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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 15, 2022

Life360, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**000-56424**	**26-0197666**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

539 Bryant Street, Suite 402
San Francisco, CA 94107
(Address of principal executive offices, including zip code)

(415) 484-5244
(Registrant's telephone number, including area code)

Not applicable.
(Former name or former address, if changed since last report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None.	None.	None.

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

Emerging growth company ☒

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

Item 2.02. Results of Operations and Financial Condition.

We are furnishing this Current Report on Form 8-K in connection with the disclosure of information, in the form of the textual information from a press release issued on August 15, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1) is furnished pursuant to Item 2.02 and shall not be deemed to be "filed" for purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The text included within Item 2.02 of this Current Report on Form 8-K is available on our website located at www.life360.com, although we reserve the right to discontinue that availability at any time.

Item 7.01 Regulation FD Disclosure.

We are furnishing this Item 7.01 of this Current Report on Form 8-K in connection with the disclosure of information, in the form of the textual information from a PowerPoint presentation to be given during a conference call and webcast on August 15, 2022, at 7:30 p.m. Eastern Time. A copy of the PowerPoint presentation to be used for the conference call and webcast is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information in this Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.2) is furnished pursuant to Item 7.01 and shall not be deemed to be "filed" for the purpose of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. This Item 7.01 of this Current Report on Form 8-K will not be deemed an admission as the materiality of any information in this Item 7.01 that is required to be disclosed solely by Regulation FD.

The text included with this Item 7.01 of this Current Report on Form 8-K and the replay of the conference call and webcast will be available on our website located at www.life360.com, although we reserve the right to discontinue that availability at any time.

Item 9.01 Financial Statements and Exhibits.
(d) Exhibits

Exhibit No.	**Description**
99.1	Press release of the Registrant dated August 15, 2022
99.2	Life360, Inc. Investor Presentation

SIGNATURES

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

LIFE360, INC.

Dated:	August 15, 2022	By:	/s/ Russell Burke
			Russell Burke
			Chief Financial Officer

16 August 2022

Life360 reports Q2 and Half Year 2022 results

- Continued strong Life360 user and subscriber YoY momentum with Monthly Active Users (MAU) up 29%, Paying Circles up 41%.
- H1 subscription revenue up 90%, and 60% for core Life360 subscriptions
- Platform established for bundled hardware launch, with initial rollout matching very encouraging earlier test results
- Continued expectation for sustainable positive cash flow in late CY23, and first full year of positive cash flow in CY24; CY22 H1 Adjusted EBITDA and cash burn on track
- Quarter end cash, cash equivalents and restricted cash of $79.3 million

San Francisco-based Life360, Inc. (Life360 or the Company) (ASX: 360) today reported financial results for the three months and six months ended 30 June 2022 (unaudited).

Life360 Chief Executive Officer Chris Hulls said: "Life360's significant business momentum continued in the June 2022 quarter, with net subscriber additions of 111,000, the second highest ever quarterly growth and Monthly Active Users continuing to reach new heights. Annualised Monthly Revenue (excluding hardware) of $174 million is a 65% year-on-year uplift.

"We are seeing resilience from our subscribers and users in the face of more challenging global macroeconomic circumstances, with our usual 'back-to-school' seasonal uplift underway. While we continue to monitor global macroeconomic conditions, in fact we continue to see strong growth in our user and subscriber performance, and maintain confidence in a very promising outlook. With the increasing value of our Membership offering, we are currently market testing higher price points. Although early, the results demonstrate the value of our services and significant pricing power. We are exploring price increases as part of our overall strategy of expanding Membership with hardware devices.

"Our unified platform has been established to launch our bundled hardware Membership offering with the initial rollout matching our very encouraging earlier trial results which delivered a 35% uplift in subscriptions versus the control group.

"As expected, CY22 H1 was a peak period for investment as we rapidly integrated core Life360 with the Tile and Jiobit acquisitions. We expect significantly lower operating losses and cash burn in H2 as we benefit from the early results from the bundled Membership offer, and Tile's usual strong Q4 seasonality. In addition, we expect cost efficiencies arising from the integration, with ~$11m of annualised costs savings expected in H2. Our confidence in a trajectory to Adjusted EBITDA profitability and positive cash flow for CY24 is underpinned by the considerable conversion, upsell and retention upside from bundled Membership, our leaner organisational structure, and outlook for lower subscriber commissions based on out of app purchases."

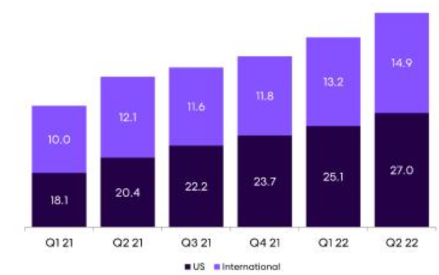
Key Performance Indicators[1]

(in millions, except ARPPC,ARPS,ASP)	Q2 2022	Q1 2022	Q2 2021	% ch YoY	% ch QoQ
Life360 Core					
Monthly Active Users (MAU) - Total	42.0	38.3	32.4	29%	10%
US	27.0	25.1	20.4	33%	8%
International	14.9	13.2	12.1	24%	13%
Australia	1.1	1.0	0.8	34%	8%
Paying Circles - Total	1.42	1.31	1.01	41%	8%
US - Total	1.14	1.06	0.82	39%	7%
International	0.28	0.25	0.19	48%	13%
Average Revenue Per Paying Circle (ARPPC)	$89.34	$87.66	$79.95	12%	2%
Life360 Consolidated (Proforma for 2021)					
Subscriptions	1.97	1.85	1.46	35%	7%
Average Revenue per Subscription (ARPS)	$75.45	$73.88	$66.82	13%	2%
Net hardware units shipped	0.47	0.70	1.02	-54%	-32%
Average Sale Price (ASP)	$14.48	$15.08	$15.70	-8%	-4%

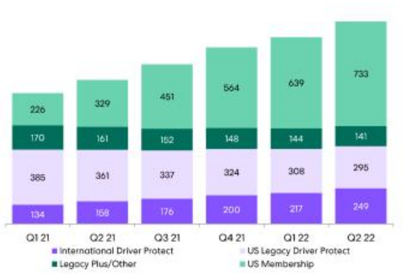
[1] Numbers may not add or recalculate due to rounding

Note: all references to $ are to US$

Monthly Active Users (MAU) (millions)



Paying Circles (thousands)



- MAU increased 29% YoY to 42.0 million, with particularly strong growth in the US which delivered a 33% YoY uplift. Growth has been supported by continued investment in the free user experience which is driving higher retention and increased engagement.
- Paying Circles delivered continued strong momentum up 41% YoY, with net additions of 111,000 our second highest quarterly growth on record, in a traditionally slower seasonal quarter.
- US Paying Circles increased 39% year-on-year, with cumulative new and upsell subscribers in the Membership plans of 733,000, up 123%, comprising Silver (10%), Gold (84%) and Platinum (6%). Membership now makes up 64% of US Paying Circles.
- Average Revenue Per Paying Circle delivered ongoing momentum, lifting 12% year-on-year.
- Net Hardware units reduced reflecting the timing of returns as part of a deliberate strategy to right-size channel inventory ahead of the holiday season, and a move out of less profitable sales channels against the backdrop of the weaker consumer electronics category. We are repositioning inventory for joint Tile/Life360 retail campaigns in the holiday period, and focussing on the primary strategy of bundling with subscription.

Operating Results[2]

Revenue

($ millions) (unaudited)	Q2 2022	Q2 2021	H1 2022	H1 2021
Revenue				
Subscription (direct)	36.0	19.2	69.1	36.4
Hardware	6.8	-	16.5	-
Other (indirect)	6.0	5.8	14.3	11.6
Total	48.8	25.0	99.8	48.0
Annualised Monthly Revenue - June	174.4	105.9	174.4	105.9

- Q2 '22 subscription revenue up 88% YoY (including Tile and Jiobit). Life360 subscription revenue increased 57% YoY benefiting from strong growth in Paying Circles and 12% uplift in Average Revenue Per Paying Circle.
- Hardware revenue impacted by a deliberate strategic shift to prioritize higher margin sales channels, clear channel inventory to manage risk and prioritize inventory for bundled membership distribution against a backdrop of broad softness in the consumer electronics category.
- Q2 '22 other revenue was stable due to the transition to new data arrangement with Placer.ai.
- June Annualised Monthly Revenue increased 65% year-on-year reflecting strong subscription performance and the addition of Tile and Jiobit subscription revenue.

Gross Profit

(unaudited)	Q2 2022	Q2 2021	H1 2022	H1 2021
Gross Profit ($M)	29.3	20.2	64.4	38.8
Gross Margin	60.4%	80.8%	64.7%	80.8%

- Gross profit margin reduced versus prior period reflecting the Tile and Jiobit acquisitions, and hardware's traditionally lower gross margins. Excluding hardware, gross margins were stable at 80%.

[2] Numbers may not add or recalculate due to rounding

Operating expenses

($ millions) (unaudited)	Q2 2022	Q2 2021	H1 2022	H1 2021
Research and Development	27.0	12.0	52.8	22.7
Sales and Marketing	22.9	10.6	46.1	18.8
Paid Acquisition & TV	7.0	2.5	13.6	4.7
Commissions	6.4	5.1	14.7	9.4
Other sales and marketing	9.5	3.0	17.8	4.7
General and administrative	12.8	4.5	26.1	7.9
Total operating expenses	62.8	27.1	125.0	49.4

- Operating expense growth reflects the acquisitions of Tile and Jiobit, with incremental investment of ~$13 million to accelerate integration of the Life360, Tile and Jiobit businesses.
- Investment undertaken to establish the platform to support the rollout of the bundled Membership offering.
- Cost efficiencies already realised from the leaner organisational structure expected to deliver CY22 H2 annualised cost savings of ~$11 million, with full benefit realized in CY23.
- Subscriber commissions expected to reduce over time. We have been notified that Android Gold and Platinum memberships will be exempt from in-app billing, and the trend of in-app billing exemptions is expected to expand further and contribute to margin expansion.

