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 14, 2023

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.)

1900 South Norfolk Street, Suite 310
San Mateo, CA 94403
(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 textual information from a media release issued on August 14, 2023. A copy of the media release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

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 14, 2023 at 6:30 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 Item 2.02 (including Exhibit 99.1) and Item 7.01 (including Exhibit 99.2) of this Current Report on Form 8-K is furnished and shall not be deemed to be "filed" for the 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, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

The text included with this Item 2.02 and 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	Media release of the Registrant dated August 14, 2023
99.2	Life360, Inc. Investor Presentation
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

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

		LIFE360, INC.	
Dated:	August 14, 2023	By:	/s/ Russell Burke
			Russell Burke
			Chief Financial Officer

15 August 2023

Life360 reports Q2 2023 results

- **Total Q2'23 revenue of $70.8 million, a YoY increase of 45%, with core Life360 Subscription revenue[1] of $47.6 million, up 57% YoY**
- **Annualized Monthly Revenue[2] (AMR) of $248.7 million, up 43% YoY**
- **Q2'23 net loss of $4.4 million; positive Adjusted EBITDA[3] of $5.7 million, the second consecutive quarter of positive Adjusted EBITDA; positive Operating Cash Flow of $3.7 million**
- **Paying Circles up 17% YoY, with net quarterly additions of 62 thousand versus 73 thousand in Q1'23 despite the impact of Android price increases rolled out in April 2023**
- **U.S. Average Revenue Per Paying Circle (ARPPC) of $140.78 increased 42% YoY reflecting the benefits of higher pricing**
- **Quarter-end cash, cash equivalents and restricted cash of $64.2 million following the Q2'23 final payment associated with the Tile acquisition**
- **CY23 guidance reiterated for more than 50% YoY growth for core Life360 subscription revenue, consolidated revenue of $300 million - $310 million and positive Operating Cash Flow of $5 million - $10 million**
- **CY23 guidance for positive Adjusted EBITDA[3] increased to $9 million - $14 million from $5 million - $10 million.**

San Francisco area-based Life360, Inc. (Life360 or the Company) (ASX: 360) today reported unaudited financial results for the quarter and half year ended June 30, 2023. Life360 Co-founder and Chief Executive Officer Chris Hulls said: "The Life360 business has maintained growth momentum through Q2, with Global MAUs up 29% YoY and AMR up 43% to $248.7 million. We saw good growth in Paying Circles despite the price increase for existing U.S. Android subscribers implemented in April. We added 62 thousand global net subscribers during Q2'23 compared with 73 thousand in Q1'23. The 17% year-on-year uplift in Paying Circles was supported by international Paying Circles increasing 44% YoY, with international net adds remaining at close to all-time record levels.

"We are seeing particularly encouraging results from predominantly English speaking countries (Canada, U.K., Australia) which saw Paying Circles increase 54% YoY. The launch of triple tier Membership in the U.K. is on track for early Q4'23. Our investment in the international user experience is paying off with significant gains in MAUs, Paying Circles and Revenue, and retention metrics which are closing the gap to U.S. levels.

"The April price increase for existing U.S. Android subscribers supported further gains in global ARPPC which increased 31% YoY. Android churn was largely in line with our expectations and is returning to baseline levels.

"We are seeing early promising results from Tile Membership bundling, with a greater than 10% uplift in Month 1 and Month 2 relative retention rates for subscribers who have redeemed Tile hardware. While our strategic focus with Tile remains on driving subscription revenue rather than stand-alone retail sales, we are encouraged with the 70% YoY uplift in Tile's hardware revenue from the depressed levels of a year ago, along with margin improvements. This reflects the success of our strategic initiatives to clear channel inventory and prioritize higher margin sales channels.

"Our strategy of balancing fiscal responsibility with prudent investment has underpinned the significant progress we have demonstrated in managing our cost base. Q2'23 non-GAAP operating expenses of $48.6 million decreased 2% YoY, and 5% compared with Q1'23. Our second consecutive quarter of positive Adjusted EBITDA of $5.7 million delivered a $24.4 million turnaround in Adjusted EBITDA YoY. As a result of this cost management we have increased guidance to positive Adjusted EBITDA of $9 million to $14 million for CY23.

Our balance sheet remains strong following the final payment associated with the Tile acquisition. The cash, restricted cash and cash equivalents balance was $64.2 million at the end of Q2'23, with positive Operating Cash flow expected for the remainder of CY23."

Note: The financial information in this announcement is unaudited and may not add or recalculate due to rounding. All references to $ are to U.S. $.

1 Core Life360 subscription revenue is defined as subscription revenue derived from the Life360 mobile application, excluding certain revenue adjustments related to bundled Life360 subscription and hardware offerings, for the reported period.

2 We use Annualized Monthly Revenue ("AMR") to identify the annualized monthly value of active customer agreements for a particular period. AMR includes the annualized monthly value of subscription, data and partnership agreements. All components of these agreements that are not expected to recur are excluded

3 Adjusted EBITDA is a Non-GAAP measure. For the definition of Adjusted EBITDA and the use of this Non-GAAP measure, as well as a reconciliation of Net Loss to Adjusted EBITDA, refer to the Non-GAAP Financial Measures section below

Key Performance Indicators

(in millions, except ARPPC, ARPPS, and ASP)	Q2 2023	Q1 2023	Q2 2022	% QoQ	% YoY
Life360 Core[4]					
Monthly Active Users (MAU) - Global	54.0	50.8	42.0	6 %	29 %
U.S.	33.6	31.7	27.0	6 %	24 %
International	20.4	19.1	14.9	7 %	36 %
Australia	1.6	1.5	1.1	8 %	42 %
Paying Circles - Total	1.63	1.57	1.39	4 %	17 %
U.S.	1.23	1.20	1.12	2 %	10 %
International	0.40	0.36	0.27	9 %	44 %
Average Revenue per Paying Circle (ARPPC)	$ 119.25	$ 120.70	$ 90.88	(1)%	31 %
Life360 Consolidated (Adjusted for 2022)[5]					
Subscriptions	2.2	2.1	1.9	3 %	14 %
Average Revenue per Paying Subscription (ARPPS)	$ 97.83	$ 97.98	$ 76.38	— %	28 %
Net hardware units shipped (standalone)	0.7	0.6	0.5	15 %	42 %
Average Sale Price (ASP)	$ 15.76	$ 17.22	$ 14.48	(8)%	9 %
Annualized Monthly Revenue (AMR)[6]	$ 248.7	$ 239.5	$ 174.4	4 %	43 %

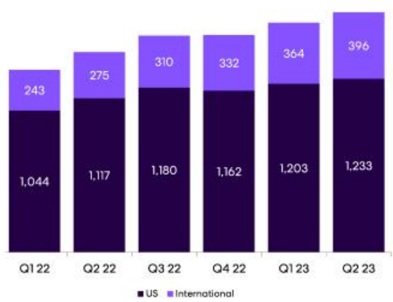
4 Life360 Core metrics relate solely to the Life360 mobile application

5 With the exception of AMR, metrics presented for the three months ended March 31, 2022 are adjusted to include pre-acquisition data for Tile related to periods before the acquisition of Tile on January 5, 2022.

