

MEESHO LIMITED

(Formerly known as "Meesho Private Limited" and "Fashnear Technologies Private Limited")

CIN: L74900KA2015PLC082263

Registered Office: 3rd Floor, Wing-E, Helios Business Park, Kadubeesanahalli Village,
Varthur Hobli, Outer Ring Road, Bengaluru, Karnataka 560103

T: +91 9108021923 | E: cs@meesho.com | W: www.meesho.com



October 28, 2026

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
Symbol: MEESHO

To,
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001
Scrip Code: 544632

Dear Sir / Madam,

Subject: Shareholders' Letter dated October 28, 2026.

Ref.: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations")

Pursuant to Regulation 30 of the SEBI Listing Regulations, please find enclosed Shareholders' Letter for Q2 FY 2026-27 dated October 28, 2026.

This information will also be made available on the Company's website at: <https://investor.meesho.com/financials>

You are requested to take the above information on record.

Thanking you,

For Meesho Limited
(Formerly known as Meesho Private Limited and Fashnear Technologies Private Limited)

RAHUL
BHARDWAJ

Digitally signed by
RAHUL BHARDWAJ
Date: 2026.10.28
17:01:23 +05'30'

Rahul Bhardwaj
Company Secretary and Compliance Officer
Membership No.: A41649
Encl.: As above



Shareholders' Letter

OCTOBER 28, 2026

Q2 FY27

DEMOCRATISING INTERNET

Mall



COMMERCE FOR EVERYONE



Our Vision: Democratizing Internet Commerce for Everyone

In this letter, we cover our Q2 FY27 financial performance and how the shift in festive timing affects the quarter, progress across Meesho Mall and Content Commerce, logistics efficiency and margins, why we look at free cash flow, how we fund new initiatives, and how AI agents are changing the way we build Meesho.

Key Metrics

Metrics	Q2 FY2026	Q1 FY2027	Q2 FY2027
Annual Transacting Users	234 Mn YoY 34%	274 Mn YoY 29%	284 Mn YoY 21%
LTM Frequency	9.7 YoY 10%	10.3 YoY 9%	10.4 YoY 7%
Quarterly Placed Orders	699 Mn YoY 55%	725 Mn YoY 29%	819 Mn YoY 17%
Net Merchandise Value	₹10,515 Cr YoY 51%	₹11,614 Cr YoY 34%	₹12,911 Cr YoY 23%
Contribution Margin as % of NMV	3.3%	4.6%	6.0%
Last Twelve Months (LTM) Free Cash Flow: Marketplace		(₹447 Cr)	(₹461 Cr)
Last Twelve Months (LTM) Free Cash Flow: New initiatives		(₹90 Cr)	(₹104 Cr)
Last Twelve Months (LTM) Free Cash Flow: Consolidated	₹581 Cr	(₹537 Cr)	(₹565 Cr)
LTM Free Cash Flow to Equity: Consolidated	₹1,010 Cr	(₹164 Cr)	(₹163 Cr)
Cash balance	₹5,947 Cr	₹6,521 Cr	₹7,048 Cr

Key takeaways

- Annual Transacting Users grew 21% YoY to 284 million, and LTM frequency rose 7% to 10.4, even as first-time buyers grew 16% QoQ. Annual Transacting Sellers grew 60% YoY to 1.13 million.
- Placed Orders grew 17% to 819 million, while NMV grew 23% YoY to ₹12,911 crores. Last year's Mega Blockbuster Sale (MBS) fell in Q2, while this year's started in Q3. On a festive-aligned basis, NMV grew 33% YoY over the 90 days before Dussehra.
- Contribution Margin rose to 6.0% of NMV, from 4.6% in Q1. We will reinvest some of this in the user and seller experience and expect it to moderate in the near term. Last Twelve Months (LTM) Free Cash Flow stood at (₹565) crores and LTM Free Cash Flow to Equity stood at (₹163) crores, while quarterly free cash flow was ₹345 crores, boosted by seasonal working capital, with a cash balance of ₹7,048 crores.
- As we flagged last quarter, we raised growth spend to bring new users onto Meesho before the festive season, and secured compute capacity early, increasing our GPU footprint by 150%.

