



CARVANA

November 18, 2022

Hey Everyone,

Today is a difficult day. The world around us has continued to get tougher and to do what is best for the business, we have to make some painful choices to adapt.

These changes include adjusting the way we work together, taking on less while channeling more of our focus to our most important and impactful projects. They also include reducing costs and getting more efficient across the business. Those choices are hard. They require work. But they aren't painful. The painful choice is to say goodbye to members of our team who we all know and care about.

Today we are reducing the size of our team by approximately 1,500 people, which represents about 8% of our company. These reductions impact many Corporate and Technology teams as well as some Operations teams where we are eliminating roles, locations or shifts to match our size with the current environment.

In the next 30 minutes we will be sending emails to everyone in Corporate and Tech letting you know whether or not you are impacted by today's changes, while those in Operations groups or field roles will be meeting with managers in the next couple of hours. Everyone will learn exactly where their role and team stands today.

A natural next question is, "what are we doing to support those impacted by this change?" As before, our goal is to help our valued team members during this time of transition. Each impacted team member will be provided with specific details tailored to their situation. In all cases, this will include:

- Separation and severance pay through January 1, 2023, plus one additional week of severance pay for every full year of tenure
- Extended healthcare coverage for 3 months (COBRA election is required)
- Support and resources including resume review, LinkedIn help, and tips to identify your next step in your career
- Cash value of your unvested equity awards from the 1 Million Unit Milestone Gift programs
- Eligibility for our employee vehicle purchase program for the next year, regardless of tenure
- Priority consideration once we begin hiring again

For those of you who have questions or want to talk about your situation, managers will be available with more information, and instructions to set those conversations up will be in the emails you will receive.

To those impacted, I am sorry.

As you all know, we made a similar decision to this one in May. It is fair to ask why this is happening again, and yet I am not sure I can answer it as clearly as you deserve. I think there are at least a couple of factors. The first is that the economic environment continues to face strong headwinds, and the near future is uncertain. This is especially true for fast growing companies and for businesses that sell expensive, often financed products where the purchase decision can be easily delayed like cars. The second is that we failed to accurately predict how this would all play out and the impact it would have on our business. As a result we find ourselves here. Making a decision we hoped to avoid and saying goodbye to great people we will miss.

We have always been lucky at Carvana to have people who care. You have cared. And it has made us better. I can't thank you enough for caring and for everything that has meant as you helped us build this company. I hope you are proud of your contributions. I hope you know that – even though it doesn't feel like it right now – those contributions have been recognized and valued. I hope you walk away with memories of the people you worked with and the problems you solved that make you smile when you think back on them. And most of all, I hope you walk away with your head held high. You are exceptional people and that won't change. You will still be exceptional tomorrow and the next place you choose to work will be exceptionally lucky to have you.

To those who are continuing on with us, I am sure you have many thoughts and questions running through your heads as well. Later today, I will be sharing a video to provide you with the best answers we can give to many of the questions you probably have. I will attempt to walk you through what is going on in the world around us, how it is impacting Carvana, and what our plans are as we manage through this worsening economy.

Something I was told years ago that has always stuck with me is that "everything worth doing is hard". In good times, it can be easy to forget that simple, true statement. Tougher times always remind us. I wish that our story was just a straight line from where we started to where we are going, but it isn't and it never has been. Our story has always had zigs and zags and unfortunately this is another zig. As has always been the case before, we will emerge from tougher times with both the bruises and the wisdom that result from the hits we take. This is a hit. And it's a hit that hurts. But it's not a hit that will keep us down. We will all get up again. And that starts now.

Ernie