

Risk Factors Comparison 2024-08-22 to 2023-08-23 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

We may be unable to attract and retain Subscribers, which could have an adverse effect on our business and rate of growth. • Our operating results have been, and could in the future be, adversely affected if we are unable to accurately forecast consumer demand for our products and services and adequately manage our inventory. • We may not successfully execute or achieve the expected benefits of our restructuring initiatives and other cost- saving measures we may take in the future, and our efforts may result in further actions and / or additional asset impairment charges and adversely affect our business. • The ~~company~~ **Company** has evolved rapidly in recent years and continues to establish its operating experience at the appropriate scale. If we are unable to manage our longer- term growth, intervening changes ~~and~~ costs, or implement restructuring initiatives effectively, our brand, company culture, and financial performance may suffer. • If we are unable to anticipate consumer preferences and successfully develop and offer new, innovative, and updated products and services in a timely manner, or effectively manage the introduction of new or enhanced products and services, our business may be adversely affected. • The connected fitness market is relatively new and, if the general market and specific demand for our products and services does not ~~resume~~ **continue to grow growth**, ~~grows more slowly than we expect~~, or fails to grow as much as we expect, our business, financial condition, and operating results may be adversely affected. • Our past financial results may not be indicative of our future performance. • Our success depends on our ability to maintain the value and reputation of the Peloton brand. • Any major disruption or failure of our information technology systems or websites, or our failure to successfully implement upgrades and new technology effectively, could adversely affect our business and operations. • We rely on a limited number of suppliers, contract manufacturers, and logistics partners for our Connected Fitness Products. A loss of any of these partners or an interruption or inability of these partners to satisfy our demand needs could negatively affect our business. • We have limited control over our suppliers, contract manufacturers, and logistics partners, which may subject us to significant risks, including the potential inability to produce or obtain quality products and services on a timely basis or in sufficient quantity. • We derive a ~~significant majority~~ **substantial portion** of our revenue from sales of our ~~Connected Fitness Products Bike and Bike~~ **Connected Fitness Products**. A decline in sales of our **Connected Fitness Products** ~~Bike and Bike~~ would negatively affect our future revenue and operating results. • We operate in a highly competitive market ~~and~~ we may be unable to compete successfully against existing and future competitors. • We depend upon third- party licenses for the use of music in our content. An adverse change to, loss of, or claim that we do not hold necessary licenses may have an adverse effect on our business, operating results, and financial condition. • From time to time, we may be subject to legal proceedings, government inquiries or investigations, or disputes that could cause us to incur significant expenses, divert our management' s attention, and materially harm our business, financial condition, and operating results. PART I Item 1. Business Overview Peloton is a leading global fitness company with a highly engaged community of over 6. ~~5-4~~ **5.4** million Members ~~as of June 30, 2024~~ across the United States, United Kingdom, Canada, Germany ~~and~~, Australia ~~and~~ Austria ~~and~~ **Australia and Austria**. ~~As a~~ category innovator at the nexus of fitness, technology, and media, Peloton' s first- of- its- kind subscription platform seamlessly combines innovative hardware, distinctive software, and exclusive content. Its world- renowned ~~instructors~~ **Instructors** coach and motivate Members to be the best version of themselves anytime, anywhere. Founded in 2012 and headquartered in New York City, Peloton continues to scale across the ~~five~~ **five** markets in which it operates. We define a “ Member ” as any individual who has a Peloton account through a paid Connected Fitness Subscription or a paid Peloton App ~~Membership Subscription~~ **Subscription**, and completes ~~one~~ **one** or more workouts in the trailing 12 month period. We define a completed workout as either completing at least 50 % of an ~~instructor~~ **Instructor** - led class, ~~scenic~~ **Scenic** ride or, run, or row, or ten or more minutes of “ Just Ride ”, “ Just Run ”, or “ Just Row ” mode. We define a “ **Paid** Connected Fitness Subscription ” as a person, household, or commercial property, such as a hotel or residential building, who has ~~either~~ paid for a subscription to a Connected Fitness Product (a Connected Fitness Subscription with a successful credit card billing or with prepaid subscription credits or waivers) ~~or requested a “ pause~~ **Paid App Subscriptions** ” ~~to their include all App One and App subscription subscriptions for up to three months which we are currently receiving payment~~. Our Products ~~Peloton We provides- provide~~ Members with expert instruction and world class content to create impactful and entertaining workout experiences for anyone, anywhere, and at any stage in their fitness journey. At home, outdoors, traveling, or at the gym, ~~Peloton we offers- offer~~ an immersive and personalized experience. With tens- of- thousands of classes available across ~~16~~ **many** fitness modalities, Members can access Peloton content via our hardware or via the Peloton App, on their phone, tablet, or TV, allowing them to workout when, where, and how they want. Our Connected Fitness Products include: • Peloton Bike ~~--~~: The original Peloton Bike combines fitness, technology, and media to connect riders to live and on- demand workouts led by Peloton ~~instructors~~ **Instructors**. ~~The Peloton Bike also offers alternative workout experiences like Entertainment (video streaming), Scenic (guided, time, and distance based rides filmed in locations around the world), and Lanebreak (game inspired workout experience). It has a 21. 5 ” HD touchscreen~~. • Peloton Bike ~~--~~: The Peloton Bike ~~includes all Bike features and~~ unlocks an even more dynamic workout experience with ~~indoor cycling riders having a rotating screen improving the option of on- and- off- bike content workout experience~~, as well as automatic resistance control with the Bike electronic braking system ~~and~~ **a 23. 8 ” HD touchscreen**. Designed to keep riders motivated and effortlessly moving from cardio to strength, yoga, and more, the Peloton Bike unlocks an even more seamless and integrated total workout experience. • Peloton Tread ~~--~~: The Peloton Tread combines a cutting- edge treadmill design with Peloton’ s compelling ~~Instructor- led running and strength training~~ **Tread Bootcamp** content ~~and~~ **as well as Entertainment, Scenic and Lanebreak**. The Tread includes fundamental ~~design~~ **design** elements unique to Peloton, like dial control knobs ~~and~~ **jump buttons**, ~~and~~ **an auto- incline**

feature. It has a 23.8" HD touchscreen. Peloton Tread includes all Tread features and unlocks an elevated comfort experience with slat belt technology that offers the optimal comfort experience when running. It has The Tread offers a combination of cardio and an upgraded strength content, all streamed via a 32" touchscreen and a powerful sound bar, designed for a total body the highest quality home workout experience at home. On May 5, 2021, we issued a voluntary product recall on Tread, which we conducted in collaboration with the U.S. Consumer Product Safety Commission ("CPSC"); currently, we are seeking to resume sales of the Tread in the United States in 2024. See Part I, Item 1A "Risk Factors — Risks Related to Our Connected Fitness Products and Members."

Peloton Guide Peloton's first connected strength product, Peloton Guide, is an AI-powered personal trainer that connects to televisions and offers Peloton Guide features personalized strength training routines, as well as rep tracking, time tracking, and progress tracking. It features exclusive strength programs and workouts only available on Peloton Guide.

Peloton Row Peloton Row combines the innovative software, premium hardware design, and exclusive Peloton content to deliver a unique low-impact, full-body cardio, and strength workout. Peloton Row employs proprietary form assistance and form guidance technology for rowers and also features personalized pace target technology. It has a 23.8" HD rotating touchscreen. Our Connected Fitness Products also include certain Precor products. Financing options are available for most Peloton products. In select markets the United States and Canada, we also provide the opportunity via the Peloton Rental program to rent certain Peloton Bikes products and access fitness content for one monthly fee. Peloton content is accessed via a Membership, and we have created a number of ways including a free option for consumers to engage with Peloton's fitness experience. Monthly membership options include:

- All-Access Membership: Includes The Peloton All-Access Membership is the most value-packed Peloton Membership. With this membership, the entire household can create a unique profile to access the full library of classes and receive tailored content recommendations across many fitness and wellness modalities on the Peloton Bike, Bike, Tread, Tread, Row, Guide, and the Peloton App. The All-Access Membership also offers advanced metrics and progress tracking features to help members reach their goals, and the ability to diversify their workout experience through Scenic content exclusively for Peloton equipment, game-inspired experiences including Lanebreak, and the ability to stream favorite TV shows, movies, and sports.
- Peloton App Membership: Access to the Peloton App is available with an All-Access or Guide Membership for Members who have Connected Fitness Products or through a standalone App Membership with multiple Membership tiers: (App or App One). Peloton App provides Designed for the user who wants unlimited access to Peloton's entire library other than of content, excluding Lanebreak and Scenic classes. This tier includes all of App One's offerings and unlocks access to thousands of equipment-based cardio classes to take on any indoor bike, treadmill, or rower. This tier also offers exclusive access to classes, featuring specialty content. Peloton App One is Designed designed for the Member Members who wants want unlimited access to thousands of classes across 9 of Peloton's 16 modalities, including Strength, Meditation Yoga, Outdoor Walking Running, Yoga HIIT, and more, as well as all the classes included in the free tier. App One Members can also take up to three, a limited number of equipment-based cardio classes per month (Cycling Bike / Tread / Row). New, on-demand, and live classes are offered almost daily, as well as access to Peloton's Challenges, Programs, and Collections.
- Peloton App Free: Designed to supplement a user's current workout routine and to serve as a gateway to all Peloton has to offer a new user. The free tier provides more than 50 classes curated across 12 of Peloton's modalities, enabling the user to pair workouts to meet their individual interests, even as their goals change over time. This tier includes a rotating set of featured classes that are refreshed on an ongoing basis.
- Guide Membership: Includes App Membership and content exclusively for Guide. Our Integrated Fitness Platform Technology Our content delivery and interactive software platform are is critical to our Member experience. We thoughtfully invest substantial resources in research and development to enhance our platform, develop new products and features, and improve the speed, scalability, and security of our platform infrastructure. Our research and development organization consists of engineering, product, and design teams. We constantly seek to continuously improve our Connected Fitness Products, as well as the Peloton App (including the Peloton mobile app, watch apps, and TV apps), through frequent software updates, iteration iterations of feature enhancements, and innovations such as. For example, last year we launched Peloton Lanebreak Entertainment, our where Members can watch sports, shows, and movies via certain entertainment platform partners while working out. We've also launched a number of performance based features, including personalized pace targets on the Peloton Tread and Row, and continue to invest in the Peloton App to create a more social experience. In addition, we recently added a new marathon training collection on Tread and Tread, including featuring a series of Scenic classes filmed on a well known marathon course. In a first game-inspired fitness-of-its-kind experience. Additionally, Peloton continues these classes provide Members the ability to invest in train on a marathon course with auto-incline functionality that matches the course's gradient fluctuations. Lastly, we use AI / ML and Computer Vision technology to power proprietary personalization and discovery models across all of our software platforms and unique fitness features like Guide Rep Counting. Content We create engaging, original fitness and wellness content in an authentic studio, live environment that is immersive and motivating, while also creating a sense of community. We have developed a diverse are constantly building and evolving our content library with and offering, which includes Instructor-led classes, Scenic content, Entertainment, Just Work Out, and game-inspired workout options. tens Tens of thousands of classes. Exclusively and content types are produced at our production studios in New York City and London, featuring our 57 proprietary instructors Instructors, across 16 many fitness and wellness modalities. Our including Strength, Yoga, Meditation, Cardio, Stretching, Cycling, Outdoor, Running, Walking, Tread Bootcamp, Bike Bootcamp, Boxing, Pilates, Barre, Rowing, and Row Bootcamp, our content breadth and depth is vast, reaching a wide range of consumers. Fitness modalities include: Strength, Yoga, Meditation, Cardio, Stretching, Cycling, Outdoor, Running, Walking, Tread Bootcamp, Bike Bootcamp, Boxing, Pilates, Barre, Rowing, and Row Bootcamp. We have Scenic Content that includes instructor Instructor-guided classes, as well as non-guided time and distance-based options, all shot in beautiful destinations. We also have a game-inspired workout experience experiences with

like our Lanebreak feature, allowing which allows Members to experience an animated workout as an alternative to instructor-led programming. Lastly, we have a number of training programs, as well as collections of classes that are catered to our Members' interests and fitness goals. These are produced and developed using features that are exclusively available on Peloton. Our Peloton Studios in New York City and London provide an in-person Peloton content experience. Regular studio member classes and events are held in these spaces combining a high-energy live production environment with fitness classes in seven active production studios. We currently produce our content in three languages: English, German, and Spanish. We also have As we expand into other non-English-speaking countries, we intend to produce classes featuring subtitles in local languages from our existing studios and a selection of classes that use subtitling for English-speaking users, continually expanding our content library while also being culturally relevant in the markets where we are serving Members dubbed in German. We have developed a proprietary music platform that allows our instructors to integrate curated playlists into our programming in a way that we believe aligns with our Members' musical tastes. We work with music providers to ensure that our curated music is as diverse and dynamic as the Members we serve, delivering an exceptional workout experience created by instructors and music supervisors on our production team. Peloton has become noteworthy as a brand providing the opportunity for our Members to engage in a new way with the fitness modalities they love. Our technology allows our Instructors to integrate curated music and class plans into our programming in a way that we believe aligns with our Members' musical tastes. We believe we have also taken a leading position in the fitness and wellness category by developing musical content partnership campaigns that feature and celebrate some of the most recognizable global talent biggest artists and genres in the world through collaboration industry. This includes working with music providers on the development of our signature Artist Series which celebrate the legacy and catalog of some of the most prominent names in the music business. We also collaborate closely with artist teams to premiere new music exclusives available only on Peloton, and to arrange for guest appearances in our classes. Sales and Marketing We sell our products directly to customers through a multi-channel sales platform and via third parties. We also sell Peloton Bikes Connected Fitness Products to business-to-business ("B2B") customers and provide the opportunity for employers, insurers, and other enterprise partners to offer their employees and members subsidized access to Peloton App subscriptions and All-Access Memberships. Our sales associates use customer relationship management tools to deliver an elevated, personalized, and educational purchase experience, regardless of channel of capture and conversion. • E-Commerce and Inside Sales: Our desktop and mobile websites provide an elevated brand experience where visitors can learn about our products and services and access product reviews. Our Inside Sales team engages with customers by phone, email, and online chat on our websites, and offers one-on-one sales consultations seven days a week. • Peloton for Business: Peloton For Business is a unified portfolio of B2B well-being solutions for enterprise clients, offered across seven key verticals: Hospitality, Corporate Wellness, Multi-Family Residential, Education, Healthcare, Gyms and Community Wellness. The full-service offering includes a range of equipment and content-based solutions. • Retail Stores Showrooms: Our stores showrooms allow customers to experience and try our products. We provide interactive product demonstrations and select showrooms many of our stores have private areas where customers can take a "test class" on our Bike, Bike, Tread, Tread, and Row products. We frequently host Peloton community events in our stores showrooms, which help deepen brand engagement and customer loyalty. • Third Party Retailers: Our products are also available to purchase from a number of third party retailers, at times including Amazon, Dick's Sporting Goods, and John Lewis. • Peloton for Business: Peloton For Business is a unified portfolio of B2B well-being solutions for enterprise clients, offered across seven key verticals: Hospitality, Corporate Wellness, Multi-Family Residential, Education, Healthcare, Gyms and Fitshop Community Wellness. The full-service offering includes a range of equipment and content-based solutions, delivering on Peloton's commitment to empower anyone, anywhere, anytime. To market our products, we use a combination of brand and product specific performance marketing, which includes seasonal promotions to build brand awareness, generate sales of our Connected Fitness Products, and drive Paid Connected Fitness subscriptions and Paid App subscriptions. In addition, in May 2023, we relaunched the Peloton Brand, for anyone, anywhere, with a new brand identity and campaign and new content features. Following the brand relaunch, we continue to diversify and maximize our marketing channel mix. Manufacturing and Logistics We In July 2022, we announced a shift from in-house manufacturing to utilizing utilize third-party manufacturing partners for many 100% of our new products. The components used in our products are procured on our behalf using our designs by our contract manufacturers, according to our required design specifications and high standards, from a variety of suppliers. In order to account for technology evolution and market fluctuations, we regularly review our relationships with our existing contract manufacturers and the components suppliers that they contract with, while evaluating prospective new partnerships. We use a combination of leased and operated as well as contracted third-party logistics providers ("3PLs") in our logistics and service network which primarily includes middle mile and last mile operations centers in the United States, Canada, Germany, the United Kingdom, and Australia, and Austria. Intellectual Property The protection of our technology and intellectual property is an important aspect of our business. We rely upon a combination of patents, trademarks, trade secrets, copyrights, confidentiality procedures, contractual commitments, and other legal rights to establish and protect our intellectual property. We generally enter into confidentiality agreements and invention or work product assignment agreements with our employees and consultants to control access to, and clarify ownership of, our proprietary information. As of June 30, 2023-2024, we held 170-180 U. S. issued patents and had 83-82 U. S. patent applications pending. We also held 393-429 issued patents in foreign jurisdictions and 146-119 patent applications pending in foreign jurisdictions. Our U. S. issued patents expire between September 15-February 9, 2023-2025 and October 14-August 5, 2040-2046. As of June 30, 2023-2024, we held 52-58 registered trademarks in the United States, including the Peloton mark and our "P" logo and also held 844-950 registered trademarks in foreign jurisdictions. We continually review our development efforts to assess the existence and patentability of new intellectual property. We intend to continue to file additional patent applications with respect to our technology. Intellectual property laws, procedures, and restrictions provide only limited protection and any of our intellectual property rights may be

challenged, invalidated, circumvented, infringed, or misappropriated. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States, and, therefore, in certain jurisdictions, we may be unable to protect our proprietary technology. Competition We believe that our first- mover advantage, leading market position, brand recognition, **best-in-class content**, and integrated platform set us apart in the market for connected, technology- enabled fitness. We provide a superior value proposition ~~with and benefit from the clear endorsement of~~ our Connected Fitness Subscription and ~~App offerings mobile app solutions~~, giving us a competitive advantage versus traditional fitness and wellness products and services, and future potential entrants. While we believe we are changing the consumption patterns for fitness and **over time** growing the market, our main sources of competition include ~~in-studio fitness classes, fitness clubs,~~ at-home fitness equipment and content, and health and wellness apps, **fitness clubs, and in-studio fitness classes**. The areas in which we compete include:

- **Consumers and Engagement** -- We compete for consumers to join our platform through Connected Fitness Subscriptions or Peloton App ~~subscriptions~~ **Subscriptions**, and we seek to engage and retain them through an integrated experience that combines content, hardware, software, service, and community.
- **Product and App Offering** -- We compete with producers of fitness products, services, and apps and work to ensure that our platform maintains the most innovative technology and user- friendly features.
- **Business- to- Business (B2B) Clients and Employers: We compete with commercial fitness equipment manufacturers and wellness benefits providers to offer fitness products and services to B2B clients and employers.**
- **Talent** -- We compete for talent in every vertical across our company including technology, media, fitness, design, supply chain, logistics, content, marketing, finance, strategy, legal, and retail. As our platform is highly dependent on technology, hardware, and software, we require a significant base of engineers to continue innovating. The principal competitive factors that companies in our industry need to consider include, but are not limited to: total cost, supply chain efficiency across sourcing and procurement, manufacturing and logistics, enhanced products and services, original content, product quality and safety, competitive pricing policies, vision for the market and product innovation, strength of sales and marketing strategies, technological advances, and brand awareness and reputation. We believe we compete favorably across all of these factors and we have developed a business model that is difficult to replicate.