EBITDA and Adjusted EBITDA[3]

($ millions) (unaudited)	Q2 2022	Q2 2021	H1 2022	H1 2021
Net Loss	(33.0)	(6.8)	(58.2)	(10.7)
EBITDA	(31.2)	(6.7)	(56.1)	(10.4)
Non-GAAP Adjustments	12.4	3.4	23.8	5.6
Adjusted EBITDA	(18.7)	(3.3)	(32.3)	(4.8)

- H1'22 Adjusted EBITDA loss of $32.3 million due to peak period of investment ahead of the Life360 and Tile bundled launch and the seasonality of Tile's quarterly contribution.
- H2 Adjusted EBITDA loss expected to reduce to $(3)-(6) million reflecting early benefits from the bundled Membership launch, back-to-school seasonal uplift in subscriptions, Q4 seasonal uplift in Tile revenue and profitability, organisational cost efficiencies and highly targeted growth investment.

[3] EBITDA and Adjusted EBITDA are non-GAAP measures. For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see pages 6-8.

Balance sheet and Cash flow[4]

($ millions) (unaudited)	Q2 2022	Q2 2021	H1 2022	H1 2021
Net cash used in operating activities	(16.9)	(1.9)	(38.5)	(4.9)
Net cash (used in) provided by investing activities	(1.4)	(2.5)	(113.8)	(2.5)
Net cash provided by financing activities	(0.6)	1.6	0.3	1.6
Net (decrease) increase in cash and cash equivalents	(18.9)	(2.8)	(152.0)	(5.9)
Cash, cash equivalents and restricted cash at period end	79.3	50.8	79.3	50.8

- Life360 ended June 2022 with cash, cash equivalents and restricted cash of $79.3 million
- H2'22 net cash used in operating activities of $(38.5) million reflects the significant seasonality of Tile's hardware business and transaction costs. Tile hardware sales are weighted towards the second half and the peak Q4 holiday season when Tile has historically delivered strong positive cash flow.
- H1'22 cash used in investing activities of $(113.8) million reflects the timing of the Tile acquisition.
- H1'22 cash received from financing activities of $0.3 million reflects proceeds from the exercise of options and settlement of RSUs.
- Life360 expects to reduce cash burn in Q3 and deliver positive cash flow in Q4.

[4] Numbers may not add or recalculate due to rounding

Earnings Guidance[5]

As previously indicated, CY22 H1 was a period of significant investment. Life360 expects to start realizing the benefits of integration in H2, as we launch the bundled Membership offering, and see an uplift in hardware in the seasonally higher holiday period in Q4. As a result, CY22 H2 is expected to see considerably lower cash burn, and a much lower Adjusted EBITDA[6] loss.

For CY22 Life360 expects to deliver:

- Core Life360 subscription revenue (excluding Tile and Jiobit) growth in excess of 55%;
- Consolidated revenue of US$245 – 260 million for subscription (direct), hardware and other (indirect) revenue;
- Adjusted EBITDA[6] loss in the range of US$(35)-(38) million. This includes efficiencies flowing in H2 from the Tile integration and restructuring.

We have upgraded our guidance for Life360 subscription revenue growth, and narrowed the range for Consolidated Revenue and Adjusted EBITDA.

Life360 expects to finish CY22 with cash and cash equivalents of approximately $65 million.

We expect Life360 to be on a trajectory to consistently positive Adjusted EBITDA and Operating Cash Flow by late CY23, such that we record positive Adjusted EBITDA and Operating Cash Flow for CY24. This trajectory could be further assisted by the positive impact of potential future price changes.

[5] In regards to forward looking non-GAAP guidance, we are not able to reconcile the forward-looking non-GAAP Adjusted EBITDA measure to the closest corresponding GAAP measure without unreasonable efforts because we are unable to predict the ultimate outcome of certain significant items. These items include, but are not limited to, litigation costs, convertible notes and derivative liability fair value adjustments, and gain on revaluation of contingent consideration.

[6] Adjusted EBITDA was previously referred to as Underlying EBITDA. For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see pages 6-8.

Investor Conference Call

A conference call will be held today at 9.30am AEST, Tuesday 16 August 2022 (Monday 15 August 2022 US PT at 4.30pm). The call will be held as a Zoom audio webinar.

Participants wishing to ask a question should register and join via their browser here
Participants joining via telephone will be in a listen only mode.
Dial in details
Australia : +61 2 8015 6011
US : +1 669 900 6833
Other countries : details
Meeting ID : 946 2708 7392

A replay will be available after the call at https://investors.life360.com

Authorisation

Chris Hulls, Director, Co-Founder and Chief Executive Officer of Life360 authorised this announcement being given to ASX.

About Life360

Life360 operates a platform for today's busy families, bringing them closer together by helping them better know, communicate with and protect the people they care about most. The Company's core offering, the Life360 mobile app, is a market leading app for families, with features that range from communications to driving safety and location sharing. Life360 is based in San Francisco and had 42 million monthly active users (MAU) as at June 2022, located in more than 150 countries.

Contacts

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Future performance and forward-looking statements

This announcement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Life360 intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements can be about future events, including statements regarding Life360's intentions, objectives, plans, expectations, assumptions and beliefs about future events, including Life360's expectations with respect to the financial and operating performance of its business, its capital position, future growth,and its integration of Tile and Jiobit. The words "anticipate, "believe", "expect", "project", "predict", "will", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" and other similar expressions can generally be used to identify forward-looking statements. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on these forward-looking statements as they involve inherent risk and uncertainty (both general and specific) and should note that they are provided as a general guide only. There is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Subject to any continuing obligations under applicable law, Life360 does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement, to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statements are based. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainty, assumptions and contingencies, many of which are outside Life360's control, and are based on estimates and assumptions that are subject to change and may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include risks described in the Company's ASX filings, Form 10 Registration Statement and subsequent reports filed with the Securities and Exchange Commission. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise is disclaimed. This announcement should not be relied upon as a recommendation or forecast by Life360. Past performance information given in this document is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information, future share price performance or any underlying assumptions. Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Life360.

Supplemental Business Metrics[7]

(in millions, except ARPPC,ARPS,ASP)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Life360 Core						
Monthly Active Users (MAU) - Total	28.1	32.4	33.8	35.5	38.3	42.0
US	18.1	20.4	22.2	23.7	25.1	27.0
International	10.0	12.1	11.6	11.8	13.2	14.9
Australia	0.7	0.8	0.8	1.0	1.0	1.1
Paying Circles - Total	0.92	1.01	1.12	1.24	1.31	1.42
US - Total	0.75	0.82	0.91	1.01	1.06	1.14
US – Membership subscribers	0.23	0.33	0.45	0.56	0.64	0.73
International	0.17	0.19	0.21	0.23	0.25	0.28
Average Revenue Per Paying Circle (ARPPC)	$75.92	$79.95	$85.78	$88.69	$87.66	$89.34
Life360 Consolidated (Proforma for 2021)						
Subscriptions	1.34	1.46	1.60	1.75	1.85	1.97
Average Revenue per Subscription (ARPS)	$63.70	$66.82	$71.65	$74.04	$73.88	$75.45
Net hardware units shipped	0.88	1.02	1.02	3.33	0.70	0.47
Average Sale Price (ASP)	$15.68	$15.70	$13.58	$15.12	$15.08	$14.48

[7] Numbers may not add or recalculate due to rounding

Non-GAAP Financial Measures

We collect and analyze operating and financial data to evaluate the health of our business, allocate our resources and assess our performance.

EBITDA and Adjusted EBITDA

In addition to total revenue, net loss and other results under GAAP, we utilize non-GAAP calculations of earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). EBITDA is defined as Net loss, excluding (i) convertible notes and derivative liability fair value adjustments, (ii) provision (benefit) for income taxes, (iii) depreciation and amortization, (iv) other income (expense). Adjusted EBITDA is defined as Net Loss, excluding (i) convertible notes and derivative liability fair value adjustments, (ii) provision (benefit) for income taxes, (iii) depreciation and amortization, (iv) other income (expense), (v) stock-based compensation, (vi) Form 10 transaction costs, (vii) acquisition and integration costs, and (viii) gain on revaluation of contingent consideration.

The above items are excluded from Adjusted EBITDA because these items are non-cash in nature, or because the amount and timing of these items are unpredictable, are not driven by core results of operations and render comparisons with prior periods and competitors less meaningful. We believe EBITDA and Adjusted EBITDA provide useful information to investors and others in understanding and evaluating our results of operations, as well as providing useful measures for period-to-period comparisons of our business performance. Moreover, we have included EBITDA and Adjusted EBITDA in this Quarterly Report on Form 10-Q because they are key measurements used by our management team internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting. However, these non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for or superior to financial information presented in accordance with GAAP, and may be different from similarly titled non-GAAP financial measures used by other companies. As such, you should consider these non-GAAP financial measures in addition to other financial performance measures presented in accordance with GAAP, including various cash flow metrics, net loss and our other GAAP results.

