

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO Section 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-39735

The Beachbody Company, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

85-3222090
(I.R.S. Employer
Identification No.)

400 Continental Blvd, Suite 400
El Segundo, California
(Address of principal executive offices)

90245
(Zip Code)

(310) 883-9000

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share Redeemable warrants, each whole warrant exercisable for one Class A common stock at an exercise price of \$11.50	BODY BODY WS	The New York Stock Exchange The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

There were 169,506,288 shares of the registrant's Class A Common Stock, par value \$0.0001 per share, and 141,250,310 shares of the registrant's Class X Common Stock, par value \$0.0001 per share, outstanding as of May 5, 2022.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

The Beachbody Company, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except par value and share data)

	March 31, 2022	December 31, 2021
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 63,426	\$ 104,054
Restricted cash	-	3,000
Inventory, net	99,993	132,730
Prepaid expenses	16,154	15,861
Other current assets	40,975	43,727
Total current assets	220,548	299,372
Property and equipment, net	102,978	113,098
Content assets, net	39,749	39,347
Goodwill and intangible assets, net	166,947	171,533
Other assets	13,972	14,262
Total assets	\$ 544,194	\$ 637,612
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 25,626	\$ 48,379
Accrued expenses	69,897	74,525
Deferred revenue	108,977	107,095
Other current liabilities	5,785	6,233
Total current liabilities	210,285	236,232
Deferred tax liabilities	2,382	3,165
Other liabilities	13,300	12,830
Total liabilities	225,967	252,227
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 100,000,000 shares authorized, none issued and outstanding at March 31, 2022 and December 31, 2021	—	—
Common stock, \$0.0001 par value, 1,900,000,000 shares authorized (1,600,000,000 Class A, 200,000,000 Class X and 100,000,000 Class C);		
Class A: 169,465,971 and 168,333,463 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively;	17	17
Class X: 141,250,310 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively;	14	14
Class C: no shares issued and outstanding at March 31, 2022 and December 31, 2021	—	—
Additional paid-in capital	616,905	610,418
Accumulated other comprehensive loss	(133)	(21)
Accumulated deficit	(298,576)	(225,043)
Total stockholders' equity	318,227	385,385
Total liabilities and stockholders' equity	\$ 544,194	\$ 637,612

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

The Beachbody Company, Inc.
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended March 31,	
	2022	2021
Revenue:		
Digital	\$ 81,745	\$ 95,150
Connected fitness	19,513	—
Nutrition and other	97,664	131,069
Total revenue	198,922	226,219
Cost of revenue:		
Digital	16,425	11,122
Connected fitness	44,706	—
Nutrition and other	44,774	56,995
Total cost of revenue	105,905	68,117
Gross profit	93,017	158,102
Operating expenses:		
Selling and marketing	106,444	144,696
Enterprise technology and development	33,697	27,089
General and administrative	20,073	17,946
Restructuring	7,223	—
Total operating expenses	167,437	189,731
Operating loss	(74,420)	(31,629)
Other income (expense):		
Change in fair value of warrant liabilities	264	—
Interest expense	(19)	(123)
Other income (expense), net	(64)	1,299
Loss before income taxes	(74,239)	(30,453)
Income tax benefit	706	395
Net loss	<u>\$ (73,533)</u>	<u>\$ (30,058)</u>
Net loss per common share, basic and diluted	<u>\$ (0.24)</u>	<u>\$ (0.12)</u>
Weighted-average common shares outstanding, basic and diluted	<u>306,363</u>	<u>243,013</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

The Beachbody Company, Inc.
Unaudited Condensed Consolidated Statements of Comprehensive Loss
(in thousands)

	Three Months Ended March 31,	
	2022	2021
Net loss	\$ (73,533)	\$ (30,058)
Other comprehensive income (loss):		
Change in fair value of derivative financial instruments, net of tax	(185)	(109)
Reclassification of losses on derivative financial instruments included in net loss	69	167
Foreign currency translation adjustment	4	42
Total other comprehensive income (loss)	(112)	100
Total comprehensive loss	<u>\$ (73,645)</u>	<u>\$ (29,958)</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

The Beachbody Company, Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity
(in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated) (Deficit)	Total Stockholders' Equity
	Shares	Amount				
Balances at December 31, 2020	243,013	\$ 24	\$ 96,097	\$ (202)	\$ 3,339	\$ 99,258
Net loss	—	—	—	—	(30,058)	(30,058)
Other comprehensive income	—	—	—	100	—	100
Equity-based compensation	—	—	2,573	—	—	2,573
Balances at March 31, 2021	243,013	\$ 24	\$ 98,670	\$ (102)	\$ (26,719)	\$ 71,873

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances at December 31, 2021	309,584	\$ 31	\$ 610,418	\$ (21)	\$ (225,043)	\$ 385,385
Net loss	—	—	—	—	(73,533)	(73,533)
Other comprehensive loss	—	—	—	(112)	—	(112)
Equity-based compensation	—	—	4,564	—	—	4,564
Options exercised, net of tax withholdings	1,132	—	1,923	—	—	1,923
Balances at March 31, 2022	310,716	\$ 31	\$ 616,905	\$ (133)	\$ (298,576)	\$ 318,227

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

The Beachbody Company, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Three Months Ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (73,533)	\$ (30,058)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	21,587	13,726
Amortization of content assets	6,164	2,817
Provision for inventory and net realizable value adjustment	16,896	2,040
Realized losses on hedging derivative financial instruments	69	167
Gain on investment in convertible instrument	—	(1,379)
Change in fair value of warrant liabilities	(264)	—
Equity-based compensation	4,564	2,573
Deferred income taxes	(808)	(528)
Other non-cash items	91	—
Changes in operating assets and liabilities:		
Inventory	15,887	(2,321)
Content assets	(6,448)	(7,425)
Prepaid expenses	(293)	(2,139)
Other assets	2,895	(8,476)
Accounts payable	(20,752)	7,137
Accrued expenses	(1,386)	6,136
Deferred revenue	2,370	9,224
Other liabilities	(410)	(374)
Net cash used in operating activities	(33,371)	(8,880)
Cash flows from investing activities:		
Purchase of property and equipment	(12,403)	(13,299)
Investment in convertible instrument	—	(5,000)
Net cash used in investing activities	(12,403)	(18,299)
Cash flows from financing activities:		
Proceeds from exercise of stock options	2,115	—
Remittance of taxes withheld from employee stock awards	(192)	—
Borrowings under Credit Facility	—	20,000
Deferred financing costs	—	(2,242)
Net cash provided by financing activities	1,923	17,758
Effect of exchange rates on cash	223	243
Net decrease in cash and cash equivalents	(43,628)	(9,178)
Cash, cash equivalents and restricted cash, beginning of period	107,054	56,827
Cash and cash equivalents, end of period	<u>\$ 63,426</u>	<u>\$ 47,649</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

The Beachbody Company, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows (Continued)
(in thousands)

	Three Months Ended March 31,	
	2022	2021
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 10	\$ 58
Cash paid during the year for income taxes, net	32	16
Supplemental disclosure of noncash investing activities:		
Property and equipment acquired but not yet paid for	\$ 4,225	\$ 6,196
Supplemental disclosure of noncash financing activities:		
Deferred financing costs, accrued but not paid	\$ —	\$ 3,812

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

The Beachbody Company, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

1. Description of Business and Summary of Significant Accounting Policies

Business

The Beachbody Company, Inc. (“Beachbody” or the “Company”) is a leading subscription health and wellness company and the creator of some of the world’s most popular fitness programs. The Company’s fitness programs are available for streaming through subscription to the Beachbody On Demand (“BOD”) or Openfit digital platform, and, together with the Company’s live fitness and comprehensive nutrition programs, through subscription to Beachbody On Demand Interactive (“BODi”). Beachbody offers nutritional products such as Shakeology nutrition shakes, BEACHBAR snack bars, and Ladder premium supplements, which have been designed and clinically tested to help customers achieve their goals. Beachbody also offers a professional-grade stationary cycle with a 360-degree touch screen tablet and connected fitness software. The Company’s revenue has historically been generated primarily through a network of micro-influencers (“Coaches”), social media marketing channels, and direct response advertising. During the three months ended March 31, 2022, the Company began the process of consolidating its Openfit streaming fitness offering onto a single Beachbody digital platform. See Note 13, *Strategic Realignment*, for additional information regarding our strategic realignment initiative.

Basis of Presentation and Principles of Consolidation

The Company prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as determined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) and pursuant to the regulations of the U.S. Securities and Exchange Commission (“SEC”).

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that impact the amounts reported in the unaudited condensed consolidated financial statements and accompanying notes. Significant estimates include, but are not limited to, the useful life and recoverability of long-lived assets, the recognition and measurement of income tax assets and liabilities, and the net realizable value of inventory. The Company bases these estimates on historical experience and on various other assumptions that it believes are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying amounts of assets and liabilities. Actual results could differ from those estimates.

The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements and, in the opinion of management, include all normal recurring adjustments necessary for the fair statement of the Company’s financial position, results of operations, and cash flows. The financial data and other financial information disclosed in the notes to these unaudited condensed consolidated financial statements are also unaudited. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. Interim results are not necessarily indicative of the results expected for the full fiscal year or any other period.

Summary of Changes in Significant Accounting Estimates

Goodwill and Intangible Assets, Net

During the three months ended March 31, 2022, the Company determined that one of its acquired trade names no longer has an indefinite life. The Company tested the trade name for impairment before changing the useful life and determined there was no impairment based on its assessment of fair value. The Company will prospectively amortize the trade name over its remaining estimated useful life of two years beginning January 1, 2022. The Company recorded \$1.9 million, \$0.01 per share, of amortization expense as a component of selling and marketing expenses for this trade name during the three months ended March 31, 2022.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40)*, to simplify the accounting for certain financial instruments with characteristics of liabilities and equity. The FASB reduced the number of accounting models for convertible debt and convertible preferred stock instruments and made certain disclosure amendments to improve the information provided to users. In addition, the FASB amended the derivative guidance for the “own stock” scope exception and certain aspects of the EPS guidance. The Company adopted this new accounting guidance on January 1, 2022, and the adoption did not have a material effect on its unaudited condensed consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires an acquirer to apply ASC 606 to recognize and measure contract assets and liabilities from contracts with customers acquired in a business combination on the acquisition date rather than the general guidance in ASC 805. The guidance in this update will be effective for public companies for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years with early adoption permitted. The Company is evaluating the potential impact of adopting this guidance on its consolidated financial statements.

2. Revenue

The Company's revenue disaggregated by revenue type and geographic region is as follows (in thousands):

	Segment		
	Beachbody	Other	Total
Three Months Ended March 31, 2022			
Revenue Type:			
Digital	\$ 74,642	\$ 7,103	\$ 81,745
Connected fitness	14,489	5,024	19,513
Nutrition and other	96,976	688	97,664
Total revenue	<u>\$ 186,107</u>	<u>\$ 12,815</u>	<u>\$ 198,922</u>
Geographic region:			
United States	\$ 165,792	\$ 12,815	\$ 178,607
Rest of world ¹	20,315	—	20,315
Total revenue	<u>\$ 186,107</u>	<u>\$ 12,815</u>	<u>\$ 198,922</u>
	Segment		
	Beachbody	Other	Total
Three Months Ended March 31, 2021			
Revenue Type:			
Digital	\$ 91,445	\$ 3,705	\$ 95,150
Connected fitness	—	—	—
Nutrition and other	130,305	764	131,069
Total revenue	<u>\$ 221,750</u>	<u>\$ 4,469</u>	<u>\$ 226,219</u>
Geographic region:			
United States	\$ 198,247	\$ 4,469	\$ 202,716
Rest of world ¹	23,503	—	23,503
Total revenue	<u>\$ 221,750</u>	<u>\$ 4,469</u>	<u>\$ 226,219</u>

(1) Consists of Canada, United Kingdom, and France. No single country accounted for more than 10% of total revenue during the three months ended March 31, 2022 and 2021.

Deferred Revenue

Deferred revenue is recorded for nonrefundable cash payments received for the Company's performance obligation to transfer, or stand ready to transfer, goods or services in the future. Deferred revenue consists of subscription fees billed that have not been recognized and physical products sold that have not yet been delivered. During the three months ended March 31, 2022, the Company recognized \$62.5 million of revenue that was included in the deferred revenue balance as of December 31, 2021. During the three months ended March 31, 2021, the Company recognized \$55.6 million of revenue that was included in the deferred revenue balance as of December 31, 2020.

3. Fair Value Measurements

The Company's financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used for such measurements were as follows (in thousands):

	March 31, 2022		
	Level 1	Level 2	Level 3
Assets			
Derivative assets	\$ —	\$ 109	\$ —
Total assets	\$ —	\$ 109	\$ —
Liabilities			
Public warrants	\$ 2,650	\$ —	\$ —
Private placement warrants	—	—	1,920
Total liabilities	\$ 2,650	\$ —	\$ 1,920
	December 31, 2021		
	Level 1	Level 2	Level 3
Assets			
Derivative assets	\$ —	\$ 314	\$ —
Total assets	\$ —	\$ 314	\$ —
Liabilities			
Public warrants	\$ 2,701	\$ —	\$ —
Private placement warrants	—	—	2,133
Total liabilities	\$ 2,701	\$ —	\$ 2,133

Fair values of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate the recorded value due to the short period of time to maturity. The fair value of the public warrants, which trade in active markets, is based on quoted market prices. The fair value of derivative instruments is based on Level 2 inputs such as observable forward rates, spot rates, and foreign currency exchange rates. The Company's private placement warrants are classified within Level 3 of the fair value hierarchy because their fair values are based on significant inputs that are unobservable in the market.