Government Regulation We are subject to many varying laws and regulations in the United States, the United Kingdom, the European Union and throughout the world, including those related to privacy, data protection, content regulation, intellectual property, consumer protection, e- commerce, marketing, advertising, messaging, rights of publicity, health and safety, environmental, social, and governance factors, employment and labor, product quality and safety, accessibility, competition, customs and international trade, and taxation. These laws often require companies to implement specific information security controls to protect certain types of information, such as personal data, “ special categories of personal data ” or health data. These laws and regulations are constantly evolving and may be interpreted, applied, created, or amended in a manner that could harm our current or future business and operations. In addition, it is possible that certain governments may seek to block or limit our products and services or otherwise impose other restrictions that may affect the accessibility or usability of any or all of our products and services for an extended period of time or indefinitely. Seasonality Historically, we have experienced higher Connected Fitness Products sales in the second and third quarters of the fiscal year compared to other quarters, due in large part to seasonal holiday demand, New Year’ s resolutions, and cold weather. We also have historically incurred higher sales and marketing expenses during these periods. For example, in fiscal year ~~2023-2024~~, our second and third quarters combined represented ~~62-60~~ % of Connected Fitness Products revenue and ~~55-54~~ % of our Total revenue. Human Capital Our Culture We’ re fostering an environment that attracts extraordinary talent, helps every individual become their best self, and unlocks each person’ s greatest potential, shaped by the following fundamental values:

- Put Members First
- Operate with a Bias for Action
- Empower Teams of Smart Creatives
- Together We Go Far
- Be the Best Place to Work

We live these values through our approach to human capital management, summarized below. Employees As of June 30, ~~2023-2024~~, we employed 2, ~~765-322~~ individuals in the United States across our ~~offices New York City headquarters,~~ retail ~~stores showrooms,~~ and field operations warehouses, ~~with and remote roles, of which 2, 678 being 257 were~~ full- time employees. Internationally, we employed ~~819-596~~ individuals primarily across corporate, retail ~~stores showrooms~~, and warehouse functions. We **may** also hire additional seasonal employees, primarily in our showrooms, during the holiday season. ~~We Certain of our instructors are covered by collective bargaining agreements with the Screen Actors Guild- American Federation of Television and Radio Artists, or SAG- AFTRA. However, we are not signatories to any agreements with any SAG- AFTRA. With the exception of SAG- AFTRA, none of our domestic employees are currently represented by a labor organization,~~ or a party to any collective bargaining agreements. Diversity, Equity, and Inclusion We cultivate a culture of inclusion by creating physiologically, emotionally, physically, and psychologically safe spaces so all team members feel valued, heard, and secure. We’ re proud ~~that one of our core aspirations is~~ **concrete action plan** to **combat systemic inequities** ~~become an anti- racist organization,~~ and in 2020, we created and committed to the Peloton Pledge. **Created in 2020, our the Peloton Pledge is a** multi- pronged, multi- faceted action plan to **combat systemic racial inequities** **address Peloton’ s internal culture** and **principles as well as a strategy to** amplify change both in our company and our community. We are pushing ourselves from the inside out and partnering with community- based organizations to deliver meaningful and measurable impact. Through the Peloton Pledge we are investing across five pillars:

- **Pay Equity** -- We continue to offer competitive rates for our hourly workforce and equally competitive rates for equivalent roles in all markets. We’ re also committed to maintaining pay equity for our team and continue to conduct an annual global pay equity study --.
- **Learning and Development** -- We offer content that supports internal mobility, individual growth, and ongoing skills development, and training around diversity, equity, and inclusion (DEI) topics --.
- **Community Investments** -- We partner with leading action- oriented organizations addressing systemic racism through partnerships that drive real, sustainable transformation;
- **Democratizing fitness** ~~Fitness~~ -- We continuously evaluate progress and apply learnings to do our part to democratize access to fitness and cultivate a diverse and inclusive Member community;
- **Long- Term DEI Strategy** -- We invest in various programs to support long- term DEI **strategy**, as further described below. The Peloton Pledge has sharpened our focus on delivering value- add, business- wide DEI

programming. In our ongoing push for shared learning, we continue to create psychologically safe spaces for our team members to learn and grow together. For example, we have introduced specific learning programs for managers, ~~such as Activating Allyship~~, to support our ambition to be an anti-racist organization. **We will continue to evolve our learning content to support our team members and managers while remaining relevant and engaged to the best practices in this space.** We continue to offer support, engagement, and development opportunities to our team members through our Employee Resource Groups (“ERGs”) and Inclusion Forums, fostering a diverse and inclusive workplace and providing space to grow our team member ally population. Through the delivery of our DEI strategy, we’re increasing cross-business, multi-market collaboration that energizes our team members and leaders to innovate, leverage diversity of thought, and create responsive and culturally relevant programming to drive the system and behavioral changes required to be a truly, globally inclusive business. Our commitments to diversity, equity, and inclusion extend to our compensation practices to ensure our team members are paid fairly based on the work they perform. We annually partner with a third-party firm to review team members’ pay. We aim to act on any pay gaps we find through this analysis to support our commitment to achieve true pay equity across Peloton and to ensure we’re a globally inclusive business. Our pay equity study is in addition to any market-specific obligations we have to undertake pay gap analyses, such as our Gender Pay Gap Study in the United Kingdom. Team Member Safety We prioritize the health and ~~welfare~~ **safety** of our team members, our Members, and the impact our operations have on the environment. The core elements of our team member health and safety program include **workplace injury reporting**, site risk analysis, incident management, documented processes and standards, environmental programs, training, and occupational health programs, and we are continually striving to improve these processes. Concerns about the health and safety of our team members, ~~can be reported through our~~ **the health PeloSafely portal**, and ~~concerns about safety of individuals working on behalf of Peloton suppliers or business partners~~, are reportable through our ~~Ethics Hotline~~ **Integrity Helpline** or online ~~Ethics~~ **Integrity Portal**, which is maintained through an ~~independent~~ **external** third-party platform and monitored by our Safety, Ethics, and Compliance Team. Training, Development, and Engagement ~~We At Peloton, we have a dedicated global~~ **Global Talent Development Team** that develops and delivers company-wide learning experiences across all functions. These include, but are not limited to, programs focusing on Peloton’s approach to **onboarding new team members, people and business leadership, dedicated coaching and team member connectivity, functional function and role specific training offerings**, and internal hiring and mobility to support **personal and** professional growth. We are committed to cultivating an equitable and inclusive culture that enables people to thrive in the best career experiences of their lives by **consistently** engaging with, and listening to, our team members. We maintain ongoing connection with our team members through our company intranet, “Pelonet,” regular all-hands meetings and business performance reviews, team town halls, and company-wide engagement surveys ~~during~~ **throughout** the year. Our Patent Incentive Program provides rewards and recognition to qualifying team members whose inventions are included in a patent application submitted by Peloton. Competitive Compensation and Work ~~Life~~ **Harmony** Our compensation program is structured around our overarching philosophy of rewarding demonstrable performance and aligning team members with our goals and strategy. Consistent with this approach, we provide market competitive compensation and benefits that will attract, motivate, reward, and retain a highly talented team **and foster work-life harmony**. We take a comprehensive view of the tools and programs we use to attract, reward, and retain top talent, **including comprehensive health benefits, family and lifestyle services and support, financial, legal and retirement benefits, product discounts, free App access, and studio rides**. Our workforce is diverse – so our benefits must be, too. At Peloton, we encourage our team members to foster kindness, support, empathy, respect, compassion, and a sense of community in all interactions every day. ~~We believe To help us reach our goal of~~ **approach to** maintaining healthy work ~~life~~ **harmony**, ~~we have instituted~~ **has contributed to making Peloton a number of supportive practices great place to work for our team members**. Corporate Information Our website address is www.onepeloton.com. The information contained on, or that can be accessed through, our website is not incorporated by reference into, and is not a part of, this Annual Report on Form 10-K. Investors should not rely on any such information in deciding whether to purchase our Class A common stock. Peloton, the Peloton logo, Peloton Bike, Peloton Bike, Peloton Tread, Peloton Tread, Peloton Guide, Peloton Row, Peloton Gym, Peloton App, and other registered or common law trade names, trademarks, or service marks of Peloton appearing in this Annual Report on Form 10-K are the property of Peloton. This Annual Report on Form 10-K contains additional trade names, trademarks, and service marks of other companies that are the property of their respective owners. We do not intend our use or display of other companies’ trade names, trademarks, or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies. Solely for convenience, our trademarks and tradenames referred to in this Annual Report on Form 10-K appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor, to these trademarks and tradenames. Available Information Our reports filed with or furnished to the Securities and Exchange Commission (“SEC”) pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, are available, free of charge, on our Investor Relations website at <https://investor.onepeloton.com> as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding us and other companies that file materials with the SEC electronically. We use our Investor Relations website (<https://investor.onepeloton.com/investor-relations>) **as well as our Twitter feed (@onepeloton)** and Press Newsroom (<https://www.onepeloton.com/press>) as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor our Investor Relations website, ~~Twitter feed~~ and Press Newsroom in addition to following our press releases, SEC filings, and public conference calls and webcasts. Item 1A. Risk Factors Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Annual Report on Form 10-K, including the section titled “Management’s Discussion and

Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and the accompanying notes and the information included elsewhere in this Annual Report on Form 10-K and our other public filings before deciding whether to invest in shares of our Class A common stock. These risks and uncertainties are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we currently deem immaterial may also become important factors that adversely affect our business. If any of the following risks occur, our business, financial condition, operating results, and future prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business We have incurred operating losses in the past, may incur operating losses in the future, and may not achieve or maintain profitability in the future. We have incurred operating losses each year since our inception in 2012 and may continue to incur net losses in the future. We expect that our operating expenses may increase in the future as we optimize and grow our business, including **, for example,** via our sales and marketing efforts, continuing to invest in research and development, adding content and software features to our platform, expanding into new geographies, expanding the reach and use of the Peloton App, and developing new products and features. These **potential** efforts and additional expenses may be more costly than we expect, and we cannot guarantee that we will be able to increase our revenue to offset our operating expenses. Our ~~revenue growth may slow down, or our~~ revenue may decline for a number of other reasons, including reduced demand for our products and services, increased competition, a decrease in the growth or reduction in size of our overall market, or if we cannot capitalize on strategic opportunities. If our revenue does not grow at a greater rate than our operating expenses, we will not be able to achieve and maintain profitability. Our continued business and revenue growth is dependent on our ability to continuously attract and retain Subscribers, and we cannot be sure that we will be successful in these efforts, or that Subscriber retention levels will not materially decline. There are a number of factors that could lead to a decline in Subscriber levels or that could prevent us from increasing our Subscriber levels, including:

- our failure to introduce new features, products, or services that Members find engaging or our introduction of new products or services, or changes to existing products and services that are not favorably received;
- harm to our brand and reputation;
- pricing and perceived value of our offerings;
- our inability to deliver quality products and functionality, content, and services;
- actual or perceived safety concerns regarding our products;
- unsatisfactory experiences with the delivery, installation, or servicing of our Connected Fitness Products, including due to delivery costs or prolonged delivery timelines and limitations on in-home installation, return, and warranty servicing processes;
- our Members engaging with competitive products and services;
- technical or other problems **that preventing Members from accessing our content and services in a rapid and reliable manner or otherwise affecting** **affect** the Member experience;
- a decline in the public’s interest in indoor cycling or running, or other fitness disciplines that we invest most heavily in;
- deteriorating general economic conditions or a change in consumer spending preferences or buying trends;
- changes in consumer preferences regarding home fitness, whether as a result of the COVID-19 pandemic or otherwise; and
- interruptions in our ability to sell or deliver our Connected Fitness Products **or to provide** or to create content and services for our Members.

Additionally, any potential expansion into international markets can involve new challenges in attracting and retaining Subscribers that we may not successfully address. As a result of these factors, we cannot be sure that our Subscriber levels will be adequate to maintain or permit the expansion of our operations. A decline in Subscriber levels could have an adverse effect on our business, financial condition, and operating results. To ensure adequate inventory supply, we must forecast inventory needs and expenses and place orders sufficiently in advance with our suppliers and contract manufacturers, based on our estimates of future demand for particular products and services. ~~Failure to accurately forecast our needs may result in manufacturing delays, increased costs, or an excess in inventory.~~ Our ability to accurately forecast demand could be affected by many factors, including changes in consumer demand for our **and our competitors’** products and services, ~~changes in demand for the products and services of our competitors,~~ unanticipated changes in general market conditions, and the weakening of ~~economic conditions or~~ consumer confidence in future economic conditions. **Failure** ~~If we fail to accurately forecast our needs or~~ consumer demand, ~~we may experience excess inventory levels or~~ **result in manufacturing delays, reduced manufacturing efficiencies, increased costs,** a shortage of products available for sale **or an excess in inventory**. We have in recent periods experienced, and may continue to experience, a decrease in consumer demand. ~~Furthermore, inventory levels in excess of consumer demand have resulted, and may continue to result~~ **resulting**, in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which ~~lower~~ **lower** would cause our gross margins to suffer and could impair the strength and premium nature of our brand. ~~Further, lower than forecasted demand has resulted, and could continue to result in excess manufacturing capacity or reduced manufacturing efficiencies, which could result in lower margins.~~ In periods when we experience a decrease in demand for our products and an increase in inventory, we may be unable to renegotiate our agreements with existing suppliers or partners on mutually acceptable terms and may be prevented from fully utilizing firm purchase commitments. Although in certain instances our agreements allow us the option to cancel, reschedule, and adjust our requirements based on our business needs, our loss contingencies may include liabilities for contracts that we cannot cancel, reschedule or adjust with suppliers or partners. In addition, we may deem it necessary or advisable to renegotiate agreements with our supply partners in order to scale our inventory with demand. Disputes with our supply partners regarding our agreements have, in certain instances, resulted, and may in the future result in, litigation, which could result in adverse judgments, settlements or other litigation-related costs as well as disruption to our supply chain and **has and may in the future** require management’s attention. Further, we are required to evaluate goodwill impairment on an annual basis and between annual evaluations in certain circumstances, and future goodwill impairment evaluations may result in a charge to earnings. See “~~We may not successfully execute or achieve the expected benefits of our restructuring initiatives and other cost-saving measures we may take in the future, and our efforts may result in further actions and/or additional asset impairment charges and adversely affect our business.~~”

In February 2022, we announced a restructuring plan to, among other things, reduce certain fixed costs in our business, and **in May 2024, we announced a new restructuring plan to expand upon the 2022 restructuring plan (as expanded, the “2024 Restructuring**

Plan”). We also continue to take actions intended to address the short-term health of our business as well as our long-term objectives based on our current estimates, assumptions and forecasts. These measures are subject to known and unknown risks and uncertainties, including whether we have targeted the appropriate areas for our cost-saving efforts and at the appropriate scale, and whether, if required in the future, we will be able to appropriately target any additional areas for our cost-saving efforts. As such, the actions we are taking under the 2024 restructuring Restructuring plan Plan and that we may decide to take in the future may not be successful in yielding our intended results and may not appropriately address either or both of the short-term and long-term strategy for our business. Implementation of the 2024 restructuring Restructuring plan Plan and any other cost-saving initiatives may be costly and disruptive to our business, the expected costs and charges may be greater than we have forecasted, and the estimated cost savings may be lower than we have forecasted. Additionally, certain aspects of the 2024 restructuring Restructuring plan Plan, such as severance costs in connection with reducing our headcount, could negatively impact our cash flows. In addition, our initiatives have resulted, and could in the future result in, personnel attrition beyond our planned reduction in headcount or reduced employee morale, which could in turn adversely impact productivity, including through a loss of continuity, loss of accumulated knowledge and / or inefficiency during transitional periods, or our ability to attract highly skilled employees. Unfavorable publicity about us or any of our strategic initiatives, including our the 2024 restructuring Restructuring plan Plan, could result in reputation harm and could diminish confidence in, and the use of, our products and services. See “— Our success depends on our ability to maintain the value and reputation of the Peloton brand.” The 2024 restructuring Restructuring plan Plan has required, and may continue to require, a significant amount of management’s and other employees’ time and focus, which may divert attention from effectively operating and growing our business. See Part 1, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Fourth Quarter Fiscal 2023-2024 Update and Recent Developments — Restructuring Plan.” The Company has evolved rapidly in recent years and continues to establish its operating experience at the appropriate scale. If we are unable to manage our longer-term growth, intervening changes and costs, or implement restructuring initiatives effectively, our brand, company culture, and financial performance may suffer. As we evolve over time, our business can take different forms. During periods of growth, we have had to manage costs while making investments such as expanding our sales and marketing, focusing on innovative product and content development, upgrading our management information systems and other processes, and obtaining more space, and in future periods of growth, we expect to have to similarly manage our costs while investing in the expansion of our business. Growth and recent restructuring initiatives strain our existing resources, and we could experience ongoing operating difficulties in managing our business across numerous jurisdictions, including difficulties in hiring, training, managing and retaining a diffuse employee base. Failure to preserve our company culture could harm our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives. Moreover, the integrated nature of aspects of our business, where we design our own Connected Fitness Products, develop our own software, produce original fitness and wellness programming, and sell some of our products through our own sales teams and e-commerce site, exposes us to risk and disruption at many points that are critical to successfully operating our business and may make it more difficult for us to scale our business over time. We have recently experienced lower demand for our Connected Fitness Products and services, which resulted in a shift in our strategic focus, including through the 2024 restructuring Restructuring Plan initiatives we announced in February 2022 and the additional ongoing actions we have taken and may take to optimize our business. As we continue to develop our infrastructure, and particularly in light of the reductions in headcount that began as a part of our February 2022 restructuring initiatives and have continued with the 2024 Restructuring Plan, we may find it difficult to maintain valuable aspects of our culture. If we do not adapt to meet these evolving challenges, or if our management team does not effectively scale with our long-term growth while managing costs, we may experience erosion to our brand, the quality of our products and services may suffer, and our company culture may be harmed. We may not be able to realize the cost savings and benefits initially anticipated as a result of our restructuring initiatives or the additional ongoing initiatives to optimize our business and the anticipated costs of these initiatives may be greater than expected. We have made changes to our targeted retail store showroom strategy, including reducing the number of retail store showroom locations. We have placed more of an emphasis on third-party retail distribution, including in connection with as we have reduced our reduction of our North American retail store showroom presence announced in August 2022, as part of our the 2024 restructuring Restructuring plan Plan and as part of our go-to-market approach for international markets. We expect may continue to close retail stores for strategic reasons or may wish to exit certain additional retail locations but our ability to exit may be limited in by timing and cost to exit under the lease terms. Many Moreover, certain occurrences outside of our control may result in the closure of our retail showrooms stores. Many of our retail stores are leased pursuant to multi-year leases, and our ability to sublease to a suitable subtenant, or negotiate favorable terms to exit a lease early or for a lease renewal option, may depend on factors that are not within our control. We may not be able to realize the cost savings and benefits initially anticipated as a result of the restructuring initiatives that we announced in February 2022 or the additional ongoing initiatives to optimize our business and the anticipated costs of these initiatives may be greater than expected. See “— We may not successfully execute or achieve the expected benefits of our restructuring initiatives and other cost-saving measures we may take in the future, and our efforts may result in further actions and / or additional asset impairment charges and adversely affect our business” and see Part 1, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Fourth Quarter Fiscal 2023 Update and Recent Developments — Restructuring Plan.” Our growth strategy has at times contemplated, and may in the future contemplate, increases in our advertising and other marketing spending, including relating to the May 2023 branding and App relaunch. We may in the future also open additional production studios as we expand, which will would require significant additional investment. The successful implementation of our growth strategy will require significant expenditures before any substantial associated revenue is generated and we cannot guarantee that these increased investments will result in corresponding and offsetting revenue growth. Because we have a

limited history of operating our business at its current scale, it is difficult to evaluate our current business and future prospects, including our ability to plan for and model future growth. Our limited operating experience at this scale, combined with the rapidly evolving nature of the market in which we sell our products and services, substantial uncertainty concerning how these markets may develop, and other economic factors beyond our control, reduces our ability to accurately forecast quarterly or annual revenue. Failure to manage our future growth and evolution of the company effectively could have an adverse effect on our business, financial condition, and operating results. Our success in maintaining and /or increasing our Subscriber base depends on our ability to identify and originate trends as well as to anticipate and react to changing consumer demands in a timely manner. Our products and services are subject to changing consumer preferences that cannot be predicted with certainty. If we are unable to introduce new or enhanced offerings in a timely manner or via the appropriate channels, or then our new or enhanced offerings are may not be accepted by our Subscribers, our competitors may also introduce similar or more desirable offerings and at speeds that are faster than us, which could negatively affect our growth. Moreover, our new offerings may not receive consumer acceptance as preferences could shift rapidly to different types of fitness and wellness offerings, or away from these types of offerings altogether. Our, and our future success depends in part on our ability to anticipate and respond to these changes. Failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower subscription rates, lower sales, pricing pressure, lower gross margins, discounting of our products and services, and excess inventory levels. Even if we are successful in anticipating consumer preferences, our ability to adequately react to and address them will partially depend upon our continued ability to develop and introduce innovative, high- quality offerings to market in a way that adequately meets demand. For example, we have, and continue to look at ways to broaden our sales channels, including through distribution to third- party retailers, rethinking the value proposition of our Peloton App, and offering a rental program in select markets where Subscribers can rent Peloton Bikes and access fitness content for one monthly fee (Peloton Rental). Development of new or enhanced products and services may require significant time and financial investment, which could result in increased costs and a reduction in our profit margins. For example, we have historically incurred higher levels of sales and marketing expenses accompanying each product and service introduction introductions, including relating to the May 2023 branding and App relaunch. Moreover, while we experienced a significant increase in our Subscriber base at the onset of the COVID- 19 pandemic, the rate of the increase has since slowed down and, over the longer term, it remains uncertain how the post- COVID- 19 pandemic environment will impact consumer demand for our products and services and consumer preferences generally. See “— A resurgence of the COVID- 19 pandemic could have an adverse effect on our business, and it remains uncertain how the post- COVID- 19 pandemic environment and any resurgence of the COVID- 19 pandemic will impact consumer demand for our products and services and consumer preferences generally.” Moreover, we must successfully manage introductions of new or enhanced products and services, as such introductions could adversely impact the sales of our existing products and services. For instance, we may experience higher Subscriber churn as a result of our May 2023 App relaunch, which included the introduction of new membership tiers. Consumers may also choose to forgo purchasing existing products or services in advance of new or anticipated product and service launches, and we may experience higher returns from users of existing products. As we introduce new or enhanced products and services, we may face additional challenges managing a more complex supply chain and manufacturing process, including the time and cost associated with onboarding and overseeing additional suppliers, contract manufacturers, logistics providers, and third- party retailers. We may also face challenges managing our manufacturing processes and onboarding and overseeing additional manufacturers as we introduce new or enhanced products and services. Additionally, we may face challenges managing the inventory of new or existing products, which could lead to excess inventory and discounting of such products. In addition, new or enhanced products or services may have varying selling prices and costs compared to legacy products and services, which could negatively impact our brand, gross margins and operating results. The connected fitness and wellness market is relatively new ; and grew rapidly growing over the last several years, and largely unproven, and it is uncertain whether it will sustain resume high levels of demand growth and achieve wide market acceptance. Our success depends substantially on the willingness of consumers to widely adopt our products and services. We have had to educate consumers about our products and services through significant investment and provide quality content that is superior to the content and experiences provided by our competitors. Additionally, the fitness and wellness market at large is heavily saturated, and the demand for and market acceptance of new products and services in the market is uncertain. It is difficult to predict the future growth rates, if any, and size of our market. We cannot assure you that our market will develop or be sustained at current levels, that the public’ s interest in connected fitness and wellness will continue, or that our products and services will be widely adopted. If our market does not develop, develops more slowly than expected, or becomes saturated with competitors, or if our products and services do not achieve or sustain market acceptance, our business, financial condition, and operating results could would be adversely affected. Any historical revenue growth should not be considered indicative of our future performance. In particular, we have experienced periods of high revenue growth when since we began selling our Bike, however, our revenue growth has slowed as our business matured and may not resume to prior levels. Additionally, we experienced a significant increase in our Subscriber base at the onset of the COVID- 19 pandemic, which slowed down as consumers were able to resume activity outside the home, and, over the long term it remains uncertain how the impacts of the post- COVID- 19 pandemic environment and other market constraints, including macro- and micro- economic factors such as inflation, rising interest rates, foreign currency exchange rate fluctuations, and increased debt and equity market volatility, will impact consumer demand for our products and services over the long term. Estimates of future revenue growth are subject to many risks and uncertainties, and our future revenue may differ materially from our projections. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including market acceptance of our products and services, attracting and retaining Subscribers, and increasing competition and expenses as we expand our business. We cannot be sure that we will be successful in addressing these and other challenges we may face in the future, and our business may be