Our assessment of the quarter

Net Merchandise Value – Marketplace

	UoM	Q1 FY'26	Q2 FY'26	Q3 FY'26	Q4 FY'26	Q1 FY'27	Q2 FY'27
ATUs	# million	213	234	251	264	274	284
LTM Frequency	#	9.49	9.70	9.78	10.10	10.33	10.39
Placed Orders	# million	562	699	690	717	725	819
YoY Growth%		50%	55%	36%	43%	29%	17%
GMV – Marketplace	₹ crores	15,134	18,349	18,285	18,941	19,054	21,163
NMV – Marketplace	₹ crores	8,679	10,515	10,995	11,371	11,614	12,911
YoY Growth%		36%	51%	26%	43%	34%	23%

- NMV grew 23% YoY to ₹12,911 crores in Q2 FY27, and Placed Orders grew 17% to 819 million. As we flagged last quarter, our Mega Blockbuster Sale (MBS) moved from Q2 last year to Q3 this year, so Q2 will look softer than the underlying trend and Q3 stronger. The two are best read together.

Several measures suggest underlying demand held up:

- **Festive-aligned growth:** Shopping in India follows the festival calendar, not fiscal quarters. Demand builds through Navratri and peaks around Dussehra and Diwali, and our sale is timed to that cycle. This year, Dussehra fell about 19 days later than last year, so the festive build-up moved partly out of Q2 and into Q3. Comparing the 90 days before Dussehra in each year lines up the same stretch of festive demand, sale included, regardless of where the quarter ends. On that basis, NMV grew 33% YoY.
- **Quarter on quarter:** NMV grew ~11% QoQ, in a quarter with no sale.

- **Habit:** LTM frequency rose 7% YoY to 10.4, even as first-time buyers grew 16% QoQ. New users take time to settle in, so frequency rising alongside them means existing users are shopping with us more often.
- NMV grew faster than orders this quarter mainly because last year was affected by temporary inefficiencies from consolidation in the third-party logistics industry, which did not recur this year. As a result, more of the orders customers placed were delivered.

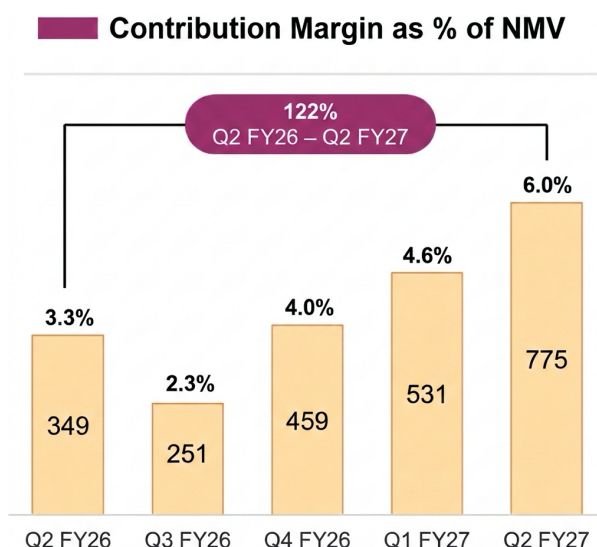
Meesho Mall

- Meesho Mall now hosts ~1,800 brands. Its NMV grew 81% YoY in Q2 FY27, and 89% in Tier 3+ cities, with about half of its customers in the quarter buying on Mall for the first time. Meesho Mall is commission-free, so brands can reach these customers without paying to get there, and shoppers get genuine brands at prices they can afford.
- What people buy on Meesho Mall is changing. When we started, most branded purchases were essentials such as soap, shampoo, detergent and diapers, and those purchases built trust. Today, the same customers are also buying face serums, sunscreens, conditioners and face rollers, and discretionary products make up a growing share of what they buy on Meesho Mall. These are first steps beyond the basics, taken in towns that many brands have not reached directly before.
- Our scale also lets us work closely with brands. We see emerging consumption trends, regional preferences and how shopping habits are changing in smaller towns. We share these insights with brands to help them understand these customers and plan for growth across the country.

Content Commerce

- Content Commerce NMV grew 160% YoY in Q2 FY27, and the number of content pieces generating orders grew 144% to 2.2 million. What began as a way for customers to discover products is now how a growing number of them decide what to buy: they watch someone they trust use a product, then buy it.
- It works for everyone involved. Customers find products through creators they relate to, sellers reach demand they could not reach on their own, and creators earn from what they make. Over 4 lakh sellers are now part of the ecosystem. Because creators earn only when their content leads to a purchase, everyone's incentives point the same way.