The following table presents a reconciliation of Net Loss, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
EBITDA				
Net Loss	$ (32,985)	$ (6,804)	$ (58,207)	$ (10,656)
Add (deduct):				
Convertible notes fair value adjustment	(532)	—	(2,107)	—
Derivative liability fair value adjustment (1)	(415)	—	(1,328)	—
Provision (benefit) for income taxes	(47)	—	11	—
Depreciation and amortization (2)	2,301	112	4,502	224
Other (income) expense, net	511	(3)	1,056	(8)
EBITDA	$ (31,167)	$ (6,695)	$ (56,073)	$ (10,440)
Stock-based compensation	10,429	2,941	16,524	5,140
Form 10 transaction costs	2,138	—	2,138	—
Acquisition and integration costs	1,136	499	10,394	499
Gain on revaluation of contingent consideration	(1,279)	—	(5,279)	—
Adjusted EBITDA	$ (18,743)	$ (3,255)	$ (32,296)	$ (4,801)

(1) To reflect the change in value of the derivative liability associated with the July 2021 Convertible Notes

(2) Includes depreciation on fixed assets and amortization of acquired intangible assets.

Adjusted loss from ordinary activities after tax

Adjusted loss from ordinary activities after tax is defined as Net Loss, excluding (i) stock-based compensation, (ii) Form 10 transaction costs, (iii) acquisition and integration costs, (iv) gain on revaluation of contingent consideration, and (v) amortization attributable to intangible assets in connection with acquisitions.

The above items are excluded from net loss because these items are non-cash in nature, or because the amount and timing of these items are unpredictable, are not driven by core results of operations and render comparisons with prior periods and competitors less meaningful. This non-GAAP financial measure is presented for supplemental informational purposes only, should not be considered a substitute for or superior to financial information presented in accordance with GAAP, and may be different from similarly titled non-GAAP financial measures used by other companies. As such, you should consider this non-GAAP financial measure in addition to other financial performance measures presented in accordance with GAAP, including various cash flow metrics, net loss and our other GAAP results.

The following table presents a reconciliation of net loss, the most directly comparable GAAP measure, to Adjusted loss from ordinary activities after tax.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
Net Loss	$ (32,985)	$ (6,804)	$ (58,207)	$ (10,656)
Add (deduct):				
Stock-based compensation	10,429	2,941	16,524	5,140
Form 10 transaction costs	2,138	—	2,138	—
Acquisition and integration costs	1,136	499	10,394	499
Gain on revaluation of contingent consideration	(1,279)	—	(5,279)	—
Amortization attributable to intangible assets in connection with acquisitions	2,178	—	4,254	—
Adjusted loss from ordinary activities after tax	(18,383)	(3,364)	(30,176)	(5,017)

Condensed Consolidated Statements of Operations and Comprehensive Loss
(unaudited)

(Dollars in U.S. $, in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Subscription revenue	$ 36,006	$ 19,237	$ 69,068	$ 36,369
Hardware revenue	6,816	—	16,463	—
Other revenue	6,022	5,772	14,283	11,632
Total revenue	48,844	25,009	99,814	48,001
Cost of subscription revenue	7,903	3,786	14,974	7,520
Cost of hardware revenue	10,773	—	18,579	—
Cost of other revenue	880	974	1,855	1,729
Total cost of revenue	19,556	4,760	35,408	9,249
Gross Profit	29,288	20,249	64,406	38,752
Operating expenses:				
Research and development	27,031	12,016	52,768	22,708
Sales and marketing	22,895	10,586	46,137	18,796
General and administrative	12,830	4,454	26,076	7,907
Total operating expenses	62,756	27,056	124,981	49,411
Loss from operations	(33,468)	(6,807)	(60,575)	(10,659)
Other income (expense):				
Convertible notes fair value adjustment	532	—	2,107	—
Derivative liability fair value adjustment	415	—	1,328	—
Other income (expense), net	(511)	3	(1,056)	3
Total other income (expense), net	436	3	2,379	3
Loss before income taxes	(33,032)	(6,804)	(58,196)	(10,656)
Provision (benefit) for income taxes	(47)	—	11	—
Net Loss	$ (32,985)	$ (6,804)	$ (58,207)	$ (10,656)
Net loss per share, basic and diluted	$ (0.53)	$ (0.13)	$ (0.95)	$ (0.21)
Weighted-average shares used in computing net loss per share, basic and diluted	61,883,022	50,405,267	61,540,024	50,298,528
Comprehensive loss				
Net loss	(32,985)	(6,804)	(58,207)	(10,656)
Change in foreign currency translation adjustment	(14)	—	15	—
Total comprehensive loss	$ (32,999)	$ (6,804)	$ (58,192)	$ (10,656)

Condensed Consolidated Balance Sheets

(unaudited)

(Dollars in U.S. $, in thousands, except share and per share data)

	June 30, 2022	December 31, 2021
Assets		
Current Assets:		
Cash and cash equivalents	$ 64,264	$ 230,990
Accounts receivable, net	19,544	11,772
Costs capitalized to obtain contracts, net	1,582	1,319
Inventory	11,138	2,009
Prepaid expenses and other current assets	11,149	10,590
Total current assets	107,677	256,680
Restricted cash	15,056	355
Property and equipment, net	661	580
Costs capitalized to obtain contracts, net of current portion	196	330
Prepaid expenses and other assets, noncurrent	8,050	3,691
Right-of-use-asset	2,024	1,627
Intangible assets, net	56,822	7,986
Goodwill	133,244	31,127
Total Assets	$ 323,730	$ 302,376
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 11,429	$ 3,248
Accrued expenses and other liabilities	29,413	10,547
Escrow liability	13,094	—
Contingent consideration	—	9,500
Convertible notes, current ($3,392 and $4,222 measured at fair value, respectively)	3,392	4,222
Deferred revenue, current	24,835	13,929
Total current liabilities	82,163	41,446
Convertible notes, noncurrent ($6,667 and $8,071 measured at fair value, respectively)	7,089	8,284
Derivative liability, noncurrent	68	1,396
Deferred revenue, noncurrent	3,472	—
Other noncurrent liabilities	1,285	1,205
Total Liabilities	$ 94,077	$ 52,331
Commitments and Contingencies (Note 11)		
Stockholders' Equity		
Common Stock, $0.001 par value; 100,000,000 shares authorized as of June 30, 2022 (unaudited) and December 31, 2021; 62,087,105 and 60,221,799 issued and outstanding as of June 30, 2022 (unaudited) and December 31, 2021, respectively	62	61
Additional paid-in capital	453,437	416,278
Notes due from affiliates	(311)	(951)
Accumulated deficit	(223,550)	(165,343)
Accumulated other comprehensive income	15	—
Total stockholders' equity	229,653	250,045
Total Liabilities and **Stockholders' Equity**	$ 323,730	$ 302,376

Condensed Consolidated Statements of Cash Flows
(unaudited)
(Dollars in U.S. $, in thousands)

	Six months ended	
	June 30, 2022	June 30, 2021
Cash Flows from Operating Activities:		
Net loss	$ (58,207)	$ (10,656)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,502	224
Amortization of costs capitalized to obtain contracts	1,671	2,255
Stock-based compensation expense	16,524	5,140
Compensation expense in connection with revesting notes (Note 7)	(114)	—
Noncash interest (income) expense, net	239	(12)
Convertible notes fair value adjustment	(2,107)	—
Derivative liability fair value adjustment	(1,328)	—
Gain on revaluation of contingent consideration	(5,279)	—
Noncash revenue from affiliate	(511)	—
Changes in operating assets and liabilities:		
Accounts receivable, net	20,054	(2,989)
Prepaid expenses and other assets	6,597	3,526
Inventory	(1,605)	—
Costs capitalized to obtain contracts, net	(1,799)	(1,048)
Accounts payable	(15,016)	(1,513)
Accrued expenses and other liabilities	(3,062)	793
Deferred revenue	507	158
Other noncurrent liabilities	406	(797)
Net cash used in operating activities	(38,528)	(4,919)
Cash Flows from Investing Activities:		
Cash paid for acquisition, net of cash acquired	(113,401)	—
Internal use software	(396)	—
Cash advance on convertible note receivable	—	(2,500)
Net cash used in investing activities	(113,797)	(2,500)
Cash Flows from Financing Activities:		
Proceeds from the exercise of options	1,766	1,288
Taxes paid related to net settlement of equity awards	(1,494)	(1,835)
Issuance of common stock	85	—
Cash paid for deferred offering costs	(705)	—
Proceeds from repayment of notes due from affiliates	648	—
Cash received in advance of the issuance of convertible notes	—	2,110
Net cash provided by financing activities	300	1,563
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(152,025)	(5,856)
Cash, Cash Equivalents and Restricted Cash at the Beginning of the Period	231,345	56,611
Cash, Cash Equivalents, and Restricted Cash at the End of the Period	$ 79,320	$ 50,755
Non-cash investing and financing activities:		
Fair value of stock issued in connection with an acquisition	$ 15,409	$ —
Fair value of warrants held as investment in affiliate	5,474	—
Fair value of stock issued in settlement of contingent consideration	4,221	—
Total non-cash investing and financing activities:	$ 25,104	$ —


CY22 H1
Results
Investor Presentation
16 August 2022
Life360

Disclaimer

This document dated 16 August 2022 has been prepared by Life360, Inc. (ARBN 629 412 942) (Company) and is provided for information purposes only. It contains summary information about the Company and its activities and is current as at the date of this document. It should be read in conjunction with the Company's periodic and continuous disclosure announcements filed with the Australian Securities Exchange and the U.S. Securities and Exchange Commission, available at www.asx.com.au and www.sec.gov, respectively.