Private Placement Warrants

The Company determined the fair value of the private placement warrants using a Black-Scholes option-pricing model and the quoted price of the Company's Class A Common Stock. Volatility was based on the implied volatility derived from the average of the actual market activity of the Company's peer group. The expected life was based on the remaining contractual term of the private placement warrants, and the risk-free interest rate was based on the implied yield available on U.S. treasury securities with a maturity equivalent to the warrants' expected life. The significant unobservable input used in the fair value measurement of the private placement warrants is the implied volatility. Significant changes in the implied volatility would result in a significantly higher or lower fair value measurement, respectively.

The following table presents significant assumptions utilized in the valuation of the private placement warrants on March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
Risk-free rate	2.4 %	1.2 %
Dividend yield rate	—	—
Volatility	65.0 %	65.0 %
Contractual term (in years)	4.24	4.49
Exercise price	\$ 11.50	\$ 11.50

The following table presents changes in the fair value of the Private Placement Warrants for the three months ended March 31, 2022:

	Three Months Ended March 31,	
	2022	
Balance, beginning of period	\$	2,133
Change in fair value		(213)
Balance, end of period	\$	1,920

For the three months ended March 31, 2022, the change in the fair value of private placement warrants resulted from the change in price of the Company's Class A Common Stock, remaining contractual term, and risk-free rate. The changes in fair value are included in the unaudited condensed consolidated statements of operations as a component of change in fair value of warrant liabilities and in the unaudited condensed consolidated balance sheets as other liabilities.

4. Inventory, Net

Inventory, net consists of the following (in thousands):

	March 31, 2022	December 31, 2021
Raw materials and work in process	\$ 22,809	\$ 24,436
Finished goods	77,184	108,294
Total inventory, net	\$ 99,993	\$ 132,730

Adjustments to the carrying value of excess inventory and inventory on hand to net realizable value were \$16.9 million and \$2.0 million during the three months ended March 31, 2022 and 2021, respectively. These adjustments are included in the unaudited condensed consolidated statements of operations as a component of connected fitness cost of revenue and nutrition and other cost of revenue.

5. Other Current Assets

Other current assets consist of the following (in thousands):

	March 31, 2022	December 31, 2021
Deferred coach costs	\$ 33,523	\$ 30,928
Deposits	3,617	8,915
Accounts receivable, net	1,296	1,225
Other	2,539	2,659
Total other current assets	\$ 40,975	\$ 43,727

6. Property and Equipment, Net

Property and equipment, net consists of the following (in thousands):

	March 31, 2022	December 31, 2021
Computer software and web development	\$ 252,276	\$ 231,943
Computer equipment	23,552	23,691
Buildings	5,158	5,158
Leasehold improvements	4,600	5,157
Furniture, fixtures and equipment	2,164	2,442
Computer software and web development projects in-process	10,225	26,490
Property and equipment, gross	297,975	294,881
Less: Accumulated depreciation	(194,997)	(181,783)
Total property and equipment, net	\$ 102,978	\$ 113,098

All of the Company's property and equipment is located in the U.S. The Company recorded depreciation expense related to property and equipment in the following expense categories of its unaudited condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Cost of revenue	\$ 9,081	\$ 3,738
Selling and marketing	279	451
Enterprise technology and development	7,449	7,311
General and administrative	192	646
Total depreciation	<u>\$ 17,001</u>	<u>\$ 12,146</u>

7. Acquisition

On June 25, 2021, the Company acquired 100% of the equity of Myx pursuant to the Business Combination Agreement. The Company recognized the acquired assets and assumed liabilities of Myx based on estimates of their acquisition date fair values. There were no adjustments to the purchase price allocations during the three months ended March 31, 2022.

The following unaudited pro forma financial information presents the combined results of operations of the Company and Myx as if the companies had been combined as of January 1, 2021. The unaudited pro forma financial information includes the accounting effects of the business combination, including amortization of intangible assets. The unaudited pro forma financial information is presented for information purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the period presented, nor should it be taken as indication of the Company's future consolidated results of operations.

(in thousands)

	Three Months Ended March 31, 2021
Pro forma combined:	
Revenue	\$ 243,257
Net loss	(42,385)

8. Accrued Expenses

Accrued expenses consist of the followings (in thousands):

	March 31, 2022	December 31, 2021
Employee compensation and benefits	\$ 20,956	\$ 8,996
Coach costs	13,889	19,168
Inventory, shipping and fulfillment	12,891	14,360
Information technology	5,896	10,150
Sales and other taxes	5,013	5,097
Advertising	1,867	4,033
Customer service expenses	1,161	1,773
Other accrued expenses	8,224	10,948
Total accrued expenses	<u>\$ 69,897</u>	<u>\$ 74,525</u>

9. Commitments and Contingencies

Inventory Purchase and Service Agreements

The Company has noncancelable inventory purchase and service agreements with multiple service providers which expire at varying dates through 2025. Service agreement obligations include amounts related to fitness and nutrition trainers, future events, information systems support, and other technology projects.

Future minimum payments under noncancelable service and inventory purchase agreements for the periods succeeding March 31, 2022 are as follows (in thousands):

Nine months ending December 31, 2022	\$	35,696
Year ending December 31, 2023		2,693
Year ending December 31, 2024		1,260
Year ending December 31, 2025		1,250
	\$	<u>40,899</u>

The preceding table excludes royalty payments to fitness trainers, talent, and others that are based on future sales as such amounts cannot be reasonably estimated.

Contingencies

The Company is subject to litigation from time to time in the ordinary course of business. Such claims typically involve its products, intellectual property, and relationships with suppliers, customers, distributors, employees, and others. Contingent liabilities are recorded when it is both probable that a loss has occurred and the amount of the loss can be reasonably estimated. Although it is not possible to predict how litigation and other claims will be resolved, the Company does not believe that any currently identified claims or litigation matters will have a material adverse effect on its consolidated financial position or results of operations.

10. Stockholders' Equity

As of March 31, 2022, 2,000,000,000 shares, \$0.0001 par value per share are authorized, of which, 1,600,000,000 shares are designated as Class A Common Stock, 200,000,000 shares are designated as Class X Common Stock, 100,000,000 shares are designated as Class C Common Stock and 100,000,000 shares are designated as Preferred Stock.

Accumulated Other Comprehensive Income (Loss)

The following tables summarize changes in accumulated other comprehensive income (loss), net of tax (in thousands):

	Unrealized Gain (Loss) on Derivatives	Foreign Currency Translation Adjustment	Total
Balances at December 31, 2020	\$ (246)	\$ 44	\$ (202)
Other comprehensive loss before reclassifications	(92)	42	(50)
Amounts reclassified from accumulated other comprehensive income (loss)	167	—	167
Tax effect	(17)	—	(17)
Balances at March 31, 2021	<u>\$ (188)</u>	<u>\$ 86</u>	<u>\$ (102)</u>
Balances at December 31, 2021	\$ (32)	\$ 11	\$ (21)
Other comprehensive loss before reclassifications	(162)	4	(158)
Amounts reclassified from accumulated other comprehensive income (loss)	69	—	69
Tax effect	(23)	—	(23)
Balances at March 31, 2022	<u>\$ (148)</u>	<u>\$ 15</u>	<u>\$ (133)</u>

11. Equity-Based Compensation

Equity Compensation Plans

A summary of the option activity under the Company's equity compensation plans is as follows:

	Options Outstanding			
	Number of Options	Weighted-Average Exercise Price (per option)	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2021	41,753,042	\$ 3.86	5.92	\$ 11,379
Granted	616,445	1.86		
Exercised	(1,132,508)	1.70		
Forfeited	(2,562,902)	5.86		
Outstanding at March 31, 2022	38,674,077	\$ 3.76	5.52	\$ 8,992
Exercisable at March 31, 2022	23,452,472	\$ 2.22	3.56	\$ 8,432

The intrinsic value of options exercised was \$0.5 million for the three months ended March 31, 2022.

A summary of RSU activity is as follows:

	RSUs Outstanding	
	Number of RSUs	Weighted-Average Fair Value (per RSU)
Outstanding at December 31, 2021	573,678	\$ 5.97
Granted	—	—
Forfeited	(251,082)	4.62
Outstanding at March 31, 2022	322,596	\$ 7.03

On January 1, 2022, the number of shares available for issuance under the 2021 Incentive Award Plan (the “2021 Plan”) increased by 15,479,188 pursuant to the terms of the 2021 Plan. As of March 31, 2022, 36,919,023 shares of Class A Common Stock were available for issuance under the 2021 Plan.

Equity-Based Compensation Expense

The fair value of each award as of the date of grant is estimated using a Black-Scholes option-pricing model. The following table summarizes the weighted-average assumptions used to determine the fair value of option grants:

	Three Months Ended March 31,	
	2022	2021
Risk-free rate	1.7%	0.7%
Dividend yield rate	—	—
Volatility	52.3%	53.9%
Expected term (in years)	6.20	6.20
Weighted-average grant date fair value	\$ 0.95	\$ 16.50

Equity-based compensation expense for the three months ended March 31, 2022 and 2021 was as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Cost of revenue	\$ 335	\$ 91
Selling and marketing	1,639	1,717
Enterprise technology and development	927	306
General and administrative	1,663	459
Total equity-based compensation	<u>\$ 4,564</u>	<u>\$ 2,573</u>

As of March 31, 2022, the total unrecognized equity-based compensation expense was \$50.7 million, which will be recognized over a weighted-average remaining period of 2.95 years.

12. Derivative Financial Instruments

As of March 31, 2022 and December 31, 2021, the notional amount of the Company's outstanding foreign exchange options was \$21.5 million and \$30.4 million, respectively. There were no outstanding forward contracts as of March 31, 2022 and December 31, 2021.

The following table shows the pre-tax effects of the Company's derivative instruments on its unaudited condensed consolidated statements of operations (in thousands):

Financial Statement Line Item		Three Months Ended March 31,	
		2022	2021
Unrealized losses	Other comprehensive income (loss)	\$ (162)	\$ (92)
Losses reclassified from accumulated other comprehensive loss into net loss	Cost of revenue	\$ (30)	\$ (73)
	General and administrative	(39)	(94)
Total amounts reclassified		<u>\$ (69)</u>	<u>\$ (167)</u>
Losses recognized on derivatives not designated as hedging instruments	Cost of revenue	\$ (51)	\$ (21)

13. Strategic Realignment

In January 2022, the Company commenced a strategic alignment initiative to consolidate its streaming fitness offerings into a single Beachbody platform. The Company recognized restructuring costs of \$7.2 million during the three months ended March 31, 2022, comprised primarily of termination benefits related to headcount reductions, of which \$4.6 million is included in accrued expenses in the unaudited condensed consolidated balance sheets. In accordance with GAAP, employee termination benefits were recognized at the date employees were notified and post-employment benefits were accrued as the obligation was probable and estimable. Benefits for employees who provide future service greater than 60 days from the date of notification will be recognized ratably over the future service period.

The following table summarizes the Company's restructuring costs activity (in thousands):

	Restructuring Charges	Payments / Utilizations	Liability at March 31, 2022
Employee-related costs	\$ 7,223	\$ (2,605)	\$ 4,618
Total costs	<u>\$ 7,223</u>	<u>\$ (2,605)</u>	<u>\$ 4,618</u>

During the three months ended March 31, 2022, the Company determined that the useful life of certain computer software and web development assets and content assets would end upon the completion of its platform consolidation. The Company accelerated depreciation of these computer software and web development assets and recorded \$2.2 million, or \$0.01 per share, of additional depreciation expense as a component of digital cost of revenue, and nutrition and other cost of revenue during the three months ended March 31, 2022. The Company also accelerated amortization of these content assets and recorded \$1.1 million, or \$0.00 per share, of additional amortization as a component of digital cost of revenue during the three months ended March 31, 2022.

14. Income Taxes

The Company recorded a benefit for income taxes of \$0.7 million for the three months ended March 31, 2022 and \$0.4 million for the three months ended March 31, 2021. The effective benefit tax rate was 1.0% for the three months ended March 31, 2022 and 1.3% for the three months ended March 31, 2021.

The tax provision for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items arising in that quarter. The Company's effective tax rate differs from the U.S. statutory tax rate in the three months ended March 31, 2022 primarily due to changes in valuation allowances on deferred tax assets as it is more likely than not that some or all of the Company's deferred tax assets will not be realized.

The Company evaluates its tax positions on a quarterly basis and revises its estimate accordingly. There are no material changes to the Company's uncertain tax positions, interest, or penalties during the three months ended March 31, 2022.

15. Earnings (Loss) per Share

The computation of loss per share of Class A and Class X Common Stock is as follows (in thousands, except share and per share information):

	Three Months Ended March 31,	
	2022	2021
Numerator:		
Net loss	\$ (73,533)	\$ (30,058)
Denominator:		
Weighted-average common shares outstanding, basic and diluted	306,362,730	243,012,924
Net loss per common share, basic and diluted	\$ (0.24)	\$ (0.12)

Basic net loss per common share is the same as dilutive net loss per common share for each of the three months ended March 31, 2022 and 2021 as the inclusion of all potential common shares would have been antidilutive.