Contribution Margin – Marketplace



Contribution Margin rose to 6.0% of NMV in Q2 FY27, from 4.6% in Q1. Two things drove it:

Revenue growth: Revenue from Operations (Marketplace) was ₹4,119.9 crores, up 34% YoY, as more sellers invested in ads that reliably convert into orders, and better matching of seller demand to user intent made every rupee they spend work harder.

Logistics efficiency: greater network density, better network design, routing and partner allocation, and improvements in Geo-India LLM made delivery c.15% faster YoY and lowered cost per shipment as volumes grew, so each additional order now brings overall cost down while improving the experience. TrustMesh, our AI model for preventing abuse at scale, continues to get better at stopping potentially fraudulent orders before they are placed, so fewer shipments end up cancelled or returned to origin

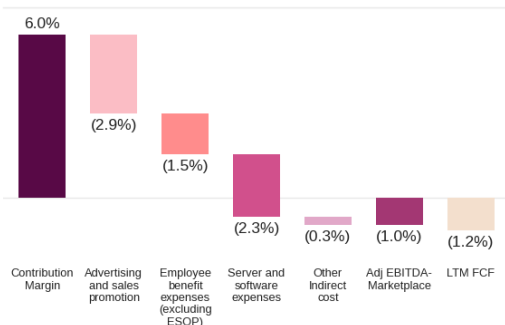
We may not hold Contribution Margin at this level in the near term. Our platform has increasing returns to scale, so fulfilling each order gets more efficient as we grow. Denser logistics networks lower the cost of each shipment. Every additional transaction gives our AI models more signal, which improves relevance, visits and conversion, and makes our advertising more valuable to sellers. As the business becomes more efficient, we will reinvest part of the gains: lowering sellers' cost of doing business, improving the experience for everyone on the platform, and scaling earlier-stage flywheels like Meesho Mall and Content Commerce. We believe a larger, healthier platform running at a reinvested margin will generate more free cash flow over the long term than a smaller one optimised for near-term margin. We are making this trade-off to deliver on our mission of Democratizing Internet Commerce for Everyone faster.

Free Cash Flow

	UoM	Q2 FY'26	Q3 FY'26	Q4 FY'26	Q1 FY'27	Q2 FY'27
Contribution Margin – Marketplace	₹ crores	349	251	459	531	775
Contribution Margin – Marketplace %	%	3.3%	2.3%	4.0%	4.6%	6.0%
Adjusted EBITDA – Marketplace	₹ crores	(371)	(460)	(198)	(139)	(130)
Adjusted EBITDA – Marketplace %	%	(3.5%)	(4.2%)	(1.7%)	(1.2%)	(1.0%)
Adjusted EBITDA – New Initiatives	₹ crores	(13)	(19)	(21)	(39)	(42)
LTM FCF	₹ crores	581	56	(633)	(537)	(565)
Quarterly FCF - Consolidated	₹ crores	373	(421)	(263)	(226)	345
Quarterly FCF - Marketplace	₹ crores	386	(406)	(237)	(190)	372
Quarterly FCF - New Initiatives	₹ crores	(13)	(15)	(26)	(36)	(27)

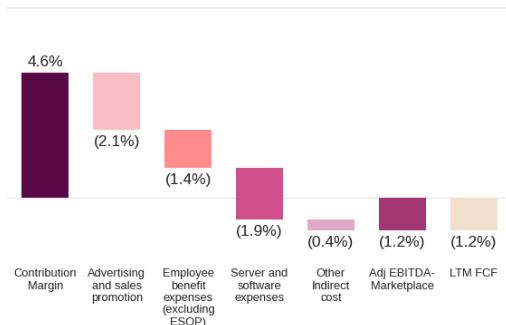
Free CashFlow Q2 FY27

% of NMV from our Marketplace



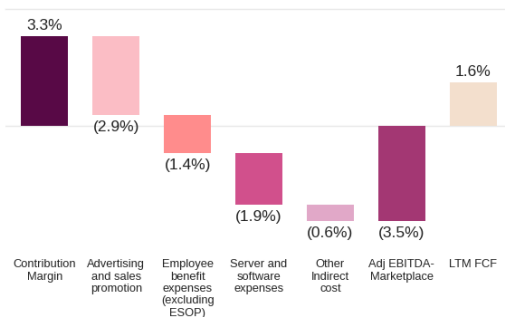
Free CashFlow Q1 FY27

% of NMV from our Marketplace



Free CashFlow Q2 FY26

% of NMV from our Marketplace



Adjusted EBITDA for the Marketplace improved to (1.0%) of NMV, or (₹130) crores, in Q2 FY27. That compares with (1.2%) last quarter and (3.5%) a year ago.