6 We use Annualized Monthly Revenue ("AMR") to identify the annualized monthly value of active customer agreements at the end of a reporting period. AMR includes the annualized monthly value of subscription, data and partnership agreements. All components of these agreements that are not expected to recur are excluded.

Monthly Active Users (MAU) (millions)

Paying Circles (thousands)



- Global MAU increased 29% YoY to 54.0 million, with Q2'23 net additions of 3.2 million. U.S. MAU increased 24% YoY, with net adds of 1.9 million. International MAU increased 36% with net adds of 1.3 million. Australian MAU increased 42% YoY to 1.6 million.

- Paying Circle growth maintained strong momentum in Q2'23 despite the impact of Android price increases which were implemented in April. Net additions of 62 thousand were achieved in Q2'23, with U.S. Paying Circles increasing 10% YoY despite the price increases. International Paying Circles continued to grow strongly, up 44% YoY. Our U.S. Membership plan subscribers comprise Silver 16%, Gold 80% and Platinum 4% of total.
- Global ARPPC increased 31% YoY with the benefit of U.S. price increases implemented during Q4'22. International ARPPC increased 2% YoY. The marginal QoQ decline in Global and International ARPPC was largely the result of foreign exchange impacts on international revenue.
- Net Hardware Units Shipped increased 15% from the prior quarter and 42% YoY reflecting a decreased number of returns in the current period, and backdrop of weaker consumer electronics demand in Q2'22. The Company's strategy to improve retail economics and reduce promotions supported ASP which increased 9% YoY.

Operating Results

Revenue

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
($ millions)		*(unaudited)*		
Subscription revenue	$ 52.7	$ 36.0	$ 104.4	$ 69.1
Hardware revenue	11.6	6.8	21.6	16.5
Other revenue	6.5	6.0	13.0	14.3
Total revenue	$ 70.8	$ 48.8	$ 138.9	$ 99.8
Annualized Monthly Revenue - June	$ 248.7	$ 174.4	$ 248.7	$ 174.4

- Q2'23 Consolidated subscription revenue increased 46% YoY (including hardware subscription) to $52.7 million. Life360 core subscription revenue increased 57% YoY supported by the 17% YoY uplift in Paying Circles, and 31% higher ARPPC.
- Q2'23 Hardware revenue increased 70% YoY due to an increase in the number of units shipped and higher ASP.
- Q2'23 Other revenue increased 8% YoY reflecting the strategic shift to a single data partnership from January 2022, and the terms associated with the arrangement.
- June AMR increased 43% YoY reflecting strong subscription revenue momentum.

Gross Profit

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
($ millions, except percentages)		*(unaudited)*		
Gross Profit	$ 54.8	$ 29.3	$ 104.6	$ 64.4
Gross Margin	*77 %*	*60 %*	*75 %*	*65 %*
Gross Margin (Subscription Only)	*88 %*	*78 %*	*86 %*	*78 %*

- Q2'23 gross profit margin increased to 77% from 60% in the prior year period, reflecting the uplift in subscription only margins to 88% due to higher pricing, and the benefit from a one-time adjustment which reduced product costs recorded to cost of revenue in connection with the discontinuation of certain battery-related membership benefits. Hardware gross margins increased due to higher average sales price and a one-time adjustment in connection with the discontinuation of certain battery related membership benefits.

Operating expenses

($ millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
		(unaudited)		
Research and development	$ 23.2	$ 27.0	$ 50.4	$ 52.8
Sales and marketing	23.3	22.9	47.7	46.1
Paid acquisition & TV	*6.6*	*7.0*	*13.0*	*13.6*
Commissions	*10.5*	*6.4*	*20.8*	*14.7*
Other sales and marketing	*6.2*	*9.5*	*13.9*	*17.8*
General and administrative	12.5	12.8	25.7	26.1
Total operating expenses	**$ 59.0**	**$ 62.8**	**$ 123.7**	**$ 125.0**

- Q2'23 YoY operating expenses decreased 6% from the prior period, largely due to lower research and development costs resulting from reduced headcount. Commissions were higher YoY in line with the growth in subscription revenue, however were largely offset by lower other sales and marketing expenses and paid acquisition.

EBITDA and Adjusted EBITDA[7]

($ millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
		(unaudited)		
Net Loss	$ (4.4)	$ (33.0)	$ (18.5)	$ (58.2)
EBITDA	(2.0)	(31.2)	(14.6)	(56.1)
Non-GAAP Adjustments	7.7	12.4	20.8	23.8
Adjusted EBITDA	**$ 5.7**	**$ (18.7)**	**$ 6.2**	**$ (32.3)**

- Q2'23 delivered a positive Adjusted EBITDA contribution of $5.7 million versus an Adjusted EBITDA loss of $18.7 million in the prior corresponding period as a result of continued strong subscription revenue growth and the impact of additional cost efficiencies implemented in January.

7 EBITDA and Adjusted EBITDA are non-GAAP measures. For definitions of EBITDA and Adjusted EBITDA, a description of these non-GAAP measures' use, and a reconciliation of Net Loss to EBITDA and Adjusted EBITDA, refer to the Non-GAAP Financial Measures section below.

