

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 5, 2022

Peloton Interactive, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39058
(Commission File Number)

47-3533761
(IRS Employer
Identification No.)

**441 Ninth Avenue, Sixth Floor
New York, New York**
(Address of Principal Executive Offices)

10001
(Zip Code)

Registrant's Telephone Number, Including Area Code: (917) 671-9198

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Class A Common Stock, \$0.000025 par value per share	PTON	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Director Changes

On February 5, 2022, Erik Blachford notified the Peloton Interactive, Inc. (the “Company”) of his resignation from the Company’s Board of Directors (the “Board”) as a Class I director and from the Board’s Compensation Committee (the “Compensation Committee”) and its Nominating, Governance and Corporate Responsibility Committee (the “NCGR Committee”), in each case, effective on February 8, 2022 (the “Effective Date”). Mr. Blachford’s resignation is not the result of any disagreement with the Company on any matter relating to its operations, policies or practices.

On February 7, 2022, the Board increased the size of the Board from seven to nine directors and appointed each of Angel L. Mendez and Jonathan Mildenhall to the Board, in each case, effective as of the Effective Date. Mr. Mendez will serve as a Class I director with a term expiring at the Company’s annual meeting of stockholders to be held in 2023 (the “2023 Annual Meeting”), and Mr. Mildenhall will serve as a Class II director with a term expiring at the Company’s annual meeting of stockholders to be held in 2024, in each case, until his successor is duly elected and qualified or his earlier death, disqualification, resignation or removal. Messrs. Mendez and Mildenhall may, in the future, serve on one or more of the committees of the Board.

Mr. Mendez, is Executive Chairman of the Board of LevaData Inc., a privately held, artificial intelligence company focused on supply chain management. He also serves on two other public company boards: Kinaxis, which specializes in supply chain planning solutions; and Sleep Number, a sleep technology company. He previously served as executive vice president and chief operating officer of HERE Technologies from 2016 to 2020. From 2005 to 2015, he was a senior executive at Cisco Systems, where he led the company’s corporate transformation program as well as its global supply chain. Earlier in his career he served in senior roles at Palm Inc., Gateway Inc., Citigroup, and in various executive positions at Allied Signal Aerospace and GE. Mr. Mendez earned a Bachelor of Sciences degree in Electrical Engineering from Lafayette College and a Master’s in Business Administration from the Crummer School at Rollins College.

Mr. Mildenhall, is the Co-Founder and Executive Chairman of TwentyFirstCenturyBrand, a consumer brand strategy and marketing consultancy firm. He is also a board member on a number of private company boards, including EverLane, AboveBoard, Northern Star SPAC, GoFundMe, and College Track. Prior to co-founding TwentyFirstCenturyBrand, Mildenhall served as CMO of Airbnb from 2014 to 2018. Prior to Airbnb, Mr. Mildenhall led The Coca-Cola Company’s marketing initiatives as VP of global advertising strategy and content excellence from 2007 to 2013, and as SVP integrated marketing communication and design excellence from 2013 to 2014. Earlier in his career, Mr. Mildenhall served in various management positions in marketing and advertising. Mr. Mildenhall holds a degree in Business and Finance from The Manchester Metropolitan University. He completed the Advanced Management Program at Harvard Business School and holds an Honorary Doctorate in Business Administration from The Manchester Metropolitan University.

The Company previously engaged TwentyFirstCenturyBrand to provide marketing services and, since the beginning of the Company’s 2021 fiscal year, the amount for such services totals approximately \$0.5 million. The Company and TwentyFirstCenturyBrand agreed to terminate this commercial relationship and promptly conclude on-going services in connection with Mr. Mildenhall’s commencement of service on the Board, and the Company expects Mr. Mildenhall will qualify as independent under applicable stock exchange rules after the applicable three-year period lapses.