Costs not directly attributable to Placed Orders were 7.0% of NMV, up from 5.8% in Q1.

Growth Spend (Advertisement and Sales Promotion) rose to 2.9% of NMV, from 2.1% in Q1 FY27 (2.9% in Q2 FY26). We invested in bringing new users onto Meesho before the festive season, so that they were already with us when demand peaked. First-time buyers grew 16% QoQ.

Server costs rose to 2.3% of NMV, from 1.9% in both Q2 FY26 and Q1 FY27. The increase reflects GPU capacity we reserved ahead of our festive sale for our growing AI workloads. To protect uptime at peak, we reserved this capacity in advance rather than relying on auto-scaling, which adds capacity only as traffic rises. GPU usage during the sale doubled compared with last year, we raised peak compute capacity by 69%, and core systems held 99.99% availability through the peak sale period.

Over the medium term, we expect this cost to normalise as three levers take effect:

- **Sale capacity scales down:** capacity reserved for peak sale traffic is released after the sale period.
- **The cost of each unit of AI work is falling:** for our proprietary models, we are reducing the compute they need, serving them more efficiently and moving them to lower-cost GPUs. Our workflows that use third-party models are model-agnostic by design, so many can move to cheaper or open-weight models today, with further savings as new models are released.

- **Our infrastructure is becoming portable:** our GPU capacity already spans two providers, and nearly half our AI models can run on any GPU type. Our next step is to run Meesho across multiple regions and cloud providers, so workloads can move to wherever capacity is cheapest or most available.

In the near term, server and software costs may remain above earlier levels as a share of NMV until these optimisations take effect.

Other costs not directly attributable to Placed Orders, including employee benefit expenses, were 1.8% of NMV, compared to 2.1% in Q2 FY26.

Why we look at free cash flow

In Q2 FY27, we generated ₹345 crores of free cash flow (₹372 crores from the marketplace, offset by ₹27 crores of new initiatives burn), compared with an outflow of ₹226 crores in Q1. This was also boosted by a seasonal working-capital benefit. Seasonal order volumes built up in the last weeks of the quarter ahead of MBS, and because we collect from customers before we settle with sellers, that build-up brought cash in before quarter end. LTM free cash flow was (₹565) crores, reflecting the higher investment we made in Q3 FY26 due to logistics inefficiencies.

The way we invest is fundamentally different from asset-heavy models. Consider a business that commits thousands of crores to warehouses, fulfilment centres or data centres. That spend never passes through its P&L in the year it is made. It is capitalised and expensed gradually over a decade, so its reported profitability looks healthier than its cash position. The capital is also locked in. If demand shifts or returns fall short, it cannot be pulled back.

As an asset-light platform, almost every rupee we invest in acquiring consumers, sellers and logistics partners, and in technology, is expensed in the quarter we spend it. The benefits arrive over years: a user we acquire this quarter keeps ordering, and a seller who joins keeps listing and growing with us. 88% of our NMV in Q2 FY27 came from consumers we acquired up to FY26, and consumers we acquired in FY27 will continue to generate cash flows in the future. Our P&L carries the full cost of building Meesho's future upfront, which is why we look at Free Cash Flow as our success metric.

None of our capital is tied up in physical assets, so we can step up investment when returns are strong and pull back when they are not. We fund new bets in steps, scale only those that clear our return thresholds, and redirect spend as the evidence changes.

Our model also means growth does not, by itself, require us to tie up cash. We hold no inventory: sellers own their stock, and we collect from customers before we pay sellers, so our marketplace runs on negative working capital. With ₹7,048 crores on our balance sheet, we can keep investing for the long term while staying disciplined.

Adjusted EBITDA – New Initiatives

Adjusted EBITDA for New Initiatives, which include Financial Services, Grocery and AI services, was (₹41.6) crores in Q2 FY27.

These are our Horizon 2 (H2) bets: early-stage businesses that are at various stages of proving product-market fit. They sit outside the core marketplace, with their own budgets and their own economics, and the core business doesn't depend on any of them. What they give us is a real shot at building Meesho's next big business, at a cost that is capped and known in advance.

We fund them with a simple rule. Each one gets capital only to prove product-market fit and sound unit economics, and total H2 spend has a hard cap. The ones that work graduate to Horizon 1 (H1), where they compete for growth capital on the same IRR framework as the rest of Meesho.

