us achieve our goals so far. The company has today become one of the world's leading hotel chains, serving millions of guests across the world including in India, China, US, Europe, SEA, ME, Japan, and more. We increased our y-o-y revenues 3X and moved to 1M+ rooms across the globe by the end of 2019.

OYO was rated by brandZ as one of the most valuable new brands in India. We strengthened our leadership by adding some of the best talent in the industry as key CXOs and VPs across the organization. We established a strong base for the vacation homes business through our first major acquisition.

But, of course, a journey like this is never easy. As a young company that has experienced significant growth, 2019 gave us an opportunity to reflect on our journey and introspect. We realized that we continue to deliver positive impact and enable millions of middle income travellers and city dwellers to experience *#LivingTheGoodLife*.

I have no hesitation in admitting that, growing at the pace at which OYO has in the past few years, we sometimes went ahead of ourselves and pressure-tested our organization at multiple levels. This year, we are taking steps to address this.

Recent article in the press about OYO

Given our bold dreams and humble beginnings, OYO has always been written about. Recently there have been a few questionable claims in a publication and today I want you to hear about them from me. The said article described behaviour that would violate our Code of Conduct. We take all the allegations very

seriously and are looking into each and every one. We, of course, continue to be subject to regular external audits and have reached a stage as a company where we are making significant investments in compliance, training, and governance that ensure operational consistency and accountability. We are - and will always be - committed to growing OYO the right way.

I also want to call out all YOpreneurs who wrote to me after reading the article to say that, no matter how harsh the words may be, as part of this organization, they have a very different view on things informed by their own experiences in the company. I was humbled to see that we all share the same conviction about what we do everyday. Without going into 'why', we would rather focus on 'what' has been said and come out stronger together.

2020 roadmap and priorities

This is where the learnings from the Global Leadership Meet 2019 will help all of us. We had a productive two day session with over 100 OYO leaders from across the world. We have a clear roadmap to continue driving OYO's success this year and beyond. As we enter 2020, we are taking steps to optimize and strengthen our business. We have heard what our guests, asset owners and colleagues have to say and are fully committed to delivering by focusing on the following strategic objectives:

1. **Sustainable Growth:** Balance the speed of our growth with our operational capabilities, to ensure our growth is sustainable.
 - We have built world-class capabilities since we started and in 2020 we are forming a Global Capabilities Team for each core function that will dramatically shorten the learning curve of every OYO market through knowledge sharing and drive consistent strategy and execution across our brands, teams and locations.
2. **Operational and Customer Excellence:** Leverage technology and data insights along with our culture of service to simplify operations and drive consistent, high-quality execution
 - Drive uniform adoption of our own tech products across different geographies. This also makes our guests', hotel partners' and our lives easier and efficient.
 - Move 90%+ hotels from OYO to >7/10 rating through network planning, technology enabled tools and targeted investments
3. **Profitability:**
 - Increase efficiency while focusing on core businesses and rationalizing growth avenues
 - Focus on profitable locations and buildings and avoid growth that dilutes our margins
 - Further reduce operating costs
4. **Training and Governance:** Enable YOpreneurs with the right tools to drive productivity, consistency and governance, while building a high-performing and employee-first work culture

Our people commitment

As a result of the above, and you saw it in my recent email, I recently reorganized OYO's CXO leadership to focus and commit to delivering these strategic objectives. Over the past few months, we also successfully transitioned many of our colleagues into more meaningful roles within OYO by providing mentorship, training and tools to be successful. We have also streamlined the organization by driving

synergies across our business lines and removing duplication of efforts in some of our every day manual processes. I fully trust the new leadership in India to take OYO down this road as a culture.

One of the implications of the new strategic objectives for 2020, is that, like the leadership team, we will reorganize more teams across businesses and functions. And this means that, unfortunately, some roles at OYO will become redundant as we further drive tech-enabled synergy, enhanced efficiency and remove duplication of effort across businesses or geographies. As a result, we are asking some of our impacted colleagues to move to a new career outside of OYO.

This has not been an easy decision for us. We are doing everything we can to ensure that our outgoing colleagues receive as much assistance and support as possible through this transition. Every OYOpreneur is important to OYO and ensuring their well-being both during and after their tenure is our number one priority. I want to thank them for their efforts and apologize for the impact this is causing. One is an OYOpreneur forever and we will always be grateful for your efforts.

As an organization, we stand strong with our people - not just with those who are impacted, but also with those who will remain an integral part of OYO beyond today.

Living our values

Change can be hard. It requires tough choices and it demands bold actions. In the Global Leadership Meet recently we have together committed to 3 key values that are a natural extension of our cultural tenets. These values are ***building trust, being respectful, and being resilient*** at all times. I urge everyone to embrace these values and live them on an everyday basis, as will I.

Thanks for all that you do at OYO and thanks for standing by our organization that all of you continue to build with hard work, honesty and long-term efforts.

Ritesh