The following table presents the common shares that are excluded from the computation of diluted net loss per common share as of the periods presented because including them would have been antidilutive:

	Three Months Ended March 31,	
	2022	2021
Options	38,674,077	34,635,709
RSUs	322,596	—
Compensation warrants	3,980,656	3,980,656
Public and private placement warrants	15,333,333	—
Preferred units	—	33,828,033
Earn-out shares	3,750,000	—
	62,060,662	72,444,398

16. Segment Information

The Company applies ASC 280, *Segment Reporting*, in determining reportable segments for financial statement disclosure. Segment information is presented based on the financial information the Company uses to manage the business which is organized around the Company's digital platforms. The Company has two operating segments, Beachbody and Other, and one reportable segment, Beachbody. The Beachbody segment primarily derives revenue from BOD and BODi digital subscriptions, nutritional products, connected fitness equipment (bikes and accessories), and other fitness-related products. Other derives revenue primarily from Openfit digital subscriptions, nutritional products, and connected fitness equipment. The Company uses contribution as a measure of profit or loss, defined as revenue less directly attributable cost of revenue and certain selling and marketing expenses including media, Coach and social influencer compensation, royalties, and third-party sales commissions. Contribution does not include allocated costs as described below as the CODM does not include these costs in assessing performance. There are no inter-segment transactions. The Company manages its assets on a consolidated basis, and, as such, does not report asset information by segment.

Summary information by segment is as follows (in thousands):

	Segment		
	Beachbody	Other	Consolidated
Three Months Ended March 31, 2022			
Revenue	\$ 186,107	\$ 12,815	\$ 198,922
Contribution	28,091	(1,376)	26,715
Three Months Ended March 31, 2021			
Revenue	\$ 221,750	\$ 4,469	\$ 226,219
Contribution	46,475	(5,135)	41,340

Reconciliation of consolidated contribution to loss before income taxes (in thousands):

	Three Months Ended March 31,	
	2022	2021
Consolidated contribution	\$ 26,715	\$ 41,340
Amounts not directly related to segments:		
Cost of revenue (1)	13,823	7,843
Selling and marketing (2)	26,319	20,091
Enterprise technology and development	33,697	27,089
General and administrative	20,073	17,946
Restructuring	7,223	—
Change in fair value of warrant liabilities	(264)	—
Interest expense	19	123
Other expense (income), net	64	(1,299)
Loss before income taxes	\$ (74,239)	\$ (30,453)

- (1) Cost of revenue not directly related to segments includes certain allocated costs related to management, facilities, and personnel-related expenses associated with quality assurance and supply chain. Depreciation of certain software and production equipment and amortization of formulae and technology-based intangible assets are also included in this line.
- (2) Selling and marketing not directly related to segments includes indirect selling and marketing expenses and certain allocated personnel-related expenses for employees and consultants. Depreciation of certain software and amortization of contract-based intangible assets and an acquired trade name are also included in this line.

17. Subsequent Events

The Company has evaluated subsequent events through the date the unaudited condensed consolidated financial statements were issued.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q (this "Report") and the section entitled "Risk Factors." Unless otherwise indicated, the terms "Beachbody," "we," "us," or "our" refer to The Beachbody Company, Inc., a Delaware corporation, together with its consolidated subsidiaries.

Forward-Looking Statements

This Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), including statements about the financial condition, results of operations, earnings outlook and prospects of the Company. Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements are based on our current expectations as applicable and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of such statement. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to the following:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit, operating expenses including changes in selling and marketing, general and administrative, and enterprise technology and development expenses (including any components of the foregoing), Adjusted EBITDA (as defined below) and our ability to achieve and maintain future profitability;
- our anticipated growth rate and market opportunity;
- our liquidity and ability to raise financing in the future;
- our success in retaining or recruiting, or changes required in, officers, key employees or directors;
- our warrants are accounted for as liabilities and changes in the value of such warrants could have a material effect on our financial results;
- our ability to effectively compete in the fitness and nutrition industries;
- our ability to successfully acquire and integrate new operations;
- our reliance on a few key products;
- market conditions and global and economic factors beyond our control;
- intense competition and competitive pressures from other companies worldwide in the industries in which we will operate;
- litigation and the ability to adequately protect our intellectual property rights;
- other risk and uncertainties set forth in this Report under the heading "Risk Factors."

Should one or more of these risks or uncertainties materialize or should any of the assumptions made by management prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

Except to the extent required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events.

Overview

Beachbody is a leading subscription health and wellness company. We focus primarily on digital content, supplements, connected fitness, and consumer health and wellness. Our goal is to continue to provide holistic health and wellness content and subscription-based solutions. We are the creator of some of the world's most popular fitness programs, including P90X, Insanity, and 21 Day Fix, which transformed the at-home fitness market and disrupted the global fitness industry by making it accessible for people to get results—anytime, anywhere. Our comprehensive nutrition-first programs, Portion Fix and 2B Mindset, teach healthy eating habits and promote healthy, sustainable weight loss. These fitness and nutrition programs are available through our Beachbody On Demand and Beachbody On Demand Interactive streaming services, and in January 2022, we began the process of consolidating our Openfit streaming fitness offerings onto a single Beachbody platform.

We offer nutritional products such as Shakeology nutrition shakes, BEACHBAR snack bars, and Ladder premium supplements as well a professional-grade stationary cycle with a 360-degree touch screen tablet and connected fitness software. Leveraging our history of fitness content creation, nutrition innovation, and our network of micro-influencers, whom we call Coaches, we plan to continue market penetration into connected fitness to reach a wider health, wellness and fitness audience.

Historically, our revenue has been generated primarily through our network of micro-influencers, social media marketing channels, and direct response advertising. Components of revenue include recurring digital subscription revenue, connected fitness revenue, and revenue from the sale of nutritional and other products. In addition to selling individual products on a one-time basis, we bundle digital and nutritional products together at discounted prices.

For the three months ended March 31, 2022, as compared to the three months ended March 31, 2021:

- Total revenue was \$198.9 million, a 12% decrease;
- Digital revenue was \$81.7 million, a 14% decrease;
- Connected fitness revenue was \$19.5 million;
- Nutrition and other revenue was \$97.7 million, a 25% decrease;
- Net loss was \$73.5 million, compared to net loss of \$30.1 million; and
- Adjusted EBITDA was (\$19.1) million, compared to (\$11.7) million.

See “Non-GAAP Information” below for information regarding our use of Adjusted EBITDA and a reconciliation of net loss to Adjusted EBITDA.

Key Operational and Business Metrics

We use the following key operational and business metrics to evaluate our business, measure our performance, develop financial forecasts, and make strategic decisions.

	March 31, 2022	March 31, 2021
Digital Subscriptions (millions)	2.46	2.74
Nutritional Subscriptions (millions)	0.30	0.42
	Three Months Ended March 31,	
	2022	2021
Average Digital Retention	95.6 %	95.8 %
Total Streams (millions)	38.2	56.0
DAU/MAU	31.6 %	35.1 %
Revenue (millions)	\$ 198.9	\$ 226.2
Gross profit (millions)	\$ 93.0	\$ 158.1
Gross margin	47 %	70 %
Net loss (millions)	\$ (73.5)	\$ (30.1)
Adjusted EBITDA (millions)	\$ (19.1)	\$ (11.7)

Please see “Non-GAAP Information” below for a reconciliation of net loss to Adjusted EBITDA and an explanation for why we consider Adjusted EBITDA to be a helpful metric for investors.

Digital Subscriptions

Our ability to expand the number of digital subscriptions is an indicator of our market penetration and growth. Digital subscriptions include BOD, BODi, and Openfit subscriptions. Digital subscriptions include paid and free-to-pay subscriptions, with free-to-pay subscriptions representing approximately 1% of total digital subscriptions on average. Digital subscriptions are inclusive of all billing plans, currently for annual, semi-annual, quarterly and monthly billing intervals.

Nutritional Subscriptions

Nutritional subscriptions include monthly subscriptions of nutritional products such as Shakeology, Beachbody Performance, BEACHBAR, Bevvvy and Ladder Supplements. We also package and bundle the content experience of digital subscriptions with nutritional subscriptions to optimize customer results.

Average Digital Retention

We use month-over-month digital subscription retention, which we define as the average rate at which a subscription renews for a new billing cycle, to measure customer retention.

Total Streams

We use total streams to quantify the number of fitness or nutrition programs viewed per subscription, which is a leading indicator of customer engagement and retention. While the measure of a digital stream may vary across companies, to qualify as a stream on any of our digital platforms, a program must be viewed for a minimum of 25% of the total running time.

Daily Active Users to Monthly Active Users (DAU/MAU)

We use the ratio of daily active users to monthly active users to measure how frequently digital subscribers are utilizing our service in a given month. We define a daily active user as a unique user streaming content on our platform in a given day. We define a monthly active user as a unique user streaming content on our platform in that same month.

Non-GAAP Information

We use Adjusted EBITDA, which is a non-GAAP performance measure, to supplement our results presented in accordance with GAAP. We believe Adjusted EBITDA is useful in evaluating our operating performance, as it is similar to measures reported by our public competitors and is regularly used by security analysts, institutional investors, and other interested parties in analyzing operating performance and prospects. Adjusted EBITDA is not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of performance of other companies in other industries or within the same industry.

We define and calculate Adjusted EBITDA as net income (loss) adjusted for depreciation and amortization, amortization of capitalized cloud computing implementation costs, amortization of content assets, interest expense, income tax provision (benefit), equity-based compensation, and other items that are not normal, recurring, operating expenses necessary to operate the Company’s business as described in the reconciliation below.

We include this non-GAAP financial measure because it is used by management to evaluate Beachbody’s core operating performance and trends and to make strategic decisions regarding the allocation of capital and new investments. Adjusted EBITDA excludes certain expenses that are required in accordance with GAAP because they are non-cash (for example, in the case of depreciation and amortization, equity-based compensation, and net realizable value adjustment) or are not related to our underlying business performance (for example, in the case of interest income and expense).

The table below presents our Adjusted EBITDA reconciled to our net loss, the closest GAAP measure, for the periods indicated:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2022	2021
Net loss	\$ (73,533)	\$ (30,058)
<i>Adjusted for:</i>		
Depreciation and amortization	21,587	13,726
Amortization of capitalized cloud computing implementation costs	168	168
Amortization of content assets	6,164	2,817
Interest expense	19	123
Income tax benefit	(706)	(395)
Equity-based compensation	4,564	2,573
Inventory net realizable value adjustment (1)	14,934	—
Transaction costs	2	633
Restructuring and platform consolidation costs (2)	7,887	—
Change in fair value of warrant liabilities	(264)	—
Non-operating (3)	70	(1,331)
Adjusted EBITDA	<u>\$ (19,108)</u>	<u>\$ (11,744)</u>

- (1) Represents a non-cash expense to reduce the carrying value of our connected fitness inventory and related future commitments. This adjustment is included because of its unusual magnitude due to disruptions in the connected fitness market.
- (2) Includes restructuring expense and non-recurring personnel costs associated with the consolidation of our digital platforms.
- (3) Includes interest income, and during the three months ended March 31, 2021, also includes the gain on investment on the Myx convertible instrument.

Results of Operations

We operate and manage our business in two operating segments, Beachbody and Other. For financial reporting purposes, we have one reportable segment, Beachbody. We identified the reportable segment based on the information used by management to monitor performance and make operating decisions. See Note 16, *Segment Information*, to our unaudited condensed consolidated financial statements included elsewhere in this Report for additional information regarding our reportable segment. The following discussion of our results and operations is on a consolidated basis as the Other non-reportable operating segment is not material to the understanding of our business taken as a whole.

(in thousands)

	Three Months Ended March 31,	
	2022	2021
Revenue:		
Digital	\$ 81,745	\$ 95,150
Connected fitness	19,513	—
Nutrition and other	97,664	131,069
Total revenue	198,922	226,219
Cost of revenue:		
Digital	16,425	11,122
Connected fitness	44,706	—
Nutrition and other	44,774	56,995
Total cost of revenue	105,905	68,117
Gross profit	93,017	158,102
Operating expenses:		
Selling and marketing	106,444	144,696
Enterprise technology and development	33,697	27,089
General and administrative	20,073	17,946
Restructuring	7,223	—
Total operating expenses	167,437	189,731
Operating loss	(74,420)	(31,629)
Other income (expense)		
Change in fair value of warrant liabilities	264	—
Interest expense	(19)	(123)
Other income (expense), net	(64)	1,299
Loss before income taxes	(74,239)	(30,453)
Income tax benefit	706	395
Net loss	\$ (73,533)	\$ (30,058)

Revenue

Revenue includes digital subscriptions, nutritional supplement subscriptions, one-time nutritional sales, connected fitness products, our Coach business management online platform, preferred customer program memberships, and other fitness-related products. Digital subscription revenue is recognized ratably over the subscription period of up to 12 months. We often sell bundled products that combine digital subscriptions, nutritional products, and/or other fitness products. We consider these sales to be revenue arrangements with multiple performance obligations and allocate the transaction price to each performance obligation based on its relative stand-alone selling price. We defer revenue when we receive payments in advance of delivery of products or the performance of services.

	Three Months Ended March 31,		\$ Change	% Change
	2022	2021		
	(dollars in thousands)			
Revenue				
Digital	\$ 81,745	\$ 95,150	\$ (13,405)	(14 %)
Connected fitness	19,513	—	19,513	NM
Nutrition and other	97,664	131,069	(33,405)	(25 %)
Total revenue	<u>\$ 198,922</u>	<u>\$ 226,219</u>	<u>\$ (27,297)</u>	<u>(12 %)</u>

NM = not meaningful

The decrease in digital revenue for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, was primarily due to \$8.7 million of revenue associated with our preferred customer membership program, which is included in nutrition and other revenue since its Q4 2021 launch. Previously, these customers were classified as Coaches and paid for access to our proprietary Coach business management online platform, which was included in digital revenue. The change in digital revenue was also due to a \$3.0 million decrease in revenue generated from our Coach business management platform as a result of fewer coaches and a \$1.6 million decrease in VIP early access revenue, where subscribers pay for advanced access to programs not yet released to the BOD library.