Balance Sheet and Cash Flow

($ millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
		(unaudited)		
Net cash provided by/(used in) operating activities	$ 3.7	$ (16.9)	$ (5.5)	$ (38.5)
Net cash used in investing activities	(0.5)	(1.4)	(0.9)	(113.8)
Net cash provided by/(used in) financing activities	(15.1)	(0.6)	(19.8)	0.3
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(11.9)	(18.9)	(26.2)	(152.0)
Cash, Cash Equivalents, and Restricted Cash at the End of the Period	**$ 64.2**	**$ 79.3**	**$ 64.2**	**$ 79.3**

- Life360 ended Q2'23 with cash, cash equivalents and restricted cash of $64.2 million, with unrestricted cash increasing by $1 million from Q1'23.
- Q2'23 net cash provided by operating activities was $3.7 million. The differential to Adjusted EBITDA of $5.7 million was due to non-recurring workplace restructuring costs, adjustments relating to an inventory write-off and membership changes, and timing of manufacturing payments.
- Q2'23 net cash used in investing activities was $0.5 million which related to payments for internally developed software.

Note: The financial information in this announcement is unaudited and may not add or recalculate due to rounding. All references to $ are to U.S. $.

- Q2'23 net cash used in financing activities of $15.1 million relates to final payments associated with the acquisition of Tile, taxes paid for the net settlement of equity awards offset by proceeds from the exercise of options.

Earnings Guidance[8]

For CY23, Life360 expects to deliver:

- Core Life360 subscription revenue growth in excess of 50% YoY;
- Hardware revenue growth of 0% to 5%;
- Other revenue of approximately $26 million;
- Consolidated revenue of $300 million - $310 million;
- Positive Adjusted EBITDA of $9 million - $14 million;
- Positive Operating Cash Flow of $5 million - $10 million; and
- Positive Adjusted EBITDA and Operating Cash Flow for the remaining quarters of CY23.[9]

8 With respect 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, which are fluid and unpredictable in nature. In addition, the Company believes such a reconciliation would imply a degree of precision that may be confusing or misleading to investors. These items include, but are not limited to, litigation costs, convertible notes and derivative liability fair value adjustments, and gains/losses on revaluation of contingent consideration. These items may be material to our results calculated in accordance with GAAP.

9 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, refer to the Non-GAAP Financial Measures section below.

Investor Conference Call

A conference call will be held today at 9.30am AEST, Tuesday 15 August 2023 (Monday 14 August U.S. 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 listen only mode.

Dial in details

Australia: +61 2 8015 6011
U.S.: +1 669 444 9171
Other countries: **details**
Meeting ID: 934 1063 7470

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

Authorization

Chris Hulls, Director, Co-Founder and Chief Executive Officer of Life360 authorized 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 pets, people and things 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 Mateo and had approximately 54 million monthly active users (MAU) as of June 30, 2023 located in more than 150 countries. For more information, please visit life360.com.

Tile, a Life360 company, locates millions of unique items every day by giving everything the power of smart location. Leveraging its superior nearby finding features and vast community that spans over 150 countries, Tile's cloud-based finding platform helps people find the things that matter to them most. In addition to trackers in multiple form factors for a variety of use cases, Tile's finding technology is embedded in over 55 partner products across audio, travel, wearables, smart home, and PC categories. For more information, please visit Tile.com.

Note: The financial information in this announcement is unaudited and may not add or recalculate due to rounding. All references to $ are to U.S. $.

Contacts

For Australian investor inquiries:
Jolanta Masojada, +61 417 261 367
jmasojada@life360.com

For U.S. investors
investors@life360.com

For Australian media inquiries:
Giles Rafferty, +61 481 467 903
grafferty@firstadvisers.com.au

For U.S. media inquiries:
press@life360.com

Life360's CDIs are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (Securities Act) for offers of securities which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. As a result of relying on the Regulation S exemption, the CDIs are 'restricted securities' under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the US or to a US person who is not a QIB for the foreseeable future except in very limited circumstances until after the end of the restricted period, unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a FOR Financial Product designation on the ASX. This designation restricts any CDIs from being sold on ASX to US persons excluding QIBs. However, you are still able to freely transfer your CDIs on ASX to any person other than a US person who is not a QIB. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.

Forward-looking statements

This announcement and the accompanying conference call contain 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 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, including subscription revenue, hardware revenue, consolidated revenue, Adjusted EBITDA, and operating cash flow; its capital position; future growth; and the impact of past price increases on future results of operations and churn; and the impact of past price increases on future results of operations and churn; user engagement, conversion and retention and subscriber churn; the strategic value and opportunities for Tile; operating cost savings, including through reduced commissions as well as Life360's expectations of any changes to the information disclosed herein. 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 and should not be relied on as an indication or guarantee of future performance. 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.

Although Life360 believes that the expectations reflected in the forward-looking statements and the assumptions upon which they are based are reasonable, Life360 can give no assurance that such expectations and assumptions will prove to be correct and, actual results may vary in a materially positive or negative manner. Forward-looking statements 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 related to the preliminary nature of financial results, risks related to Life360's business, market risks, Life360's need for additional capital, and the risk that Life360's products and services may not perform as expected, as described in greater detail under the heading "Risk Factors" in Life360's ASX filings, including its Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 15, 2023 and other reports filed with the SEC. 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.

Note: The financial information in this announcement is unaudited and may not add or recalculate due to rounding. All references to $ are to U.S. $.

Condensed Consolidated Statements of Operations and Comprehensive Loss

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

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Subscription revenue	$ 52,727	$ 36,006	$ 104,391	$ 69,068
Hardware revenue	11,585	6,816	21,569	16,463
Other revenue	6,476	6,022	12,971	14,283
Total revenue	70,788	48,844	138,931	99,814
Cost of subscription revenue	6,388	7,903	14,433	14,974
Cost of hardware revenue	8,736	10,773	18,162	18,579
Cost of other revenue	881	880	1,723	1,855
Total cost of revenue	16,005	19,556	34,318	35,408
Gross Profit	54,783	29,288	104,613	64,406
Operating expenses:				
Research and development	23,182	27,031	50,379	52,768
Sales and marketing	23,347	22,895	47,663	46,137
General and administrative	12,497	12,830	25,706	26,076
Total operating expenses	59,026	62,756	123,748	124,981
Loss from operations	(4,243)	(33,468)	(19,135)	(60,575)
Other income (expense):				
Convertible notes fair value adjustment	(266)	532	(194)	2,107
Derivative liability fair value adjustment	(254)	415	(240)	1,328
Other income (expense), net	617	(511)	1,460	(1,056)
Total other income, net	97	436	1,026	2,379
Loss before income taxes	(4,146)	(33,032)	(18,109)	(58,196)
Provision for (benefit from) income taxes	267	(47)	375	11
Net loss	(4,413)	(32,985)	(18,484)	(58,207)
Net loss per share, basic and diluted	$ (0.07)	$ (0.53)	$ (0.28)	$ (0.95)
Weighted-average shares used in computing net loss per share, basic and diluted	66,467,200	61,883,022	66,032,405	61,540,024
Comprehensive loss				
Net loss	(4,413)	(32,985)	(18,484)	(58,207)
Change in foreign currency translation adjustment	2	(14)	26	15
Total comprehensive loss	$ (4,411)	$ (32,999)	$ (18,458)	$ (58,192)

Note: The financial information in this announcement is unaudited and may not add or recalculate due to rounding. All references to $ are to U.S. $.