adversely affected if we do not manage these risks successfully. In addition, we may not achieve sufficient revenue to attain or maintain positive cash flows from operations or profitability in any given period, or at all. We believe that our brand is important to attracting and retaining Members. Maintaining, protecting, and enhancing our brand depends on the success of a variety of factors, such as: our marketing efforts; our ability to provide consistent, high- quality products, services, features, content, and support, our ability to successfully secure, maintain, and enforce our rights to use the “Peloton ” mark, our “ P ” logo, and other trademarks important to our brand; our ability to successfully respond to a negative event that impacts our brand; and our ability to meet shareholder and Member expectations. We believe that the importance of our brand will increase as competition further intensifies and brand promotion activities may require substantial expenditures. Our brand could be harmed if we fail to achieve these objectives or if our public image were to be tarnished by negative publicity. Unfavorable publicity about us, our strategic initiatives, such as our **2024 restructuring- Restructuring plan-Plan**, or our products, services, technology, customer service, content, personnel, and suppliers could diminish confidence in, and the use of, our products and services. ~~For example, product recalls, including the May 2021 voluntary Tread recall and May 2023 voluntary original Bike seat post recall, each conducted in collaboration with the CPSC, involved reports of injuries associated with our products.~~ As discussed further in “ Risks Related to Our Connected Fitness Products and Members ” and “ Risks Related to Laws, Regulation, and Legal Proceedings, ” the legal proceedings in which we have been named, the regulators’ investigations, and any other claims or proceedings involving us or our products, actions we take to address these matters, and any further publicity regarding any of the foregoing could harm our brand. Such negative publicity could also have an adverse effect on the size, engagement and loyalty of our Member base and result in decreased revenue, which could have an adverse effect on our business, financial condition, and operating results. See “ — Stockholder activism could disrupt our business, cause us to incur significant expenses, hinder execution of our business strategy, and impact our stock price. ” We rely on the Internet, as well as digital infrastructure, computing networks and systems, hardware and software to support our internal and Member- facing operations (collectively, “**information technology systems** ” or “ systems ”). Certain of our information technology systems are designed and maintained by us while others are designed, maintained and / or operated by third parties. These systems are critical for the efficient functioning of our business, including the manufacture and distribution of our Connected Fitness Products, online sales of our Connected Fitness Products, and the ability of our Members to access content on our platform. Our growth over the past several years has, in certain instances, strained these systems. As we grow, we continue to implement modifications and upgrades to our systems, and these activities subject us to inherent costs and risks associated with replacing and upgrading these systems, including, but not limited to, impairment of our ability to fulfill customer orders and other disruptions in our business operations. Further, our system implementations may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. If we fail to successfully implement modifications and upgrades or expand the functionality of our information technology systems, we could experience increased costs associated with diminished productivity and operating inefficiencies related to the flow of goods through our supply chain. In addition, any unexpected technological interruptions to our systems or websites would disrupt our operations, including our ability to timely ship and track product orders, project inventory requirements, manage our supply chain, sell our Connected Fitness Products online, provide services to our Members, and otherwise adequately serve our Members. The operation of our direct- to- consumer e- commerce business through our website depends on our ability to maintain the efficient and uninterrupted operation of online order- taking and fulfillment operations. Any system interruptions or delays could prevent potential customers from purchasing our Connected Fitness Products. Moreover, the ability of our Members to access the content on our platform could be diminished by a number of factors, including Members’ inability to access the internet, the failure of our network or software systems, cyber- attacks and security breaches, or variability in Member traffic for our platform. Platform failures would be most impactful if they occurred during peak platform use periods, which generally occur before and after standard work hours. During these peak periods, there are a significant number of Members concurrently accessing our platform and if we are unable to provide uninterrupted access, our Members’ perception of our platform’ s reliability and enjoyment of our products and services may be damaged, our revenue could be reduced, our reputation could be harmed, and we may be required to issue credits or refunds, or risk losing Members. In the event we experience significant disruptions, we may be unable to repair our systems in an efficient and timely manner, which could have a material adverse effect on our business, financial condition, and operating results. We are solely reliant on contract manufacturers for all of our manufacturing needs. In some cases, we rely on only a single supplier for some of our products and components. In the event of interruption from any of our contract manufacturers or suppliers, we may not be able to increase capacity from other sources or develop alternate or secondary sources without incurring material additional costs and delays, since we do not currently have qualified alternative or replacement contract manufacturers beyond these key partners. Furthermore, a large number of our contract manufacturers’ primary facilities are located in Taiwan and China. Thus, our business could be adversely affected if one or more of our suppliers is impacted by escalating tensions, hostilities, or trade disputes in the region, a natural disaster, an epidemic ~~such as the COVID-19 pandemic~~, or other interruption at a particular location. Such interruptions may be due to, among other things, temporary closures of the facilities of our contract manufacturers and other vendors in our supply chain; restrictions on or delays surrounding travel or the import / export of goods and services from certain ports that we use; and local quarantines or other public safety measures. **Additionally, We may also be impacted by contract manufacturing and supply chain disruptions due to contract manufacturer or supplier financial distress, particularly where we rely on a manufacturer or supplier that may depend on us for a significant proportion of its business. In such a case, we may be required to renegotiate the terms of our agreement or to pursue a strategic transaction or other alternative arrangement with that supplier or manufacturer or others. In the future**, we may further increase our reliance on third- party suppliers, manufacturers and other logistics partners. For example, in August 2022, we **began to exit** ~~announced that we are exiting~~ our North American last mile locations and ~~shifting~~ **shifted** our reliance entirely to third- party logistics providers. One of our primary last mile partners

currently relies on a network of independent contractors to perform last mile services for us in many markets. If any of these independent contractors, or the last mile partner as a whole, do not perform their obligations or meet the expectations of us or our Members, our brand, reputation and business could suffer. If we experience a significant increase in demand for our Connected Fitness Products that cannot be satisfied adequately through our existing supply channels, if we need to replace an existing supplier, manufacturer or partner, or if we find we need to engage additional suppliers, manufacturers and partners to support our operations, we may be unable to supplement or replace them under our required timing, at a quality standard to our satisfaction, or on market terms that are acceptable to us, which may undermine our ability to deliver our products to Members in a timely manner and otherwise impact our Members' experience. For example, if we require additional manufacturing support, it may take a significant amount of time to identify a manufacturer that has the capability and resources to build our products to our specifications in sufficient volume. Similarly, in times of decreased demand, we may deem it necessary or advisable to renegotiate agreements with our supply partners in order to appropriately scale our inventory, which could impair our relationship with these counterparties if we are unable to arrive at mutually acceptable terms. See "— Our operating results have been, and could in the future be, adversely affected if we are unable to accurately forecast consumer demand for our products and services and adequately manage our inventory." Identifying suitable suppliers, manufacturers, and logistics partners is an extensive process that requires us to become satisfied with their quality control, technical capabilities, responsiveness and service, financial stability, regulatory compliance, and labor and other ethical practices. Accordingly, a loss of or poor performance by any of our significant suppliers, contract manufacturers, or logistics partners could have an adverse effect on our business, financial condition and operating results. We have limited control over our suppliers, contract manufacturers, and logistics partners, which subjects us to the following risks: • inability to satisfy demand for our Connected Fitness Products; • reduced control over delivery timing and related customer experience and product reliability; • reduced ability to monitor the manufacturing process and components used in our Connected Fitness Products; • limited ability to develop comprehensive manufacturing specifications that take into account any materials shortages or substitutions; • variance in the manufacturing capability of our third- party manufacturers; • price increases; • failure of a significant supplier, manufacturer, or logistics partner to perform its obligations to us for technical, market, or other reasons; • variance in the quality of services provided by our third- party last mile partners; • reliance on our partners to adhere to our supplier code of conduct; • difficulties in establishing additional supplier, manufacturer, or logistics partner relationships if we experience difficulties with our existing suppliers, manufacturers, or logistics partners; • shortages of materials or components; • misappropriation of our intellectual property; • exposure to natural catastrophes, including climate- related risks and extreme weather events, epidemics such as the COVID-19 pandemic, political unrest, including escalating tensions, hostilities, or trade disputes between Taiwan and China, terrorism, labor disputes, and economic instability resulting in the disruption of trade from foreign countries, in which our Connected Fitness Products are manufactured or the components thereof are sourced; • changes in local economic conditions in the jurisdictions where our suppliers, manufacturers, and logistics partners are located; • the imposition of new laws and regulations, including those relating to labor conditions, quality and safety standards, imports, duties, tariffs, taxes, and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of funds; and • insufficient warranties and indemnities on components supplied to our manufacturers or performance by our partners. The occurrence of any of these risks, especially during seasons of peak demand, could cause us to experience a significant disruption in our ability to produce and deliver our products to our customers and could harm our brand and reputation. Our Connected Fitness Products are sold in highly competitive markets with limited barriers to entry. Changes to our price structure, including with respect to delivery and installation pricing, product mix, the introduction by competitors of comparable products at lower price points, a maturing product lifecycle, a decline in consumer spending, or other factors (including factors disclosed herein) could result in a decline in our revenue derived from our Connected Fitness Products, which may have an adverse effect on our business, financial condition, and operating results. **Because** ~~In addition, in May 2023, in collaboration with the CPSC, we announced~~ **derive** a voluntary recall **significant portion of our revenue** ~~the original Peloton model Bikes (not Bike) seat posts sold in the U. S. from January 2018 to May 2023 and we are offering Members a free replacement seat post as the approved repair. This recall may result in negative public perception of our products and may have a material adverse effect on the sales of our Connected Fitness Products .~~ ~~Because we derive a significant majority of our revenue from the sales of our Bike and Bike ,~~ any material decline in sales of our ~~Bike~~ **Connected Fitness Products** would have a pronounced impact on our future revenue and operating results . See "— Our products and services may be affected from time to time by design and manufacturing defects or product safety issues, real or perceived, that could adversely affect our business and result in harm to our reputation." ~~We operate in a highly competitive market, and we may be unable to compete successfully against existing and future competitors.~~ Our products and services are offered in a highly competitive market. We face significant competition in every aspect of our business, including at- home fitness equipment and content, fitness clubs, in- studio fitness classes, and health and wellness apps. Moreover, we expect the competition in our market to intensify in the future as new and existing competitors introduce new or enhanced products and services that compete with ours. Our competitors, some of whom are much larger companies with greater resources, may develop, or have already developed, products, features, content, apps, services, or technologies that are similar to ours or that achieve greater acceptance, may undertake more successful product development , **marketing or music licensing** efforts, be more efficient at meeting consumer demand **or identifying new markets** , create more compelling employment opportunities, ~~or marketing campaigns, or may~~ adopt more aggressive pricing policies , **or be better positioned to withstand substantial price competition** . Our competitors may develop or acquire, or have already developed or acquired, intellectual property rights that significantly limit or prevent our ability to compete effectively in the public marketplace . ~~In addition, our competitors may have significantly greater resources than us, allowing them to identify and capitalize more efficiently upon opportunities in new markets and consumer preferences and trends, quickly transition and adapt their products and services, devote greater resources to marketing and advertising or music licensing rights, or be better~~

~~positioned to withstand substantial price competition~~. Due to the highly volatile and competitive nature of the industry in which we compete, we may face pressure to continually introduce new products, services and technologies, enhance existing products and services, effectively stimulate customer demand for new and upgraded products and services, and successfully manage the transition to these new and upgraded products and services. If we are not able to compete effectively against our competitors, they may acquire, engage and retain customers or generate revenue at the expense of our efforts, which could have an adverse effect on our business, financial condition, and operating results. Music is an ~~important~~ element of the overall content that we make available to our Members. To secure the rights to use music in our content, we enter into agreements to obtain licenses from rights holders such as performing rights organizations, record labels, music publishers, collecting societies, artists and songwriters, and other copyright owners (or their agents). We pay royalties to such parties or their agents around the world. The process of obtaining licenses involves identifying and negotiating with many rights holders, some of whom are unknown, or difficult to identify, or for whom we may have conflicting ownership information, and this can generate a myriad of complex and evolving legal issues across many jurisdictions, including open questions of law as to when and whether particular licenses are needed. At times, while we may hold the applicable license for certain music in North America, it may be difficult to obtain the license for the same music from the applicable rights holders outside of North America. In addition, our music licenses may not contemplate some of the features and content that we may wish to add to our service, or new service offerings or revenue models that we may wish to launch. Rights holders also may attempt to take advantage of their market power to seek onerous financial terms from us. Our relationship with certain rights holders may deteriorate. We may elect not to renew certain agreements with rights holders for any number of reasons, or we may decide to explore different licensing schemes or economic structures with certain or all rights holders. Artists and / or songwriters or their agents may object and may exert public or private pressure on rights holders to discontinue or to modify license terms, or we may elect to discontinue use of an artist or songwriter' s catalog based on a number of factors, including actual or perceived reputational damage. Additionally, there is a risk that aspiring rights holders, their agents, or legislative or regulatory bodies will create or attempt to create new rights that could require us to enter into new license agreements with, and pay royalties to, newly defined groups of rights holders, some of which may be difficult or impossible to identify. With respect to musical compositions, in addition to obtaining the synchronization and reproduction rights, we also need to obtain public performance or communication to the public rights. In the United States, public performance rights are typically obtained separately through intermediaries known as performing rights organizations, or PROs, which (a) issue blanket licenses with copyright users for the public performance of musical compositions in their repertory, (b) collect royalties under those licenses, and (c) distribute such royalties to copyright owners. We have agreements with each of the following PROs in the United States: the American Society of Composers, Authors and Publishers, or ASCAP, Broadcast Music, Inc., or BMI, Global Music Rights, and SESAC. The royalty rates available to us from the PROs today may not be available to us in the future. The royalty rates under licenses provided by ASCAP and BMI currently are governed by consent decrees, which were issued by the U. S. Department of Justice (“ DOJ ”) in an effort to curb anti- competitive conduct. Removal of or changes to the terms or interpretation of these agreements could affect our ability to obtain licenses from these PROs on current and / or otherwise favorable terms, which could harm our business, operating results, and financial condition. In other parts of the world, including in Canada and Europe, we obtain licenses for musical compositions through local collecting societies representing songwriters and publishers, and from certain publishers directly, or a combination thereof. Given the licensing landscape in certain territories, we cannot guarantee that our licenses with collecting societies and our direct licenses with publishers provide full coverage for all of the musical compositions we use in our service in the countries in which we operate, or that we may enter in the future. Publishers, songwriters, and other rights holders who choose not to be represented by major or independent publishing companies or collecting societies have, and could in the future, adversely impact our ability to secure licensing arrangements in connection with musical compositions that such rights holders own or control and could increase the risk of liability for copyright infringement. Although we expend significant resources to seek to comply with applicable contractual, statutory, regulatory, and judicial frameworks, we cannot guarantee that we currently hold, or will always hold, every necessary right to use all of the music that is used on our service now or that may be used in our products and services in the future, and we cannot assure you that we are not infringing or violating any third- party intellectual property rights, or that we will not do so in the future. See “ — Risks Related to Our Intellectual Property. ” These challenges, and others concerning the licensing of music on our platform, may subject us to significant liability for copyright infringement, breach of contract, or other claims. For additional information, see Note 13 – Commitments and Contingencies in the Notes to our Consolidated Financial Statements in Part II, Item 8 of this Annual Report on Form 10- K and the section titled “ Legal Proceedings ” in Part I, Item 3 of this Annual Report on Form 10- K. Increases in component costs, long lead times, supply shortages, customs detentions and supply changes could disrupt our supply chain and have an adverse effect on our business, financial condition, and operating results. Accurately forecasting and meeting customer demand partially depends on our ability to obtain timely and adequate delivery of components for our Connected Fitness Products. All of the components that go into the manufacturing of our Connected Fitness Products are sourced from a limited number of third- party suppliers, and some of these components are provided by a single supplier. Our contract manufacturers generally purchase these components on our behalf, subject to certain approved supplier lists, and we do not have long- term arrangements with most of our component suppliers. We are therefore subject to the risk of shortages and long lead times in the supply of these components and the risk that our suppliers discontinue or modify components used in our Connected Fitness Products. In addition, the lead times associated with certain components are lengthy and preclude rapid changes in design, quantities, and delivery schedules. Our ability to meet temporary unforeseen increases or decreases in demand has been, and may in the future be, impacted by our reliance on the availability of components from these sub- suppliers. We may in the future experience component shortages, and the predictability of the availability of these components may be limited. In the event of a component shortage or supply interruption from suppliers of these components, we may not be able to develop alternate sources in a timely manner.

