

**PELOTON INTERACTIVE, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in millions, except share and per share amounts)

	June 30,	
	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,035.5	\$ 162.1
Marketable securities	719.5	216.0
Accounts receivable, net	34.6	18.5
Inventories, net	244.5	136.6
Prepaid expenses and other current assets	124.5	48.4
Total current assets	2,158.6	581.7
Property and equipment, net	242.3	249.7
Intangible assets, net	16.0	19.5
Goodwill	39.1	4.3
Restricted cash	1.5	0.8
Right-of-use assets, net	492.5	—
Other assets	31.8	8.5
Total assets	\$ 2,981.8	\$ 864.5
<b>LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities:		
Accounts payable	\$ 135.8	\$ 92.2
Accrued expenses	225.9	104.5
Customer deposits and deferred revenue	363.6	90.8
Current portion of lease liabilities and other current liabilities	46.9	3.3
Total current liabilities	772.2	290.8
Deferred rent	—	23.7
Build-to-suit liability	—	147.1
Long term lease liabilities, net	508.2	—
Other non-current liabilities	23.4	0.4
Total liabilities	1,303.8	462.0
Commitments and contingencies (Note 13)		
Redeemable convertible preferred stock, \$0.000025 par value, zero and 215,443,468 shares authorized; zero and 210,640,629 shares issued and outstanding as of June 30, 2020 and June 30, 2019, respectively.	—	941.1
Stockholders' equity (deficit)		
Common stock, \$0.000025 par value; 2,500,000,000 and zero Class A shares authorized, 237,518,574 and zero shares issued and outstanding as of June 30, 2020 and June 30, 2019, respectively; 2,500,000,000 and 400,000,000 Class B shares authorized, 50,538,538 and 25,301,604 shares issued and outstanding as of June 30, 2020 and June 30, 2019, respectively.	—	—
Additional paid-in capital	2,361.8	90.7
Accumulated other comprehensive income	10.1	0.2
Accumulated deficit	(693.9)	(629.5)
Total stockholders' equity (deficit)	1,678.0	(538.6)
Total liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)	\$ 2,981.8	\$ 864.5

*See accompanying notes to these consolidated financial statements.*

**PELOTON INTERACTIVE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(in millions, except share and per share amounts)

	Fiscal Year Ended June 30,		
	2020	2019	2018
Revenue:			
Connected Fitness Products	\$ 1,462.2	\$ 733.9	\$ 354.7
Subscription	363.7	181.1	80.3
Total revenue	1,825.9	915.0	435.0
Cost of revenue:			
Connected Fitness Products	833.5	427.8	199.9
Subscription	155.7	103.7	45.5
Total cost of revenue	989.1	531.4	245.4
Gross profit	836.7	383.6	189.6
Operating expenses:			
Sales and marketing	477.0	324.0	151.4
General and administrative	351.6	207.0	62.4
Research and development	89.0	54.8	23.4
Total operating expenses	917.6	585.8	237.1
Loss from operations	(80.8)	(202.3)	(47.5)
Other income, net:			
Interest income, net	16.2	7.0	(0.3)
Other expense, net	(3.8)	(0.3)	—
Total other income (expense), net	12.4	6.7	(0.3)
Loss before provision for income taxes	(68.4)	(195.6)	(47.8)
Income tax expense	3.3	0.1	0.1
Net loss	\$ (71.6)	\$ (195.6)	\$ (47.9)
Net loss attributable to Class A and Class B common stockholders	\$ (71.6)	\$ (245.7)	\$ (47.9)
Net loss per share attributable to Class A and Class B common stockholders, basic and diluted	\$ (0.32)	\$ (10.72)	\$ (2.18)
Weighted-average Class A and Class B common shares outstanding, basic and diluted	220,952,237	22,911,764	21,934,228
Other comprehensive income:			
Net unrealized gains on marketable securities	\$ 3.9	\$ 0.2	\$ —
Change in foreign currency translation adjustment	6.0	—	—
Total other comprehensive income	9.9	0.2	—
Comprehensive loss	\$ (61.7)	\$ (195.4)	\$ (47.9)

*See accompanying notes to these consolidated financial statements.*

**PELOTON INTERACTIVE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)

	Fiscal Year Ended June 30,		
	2020	2019	2018
<b>Cash Flows from Operating Activities:</b>			
Net loss	\$ (71.6)	\$ (195.6)	\$ (47.9)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	40.2	21.7	6.6
Stock-based compensation expense	88.8	89.5	8.5
Non-cash operating lease expense	47.7	—	—
Other non-cash items	6.4	(1.4)	1.0
Changes in operating assets and liabilities:			
Accounts receivable	11.3	(9.1)	(4.1)
Inventories	(96.8)	(111.3)	(9.6)
Prepaid expenses and other current assets	(33.1)	(30.3)	(12.1)
Other assets	(22.1)	(5.5)	1.4
Accounts payable and accrued expenses	133.4	117.3	41.0
Customer deposits and deferred revenue	272.3	2.2	63.0
Operating lease liabilities, net	(23.6)	—	—
Other liabilities	23.5	13.8	1.9
Net cash provided by (used in) operating activities	376.4	(108.6)	49.7
<b>Cash Flows from Investing Activities:</b>			
Purchases of marketable securities	(1,199.6)	(249.8)	—
Maturities of marketable securities	435.4	36.0	—
Sales of marketable securities	224.3	—	—
Cash paid for cost method investment	(0.1)	(0.6)	—
Acquisition of business, net of cash acquired	(45.0)	(0.1)	(28.7)
Purchases of property and equipment	(156.4)	(83.0)	(28.0)
Net cash used in investing activities	(741.3)	(297.5)	(56.7)
<b>Cash Flows from Financing Activities:</b>			
Proceeds from issuance of common stock upon initial public offering, net of offering costs	1,195.7	—	—
Repurchase of common and convertible preferred stock, including issuance costs	—	(130.3)	—
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	—	539.1	—
Proceeds from employee stock purchase plan withholdings	7.0	—	—
Repayments of debt	—	—	(3.1)
Debt issuance costs	—	(0.9)	(1.2)
Proceeds from exercise of stock options	37.4	9.3	7.4
Net cash provided by financing activities	1,240.2	417.2	3.1
Effect of exchange rate changes	(1.2)	0.2	—
Net change in cash, cash equivalents, and restricted cash	874.0	11.3	(3.9)
Cash, cash equivalents and restricted cash — Beginning of period	163.0	151.6	155.5
Cash, cash equivalents and restricted cash — End of period	\$ 1,037.0	\$ 163.0	\$ 151.6
<b>Supplemental Disclosures of Cash Flow Information:</b>			
Cash paid for interest	\$ 1.9	\$ 1.1	\$ 0.3
Cash paid for income taxes	\$ 4.1	\$ —	\$ —
<b>Supplemental Disclosures of Non-Cash Investing and Financing Information:</b>			

**PELOTON INTERACTIVE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)

Conversion of convertible preferred stock to common stock	\$ (941.1)	\$ —	\$ —
Property and equipment accrued but unpaid	\$ 18.2	\$ 12.6	\$ 4.3
Building - build-to-suit asset	\$ —	\$ 147.1	\$ —
Stock-based compensation capitalized for software development costs	\$ 2.2	\$ 0.8	\$ 0.3

*See accompanying notes to these consolidated financial statements.*