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Investors should note that this document may contain unaudited financial information for the Company that has been prepared by the Company's management. The Company's results are reported under US-GAAP. Investors should be aware that certain financial data included in this presentation including direct revenue, indirect revenue, average revenue per paying circle (ARPPC), average revenue per User (ARPU) and annualised monthly revenue (AMR) is "non-IFRS information" under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by ASIC or "non-GAAP financial measures" within the meaning of Regulation G of the Exchange Act. Note that the Company is not required to comply with Regulation G, and it does not provide a reconciliation and other disclosures about its non-IFRS information or non-GAAP financial measures that would be required by Regulation G.

All values are stated in US dollars unless otherwise stated.

Agenda

Business and Strategy Update
Chris Hulls, Co-Founder and CEO

Financial Overview
Russell Burke, CFO

Outlook
Chris Hulls, Co-Founder and CEO

Q&A
Chris Hulls and Russell Burke

Appendix
1. Operating metrics
2. Unit Economics – Marketing payback
3. Non-GAAP financial measures

Note : All references in this presentation to $ are to US$

Life360


Business
Update

CY22 H1 achievements

Creating a one-stop trusted family safety membership service

Delivering strong core subscription momentum

42m Monthly Active Users +29% YoY

1.4m Paying Circles +41% YoY, second highest ever quarterly net subscriber additions

Executing Tile integration strategy

Platform in place for bundled Tile hardware Membership offering

Life360's bundle offer matching prior test results with a 35% subscription uplift

Establishing a pathway to profitability

$174m AMR* +65% YoY achieving significant revenue scale

Unified platform in place to support improved subscriber conversion, retention metrics and pricing power

Integrated leaner cost base and reducing commissions to drive efficiencies in CY23

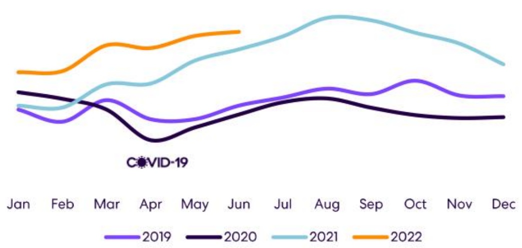
Membership growth meeting bullish expectations
Adjusted EBITDA** and cash burn as expected

*June 2022 Annualised Monthly Revenue (AMR) excluding hardware revenue
**Adjusted EBITDA was previously referred to as Underlying EBITDA. For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see Appendix 3

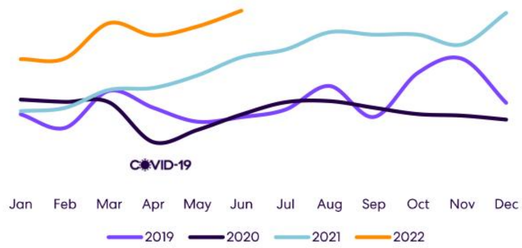
Resilience in current challenging macro environment

On track for seasonal Q3 uplift with higher overall volumes

US trials



US new subscriptions



CY22 H1 User Highlights

Connecting families and saving lives

1,138,353
Help alerts sent

105,731,475,183
Miles driven with Life360 Crash Detection

14,349
Ambulances dispatched

12,092,565,856
Safe arrival notifications

373 billion
Tile Bluetooth location updates

"My boys were headed to go do chores when they were involved in a pretty serious accident which involved multiple fence posts being hit, some of which actually impaled the windshield of their vehicle. From what I can tell, Life360 immediately called 911 and within less than two minutes of the accident had notified me. Both the boys are home and are going to hopefully make a complete full recovery. Had we not had this app, it's unlikely I would have found out about this or known about the accident for a significant amount of time. It's not a very heavily travelled road. It's not very likely either one of them would have been able to find their phones. So we are so grateful and so thankful for Life360 and what they were able to do for us at our time of need, and we will forever be a customer.

Life360 user

CYH1 Results Summary

- Continued strong subscription revenue momentum, up 90% including Tile and Jiobit subscriptions, and 60% for Life360 subscriptions on a like-for-like basis
- Hardware revenue constrained by strategic shift to prioritize higher margin sales channels, reduced paid acquisition spending, broad softness in consumer electronics, and deliberate strategy to clear channel inventory
- Annualized Monthly Revenue (excluding hardware) increase of 65%
- CY22 H1 Adjusted EBITDA loss was as expected due to peak period of investment ahead of the Life360 and Tile bundled launch, and seasonality of Tile's contribution
- CY22 H2 expectations reflect continued growth in subscriber metrics and revenue; peak seasonal period for hardware revenue flowing into positive EBITDA and cashflow in Q4; cost efficiencies from integration

Peak investment period ahead of Life360 and Tile bundled launch and Tile seasonal holiday uplift

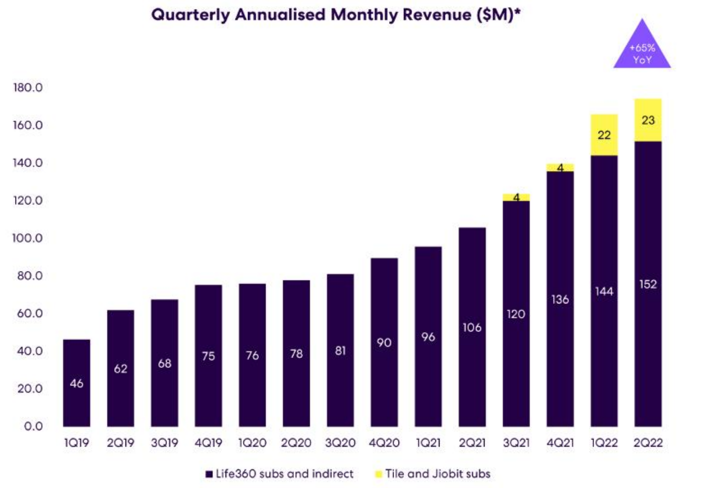
$M	CY21 H1	CY22 H1	% ch YoY	CY22 H2 Guidance	CY22 Guidance
Revenue					
Subscription (Direct)	36.4	69.1	*90%*		
Hardware	-	16.5	*NM*		
Other (Indirect)	11.6	14.3	*23%*		
Total revenue	**48.0**	**99.8**	***108%***	**145-160**	**245-260**
Annualized Monthly Revenue (AMR)	105.9	174.4	*65%*		
Adjusted* EBITDA	**(4.8)**	**(32.3)**		**(3)-(6)**	**(35)-(38)**
Adjusted* net profit/(loss)	**(5.0)**	**(30.2)**			
Cash and cash equivalents	**50.8**	**79.3**			**~65**

Tile Q4 seasonal holiday uplift, improving subscriber metrics, integration cost efficiencies

Note: Tables may not add due to rounding.
*Adjusted EBITDA was previously referred to as Underlying EBITDA. For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see Appendix 3

Accelerating subscription revenue growth

AMR has more than tripled since the IPO in May 2019



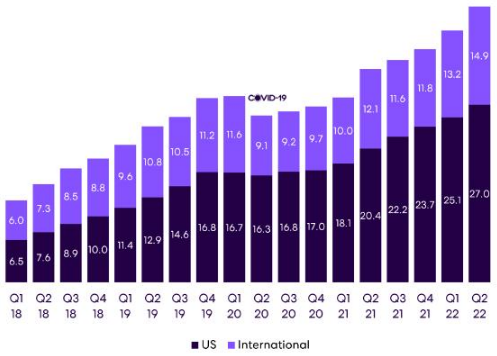
Note: Numbers may not add due to rounding
*Annualised Monthly Revenue excludes hardware

Life360

Global MAU reaching new heights with strong retention

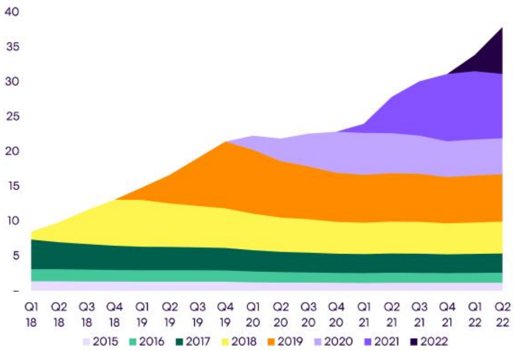
Year-on-year growth of 29%

Life360 Core Monthly Active Users (MAU)(M)



- US MAU of 27.0 million increased 33% year-on-year
- International MAU of 14.9 million increased 24% year-on-year

Life360 Core Returning Monthly Active Users by cohort (RMAU)*(M)



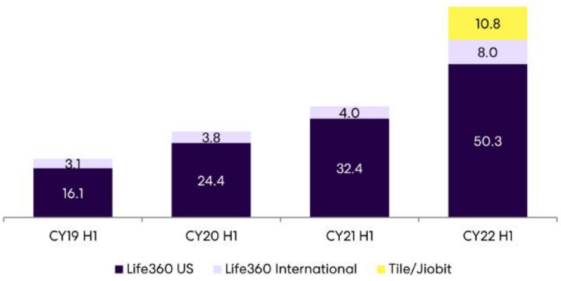
- RMAU strength reflects increasing engagement due to continued enhancements to the free user experience

*Returning Monthly Active Users are defined as users that are active in a given month who have registered more than 30 days ago

Subscription (Direct) Revenue

YoY increase of 90%, +60% for Life360 subscription

Subscription revenue* ($M)

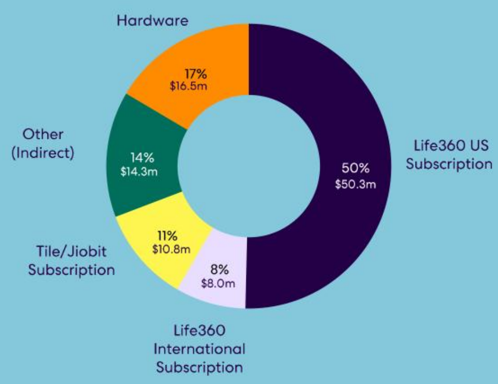


- Strong rebound in developed international territories with Paying Circles in the UK and Australia up more than 60% YoY