Developing alternate sources of supply for these components may be time-consuming, difficult, and costly, and we may not be able to source these components on terms that are acceptable to us, or at all, which may undermine our ability to fill our orders in a timely manner. Any interruption or delay in the supply of any of these parts or components, or the inability to obtain these parts or components from alternate sources at acceptable prices and within a reasonable amount of time, would harm our ability to meet our scheduled Connected Fitness Product deliveries to our customers. Conversely, in periods when we experience a decrease in demand for our products and an increase in inventory, we may be unable to renegotiate our agreements or purchase commitments with existing suppliers or partners on mutually acceptable terms, which could result in inventory write-offs, storage costs for excess inventory, or litigation. See “ — Our operating results have been, and could in the future be, adversely affected if we are unable to accurately forecast consumer demand for our products and services and adequately manage our inventory.” Moreover, volatile economic conditions have made it and may continue to make it more likely that our suppliers and logistics providers may be unable to timely deliver supplies, or at all, and there is no guarantee that we will be able to timely locate alternative suppliers of comparable quality at an acceptable price. In addition, international supply chains have been and may continue to be impacted by events outside of our control and limit our ability to procure timely delivery of supplies or finished goods and services. Since the beginning of 2018, importing and exporting has involved more risk, as there has been increasing rhetoric, in some cases coupled with legislative or executive action, from several U. S. and foreign leaders regarding tariffs against foreign imports of certain materials. **Additional measures have targeted forced labor concerns in connection with certain products and textiles that can be associated with customs detentions and delayed entry of goods.** Several of the components that go into the manufacturing of our Connected Fitness Products are sourced internationally, including from China, from where imports on specified products are subject to tariffs by the United States following the U. S. Trade Representative Section 301 Investigation. These issues appear to have been and could be further exacerbated by any resurgence of the COVID-19 pandemic as well as other global supply chain issues **delays, such as global shipping disruptions.** We have seen, and may continue to see, increased congestion and /or new import / export restrictions implemented at ports that we rely on for our business. In many cases **the past**, we have had to secure alternative transportation, such as air freight, or use alternative routes, at increased costs to run our supply chain. These tariffs and other supply chain issues have an impact on our component costs and have the potential to have an even greater impact depending on the outcome of the current trade negotiations, which have been protracted and recently resulted in increases in U. S. tariff rates on specified products from China. Increases in our component costs could have a material effect on our gross margins. The loss of a significant supplier, an increase in component costs, or delays or disruptions in the delivery of components, could adversely impact our ability to generate future revenue and earnings and have an adverse effect on our business, financial condition, and operating results. Our business could be adversely affected from an accident, safety incident, or workforce disruption. **Our operations could expose us to significant personal injury claims that could subject us to substantial liability.** Any failure to **timely adapt to changing norms and requirements around maintaining** — **maintain** a safe workplace could result in employee illnesses, accidents or safety incidents, or may result in team discontent **or lost productivity** if we fail, or if it is perceived that we are failing, to protect the health and safety of our employees, **contractors, and other visitors to our premises.** **Our A workplace accident also may result in injury to nonemployees, and our** liability insurance may not be adequate to cover fully all claims, and we may be forced to bear substantial losses from an accident or safety incident resulting from our operations. Additionally, if our employees decide to join or form a labor union, we may become party to a collective bargaining agreement, which could result in higher employee costs and increased risk of work stoppages. It is also possible that a union seeking to organize one subset of our employee population could also mount a corporate campaign, resulting in negative publicity and reputational harm or other impacts that require attention by our management team and our employees. Negative publicity, work stoppages, or strikes by unions could have an adverse effect on our business, prospects, financial condition, and operating results. Our business has historically been, and may continue to be, affected by seasonality. Our business has historically been influenced by seasonal trends common to traditional retail selling periods, where we generated a disproportionate amount of sales activity related to our Connected Fitness Products **during the period** from November through February due in large part to seasonal holiday demand, New Year’s resolutions, and cold weather. The COVID- 19 pandemic previously affected these trends, but as the COVID- 19 pandemic has receded, we have experienced a return to pre- pandemic seasonal trends. During periods of higher sales during the period from November through February, our working capital needs may be typically greater during the second and third quarters of the fiscal year. As a result of quarterly fluctuations caused by these and other factors, comparisons of our operating results across different fiscal quarters may not be accurate indicators of our future performance. See “ — Our quarterly operating results and other operating metrics may fluctuate from quarter to quarter, which makes these metrics difficult to predict.” Seasonality in our business can also be affected by introductions of new or enhanced products and services, including the costs associated with such introductions, as well as external factors beyond our control. Our **operating results and other operating metrics may fluctuate from** quarterly — **quarter to quarter, which makes these metrics difficult to predict. Our** operating results and other operating metrics have fluctuated in the past and may continue to fluctuate from quarter to quarter. Additionally, our limited operating history makes it difficult to forecast our future results. As a result, you should not rely on our past quarterly operating results as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving markets. Our financial condition and operating results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including: • the continued market acceptance of, and the growth of the connected fitness and wellness market; • evolving consumer demand and our ability to maintain and attract new Subscribers; • **our the continued** development and **upgrading** improvement of the quality of the Peloton experience, including, enhancing existing and creating new Connected Fitness Products, services, technology, features, and content; • **the continued development and upgrading of our** proprietary technology platform; • **the timing and success of** new product, service, feature, and content introductions by us or our competitors or any other change in

the ~~our~~ competitive landscape of our market; • pricing pressure as a result of competition or otherwise; • the introduction of the previously announced rear guard to enhance the safety of our Tread product, which we announced in collaboration with the CPSC; • delays or disruptions in our supply chain; • errors in our forecasting of the demand for our products and services, which could lead to lower revenue or increased costs, or both; • increases in marketing, sales, and other operating expenses that we may incur to grow and expand our operations and to remain competitive; • short-term expenditures and initiatives we may undertake in furtherance of long-term cost savings, including our ~~the 2024 restructuring~~ **Restructuring plan Plan** announced in February 2022 and related continuing actions; • our reliance on third-party last-mile delivery and maintenance services for our Connected Fitness Products; • successful expansion into international markets; • seasonal fluctuations in subscriptions and usage of Connected Fitness Products by our Members, each of which may change as our products and services evolve or as our business grows; • diversification and growth of our revenue sources; • our ability to maintain gross margins and operating margins; • constraints on the availability of consumer financing or increased down payment requirements to finance purchases of our Connected Fitness Products; • system failures or breaches of security or privacy; • adverse litigation judgments, settlements, or other litigation-related costs, including content costs for past use; • changes in the legislative or regulatory environment, including with respect to privacy, consumer product safety, and advertising, or enforcement by government regulators, including fines, orders, or consent decrees; • fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies; • changes in our effective tax rate, including as a result of potential changes in tax laws proposed by the Biden administration; • changes in accounting standards, policies, guidance, interpretations, or principles; and • changes in business or macroeconomic conditions, including global supply chain issues, lower consumer confidence, inflation, foreign currency exchange rate fluctuations, rising interest rates, recessionary conditions, political instability, volatility in the credit markets, market conditions in our industry, increased unemployment rates, or stagnant or declining wages. Any one of the factors above or the cumulative effect of some of the factors above may result in significant fluctuations in our operating results. The variability and unpredictability of our quarterly operating results or other operating metrics could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to revenue or other operating results for a particular period. If we fail to meet or exceed such expectations, the market price of our Class A common stock could fall substantially, and we could face costly lawsuits, including securities class action suits. See “Risks Related to the Ownership of our Class A Common Stock.” Our passion and focus on delivering a high-quality and engaging Peloton experience may not maximize short-term financial results, which may yield results that conflict with the market’s expectations and could result in our stock price being negatively affected. We are passionate about continually enhancing the Peloton experience with a focus on driving long-term Member engagement through innovation, immersive content, technologically advanced Connected Fitness Products, multiple tiers of the Peloton App, and community support, which may not necessarily maximize short-term financial results. While we have recently announced our intention to stabilize our cash flows, we frequently make business decisions that may reduce our short-term financial results if we believe that the decisions are consistent with our goals to improve the Peloton experience, which we believe will improve our financial results over the long term. For example, in February ~~May 2022~~ **2024**, we committed to ~~a the 2024 restructuring~~ **Restructuring plan Plan**, which has resulted in charges and which we anticipate will require additional charges in the future. See Part I, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Fourth Quarter Fiscal ~~2023~~ **2024** Update and Recent Developments — Restructuring Plan.” These decisions may not be consistent with the expectations of our stockholders and may not produce the long-term benefits that we expect, in which case our membership growth and Member engagement, and our business, financial condition, and operating results could be harmed. Our acquisition **and integration** of Precor presents risks, and we may not realize our anticipated strategic and financial goals from the acquisition. Risks we may face in connection with our **acquisition integration** of Precor include: • We may not realize the benefits we expect to receive from the transaction, such as anticipated synergies; • We may have difficulties managing Precor’s technologies and lines of business or retaining key personnel from Precor; • The acquisition may not further our business strategy **cause impairments to assets that we record** as we expected, **a part of an acquisition; • We may have failed to identify or assess** there ~~the~~ could be unanticipated adverse impacts on **magnitude of (i) claims or liabilities related to** Precor’s business, or we may otherwise not realize the expected return on our investments, which could adversely affect our business or operating results; • The acquisition may cause, and additional factors relating to the shift in our strategic focus and to our restructuring initiatives have caused and may continue to cause, impairments to assets that we record as a part of an acquisition, including intangible assets and goodwill; • Our operating results or financial condition may be adversely impacted by (i) claims or liabilities related to Precor’s business, including, among others, claims from government agencies, terminated employees, current or former customers, consumers or business partners, **users**, or other third parties, **unexpected litigation or regulatory exposure, or intellectual property disputes**; (ii) pre-existing contractual relationships or lines of business of Precor that we would not have otherwise entered into, the termination or modification of which may be costly or disruptive to our business; (iii) unfavorable accounting treatment as a result of Precor’s practices; and (iv) **other shortcomings** intellectual property claims or disputes **risks in Precor’s business**; • Precor operates in segments of the commercial market that we have less experience with, including traditional gyms, multifamily residences, hotels and college and corporate campuses, and expansion of our operations in these segments could present various challenges and result in increased costs and other unforeseen challenges; • **We may be unable to successfully integrate Precor and its operations into our control environment; and •** Precor serves customers in more than **100-50** countries worldwide, and, as a result of the acquisition, our operations have expanded into new jurisdictions, which could present significant challenges and result in significant increased risks and costs inherent in doing business in international markets (see “ — Expansion into international markets will expose us to significant risks ”); and • We may have failed to identify or assess the magnitude of certain liabilities, shortcomings or other risks in Precor’s business, which could result in unexpected litigation or regulatory exposure, unfavorable accounting treatment, a diversion of management’s attention and resources, and other adverse effects on our business, financial

~~condition, and operating results~~. The occurrence of any of these risks could have a material adverse effect on our business, financial condition, and operating results. See “ — We have engaged and in the future may engage in acquisition and disposition activities, which could require significant management attention, disrupt our business, fail to achieve the intended benefit, dilute stockholder value, and adversely affect our operating results. ” ~~We have experienced, and may continue to experience, delays in the sale of the Ohio industrial facility that was intended to be Peloton Output Park, which could adversely impact our business and financial condition. In May 2021, we announced our plans to build a U. S.- based manufacturing facility in Troy Township, Ohio, which we called “ Peloton Output Park. ” While we previously intended to use Peloton Output Park to manufacture some of our Connected Fitness Products, we currently are marketing and intend to sell the Ohio facility. The process of re-developing, constructing, and marketing for sale the Ohio facility has been inherently complex and has required significant capital expenditure, and its sale has caused, and may continue to cause, significant disruption to our operations and divert management’s attention and resources, all of which could have a material adverse effect on our business, financial condition and operating results. We can give no assurance that we will recoup any of our investment in the development of the Ohio facility or realize the expected benefits of its sale, if any.~~ Expansion into international markets will expose us to significant risks. We intend **over time** to expand our operations to other countries, which ~~may requires~~ **require** significant resources and management attention and ~~could subjects~~ **subject** us to regulatory, economic, and political risks in addition to those we already face in the ~~United States~~ **markets in which we operate** . There are significant risks and costs inherent in doing business in international markets, including: • **the difficulty of establishing and managing an international distribution network operations and the increased operations, travel, infrastructure**, including establishment of **leveraging owned or third- party distribution, retail,** local delivery service and customer service operations, and legal compliance costs associated with locations in different countries or regions; • the need to vary pricing and margins to effectively compete in international markets; • the need to adapt and localize products **and software** for specific countries, including obtaining rights to third- party intellectual property, including music, used in each country; • increased competition from local providers of similar products and services; • the ability to protect and enforce intellectual property rights abroad; • the need to offer engaging content and customer support in various languages and across various cultures; • difficulties in understanding and complying with local laws, regulations, and customs in other jurisdictions; • compliance with anti- bribery laws, such as the U. S. Foreign Corrupt Practices Act (the “ FCPA ”), and the U. K. Bribery Act 2010 (the “ U. K. Bribery Act ”), by us, our employees, and our business partners; • complexity and other risks associated with current and future legal requirements in other countries, including legal requirements related to sustainability disclosure , **artificial intelligence** , consumer protection, consumer product safety, and data privacy frameworks, such as the General Data Protection Regulation 2016 / 679; • varying levels of internet technology adoption and infrastructure, and increased or varying network and hosting service provider costs; • tariffs and other non- tariff barriers, such as quotas and local content rules, customs detentions, as well as tax consequences; • fluctuations in currency exchange rates and the requirements of currency control regulations, which might restrict or prohibit conversion of other currencies into U. S. dollars; and • political or social unrest or economic instability in a specific country or region in which we operate, including, for example, escalating tensions, hostilities, or trade disputes between China and Taiwan ~~or the effects of “ Brexit, ” each of~~ which could have an adverse impact on our operations in such locations. In addition to expanding our operations into international markets through the sale of our Connected Fitness Products and the production of our platform content, we have expanded, and may in the future expand, our international operations through **partnerships with,** acquisitions of, or investments in, foreign entities, which may result in additional operational costs and risks. See “ — We have engaged and in the future may engage in acquisition and disposition activities, which could require significant management attention, disrupt our business, fail to achieve the intended benefit, dilute stockholder value, and adversely affect our operating results. ” In April 2021, we completed our acquisition of Precor, which serves customers in more than **100-50** countries worldwide. As a result, we ~~began to increase~~ **increased** our operations and efforts abroad , ~~which can also result in various challenges and amplify the various risks and costs of doing business in international markets described above.~~ We have limited experience with international regulatory environments and market practices and may not be able to penetrate or successfully operate in the markets we choose to enter. In addition, we may incur significant expenses as a result of our international expansion, and we may not be successful. We may face limited brand recognition in certain parts of the world that could lead to non- acceptance or delayed acceptance of our products and services by consumers in new markets. We may also face challenges to acceptance of our fitness and wellness content in new markets. Our failure to successfully manage these risks could harm our international operations and our plans for expansion into international markets, and have an adverse effect on our business, financial condition, and operating results. We rely on access to our production studios (or alternate venues) and the creativity of our fitness instructors to generate our class content. If we are unable to access or use our studios or alternate venues, or if we are unable to attract and retain high- quality fitness instructors, we may not be able to generate interesting and attractive content for our classes. Most of the fitness and wellness content offered on our platform is produced in one of our production studios located in New York City or London, with some content (including audio- only content) recorded out of studio or in non- Peloton studios. Due to our reliance on a limited number of studios in a concentrated location, any incident involving our studios, or affecting New York City or London at- large could render our studios inaccessible or unusable and could inhibit our ability to produce and deliver new fitness and wellness content for our Members. Production of the fitness and wellness content on our platform is further reliant on the creativity of our fitness instructors who, with the support of our production team, plan and lead our classes. Our standard employment contract with our U. S.- based fitness instructors has a fixed ~~multi- year~~ term, however, any of our instructors may leave Peloton prior to the end of their contracts. If we are unable to attract or retain creative and experienced instructors, we may not be able to generate content on a scale or of a quality sufficient to grow our business. If we fail to produce and provide our Members with interesting and attractive content led by instructors who engage them and who they can relate to, then our business, financial condition, and operating results may be adversely affected. As part of our business strategy, we have made and, in the future,

may make investments in other companies, products, or technologies, including acquisitions that may result in our entering markets or lines of business in which we do not currently have expertise. ~~For example, in April 2021, we acquired Precor in order to establish U. S. manufacturing capacity, boost research and development capabilities, and accelerate our penetration of the commercial market.~~ We may not be able to find suitable acquisition candidates and we may not be able to complete acquisitions on favorable terms, if at all, in the future. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by Members, prospective Members, employees, or investors. Moreover, ~~an acquisition~~ **acquisitions**, ~~investment~~ **investments**, or business ~~relationship~~ **relationships have resulted in, and** may ~~in the future~~ result in ~~,~~ unforeseen operating difficulties and expenditures, including disrupting our ongoing operations, diverting management from their primary responsibilities, subjecting us to additional liabilities, increasing our expenses, and adversely impacting our business, financial condition, and operating results. Some acquisitions **have required us, and** may ~~in the future~~ require us ~~,~~ to spend considerable time, effort, and resources to integrate employees from the acquired business into our teams, and acquisitions of companies in lines of business in which we lack expertise may require considerable management time, oversight, and research before we see the desired benefit of such acquisitions. **The success of these transactions also depends in part on our ability to leverage them to enhance our existing products and services or develop compelling new ones, as well as the acquired companies' ability to meet our policies and processes in areas such as data governance, privacy, and cybersecurity.** Therefore, we may be exposed to unknown liabilities and the anticipated benefits of any acquisition, investment, or business relationship may not be realized, if, for example, we fail to successfully integrate such acquisitions, or the technologies associated with such acquisitions, into our company. To pay for any such acquisitions, we would have to use cash, incur debt, or issue equity securities, each of which may affect our financial condition or the value of our capital stock and could result in dilution to our stockholders. If we incur more debt, it will result in increased fixed obligations and could also subject us to covenants or other restrictions that would impede our ability to manage our operations. Additionally, we may receive indications of interest from other parties interested in acquiring some or all of our business. The time required to evaluate such indications of interest could require significant attention from management **and our board of directors**, disrupt the ordinary functioning of our business, and could have an adverse effect on our business, financial condition, and operating results. Further, in connection with our restructuring initiatives, we have divested some of our assets, including through site closures, ~~such as~~ **and plan to divest additional assets, including** the sale of the Ohio industrial facility that was intended to be ~~the~~ Peloton Output Park. We may in the future decide to divest other assets or a business. In connection with these activities, it may be difficult to find or complete divestiture opportunities or alternative exit strategies under the desired timeline and on acceptable terms, if at all. These circumstances could delay the achievement of our strategic objectives or cause us to incur additional expenses with respect to the desired divestiture, or the price or terms of the divestiture may be less favorable than we had anticipated. Even following a divestiture or other exit strategy, we may have certain continuing obligations to former employees, customers, vendors, landlords or other third parties. We may also have continuing liabilities related to former employees, assets or businesses. Such obligations may have a material adverse impact on our results of operations and financial condition. We are subject to payment processing risk. Our customers pay for our products and services using a variety of different payment methods, including credit and debit cards, gift cards, **lines of credit, "buy now pay later" financial products**, and online wallets. We rely on internal systems as well as those of third parties to process payment. Acceptance and processing of these payment methods are subject to certain rules and regulations and require payment of interchange and other fees. To the extent there are disruptions in our payment processing systems, increases in payment processing fees, material changes in the payment ecosystem, such as large re-issuances of payment cards, delays in receiving payments from payment processors, or changes to rules or regulations concerning payment processing, our revenue, operating expenses and results of operation could be adversely impacted. We leverage our third- party payment processors to bill Subscribers on our behalf. If these third parties become unwilling or unable to continue processing payments on our behalf, we would have to find alternative methods of collecting payments, which could adversely impact Subscriber acquisition and retention. In addition, from time to time, we encounter fraudulent use of payment methods, which could impact our results of operation, and if not adequately controlled and managed, could create negative consumer perceptions of our service. Cybersecurity risks could adversely affect our business and disrupt our operations. In addition to relying on critical information technology systems, we collect, maintain and transmit data about employees, suppliers, Members and others, including payment card data and personal information, as well as proprietary business information. Threats to the availability, integrity and security of our systems and data are increasingly diverse and sophisticated. Our systems and data, as well as those of critical third parties, are vulnerable to cyber- attacks involving, for example, ~~malware viruses and worms~~, social engineering / phishing, ransomware or other extortion- based attacks, denial- of- service attacks, physical or electronic break- ins, third- party or current / former employee theft or misuse, and similar disruptions from unauthorized tampering with our servers and computer systems or those of third parties that we use in our operations, as well as cyber- risks attributable to software or hardware (e. g., tablets) vulnerabilities, coding errors and misconfigurations (e. g., involving APIs). As artificial intelligence capabilities improve and are increasingly adopted, we may see cyberattacks created through artificial intelligence. Despite our efforts to create security barriers to protect our systems and data, we cannot entirely mitigate these risks. Cyberattacks are expected to accelerate on a global basis in both frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools (including artificial intelligence) that circumvent controls, evade detection, and remove forensic evidence, which means that we and others may be unable to detect, investigate, contain or recover from future attacks or incidents in a timely or effective manner. In addition, our employees, service providers and third parties work more frequently on a remote or hybrid arrangement basis, which may involve relying on less secure systems and may increase the risk of cybersecurity- related incidents. We cannot guarantee these private work environments and electronic connections to our work environment have the same robust security measures deployed in our physical offices. Any cyber- attack that impacts our or our Members' data and