There was no connected fitness revenue for periods prior to the acquisition of Myx in June 2021.

The decrease in nutrition and other revenue for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, was primarily due to \$33.8 million decrease in revenue from nutritional products and a \$4.5 million decrease in associated shipping revenue as we ended Q1 2022 with 29% fewer nutritional subscriptions compared to Q1 2021. These decreases were partially offset by the additional \$8.7 million of revenue associated with our preferred customer membership program, which launched in Q4 2021.

Cost of Revenue

Digital Cost of Revenue

Digital cost of revenue includes costs associated with digital content creation including amortization and revision of content assets, depreciation of streaming platforms, digital streaming costs, and amortization of acquired digital platform intangible assets. It also includes customer service costs, payment processing fees, depreciation of production equipment, live trainer costs, facilities, and related personnel expenses.

Connected Fitness Cost of Revenue

Connected fitness cost of revenue consists of product costs, including bike and tablet hardware costs, duties and other applicable importing costs, shipping and handling costs, warehousing and logistics costs, costs associated with service calls and repairs of products under warranty, payment processing and financing fees, customer service expenses, and personnel-related expenses associated with supply chain and logistics.

Nutrition and Other Cost of Revenue

Nutrition and other cost of revenue includes product costs, shipping and handling, fulfillment and warehousing, customer service, and payment processing fees. It also includes depreciation of nutrition-related e-commerce websites and social commerce platforms, amortization of acquired formulae intangible assets, facilities, and related personnel expenses.

	Three Months Ended March 31,		\$ Change	% Change
	2022	2021		
	(dollars in thousands)			
Cost of revenue				
Digital	\$ 16,425	\$ 11,122	\$ 5,303	48 %
Connected fitness	44,706	—	44,706	NM
Nutrition and other	44,774	56,995	(12,221)	(21 %)
Total cost of revenue	<u>\$ 105,905</u>	<u>\$ 68,117</u>	<u>\$ 37,788</u>	55 %
Gross profit				
Digital	\$ 65,320	\$ 84,028	\$ (18,708)	(22 %)
Connected fitness	(25,193)	—	(25,193)	NM
Nutrition and other	52,890	74,074	(21,184)	(29 %)
Total gross profit	<u>\$ 93,017</u>	<u>\$ 158,102</u>	<u>\$ (65,085)</u>	(41 %)
Gross margin				
Digital	80 %	88 %		
Connected fitness	(129 %)	NM		
Nutrition and other	54 %	57 %		

The increase in digital cost of revenue for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, was primarily driven by a \$3.3 million increase in the amortization of content assets related to BODi which launched in the fourth quarter of 2021 and content acquired from Myx in June 2021. The change in digital cost of revenue was also due to \$3.2 million increase in depreciation expense primarily related to a change in useful life of certain assets in connection with our digital platform consolidation. These increases were partially offset by a decrease in variable costs of digital revenue as a result of the decrease in digital revenue. The decrease in digital gross margin for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 was primarily the result of the deleveraging of higher fixed content assets amortization and depreciation on digital revenue.

There was no connected fitness cost of revenue prior to the acquisition of Myx in June 2021. The negative connected fitness gross margin for the three months ended March 31, 2022 was primarily due to a \$14.9 million net realizable value adjustment to inventory, higher product, freight, and shipping costs due to supply chain surcharges and constraints, and lower pricing in line with a highly-competitive connected fitness market. Despite the market pressure and cost inflation we have experienced and which we expect to persist in the near-term, we do not expect the negative connected fitness gross margin to continue in the long-term.

The decrease in nutrition and other cost of revenue for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, was primarily due to \$11.5 million decrease in product, freight, and shipping expense as the result of the decrease in nutrition and other revenue and a \$2.5 million decrease in customer service as nutrition and other comprises less of our revenue. These were partially offset by a \$2.1 million increase in depreciation expense. Nutrition and other gross margin decreased primarily as a result of the deleveraging of fixed depreciation expense.

Operating Expenses

Selling and Marketing

Selling and marketing expenses primarily include the cost of Coach compensation, advertising, royalties, promotions and events, and third-party sales commissions as well as the related personnel expenses for employees and consultants. Selling and marketing expense as a percentage of total revenue may fluctuate from period to period based on total revenue, timing of new content and nutritional product launches, and the timing of our media investments to build awareness around launch activity.

	Three Months Ended March 31,			
	2022	2021	\$ Change	% Change
	<i>(dollars in thousands)</i>			
Selling and marketing	\$ 106,444	\$ 144,696	\$ (38,252)	(26 %)
As a percentage of total revenue	53.5 %	64.0 %		

The decrease in selling and marketing expense for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, was primarily due to a \$29.7 million decrease in online and television media expense and a \$17.3 million decrease in Coach compensation, which was in line with the decrease in commissionable revenue. These decreases were partially offset by a \$4.6 million increase in personnel-related expenses, a \$2.9 million increase in amortization of intangible assets due to the acquisition of Myx in June 2021, and a \$2.7 million increase in costs associated with Coach events.

Selling and marketing expense as a percentage of total revenue decreased by 1050 basis points primarily due to the decrease in media investments compared to the three months ended March 31, 2021. We have reduced our media as part of our strategic realignment and in an effort to use our cash in the manner that has the highest probability of return on investment.

Enterprise Technology and Development

Enterprise technology and development expenses relate primarily to enterprise systems applications, hardware, and software that serve as the technology infrastructure for the Company and are not directly related to services provided or tangible goods sold. This includes maintenance and enhancements of the Company's enterprise resource planning system, which is the core of our accounting, procurement, supply chain and other business support systems. Enterprise technology and development also includes reporting and business analytics tools, security systems such as identity management and payment card industry compliance, office productivity software, research and development tracking tools, and other non-customer facing applications. Enterprise technology and development expenses include personnel-related expenses for employees and consultants who create improvements to and maintain technology systems and are involved in the research and development of new and existing nutritional products, depreciation of enterprise technology-related assets, software licenses, hosting expenses, and technology equipment leases.

	Three Months Ended March 31,			
	2022	2021	\$ Change	% Change
	<i>(dollars in thousands)</i>			
Enterprise technology and development	\$ 33,697	\$ 27,089	\$ 6,608	24 %
As a percentage of total revenue	16.9 %	12.0 %		

The increase in enterprise technology and development expense for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, was primarily due to a \$6.2 million increase in personnel-related expenses related to certain technology initiatives.

Enterprise technology and development expense as a percentage of total revenue increased by 490 basis points due to the deleveraging of higher fixed personnel-related costs.

General and Administrative

General and administrative expense includes personnel-related expenses and facilities-related costs primarily for our executive, finance, accounting, legal and human resources functions. General and administrative expense also includes fees for professional services principally comprised of legal, audit, tax, and insurance.

	Three Months Ended March 31,			
	2022	2021	\$ Change	% Change
	<i>(dollars in thousands)</i>			
General and administrative	\$ 20,073	\$ 17,946	\$ 2,127	12%
As a percentage of total revenue	10.1%	7.9%		

The increase in general and administrative expense for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, was primarily due to a \$2.4 million increase in personnel-related expenses (\$1.2 million in equity-based compensation and \$1.2 million in wages and benefits) and a \$1.9 million increase in insurance expense as a result of operating as a public company. These increases were partially offset by a \$1.5 million decrease in rent expense due to our Santa Monica lease assignment, \$0.6 million decrease in transaction costs as there was no acquisition activity in Q1 2022, and a \$0.5 million decrease in recruiting expenses due to fewer headcount additions in Q1 2022.

General and administrative expense as a percentage of total revenue increased by 220 basis points due to the deleveraging of higher fixed costs on revenue.

Restructuring

Restructuring charges relate to our strategic alignment initiative to consolidate our streaming fitness and nutrition offerings into a single Beachbody platform. The charges incurred primarily relate to employee termination costs.

	Three Months Ended March 31,			
	2022	2021	\$ Change	% Change
	<i>(dollars in thousands)</i>			
Restructuring	\$ 7,223	\$ —	\$ 7,223	NM

Other Income (Expense)

The change in fair value of warrant liabilities consists of the fair value changes of the public and private placement warrants. Interest expense primarily consists of interest expense associated with our borrowings and amortization of debt issuance costs for our Credit Facility in 2021. Other income (expense), net, consists of interest income earned on investments and gains (losses) on foreign currency.

	Three Months Ended March 31,			
	2022	2021	\$ Change	% Change
	<i>(dollars in thousands)</i>			
Change in fair value of warrant liabilities	\$ 264	\$ —	\$ 264	NM
Interest expense	(19)	(123)	104	(85%)
Other income (expense), net	(64)	1,299	(1,363)	(105%)

The change in fair value of warrant liabilities of \$0.3 million during the three months ended March 31, 2022 primarily resulted from a decline in our stock price from \$2.37 to \$2.27 during the quarter. The decrease in interest expense was due to no borrowings outstanding during the three months ended March 31, 2022 compared to \$20.0 million during the three months ended March 31, 2021. The decrease

in other income (expense), net was primarily due to the gain on the investment in the convertible instrument from Myx prior to June 25, 2021; there was no similar investment in 2022.

Income Tax Benefit

Income tax benefit consists of income taxes related to U.S. federal and state jurisdictions as well as those foreign jurisdictions where we have business operations.

	Three Months Ended March 31,		\$ Change	% Change
	2022	2021		
	<i>(dollars in thousands)</i>			
Income tax benefit	\$ 706	\$ 395	\$ 311	79%

The income tax benefit increase during the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, was primarily driven by a change in our projected net deferred tax liabilities which resulted in a higher deferred income tax benefit.

Liquidity and Capital Resources

	Three Months Ended March 31,	
	2022	2021
	<i>(dollars in thousands)</i>	
Net cash used in operating activities	\$ (33,371)	\$ (8,880)
Net cash used in investing activities	(12,403)	(18,299)
Net cash provided by financing activities	1,923	17,758

As of March 31, 2022, we had cash and cash equivalents totaling \$63.4 million.

Net cash used in operating activities was \$33.4 million for the three months ended March 31, 2022 compared to \$8.9 million for the three months ended March 31, 2021. The increase in cash used in operating activities during the three months ended March 31, 2022, compared to the prior year quarter, was primarily due to the following:

- an increase in net loss;
- payments for 2021 payables, including connected fitness inventory, freight and duties, and media;
- a decrease in subscription revenue receipts from customers in advance of service or product delivery; partially offset by
- an increase in cash received from inventory sold.

We expect to reduce our cash used in operating activities over the next year. During the three months ended March 31, 2022, we returned to a performance marketing model which drives in-quarter or next-quarter payback and which reduced media spend by approximately \$16.5 million in the quarter compared to the prior year. Beginning in the third quarter of 2022, we expect to achieve operating efficiencies and at least \$29.0 million in annualized cost savings from the first quarter's 2022 strategic realignment and restructuring process.

Net cash used in investing activities was \$12.4 million and \$18.3 million for the three months ended March 31, 2022 and 2021, respectively. The decrease was primarily due to a \$0.9 million decrease in capital expenditures and a \$5.0 million decrease in other investments. We continue to expect lower capital expenditures during the next 12 months compared to prior year due to the completion of significant projects at the end of 2021.

Net cash provided by financing activities was \$1.9 million and \$17.8 million for the three months ended March 31, 2022 and 2021, respectively. The decrease was primarily due to borrowings outstanding on our Credit Facility during the three months ended March 31, 2021; we had no similar debt during the three months ended March 31, 2022.

Our future capital requirements may vary materially from those currently planned and will depend on many factors, including our rate of revenue growth and overall economic conditions. See Note 9, *Commitments and Contingencies*, for discussion of our contractual commitments and purchase obligations that are primarily due in the next twelve months. We continue to assess and efficiently manage our working capital, and expect to generate additional liquidity through continued cost control initiatives. We are currently exploring

additional equity or debt financing to supplement our anticipated working capital balances and further strengthen our financial position, but do not at this time know which form it will take or what the terms will be. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. The sale of additional equity would result in additional dilution to our shareholders. There can be no assurances that we would be able to raise additional capital in amounts or on terms acceptable to us. We believe that existing cash and cash equivalents, cost control initiatives, and access to capital markets will provide the Company with sufficient liquidity to meet our anticipated cash needs for the next twelve months.

Critical Accounting Policies and Estimates

There have been no material changes to the Company's critical accounting policies and estimates discussed in the 2021 Annual Report on Form 10-K in Item 7 under the heading *Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates*.

Recent Accounting Pronouncements

See Note 1, *Description of Business and Summary of Significant Accounting Policies*, of the notes to our unaudited condensed consolidated financial statements included elsewhere in this Report for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Quantitative and Qualitative Disclosure About Market Risk

Foreign Currency Risk

We are exposed to foreign currency exchange risk related to transactions in currencies other than the U.S. Dollar, which is our functional currency. Our foreign subsidiaries, sales, certain inventory purchases and operating expenses expose us to foreign currency exchange risk. For three months ended March 31, 2022 and 2021, approximately 10% of our revenue was in foreign currencies. These sales were primarily denominated in Canadian dollars and British pounds.

We use derivative instruments to manage the effects of fluctuations in foreign currency exchange rates on our net cash flows. We primarily enter into option contracts to hedge forecasted payments, typically for up to 12 months, for cost of revenue, selling and marketing expenses, general and administrative expenses and intercompany transactions not denominated in the local currencies of our foreign operations. We designate some of these instruments as cash flow hedges and record them at fair value as either assets or liabilities within the consolidated balance sheets. Some of these instruments are freestanding derivatives for which hedge accounting does not apply.