Condensed Consolidated Balance Sheets

(Dollars in U.S. $, in thousands)

(unaudited)

	June 30, 2023	December 31, 2022
Assets		
Current Assets:		
Cash and cash equivalents	$ 62,404	$ 75,444
Restricted cash, current	—	13,274
Accounts receivable, net	33,468	33,125
Inventory	10,390	10,826
Costs capitalized to obtain contracts, net	1,348	1,438
Prepaid expenses and other current assets	9,896	8,548
Total current assets	117,506	142,655
Restricted cash, noncurrent	1,746	1,647
Property and equipment, net	829	393
Costs capitalized to obtain contracts, noncurrent	846	626
Prepaid expenses and other assets, noncurrent	6,718	7,134
Operating lease right-of-use asset	1,396	802
Intangible assets, net	49,092	52,699
Goodwill	133,674	133,674
Total Assets	$ 311,807	$ 339,630
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	7,111	$ 13,791
Accrued expenses and other current liabilities	24,394	27,015
Escrow liability	—	13,274
Convertible notes, current	6,129	3,513
Deferred revenue, current	31,065	30,056
Total current liabilities	68,699	87,649
Convertible notes, noncurrent	1,918	4,060
Derivative liability, noncurrent	341	101
Deferred revenue, noncurrent	1,759	2,706
Other liabilities, noncurrent	1,377	576
Total Liabilities	$ 74,094	$ 95,092
Commitments and Contingencies		
Stockholders' Equity		
Common Stock	68	67
Additional paid-in capital	513,081	501,763
Notes due from affiliates	—	(314)
Accumulated deficit	(275,456)	(256,972)
Accumulated other comprehensive income (loss)	20	(6)
Total stockholders' equity	237,713	244,538
Total Liabilities and Stockholders' Equity	$ 311,807	$ 339,630

Note: The financial information in this announcement is unaudited and may not add or recalculate due to rounding. All references to $ are to U.S. $.

Condensed Consolidated Statements of Cash Flows

(Dollars in U.S. $, in thousands)
(unaudited)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash Flows from Operating Activities:		
Net loss	$ (18,484)	$ (58,207)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,549	4,502
Amortization of costs capitalized to obtain contracts	864	1,671
Amortization of operating lease right-of-use asset	460	—
Stock-based compensation expense	18,224	16,524
Compensation expense in connection with revesting notes	73	(114)
Non-cash interest expense, net	295	239
Convertible notes fair value adjustment	194	(2,107)
Derivative liability fair value adjustment	240	(1,328)
Gain on revaluation of contingent consideration	—	(5,279)
Non-cash revenue from affiliate	(993)	(511)
Inventory write-off	916	—
Adjustment in connection with membership benefit	(2,094)	—
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable, net	(343)	20,054
Prepaid expenses and other assets	(932)	6,597
Inventory	(480)	(1,605)
Costs capitalized to obtain contracts, net	(994)	(1,799)
Accounts payable	(6,680)	(15,016)
Accrued expenses and other liabilities	(1,356)	(3,062)
Deferred revenue	1,055	507
Other liabilities, noncurrent	(42)	406
Net cash used in operating activities	(5,528)	(38,528)
Cash Flows from Investing Activities:		
Cash paid for acquisitions, net of cash acquired	—	(113,401)
Internal use software	(865)	(396)
Purchase of property and equipment	(26)	—
Net cash used in investing activities	(891)	(113,797)
Cash Flows from Financing Activities:		
Indemnity escrow payment in connection with an acquisition	(13,128)	—
Proceeds from the exercise of options	1,569	1,766
Taxes paid related to net settlement of equity awards	(8,551)	(1,494)
Proceeds from repayment of notes due from affiliates	314	648
Issuance of common stock	—	85
Cash paid for deferred offering costs	—	(705)
Net cash (used in)/provided by financing activities	(19,796)	300
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(26,215)	(152,025)
Cash, Cash Equivalents and Restricted Cash at the Beginning of the Period	90,365	231,345
Cash, Cash Equivalents, and Restricted Cash at the End of the Period	$ 64,150	$ 79,320
Supplemental disclosure:		
Cash paid during the period for taxes	$ 250	$ —
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
Right of use asset recognized in connection with lease modification	1,054	—
Operating lease liability recognized in connection with lease modification	1,054	—
Total non-cash investing and financing activities	$ 2,108	$ 25,104

Note: The financial information in this announcement is unaudited and may not add or recalculate due to rounding. All references to $ are to U.S. $.

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 and (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, (viii) non-recurring workplace restructuring costs, (ix) inventory write-offs, (x) adjustment in connection with membership benefit, and (xi) gain on revaluation of contingent consideration.