Each of Mr. Mendez and Mr. Mildenhall will be eligible to receive compensation for their service on the Board under the Company’s director compensation program, which provides for equity awards in the form of stock options, RSUs or a 50%-50% combination thereof, and is composed of: (i) an initial grant having an aggregate value of \$500,000 and which vests with respect to one third of the total number of shares subject to the award on each annual anniversary of the grant and (ii) an annual grant on the date of the Company’s annual meeting of stockholders having an aggregate value of \$325,000 and which vests as to one quarter of the total number of shares subject to such award on each quarterly anniversary thereafter such that the award will be fully vested and exercisable, as applicable, on the one-year anniversary of the date of grant, or if earlier, the next annual meeting of stockholders.

In connection with their respective appointments, each of Mr. Mendez and Mr. Mildenhall have entered into the Company’s standard form indemnification agreement for directors and officers.

CEO Transition; Executive Chair

On February 7, 2022, the Board appointed Barry McCarthy as the Chief Executive Officer and President of the Company to succeed John Foley, the Company's Co-Founder and former Chief Executive Officer, in this role, and appointed Mr. Foley as Executive Chair of the Board, in each case, as of February 9, 2022 (the "CEO Commencement Date"). Additionally, Mr. McCarthy has been designated as the Company's principal executive officer, effective as of the CEO Commencement Date.

On February 7, 2022, the Board also appointed Mr. McCarthy to the Board, effective as of the CEO Commencement Date to serve as a Class I director with a term expiring at the Company's annual meeting of stockholders to be held in 2023 and until his successor is duly elected and qualified or his earlier death, disqualification, resignation or removal.

Mr. McCarthy, 68, most recently served as Spotify's Chief Financial Officer from 2015 to January 2020 and global head of the advertising business from September 2016 to January 2020. Prior to joining Spotify, Mr. McCarthy was a private investor and served as a member of the board of directors of several private companies. From 1999 to 2010, Mr. McCarthy served as Chief Financial Officer and Principal Accounting Officer of Netflix, Inc. Mr. McCarthy held various management positions in management consulting, investment banking, media, and entertainment. Additionally, from 2011 until February 2022 when he joined Peloton, Mr. McCarthy served as a consultant at Technology Crossover Ventures. Mr. McCarthy has served on the boards of directors of Spotify and Instacart since January 2020 and January 2021, respectively. In addition, McCarthy has served as a member of the boards of Chegg, Eventbrite, MSD Acquisition Corp, Pandora, and Rent the Runway. Mr. McCarthy holds a Bachelor of Arts in History from Williams College and a Master of Business Administration in Finance from the Wharton School at the University of Pennsylvania.

The Company and Mr. McCarthy have entered into an employment offer letter, dated February 7, 2022, in connection with Mr. McCarthy's appointment as Chief Executive Officer (the "Offer Letter"). Pursuant to the Offer Letter, Mr. McCarthy is eligible for the following compensation: (i) an annual base salary of \$1,000,000, (ii) a stock option award to purchase 8,000,000 shares of the Company's Class A Common Stock (the "Option Award"), (iii) up to \$150,000 reimbursement in connection with relocation expenses and (iv) up to \$30,000 reimbursement of reasonable legal costs in connection with negotiating the Offer Letter and related agreements. The Option Award will have an exercise price per share equal to the closing price of the Company's Class A common stock on the CEO Commencement Date and will vest and become exercisable over four years, with 1/48th vesting on each monthly anniversary of the CEO Commencement Date, subject to Mr. McCarthy providing continued services to the Company through each vesting date. The Company does not expect to grant Mr. McCarthy an additional compensatory equity award for approximately four years. Under the Offer Letter, Mr. McCarthy also is eligible to participate in the Company's Severance and Change in Control Plan (the "Severance Plan") as a Tier 1 Participant; provided that the "Change in Control Period" for purposes of Mr. McCarthy's eligibility for enhanced severance pursuant to the Severance Plan shall include the 120-day period immediately prior to a Change in Control (as defined in the Severance Plan), in addition to the 12-month period following a Change in Control. The Severance Plan was filed as Exhibit 10.8 to the Company's Registration Statement on Form S-1 (No. 333-233482), as filed with the Securities and Exchange Commission on September 10, 2019, and is incorporated by reference herein.