*CY20 revenue is normalised revenue excluding non-recurring adjustment. Direct revenue allocations by region for CY20 have been reclassified to conform with new methodology

Life360

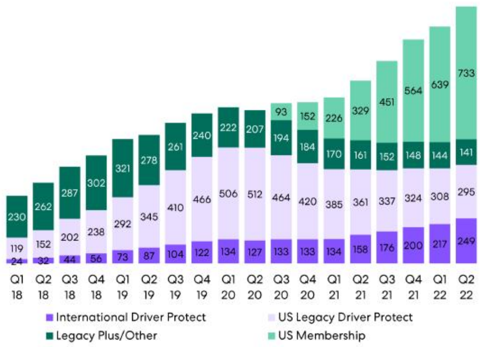
Subscription (direct) revenue as a % revenue (CY22 H1)



Accelerating Paying Circle growth

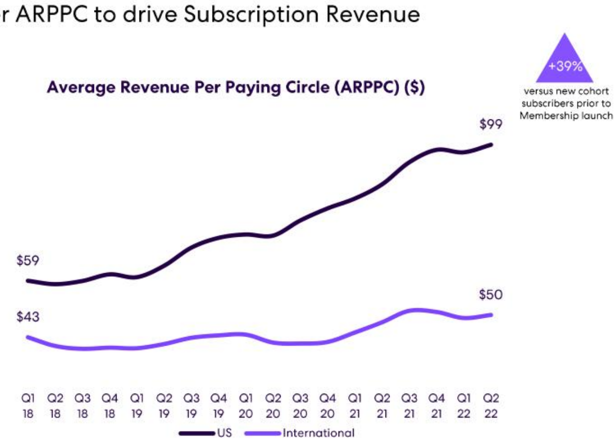
Paying Circle acceleration combining with higher ARPPC to drive Subscription Revenue

Paying Circles by product line (000s)



- Cumulative new and upsell subscribers in the Membership plans of 733,000, comprising Silver (10%), Gold (84%) and Platinum (6%)

Average Revenue Per Paying Circle (ARPPC) ($)

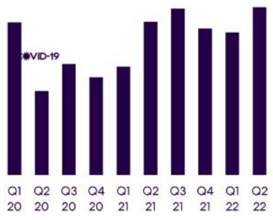


- Q2'22 ARPPC increased 13% year-on-year for US subscribers and 4% for international subscribers

Strong US Paying Circle conversion and net additions

Record US registrations and increasing conversion driving strong subscriber growth

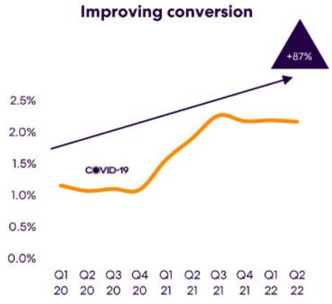
Record US registrations



- Q2 22 new US registrations are a second quarter record

+

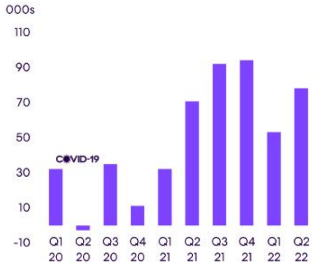
Improving conversion



- Improving user experience is encouraging conversion to paid

=

Strong US Paying Circle net additions

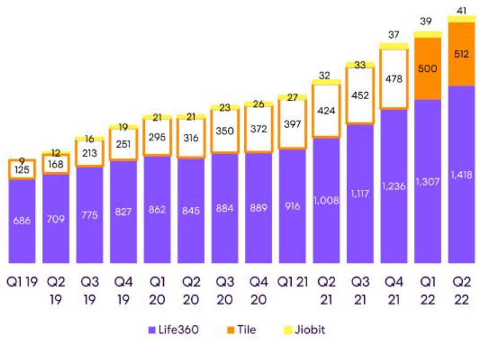


- Continued strong momentum in net additions in seasonally lower Q1 and Q2

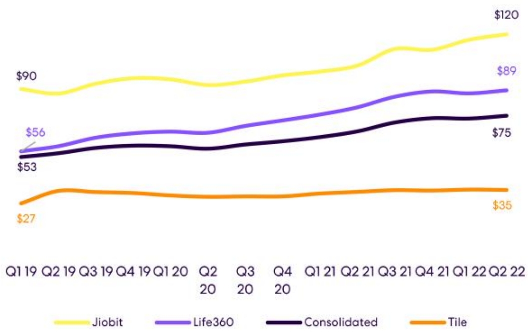
Tile and Jiobit

Scaling Life360's consolidated subscriptions

Life360 Consolidated subscriptions (millions)*



Life360 Consolidated Average Revenue Per Subscriber (ARPS) $*

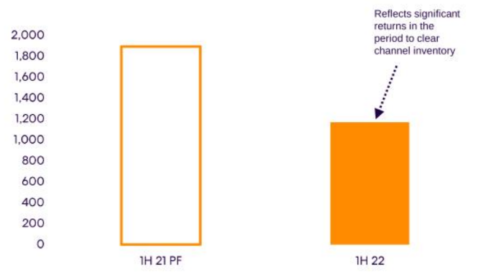


*Source: Jiobit is proforma to Q3 21 and Tile is proforma to Q4 21

Hardware Revenue

Strategy in place to support bundled Membership and maximize Q4 seasonal uplift

Tile and Jiobit units (net) (000s)*

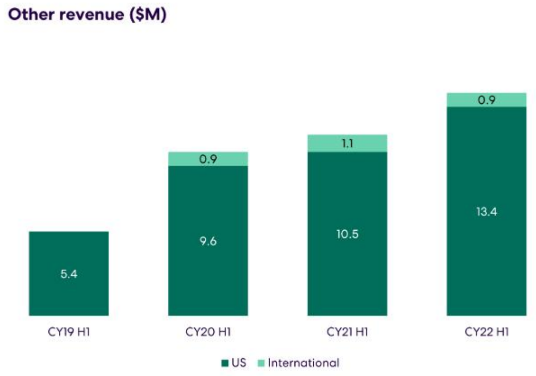


- Strategic shift to prioritize higher margin sales channels and reduced paid acquisition spending to drive strong unit economics
- This includes repositioning inventory for joint Tile/Life360 retail campaigns in the holiday period
- Deliberate strategy to clear channel inventory as part of overall inventory management, to manage risk and set up for success in following periods
- Prioritizing inventory for bundled membership distribution as part of overall inventory management
- Broad softness in industry-wide Consumer Electronics trends
- AirTags' bad press significantly reduced channel and partner demand. Recent coverage is far more positive.
- Unit sales have stabilized, with US Amazon Prime Day sales in July up 6% YoY
- Strategic focus on Q4 which traditionally delivers more than 50% of annual sales

* Proforma for H1 21

Other (Indirect) Revenue

Year-on-year increase of 23%



Data

- New partnership with Placer.ai in January 2022 to transition Life360 solely to sales of aggregated insights
- Minimum revenue guarantee based on the size of Life360's monthly active user base is expected to preserve revenue in-line with CY21 year-end run rate results for the duration of the three year agreement
- Intentional decision to trade off growth opportunity for predictability and reduced regulatory risk

Lead generation

- Auto insurance lead generation with Allstate formally launched in May 2019
- Limited strategic focus area in the short term, with significant long term growth potential


Strategy
Update

Life360, Tile and Jiobit integrated offering

Completing our '360' vision of protecting people, pets and things

Expanded addressable market and brand reach

- Bundled offering will have broader applicability to additional demographics
- Long-term this opens up additional markets such as elder care
- Expanded reach will open additional paid channels and improved top-of-funnel

Higher conversion to paid and increased ARPPC

- Customers are more willing to pay for something they can physically touch
- Bundled offering will enable increased pricing and/or shift to higher tiers
- Potential for paid conversion and ARPPC to increase by double digit percentage

Reduced churn

- Subscriptions tied to physical devices have exceptionally high retention rates
- Jiobit for example, has almost double the 12 month retention as Life360 standalone

Improved pricing power and overall LTV

- Enhanced membership offering will deliver greater pricing power
- Price + Higher Conversion + better retention = improved LTV

Life360 and Tile integration

H1 integration efforts to be reflected in H2

Brand campaign

Introduce and drive awareness of Tile as part of Life360 brand

Educate users about integrated Tile + Life360 product experience

Expanded Tile Finding Network

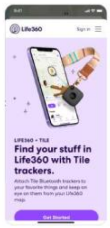
Tile's Finding Network activated

Bundled subscriptions*

Tiles offered as part of bundled subscription offer

Integrated Tile/360 rollout

Members can add Tiles to their Paying Circle map



Life360 retail offer

New funnel for Life360 Membership acquisition

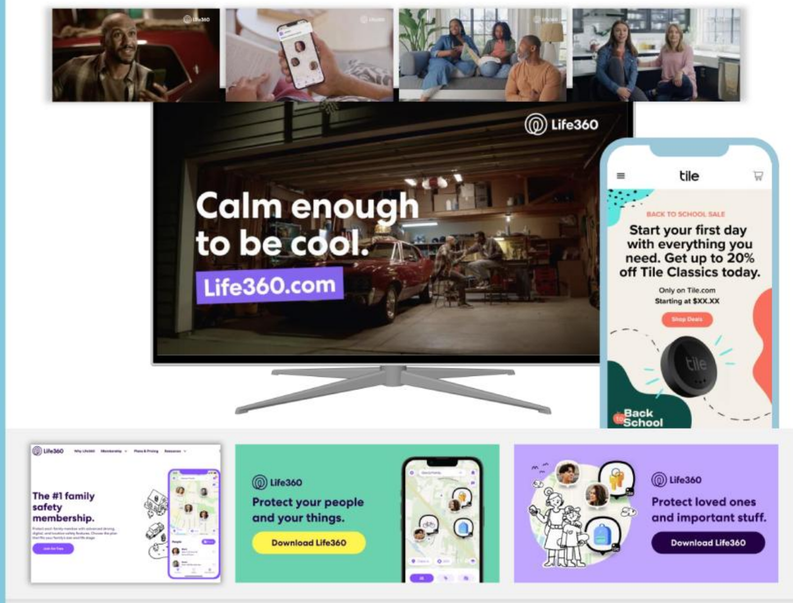
* Will be delivered initially via a "Gift with Membership" promotional offer, followed by a fully integrated membership offer including Tile hardware