The above items are excluded from EBITDA and 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 media release 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,	
	2023	2022	2023	2022
(in thousands)				
Net loss	$ (4,413)	$ (32,985)	$ (18,484)	$ (58,207)
Add (deduct):				
Convertible notes fair value adjustment	266	(532)	194	(2,107)
Derivative liability fair value adjustment[10]	254	(415)	240	(1,328)
Provision for (benefit from) income taxes	267	(47)	375	11
Depreciation and amortization[11]	2,276	2,301	4,549	4,502
Other (income) expense, net	(617)	511	(1,460)	1,056
EBITDA	$ (1,967)	$ (31,167)	$ (14,586)	$ (56,073)
Stock-based compensation	9,269	10,429	18,224	16,524
Form 10 transaction costs	—	2,138	—	2,138
Acquisition and integration costs	—	1,136	—	10,394
Non-recurring workplace restructuring costs[12]	478	—	3,732	—
Inventory write-off[13]	—	—	916	—
Adjustment in connection with membership benefit[14]	(2,094)	—	(2,094)	—
Gain on revaluation of contingent consideration	—	(1,279)	—	(5,279)
Adjusted EBITDA	$ 5,686	$ (18,743)	$ 6,192	$ (32,296)

10 To reflect the change in value of the derivative liability associated with the July 2021 Convertible Notes.

11 Includes depreciation on fixed assets and amortization of acquired intangible assets.

12 Relates to non-recurring personnel and severance related expenses in connection with the workplace restructure announced on January 12, 2023.

13 Relates to the write-off of raw materials that have no alternative use to the Company following the decision to halt development.

14 Relates to an adjustment recorded in the current period to reduce product costs recorded to cost of revenue in connection with the discontinuation of certain battery related membership benefits.

Key Financial Metrics:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(in millions)				
Revenue				
U.S. subscription revenue	*$ 47.0*	*$ 31.8*	*$ 92.7*	*$ 61.0*
International subscription revenue	*5.7*	*4.1*	*11.7*	*8.1*
Subscription revenue	52.7	36.0	104.4	69.1
Hardware revenue	11.6	6.8	21.6	16.5
Other revenue	6.5	6.0	13.0	14.3
Total revenue	70.8	48.8	138.9	99.8
Non-GAAP Gross Margin[15]	54.3	30.8	105.8	66.5
Non-GAAP Gross Margin %	*77 %*	*63 %*	*76 %*	*67 %*
Non-GAAP Subscription Gross Margin %	*85 %*	*79 %*	*85 %*	*80 %*
Research and Development (Non-GAAP)	17.9	21.4	37.5	43.5
Sales and Marketing (Non-GAAP)				
User acquisition and TV costs	6.6	7.0	13.0	13.6
Other Sales and Marketing	4.5	6.7	9.6	13.3
Commissions	10.5	6.4	20.8	14.7
General & Administrative (Non-GAAP)	9.1	8.2	18.8	14.7
Non-GAAP Operating Expenses[16]	48.6	49.7	99.6	99.8
Net loss	(4.4)	(33.0)	(18.5)	(58.2)
Adjusted EBITDA[17]	5.7	(18.7)	6.2	(32.3)
Adjusted EBITDA Margin %	*8 %*	*(38)%*	*4 %*	*(32)%*
Stock-based Compensation	(9.3)	(10.4)	(18.2)	(16.5)
Other Non-GAAP Adjustments	1.6	(2.0)	(2.6)	(7.3)
EBITDA	$ (2.0)	$ (31.0)	$ (14.6)	$ (56.1)

15 Non-GAAP Gross Margin is calculated using Cost of revenue, Non-GAAP. For a reconciliation between Total Cost of revenue, GAAP and Total Cost of revenue, Non-GAAP, refer to the Cost of Revenue (GAAP to Non-GAAP reconciliation) section below.

16 Non-GAAP operating expenses are calculated using Research and Development, Non-GAAP, Sales and Marketing, Non-GAAP and General & Administrative, Non-GAAP expenses. For a reconciliation between Total operating expenses, GAAP and Total operating expenses, Non-GAAP, refer to the Operating expenses (GAAP to Non-GAAP reconciliation) section below.

17 Includes non-recurring costs reflecting the alignment of accounting policies attributable to the integration with Tile. As these adjustments are not deemed to be non-routine or one time in nature, they have not been added back to EBITDA or Adjusted EBITDA.

Cost of Revenue (GAAP to Non-GAAP reconciliation):

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cost of subscription revenue, GAAP	$ 6.4	$ 7.9	$ 14.4	$ 15.0
Less: Depreciation and amortization	(0.3)	(0.2)	(0.6)	(0.5)
Less: Stock-based compensation	(0.2)	(0.2)	(0.3)	(0.4)
Less: Severance and other	—	—	(0.1)	—
Less: Adjustment in connection with membership benefit	1.8	—	1.8	—
Total Cost of subscription revenue, Non-GAAP	$ 7.7	$ 7.4	$ 15.3	$ 14.1
Cost of hardware revenue, GAAP	$ 8.7	$ 10.8	$ 18.2	$ 18.6
Less: Depreciation and amortization	(0.9)	(0.9)	(1.8)	(1.8)
Less: Stock-based compensation	(0.2)	(0.2)	(0.4)	(0.3)
Less: Severance and other	—	—	(0.1)	—
Less: Adjustment in connection with membership benefit	0.3	—	0.3	—
Non-GAAP Cost of hardware revenue included in Adjusted EBITDA	$ 7.9	$ 9.7	$ 16.2	$ 16.5
Less: Alignment of accounting policies[17]	—	—	—	1.0
Total Cost of hardware revenue, Non-GAAP	$ 7.9	$ 9.7	$ 16.2	$ 17.5
Cost of other revenue, GAAP	$ 0.9	$ 0.9	$ 1.7	$ 1.9
Less: Stock-based compensation	—	—	—	(0.1)
Total Cost of other revenue, Non-GAAP	$ 0.9	$ 0.9	$ 1.7	$ 1.8
Cost of revenue, GAAP	$ 16.0	$ 19.6	$ 34.3	$ 35.4
Less: Depreciation and amortization	(1.2)	(1.1)	(2.4)	(2.3)
Less: Stock-based compensation	(0.4)	(0.4)	(0.7)	(0.7)
Less: Severance and other	—	—	(0.2)	—
Less: Adjustment in connection with membership benefit	2.1	—	2.1	—
Non-GAAP Cost of revenue included in Adjusted EBITDA	$ 16.5	$ 18.1	$ 33.1	$ 32.4
Less: Alignment of accounting policies[17]	—	—	—	1.0
Total Cost of revenue, Non-GAAP	$ 16.5	$ 18.0	$ 33.1	$ 33.4

17 Includes non-recurring costs reflecting the alignment of accounting policies attributable to the integration with Tile. As these adjustments are not deemed to be non-routine or one time in nature, they have not been added back to EBITDA or Adjusted EBITDA.