The foregoing description of the Offer Letter does not purport to be complete and is qualified in its entirety by reference to the full text of the Offer Letter, a copy of which is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

In connection with his appointment, Mr. McCarthy has entered into the Company's standard form of indemnification agreement for directors and officers.

President Transition

In connection with Mr. McCarthy's appointment as President, William Lynch will transition from this position to a non-executive director on the Board. Mr. Lynch will receive the non-change in control severance payments and benefits provided under the Company's Severance and Change in Control Plan and will be eligible to receive compensation for his ongoing service on the Board under the Company's director compensation program.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

**Exhibit
Number**

Exhibit Title or Description

10.1	Offer Letter by and between Barry McCarthy and the Registrant, dated February 7, 2022.
99.1	Press Release Announcing Board Appointments, dated February 8, 2022.
99.2	Press Release Announcing Leadership Transitions, dated February 8, 2022.
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PELOTON INTERACTIVE, INC.

Date: February 8, 2022

By: /s/ Hisao Kushi
Hisao Kushi
Chief Legal and Culture Officer

PELOTON INTERACTIVE, INC.
441 NINTH AVENUE, 6th FLOOR
NEW YORK, NY 10001
February 7, 2022

Barry McCarthy

Dear Barry:

Peloton Interactive, Inc. (the "Company") is pleased to offer you employment on the following terms, commencing February 9, 2022 (the "Commencement Date"):

1. **Position.** Your title will be Chief Executive Officer and President, and you will report solely and directly to the Company's Board of Directors (the "Board"). This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

In addition, as of the Commencement Date and during your employment, you will be appointed to, and without compensation other than that herein provided, also serve and continue to serve, if and when elected and re-elected, as a member of the Board. During your employment, you may (A) consistent with Company governance policies, serve on corporate boards or committees of businesses that are not competitors of the Company, with prior written approval of the Board or an authorized committee thereof (not to be unreasonably withheld), (B) serve on civic or charitable boards or committees, (C) manage your personal and family investments, and (D) continue to serve on the positions set forth on Schedule 1 hereto (the "Outside Activities"), so long as any such activities do not, individually or in the aggregate, interfere with the discharge of your responsibilities to the Company or create a conflict of interests.

2. **Base Salary.** The Company will pay you a base salary at the rate of \$1,000,000 per year, payable in accordance with the Company's standard payroll schedule and pro-rated for any partial year of employment. This salary will be subject to annual review for increase (but not decrease) pursuant to the Company's employee compensation policies in effect from time to time.

3. **Relocation Reimbursement.** The Company will provide you with comprehensive relocation services through our relocation services provider, up to a covered maximum of \$150,000, for expenses associated with your relocation to the New York metropolitan area. Should you leave the Company prior to your one-year anniversary for any reason other than termination by the Company without Cause (as defined in the Company's Severance Plan (as defined below)) or as a result of your death or disability or by you with Good Reason (as defined in the Severance Plan), you will be required to reimburse the Company a prorated share of the net after-tax amount of the relocation package (which share will be based on the number of months remaining between the date of termination and the date of your one-year anniversary with the Company). The Company shall have a right to offset any such reimbursement against any sums it might otherwise owe to you in the event of such termination. You acknowledge and agree the Company has full discretion to determine whether and to what extent these arrangements result in compensation to you and whether any tax withholding is appropriate.

4. **Employee Benefits; Expenses.** As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits. In addition, you will be entitled to paid vacation in accordance with the Company's vacation policy, as in effect from time to time. The

Company will reimburse you for all reasonable and necessary expenses actually incurred by you in connection with the business affairs of the Company and the performance of your duties hereunder, in accordance with Company policy as in effect from time to time.