TILE INTEGRATION:

Back to School brand campaign

Introducing Life360+Tile

- Creative approach to unite the two brands under a family safety umbrella
- Streaming TV, audio and social focused on brand awareness and user acquisition for both brands
- Already driving the lowest costs per install after only a few weeks on-air

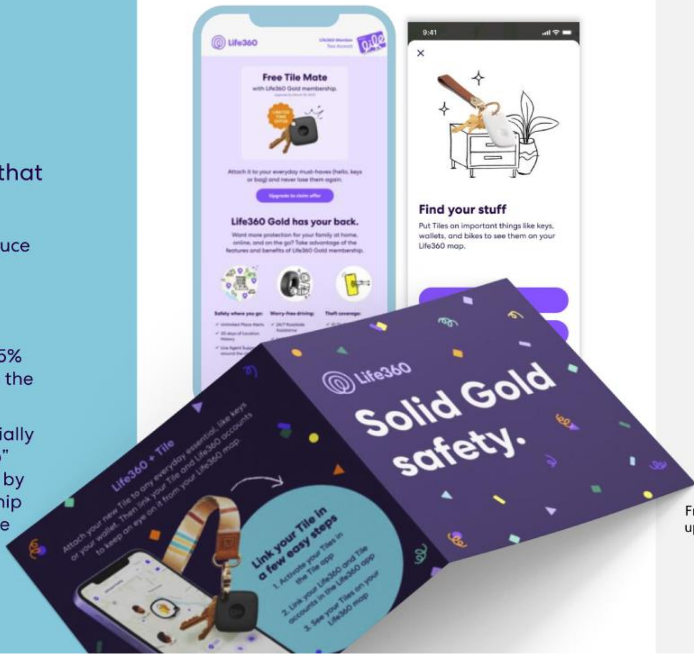


TILE INTEGRATION:

Bundled Membership

Vision: keep everything that matters safe and sound

- Raise awareness and introduce Tile in the Life360 app
- Includes Tiles as part of bundled subscription offer
- Bundling tests achieved a 35% uplift in subscriptions versus the control group
- Bundle will be delivered initially via a “Gift with Membership” promotional offer, followed by a fully integrated membership offer including Tile hardware



Free and Silver Members upgrade to Gold, get a Tile Mate ($25 value)

Free, Silver and Gold Members upgrade to Platinum, get a Tile Starter Pack ($55 value)

Life360

TILE INTEGRATION:

Tile Finding Network

Life360's integration increases Tile's reach by up to 10x

- Combining Life360's global network of more than 42 million smartphone users with Tile app and access point partnerships via Amazon and others
- Enables the only vertically integrated, cross-platform solution of scale in the market
- The expanded platform solves Tile's key disadvantage versus Airtags

TILE INTEGRATION:

Holiday season retail Life360 offer

Testing a new funnel for Life360 subscriber acquisition

- Update signage with Life360 and Tile co-branding
- Bundle offer including Life360 membership with select Tile purchase
- In-box documentation with Life360 activation codes

ESG : Progressing our Sustainability journey

Life360 Core Values are Family Safety and Security

Employees

- **Employee Resource Group**: Creating safe spaces for minority groups and women engineers to connect in the workplace
- **People and talent training**: Budget allocation to support training programs, self-paced development and mentorship program
- **Additional employee benefits**: New benefits including Platinum Life360 membership, mental health support, family planning, fitness and medical care

Environment

- **Emissions**: Achieved carbon neutrality for 2020 and 2021
- **IT resources**: Minimizing initial IT set-up to avoid e-waste
- **Travel**: Remote-first company reduces commuting requirements. Carpooling required for all in-person company gatherings
- **Digital communications**: Migration to all digital employee communications to eliminate physical deliveries

Governance

- **Policies and reporting**: New ESG policy and materiality matrix; launch of Sustainability website investors.life360.com/ Sustainability/; participation in external ESG surveys to increase reporting transparency
- **ESG planning and management**: Establishment of dedicated cross functional ESG committee
- **Data security**: Rollout of company wide training programs to enhance security practices

Community

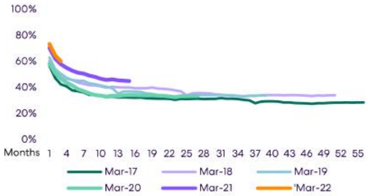
- **Data**: Agreement with Placer.ai provides a differential privacy service and additional de-identification and commercialization of solely aggregated data insights
- **Privacy policies**: Strengthened internal privacy policies and practices
- **Philanthropy**: Employee volunteering initiatives supporting groups such as families of military personnel and the disabled
- **Free user experience**: Ongoing investment in the free user experience to support family safety and security


Financial
Overview

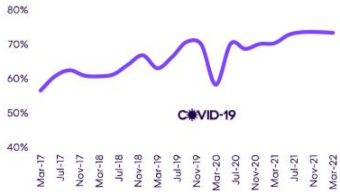
Market leading retention metrics

US Organic User Retention

Relative retention by cohort (% total)

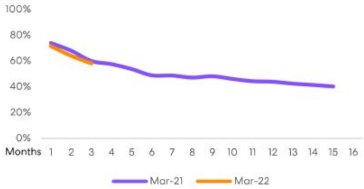


Month 1 user retention over time

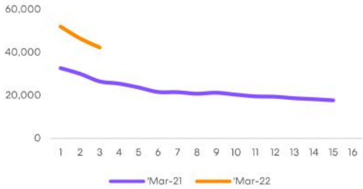


US Membership Subscription Retention

Relative retention by cohort (% total)



Absolute retention by cohort (000s)



- Line chart indicates how long users within a given cohort remain with Life360
- User retention rates benefit from reactivation of previous users
- Month 1 organic user retention delivering ongoing improvement following COVID-19 related dip
- Membership subscribers showing stable retention with significantly higher absolute subscriber growth rate. Retention is typically lower in periods of high growth

Unit Economics

Significant uplift in cohort revenue in the first full month $M

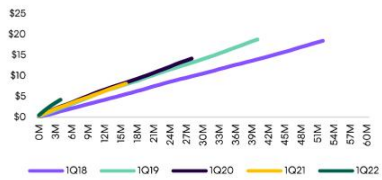
- Significant uplift in conversion to paid, and larger user cohorts emerging from COVID have more than doubled the first full month's revenue of each cohort from 2Q21 onwards

Life360

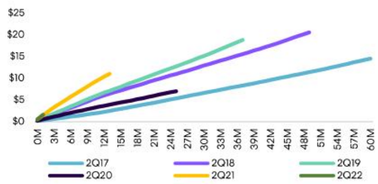
Unit Economics

User cohort cumulative revenue $M*

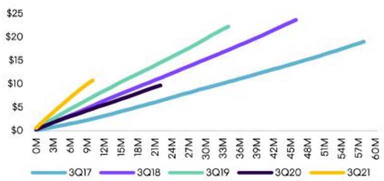
Quarter 1



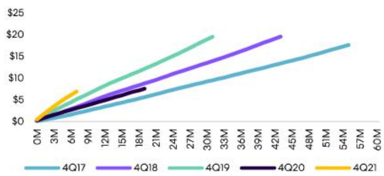
Quarter 2



Quarter 3



Quarter 4



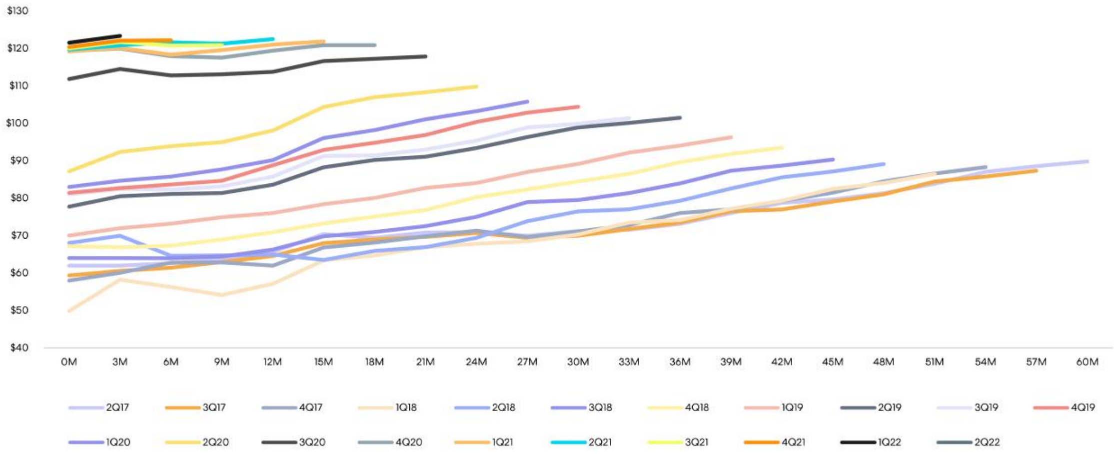
*Revenue per cohort includes global direct and indirect revenue generated by each quarterly cohort over time. Excludes legacy ADT partnership revenue