Changes in the fair value of cash flow hedges are recorded in accumulated other comprehensive income (loss) until the hedged forecasted transaction affects earnings. Deferred gains and losses associated with cash flow hedges of third-party payments are recognized in cost of revenue, selling and marketing or general and administrative expenses, as applicable, during the period when the hedged underlying transaction affects earnings. Changes in the fair value of certain derivatives for which hedge accounting does not apply are immediately recognized directly in earnings to cost of revenue.

A hypothetical 10% change in exchange rates, with the U.S. dollar as the functional and reporting currency, would not result in a material increase or decrease in cost of revenue and operating expenses due to the derivative instruments we use to hedge any foreign currency exposure.

The aggregate notional amount of foreign exchange derivative instruments at March 31, 2022 and December 31, 2021 was \$21.5 million and \$30.4 million, respectively.

Item 4. Controls and Procedures.

Management's Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of March 31, 2022. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, as specified above. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgements and assumptions and cannot provide absolute assurance that its objectives will be met.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are and, from time to time, we may become, involved in legal proceedings or be subject to claims arising in the ordinary course of our business. There have been no material changes from the information previously reported under Part I, Item 3 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Item 1A. Risk Factors.

There have been no material developments with respect to the information previously reported under Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**Unregistered Sales of Equity Securities and Use of Proceeds.**

None.

Issuer Repurchase of Equity Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosure.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

Incorporated by Reference					Filed or Furnished herewith	F i l e N o .
Exhibit		Form	Exhibit	Filing Date		
2.1	<u>Agreement and Plan of Merger, dated as of February 9, 2021, by and among Forest Road Acquisition Corp., BB Merger Sub, Inc., Myx Merger Sub, LLC, The Beachbody Company Group, LLC, And Myx Fitness Holdings, LLC.</u>	8-K/A	2.1	2/16/2021	001-39735	
3.1	<u>Amended and Restated Certificate of Incorporation of The Beachbody Company, Inc.</u>	8-K	3.1	7/1/2021	001-39735	
3.2	<u>Amended and Restated Bylaws of The Beachbody Company, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed July 1, 2021).</u>	8-K	3.2	7/1/2021	001-39735	
10.1	<u>Offer of Employment Letter, dated as of April 15, 2022, by and between Beachbody, LLC and Marc Suidan.</u>					*
10.2	<u>Separation, General Release and Independent Contractor Services Agreement, dated April 19, 2022, by and among Beachbody, LLC, The Beachbody Company, Inc. and Sue Collyns.</u>					*
31.1	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a).</u>					*
31.2	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a).</u>					*
32.1	<u>Certification of Chief Executive Officer and Chief Financial Officer of Periodic Report Pursuant to 18 U.S.C. Section 1350</u>					**
101.INS	XBRL Instance Document					*
101.SCH	XBRL Taxonomy Extension Schema Document					*
101.CAL	XBRL Taxonomy Calculation Linkbase Document					*
101.DEF	XBRL Taxonomy Definition Linkbase Document					*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					

* Filed herewith

** Furnished herewith.

^ Indicates management contract or compensatory plan.

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 thereunto duly authorized.

The Beachbody Company, Inc.

Date: May 9, 2022

By: /s/ Carl Daikeler

Carl Daikeler
Chief Executive Officer
(Principal Executive Officer)

Date: May 9, 2022

By: /s/ Sue Collins

Sue Collins
President and Chief Financial Officer
(Principal Financial Officer)

[BEACHBODY LOGO]

VIA EMAIL

April 14, 2022

Mr. Marc Suidan

Re: Offer of Employment

Dear Marc:

On behalf of Beachbody, LLC (“**Beachbody**” or the “**Company**”), a wholly-owned subsidiary of The Beachbody Company, Inc., I am pleased to offer you employment, on a full-time basis, initially as a Senior Advisor to the Company commencing on April 15, 2022 (the “**Start Date**”). It is the intention to seek approval from the Board of Directors of the Company (the “**Board**”) to appoint you as Chief Financial Officer as of May 10, 2022. Your position as CFO would report to the Chief Executive Officer.

Your base salary will be at the annualized rate of \$525,000.00 payable in accordance with Beachbody’s regular payroll practices and procedures (“**Base Salary**”). This is an exempt position under federal and state law.

Once you have met each of the eligibility requirements, you will be entitled to participate in our comprehensive employee benefits package applicable to employees of Beachbody at your level. The terms and conditions of these benefits are set forth in the Beachbody Employee Guide and in summary plan descriptions. Attached is a brief summary of the various plans and benefits currently offered by Beachbody. You will be eligible for health care insurance (medical, dental and vision) for you and your beneficiaries at Beachbody’s expense, plus retirement benefits comparable to other employees of Beachbody at your level, subject to the terms of these plans and programs.

Currently, Beachbody offers a 401(k) savings plan with a 50% match (up to 6% of eligible salary), subject to the terms and conditions of the plan. You will be eligible for health care benefits and the 401(k) savings plan effective on the first day of the month following your Start Date. All of these benefits, and how much Beachbody or Beachbody’s employees pay for them, are subject to change from time to time at Beachbody’s sole discretion.

You will receive a monthly mobile phone allowance of \$175.00 as outlined in the Mobile Devices Policy included in the Communication Expenses section of the Company’s Travel & Expense Policy. The allowance is paid automatically on the second paycheck of each month and will be included in your taxable wages.

You are eligible to participate in Beachbody’s 2022 Bonus Plan for Exempt Employees (“**BPE**”). Your target opportunity is 75% of your annual Base Salary (“**Target Bonus**”), pro-rated for your actual time employed by the Company during the calendar year, and you must be employed at Beachbody on the date the incentive is paid (if any) in order to receive an award. The terms of the BPE are reviewed annually and will be communicated to you once they have been approved.

You will be granted non-qualified stock options with a fair market value on the date of grant (in accordance with the Black-Scholes methodology as determined by the Board of Directors) of approximately \$1,000,000.00. You will also be granted Restricted Stock Units (“**RSUs**”) with a fair market value on the date of grant of \$1,000,000.00, in each case, on or as soon as reasonably practicable

400 Continental Blvd., Suite 400, El Segundo, California 90245 (310) 883-9000

following the Start Date, subject to approval by the Board (or a subcommittee thereof). The non-qualified options and the RSUs will be granted pursuant to and will be subject to the terms of Beachbody's 2021 Incentive Award Plan (the "**Plan**"), and to the terms of Beachbody's then-current applicable form equity agreement, as of the "**Grant Date**", which shall be defined as the earliest 15th day of a calendar month to occur on or after your Start Date (unless the New York Stock Exchange is closed on such 15th of the month, in which case the Grant Date will be the first trading date following the 15th). The non-qualified options and the RSUs granted will vest annually over four years (in equal installments of 25% each year over four years) on your Grant Date, with the initial 25% vesting twelve (12) months after your Grant Date. All vesting shall cease upon any termination of your employment. Should Beachbody implement an annual long-term incentive plan, you will be eligible to receive additional equity grants beginning in calendar year 2023 or at such later time that the plan is implemented.

If your employment is terminated after the Start Date (a) by Beachbody without Cause, or (b) by you for Good Reason, then Beachbody will 1) pay you an amount equal to 1.0 times your highest agreed upon annual Base Salary with the Company, unless a reduction in your Base Salary had been implemented during the year which was applied proportionately to other members of the Company's executive team, in which case Beachbody will pay you an amount equal to 1.0 times your annual Base Salary at the date of termination, (the "**Severance**"); 2) make its normal portion of your monthly health insurance payments at your then-current coverage levels (including reimbursement for any required COBRA payments) for a period of twelve (12) months; and 3) pay you an amount equal to a pro rata portion of your Target Bonus for such partial calendar year in which the date of termination occurs, through the date of termination ("**Pro-Rated Target Bonus**"). The Severance and the Pro-Rated Target Bonus shall be fixed and paid to you in substantially equal installments in accordance with the Company's normal payroll practices over the 12-month period following your termination date, but shall commence on the first normal payroll date following the date the Release (as defined below) becomes irrevocable (the "**Release Effective Date**") and amounts otherwise payable prior to such first payroll date shall be paid on such date without interest thereon.

Notwithstanding the foregoing, any severance payments and benefits (including, for clarity, any acceleration of vesting for Time Vesting Awards (described below)) will be conditioned upon your (or your estate's) timely execution and non-revocation of Beachbody's standard general release of all claims against Beachbody and related entities and persons (the "**Release**"). For the avoidance of doubt, all equity awards eligible for accelerated vesting pursuant to this letter shall remain outstanding and eligible to vest following the date of termination and shall actually vest and become exercisable (if applicable) and non-forfeitable upon the Release Effective Date.

In the event of a qualified termination leading to Severance, all outstanding Company equity awards that vest solely on the passage of time that are held by you on the date of such termination (the "**Time Vesting Awards**") shall vest and, to the extent applicable, become exercisable, on an accelerated basis as of the date of termination with respect to the number of shares underlying such Time-Vesting Award that would have vested (and become exercisable, if applicable) had you remained in continuous employment with the Company beyond the date of termination for twelve (12) additional months. Notwithstanding the foregoing, in the event that the qualifying termination occurs on or within twelve (12) months following a Change in Control (as such term is defined in the Plan), then all Time Vesting Awards shall become fully vested and, to the extent applicable, exercisable.

If your employment is terminated after the Start Date by reason of your death or Disability (as such term is defined in the Plan), then in addition to any unpaid accrued obligations (i) the Company will pay you the Prorated Target Bonus in accordance with the terms and conditions of this offer letter, and (ii) all

Time Vesting Awards shall vest and, to the extent applicable, become exercisable, on an accelerated basis as of the date of termination with respect to the number of shares underlying such Time-Vesting Award that would have vested (and become exercisable, if applicable) had you remained in continuous employment with the Company beyond the date of termination for twelve (12) additional months.

“Cause” means: (i) your misconduct or intentional actions that adversely affects or threatens to adversely affect the Company or its reputation in any material respect as determined in good faith by the Board; (ii) acts or threats of violence by you in any manner affecting the Company’s reputation or otherwise connected to your employment in any way; (iii) alcohol or substance abuse by you; (iv) your wrongful destruction of Company property; (v) any crime involving fraud, embezzlement, theft, conversion or dishonesty against the Company; or any conviction, or plea of guilty or *nolo contendere*, in a valid court of law for any other financial crime or felony; (vi) any act of fraud or personal dishonesty by you which relates to or involves the Company in any material way, including misrepresentation on your employment application or other materials provided in the course of seeking employment (or continued employment) at the Company; (vii) unauthorized disclosure by you of confidential information of the Company; (viii) material violation by you of any written policy of the Company; or (ix) gross negligence of, or gross incompetence in, the performance of the your duties for the Company as determined in good faith by the Board.

“Good Reason” means, without your written consent: (i) a material breach of this offer letter by the Company (including the Company’s withholding or failure to pay compensation when due to you); (ii) a relocation of the Company’s principal headquarters from the greater Los Angeles metropolitan area to a location more than 50 miles from such location; (ii) a material diminution in your titles, duties, authority, or responsibilities or a change in reporting relationship that requires you to report to someone other than the CEO or the Board; or (iii) a material reduction in your Base Salary or Target Bonus, unless either such reduction is applied proportionately to other members of the Company’s executive team, and is made in the good faith belief by the Board that it is in the best interests of the Company. Notwithstanding the foregoing, you will not be deemed to have resigned for Good Reason unless (1) you provide the Company with written notice setting forth in reasonable detail the facts and circumstances claimed by you to constitute Good Reason within 45 days after the date of the occurrence of any event that you know or should reasonably have known to constitute Good Reason, (2) the Company fails to cure such acts or omissions within 30 days following its receipt of such notice, and (3) the effective date of your termination for Good Reason occurs no later than 90 days after the expiration of the Company’s cure period. For clarity, Good Reason shall not have occurred if the Company’s primary El Segundo, California office is moved or relocated within the greater Westside and/or South Bay Los Angeles metropolitan areas and/or the Company permits you to work from home or another physical or remote location that you may designate in writing.

All payments to you under this offer letter will be subject to any required withholding of federal, state and local taxes pursuant to any applicable law or regulation and the Company and its affiliates are entitled to withholding any and all such taxes from amounts payable under this offer letter.

For purposes of this letter, your termination of employment shall mean your “separation from service” as defined under Section 409A of the Internal Revenue Code of 1986 (as amended, the **“Code”**). Each payment under this letter that is determined to be subject to Section 409A shall be treated as a separate payment. In no event may you, directly or indirectly, designate the calendar year of any payment to be made under this offer letter. Notwithstanding any provision of this letter to the contrary, if you are a “specified employee” (as defined in Section 409A of the Code) as of your “separation from service” (as defined in Section 409A of the Code), then the payment of any amounts payable hereunder that are subject to Section 409A of the Code shall be postponed in compliance with Section 409A (without any

reduction in such payments ultimately paid or provided to you) until the first payroll date that occurs after the date that is six (6) months following your “separation from service.” Any such postponed payment shall be paid in a lump sum to you on the first payroll date that occurs after the date that is six (6) months following your “separation from service.” If you die during the postponement period prior to the payment of the postponed amount, the amounts withheld on account of Section 409A shall be paid to your estate within sixty (60) days after the date of your death. Any payments subject to Section 409A that are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in the calendar year in which the consideration period or, if applicable, release revocation period ends, as necessary to comply with Section 409A.

This offer of employment, and your continued employment at Beachbody, is contingent upon the satisfactory completion of reference/background checks. In addition, as a condition of employment, you will be required to execute a Confidentiality and Non-Solicitation Agreement and a Dispute Resolution Agreement.