5. **Stock Options.** On the Commencement Date, the Company will grant you an option to purchase eight million (8,000,000) shares of the Company's Class A common stock (the "Option"). The exercise price per share of the Option will be equal to the closing price of the Company's Class A common stock on the grant date. The Option shall vest and become exercisable with respect to 1/48th of the shares underlying the Option on each monthly anniversary of the Commencement Date, subject to your continued service. In addition, the Option shall be subject to the accelerated vesting provisions described in the Company's Severance Plan. The Option will be subject to the terms and conditions applicable to options granted under the Company's 2019 Equity Incentive Plan (the "Plan"), as described in the Plan and the Company's form Stock Option Agreement to be entered into between you and the Company (which shall be consistent with the terms and conditions set forth in this letter agreement) (the "Stock Option Agreement").

6. **Severance.** You will be a participant in the Company's Severance and Change in Control Plan (the "Severance Plan"), as a Tier 1 participant, provided that (a) for the avoidance of doubt, clause (ii) of the Good Reason definition in the Severance Plan will include, without limitation, your ceasing to be the chief executive officer of the entity that is the ultimate parent entity of the Company (or its successor), if there is such a parent entity or, if there is no such parent company, you ceasing to serve as the chief executive officer of the Company, or your ceasing to serve as the chief executive officer of a publicly traded company, in any such case, during the Change in Control Period (as defined in the Severance Plan, subject to clause (b)) and (b) the "Change in Control Period" shall also include the 120-day period immediately prior to a Change in Control. In the event the Company's Severance Plan is terminated or amended, provisions no less favorable than those under the Severance Plan as of the Commencement Date, as modified by this Section 6, shall apply to you.

Notwithstanding anything in the Severance Plan to the contrary, if you experience a Covered Termination (as defined in the Severance Plan) during the 120-day period immediately prior to a Change in Control, then (i) your cash severance payable pursuant to Section 3.1(a) of the Severance Plan shall be paid in 12 monthly installments, beginning as soon as administratively practicable following the date the Release (as defined in the Severance Plan) is not subject to revocation (and, in any event, within 60 days following the date of the Covered Termination), (ii) any incremental amounts that would have been payable under Section 3.2(a) of the Severance Plan in excess of amounts payable under Section 3.1(a) of the Severance Plan (treating such termination as if it were a Covered Termination following a Change in Control) will be paid to you in a single lump sum on the date of the Change in Control, and (iii) the Option, and any other outstanding Company equity awards that are held by you on the termination date, shall vest in accordance with Section 3.1(c) of the Severance Plan, and any portion of the Option and any such other Company equity awards that are not then vested shall remain outstanding and eligible to vest upon the Change in Control pursuant to Section 3.2(c) of the Severance Plan (and, if a Change in Control does not occur within 120 days following your termination date, the remaining unvested portion of any such Company equity awards (i.e., after giving effect to Section 3.1(c) of the Severance Plan) shall be forfeited without consideration on the last day of such 120-day period).

7. **Arbitration.** You and the Company shall submit to mandatory and exclusive binding arbitration any controversy or claim arising out of, or relating to, this Agreement or any breach hereof, provided, however, that the parties retain their right to, and shall not be prohibited, limited or in any other way restricted from, seeking or obtaining equitable relief from a court having jurisdiction over the parties. Such arbitration shall be governed by the Federal Arbitration Act and conducted through the American Arbitration Association in the State of New York, New York County, before a single neutral arbitrator, in accordance with AAA Employment Arbitration Rules and Procedures in effect at that time (currently available at: https://adr.org/sites/default/files/EmploymentRules_Web_2.pdf). The parties hereby waive any rights they may have to have any such claims tried before a judge or jury. The parties may conduct only essential discovery prior to the hearing, as defined by the AAA arbitrator. The arbitrator shall issue a written decision that contains the essential findings and conclusions on which the decision is based. You shall bear only those

costs of arbitration you would otherwise bear had you brought a claim covered by this Agreement in court. Judgment upon the determination or award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

8. **Proprietary Information and Inventions Agreement.** Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's standard Proprietary Information and Inventions Agreement in the form attached hereto as Exhibit A (the "PIIA").

9. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company of these terms. The "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

10. **Tax Matters.**

(a) *Withholding.* All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

(b) *Tax Advice.* You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or the Board related to tax liabilities arising from your compensation.