Operating expenses (GAAP to Non-GAAP reconciliation):

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Research and development expense, GAAP	$ 23.2	$ 27.0	$ 50.4	$ 52.8
Less: Stock-based compensation	(5.3)	(5.3)	(10.1)	(8.9)
Less: Severance and other	—	(0.3)	(2.8)	(0.3)
Total Research and development, Non-GAAP	$ 17.9	$ 21.4	$ 37.5	$ 43.5
Sales and marketing expense, GAAP	$ 23.3	$ 22.9	$ 47.7	$ 46.1
Less: Depreciation and amortization	(1.1)	(1.1)	(2.1)	(2.1)
Less: Stock-based compensation	(0.6)	(1.3)	(1.5)	(2.2)
Less: Severance and other	(0.1)	(0.4)	(0.8)	(0.4)
Less: User acquisition and TV costs	(6.6)	(7.0)	(13.0)	(13.6)
Less: Commissions	(10.5)	(6.4)	(20.8)	(14.7)
Total Sales and marketing expense, Non-GAAP	$ 4.5	$ 6.7	$ 9.6	$ 13.3
General and administrative expense, GAAP	$ 12.5	$ 12.8	$ 25.7	$ 26.1
Less: Depreciation and amortization	—	(0.1)	—	(0.2)
Less: Stock-based compensation	(3.0)	(3.3)	(5.9)	(4.7)
Less: Severance and other	(0.4)	(1.2)	(0.9)	(6.5)
Total General and administrative expense, Non-GAAP	$ 9.1	$ 8.2	$ 18.8	$ 14.7
Total Operating expenses, GAAP	$ 59.0	$ 62.8	$ 123.7	$ 125.0
Less: Depreciation and amortization	(1.1)	(1.2)	(2.2)	(2.3)
Less: Stock-based compensation	(8.9)	(9.9)	(17.5)	(15.7)
Less: Severance and other	(0.5)	(2.0)	(4.5)	(7.3)
Total Operating expenses, Non-GAAP	$ 48.6	$ 49.7	$ 99.6	$ 99.8

Note: The financial information in this announcement is unaudited and may not add or recalculate due to rounding. All references to $ are to U.S. $.


CY23
H1 Results
Investor Presentation
15 August 2023
Life360

Disclaimer

This document dated 15 August 2023 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.

This document does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in the Company nor does it constitute financial product advice. This document is not a prospectus, product disclosure statement or other offer document under Australian law or under any other law. This document has not been filed, registered or approved by regulatory authorities in any jurisdiction. This communication is restricted by law; it is not intended for distribution to, or use by any person in, any jurisdiction where such distribution or use would be contrary to local law or regulation.

The information contained in this document is not intended to be relied upon as advice or a recommendation to investors and is not intended to form the basis of any investment decision in the Company's securities. The information does not take into account the investment objectives, financial situation, taxation situation or needs of any particular investor. An investor must not act on the basis of any matter contained in this document but must make its own assessment of the Company and conduct its own investigations and analysis. Investors should assess their own individual financial circumstances and consider talking to a financial adviser, professional adviser or consultant before making any investment decision.

By reading this document you agree to be bound by the limitations set out in this document. No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness or fairness of the information, opinions, forecasts, reports, estimates and conclusions contained in this document. To the maximum extent permitted by law, none of the Company and its related bodies corporate, or their respective directors, employees or agents, nor any other person accepts liability for loss arising from the use of or reliance on information contained in this document or otherwise arising in connection with it, including without limitation any liability from fault of negligence.

Past performance is not indicative of future performance and no guarantee of future returns is implied or given. 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 the Company.

Certain statements in this document constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PLSRA"), Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements that are not historical in nature, including the words "anticipate", "expect", "suggests", "plan", "believe", "intend", "estimates", "targets", "projects", "should", "could", "would", "may", "will", "forecast" and other similar expressions are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding: the Company's growth strategy and business plan and the Company's ability to effectively manage its growth and meet future capital requirements; the Company's expectations regarding future financial performance, including its expectations regarding its revenue, revenue growth, adjusted EBITDA, and operating cash flow, and the Company's ability to achieve or maintain future profitability; the Company's ability to further penetrate its existing member base, maintain and expand its member base and increase monetization of its member base; the Company's ability to expand internationally and the significance of its global opportunity; the Company's ability to anticipate market needs or develop new products and services or enhance existing products and services to meet those needs; and the Company's ability to increase sales of its products and services. Such forward-looking statements are prediction, projections and other statements about future events that are based on current expectations and assumptions and, as a result, involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. 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 can be affected by inaccurate assumptions we might make or by known or unknown risks or uncertainties. Given these uncertainties, recipients are cautioned to not place undue reliance on any forward-looking statement. Forward-looking statements speak only as of the date they are made. Subject to any continuing obligations under applicable law the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this document to reflect any change in expectations in relation to such forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

This document contains 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 average revenue per paying circle (ARPPC), and average revenue per User (ARPU) 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.

All values are stated in US dollars unless otherwise stated.


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

01

Business Update

Chris Hulls, Co-Founder and CEO
Russell Burke, CFO

WHY WE EXIST

The Life360 mission is to keep people close to the ones they love

Life360 aims to build on our foundation of location and family safety to disrupt billion dollar categories by creating mobile experiences that make life safer, easier and more satisfying

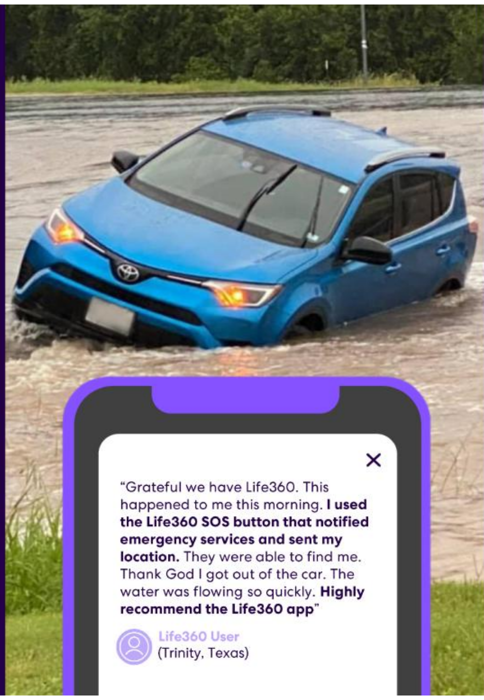
CY23 H1 USER HIGHLIGHTS

Connecting families and saving lives

921,138
Help alerts sent

18,645
Ambulances dispatched

144 billion
Miles driven with Life360 Crash Detection



16 billion
Safe arrival notifications

9.5M+
Monthly active Tile devices

19.7M
Tile "Items Left Behind" smart alerts

One of the Highest DAUs Across All Apps

US App Rankings by DAU[1]