This offer letter does not constitute an employment agreement for a specified term. Your employment with Beachbody, like our other employees, will be “at-will,” permitting you or Beachbody to terminate the employment relationship at any time, for any lawful reason, with or without Cause or prior notice. Your at-will status can only be modified in writing and signed by both you and the Chief Executive Officer. By your signature on this letter, you acknowledge, understand and agree that the employment relationship is at-will.

This letter will be governed by and interpreted in accordance with the laws of the State of California, without regard to the conflict of law rules thereof.

[Signature Page Follows]

Marc Suidan
Offer of Employment
April 14, 2022
Page 5 of 5

I am very excited about the contribution you will make to this exciting enterprise. If you share my enthusiasm and these terms and conditions are satisfactory to you, please acknowledge and accept this offer by signing this letter and returning it to Kathy Vrabeck, Chief Strategy Officer, via email at kvabeck@beachbody.com on or before **April 15, 2022**.

Very truly yours,

/Carl Daikeler/

Carl Daikeler
Chief Executive Officer

I hereby accept the Beachbody “at will” employment offer as described in this letter and understand that it does not constitute an employment contract.

Agreed to and accepted this 15 day of April, 2022

 /Marc Suidan/
MARC SUIDAN

[BEACHBODY LOGO]

April 15, 2022

VIA EMAIL

PERSONAL & CONFIDENTIAL

Sue Collyns

Re: Separation and General Release Agreement

Dear Sue:

Based on your discussions with Carl Daikeler and Ben Van de Bunt on Thursday, April 14th, this letter is to confirm that, effective as of May 31, 2022 (the “**Separation Date**”), your employment with Beachbody, LLC and its parent, The Beachbody Company, Inc. (together, “**Beachbody**” or the “**Company**”) will be terminated by mutual agreement. All terms not defined herein shall have the same meaning given to them in your employment agreement with the Company, effective June 25, 2021 (“**Employment Agreement**”). Commencing on June 1, 2022, you will transition to be a consultant of the Company through May 31, 2023 and, during this period, you will provide consulting services to the Company (the “**Consulting Services**”), pursuant to an independent contractor agreement attached hereto to be signed by you and the Company.

Section 4 of your Employment Agreement (as revised by this letter) provides for certain severance payments if you are terminated without Cause by the Company, including (A) twelve (12) months of base salary, paid out over time (as set forth below) (the “**Severance**”); (B) Company-subsidized healthcare coverage at the same levels as in effect on the date of termination for twelve (12) months following the Separation Date; and (C) your Prorated Target Bonus from the beginning of the calendar year through the Separation Date (collectively, the “**Severance Benefits**”); provided, in each instance, you enter into the general release in substantially the form attached as Exhibit A to your Employment Agreement (and attached for your signature hereto as of the Separation Date) (the “**Release**”).

As such, if you remain in continued employment with the Company on the terms set forth herein through the Separation Date and execute (as of, and no sooner than, the Separation Date), do not revoke, and abide by the attached Release and the terms of this letter, (i) the Company will pay you the Severance Benefits, less applicable state and federal withholdings and any other withholdings required by law or authorized in writing by you, in accordance with the Employment Agreement; and (ii) each Company stock option held by you shall remain outstanding and eligible to vest based on your continued Consulting Services. With respect to the Severance, notwithstanding anything to the contrary in the Employment Agreement, the Company will pay to you Six Hundred Thousand Dollars (US\$600,000) in installments to occur on regular payroll dates over a period of twelve (12) months from your Separation Date. These Severance payments will begin on the first payroll date that occurs following the date on which the Release becomes effective. For clarity, you will not be entitled to the accelerated vesting set forth in Section 4(b)(iv) of your Employment Agreement.

In addition, your Prorated Target Bonus shall be paid on the date on which annual bonuses are paid to the Company’s senior executives generally for the applicable year, but no later than March 15, 2023.

This also confirms that if you are insured under the Company’s group insurance plans, you and your eligible dependents will receive your COBRA notice under separate cover mailed directly to the residential address you have on file with Beachbody (if you need to update this address for yourself or your insured dependents, please let us know as soon as possible).

Your role as CFO and President will be transitioned by the Board as of May 10, 2022, unless otherwise determined by the Company in its sole discretion. It is our mutual expectation that you will continue to perform

all the roles of the Company's CFO until that time, and then will serve in an advisory capacity to assist management, your successor and the finance team on a full time basis through the Separation Date. For the avoidance of doubt, from the date hereof through and including the Separation Date, you will continue to be paid your base salary as in effect on the date hereof.

In consideration of the Severance Benefits, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, you hereby acknowledge and agree that you shall continue to be bound by the Restrictive Covenants and Arbitration Agreement, in accordance with Sections 7 and 12(i) of the Employment Agreement, respectively, each of which shall (subject to their applicable terms and conditions) survive the termination of your employment and shall remain in full force and effect. Upon signing of this agreement and upon receipt of proper documentation showing attorneys' fees incurred, the Company will make a one-time lump sum payment to you in the gross amount of up to \$5,000 to reimburse Employee for out of pocket costs incurred to engage legal counsel for purposes of this agreement.

This letter will be governed by and construed in accordance with the laws of the State of California without regard to the conflicts of law provisions thereof. So that we may make the proper disclosures with the SEC and file our press release on a timely basis, please acknowledge your understanding and agreement of the matters by countersigning below by 1pm on Tuesday, April 19th, and do not hesitate to (or have your attorney) contact me if you have any questions or comments.

Sincerely,

/Blake T. Bilstad/

Blake T. Bilstad
Chief Legal Officer

Attachments:

Release
Independent Contractor Agreement

cc: Robin M. Schachter, Esq. (robin@rmschachterlaw.com)

Acknowledged and agreed:

/Sue Collyns/ /4/19/22/
Sue Collyns Date

GENERAL RELEASE

1. Release For valuable consideration, the receipt and adequacy of which are hereby acknowledged, the undersigned does hereby release and forever discharge the “**Releasees**” hereunder, consisting of The Beachbody Company, Inc., a Delaware corporation (the “**Company**”), and the Company’s partners, subsidiaries, associates, affiliates, successors, heirs, assigns, agents, directors, officers, employees, representatives, lawyers, insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, losses, costs, attorneys’ fees or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called “**Claims**”), which the undersigned now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof. The Claims released herein include, without limiting the generality of the foregoing, any Claims in any way arising out of, based upon, or related to the employment or termination of employment of the undersigned by the Releasees, or any of them; any alleged breach of any express or implied contract of employment; any alleged torts or other alleged legal restrictions on Releasees’ right to terminate the employment of the undersigned; and any alleged violation of any federal, state or local statute or ordinance including, without limitation, Title VII of the Civil Rights Act of 1964; the Age Discrimination In Employment Act (“**ADEA**”); the Americans With Disabilities Act; the Older Workers’ Benefit Protection Act of 1990; Title VII of the Civil Rights Act of 1964, as amended, by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 215 et seq.; and any federal, state or local laws of similar effect.

2. Claims Not Released. Notwithstanding the foregoing, this general release (the “**Release**”) shall not operate to release any rights or claims of the undersigned (i) to payments or benefits under Section 4(b) or 4(d) of that certain Employment Agreement, effective as of June 25, 2021, between the Company and the undersigned (the “**Employment Agreement**”), as modified by that certain Separation and General Release Agreement, dated as of April 15, 2022, between the Company and the undersigned, with respect to the payments and benefits provided in exchange for this Release, (ii) to payments or benefits under any equity award agreement between the undersigned and the Company or as a holder of any securities of the Company, (iii) with respect to Sections 2(b)(iv) or 4(a) of the Employment Agreement, (iv) to accrued or vested benefits the undersigned may have, if any, as of the date hereof under any applicable plan, policy, practice, program, contract or agreement with the Company, (v) to any Claims, including claims for indemnification and/or advancement of expenses arising under any indemnification agreement between the undersigned and the Company or under the bylaws, certificate of incorporation or other similar governing document of the Company, (vi) to any Claims which cannot be waived by an employee under applicable law or (vii) with respect to the undersigned’s right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator.

THE UNDERSIGNED ACKNOWLEDGES THAT HE OR SHE HAS BEEN ADVISED BY LEGAL COUNSEL AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

THE UNDERSIGNED, BEING AWARE OF SAID CODE SECTION, HEREBY EXPRESSLY WAIVES ANY RIGHTS HE OR SHE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

3. Exceptions. Notwithstanding anything in this Release to the contrary, nothing contained in this Release shall prohibit the undersigned from (i) filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation and/or (ii) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to, any federal, state or local government regulator (including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice) for the purpose of reporting or investigating a suspected violation of law, or from providing such information to the undersigned’s attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding. Pursuant to 18 USC Section 1833(b), (1) the undersigned will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (2) the undersigned acknowledges that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of

the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Nothing in this agreement prevents the undersigned from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the undersigned has reason to believe is unlawful.

4. Representations. The undersigned represents and warrants that there has been no assignment or other transfer of any interest in any Claim which the undersigned may have against Releasees, or any of them, and the undersigned agrees to indemnify and hold Releasees, and each of them, harmless from any liability, Claims, demands, damages, costs, expenses and attorneys' fees incurred by Releasees, or any of them, as the result of any such assignment or transfer or any rights or Claims under any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the Releasees against the undersigned under this indemnity.

5. No Action. The undersigned agrees that if the undersigned hereafter commences any suit arising out of, based upon, or relating to any of the Claims released hereunder or in any manner asserts against Releasees, or any of them, any of the Claims released hereunder, then the undersigned agrees to pay to Releasees, and each of them, in addition to any other damages caused to Releasees thereby, all attorneys' fees incurred by Releasees in defending or otherwise responding to said suit or Claim. Notwithstanding the foregoing, this provision shall not apply to any suit or Claim to the extent it challenges the effectiveness of this release with respect to a claim under the ADEA.

6. No Admission. The undersigned further understands and agrees that neither the payment of any sum of money nor the execution of this Release shall constitute or be construed as an admission of any liability whatsoever by the Releasees, or any of them, who have consistently taken the position that they have no liability whatsoever to the undersigned.

7. OWBPA. The undersigned agrees and acknowledges that this Release constitutes a knowing and voluntary waiver and release of all Claims the undersigned has or may have against the Company and/or any of the Releasees as set forth herein, including, but not limited to, all Claims arising under the Older Worker's Benefit Protection Act and the ADEA. In accordance with the Older Worker's Benefit Protection Act, the undersigned is hereby advised as follows:

- (i) the undersigned has read the terms of this Release, and understands its terms and effects, including the fact that the undersigned agreed to release and forever discharge the Company and each of the Releasees, from any Claims released in this Release;
- (ii) the undersigned understands that, by entering into this Release, the undersigned does not waive any Claims that may arise after the date of the undersigned's execution of this Release, including without limitation any rights or claims that the undersigned may have to secure enforcement of the terms and conditions of this Release;
- (iii) the undersigned has signed this Release voluntarily and knowingly in exchange for the consideration described in this Release, which the undersigned acknowledges is adequate and satisfactory to the undersigned and which the undersigned acknowledges is in addition to any other benefits to which the undersigned is otherwise entitled;
- (iv) the Company advises the undersigned to consult with an attorney prior to executing this Release;
- (v) the undersigned has been given at least 21 days in which to review and consider this Release. To the extent that the undersigned chooses to sign this Release prior to the expiration of such period, the undersigned acknowledges that the undersigned has done so voluntarily, had sufficient time to consider the Release, to consult with counsel and that the undersigned does not desire additional time and hereby waives the remainder of the 21-day period; and
- (vi) the undersigned may revoke this Release within seven days from the date the undersigned signs this Release and this Release will become effective upon the expiration of that revocation period if the undersigned has not revoked this Release during such seven-day period. If the undersigned revokes this Release during such seven-day period, this Release will be null and void and of no force or effect on either the Company or the undersigned and the undersigned will not be entitled to any of the payments or benefits which are expressly conditioned upon the execution and non-revocation of this Release. Any revocation must be in writing and sent to Blake Bilstad, via electronic mail at bbilstad@beachbody.com, on or before 5:00 p.m. Pacific time on the seventh day after this Release is executed by the undersigned.

8. Acknowledgement. The undersigned acknowledges that different or additional facts may be discovered in addition to what is now known or believed to be true by the undersigned with respect to the matters released in this Release, and the undersigned agrees that this Release shall be and remain in effect in all respects as a complete and final release of the matters released, notwithstanding any different or additional facts.

9. Governing Law. This Release is deemed made and entered into in the State of California, and in all respects shall be interpreted, enforced and governed under the internal laws of the State of California, to the extent not preempted by federal law.

* * * * *

IN WITNESS WHEREOF, the undersigned has executed this Release this ____ day of _____, 2022.

Sue Collins

INDEPENDENT CONTRACTOR SERVICES AGREEMENT

THIS INDEPENDENT CONTRACTOR SERVICES AGREEMENT (the “**Agreement**”) is entered into as of the 1st day of June, 2022 (the “**Effective Date**”) by and between Beachbody, LLC, a Delaware limited liability company with its headquarters located at 400 Continental Blvd, Suite 400, El Segundo, CA 90245 (“**Company**” or “**Beachbody**”) and Sue Collins, an individual (“**Contractor**”).