(c) *Section 409A.* Section 8.1 of the Severance Plan is hereby incorporated by reference and shall apply, mutatis mutandis, to the provisions set forth herein.

11. **Interpretation and Amendment.** This letter agreement, the Stock Option Agreement and the PIIA constitute the complete agreement between you and the Company, contain all of the terms of your employment with the Company and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company.

12. **Coverage Under Directors' and Officers' Liability Insurance Policies; Indemnification.** The Company agrees to indemnify you to the maximum extent permitted by applicable law and the Company's by-laws for your services rendered as an officer and director of the Company and to maintain directors' and officers' liability insurance policies covering you on a basis no less favorable than provided to other directors and senior executives, which indemnification and coverage shall continue as to you even if you have ceased to be a director, officer or employee of the Company with respect to acts or omissions which occurred prior to such cessation.

13. **Governing Law.** The terms of this letter agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this letter agreement or arising out of, related to, or in any way connected with, this letter agreement, your employment with the Company or any other relationship between you and the Company (the "Disputes") will be governed by New York law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in New York in connection with any Dispute or any claim related to any Dispute, except as otherwise provided in Section 7 or the PIIA.

14. **Legal Advice.** You acknowledge that you have been advised by the Company to consult with, and seek the advice of, a personal attorney of your choice prior to executing this letter agreement in connection with the negotiation, drafting and execution of this letter agreement and the PIIA, including, without limitation, the arbitration provisions contained in Section 7, the choice of law

provision contained in this Section 13 and Sections 4 and 7 of the PIIA. You represent and warrant that you have, in fact, retained a personal attorney for such purpose and have received the advice of such attorney with respect to the terms of this letter agreement and the PIIA, and the negotiation of this letter agreement and PIIA, prior to entering into either and the including, without limitation, with respect to the covenants and provisions noted in the preceding sentence. The Company shall pay or reimburse you for up to \$30,000 of your legal costs reasonably incurred in the negotiation of this Agreement and related agreements, within thirty (30) days of receipt of an invoice therefor.

* * * * *

We hope that you will accept our offer to join the Company. You may indicate your agreement with these terms and accept this offer by signing and dating both the enclosed duplicate original of this letter agreement and the enclosed PIIA and returning them to me. This offer, if not accepted, will expire at the close of business on February 7, 2022. As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States. In addition, your employment is contingent on satisfactory review of a background check and upon your starting work with the Company on February 9, 2022.

If you have any questions, please call me at feel free to reach out.

Very truly yours,

PELOTON INTERACTIVE, INC.

/s/ Karen Boone

By: Karen Boone

Title: Lead Independent Director

I have read and accept this employment offer:

/s/ Barry McCarthy
Signature of Employee

Dated: February 7, 2022

Attachment

Schedule 1: Outside Activities

Exhibit A: Proprietary Information and Inventions Agreement

[US-DOCS\129593249.5]

Peloton Announces Appointment of New Directors to the Board

*Angel L. Mendez and Jonathan Mildenhall to Join the Peloton Board;
Longtime Director Erik Blachford to Step Down*

*Barry McCarthy, Newly Named CEO and President of Peloton, to Also Join Board;
John Foley to Become Executive Chair*

NEW YORK, February 8, 2022 – Peloton Interactive, Inc. (NASDAQ: PTON) today announced the appointment of two new directors to its Board: Angel L. Mendez, a proven supply chain leader at the intersection of software, technology, and industrial operations; and Jonathan Mildenhall, a globally recognized creative leader in marketing and advertising. Erik Blachford, who has served as a director since 2015, will step down from his role on the Board.

In addition, Barry McCarthy, Peloton's newly named CEO and President, will join the Board as a director, and John Foley has been named Executive Chair.

With these changes, Peloton's Board will comprise nine directors, four of whom will have been appointed in the past three years. Nearly half of Peloton's Board seats will now be held by members of diverse communities: female, of color, and/or LGBTQIA+.