assets, disrupts our service, or otherwise compromises the availability, integrity or security of our systems, or those of third parties we use could adversely affect our business, financial condition, and operating results, be expensive to remedy, and damage our reputation. In addition, any such attacks or breaches may negatively impact our Members' experience, result in negative publicity, adversely affect our brand, impact demand for our products and services, and subject us to litigation (including class actions), regulatory investigations and / or penalties and fines, any or all of which could have an adverse effect on our business, financial condition, and operating results. While we maintain cyber insurance that may help provide coverage for security breaches or other covered incidents, such insurance may not be adequate to cover the costs and liabilities related to them. Our costs associated with such breaches and incidents, including, for example, those stemming from one or more large claims against us that exceed our available insurance coverage, or that results in changes to our insurance policies, could impact our operating results and / or financial condition. In addition, our insurance policy may change as a result of such incidents or for other reasons, including overall insurance market conditions, new cyber- attack campaigns, premium increases, or the imposition of large, self- insured retentions or other co- insurance requirements. Our Member engagement on mobile devices depends upon effective operation with mobile and streaming device operating systems, networks, and standards that we do not control. A significant and growing portion of our Members access our platform through the Peloton App, and there is no guarantee that popular mobile devices or television streaming devices will continue to support the Peloton App or that device users will use the Peloton App rather than competing products. We are dependent on the interoperability of the Peloton App with popular mobile and television streaming operating systems that we do not control, such as Android and iOS, and any changes in such systems that degrade the functionality of our App offering or give preferential treatment to competitors could adversely affect our platform' s usage on mobile devices and televisions. Additionally, in order to deliver high- quality content, it is important that the Peloton App offering is designed effectively and works well with a range of mobile and streaming technologies, systems, networks, and standards that we do not control. App store license agreements are not negotiable, and we must be responsive to changing requirements under those agreements. We may not be successful in developing relationships with key participants in the mobile and streaming industry or in developing products that operate effectively with these technologies, systems, networks, or standards. In the event that it is more difficult for our Members to access and use our platform on their mobile devices or televisions, or Members find the Peloton App does not effectively meet their needs, our competitors develop products and services that are perceived to operate more effectively on mobile devices or televisions, or if our Members choose not to access or use our platform on their mobile devices or televisions or use products that do not offer access to our platform, our Member growth and Member engagement could be adversely impacted. If we are unable to anticipate appropriate pricing levels for our Connected Fitness Products and subscriptions, our business could be adversely affected. If we are unable to anticipate appropriate pricing levels for our portfolio of Connected Fitness Products and subscription services, whether due to consumer sentiment and spending power, availability and terms of consumer financing, brand perception, competitive pressure, or otherwise, our revenues and / or gross margins could be significantly reduced. Our decisions around the development of new products and services are in part based upon assumptions around pricing levels. If there are price fluctuations in the market after these decisions are made, it could have a negative effect on our business. Further, in March 2022, we began offering Peloton Rental in select markets. In May 2023, we relaunched the Peloton App, ~~shifting perception of an~~ **and in August 2024 we announced** ~~home bike company to reflect everything Peloton has to offer to everyone, at any level, wherever they~~ **the are Used Equipment Activation Fee applicable to Connected Fitness Products purchased in the secondary market**. No assurance can be given that these offerings or any other new products or services will be successful and will not adversely affect our reputation, operating results, and financial condition. Additionally, our focus on long- term Member engagement over short- term financial condition or results of operations can result in us making decisions that may reduce our short- term revenue or profitability if we believe that such decisions benefit the aggregate Member experience and will thereby improve our financial performance over the long term. These decisions may not produce the long- term benefits that we expect, in which case our Member growth and engagement as well as our business, operating results, and financial condition could be negatively impacted. Changes in how we market our products and services could adversely affect our marketing expenses and subscription levels. We use a broad mix of marketing and other brand- building measures to attract Members. We use traditional television and online advertising, as well as third- party social media platforms such as Facebook, **X (Twitter)**, ~~and~~ Instagram, **and TikTok** as marketing tools. As television advertising, online, and social media platforms continue to rapidly evolve or grow more competitive, we must continue to maintain a presence on these platforms and establish a presence on new or emerging popular social media and advertising and marketing platforms. If we cannot use these marketing tools in a cost- effective manner, if we fail to promote our products and services efficiently and effectively, or if our marketing campaigns attract negative media attention, our ability to acquire new Members and our financial condition may suffer and the price of our Class A common stock could decline. In addition, an increase in the use of television, online, and social media for product promotion and marketing may increase the burden on us to monitor compliance of such materials and increase the risk that such materials could contain problematic product or marketing claims in violation of applicable regulations. Negative commentary, claims or publicity regarding us, our products or influencers and other third parties who are affiliated with us could adversely affect our reputation and sales regardless of whether such claims are accurate. See – “ Our success depends on our ability to maintain the value and reputation of the Peloton brand. ” An economic downturn or economic uncertainty may adversely affect consumer discretionary spending and demand for our products and services. Our products and services may be considered discretionary items for consumers. Factors affecting the level of consumer spending for such discretionary items include general economic conditions, including inflation, rising interest rates, recessionary conditions, and other factors such as consumer confidence in future economic conditions, fears of recession, the availability and cost of consumer credit and spending power, levels of unemployment, and tax rates. In recent years, the United States and other significant economic markets have experienced cyclical downturns and worldwide economic conditions remain uncertain. As global economic conditions continue

to be volatile or economic uncertainty remains, trends in consumer discretionary spending also remain unpredictable and subject to reductions and fluctuations. Unfavorable economic conditions may lead consumers to delay or reduce purchases of our products and services and consumer demand for our products and services may not grow as we expect. For example, in more recent quarters, we have experienced reduced consumer demand, partially contributing to a decrease in Connected Fitness Products revenue relative to prior year periods. Our sensitivity to economic cycles and any related fluctuation in consumer demand for our products and services could have an adverse effect on our business, financial condition, and operating results. Our revenue could decline due to changes in credit markets and decisions made by credit providers. Many of our customers have financed their purchase of our Connected Fitness Products through third- party credit providers with whom we have existing relationships. If we are unable to maintain our relationships with our financing partners, there is no guarantee that we will be able to find replacement partners who will provide our customers with financing on similar terms, and our ability to sell our Connected Fitness Products may be adversely affected. Further, reductions in consumer lending and the availability of consumer credit could limit the number of customers with the financial means to purchase our products. Higher interest rates could increase our costs or the monthly payments for consumer products financed through other sources of consumer financing. In the future, we cannot be assured that third- party financing providers will continue to provide consumers with access to credit or that available credit limits will not be reduced. Such restrictions or reductions in the availability of consumer credit, or the loss of our relationship with our current financing partners, could have an adverse effect on our business, financial conditions, and operating results. We have a limited operating history with which to predict the profitability of our subscription model. Additionally, we may introduce new revenue models in the future. The majority of our Subscribers are on month- to- month subscription terms and may cancel their subscriptions at any time. In addition, subscription renewals can fluctuate based on a variety of factors such as consumer preferences, competitive products and services and macroeconomic conditions. We have limited historical data with respect to subscription renewals, so we may be unable to accurately predict customer renewal rates ~~, including relating to the May 2023 App relaunch, which included the introduction of new membership tiers and pricing.~~ Additionally, prior renewal rates may not accurately predict future Subscriber renewal rates for a variety of reasons, such as Subscribers' dissatisfaction with our offerings and the cost of our subscriptions, macroeconomic conditions, or new offering introductions by us or our competitors. If our Subscribers do not renew their subscriptions, our revenue may decline, and our business will suffer. Furthermore, we have offered ~~, including in connection with the May 2023 App relaunch,~~ and may in the future offer, new subscription products, implement promotions, or replace or modify current subscription models and pricing, any of which could result in additional costs or could adversely impact Subscriber retention. For example, we ~~began offering~~ **offer** Peloton Rental in select markets **, and we are launching a Used Equipment Activation Fee applicable to Connected Fitness Products purchased in the secondary market.** It is unknown how our Subscribers will react to new models and whether the costs or logistics of implementing these models will adversely impact our business. If the adoption of new revenue models adversely impacts our Subscriber relationships, Subscriber growth, Subscriber engagement, and our business, financial condition, and operating results could be harmed. We track certain operational and business metrics with internal methods that are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business. We track certain operational and business metrics, including Total Workouts and Average Monthly Workouts per Connected Fitness Subscription, with internal methods, which are not independently verified by any third party and, in particular for the Peloton App, are often reliant upon an interface with mobile operating systems, networks and standards that we do not control. Our internal methods have limitations and our process for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we report. If the internal methods we use under- count or over- count metrics that are important to our business, for example, as a result of algorithmic or other technical errors, the operational and business metrics that we report publicly, or those that we report to regulatory bodies or otherwise use to manage our business, may not be accurate. In addition, limitations or errors with respect to how we measure certain operational and business metrics **or a cybersecurity incident that impacts the accuracy of this information** may affect our understanding of certain details of our business, which could affect our longer- term strategies, and jeopardize our credibility with Members, partners and regulators. If our operational and business metrics are not accurate representations of our business, market penetration, retention or engagement; if we discover material inaccuracies in our metrics; or if the metrics we rely on to track our performance do not provide an accurate measurement of our business, or if investors, analysts, or customers do not believe that they do, our reputation may be harmed, and our operating and financial results could be adversely affected. ~~The forecasts of market growth may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, we cannot assure you that our business will grow at a similar rate, if at all. Growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The forecasts relating to the expected growth in the connected fitness and wellness market, including estimates based on our own internal survey data, may prove to be inaccurate. Even if the market experiences the growth we forecast, we may not grow our business at a similar rate, or at all. Our growth is subject to many factors, including consumer demand and our success in implementing our business strategy, which are subject to many risks and uncertainties. See “— Our operating results have been, and could in the future be, adversely affected if we are unable to accurately forecast consumer demand for our products and services and adequately manage our inventory.”~~ We or our Subscribers may be subject to sales and other taxes, and we may be subject to liabilities on past sales for taxes, surcharges, and fees. The application of indirect taxes, such as sales and use tax, subscription sales tax, value- added tax, provincial taxes, goods and services tax, business tax, and gross receipt tax, to businesses like ours and to our Subscribers is a complex and evolving issue. Significant judgment is required to evaluate applicable tax obligations. In many cases, the ultimate tax determination is uncertain because it is not clear how existing statutes apply to our business. One or more states, the federal government, or other countries may seek to impose additional reporting, record- keeping, or indirect tax collection obligations on businesses like ours that offer subscription services and other fitness offerings, and consumers have contested, and may in the

future contest, the appropriateness of our tax collection practices through litigation or other means. New taxes could also require us to incur substantial costs to capture data and collect and remit taxes. If such obligations were imposed, the additional costs associated with tax collection, remittance, and audit requirements could have an adverse effect on our business, financial condition, and operating results. Covenants in the credit agreement and the security agreement governing our term loan and revolving credit facility may restrict our operations, and if we do not effectively manage our business to comply with these covenants, our financial condition could be adversely impacted. Our term loan and revolving credit facility contain various restrictive covenants, including, among other things, minimum liquidity and **subscription** revenue requirements applicable solely to **drawings under** the revolving credit facility, restrictions on our ability to dispose of assets, make acquisitions or investments, incur debt or liens, make distributions to our stockholders, or enter into certain types of related party transactions. In particular, in addition to customary affirmative covenants, as well as customary covenants that restrict our ability to, among other things, incur additional indebtedness, sell certain assets, guarantee obligations of third parties, declare dividends or make certain distributions, and undergo a merger or consolidation or certain other transactions, our revolving credit facility, as recently amended, requires us, **when revolving loans are outstanding**, to maintain a total level of liquidity of not less than \$ 250. 0 million and ~~limits our borrowings under the revolving credit facility of our credit agreement to~~ **maintain the lesser of \$ 400. 0 million and an amount equal to the Subscription revenue of the company and its subsidiaries** **of at least \$ 1. 2 billion** for the ~~four- most recently completed fiscal quarter~~ **trailing period of the company**. These restrictions may restrict our current and future operations, particularly our ability to respond to certain changes in our business or industry or take future actions. Pursuant to the security agreement, we granted the parties thereto a security interest in substantially all of our assets. See Note 12- Debt in the Notes to our Consolidated Financial Statements in Part II, Item 8 of this Annual Report on Form 10- K and the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources- ~~Second-Third~~ **Amended and Restated Credit Agreement** ” in Part II, Item 7 of this Annual Report on Form 10- K. Our ability to meet these restrictive covenants can be impacted by events beyond our control and we may be unable to do so. Our credit agreement provides that our breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, our lenders could elect to declare all amounts outstanding under its debt agreements to be immediately due and payable. In addition, our lenders would have the right to proceed against the assets we provided as collateral pursuant to the credit agreement and the security agreement. If the debt under our credit agreement was to be accelerated, we may not have sufficient cash on hand or be able to sell sufficient collateral to repay it, which would have an immediate adverse effect on our business and operating results. This could potentially cause us to cease operations and result in a complete loss of your investment in our Class A common stock. We have identified material weaknesses in our internal control over financial reporting, and if our remediation of such material weaknesses is not effective, or if we fail to develop and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired. ~~In the course of preparing our financial statements for fiscal 2021, fiscal 2022 and fiscal 2023, we identified material weaknesses in our internal control over financial reporting.~~ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. **In the course of preparing our financial statements for fiscal 2021, fiscal 2022, fiscal 2023, and fiscal 2024, we identified the following material weaknesses in our internal control over financial reporting.** • **A material weakness related to controls around the existence, completeness, and valuation of inventory. This material weakness existed during fiscal 2021, fiscal 2022, fiscal 2023, and fiscal 2024.** • **A material weakness related to controls around the inputs and assumptions used in our goodwill and long- lived asset impairment testing and restructuring assessment. This material weakness was identified during fiscal 2022 and remediated in fiscal 2023.** • **A material weakness related to information technology general controls (“ ITGCs ”) in the area of user access over for a certain information technology system specific to Precor. We have concluded that this This material weakness was identified during fiscal 2023 arose because we did not design and maintain sufficient user access controls to ensure appropriate segregation of duties and adequately restrict user and privileged access to a financial application, programs, and remediated in fiscal 2024 data to appropriate Company personnel. The affected ITGCs adversely affected certain automated and manual** • **A material weakness related to Precor’ s business process control environment involving the lack of proper design of controls reliant on such ITGCs and lack of sufficient documentation to validate control design effectiveness, in particular management review controls . The This material weakness was that we identified in fiscal 2021-2024 and 2022 related to reporting involving inventory; an and remediation is ongoing additional material weakness we identified in fiscal 2022 related to controls that validate the inputs and assumptions used in our impairment testing. We have concluded that these material weaknesses arose because our controls were not effectively designed, documented and maintained to (i) verify that our physical inventory counts were correctly counted and communicated; and (ii) apply fair value measurements and validate the inputs and assumptions used in our impairment testing for reporting in our financial statements.** To address our material weaknesses, we have made changes to our program and controls as set forth in Part II, Item 9A “ Controls and Procedures. ” Unless otherwise described in Part II, Item 9A “ Controls and Procedures ”, we will not be able to fully remediate these material weaknesses until these steps have been completed and have been operating effectively for a sufficient period of time. If we are unable to further implement and maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to record, process and report financial information accurately, and to prepare financial statements within required time periods could be adversely affected, which could subject us to litigation or investigations requiring management resources and payment of legal and other expenses, negatively affect investor confidence in our financial statements and adversely impact our stock price. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting, investors

may lose confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock could be adversely affected and we could become subject to litigation or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources. Furthermore, we cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weakness in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. For example, as we continue our reliance on last mile partners, we may face additional challenges in accurately verifying physical inventory counts. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports that are filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on The Nasdaq Global Select Market. Failure to maintain effective internal control over our financial and management systems may strain our resources, divert management's attention, and impact our ability to attract and retain executive management and qualified board members. We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the rules and regulations promulgated thereunder by the SEC and any rules and regulations subsequently implemented by the SEC, the rules and regulations of the listing standards of The Nasdaq Stock Market LLC and other applicable securities rules and regulations. Compliance with these rules and regulations has increased our legal and financial compliance costs and strains our financial and management systems, internal controls, and employees. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results. Moreover, the Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures, and internal control over financial reporting. In order to maintain and, if required in the future, improve our disclosure controls and procedures, and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. ~~In the course of preparing our financial statements for fiscal 2023, we identified a material weakness in our internal control over financial reporting related to Pricor ITGCs. Previously, in fiscal 2021 and 2022, we had identified a material weakness related to controls around the existence, completeness, and valuation of inventory. If, in the future, we have a material weakness or deficiencies in our internal control over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated.~~ Effective internal control is necessary for us to produce reliable financial reports and is important to prevent fraud. See " — We have identified material weaknesses in our internal control over financial reporting, and if our remediation of such material weaknesses is not effective, or if we fail to develop and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired. " Pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act, our independent registered public accounting firm has provided an attestation report regarding our internal control over financial reporting. We have incurred and expect to continue to incur significant expenses and devote substantial management effort toward ensuring **that our internal control over financial reporting is effective** ~~compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act.~~ As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, operating results, and financial condition. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future, or engage outside consultants, which will increase our operating expenses. If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our operating results could be adversely affected. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled " Management's Discussion and Analysis of Financial Condition and Results of Operations- Critical Accounting Estimates " in Part II, Item 7 of this Annual Report on Form 10-K. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and stockholders' equity / deficit, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue related reserves, the realizability of inventory, ~~content costs for past use reserve,~~ fair value measurements including common stock valuations, the incremental borrowing rate associated with lease liabilities, useful lives of property and equipment, product warranty, goodwill and finite-lived intangible assets, accounting for income taxes, stock-based compensation expense and commitments and contingencies. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the price of our Class A common stock. We are exposed to changes to the global macroeconomic environment beyond our control, including **fluctuations in** ~~inflation fluctuations~~ and foreign currency exchange ~~rate rates~~ **fluctuations**. We are exposed to fluctuations in inflation, which could negatively affect our business, financial condition and operating results. ~~When The United States has recently experienced historically high levels of inflation. If the inflation rate continues to increase~~ **increases**, it will

likely affect our expenses, including, but not limited to, employee compensation expenses and increased costs for supplies. Any attempts to offset cost increases with price increases may result in reduced sales, increased customer dissatisfaction or otherwise harm our reputation. Moreover, to the extent inflation results in rising interest rates, reduces discretionary spending, and has other adverse effects on the market, it may adversely affect our business, financial condition and operating results. In addition, while we have historically transacted in U. S. dollars with the majority of our Subscribers and suppliers, we have transacted in some foreign currencies, such as the Euro, Canadian Dollar and U. K. Pound Sterling, and may transact in more foreign currencies in the future. Further, certain of our manufacturing agreements provide for fixed costs of our Connected Fitness Products and hardware in Taiwanese dollars but provide for payment in U. S. dollars based on the then- current Taiwanese dollar to U. S. dollar spot rate. Accordingly, changes in the value of foreign currencies relative to the U. S. dollar can affect our revenue and operating results. As a result of such foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and operating results. In addition, to the extent that fluctuations in currency exchange rates cause our operating results to differ from our expectations or the expectations of our investors, the trading price of our Class A common stock could be lowered. We **have used, and may in the future use**, derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place and may introduce additional risks if we are unable to structure effective hedges with such instruments. **A resurgence of the COVID- 19 pandemic could have an adverse effect on our business, and it remains uncertain how the post- COVID- 19 pandemic environment and any resurgence of the COVID- 19 pandemic will impact consumer demand for our products and services and consumer preferences generally.**