1	YouTube	Google	11	WhatsApp Messenger	WhatsApp	21	Discord	Discord
2	Facebook	Meta	12	Amazon	Amazon	22	Microsoft Outlook	Microsoft
3	TikTok	ByteDance	13	BeReal	BeReal	23	Google Photos	Google
4	Snapchat	Snap	14	Netflix	Netflix	24	Pandora Music	Pandora
5	Instagram	Instagram	15	Twitter	Twitter	25	LinkedIn	Linkedin
6	Facebook Messenger	Meta	16	Life360 Family Locator	Life360	26	NewsBreak	Particle Media
7	Gmail	Google	17	Chrome Browser	Google	27	Cash App	Block Inc
8	Spotify	Spotify	18	Pinterest	Pinterest	28	Waze	Waze
9	Google Maps	Google	19	ROBLOX	Roblox	29	Temu	Temu
10	Google	Google	20	The Weather Channel	The Weather Company	30	SHEIN	Shein

US iOS Social Networking App Rankings by DAU[1]

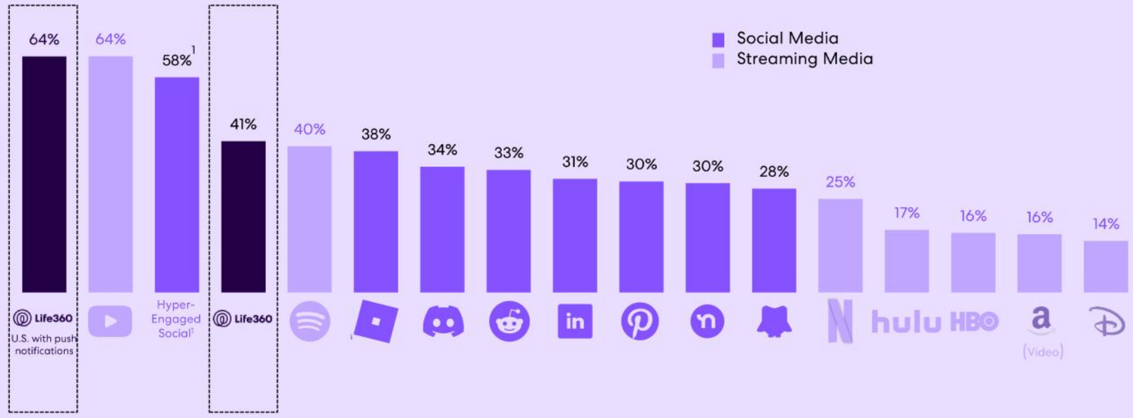
1	Facebook	Meta	11	WeChat	Tencent	21	Messenger Kids	Meta
2	Facebook Messenger	Meta	12	TextNow	TextNow	22	Signal Private Messenger	Open Whisper Systems
3	WhatsApp Messenger	WhatsApp	13	Telegram	Telegram	23	Grindr	Grindr
4	BeReal	BeReal	14	sendit	Iconic Hearts	24	BAND	NAVER
5	Life360 Family Locator	Life360	15	Wizz	VLB	25	HoYoLAB	miHoYo
6	Discord	Discord	16	Locket Widget	Locket Labs	26	IMVU Mobile	Together Labs
7	Threads	Instagram	17	Marco Polo Video Walkie	Joya Communications	27	KakaoTalk	Kakao
8	Google Duo	Google	18	Tumblr	Tumblr	28	Kik Messenger	Kik
9	GroupMe	Skype	19	Viber	Viber Media	29	POF Online Dating	Match Group
10	LINE	LINE	20	Skype	Skype	30	Timehop	Timehop

[1] In June 2023; data.ai.

BEST IN CLASS ENGAGEMENT

Rivals the biggest names in social and streaming media

Global Daily Active Users (DAU)/Monthly Active Users (MAU) Ratio (%)



Source: data.ai
1. Hyper-Engaged Social represents the average DAU/MAU of Facebook, Instagram, Snapchat, TikTok, and Twitter.

Cementing our position as the market-leading family safety membership service

Growing our audience

~54m
Global Monthly Active Users
+ 29% YoY

41%
Daily Active Users as % Monthly Active Users*

Driving Membership

~1.6m
Global Paying Circles
+ 17% YoY

42%
YoY lift in CY23 Q2 U.S. ARPPC reflecting price increase

Expanding Internationally

~400k
International Paying Circles
+ 44% YoY

On track for UK triple tier membership launch in H2

Maintaining financial discipline

~$249m
Annualized Monthly Revenue**
+43% YoY

~$6.2m
Adjusted H1 EBITDA, second consecutive quarter of positive AEBITDA

*For month of June 2023. **June 2023 Annualized Monthly Revenue (AMR)

CY23 H1 RESULTS SUMMARY

Delivering on growth

$M	CY22 H1	CY23 H1	% ch YoY	CY23 Full Year Guidance
Revenue				
Subscription	69.1	104.4	*+51%*	
Hardware	16.5	21.6	*+31%*	
Other	14.3	13.0	*(9)%*	
Total revenue	**99.8**	**138.9**	***+39%***	**300-310**
Annualized Monthly Revenue (AMR) (excluding Hardware)	174.4	248.7	*+43%*	
Non-GAAP Operating Expenses	99.8	99.6	0%	
Adjusted* EBITDA	**(32.3)**	**6.2**		**9-14**
Net loss	**(58.2)**	**(18.5)**		
Cash and cash equivalents**	**79.3**	**64.2**		