1. Appointment.

(a) Company hereby appoints Contractor on a non-exclusive basis in order to provide certain services for Beachbody (the “**Services**”) as set forth in each statement of work executed between the parties and that expressly states it is subject to the terms of this Agreement (each, a “**Statement of Work**”). Statement of Work No. 1 is attached hereto as Exhibit A. Contractor hereby accepts the foregoing appointment from Company and agrees to undertake its reasonable commercial efforts to fulfill the Services as set forth herein, including by such reasonable means as Contractor deems advisable, but at all times in accordance with the highest professional standards and any written or oral instructions given by Company from time-to-time. Contractor agrees not to delegate or assign its rights, duties or obligations set forth herein to any subcontractors, agents, or other representatives of Contractor unless pre-approved in writing by Company. If Contractor is granted access to any of Company’s facilities or its electronic systems, they will follow all of Company’s safety and security rules and will act and perform work in a professional and acceptable manner. If there is a conflict between the terms of this Agreement and a Statement of Work, the conflicting terms in the Statement of Work will control.

(b) The parties hereto acknowledge and agree that, effective as of the Effective Date, that certain Employment Agreement, dated June 21, 2021, by and between Contractor and Company (the “**Employment Agreement**”) is terminated, except the respective rights and obligations of the parties under the Employment Agreement shall survive to the extent necessary for the intended preservation of such rights and obligations.

2. Compensation.

(a) Compensation. In consideration for the Services provided by Contractor, Company shall pay to Contractor the fees as set forth in the applicable Statement of Work (the “**Compensation**”). For any fees due as Contractor’s Compensation, Contractor shall provide Company a written invoice at the conclusion of each month, detailing the Compensation due in accordance with this Agreement for the prior monthly period. Company shall pay each undisputed invoice within thirty (30) days of its actual receipt of such invoice. If required as a matter of law, the parties agree to add an appropriate surcharge related to Contractor’s health insurance status under the Affordable Care Act and any related legislation and/or regulations. This surcharge will be reflected as a specific line item added to each Contractor invoice sent to the Company. Contractor is not eligible for health insurance and other benefits that Company provides to its employees, since Contractor’s relationship with Company is that of an independent contractor and not an employee. However, Contractor will be eligible for continued health benefits pursuant to COBRA as a former employee of Company. Contractor shall be considered in continuous service of the Company pursuant to this Agreement and , and any Time Vesting Awards (as defined in the Employment Agreement) held by Contractor as of the Effective Date shall continue to vest and become exercisable during the term of this Agreement based on Contractor’s continued service (rather than employment). Exercisability of any vested Time Vesting Awards shall continue for ninety (90) days after Contractor ceases to be a Service Provider under this Agreement (also in accordance with the Plan and the terms of the Time Vesting Awards).

(b) Contractor Expenses. Contractor agrees that unless pre-approved by Company in writing, all costs and expenses incurred by Contractor in connection with the performance of its Services hereunder shall be at Contractor’s own expense and without cost or charge to the Company. Contractor expressly understands and agrees that except as set forth in this Section 2, Contractor shall not be entitled to receive any other forms of payment, bonuses, benefits or compensation without Company’s prior written consent.

3. Representations, Warranties and Covenants.

(a) Contractor. Contractor represents, warrants and covenants that: (i) all of the Services will be performed and rendered using sound, professional practices and in a competent and professional manner; (ii) the Services and Deliverables created or provided by Contractor (including, without limitation, any materials developed by Contractor) shall be unique,

proprietary and not infringe any intellectual property, personal, or other proprietary rights of any third party; (iii) Contractor has the full authority to enter into this Agreement; Contractor has the right to grant the rights set forth in this Agreement and entering into this Agreement does not violate or conflict with any prior agreements with or other obligations to any third parties; (iv) Contractor is the owner of or otherwise has the right to use and distribute all materials and any third party products used by Contractor or provided to Company in connection with providing the Services to Company; (v) Contractor will comply with all applicable international, federal, state and local laws in the performance of this Agreement; and (vi) Contractor has not engaged in any activity, made any commitment, or entered into any agreement inconsistent or in derogation of the rights granted in this Agreement, and it will not engage in any activity, make any commitment or enter into any agreement inconsistent or in derogation of the rights granted in this Agreement. Additionally, Company is committed to operating its business in an ethical manner that benefits our customers and communities. Company therefore expects our vendors and suppliers to maintain high standards in line with these standards and have detailed these expectations in Company's Supplier Code (https://www.beachbody.com/product/about_us/supplier_code.do). Contractor understands that compliance with this Supplier Code is expressly integrated into this Agreement, and any breach of the Supplier Code will be deemed a material breach of this Agreement.

(b) Company. Company represents, warrants and covenants that: (i) it has the full authority to enter into this Agreement, it has the right to grant the rights set forth in this Agreement and that entering into this Agreement does not violate or conflict with any prior agreements with or other obligations to any third parties; and (ii) it has not engaged in any activity, made any commitment, or entered into any agreement inconsistent or in derogation of the rights granted in this Agreement, and that it will not engage in any activity, make any commitment or enter into any agreement inconsistent or in derogation of the rights granted in this Agreement.

4. Confidential Information.

(a) Definitions. “**Proprietary Information**” is all information and any idea in whatever form, tangible or intangible, pertaining in any manner to the business of Company, which was produced or acquired by Company. All Proprietary Information not generally known outside of Company's organization, and all Proprietary Information so known only through improper means, shall be deemed “**Confidential Information**.” By example and without limiting the foregoing definition, Proprietary and Confidential Information shall include, but not be limited to, Company's:

- i. information about customers, contracts, sales, distributors, suppliers, costs, profits, gross margins, and, generally, Company's goodwill with its customers;
- ii. business, marketing, and strategic plans;
- iii. forecasts, unpublished financial information, budgets, profit and loss information, projections, and customer identities, characteristics and agreements;
- iv. formulas, research and development techniques, processes, trade secrets, computer programs, software, electronic codes, mask works, inventions, innovations, patents, patent applications, discoveries, improvements, data, know-how, formats, test results, and research projects;
- v. employee personnel files and compensation information; and
- vi. compilations or lists containing any of the above.

Confidential Information is to be broadly defined, and includes, without limitation, all information that has or could have commercial value or other utility in the business in which Company is engaged or contemplates engaging, and all information of which the unauthorized disclosure could be detrimental to the interests of Company, whether or not such information is identified as Confidential Information by Company. This obligation does not apply to information that is already in the public domain through no breach of confidentiality or that is required to be disclosed pursuant to applicable law, court order, judicial proceeding, information that is disclosed to the public through no fault of recipient or its agents acting on its behalf hereunder, information that is disclosed to Contractor by a third party not under confidentiality obligation or is independently developed without use of Company's Confidential Information.

(b) Existence of Confidential Information. Company owns and has developed and compiled, and will develop and compile, certain trade secrets, proprietary techniques and other Confidential Information which have great value to its business. This Confidential Information includes not only information disclosed by Company to Contractor, but also information developed or learned by Contractor during the course of its association with Company.

(c) Protection of Confidential Information. Contractor will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any third party, other than in regard to duties that arise in connection with Contractor's association with Company, any of Company's Confidential Information, either during or after Contractor's association with Company. Contractor acknowledges that it is aware that the unauthorized disclosure of Confidential Information of Company may be highly prejudicial to Company's interests, an invasion of privacy, and an improper disclosure of trade secrets.

(d) Delivery of Confidential Information. Upon request or when Contractor's association with Company ends, Contractor will immediately deliver to Company all copies of any and all materials and writings received from, created for, or belonging to Company including, but not limited to, those which relate to or contain Confidential Information.

(e) Prior Actions and Knowledge. Contractor represents and warrants that from the time of its first contact with Company through the start of its association with Company, it has held in strict confidence all Confidential Information and has not disclosed any Confidential Information, directly or indirectly, to anyone outside the Company, or used, copied, published, or summarized any Confidential Information, except to the extent otherwise permitted in this Agreement.

(f) Third-Party Information. Contractor acknowledges that Company has received and in the future will receive from third parties their confidential information subject to a duty on Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Contractor agrees that, during its association with Company and thereafter, it will hold all such confidential information in the strictest confidence and will not disclose or use it, except as necessary to perform its obligations hereunder and as is consistent with Company's agreement with such third parties or applicable law.

(g) Third Parties. Contractor will not disclose to Company or use on its behalf any confidential information belonging to others (except for appropriate third party information under Section 4 (f) above) and Contractor will not bring onto the premises of Company any confidential information belonging to any such party unless consented to in writing by such party.

(h) Public Announcement. Contractor agrees that, unless approved by Company in advance, Contractor shall not make any public announcement, issue any press release or other publicity or confirm any statements by third parties concerning the transactions contemplated hereby or Contractor's rights or obligations hereunder, except as otherwise required by law.

(i) Exceptions. Notwithstanding anything in this Agreement or the Restrictive Covenants (as defined in the Employment Agreement) to the contrary, nothing contained in this Agreement shall prohibit either party (or either party's attorney(s)) from (i) filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or any other securities regulatory agency, self-regulatory authority or federal, state or local regulatory authority (collectively, "**Government Agencies**"), or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, (ii) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to any Government Agencies for the purpose of reporting or investigating a suspected violation of law, or from providing such information to such party's attorney(s) or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding, and/or (iii) receiving an award for information provided to any Government Agency. Pursuant to 18 USC Section 1833(b), (1) Contractor will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (2) Contractor acknowledges that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Further, nothing in this Agreement is intended to or shall preclude either party from providing truthful testimony in response to a valid subpoena, court order, regulatory request or other judicial, administrative

or legal process or otherwise as required by law. If Contractor is required to provide testimony, then unless otherwise directed or requested by a Government Agency or law enforcement, Contractor shall notify Company as soon as reasonably practicable after receiving any such request of the anticipated testimony. Nothing in this Agreement prevents Contractor from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the undersigned has reason to believe is unlawful.

5. Ownership. Company Materials. Contractor acknowledges that Company is and at all times will be the sole owner of: (i) all trademarks, trade names, logos, symbols, other indicia of origin, designs, patents, advertising and promotional materials, other copyright protected materials, inventions, trade secrets, and other intellectual property or proprietary information Company owns and/or uses on or in connection with its products, services and/or business, and (ii) the Deliverables (defined below), financial information, data, requirements, records, information or materials of Company and/or its agents or affiliates (including contracts, documents, distributor and affiliate information, content, and other materials) that Contractor has had or may have access to during this Agreement or otherwise (collectively, “**Company Materials**”). Contractor agrees that: (iii) it will do nothing inconsistent with Company’s sole and exclusive ownership of the Company Materials; (iv) it will provide adequate security measures and safeguards to ensure there is no destruction, loss or disclosure of any Company Materials; and (v) it will in no manner use, alter, modify, store, transmit, display, make derivative works of, or in any other manner exploit any Company Materials (including without limitation any Company names, slogans or trademarks) except as expressly authorized herein, or in any manner following expiration or termination of this Agreement. Contractor agrees that it gains no rights or interest whatsoever in or to any Company Materials and/or any goodwill associated therewith.

(b) Works for Hire. It is the intent of the parties that Company own all right, title, and interest in and to the Services, including any information, plans, designs, creations, inventions, files, content, code, documentation, Intellectual Property or other materials provided by Company or created or provided by Contractor in fulfillment of this Agreement (“**Deliverables**”). To the fullest extent permitted by applicable law, all of the Deliverables developed and provided by Contractor, including as arising from or related to the Services, shall constitute a “**Work for Hire**” under Section 201 of Title 17 of the United States Code, and Company shall own all right, title, and interest in and to such Deliverables. In the event that any Deliverables are deemed by a court of competent jurisdiction not to be a Work for Hire, this Agreement shall operate as an irrevocable assignment by Contractor to Company of all right, title, and interest in and to such Deliverables, and/or its license(s) thereto. Contractor will not grant, nor claim for itself or other affiliated entities, independent contractors, employees, or other third parties, either expressly or impliedly, any rights, title, interest, or licenses to the Deliverables. Contractor further waives any claims of “moral rights” in the Deliverables. Contractor agrees to execute any documents and other papers and perform any further acts as may be reasonably required or desirable to carry out the provisions of this section, including, without limitation, the execution and delivery of any additional bills of sale, endorsements, assignments, and other good and sufficient instruments of conveyance, transfer and assignment. If Contractor fails or refuses to execute and deliver any such separate assignments or any such additional documents or instruments implementing such intellectual property rights set forth herein within thirty (30) days after Company’s written request therefor, Company shall have and is hereby granted the right and authority to execute the same in Contractor’s name, place and stead and as Contractor’s attorney-in-fact for such purposes, which power is coupled with an interest and is irrevocable.

6. Term and Termination. The term of this Agreement shall commence as of the Effective Date and shall continue until the Services are completed or earlier terminated: (a) by both parties in writing; or (b) by Contractor if Company fails to pay any amounts due under this Agreement as set forth in Section 2 above, and such default is not cured within thirty (30) days after Company receives written notice of the default from Contractor. Upon expiration or termination of this Agreement: (i) Contractor shall immediately, as directed by Company, return all Confidential Information and Company Materials in its possession to Company; (ii) Contractor shall promptly provide to Company any Deliverables, materials, and documentation necessary to fulfill the assignment set forth in Section 5; and (iii) Company shall pay to Contractor any and all amounts due for any completed Services. Sections 3, 4, 5, 6, 7 and 8 shall survive termination, regardless of cause, or expiration of this Agreement.

7. Indemnification; Limitations of Liability; Breach.

(a) Contractor Indemnification. Contractor agrees to indemnify, hold harmless and defend Company, its officers, directors, shareholders, employees, affiliates, representatives, agents, attorneys, licensees, distributors, successors and

assigns from and against any and all losses, costs, damages, claims, suits, actions, judgments, demands, obligations, debts, liabilities, agreements and expenses whatsoever (including, without limitation, reasonable attorneys' fees, court costs and reasonable investigation expenses) ("Claims") arising out of or related to: (i) any breach by Contractor of its duties, representations, warranties and covenants or any other breach of this Agreement; (ii) any Claims relating to any Services, or any Deliverables developed, created, or provided by Contractor, or any individual product, service, or any other element created or provided by Contractor (but expressly excluding any materials provided to Contractor by Company).