Technology and AI – Q2 FY27 update

In Q1, we began moving code authorship to AI agents. In Q2, agents became the default way we build software, and we extended them into how we serve shoppers and run the business. AI agents now write code, tests and documentation, while engineers write the specification, review the result and own the outcome. Engineering output, measured by our internal productivity score, rose 171% between March and September 2026, and the number of experiments we ran rose 73%.

Four AI agents now run core steps of the cycle:

AI agent	What it does	Q2 FY27 impact
AI engineer	Writes and tests code from an engineer's specification. Live since July; 100% scale-up in the coming quarters	65% of pods now run by a single engineer directing agents
AI code reviewer	Reviews every code change with context from our full codebase. Model agnostic.	Time to approve a change down 41%, despite 3x more changes to review. Caught 20% more bugs than a leading commercial tool in our internal benchmark.
AI data science researcher	Selects the right data, sets up and launches models, and runs experiments on its own for days at a time	Time to take a model to a live test cut from 17 days to 3
AI security analyst	Reviews every security alert and acts on external threat warnings	Threats detected in under 10 minutes.

Features now ship in days rather than two to three weeks. As agents take on more of the cycle, an engineer's role shifts from writing code to directing agents, and one engineer steering a fleet of agents now owns the outcome that a three-person pod owned before.

With code changes up threefold, our focus in the coming quarters is quality and deeper autonomy. We aim to raise the share of AI-written code that is right the first time, approve a growing share of low-risk changes automatically, and fully automate simple data science tasks.

More output per engineer means more experiments, and more experiments mean faster product improvement for everyone on the platform. As single-engineer pods become standard and agents take on more coding, support and operations, we expect product velocity to keep improving, with costs growing more slowly over time. We are building our AI workflows on the most capable models available, and most are not yet optimised for cost. As they mature, we expect the cost of each unit of AI work to fall.

Outlook and final thoughts

We remain watchful of the macro environment. The geopolitical conflict has lasted longer than most expected, leading to a surge in raw material and fuel prices, and household budgets remain under pressure.

Even so, our customers showed up in strong numbers this festive season, and they spent on more than just the basics. That gives us confidence in where demand in India is heading.

For Q3, growth spend will stay elevated through the sale and the weeks around Diwali, as it does every festive quarter, and technology costs will stay higher until our optimisations take effect. Q3 YoY growth will also look stronger than the underlying trend because of the sale shift. This is why Q2 and Q3 are best read together, and we will share that combined view with our Q3 results.

We continue on the path of strengthening our flywheel by reinvesting efficiency gains while gradually improving FCF generation.

That concludes our update for this quarter. We thank our shareholders, as always, for their continued confidence in our long-term vision

Non GAAP Reconciliation

1. Adjusted EBITDA to restated loss for the year

Particulars (₹ Crores)	Three months period ended Sep 30,		Fiscal		
	2025	2026	2024	2025	2026
Adjusted EBITDA – Marketplace	(370.7)	(130.5)	(149.2)	(116.7)	(1,177.8)
Adjusted EBITDA - New Initiatives	(13.5)	(41.6)	(66.8)	(92.8)	(70.2)
Adjusted EBITDA – Unallocated	(0.3)	0.0	(14.1)	(10.0)	1.9
Adjusted EBITDA – Consolidated	(384.4)	(172.1)	(230.1)	(219.5)	(1,246.1)
Less: ESOPs	55.9	51.3	253.0	320.0	182.3
Less: Exceptional items	45.0	0.0	13.1	1,346.4	141.1
Less: Depreciation and Amortisation	9.3	20.1	58.1	34.0	46.8
Less: Finance cost	1.2	1.4	6.4	6.9	9.0
Less: Fair value loss on derivative instruments at fair value through profit or loss	-	-	-	-	-
Add: Other income	165.4	121.7	233.1	472.0	416.0
Loss before tax	(330.5)	(123.3)	(327.6)	(1,454.8)	(1,209.3)
Less: Tax expense	(80.9)	(9.2)	-	(2,486.9)	(148.4)
Loss for the year	(411.4)	(132.4)	(327.6)	(3,941.7)	(1,357.7)