John Foley, Co-Founder of Peloton and Executive Chair, said, "We are pleased to welcome Barry, Angel and Jonathan as new directors to the Peloton Board at this important time. We are confident they will provide valuable perspectives as we continue to execute our strategy, drive profitability, and enhance value for all Peloton shareholders."

Pamela Thomas-Graham, Chair of the Nominating, Governance and Corporate Responsibility Committee, said, "These appointments are the culmination of a robust search process that began several months ago. As Peloton continues to evolve, we are committed to regularly evaluating our Board's composition to ensure we have the right mix of skills and experience to advance our goals and reflect the diverse views of Peloton's shareholders, team, and community of more than 6.6 million Members."

Foley concluded, "On behalf of the entire Board, I thank Erik for his valuable perspective and incredible commitment to Peloton over the past nearly seven years. His numerous contributions and thoughtful insights have been invaluable, and we are grateful for everything he has done for Peloton."

Additional information regarding McCarthy's appointment as Peloton's new CEO and President can be found in a separate press release issued today.

About Angel L. Mendez

Mendez is Executive Chairman of the Board of LevaData Inc., a privately held, artificial intelligence company focused on supply chain management. He also serves on two other public company boards: Kinaxis, which specializes in supply chain planning solutions; and Sleep Number, a sleep technology company. He previously served as executive vice president and chief operating officer of HERE Technologies from 2016 to 2020. From 2005 to 2015, he was a senior executive at Cisco Systems, where he led the company's corporate transformation program as well as its global supply chain. Earlier in his career he served in senior roles at Palm Inc., Gateway Inc., Citigroup, and in various executive positions at Allied Signal Aerospace and GE.

Mendez earned a BS degree in Electrical Engineering from Lafayette College and an MBA from the Crummer School at Rollins College.

About Jonathan Mildenhall

Mildenhall co-founded TwentyFirstCenturyBrand, one of the most influential brand building companies, in 2018, and serves as the company's Chair. He is also a board member on a number of private company

boards, including EverLane, AboveBoard, Northern Star SPAC, GoFundMe, and College Track. Prior to co-founding TwentyFirstCenturyBrand, Mildenhall served as CMO of Airbnb from 2014 to 2018, during which time Airbnb's valuation increased from \$1 billion to more than \$31 billion. Prior to Airbnb, Mildenhall led The Coca-Cola Company's marketing initiatives as VP of global advertising strategy and content excellence from 2007 to 2013, and as SVP integrated marketing communication and design excellence from 2013 to 2014. Earlier in his career, Mildenhall served in various management positions in marketing and advertising.

Mildenhall holds a degree in Business and Finance from The Manchester Metropolitan University. He completed the Advanced Management Program at Harvard Business School, and holds an Honorary Doctorate in Business Administration from The Manchester Metropolitan University.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release other than statements of historical fact, including, without limitation, statements regarding the composition of our board of directors, changes to our leadership team, our future operating results and financial position, our profitability, our business strategy and plans, market growth, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "potential," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "target," and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions.

We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions and other important factors that could cause actual results to differ materially from those stated, including, without limitation: our ability to achieve and maintain future profitability; our ability to attract and maintain Subscribers; our ability to effectively manage our growth; our ability to accurately forecast consumer demand of our products and services and adequately maintain our inventory; our ability to execute and achieve the benefits of our restructuring initiative and other cost saving measures; our ability to anticipate consumer preferences and successfully develop and introduce new products and services; demand for our products and services and growth of the connected fitness products industry; our ability to predict our long-term performance and declines in our revenue growth as our business matures; the direct and indirect impacts to our business and financial performance from the COVID-19 pandemic; the effects of increased competition in our markets and our ability to compete effectively; our reliance on and our ability to partner with third parties such as music licensors, service providers, and suppliers; declines in sales of our Bike and Bike+; our reliance on and lack of control over third-party suppliers, contract manufacturers and logistics partners for our Connected Fitness Products; our dependence on third-party licenses for use of music in our content; actual or perceived defects in, or safety of, our products, including any impact of product recalls or legal or regulatory claims, proceedings or investigations involving our products; our ability to maintain, protect, and enhance our intellectual property; our ability to stay in compliance with laws and regulations that currently apply or become applicable to our business both in the United States and internationally; and those risks and uncertainties described in the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I, Item 2 and "Risk Factors" in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2021, as such factors may be updated in our filings with the Securities and Exchange Commission, which are available on the Investor Relations page of our website at <https://investor.onepeloton.com/investor-relations> and on the SEC website at www.sec.gov.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot

guarantee future results, performance, or achievements. Our forward-looking statements speak only as of the date of this shareholder letter, and we undertake no obligation to update any of these forward-looking statements for any reason after the date of this shareholder letter or to conform these statements to actual results or revised expectations, except as required by law.

About Peloton

Peloton is the leading interactive fitness platform in the world with a loyal community of more than 6.6 million Members. The company pioneered connected, technology-enabled fitness, and the streaming of immersive, instructor-led boutique classes for its Members anytime, anywhere. Peloton makes fitness entertaining, approachable, effective, and convenient, while fostering social connections that encourage its Members to be the best versions of themselves. An innovator at the nexus of fitness, technology, and media, Peloton has reinvented the fitness industry by developing a first-of-its-kind subscription platform that seamlessly combines the best equipment, proprietary networked software, and world-class streaming digital fitness and wellness content, creating a product that its Members love. The brand's immersive content is accessible through the Peloton Bike, Peloton Tread, Peloton Bike+, and Peloton App, which allows access to a full slate of fitness classes across disciplines, on any iOS or Android device, Apple TV, Fire TV, Roku TVs, and Chromecast and Android TV. Founded in 2012 and headquartered in New York City, Peloton has a growing number of retail showrooms across the US, UK, Canada, Germany, and Australia. For more information, visit www.onepeloton.com.

Investor Relations Contact:

Peter Stabler
investor@onepeloton.com

Media Contact:

Jessica Kleiman
press@onepeloton.com

Peloton Announces Leadership Transitions to Position Peloton for Sustainable Growth, Profitability, and Long-Term Success

Barry McCarthy Appointed CEO & President

John Foley to Become Executive Chair

William Lynch Transitions from President

NEW YORK, February 8, 2022 – Peloton Interactive, Inc. (NASDAQ: PTON) today announced the following leadership transitions:

- Barry McCarthy, who has held senior leadership roles at Spotify and Netflix and is a longtime advisor and board member at public and private technology companies, has been appointed CEO and President of Peloton, effective on February 9, 2022. He will also join Peloton's Board of Directors.
- Peloton Co-Founder John Foley will become Executive Chair.
- William Lynch transitions from President of Peloton to a non-executive director on the Board.

Karen Boone, Lead Independent Director, said, "Today's leadership changes are the culmination of a succession planning process that the Board and John have worked on together over the last several months. We all agree that Barry is uniquely suited to lead Peloton into its next chapter and that this leadership transition will best position Peloton for sustainable growth, profitability, and long-term success. Barry is a proven leader, well known for his financial acumen and record of driving transformative change at iconic companies including Netflix and Spotify. In addition to his own extensive experience and expertise, Barry will also benefit from John's continued support as Executive Chair, which we view as a winning combination for all Peloton stakeholders."

Foley said, "Since founding Peloton a decade ago, we've grown this brand to engage and motivate a loyal community of more than 6.6 million Members. I'm incredibly proud to have worked with such talented teammates over the years who have helped me build Peloton into what it is today, and I'm confident that Barry is the right leader to take the company into its next phase of growth. He's not only recognized as an expert in running subscription business models and helping category-leading digital streaming companies flourish, but he has also had tremendous success in partnering with founder CEOs at other brands. I'm excited to learn from him and work alongside him as Executive Chair."

McCarthy said, "As a passionate Peloton Member, I have experienced firsthand this fantastic company's mission and believe there is enormous potential for the platform. I'm honored to join Peloton at such an important moment in the company's history and look forward to working closely with John, the Board, and Peloton's team members at all levels of the organization to execute against Peloton's strategy and take the business to the next level."