Life360

- COVID impacted revenue for CY20 Q2 to CY21 Q1
- Increased conversion to paid earlier in a cohort's lifecycle driving significant uplift in cohort revenue for CY21 Q2 cohorts onwards

Unit Economics

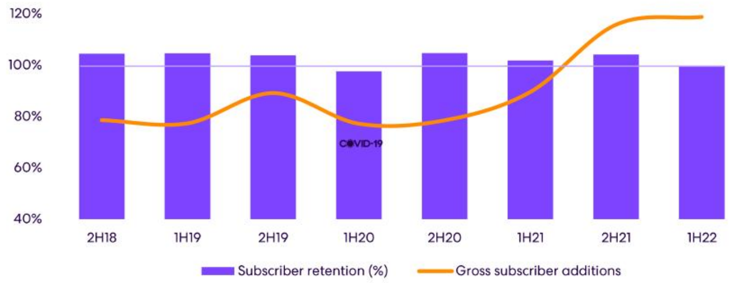
Significant US ARPPC uplift from the launch of membership with significant room for growth



Unit Economics

Net subscription revenue retention at 100% even as absolute growth in subscribers accelerates

Net Revenue Retention - Subscription (vs Previous Half)*



Net revenue retention is measured based on the revenue in the final month of the previous period compared to the revenue from the same set of users earned over the next six months e.g. for 1H19, revenue retention is calculated as the average monthly revenue over the period vs. the revenue earned in December 2018.

- The strength of Life360's freemium model is reflected in net subscription revenue retention maintaining at 100% or greater. This is supported by success in driving free users to paid subscriptions, and paid subscribers into higher price plans
- In each half year period (excluding 1H20), net revenue retention is at or above 100% across the cohort of users who had signed up by the end of the previous period
- Retention remains strong even as absolute subscriber growth accelerates, indicating that subscriber quality is being maintained

Income Statement

$M	CY22 H1	CY21 H1	% ch YoY
U.S. revenue			
Subscription (Direct)	61.0	32.4	88%
Other (Indirect)	13.4	10.5	28%
International revenue			
Subscription (Direct)	8.0	4.0	100%
Other (Indirect)	0.9	1.1	(18)%
Hardware	16.5	-	100%
Total revenue	**99.8**	**48.0**	**108%**
Cost of Revenue	(32.4)	(9.0)	260%
Stock Based Compensation	(0.8)	(0.2)	300%
Depreciation and amortization	(2.2)	-	100%
Total cost of revenue	(35.4)	(9.2)	285%
Gross Profit	**64.4**	**38.8**	**66%**
Gross Margin %	*64.5%*	*80.8%*	
Research and Development	(43.8)	(19.4)	(126)%
User acquisition	(8.8)	(2.4)	(267)%
Sales and marketing	(35.2)	(16.1)	(119)%
General and administrative	(19.2)	(6.4)	(200)%
Stock Based Compensation	(15.7)	(4.9)	(220)%
Operating expenses	**(122.7)**	**(49.2)**	**(149)%**
Statutory EBITDA	**(56.1)**	**(10.4)**	**(439)%**
Depreciation and amortisation	(4.5)	(0.3)	(1400)%
EBIT	**(60.6)**	**(10.7)**	**(466)%**
Net interest	2.4	0.0	100%
Income tax benefit/(provision)	(0.1)	0.0	(100)%
Statutory Net Profit/(loss)	**(58.2)**	**(10.7)**	**(444)%**
Non-GAAP Adjustments:			
Stock Based Compensation	16.5	5.1	224%
Transaction costs incurred for acquisitions and Form 10	12.6	0.5	(100)%
Gain on revaluation of Contingent Consideration	(5.3)	0.0	(100)%
Adjusted EBITDA excl. non-GAAP adjustments*	**(32.3)**	**(4.8)**	**(573)%**
Adjusted net profit/(loss) excl. non-GAAP adjustments*	**(30.2)**	**(5.0)**	**(504)%**
Diluted share count (period end)	62,087,105	50,729,047	
Diluted share count (period avg)	61,540,024	50,298,528	

Note: Tables may not add due to rounding

*Adjusted EBITDA was previously referred to as Underlying EBITDA. For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see Appendix 3

Life360

Commentary

- Direct revenue growth of 90% supported by 41% YoY growth in Paying Circles to 1.4 million, 12% increase in ARPPC supported by the success of the Membership model and contribution of Tile and Jiobit's subscription revenue from date of acquisition
- Indirect revenue growth of 23% underpinned by growth in Data revenue
- Gross margin reduced year-on-year due to hardware costs associated with the Tile and Jiobit acquisitions, and higher technology costs.
- Increased Research and Development expenses due to increased headcount to support product development
- Higher user acquisition expenses largely due to the Tile and Jiobit acquisitions, offset by a shift from traditional performance marketing to new channels including streaming TV.
- Higher sales and marketing expense due to increased commissions and spend on new marketing channels including TV
- General and administration expense increase reflects scaling of headcount to support growth in the business, insurance, facilities, public company requirements and costs incurred for acquisitions.
- Higher EBITDA loss driven by investment in growth for Tile and Jiobit acquisitions

Balance Sheet

$M	StatutoryJune 2022	StatutoryDec 2021
Cash and cash equivalents	64.3	231.0
Accounts receivable	19.5	11.8
Costs capitalised to obtain revenue contracts, net	1.6	1.3
Prepaid expenses and other current assets	11.1	10.9
Inventory	11.2	2.0
Total current assets	**107.7**	**257.0**
Restricted cash	15.1	0.4
Property and equipment, net	0.7	0.6
Costs capitalised to obtain revenue contracts, net of current portion	0.2	0.3
Intangible assets, net	56.8	8.0
Goodwill	133.2	31.1
Right of use asset	2.0	1.6
Other non-current assets	8.0	3.3
Total non-current assets	**216.0**	**45.3**
Total assets	**323.7**	**302.3**
Accounts payable and accrued expenses	53.9	13.4
Contingent liability	-	9.9
Convertible note debt, current	3.4	4.2
Deferred revenue	24.8	13.9
Total current liabilities	**82.1**	**41.5**
Convertible note debt, non-current	7.1	8.3
Other non-current liabilities	4.8	2.6
Total non-current liabilities	**11.9**	**10.9**
Total liabilities	**94.0**	**52.3**
Common stock	0.1	0.1
Notes from affiliates	(0.3)	(1.0)
Additional paid-in capital	453.4	416.2
Accumulated deficit	(223.5)	(165.3)
Total equity	**229.7**	**250.0**
Total equity & liabilities	**323.7**	**302.3**

Note: Tables may not add due to rounding

Life360

Commentary

- Cash and cash equivalents decreased by $166.7 million largely due to cash payments made in relation to the Tile acquisition in January 2022. Cash and cash equivalents of $79.3m
- Accounts receivable increase of $7.7m relates to timing of receipts from channel partners and the addition of Tile retail partner customers
- Inventory increase of $9.2 million reflects the hardware associated with the Tile acquisition
- Intangible assets and goodwill increased by $48.8m and $102.1m respectively as a result of the Tile acquisition
- Accounts payable and accrued expenses increased by $40.5m due to the Tile acquisition and the associated seasonality of the hardware business
- Contingent liability reduced by $9.9m due to the resolution of the Jiobit earn-out
- Convertible note debt, current of $3.4m and non-current of $7.1 million relates to the Bryant Stibel investment round and convertible debt issued in relation to the Jiobit acquisition

Cash Flow

$M	CY22 H1	CY21 H1
Statutory EBITDA (pre user acquisition)	(47.3)	(8.0)
User acquisition costs	(8.8)	(2.4)
Statutory EBITDA	(56.1)	(10.4)
Stock-based compensation	16.5	5.1
Deferred revenue	0.5	(0.6)
Costs capitalised to obtain contracts	(1.8)	(1.0)
Changes in other operating assets and liabilities	7.4	(0.3)
Other non cash items in EBITDA	(5.0)	2.3
Net Cash Inflow / (Outflow) from Operating Activities	**(38.5)**	**(4.9)**
Purchases of capital assets and cash paid for acquisition, net	(0.4)	-
Cash paid for acquisition, net of cash acquired	(113.4)	-
Cash advance on convertible note receivable in connection with an acquisition	-	(2.5)
Net Cash Inflow / (Outflow) from Investing Activities	**(113.8)**	**(2.5)**
Net proceeds from the exercise of options and grant of stock awards, net of repurchase	0.3	(0.5)
Proceeds from capital raise in connection with an acquisition, net of transaction costs	-	-
Cash received in connection with issuance of convertible notes	-	2.1
Net Cash Inflow / (Outflow) from Financing Activities	**0.3**	**1.6**
Net Cash Inflow / (Outflow)	(152.0)	(5.9)
Cash at Beginning of Period	231.3	56.6
Cash at End of Period	**79.3**	**50.8**

Note: Tables may not add due to rounding

Commentary

- Net cash outflows from operating activities increased by $33.6m reflecting investment to grow the business and the Jiobit and Tile acquisitions
- Net cash outflows from investing activities are in connection with the Tile acquisition
- Net cash inflows from financing activities reflect the cash proceeds from exercise of options