A resurgence of the COVID- 19 pandemic could have an adverse effect on our business, results of operations, and financial condition due to the occurrence of some or all of the following events or circumstances, among others: • our and our third- party suppliers', contract manufacturers', logistics providers', and other business partners' inability to manage our or their business effectively or operate worksites due to employees, including key employees, becoming ill and working from home inefficiently as a result of a remote or hybrid working arrangement; • temporary inventory shortages caused by difficulties in predicting demand for our products and services and longer lead- times and component shortages in the manufacturing of our Connected Fitness Products, due to import / export conditions such as port congestion, and local government orders; and • incurrence of significant increases to employee healthcare and benefits costs. In addition, while we experienced a significant increase in our Subscriber base at the onset of the COVID- 19 pandemic, the rate of the increase has since slowed down and, over the longer term, it remains uncertain how the post- COVID- 19 pandemic environment will impact consumer demand for our products and services and consumer preferences generally. It also remains uncertain how any resurgence of the COVID- 19 pandemic would impact demand for our products and services. See “ — Our operating results have been, and could in the future be, adversely affected if we are unable to accurately forecast consumer demand for our products and services and adequately manage our inventory. ” We have been and may in the future be subject to stockholder activism, which can arise in a variety of predictable or unpredictable situations and can result in substantial costs and divert management' s and our board' s attention and resources from our business. Additionally, such stockholder activism could give rise to perceived uncertainties as to our long- term business, financial forecasts, future operations and strategic planning, harm our reputation, adversely affect our relationships with our Members and business partners, and make it more difficult to attract and retain qualified personnel. We may also be required to incur significant fees and other expenses related to activist matters, including for third- party advisors retained by us to assist in navigating activist situations. Our stock price could fluctuate due to trading activity associated with various announcements, developments, and share purchases over the course of an activist campaign or otherwise be adversely affected by the events, risks and uncertainties related to any such stockholder activism. **Increased regulation and increased scrutiny and changing expectations from investors, consumers, employees, and others regarding environmental, social and governance matters, practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer attraction and retention, access to capital and employee recruitment and retention.** Companies across all industries are facing increasing scrutiny related to their environmental, social and governance (“ ESG ”) practices and reporting. **Increased regulation and increased scrutiny and changing expectations from investors investors, consumers, employees, and other others stakeholders have focused increasingly on ESG regarding environmental, social and governance matters, practices and placed increasing importance on the implications and social cost of their investments, purchases and other interactions with companies. With this increased focus, public reporting could cause us to incur additional costs** regarding ESG practices is becoming more broadly expected. If our ESG practices and reporting do not meet investor, consumer- **devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer attraction and retention, access to capital and employee recruitment** expectations, which continue to evolve, our brand-- **and**, reputation and customer retention may be negatively impacted. Our ability to achieve our current or future ESG objectives, targets or goals, including our renewable energy procurement, **air freight carbon emissions reduction, and circular business model goals-commitments**, is subject to numerous risks, many of which are outside of our control. Examples of such risks include: • the availability and cost of low- or non- carbon- based energy sources; • the evolving regulatory requirements affecting ESG standards or disclosures; • the availability of suppliers that can meet sustainability, diversity and other ESG standards that we may set; • our ability to recruit, develop and retain diverse talent in our labor markets; and • the success of our organic growth and acquisitions or dispositions of businesses or operations. **If All our ESG- related goals and targets are intentionally challenging, and are therefore subject to risks, uncertainties, third party information or action, and conditions, many of which are outside of our control. Progressing towards our targets and commitments requires us to invest significant effort, resources, and management time, and circumstances may arise, including those beyond our control, that may require us to revise our timelines or our commitments. All our ESG disclosures are also**

subject to certain assumptions, estimations, methodologies, and third- party information that we believed to be reasonable at the time, but which may subsequently be determined to be erroneous, insufficient, or otherwise misaligned with stakeholder expectations. Additionally, if we fail, or are perceived to be failing, to meet the standards included in any sustainability disclosure or the expectations of our various stakeholders, it could negatively impact our reputation, customer attraction and retention, access to capital and employee retention. In addition, new sustainability rules and regulations have been adopted and may continue to be introduced in various states and other jurisdictions. For instance, the European Union Corporate Sustainability Reporting Directive (“ CSRD ”) became effective in 2023. CSRD applies to both EU and non- EU in- scope entities and would require them to provide expansive disclosures on various sustainability topics including climate change, biodiversity, workforce, supply chain, and business ethics. The SEC is expected to finalize a climate change disclosure proposal in 2023. Further, the International Sustainability Standards Board issued sustainability and climate change disclosure standards in June 2023, which the U. K. and other countries in which we operate had indicated they will adopt as their own binding standards. Our failure to comply with any applicable sustainability rules or regulations or other criticisms of our sustainability disclosures could lead to penalties or claims and other litigation and adversely impact our reputation, customer attraction and retention, access to capital and employee retention . Furthermore, there are efforts by some stakeholders to reduce or limit companies’ efforts on certain ESG related matters. Both advocates and opponents are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise adversely impact our business. This and other stakeholder expectations will likely lead to increased compliance costs as well as scrutiny that could heighten all of the risks identified above and other similar risks . Our business is subject to the risk of earthquakes, fire, power outages, floods, hurricanes, public health crises, ransomware and other cybersecurity attacks, labor disputes, and other catastrophic events, and to interruption by man- made problems such as terrorism and international geopolitical conflicts. Our business is vulnerable to damage or interruption from climate - related risk in the form of extreme weather events, earthquakes, fires, floods, hurricanes, and other power losses, telecommunications failures, ransomware and other cybersecurity attacks, labor disputes, terrorist attacks, acts of war and international geopolitical conflicts, human errors, break- ins, industrial accidents, public health crises ; including the COVID-19 pandemic, and other unforeseen events or events that we cannot control. The third- party providers, systems and operations and contract manufacturers we rely on are subject to similar risks. Our insurance policies may not cover losses from these events or may provide insufficient compensation that does not cover our total losses. For example, a significant natural disaster, such as an earthquake, fire, or flood, could have an adverse effect on our business, financial condition and operating results, and our insurance coverage may be insufficient to compensate us for losses that may occur. Acts of terrorism, which may be targeted at metropolitan areas that have higher population density than rural areas, could also cause disruptions to our or our suppliers’ and contract manufacturers’ businesses or the economy as a whole. We may not have sufficient protection or recovery plans in some circumstances, such as natural disasters affecting locations that store significant inventory of our products, which house our servers, or from which we generate content. As we rely heavily on our computer and communications systems, and the internet to conduct our business and provide high- quality customer service, these disruptions, including disruptions due to weather- related events that could stress the power grid, could negatively impact our ability to run our business and either directly or indirectly disrupt suppliers’ and our contract manufacturers’ businesses, which could have an adverse effect on our business, financial condition, and operating results. Our products and services may be affected from time to time by design and manufacturing defects or product safety issues, real or perceived, that could adversely affect our business and result in harm to our reputation. We offer complex hardware and software products and services that may be alleged, and have been alleged, to be affected by design and manufacturing defects or potential product safety issues. Sophisticated operating system software and applications, such as those offered by us, often have issues that can unexpectedly interfere with the intended operation of hardware or software products. Defects may also exist in components and products that we source from third parties, or may arise from upgrades or changes to hardware that we or our third- party manufacturing partners may make in the ordinary course of a product’ s lifecycle. Actual or perceived defects may not be identified until after a product is in market. Any defects could impact our customer experience, tarnish our brand reputation or make our products and services unsafe and create a risk of environmental or property damage and / or personal injury. We- Our products have been, and may also become in the future be, subject to the hazards and uncertainties of product liability claims and product recall. We have been and may in the future be exposed to product- related litigation liabilities , including consumer claims which in some instances have resulted in and may result in product redesigns, product recalls, or other corrective action . Additionally- For example , in May 2021 ;we initiated a voluntary recall of our Tread product in coordination with the U. S. Consumer Product Safety Commission (“ CPSC ”) in response to reports of injuries associated with our Tread and , one of which led to the death of a child. In 2020, we conducted a voluntary recall in coordination with the CPSC of first generation clip- in pedals in our Peloton Bike, our original model bike, due to a risk that the pedal can break during use, causing injuries. In addition, in May 2023, in collaboration with the CPSC, we announced a voluntary recall of the original Peloton model Bikes (not Bike) seat posts sold in the U. S. from January 2018 to May 2023 . As a result , and we are now and may in offering Members a free replacement seat post as the approved repair- future be involved in class action litigation . We may also in the future be involved in product recalls for which we generally have incurred- not purchased insurance , and may be involved in continue to incur, incremental expenses or face other litigation or events for which insurance products may challenges in connection with the implementation of the seat post recall beyond what we have limitations currently estimated to be probable and reasonably estimable, including if the number of reported incidents materially increases, which may adversely impact our operating results, brand reputation, demand for our products, and business. In addition to the seat post recall described above, in collaboration with the CPSC, in May 2023 we announced that we will be offering a free rear safety guard to Members in connection with the Tread recall. We may face, and have faced, substantial costs associated with the implementation of the above and other recalls

~~including the development of new or additional product features.~~ We are presently subject to class action litigation, private personal injury claims and other regulatory proceedings, government inquiries and investigations related to the Tread and Bike recalls and other matters that, regardless of their merits, could harm our reputation, divert management's attention from our operations, and result in substantial legal fees, judgments, fines, penalties, and other costs. Given that such proceedings are subject to uncertainty, there can be no assurance that such legal and regulatory proceedings, either individually or in the aggregate, will not have a material adverse effect on our stock price, business, results of operations, financial condition or cash flows. Furthermore, the occurrence of real or perceived defects in any of our products, now or in the future, could result in additional negative publicity, regulatory investigations, recalls, or lawsuits filed against us, particularly if Members or others who use or purchase our Connected Fitness Products are injured. Even if injuries are not the result of any defects, if they are perceived to be, we may incur expenses to defend or settle any claims or government inquiries and our brand and reputation may be harmed. See Note 13- Commitments and Contingencies in the Notes to our Consolidated Financial Statements in Part II, Item 8 of this Annual Report on Form 10- K and the section titled " Legal Proceedings " in Part I, Item 3 of this Annual Report on Form 10- K. In addition, from time to time, we may experience outages, service slowdowns, hardware issues, or software errors that affect our ability to deliver our fitness and wellness programming through our Connected Fitness platform. As a result, our services may not perform as anticipated and may not meet our expectations, or legal or regulatory requirements, or the expectations of our Members. There can be no assurance that we will be able to timely detect and fix all issues and defects in the hardware, software, and services we offer. Failure to do so could result in widespread technical and performance issues affecting our products and services and could lead to claims or investigations against us. Design and manufacturing defects, real or perceived, and claims **or investigations** related thereto, may subject us to judgments or settlements that result in damages materially in excess of the limits of our insurance coverage. In addition, we may be exposed to recalls, product replacements or modifications, write- offs of inventory, property and equipment, or intangible assets, and significant warranty and other expenses such as litigation costs and regulatory fines. If we cannot successfully defend any large claim **or potential liability**, maintain our general liability insurance on acceptable terms, or maintain adequate coverage against potential claims, our financial results could be adversely impacted. Further, quality problems could adversely affect the experience for users of our products and services, and result in harm to our reputation, loss of competitive advantage, poor market acceptance, reduced demand for our products and services, delay in new product and service introductions, and lost revenue. Our Members use their Connected Fitness Products, subscriptions, and fitness accessories to track and record their workouts. If our products fail to provide accurate metrics and data to our Members, our brand and reputation could be harmed, and we may be unable to retain our Members. Our Members use their Connected Fitness Products, subscriptions, and fitness accessories, such as our heart rate monitor, to track and record certain metrics and data related to their workouts. Examples of data tracked on our platform include heart rate, calories burned, distance traveled and Strive Score as well as cadence, resistance, and output in the case of Bike; pace, speed, and elevation **, and output** in the case of Tread; Movement Tracker in the case of Guide; and stroke rate, pace, and output in the case of Row. Taken together, these metrics assist our Members in tracking their fitness journey and understanding the effectiveness of their Peloton workouts, both during and after a workout. We anticipate introducing new metrics and features in the future. If the software used in our Connected Fitness Products or on our platform malfunctions and fails to accurately track, display, or record Member workouts and metrics, it could negatively impact our Members' experience, and we could face claims alleging that our products and services do not operate as advertised. Such reports and claims could result in negative publicity, product liability and / or product safety claims, and, in some cases, may require us to expend time and resources to refute such claims and defend against potential litigation. If our products and services fail to provide accurate metrics and data to our Members, or if there are reports or claims of inaccurate metrics and data or claims of inaccuracy regarding the overall health benefits of our products and services in the future, our Members' experience may be negatively impacted, we may become the subject of negative publicity, litigation, regulatory proceedings, and warranty claims, and our brand, operating results, and business could be harmed. If we fail to offer high- quality Member support, our business and reputation will suffer. Providing a high- quality Member experience is vital to our success in generating word- of- mouth referrals to drive sales and for retaining existing Members. We have faced, and in the future may face, challenges to our ability to provide high- quality Member support. ~~For example, due to COVID-19, we have at times been unable to provide in- home servicing of our Connected Fitness Products, and we have at times had to pause or limit delivery of our Connected Fitness Products.~~ Additionally, our use of, and expansion of, other distribution channels and our increasing reliance on third- party Member support **and, third- party last mile partners for in- home delivery and set up services, and Member self- assembly of certain of our Connected Fitness Products** may challenge our ability to control Members' experience of such services. If we **or our third- party partners** do not help our Members quickly resolve issues and provide effective ongoing support, our reputation may suffer, and our ability to retain and attract Members, or to sell additional products and services to existing Members, could be harmed. We may be subject to warranty claims that could result in significant direct or indirect costs, or we could experience greater product returns than expected, either of which could have an adverse effect on our business, financial condition, and operating results. We generally provide a minimum 12- month limited warranty on all of our Connected Fitness Products. In addition, we permit returns of our Bikes or Treads by first- time purchasers for a full refund within 30 days of delivery. The occurrence of any defects, real or perceived, in our Connected Fitness Products could result in an increase in returns or make us liable for damages and warranty claims in excess of our current reserves, which could result in an adverse effect on our business prospects, liquidity, financial condition, and cash flows if returns or warranty claims were to materially exceed anticipated levels. We have experienced and may in the future experience higher product returns during periods where there are actual or perceived defects in our products or services or if there are changes in home fitness demand ~~as consumers go back to their pre- COVID routines~~. In addition, we have been, and in the future could be, subject to costs related to product recalls, and we could incur significant costs to correct any defects, warranty claims, or other problems. Any negative publicity related to the perceived quality and safety of our

products could affect our brand image, decrease consumer and Member confidence and demand, and adversely affect our financial condition and operating results. Also, while our warranty is limited to repairs and returns, warranty claims may result in litigation, the occurrence of which could have an adverse effect on our business, financial condition, and operating results. For example, in connection with our May 2021 Tread recall, we are presently, and may in the future be, subject to warranty claims and lawsuits related to injuries sustained by Members or their friends and family members, or others who use or purchase the Tread and other Connected Fitness Products that, regardless of their merits, could harm our reputation, divert management's attention from our operations and result in substantial legal fees and other costs. See " — Our products and services may be affected from time to time by design and manufacturing defects or product safety issues, real or perceived, that could adversely affect our business and result in harm to our reputation. " In addition to warranties supplied by us, we also offer the option for customers to purchase ~~third-party~~ extended warranty and services contracts in some markets, which creates an ongoing performance obligation over the warranty period. Extended warranties are regulated in the United States on a state level and are treated differently by state. Outside the United States, regulations for extended warranties vary from country to country. Changes in interpretation of the insurance regulations or other laws and regulations concerning extended warranties on a federal, state, local, or international level may cause us to incur costs or have additional regulatory requirements to meet in the future. Our failure to comply with past, present, and future similar laws could result in reduced sales of our products, reputational damage, penalties, and other sanctions, which could have an adverse effect on our business, financial condition, and operating results. Regulations related to conflict minerals may cause us to incur additional expenses and could limit the supply and increase the costs of certain metals used in the manufacturing of our products. We are subject to requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, requiring us to conduct due diligence on and disclose whether or not certain conflict minerals originating from certain countries as well as geographic regions are necessary for the manufacture or functionality of our products. The implementation of these requirements could adversely affect the sourcing, availability, and pricing of the materials used in the manufacture of components used in our products. In addition, we incur additional costs to comply with the potential disclosure requirements, including costs related to conducting diligence procedures to determine the sources of minerals that may be used or necessary to the production of our products and, if applicable, potential changes to products, processes, or sources of supply as a consequence of such due diligence activities. It is also possible that we may face reputational harm if we determine that any of our products contain minerals not determined to be free of conflict minerals or if we are unable to alter our products, processes, or sources of supply to avoid such materials. **We have been** ~~From time to time, we~~ **and in the future** may be, subject to claims, lawsuits, government inquiries or investigations, demands, disputes, and other proceedings involving product safety, product liability, competition and antitrust, intellectual property, privacy, consumer protection, securities, tax, labor and employment, commercial disputes, and other matters that could adversely affect our business operations and financial condition. As we have ~~grown~~ **evolved**, we ~~have continue to seen~~ **see** a ~~rise in the number and significance~~ of these disputes and inquiries. Injuries sustained **or damages claimed** by Members or their friends and family members, or others who use or purchase our Connected Fitness Products, have subjected us to, and could in the future subject us to, regulatory proceedings, government inquiries, investigations, and actions, ~~and or~~ private litigation that, regardless of their merits, could harm our reputation, divert management's attention from our operations, and result in substantial legal fees and other costs. Additionally, we have in the past been subject to intense media scrutiny, which exposes us to increasing regulation, government ~~or regulatory~~ investigations, legal actions and penalties. For example, we are presently subject to litigation **and disputes** related to injury **or damage** claims by Members and ~~other others who~~ used or purchased the Tread, and we have reporting obligations to safety regulators in all jurisdictions where we sell Connected Fitness Products, ~~where reporting~~. **Product recalls** may ~~trigger further~~ **give rise to** regulatory investigations, **enforcement matters, private litigation, and potential monetary penalties**. See " — Our products and services may be affected from time to time by design and manufacturing defects or product safety issues, real or perceived, that could adversely affect our business and result in harm to our reputation. " The SEC is also investigating our public disclosures concerning the Tread recall, as well as other matters. In addition, in 2021, the DOJ and the Department of Homeland Security (the "DHS") subpoenaed us for documents and other information related to our statutory obligations under the CPSA, and they are continuing to investigate. We have also been named in several lawsuits related to our products. For example, the Company and certain of its former officers have been named in a consolidated securities class action on behalf of a class consisting of individuals who purchased or otherwise acquired our Class A common stock between September 11, 2020 and May 5, 2021, alleging that the defendants made false and/or misleading statements in violation of Sections 10 (b) and 20 (a) of the Exchange Act and Rule 10b-5 promulgated thereunder related to the Tread and Tread products and the safety of those products. Seven stockholders filed verified stockholder derivative action lawsuits purportedly on behalf of the Company against certain of our current and former officers and directors alleging breaches of fiduciary duties and violations of Section 14 (a) of the Securities Exchange Act, and, for certain of the lawsuits, unjust enrichment, abuse of control, gross mismanagement, waste, and a claim for contribution under Sections 10 (b) and 21D of the Exchange Act based upon similar allegations. See " — The stock price of our Class A common stock has been, and will likely continue to be, volatile and you could lose all or part of your investment. " We and certain of our current and former officers have also been named as defendants in a consolidated putative securities class action related to demand for our Connected Fitness Products. In particular, plaintiffs filed a putative securities class action lawsuit purportedly on behalf of a class consisting of individuals who purchased or otherwise acquired our Class A common stock between February 5, 2021 and January 19, 2022, alleging that the defendants made false and/or misleading statements about demand for the Company's products and the reasons for the Company's product inventory growth. Plaintiffs also allege that the defendants engaged in improper trading in violation of Sections 10 (b) and 20A of the Exchange Act and Rule 10b-5 promulgated thereunder. Four stockholders filed verified stockholder derivative action lawsuits purportedly on behalf of the Company against current and former officers and directors, alleging breaches of fiduciary duty based upon substantially similar allegations. We have also

been named in a putative class action in South Carolina related to the Bike seat post recall by plaintiffs purporting to represent a nationwide class of purchasers of the Bike and alleging that sales of the Bike constituted breaches of warranty, negligence, unjust enrichment, and sale of a defective product. The Company and certain of its current and former officers have also been named in a putative securities class action on behalf of individuals who purchased or otherwise acquired Peloton securities between May 10, 2022 and May 10, 2023, alleging that the defendants made false and / or misleading statements about the safety of the Peloton Bike and likelihood of a recall in violation of Sections 10 (b) and 20 (a) of the Exchange Act and Rule 10b-5 promulgated thereunder. Additionally, from time to time, we may be, and currently are, subject to inquiries from regulators in which they seek information about us or our practices. Such further inquiries could result in more formal investigations or **allegations proceedings**, which could adversely impact our business, financial condition, and operating results. Litigation, government inquiries or investigations, regulatory proceedings, ~~such as the investigations described above,~~ as well as **related** personal injury or class action claims and lawsuits, and securities, commercial, consumer and intellectual property infringement matters that we are currently facing or could face, can be protracted and expensive, and have results that are difficult to predict. **Determining reserves for pending litigation and other legal and regulatory matters requires significant judgment, and there can be no assurance that our expectations or estimates will prove correct**. Certain of these matters include speculative claims for substantial or indeterminate amounts of damages and include claims for injunctive **or equitable** relief. Additionally, our legal costs for any of these matters, either alone or in the aggregate could be significant. Adverse outcomes with respect to any of these legal, **government,** or regulatory proceedings may result in significant settlement costs or judgments, penalties and fines, or require us to modify our products or services, make content unavailable, or **require us** to stop offering certain products, components, or features, all of which could negatively affect our membership and revenue growth. Even if these proceedings are resolved in our favor, the time and resources necessary to resolve them, **or public scrutiny related to them,** could divert the resources of our management and require significant expenditures. See Note 13- Commitments and Contingencies in the Notes to our Consolidated Financial Statements in Part II, Item 8 of this Annual Report on Form 10- K and the section titled “ Legal Proceedings ” in Part I, Item 3 of this Annual Report on Form 10- K. ~~The results of litigation, investigations, claims, demands, disputes, and regulatory proceedings cannot be predicted with certainty, and determining reserves for pending litigation and other legal and regulatory matters requires significant judgment. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, financial condition, and operating results.~~ We collect, store, process, and use personal data and other Member data, which subjects us to legal obligations and laws and regulations related to security and privacy, and any actual or perceived failure to meet those obligations could harm our business. We collect, process, store, and use a wide variety of data from current and prospective Members, including personal data (some of which is considered sensitive data under applicable laws), such as **home addresses, and** geolocation data. U. S. federal, state, and international laws and regulations governing privacy, data protection, and e-commerce transactions impose obligations on what we can do with our Members’ personal data. These obligations include heightened transparency about data collection, use and sharing practices, new data privacy rights, and rules in respect to cross-border data transfers, which carry significant enforcement penalties for non- compliance. **Compliance with existing, proposed and recently enacted laws and regulations can be costly and time consuming, and any failure to comply with these regulatory standards could subject us to legal, operational and reputational risks**. These laws and regulations also require us to safeguard our Members’ personal data. Although we have established security measures, policies and procedures designed to protect Member information, our third- party service providers’ security and testing measures may not prevent security breaches. Further, advances in computer capabilities, artificial intelligence and machine learning, new discoveries in the field of cryptography, inadequate facility security, or other developments may result in a compromise or breach of the technology we use to protect Member data. Any compromise of our security or breach of our Members’ privacy could harm our reputation or financial condition and, therefore, our business. In addition, a party who circumvents our security measures or exploits inadequacies in our security measures, could, among other effects, misappropriate Member data or other proprietary information, cause interruptions in our operations, or expose Members to computer viruses or other disruptions. Actual or perceived vulnerabilities may lead to claims against us. To the extent that the measures we or our third- party business partners have taken prove to be insufficient or inadequate, we may become subject to litigation, breach notification obligations, or regulatory or administrative sanctions, which could result in significant fines, penalties, or damages and harm to our reputation. Depending on the nature of the information compromised, in the event of a data breach or other unauthorized access to our Member data, we may also have obligations to notify Members about the incident and we may need to provide some form of remedy, such as a subscription to a credit monitoring service, for the individuals affected by the incident. A growing number of legislative and regulatory bodies have adopted consumer notification requirements in the event of unauthorized access to or acquisition of certain types of personal data. Such breach notification laws continue to evolve and may be inconsistent from one jurisdiction to another, and there can be no assurances that we will be successful in our efforts to comply with these obligations. Complying with these obligations could cause us to incur substantial costs and could increase negative publicity surrounding any incident that compromises Member data. Furthermore, we may legally be required to disclose personal data pursuant to demands from individuals, privacy advocates, regulators, government agencies, and law enforcement agencies in various jurisdictions with conflicting privacy and security laws. This disclosure of or refusal to disclose personal data may result in a breach of privacy and data protection policies, notices, laws, rules, court orders, and regulations and could result in proceedings or actions against us in the same or other jurisdictions, damage to our reputation and brand, and inability to provide our products and services to consumers in certain jurisdictions. Additionally, new laws or regulations, or changes to or re- interpretations of the laws and regulations that govern our collection, use, and disclosure of Member data could impose additional requirements with respect to the retention and security of Member data, could limit our marketing activities, and could have an adverse effect