2. LTM FCF and FCFE reconciliation

Particulars (₹ Crores)	Last twelve months ended Sep 30,	Fiscal		
	2026	2024	2025	2026
Cash flows (used in)/ from operating activities	(625.0)	233.1	576.0	(1,094.8)
Less: Purchase of property, plant and equipment, intangible assets and intangible assets under development (including payable towards capital goods)	(113.3)	(35.2)	(22.9)	(101.0)
Add: Cash Flow towards Exceptional items*	173.1	1.7	38.1	563.3
LTM FCF	(565.2)	199.6	591.2	(632.5)
LTM FCF as % NMV – Marketplace	(1.2%)	0.9%	2.0%	(1.5%)
Add: Interest income on bank deposits, bonds, certificate of deposits and commercial papers	328.7	200.7	260.0	216.3
Add: Interest income on security deposits	0.8	0.5	0.4	0.7
Add: Gain on sale of current investments (net)	55.5	28.9	64.3	130.3
Add: Gain on liquidation of a subsidiary	0.0	0.4	-	-
Add: Net gain on disposal of property, plant and equipment	0.4	0.2	0.0	-
Add: Fair value gain on investments at fair value through profit and loss	11.2	1.4	115.6	15.7
Add: Exchange differences relating to disposal of a foreign subsidiary	5.5	-	0.5	5.5
LTM FCFE	(163.0)	431.7	1,032.0	(264.0)
LTM FCFE as % NMV – Marketplace	(0.3%)	1.9%	3.4%	(0.6%)

*Exceptional items include perquisite tax payment, insurance premium, AWS settlement and professional fees

Glossary

Term	Description
Adjusted EBITDA – Marketplace	Adjusted EBITDA – Marketplace is the Segment results – Marketplace in a given period as per Ind AS 108, Operating Segments.
Adjusted EBITDA – Marketplace as % of NMV – Marketplace	Adjusted EBITDA – Marketplace divided by NMV from our Marketplace in a given period.
Adjusted EBITDA – New Initiatives	Adjusted EBITDA – New Initiatives is the Segment results – New Initiatives in a given period as per Ind AS 108, Operating Segments.
Annual Transacting Sellers or ATS	Refers to the count of unique sellers who successfully received at least one order on Meesho in the last twelve months.
Annual Transacting Users or ATU	Refers to the count of unique consumers who successfully placed at least one order on Meesho in the last twelve months.
Contribution Margin – Marketplace	Contribution Margin is calculated as Segment revenue - Marketplace less Costs directly attributable to Placed Orders including Logistics and fulfilment expenses, Payment gateway charges, Contracted manpower, Employee benefits expense, Communication expenses and other operational expenses directly linked to order processing.
Contribution Margin as % of NMV – Marketplace	Refers to Contribution Margin – Marketplace divided by NMV from our Marketplace in a given period.
Frequency	Frequency is calculated as Placed Orders in the last twelve months divided by Annual Transacting Users
GMV – Marketplace or Gross Merchandise Value from our Marketplace	Refers to the total value of Placed Orders by consumers on our Marketplace during a given period, inclusive of all applicable taxes and platform discounts, gross of cancelled, Return to Origin orders and orders that have been returned by consumers.
Last Twelve Months Free Cash Flow or LTM Free Cash Flow or LTM FCF	Last Twelve Months Free Cash Flow represents cash flows from/ (used in) operating activities less purchase of property, plant and equipment, intangible assets and intangible assets under development (including payable towards capital goods) and excluding cash flow towards Exceptional items for trailing twelve months.
LTM FCF as % NMV – Marketplace	LTM FCF divided by NMV from our Marketplace in trailing twelve months.
Last Twelve Months Free Cash Flow to Equity or LTM Free Cash Flow to Equity or LTM FCFE	Refers to LTM FCF plus (i) Interest Income on bank deposits, bonds, certificate of deposits and commercial papers (ii) Interest Income on security deposits (iii) Gain on sale of current investments (net) (iv) Gain on liquidation of a subsidiary (v) Net gain on disposal of property, plant and equipment (vi) Fair value gain on investments at fair value through profit and loss and (vii) Exchange differences relating to disposal of a foreign subsidiary.
LTM FCFE as % NMV – Marketplace	Refers to LTM FCFE divided by NMV from our Marketplace in trailing twelve months.
Net Merchandise Value or NMV from our Marketplace or NMV – Marketplace	Refers to the cumulative checkout value of successfully delivered orders to consumers on our marketplace in a given period inclusive of all taxes. This excludes value of Placed Orders that were cancelled, not delivered or returned by consumers and any discounts applied at checkout.
Placed Orders	Placed Orders refers to the total number of unique products purchased per transaction, aggregated for all such transactions on our marketplace in a given period.