About Barry McCarthy

McCarthy is a seasoned executive who served as CFO of Spotify from 2015 to January 2020, and CFO of Netflix from 1999 to 2010. Prior to Netflix, McCarthy held various leadership positions in management consulting, investment banking, and media and entertainment. McCarthy has served on the boards of directors of Spotify and Instacart since January 2020 and January 2021, respectively. In addition, McCarthy has served as a member of the boards of Chegg, Eventbrite, MSD Acquisition Corp, Pandora, and Rent the Runway. He has also served as a consultant at Technology Crossover Ventures (TCV), one of the largest growth equity firms which has invested over \$10B in public and private technology companies.

McCarthy holds a Bachelor of Arts in History from Williams College and a Master of Business Administration in Finance from the Wharton School at the University of Pennsylvania.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release other than statements of historical fact, including, without limitation, statements regarding the composition of our board of directors, changes to our leadership team, our future operating results and financial position, our profitability, our business strategy and plans, market growth, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “potential,” “continue,” “anticipate,” “intend,” “expect,” “could,” “would,” “project,” “plan,” “target,” and similar expressions are intended to identify forward-looking statements, though not all forward-looking statements use these words or expressions.

We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions and other important factors that could cause actual results to differ materially from those stated, including, without limitation: our ability to achieve and maintain future profitability; our ability to attract and maintain Subscribers; our ability to effectively manage our growth; our ability to accurately forecast consumer demand of our products and services and adequately maintain our inventory; our ability to execute and achieve the benefits of our restructuring initiative and other cost saving measures; our ability to anticipate consumer preferences and successfully develop and introduce new products and services; demand for our products and services and growth of the connected fitness products industry; our ability to predict our long-term performance and declines in our revenue growth as our business matures; the direct and indirect impacts to our business and financial performance from the COVID-19 pandemic; the effects of increased competition in our markets and our ability to compete effectively; our reliance on and our ability to partner with third parties such as music licensors, service providers, and suppliers; declines in sales of our Bike and Bike+; our reliance on and lack of control over third-party suppliers, contract manufacturers and logistics partners for our Connected Fitness Products; our dependence on third-party licenses for use of music in our content; actual or perceived defects in, or safety of, our products, including any impact of product recalls or legal or regulatory claims, proceedings or investigations involving our products; our ability to maintain, protect, and enhance our intellectual property; our ability to stay in compliance with laws and regulations that currently apply or become applicable to our business both in the United States and internationally; and those risks and uncertainties described in the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part I, Item 2 and “Risk Factors” in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2021, as such factors may be updated in our filings with the Securities and Exchange Commission, which are available on the Investor Relations page of our website at <https://investor.onepeloton.com/investor-relations> and on the SEC website at www.sec.gov.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Our forward-looking statements speak only as of the date of this shareholder letter, and we undertake no obligation to update any of these forward-looking statements for any reason after the date of this shareholder letter or to conform these statements to actual results or revised expectations, except as required by law.

About Peloton

Peloton is the leading interactive fitness platform in the world with a loyal community of more than 6.6 million Members. The company pioneered connected, technology-enabled fitness, and the streaming of immersive, instructor-led boutique classes for its Members anytime, anywhere. Peloton makes fitness entertaining, approachable, effective, and convenient, while fostering social connections that encourage its Members to be the best versions of themselves. An innovator at the nexus of fitness, technology, and

media, Peloton has reinvented the fitness industry by developing a first-of-its-kind subscription platform that seamlessly combines the best equipment, proprietary networked software, and world-class streaming digital fitness and wellness content, creating a product that its Members love. The brand's immersive content is accessible through the Peloton Bike, Peloton Tread, Peloton Bike+, and Peloton App, which allows access to a full slate of fitness classes across disciplines, on any iOS or Android device, Apple TV, Fire TV, Roku TVs, and Chromecast and Android TV. Founded in 2012 and headquartered in New York City, Peloton has a growing number of retail showrooms across the US, UK, Canada, Germany, and Australia. For more information, visit www.onepeloton.com.

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