on our business, financial condition, and operating results. Violations of applicable privacy laws or cybersecurity incidents could impact our business in a number of ways, such as a temporary suspension of some or all of our operating and / or information systems, damage our reputation, our relationships with customers, suppliers, vendors, and service providers and the Peloton brand and could result in lost data, lost sales, increased insurance premiums, substantial breach- notification and other remediation costs and lawsuits, as well as adversely affect results of operations. In addition, we may also face regulatory investigations with corresponding fines, civil claims including representative actions, and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities (including under laws such as in California that provide statutory damage remedies for certain types of breaches), as well as associated costs, diversion of internal resources, and reputational harm. We may also incur additional costs in the future related to the implementation of additional security measures to protect against new or enhanced data security and privacy threats, to comply with state, federal, and international laws that may be enacted to address personal data processing risks and data security threats, or to investigate or address potential or actual data security or privacy breaches. We are subject to global trade related laws and regulations for the export and import of goods, articles, materials and technology, as well as forced labor and economic sanctions regulations that could subject us to liability, detention of goods, and impair our ability to compete in international markets. The United States and various foreign governments have imposed controls, export license requirements, duties, and restrictions on the import or export of certain goods and technologies. Our products may be subject to U. S. export controls and compliance with applicable regulatory requirements regarding the export of our products, **technology** and services may create delays in the introduction of our products and services in international markets, prevent our international Members from accessing our products and services, and, in some cases, prevent the export of our products, **technology** and services to some countries altogether. Furthermore, U. S. export control laws and economic sanctions **programs regulations** prohibit the provision of products, **technology** and services to certain countries, regions, governments, and persons subject to U. S. **and other applicable** sanctions regulations. Even though we take precautions to prevent our products and technology from being provided to targets of **applicable U. S. sanctions regulations**, our products and services, including our firmware updates, could be provided to those targets. Our failure to comply with these laws and regulations could have negative consequences, including government investigations, penalties, reputational harm and could harm our international and domestic sales and adversely affect our revenue. Numerous laws prohibit the importation of goods made with forced labor or compulsory prison labor, including for example the Tariff Act of 1930, as well as the Uyghur Forced Labor Prevention Act (“UFLPA”), and other global laws against forced labor. The UFLPA prohibits the importation of articles, merchandise, apparel, and goods mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region (Xinjiang) of the People’s Republic of China (PRC), or by entities identified by the U. S. government on the UFLPA Entity List. Forced labor concerns have rapidly become a global area of interest, and is a topic that will likely be subject to new regulations in the markets **in which** we operate ~~within~~. If we fail to comply with these laws and regulations, the Company may be subject to detention, seizure, and exclusion of imports, as well as penalties, costs, and restrictions on export and import privileges that could have an adverse effect on our business, financial condition, and operating results. Failure to comply with anti- corruption and anti- money laundering laws, including the FCPA and similar laws associated with our activities outside of the United States, could subject us to penalties and other adverse consequences. We operate a global business and may have direct or indirect interactions with public officials and employees of government agencies or state- owned or affiliated entities. We are subject to the FCPA, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, Honest Services Wire Fraud, 18 U. S. C. § 1346, the U. S. Travel Act, the USA PATRIOT Act, the U. K. Bribery Act, and possibly other anti- bribery and anti- money laundering laws in countries in which we conduct activities. These laws prohibit companies and their employees and third- party representatives from corruptly promising, authorizing, offering, or providing, directly or indirectly, improper payments or anything of value to foreign public officials, political parties, and private- sector recipients for the purpose of obtaining or retaining business, directing business to any person, or securing any advantage. In addition, U. S. public companies are required to maintain books and records that accurately and fairly represent their transactions and have an adequate system of internal accounting controls. In many foreign countries, including countries in which we may conduct business, it may be a local custom that businesses engage in practices that are prohibited by the FCPA or other applicable laws and regulations. Governmental enforcement authorities could seek to impose substantial civil and / or criminal fines and penalties for violations of these laws by any director, officer, employee, or third- party representative, which could have a material adverse effect on our business, reputation, operating results and financial condition. We have implemented an anti- corruption compliance program and policies, procedures and training designed to foster compliance with these laws, however, our employees, contractors, and agents, and companies to which we outsource certain of our business operations, may take actions in violation of our policies or applicable law. Any such violation could have an adverse effect on our reputation, business, operating results and prospects. Any violation of the FCPA, other applicable anti- corruption laws, or anti- money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, substantial criminal or civil sanctions and suspension or debarment from U. S. government contracts, any of which could have a material adverse effect on our reputation, business, operating results, and prospects. In addition, responding to any enforcement action may result in a significant diversion of management’s attention and resources and significant defense costs and other professional fees. Changes in legislation in U. S. and foreign taxation of international business activities or the adoption of other tax reform policies, as well as the application of such laws, could adversely impact our financial position and operating results. Recent or future changes to U. S., U. K. and other foreign tax laws could impact the tax treatment of our earnings. For example, the U. S. government may enact significant changes to the taxation of business entities including, among others, the imposition of minimum taxes or surtaxes on certain types of income. We generally conduct our international operations through wholly owned subsidiaries, branches, or representative offices and report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Further, we are

in the process of implementing an international structure that aligns with our financial and operational objectives as evaluated based on our international markets, expansion plans, and operational needs for headcount and physical infrastructure outside the United States. The intercompany relationships between our legal entities are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. Although we believe we are compliant with applicable transfer pricing and other tax laws in the United States, the United Kingdom, and other relevant countries, changes in such laws and rules may require the modification of our international structure in the future, which will incur costs, may increase our worldwide effective tax rate, and may adversely affect our financial position and operating results. In addition, significant judgment is required in evaluating our tax positions and determining our provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rates could be adversely affected by earnings being lower than anticipated in countries where we have lower statutory rates and higher than anticipated in countries where we have higher statutory rates, by changes in foreign currency exchange rates, or by changes in the relevant tax, accounting, and other laws, regulations, principles, and interpretations. As we operate in numerous taxing jurisdictions, the application of tax laws can be subject to diverging and sometimes conflicting interpretations by tax authorities of these jurisdictions. It is not uncommon for taxing authorities in different countries to have conflicting views with respect to, among other things, the manner in which the arm's-length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property. If U. S., U. K., or other jurisdictions' tax laws further change, if our current or future structures and arrangements are challenged by a taxing authority, or if we are unable to appropriately adapt the manner in which we operate our business, we may have to undertake further costly modifications to our international structure and our tax liabilities and operating results may be adversely affected. **The Organisation for Economic Co-operation and Development (OECD) is continuing to work on fundamental changes in the allocation of profits among tax jurisdictions in which companies do business (Pillar One), as well as the implementation of a global minimum tax (Pillar Two). Global minimum tax legislation has been proposed and / or enacted in various jurisdictions. These two pillars combined represent a significant change in the international tax regime, and there is risk of an adverse impact to our effective tax rate, but the amount of such impact remains uncertain at this time.** Our ability to use our net operating loss to offset future taxable income may be subject to certain limitations. As of June 30, ~~2023~~**2024**, we had U. S. federal net operating loss carryforwards, or NOLs, and state NOLs of approximately \$ 3, ~~101-313~~**6-8** million and \$ 2, ~~309-590~~**9-8** million, respectively, due to prior period losses, which if not utilized, will begin to expire for federal and state tax purposes beginning in 2034 and ~~2023~~**2024**, respectively. Realization of these NOLs depends on future income, and there is a risk that our existing NOLs could expire unused and be unavailable to offset future income tax liabilities, which could adversely affect our operating results. In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its NOLs to offset future taxable income. We have undergone three ownership changes in the past, and our NOLs arising before those dates are subject to one or more Section 382 limitations which may materially limit the use of such NOLs to offset our future taxable income. Our NOLs may also be impaired under state laws. In addition, under the 2017 Tax Cuts and Jobs Act, or Tax Act, tax losses generated in taxable years beginning after December 31, 2017 may be utilized to offset no more than 80 % of taxable income annually. This change may require us to pay federal income taxes in future years despite generating a loss for federal income tax purposes. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security, or CARES Act, was signed into law. The CARES Act changes certain provisions of the Tax Act. Under the CARES Act, NOLs arising in taxable years beginning after December 31, 2017 and before January 1, 2021 may be carried back to each of the five taxable years preceding the tax year of such loss, but NOLs arising in taxable years beginning after December 31, 2020 may not be carried back. In addition, the CARES Act eliminates the limitation on the deduction of NOLs to 80 % of current year taxable income for taxable years beginning before January 1, 2021. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability. In addition, future changes in our stock ownership, the causes of which may be outside of our control, could result in an additional ownership change under Section 382 of the Code. There is also a risk that, due to regulatory changes, such as further limitations or suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. Our NOLs may also be limited under state laws. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability. Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products, services, and brand. Our success depends in large part on our proprietary technology and our patents, trade secrets, trademarks, **copyrights** and other intellectual property rights. We rely on, and expect to continue to rely on, a combination of trademark, trade dress, domain name, copyright, trade secret and patent protection, as well as confidentiality and license agreements with our employees, contractors, consultants, and third parties with whom we have relationships, to establish and protect our technology, brand, and other intellectual property. However, our efforts to protect our intellectual property rights may not be sufficient or effective, especially as incidents of infringement on the Peloton brand increase, and any of our intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. There can be no assurance that our intellectual property rights will be sufficient to protect against others offering products, services, or technologies that infringe on our rights or are substantially similar to ours and that compete with our business. Effective protection of intellectual property, including but not limited to patents, trademarks, **copyrights** and domain names, is expensive and difficult to maintain, both in terms of application and registration costs as well as the costs of defending and enforcing those rights. As we have grown, we have sought to obtain and protect our intellectual property rights in an increasing number of countries, a process that can be expensive and may not always be successful. For example, the U. S. Patent and Trademark Office and various foreign governmental patent agencies require compliance with a number of procedural requirements to complete the patent application process and to maintain issued patents, and noncompliance or non-payment

could result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in a relevant jurisdiction. Further, intellectual property protection may not be available to us in every country in which our products and services are available. For example, some foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against certain third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. **We in order to protect our brand and intellectual property rights, we** spend significant resources to monitor and protect **these our brand and other intellectual property** rights. Litigation brought to protect and enforce our intellectual property rights can be costly, time-consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be limited if we shift our strategy or we may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Our inability to secure, protect, and enforce our intellectual property rights could seriously damage our brand and our business. We have been, and in the future may be, sued by third parties for alleged infringement of their intellectual property rights, including by music rights holders. There is considerable patent and other intellectual property development activity in our market. Litigation, based on allegations of infringement or other violations of intellectual property rights, is frequent in the fitness and technology industries. Furthermore, it is common for individuals and groups to purchase patents and other intellectual property assets for the purpose of making claims of infringement to extract licenses and / or settlements from companies like ours. Our use of third-party content, including music content, software, and other intellectual property rights may be subject to claims of infringement or misappropriation. We cannot guarantee that our internally developed or acquired technologies and content do not or will not infringe the intellectual property rights of others. From time to time, our competitors or other third parties may claim that we are infringing upon or misappropriating their intellectual property rights, and we may be found to be infringing upon such rights. For additional information, see Note 13- Commitments and Contingencies in the Notes to our Consolidated Financial Statements in Part II, Item 8 of this Annual Report on Form 10-K. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or royalty payments, prevent us from offering our platform or services or using certain technologies, force us to implement expensive work-arounds, or impose other unfavorable terms. We expect that the occurrence of infringement claims is likely to grow as the market for fitness products and services grows and as we introduce new and updated products and offerings. Further, we cannot compel patent or trademark rights holders to license their rights to us, and our business may be adversely impacted if our access to technology is limited. Accordingly, our exposure to demands for royalty licenses or damages resulting from infringement claims could increase and this could further exhaust our financial and management resources. Further, during the course of any litigation, we may make announcements regarding the results of hearings and motions, and other interim developments. If securities analysts and investors regard these announcements as negative, the market price of our Class A common stock may decline. Even if intellectual property claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to avoid or to resolve them, could divert the resources of our management and require significant expenditures. See “Risks Related to Laws, Regulation, and Legal Proceedings.” Any of the foregoing could prevent us from competing effectively and could have an adverse effect on our business, financial condition, and operating results. We cannot compel music rights holders to license their rights to us, and our business may be adversely affected if our access to music is limited. The concentration of control of content by major music licensors means that the actions of one or a few licensors may adversely affect our ability to provide our service. We enter into license agreements to obtain rights to use music in our service, including with major record companies, independent record labels, major music publishers, and independent music publishers and administrators who collectively hold the rights to a significant number of sound recordings and musical compositions. Comprehensive and accurate ownership information for the musical compositions embodied in sound recordings is sometimes unavailable because songwriters' catalogs are frequently bought and sold between rights holders, meaning ownership and share information can change at any time without notification and it may take a while for the appropriate parties to be notified. In some cases, we obtain ownership information directly from music publishers, PROs, collecting societies, or record labels and in other cases we rely on the assistance of third parties to determine ownership information. If the information provided to us or obtained by such third parties does not comprehensively or accurately identify the ownership of musical compositions, if we are unable to determine which musical compositions correspond to specific sound recordings, or if the same party does not own administer, control or own all rights on a worldwide basis, it may become difficult or impossible to identify the appropriate rights holders to whom to pay royalties. This may make it difficult to comply with the obligations of agreements with those rights holders or to secure the appropriate licenses with all necessary parties. Our license agreements are complex and impose numerous obligations on us, including obligations to, among other things: • calculate and make payments based on complex royalty structures, which requires tracking usage of content in our service that may at times have inaccurate or incomplete metadata necessary for such calculation; • provide periodic reports on the exploitation of the content in specified formats; and • comply with certain marketing and advertising restrictions. **If Certain-certain** of our license agreements **could also** contain minimum guarantees **and** / or advance payments, which **could be** are not always tied to our number of Subscribers or stream counts for music used in our service. **Accordingly**, our ability to achieve and sustain profitability and operating leverage **could depend** in part depends on our ability to increase our revenue through increased sales of subscriptions on terms that maintain an adequate gross margin. Our license agreements **that contain minimum guarantees** typically have terms of between one and three years, but our Subscribers may cancel their subscriptions at any time. We rely on estimates to forecast whether **such** minimum guarantees and / or advances against royalties could be recouped against our actual content costs incurred over the term of the license agreement. To the extent that our estimates underperform relative to our expectations, and our content costs do not exceed such minimum guarantees and / or advance payments, our margins may be adversely affected. Some of our license

agreements also include so-called “most-favored nations” provisions, which require that certain terms (including material financial terms) are no less favorable than those provided to any similarly situated licensor. If agreements are amended or new agreements are entered into on more favorable terms, these most-favored nations provisions could cause our payment or other obligations to escalate substantially. Additionally, some of our license agreements could require consent to undertake new business initiatives utilizing the licensed content (e.g., alternative distribution models), and without such consent, our ability to undertake new business initiatives may be limited and our competitive position could be impacted. If we use content in ways that are found to exceed the scope of such agreements, we could be subject to monetary penalties or claims of infringement, and our rights under such agreements could be terminated. We face risk of unforeseen costs and potential liability in connection with content we produce, license, and distribute ~~through our platform~~. As a producer and distributor of content, we face potential liability for negligence, intellectual property infringement, or other claims based on the nature and content of materials that we produce, license, and distribute, **both on our platform as well as third-party platforms**. We also may face potential liability for content used in promoting our service, including marketing materials. We may decide to remove content from our service **or third-party platforms**, not to place certain content on our service **or third-party platforms**, or to discontinue or alter our production of certain types of content if we believe such content might not be well received by our Members or could be damaging to our brand and business. To the extent we do not accurately anticipate costs or mitigate risks, including for content that we obtain but ultimately does not appear on or is removed from our service, or if we become liable for content we produce, license or distribute, our business may suffer. Litigation to defend these claims could be costly and the expenses and damages arising from any liability could harm our business. We may not be indemnified against claims or costs of these types and we may not have insurance coverage for these types of claims. Some of our products and services contain open source software, which may pose particular risks to our proprietary software, technologies, products, and services in a manner that could harm our business. We use open source software in our products and services and anticipate using open source software in the future. Some open source software licenses require those who distribute open source software as part of their own software product to publicly disclose all or part of the source code to such software product or to make available any open source code included in such software product or any derivative works of the open source code on unfavorable terms or at no cost. The terms of many open source licenses to which we are subject have not been interpreted by U. S. or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Additionally, we could face claims from third parties claiming ownership of, or demanding release of the open source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license, or cease offering the implicated products or services unless and until we can re-engineer them. This re-engineering process could require us to expend significant additional research and development resources, and we cannot guarantee that we will be successful. Additionally, the use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. There is typically no support available for open source software, and we cannot ensure that the authors of such open source software will implement or push updates to address security risks or will not abandon further development and maintenance. Many of the risks associated with the use of open source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have processes to help alleviate these risks, including a review process for screening requests from our developers for the use of open source software, but we cannot be sure that all open source software is identified or submitted for approval prior to use in our products and services. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have an adverse effect on our business, financial condition, and operating results. Risks Related to Service Providers and Our Employees We rely heavily on third parties for most of our computing, storage, processing, and similar services, and have increased our reliance on certain third parties, such as last mile and Member support partners. Any disruption of or interference with our use of these third-party services could have an adverse effect on our business, financial condition, and operating results. We have outsourced our cloud infrastructure to third-party providers, and we currently use these providers to host and stream our services and content. We are therefore vulnerable to service interruptions experienced by these providers, and we expect to experience interruptions, delays, or outages in service availability in the future due to a variety of factors, including infrastructure changes, human, hardware or software errors, hosting disruptions, and capacity constraints. Outages and capacity constraints could arise from a number of causes such as technical failures, natural disasters and global pandemics, fraud, or security attacks. **In addition, hosting costs will increase as membership engagement grows, which could harm our business if we are unable to grow our revenue faster than the cost of using these services or the services of similar providers.** Additionally, we rely on last mile partners for the delivery and installation of our products and have increased our reliance on third-party Member support partners. The level or quality of service provided by these providers and partners, or regular or prolonged delays or interruptions in that service, could also affect the use of, and our Members’ satisfaction with, our products and services and could harm our business and reputation. **Furthermore** ~~In addition, hosting costs will increase~~ **some providers, such as shipping vendors** ~~membership engagement grows, which could harm our business if we are unable to grow our revenue faster than the cost of using these services or the services of similar providers.~~ **Furthermore, our providers** have broad discretion to change and interpret the terms of service and other policies with respect to us, and those actions may be unfavorable to our business operations. Our providers may also take actions beyond our control that could seriously harm our business, including discontinuing or limiting our access to one or more services, increasing pricing terms, terminating or seeking to terminate our contractual relationship altogether, or altering how we are able to process data in a way that is unfavorable or costly to us. Although we expect that we could obtain similar services from other third parties, if our arrangements with our current providers were terminated, we could experience interruptions on