Outlook

Pathway to profitability

	CY22 H1	CY22 H2	CY23	CY24
	Investing in Tile and Jiobit integration	**Rollout of bundled Membership offering**	**Full year of bundled offering and cost efficiencies**	**Scaling the integrated business**
Adjusted EBITDA*	$(32)m	$(3)-(6)m	Trajectory to profitability and positive cash flow	Profitability and positive cash flow
Revenue drivers	• Continued strong Life360 subscriber growth • Low seasonal Tile contribution	• H2 subscriber revenue uplift from bundled Membership launch • Q4 seasonal Tile revenue uplift and profitability	• Pricing power from expanded Membership offering • Full year subscriber revenue uplift from bundled offer - Higher conversion rates - Higher ARPPC through US upsell - International expansion	
Expense drivers	• Incremental investment of ~$13 million to rapidly integrate the Life360, Tile and Jiobit businesses	• Efficiencies from H1 Tile integration with ~$11m of annualised cost savings • Highly targeted growth investment	• Cost base at scale providing profitability leverage • Reducing commissions from out of app purchases • Limited growth in headcount	
Cash and cash equivalents	$72.3m	~$65m	Increasing cash balance	

*Adjusted EBITDA was previously referred to as Underlying EBITDA. For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see Appendix 3

Outlook

- As previously indicated, CY22 H1 was a period of significant investment. The investment and cash burn were as anticipated, and Life360 expects to start realizing the benefits of integration in H2, as we launch the bundled Membership offering and see an uplift in hardware in the seasonally higher holiday period in Q4. As a result, CY22 H2 is expected to see considerably lower cash burn, and a much lower Adjusted EBITDA* loss.
- For CY22 Life360 expects to deliver:
  - Core Life360 subscription (direct) revenue (excluding Tile and Jiobit) growth in excess of 55%;
  - Consolidated revenue of US$245-260 million for subscription (direct), hardware and other (indirect) revenue;
  - Adjusted EBITDA loss* in the range of US$(35)-(38) million. This includes efficiencies flowing in H2 from the Tile integration and restructuring.
- We have upgraded our guidance for Life360 subscription revenue growth, and narrowed the range for Consolidated Revenue and Adjusted EBITDA.
- Life360 expects to finish CY22 with cash and cash equivalents of approximately $65 million.
- We expect Life360 to be on a trajectory to consistently positive Adjusted EBITDA and Operating Cash Flow by late CY23, such that we record positive Adjusted EBITDA and operating cashflow for CY24. This trajectory could be further assisted by the positive impact of potential future price changes.

*Adjusted EBITDA was previously referred to as Underlying EBITDA. For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see Appendix 3


Q&A


Appendix

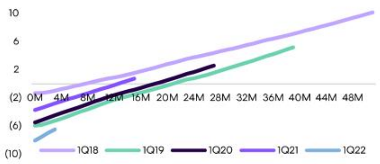
1. Operating Metrics

(in millions, except ARPPC,ARPS,ASP)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Life360 Core						
Monthly Active Users (MAU) - Total	28.1	32.4	33.8	35.5	38.3	42.0
US	18.1	20.4	22.2	23.7	25.1	27.0
International	10.0	12.1	11.6	11.8	13.2	14.9
Australia	0.7	0.8	0.8	1.0	1.0	1.1
Paying Circles - Total	0.92	1.01	1.12	1.24	1.31	1.42
US - Total	0.75	0.82	0.91	1.01	1.06	1.14
US – Membership subscribers	0.23	0.33	0.45	0.56	0.64	0.73
International	0.17	0.19	0.21	0.23	0.25	0.28
Average Revenue Per Paying Circle (ARPPC)	$75.92	$79.95	$85.78	$88.69	$87.66	$89.34
Life360 Consolidated (Proforma for 2021)						
Subscriptions	1.34	1.46	1.60	1.75	1.85	1.97
Average Revenue per Subscription (ARPS)	$63.70	$66.82	$71.65	$74.04	$73.88	$75.45
Hardware units shipped	0.88	1.02	1.02	3.33	0.70	0.47
Average Sale Price (ASP)	$15.68	$15.70	$13.58	$15.12	$15.08	$14.48

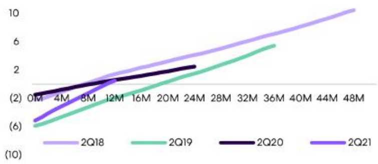
2. Unit Economics

Marketing payback $M

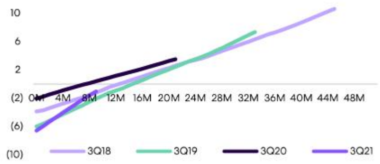
Quarter 1



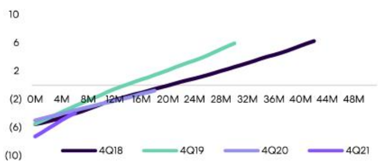
Quarter 2



Quarter 3



Quarter 4



- Blended summary provides performance insight into overall efforts across all channels in aggregate
- Return to growth in 1H'21 underpinned the decision to increase marketing spend including investments in brand and TV spend.
- 2H'21 investment into marketing accelerated, including a national brand campaign and an expansion of performance marketing spend
- 1H'22 user acquisition and TV spend increased, based on the strength of the 2021 performance

3. Non-GAAP Financial Measures

We collect and analyze operating and financial data to evaluate the health of our business, allocate our resources and assess our performance.

EBITDA and Adjusted EBITDA

In addition to total revenue, net loss and other results under GAAP, we utilize non-GAAP calculations of earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). EBITDA is defined as Net loss, excluding (i) convertible notes and derivative liability fair value adjustments, (ii) provision (benefit) for income taxes, (iii) depreciation and amortization, (iv) other income (expense). Adjusted EBITDA is defined as Net Loss, excluding (i) convertible notes and derivative liability fair value adjustments, (ii) provision (benefit) for income taxes, (iii) depreciation and amortization, (iv) other income (expense), (v) stock-based compensation, (vi) Form 10 transaction costs, (vii) acquisition and integration costs, and (viii) gain on revaluation of contingent consideration.

The above items are excluded from Adjusted EBITDA because these items are non-cash in nature, or because the amount and timing of these items are unpredictable, are not driven by core results of operations and render comparisons with prior periods and competitors less meaningful. We believe EBITDA and Adjusted EBITDA provide useful information to investors and others in understanding and evaluating our results of operations, as well as providing useful measures for period-to-period comparisons of our business performance. Moreover, we have included EBITDA and Adjusted EBITDA in this Quarterly Report on Form 10-Q because they are key measurements used by our management team internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting. However, these non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for or superior to financial information presented in accordance with GAAP, and may be different from similarly titled non-GAAP financial measures used by other companies. As such, you should consider these non-GAAP financial measures in addition to other financial performance measures presented in accordance with GAAP, including various cash flow metrics, net loss and our other GAAP results.

The following table presents a reconciliation of Net Loss, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
EBITDA				
Net Loss	$ (32,985)	$ (6,804)	$ (58,207)	$ (10,656)
Add (deduct):				
Convertible notes fair value adjustment	(532)	—	(2,107)	—
Derivative liability fair value adjustment (1)	(415)	—	(1,328)	—
Provision (benefit) for income taxes	(47)	—	11	—
Depreciation and amortization (2)	2,301	112	4,502	224
Other (income) expense, net	511	(3)	1,056	(8)
EBITDA	$ (31,167)	$ (6,695)	$ (56,073)	$ (10,440)
Stock-based compensation	10,429	2,941	16,524	5,140
Form 10 transaction costs	2,138	—	2,138	—
Acquisition and integration costs	1,136	499	10,394	499
Gain on revaluation of contingent consideration	(1,279)	—	(5,279)	—
Adjusted EBITDA	$ (18,743)	$ (3,255)	$ (32,296)	$ (4,801)

(1) To reflect the change in value of the derivative liability associated with the July 2021 Convertible Notes

(2) Includes depreciation on fixed assets and amortization of acquired intangible assets

3. Non-GAAP Financial Measures cont'd

Adjusted loss from ordinary activities after tax

Adjusted loss from ordinary activities after tax is defined as Net Loss, excluding (i) stock-based compensation, (ii) Form 10 transaction costs, (iii) acquisition and integration costs, (iv) gain on revaluation of contingent consideration, and (v) amortization attributable to intangible assets in connection with acquisitions.

The above items are excluded from net loss because these items are non-cash in nature, or because the amount and timing of these items are unpredictable, are not driven by core results of operations and render comparisons with prior periods and competitors less meaningful. This non-GAAP financial measure is presented for supplemental informational purposes only, should not be considered a substitute for or superior to financial information presented in accordance with GAAP, and may be different from similarly titled non-GAAP financial measures used by other companies. As such, you should consider this non-GAAP financial measure in addition to other financial performance measures presented in accordance with GAAP, including various cash flow metrics, net loss and our other GAAP results.

The following table presents a reconciliation of net loss, the most directly comparable GAAP measure, to Adjusted loss from ordinary activities after tax.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
Net Loss	$ (32,985)	$ (6,804)	$ (58,207)	$ (10,656)
Add (deduct):				
Stock-based compensation	10,429	2,941	16,524	5,140
Form 10 transaction costs	2,138	—	2,138	—
Acquisition and integration costs	1,136	499	10,394	499
Gain on revaluation of contingent consideration	(1,279)	—	(5,279)	—
Amortization attributable to intangible assets in connection with acquisitions	2,178	—	4,254	—
Adjusted loss from ordinary activities after tax	(18,383)	(3,364)	(30,176)	(5,017)