(b) Company Indemnification. Company agrees to indemnify, advance expenses, hold harmless and defend Contractor from and against any and all Claims arising out of or related to: (i) any breach by Company of its duties, representations, warranties and covenants or any other breach of this Agreement; (ii) any Claims relating to any materials provided to Contractor by Company, including any breach of any third party's intellectual property, personal, or any other proprietary rights (unless the Claim arises from any modification by Contractor to any Company-provided materials and the Claim would not have arisen but for such modification).

(c) Limitations of Liability. COMPANY SHALL NOT HAVE ANY LIABILITY TO CONTRACTOR OR TO ANY THIRD PARTY, FOR ANY CAUSE OF ACTION RELATING TO THIS AGREEMENT FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL OR SPECULATIVE DAMAGES BASED UPON A CLAIM OF ANY TYPE OR NATURE (INCLUDING BUT NOT LIMITED TO CONTRACT, TORT INCLUDING NEGLIGENCE, WARRANTY OR STRICT LIABILITY), OR CLAIMS ARISING FROM THE TERMINATION OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF INCOME, PROFITS OR USE, BUSINESS INTERRUPTION, OR LOSS OF GOODWILL, IRRESPECTIVE OF WHETHER COMPANY HAS ADVANCE NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

(d) Breach. Contractor acknowledges and agrees that if Company fails to make any of the payments to Contractor provided for herein, or if Company breaches any other covenant or condition hereof, Contractor's sole remedy will be an action at law to recover such payment and/or monetary damages. In no event will Contractor have a right to seek injunctive or other equitable relief with respect to any Deliverables, products, services or materials arising from or related to Contractor's Services provided hereunder. Company shall not be deemed in breach of this Agreement unless and until Contractor has given Company written notice of any alleged breach by Company and Company has failed to cure or commence to cure such alleged breach within a period of thirty (30) days after its actual receipt of such written notice.

8. Additional Covenants and Representations.

(a) Restrictive Covenants. Contractor hereby acknowledges and agrees that Contractor shall continue to be bound by the Restrictive Covenants, as defined in and in accordance with Section 7 of the Employment Agreement, which shall (subject to their applicable terms and conditions) survive the termination of the Employment Agreement and this Agreement and shall remain in full force and effect.

(b) Competitive Activities. Contractor, during the term of this Agreement, will provide the Company with at least ten (10) business days advance written notice before directly or indirectly, in any individual or representative capacity, engaging or participating in or providing services to any business that is competitive with the types and kinds of business being conducted by the Company. If the Company objects to such services, the parties agree to negotiate in good faith to address the Company's concerns, but the Company will not unreasonably withhold its consent to such services.

(c) Solicitation of Employment. Because of the trade secret subject matter of the Company's business, Contractor agrees that it will not solicit the services of any of the employees, consultants, suppliers or customers of the Company during the term of this Agreement and for a period of six (6) months thereafter.

(d) Non-disparagement. During the term of this Agreement and for a period of three (3) years thereafter, Contractor agrees not to disparage or harm the Company or its products, services, agents, representatives, directors, officers, stockholders, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under or in concert with any of them, with any written or oral statement (through any medium, including, but not limited to, the press or other media, social media, the internet (whether anonymous or not) or any other form of communication). Nothing in this Agreement is intended to suppress or limit Contractor's right to testify in any administrative, legislative or judicial forum about alleged criminal conduct or sexual harassment, or to prevent the disclosure of factual information related to

claims filed in a civil or administrative action regarding sexual assault, sexual harassment or other forms of sex-based workplace harassment, discrimination or retaliation, to the extent such communications are expressly protected under California law. During the term of this Agreement and for a period of three (3) years thereafter, the Company will instruct the members of the Board of Directors and the executive officers of the Company not to make any written or oral statements (through any medium, including, but not limited to, the press or other media, social media, the internet (whether anonymous or not) or any other form of communication) that disparage or harm the Contractor.

(e) Active Business. Contractor represents and warrants that Contractor maintains an active consulting business such that (1) Contractor is not limited to having Company as Contractor's sole client and, (2) Contractor is not financially dependent on Company. Contractor also represents and warrants that it maintains an active business license in the appropriate jurisdiction(s).

(f) Harassment, Discrimination, and Retaliation Prevention Policy. Contractor understands and agrees, and agrees to instruct any individual assigned to perform Services under this Agreement, that Company does not tolerate discrimination against or the harassment of individuals on the basis of sex/gender, race, color, ancestry, religion, citizenship, gender identity, gender expression, transgender status, sexual orientation, marital status, national origin, age, military or veteran status, mental or physical disability, medical condition (including pregnancy, childbirth or related medical conditions), genetic information or any other basis protected by applicable federal, state or local laws. All such discrimination and harassment is prohibited. It also prohibits discrimination or harassment based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics.

9. General.

(a) Independent Contractors. It is expressly agreed and intended that each party hereto shall remain a separate legal entity from the other and each shall be an independent contractor responsible only for such party's own actions. Nothing contained in this Agreement shall be construed as establishing an employer/employee, partnership, agency or joint venture relationship between the parties hereto. Contractor shall not have, or represent itself as having, the authority to bind or commit Company in any way, or to incur any liability in the name of or on behalf of Company. Contractor shall be solely responsible for payment of all of Contractor's own taxes on compensation received by Contractor under or relating to this Agreement. Except as expressly contemplated by this Agreement, Company shall not be obligated to (a) pay on the account of Contractor any unemployment tax or other taxes required under the law to be paid with respect to employees, (b) withhold any monies from the fees of Contractor for income tax purposes or (c) provide Contractor with any benefits, including without limitation health, welfare, pension, retirement, or any kind of insurance benefits, including workers' compensation insurance. Contractor also will take all necessary steps to ensure that it acts as an independent contractor rather than an employee, including taking such actions as procuring any appropriate business or professional license, establishing tax identification numbers and paying for any costs associated with such licensing and tax status. The Company does not seek to engage Contractor in an exclusive relationship and is aware that Contractor is free to do work for other organizations.

(b) Severability; Waiver. If any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason or in any respect whatsoever, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. The parties hereby agree, however, to agree upon an equitable amendment of this Agreement if a substantive provision is affected. The waiver by any party hereto of any breach or default shall not constitute a waiver of any different or subsequent breach or default. No waiver of any provision of this Agreement shall be effective unless stated in writing and signed by authorized members of all parties.

(c) Notices. All notices, requests, demands and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed received (i) on the same day if delivered in person, by same-day courier or by facsimile transmission; provided that if sent by facsimile transmission, a copy is also sent by certified mail, return receipt requested, postage prepaid, (ii) on the next day if delivered by overnight mail or courier, or (iii) three (3) business days after the date of deposit in the mails if being sent by certified mail, return receipt requested, postage prepaid, to the parties at their addresses as set forth at the beginning of this Agreement with a copy to Company's Chief Legal Officer. Any of the parties to this Agreement may from time to time change such party's address for receiving notice by giving written notice thereof in the manner set forth above.

(d) Attorneys' Fees. If any action, suit or other proceeding is instituted concerning or arising out of this Agreement, the prevailing party shall recover all of such party's reasonable costs and attorneys' fees incurred in each and every such action, suit or other proceeding, including any and all appeals or petitions therefrom.

(e) Additional Documents; Cooperation. Each of the parties agrees to execute any and all additional documents or instruments, to cooperate with the other party and to do any and all things necessary or desirable to effectuate the purposes of this Agreement.

(f) No Adverse Construction. The rule that an agreement is to be construed against the party drafting the agreement is hereby waived by the parties hereto and shall have no applicability in construing this Agreement or the terms of this Agreement. Each of the parties acknowledges that it had the right and opportunity to seek independent legal counsel of its own choosing in connection with the execution of this Agreement, and each of the parties represents that it has either done so or that it has voluntarily declined to do so, free from coercion, duress or fraud.

(g) Injunctive Relief. Contractor expressly acknowledges that in the event of the breach by Contractor of any material term, condition, covenant, warranty or representation herein contained, Company may be caused irreparable harm for which the remedy at law is inadequate. Accordingly, Company shall be entitled to seek preliminary and permanent injunctive relief (mandatory or otherwise) in addition to damages, to enforce the provisions of this Agreement, and any other equitable relief which Company deems appropriate.

(h) Assignment. Company shall have the right to assign, license or sublicense any of its rights or obligations in full or in part to any third party; provided that any assignee shall assume Company's obligations hereunder in writing. Contractor shall not have the right to assign any of Contractor's rights or obligations to any third party without the prior written consent of Company.

(i) Governing Law; Arbitration. This Agreement shall be governed by and construed under the laws of the State of California without reference to conflict of laws principles. Section 12(i) of the Employment Agreement is hereby incorporated by reference in its entirety, mutatis mutandis.

(j) Counterparts; Entire Agreement. This Agreement may be executed in one or more identical counterparts, including via facsimile, each of which will be deemed to be an original and, which taken together, shall be deemed to constitute the Agreement when a duly authorized representative of each party has signed a counterpart. This Agreement constitutes the complete and exclusive statement of the agreement between the parties relating to the subject matter hereof, and all provisions representations, discussions, and writings are merged in, and superseded by, this Agreement. This Agreement may be modified only by a subsequent writing signed by both parties. This Agreement shall prevail over any additional, conflicting, or inconsistent terms and conditions.

IN WITNESS WHEREOF, the parties hereto have executed this Independent Contractor Services Agreement as of the Effective Date.

BEACHBODY, LLC
"Company" or "Beachbody"

SUE COLLYNS
"Contractor"

Signed: /Blake T. Bilstad/

Signed: /Sue Collyns/

Print Name: Blake T. Bilstad

Date: /4/19/22/

Title: Chief Legal Officer & Corp. Secretary

Date: /April 19, 2022/

EXHIBIT A

STATEMENT OF WORK NO. 1

This STATEMENT OF WORK NO. 1 (“SOW”) is entered into as of June 1, 2022 (the **“SOW Effective Date”**) and is pursuant to and in accordance with the Independent Contractor Services Agreement, dated of even date herewith (the **“Agreement”**), between **Beachbody, LLC** (**“Beachbody”** or **“Company”**), and Sue Collins (**“Contractor”**). Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement. In the event of a conflict between this SOW and the Agreement, the terms of this SOW shall control.

1. Points Of Contact.

- A. Contractor Contact. Sue Collins in her personal capacity
- B. Beachbody Point of Contact. Marc Suidan
- C. Billing. Department Billing Codes: Department: Finance

2. Period Of Performance. Start date: June 1, 2022

End date: May 31, 2023 (unless terminated earlier in accordance herewith, the inclusive period between the start date and end date shall constitute the **“Term”**)

3. Services. The Contractor will provide the following Services and Deliverables:

- A. Support the Finance Department at the sole direction of Marc Suidan for specific questions and transition assistance that would not constitute more than forty (40) hours of billable work in the aggregate during the Term.
- B. Cooperate and appear for any legal matters, internal investigations, and/or any administrative, regulatory, judicial or other legal proceeding in connection with Contractor’s prior service as Chief Financial Officer and President of the Company

4. Compensation.

- A. Fees. Contractor shall receive a single upfront payment of \$10,000 for payment for Services during the Term.
 - B. Expenses. Beachbody will reimburse Contractor for reasonable expenses as pre-approved in writing and in accordance with Beachbody’s Consultant/Vendor Travel Policy. **There are no reimbursable expenses anticipated for this SOW.**
 - C. Total Compensation. **Total Compensation in this SOW, including any and all reimbursable expenses, will not exceed ten thousand dollars (\$10,000.00).**
 - D. Invoicing Terms. Contractor will invoice Beachbody on a monthly basis as outlined herein, including any approved reimbursable expenses. All undisputed invoices are payable Net 30 from the date of Beachbody’s receipt of the invoice. All invoices will identify any Billing Codes outlined in Section 1 herein and be submitted digitally to beachbodyupload@iqbackoffice.com with a copy to the Beachbody Point of Contact msuidan@beachbody.com.
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5. Counterparts; Entire Agreement. This SOW may be executed in one or more identical counterparts, including via PDF, each of which will be deemed to be an original and, which taken together, shall be deemed to constitute the SOW when a duly authorized representative of each party has signed a counterpart. This SOW may be modified only by a formal amendment in writing signed by authorized representatives of each party. This SOW along with the Agreement contains the entire agreement between the parties, and supersedes all prior agreements, representations and understandings of the parties, whether written or oral, relating to the subject matter hereof. This SOW shall prevail over any conflicting or inconsistent terms and conditions or language in any confirmations, quotes, invoices, online terms and conditions, click through terms or agreements, or the like.

IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have executed this SOW as of the SOW Effective Date.

BEACHBODY, LLC

“Company” or “Beachbody”

SUE COLLYNS

“Contractor”

Signed: /Blake T. Bilstad/

Signed: /Sue Collyns/

Print Name: Blake T. Bilstad

Date: /4/19/22/

Title: Chief Legal Officer & Corp. Secretary

Date: /April 19, 2022/

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Carl Daikeler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Beachbody Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

By: /s/ Carl Daikeler
Carl Daikeler
Chief Executive Officer
 (Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sue Collyns, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Beachbody Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

By: /s/ Sue Collyns

Sue Collyns
Chief Financial Officer
(Principal Financial Officer)

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ Carl Daikeler
Carl Daikeler
Chief Executive Officer
 (Principal Executive Officer)

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ Sue Collyns
Sue Collyns
Chief Financial Officer
 (Principal Financial Officer)