our platform and in our ability to make our content available to Members, as well as delays and additional expenses in arranging for alternative cloud infrastructure services. Any of these factors could further reduce our revenue, subject us to liability, and cause our Subscribers to decline to renew their subscriptions, any of which could have an adverse effect on our business, financial condition, and operating results. In addition, customers of certain of our providers have been subject to litigation by third parties claiming that the service and basic HTTP functions infringe their patents. If we become subject to such claims, although we expect our provider to indemnify us with respect to at least a portion of such claims, the litigation may be time consuming, divert management's attention, and, if our provider failed to indemnify us, adversely impact our operating results. Our future success depends on the continuing efforts of our key employees and our ability to attract and retain highly skilled personnel and senior management. Our future success depends, in part, on our ability to continue to identify, attract, develop, integrate, and retain qualified and highly skilled personnel, including senior management, engineers, producers, designers, product managers, logistics and supply chain personnel, retail managers, and fitness instructors. In particular, we are highly dependent on the services of our senior management team to the development of our business, future vision, and strategic direction. If members of our senior management team, including our executive leadership, become ill, or if we are otherwise unable to retain them, we may not be able to manage our business effectively and, as a result, our business and operating results could be harmed. If the senior management team, including any new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis then our business and future growth prospects could be harmed. Because our future success is dependent on our ability to continue to enhance and introduce new products and services, we are particularly dependent on our ability to hire and retain qualified and skilled engineers, including with significant experience in designing and developing software and internet-related services, and with background in the areas of artificial intelligence and machine learning. Also imperative to our success are our fitness instructors, who we rely on to bring new, exciting, and innovative fitness and wellness content to our platform, and who act as brand ambassadors. **There can be no assurance that our instructors will remain with us or retain their current appeal, that the costs associated with retaining current instructors and hiring new instructors will be favorable or acceptable to us, or that new instructors will be as successful as their predecessors.** The loss of key personnel, including key instructors, could make it more difficult to manage our brand, operations and research and development activities, could reduce our employee retention and revenue, and impair our ability to compete. ~~Although we have entered into employment agreements with our instructors, the U. S. agreements constitute at-will employment.~~ We do not maintain key person life insurance policies on any of our employees. Demand and competition for highly skilled personnel, including those with specific expertise, is often intense, especially in New York City, where we have a substantial presence and need for highly skilled personnel. We may not be successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications, and we may lose new employees to our competitors before we realize the benefit of our investment in recruiting and training them. In addition, we issue equity awards to certain of our employees as part of our hiring and retention efforts, and job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Our employees' inability to sell their shares in the public market at times and / or at prices desired may lead to a larger than normal turnover rate. If the actual or perceived value of our Class A common stock declines, it may adversely affect our ability to hire or retain employees. In addition, we may periodically change our equity compensation practices, which may include reducing the number of employees eligible for equity awards or reducing the size of equity awards granted per employee or undertaking other efforts that may prove to be unsuccessful retention mechanisms. If we are unable to attract, integrate, or retain the qualified and highly skilled personnel required to fulfill our current or future needs, our business and future growth prospects could be harmed. **Our instructors and many of our employees (where appropriate) are subject to certain restrictive covenants, including post-employment non- compete agreements. The enforceability of non- compete agreements is currently subject to Federal Trade Commission regulations that have been challenged in legal proceedings. Moreover, actual and proposed state and local laws may limit the ability of employers to deploy and / or enforce certain non- compete agreements. As such, the Company's ability to protect legitimate interests through the deployment and / or enforcement of non- compete agreements may be limited.** If we cannot maintain our "One Peloton" culture, we could lose the innovation, teamwork, and passion that we believe contribute to our success and our business may be harmed. We believe that a critical component of our success has been our corporate culture. We have invested substantial time and resources in building our "One Peloton" culture, which is based on the idea that if we work together, we will be more efficient and perform better because of one another. As we continue to evolve, we will need to maintain our "One Peloton" culture among our employees dispersed across various geographic regions. **We** ~~Impacts resulting from the COVID-19 pandemic have also required us to modify some of the ways that our employee population does their work, and we have faced new~~, **and may continue to face**, challenges arising from the management of certain remote, geographically dispersed teams. Our response to the changing work environment has included a number of employee- focused office policies, which are aimed at increasing productivity and employee morale and which have increased our costs. As we continue to develop our infrastructure, and particularly in light of reductions in headcount, including as part of our restructuring initiatives, we may find it difficult to maintain valuable aspects of our culture, to prevent a negative effect on employee morale or attrition beyond our planned reduction in headcount, and to attract competent personnel who are willing to embrace our culture. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives. Risks Related to the Ownership of Our Class A Common Stock ~~The market stock price of our Class A common stock has been, and will likely continue to be, volatile~~ **and you could lose all or part of your investment. The market price of our Class A common stock has been, and will likely continue to be, volatile, including an increase during the COVID- 19 pandemic and a decrease as the public returned to pre- pandemic routines and other factors.** In addition, the trading prices of securities of technology

companies in general have been highly volatile. Moreover, while the trading price of our Class A common stock initially increased during the outbreak of the COVID-19 pandemic, it has fluctuated widely and has now decreased as the public returned to pre-pandemic routines and due to other factors beyond our control. There are no assurances that the trading price of our Class A common stock will increase, decrease, or will continue at this level for any period of time. In addition to the factors discussed in this Annual Report on Form 10-K, the market price of our Class A common stock has **fluctuated** and may **in the future** fluctuate significantly in response to numerous factors, **many some** of which are beyond our control, including:

- our ability to execute and realize the benefits of strategic plans, such as the restructuring **initiative initiatives** we announced in February 2022 **and May 2024, including our ability to achieve targeted cost savings**;
- overall performance of the equity markets and the performance of technology companies in particular;
- variations in our operating results, cash flows, and other financial and non-financial metrics ~~and how those results compare to analyst expectations~~;
- changes in the financial projections we may provide to the public or our failure to meet these projections;
- ~~the timing and our ability to implement product solutions to enhance the safety of our Tread product in collaboration with the CPSC~~;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet ~~these estimates or the~~ expectations of **analysts or** investors;
- recruitment, satisfaction or departure of key personnel **, including the departure of our former CEO, the temporary appointment of our interim co-CEOs, and the need to timely identify and integrate a new CEO within our organization**;
- ~~the general economy economic~~ **as a whole, including macroeconomic factors such as global supply issues, inflation, foreign currency exchange rate fluctuations, rising interest rate, recessionary conditions, political instability, volatility in the credit markets, and market conditions in our industry**;
- past or future investments, acquisitions or dispositions;
- negative publicity related to problems with our suppliers or partners, or the real or perceived quality of our products, as well as the failure to timely launch new products or services that gain market acceptance;
- rumors and market speculation involving us or other companies in our industry;
- actions and investment positions taken by institutional investors and other stockholders, including activist investors or short sellers;
- announcements by us or our competitors of new products, pricing, services, features and content, significant technical innovations, acquisitions, dispositions, strategic partnerships, joint ventures, or capital commitments;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- lawsuits threatened or filed against us, litigation involving our industry, or both;
- **regulatory action involving us, our industry, or both, or investigations by regulators and other third parties into our operations or those of our competitors**;
- developments or disputes concerning our or other parties' products, services, or intellectual property rights;
- significant security breaches, technical difficulties and interruptions of service affecting our services and products;
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events;
- ~~the expiration of contractual lock-up or market standoff agreements~~; and
- sales of shares of our Class A common stock by us or our stockholders.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. ~~Stock prices of many companies have fluctuated~~ in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. **The** ~~In particular, the~~ Company has been named in three putative securities class action lawsuits, and ten putative stockholder derivative actions. ~~In April 2021, the Company and certain of its former officers were named in a consolidated securities class action on behalf of a class consisting of individuals who purchased or otherwise acquired our Class A common stock between September 11, 2020 and May 5, 2021, alleging that the defendants made false and / or misleading statements in violation of Sections 10 (b) and 20 (a) of the Exchange Act and Rule 10b-5 promulgated thereunder related to the Tread and Tread products and the safety of those products. Seven stockholders filed verified stockholder derivative action lawsuits purportedly on behalf of the Company against certain of our current and former officers and directors, alleging breaches of fiduciary duties and violations of Section 14 (a) of the Securities Exchange Act, and, for certain of the lawsuits, unjust enrichment, abuse of control, gross mismanagement, waste, and a claim for contribution under Sections 10 (b) and 21D of the Exchange Act, based upon similar allegations. In November 2021, we and certain of our current and former officers were also named as defendants in a consolidated putative securities class action related to demand for our Connected Fitness Products. Those plaintiffs filed a putative class action lawsuit purportedly on behalf of a class consisting of individuals who purchased or otherwise acquired our Class A common stock between February 5, 2021 and January 19, 2022, alleging that defendants made false and / or misleading statements about demand for the Company's products and the reasons for the Company's product inventory growth. Plaintiffs also allege defendants engaged in improper trading in violation of Sections 10 (b) and 20A of the Exchange Act and Rule 10b-5 promulgated thereunder. Four stockholders filed verified stockholder derivative action lawsuits purportedly on behalf of the Company against certain of its current and former officers and directors, alleging breaches of fiduciary duty based upon substantially similar allegations. In June 2023, the Company and certain of its current and former officers were also named in a putative securities class action on behalf of individuals who purchased or otherwise acquired Peloton securities between May 10, 2022 and May 10, 2023, alleging that the defendants made false and / or misleading statements about the safety of Peloton's Bike and likelihood of a recall in violation of Sections 10 (b) and 20 (a) of the Exchange Act and Rule 10b-5 promulgated thereunder.~~ These lawsuits and any other securities or stockholder litigation actions could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business. See "Risks Related to Laws, Regulation, and Legal Proceedings." Sales of a substantial amount of our Class A common stock in the public markets, or the perception that such sales might occur, could cause the price of our Class A common stock to decline. The market price of our Class A common stock could decline as a result of sales of a substantial number of shares of our Class A common stock in the public market in the near future, or the perception that these sales might occur. Many of our existing security holders have substantial unrecognized gains on the value of the equity they hold, and may take, or attempt to take, steps to sell, directly or indirectly, their shares or otherwise secure, or limit the risk to, the value of their unrecognized gains on those shares. **Additionally, some members of our senior leadership**

team have pledged shares to secure personal indebtedness. If the price of our Class A common stock declines, the executive could be forced by one or more of the banking institutions to sell shares of our Class A common stock in order to remain within the margin limitations imposed under the terms of the loans. Any conversion of pledged Class B common shares into shares of Class A common stock in connection with such a sale would result in dilution of the Class A stockholders. There were a total of 356,376, 767,261, 627,713 shares of our Class A common stock and Class B common stock outstanding as of June 30, 2023-2024. All shares of our Class A common stock and Class B common stock are freely tradable, except for certain limitations, including with respect to holding periods, on any shares purchased by our “ affiliates ” as defined in Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. Further, certain holders of our common stock have rights, subject to some conditions, to require us to file registration statements for the public resale of the Class A common stock issuable upon conversion of such shares or to include such shares in registration statements that we may file for us or other stockholders. Sales of our shares pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales could also cause the trading price of our Class A common stock to fall and make it more difficult for you to sell shares of our Class A common stock. In addition, as of June 30, 2023-2024, we had 27,55, 236,811, 428,463 shares of Class A common stock underlying restricted stock units that were awarded but not yet vested, and stock options outstanding that, if fully exercised, would result in the issuance of 19,11, 961,082, 731,849 shares of Class B common stock and 23,17, 037,818, 542,640 shares of Class A common stock. Subject to the satisfaction of applicable vesting requirements, and limitations applicable to shares held by our affiliates, the vested restricted stock and shares issued upon exercise of outstanding stock options will be available for immediate resale in the open market. The dual class structure of our common stock has the effect of concentrating voting control with our directors, executive officers, and certain other holders of our Class B common stock; this will limit or preclude your ability to influence corporate matters, including the election of directors and the approval of any change of control transaction. Our Class B common stock has 20 votes per share and our Class A common stock has one vote per share. As of June 30, 2023, our directors, executive officers, and holders of more than 5 % of our common stock, and their respective affiliates, held a majority of the voting power of our capital stock. Because of the twenty- to- one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively control a majority of the combined voting power of our common stock and therefore are able to control most a number of matters submitted to our stockholders for approval until the earlier of (i) the date specified by a vote of the holders of 66 2 / 3 % of the then outstanding shares of Class B common stock, (ii) ten years from the closing of the IPO, and (iii) the date the shares of Class B common stock cease to represent at least 1 % of all outstanding shares of our common stock. This concentrated control limits or precludes your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may feel are in your best interest as one of our stockholders. Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain permitted transfers effected for estate planning purposes. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. The dual class structure of our common stock may adversely affect the trading market for our Class A common stock. Several stockholder advisory firms and large institutional investors oppose the use of multiple class structures. As a result, the dual class structure of our common stock may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure, and may result in large institutional investors not purchasing shares of our Class A common stock and could result in a less active trading market for our Class A common stock. Any actions or publications by stockholder advisory firms or institutional investors critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock. We do not intend to pay dividends for the foreseeable future. We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. Additionally, our ability to pay dividends on our common stock is limited by the restrictions under the terms of our credit agreement and security agreement. We anticipate that, for the foreseeable future, we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our Board of Directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. Provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may limit attempts by our stockholders to replace or remove our current management. Provisions in our restated certificate of incorporation and second amended and restated bylaws may have the effect of delaying or preventing a merger, acquisition or other change of control of our company that the stockholders may consider favorable. In addition, because our Board of Directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors. Among other things, our restated certificate of incorporation and second amended and restated bylaws include provisions that: • provide that our Board of Directors is classified into three classes of directors with staggered three- year terms; • permit the Board of Directors to establish the number of directors and fill any vacancies and newly created directorships; • require super- majority voting to amend some provisions in our restated certificate of incorporation and restated bylaws; • authorize the issuance of “ blank check ” preferred stock that our Board of Directors could use to implement a stockholder rights plan; • provide that only the chairman of our Board of Directors, our chief executive officer, or a majority of our Board of Directors will be authorized to call a special meeting of stockholders; • eliminate the ability of our stockholders to call special meetings of stockholders; • prohibit cumulative voting; • provide that directors may only be removed “ for cause ”

and only with the approval of two-thirds of our stockholders; • provide for a dual class common stock structure in which holders of our Class B common stock may have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets; • prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; • provide that the Board of Directors is expressly authorized to make, alter, or repeal our bylaws; and • establish advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. Moreover, Section 203 of the General Corporation Law of the State of Delaware (the “DGCL”) may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock. Our restated certificate of incorporation and **second** amended and restated bylaws contain exclusive forum provisions for certain claims, which may limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our restated certificate of incorporation provides that the Court of Chancery of the State of Delaware, to the fullest extent permitted by law, will be the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the DGCL, our restated certificate of incorporation, or our **second** amended and restated bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. Moreover, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. In April 2020, we amended and restated our restated bylaws to provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (a “Federal Forum Provision”). Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit a stockholders’ ability to bring a claim in a judicial forum of their choosing for disputes with us or our directors, officers, or employees, which may discourage lawsuits against us and our directors, officers, and employees. Alternatively, if a court were to find the choice of forum provision contained in our restated certificate of incorporation and / or **second** amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, and operating results. Short sellers of our stock may be manipulative and may drive down the market price of our Class A common stock. ~~Short selling is the practice of selling securities that the seller does not own, but rather has borrowed or intends to borrow from a third party with the intention of buying identical securities at a later date to return to the lender. A short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. It is therefore in the short seller’s interest for the price of the stock to decline, and some short sellers publish, or arrange for the publication of, opinions or characterizations regarding the relevant issuer, often involving misrepresentations of the issuer’s business prospects and similar matters calculated to create negative market momentum, which may permit them to obtain profits for themselves as a result of selling the stock short.~~ As a public entity, we may be the subject of concerted efforts by short sellers to spread negative information in order to gain a market advantage. In addition, the publication of misinformation may also result in lawsuits, the uncertainty and expense of which could adversely impact our reputation, business, financial condition, and operating results. There are no assurances that we will not face short sellers’ efforts or similar tactics in the future, and the market price of our Class A common stock may decline as a result of their actions. Risks Related to Our Indebtedness The Notes are effectively subordinated to our existing and future secured indebtedness and structurally subordinated to the liabilities of our subsidiaries. Our **0.00% Convertible Senior Notes due 2026 and our 5.50% Convertible Senior Notes due 2029** (together, the “Notes”) are our senior, unsecured obligations and rank equal in right of payment with our existing and future senior, unsecured indebtedness, senior in right of payment to our existing and future indebtedness that is expressly subordinated to the Notes and effectively subordinated to our existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness. In addition, because none of our subsidiaries guarantee the Notes, the Notes are structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent we are not a holder thereof) preferred equity, if any, of our subsidiaries. As of June 30, ~~2023~~ **2024**, we had approximately \$ ~~1.85~~ **1.85** billion in total indebtedness (\$ ~~1.549~~ **1.549** billion million of which was the Notes) and approximately \$ ~~400~~ **100** million of available borrowing capacity under the revolving credit facility in our ~~Second~~ **Third** Amended and Restated Credit Agreement. Our subsidiaries had no outstanding additional indebtedness as of June 30, ~~2023~~ **2024**. The ~~indenture~~ **indentures** governing the Notes ~~does do~~ not prohibit us or our subsidiaries from incurring additional indebtedness, including senior or secured indebtedness, in the future. If a bankruptcy, liquidation, dissolution, reorganization or

similar proceeding occurs with respect to us, then the holders of any of our secured indebtedness may proceed directly against the assets securing that indebtedness. Accordingly, those assets will not be available to satisfy any outstanding amounts under our unsecured indebtedness, including the Notes, unless the secured indebtedness is first paid in full. The remaining assets, if any, would then be allocated pro rata among the holders of our senior, unsecured indebtedness, including the Notes. There may be insufficient assets to pay all amounts then due. If a bankruptcy, liquidation, dissolution, reorganization or similar proceeding occurs with respect to any of our subsidiaries, then we, as a direct or indirect common equity owner of that subsidiary (and, accordingly, holders of our indebtedness, including the Notes), will be subject to the prior claims of that subsidiary's creditors, including trade creditors and preferred equity holders. We may never receive any amounts from that subsidiary to satisfy amounts due under the Notes. ~~We may be unable to raise the..... functioning of the capped call transactions.~~ Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and operating results **of operations** and impair our ability to satisfy our obligations under **the Notes** ~~applicable debt agreements~~. As of June 30, ~~2023~~ **2024**, we had **approximately \$ 1. 8-5 billion of aggregate principal amount in total indebtedness (\$ 1. We may also incur additional-0 billion of which was secured** ~~indebtedness to meet future financing needs~~) **and approximately \$ 100. 0 million of available borrowing capacity under our revolving credit facility**. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things: ~~•~~ increasing our vulnerability to adverse economic and industry conditions; ~~•~~ limiting our ability to obtain additional financing; ~~•~~ requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes; ~~•~~ limiting our flexibility to plan for, or react to, changes in our business; ~~•~~ diluting the interests of our existing stockholders as a result of issuing shares of our Class A common stock upon conversion of the ~~notes~~ **Notes**; and ~~•~~ placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the ~~notes~~ **Notes**, and our cash needs may increase in the future. In addition, our ~~existing credit facilities agreement~~ **contain contains**, and any future indebtedness that we may incur may contain, financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full. We may be unable to raise the funds necessary to repurchase the Notes for cash following a fundamental change or to pay any cash amounts due upon conversion, and our other indebtedness limits our ability to repurchase the Notes or pay cash upon their conversion. Noteholders may **,subject to a limited exception,** require us to repurchase their Notes following a fundamental change at a cash repurchase price generally equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid ~~special~~ interest, if any. In addition, upon conversion, we ~~will~~ **may** satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in shares of our Class A common stock. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the Notes or pay the cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing our other indebtedness may restrict our ability to repurchase the Notes or pay the cash amounts due upon conversion. Our failure to repurchase Notes or to pay the cash amounts due upon conversion when required will constitute a default under the indenture. A default under the indenture **governing the notes** or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and the Notes. ~~The accounting method for the Notes could adversely affect~~. We may require additional capital to support business growth and objectives, and this capital might not be available to us on reasonable terms, if at all, and may result in stockholder dilution. We intend to continue to make investments to support our business growth and may require additional capital to fund our business and to respond to competitive challenges, including the need to promote our products and services, develop new products and services, enhance our existing products, services, and operating infrastructure, and potentially acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such additional funding will be available on terms attractive to us, or at all. Our inability to obtain additional funding when needed could have an adverse effect on our business, financial condition, and operating results. If additional funds are raised through the issuance of equity or convertible debt securities, holders of our Class A common stock could suffer significant dilution, and any new shares we issue could have rights, preferences, and privileges superior to those of our Class A common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.