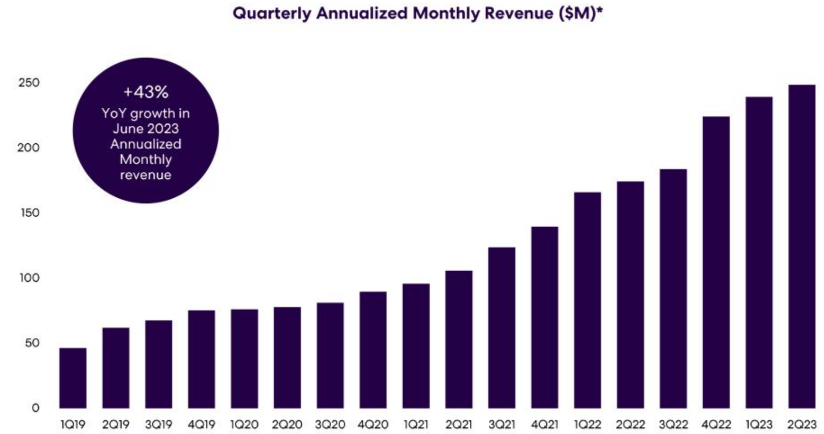
Note: Tables may not add due to rounding.
*Adjusted EBITDA was previously referred to as Underlying EBITDA. For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see Appendix 3
** Cash and cash equivalents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

Commentary

- Strong subscription revenue momentum, up 51% including hardware subscriptions, and 61% for Life360 subscriptions
- Hardware revenue benefited from higher unit sales and increased Average Sale Price (ASP) reflecting previous strategic initiatives to clear channel inventory and prioritize higher margin sales channels
- Annualized Monthly Revenue up 43% to $248.7 million
- Stable non-GAAP operating expenses
- Positive Adjusted EBITDA for the second consecutive quarter, in line with prior guidance

ACCELERATING SUBSCRIPTION REVENUE GROWTH

Quarterly AMR has more than tripled since our IPO in May 2019

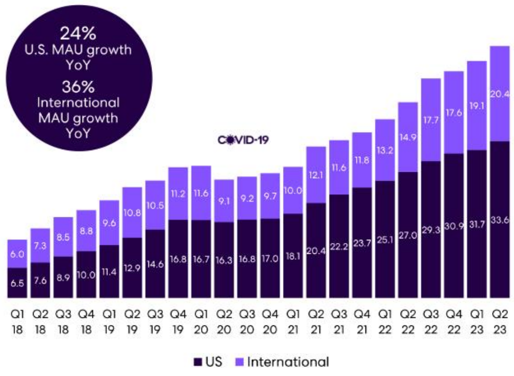


*Annualized Monthly Revenue (AMR) is a financial measure used by the Company to identify the annualized monthly value of active customer agreements at the end of a reporting period.

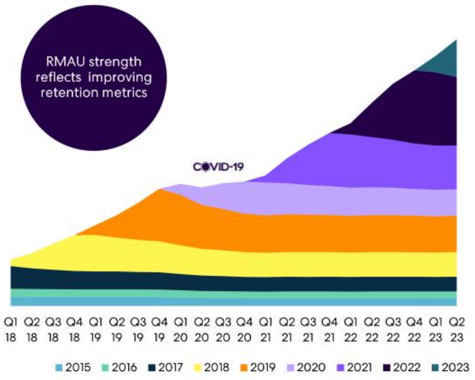
GLOBAL MAU REACHING NEW HEIGHTS WITH STRONG RETENTION

MAU year-on-year growth of 29%

Life360 Core Monthly Active Users (MAU)(M)



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



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

SUBSCRIPTION REVENUE

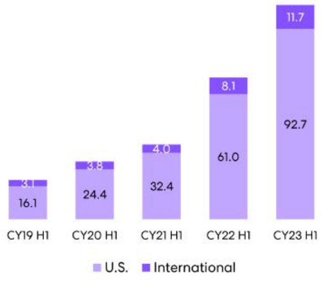
YoY increase of 61% for Life360 core subscription

- Strong subscription growth across U.S. and international, with consolidated revenue uplift of 51% including the contribution of hardware subscriptions
- Core Life360 subscription revenue growth of 61%, benefiting from price increases from August 2022 and repricing of existing iOS and Android subscribers in November 2022 and April 2023 respectively
- Global revenue growth underpinned by 17% YoY uplift in Paying Circles, and 31% YoY increase in CY23 Q2 ARPPC

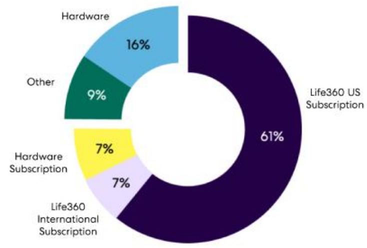
*CY20 revenue is normalised revenue excluding non-recurring adjustment. Direct revenue allocations by region for CY20 have been reclassified to conform with new methodology

Life360

Consolidated Subscription revenue ($M)*

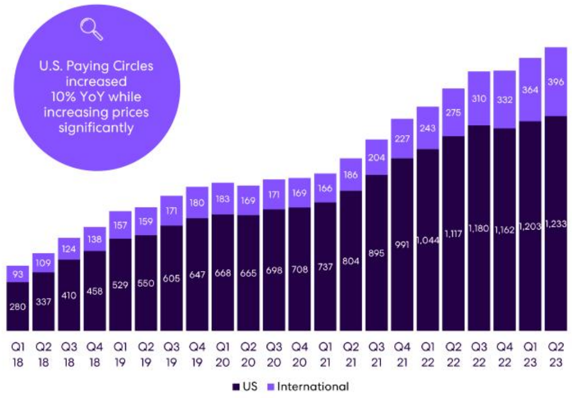


Subscription revenue as a % of total consolidated revenue (CY23 H1)

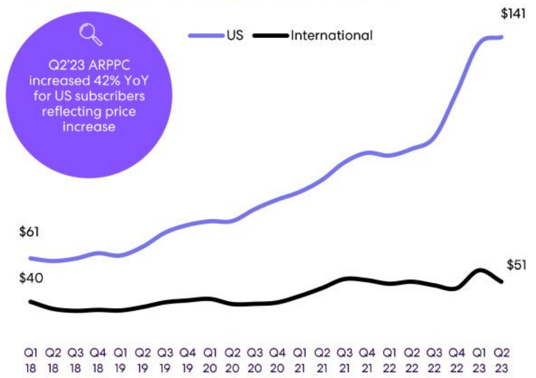


Price increase accelerating ARPPC uplift

Paying Circles by product line (000s)



Average Revenue Per Paying Circle (ARPPC) ($)*

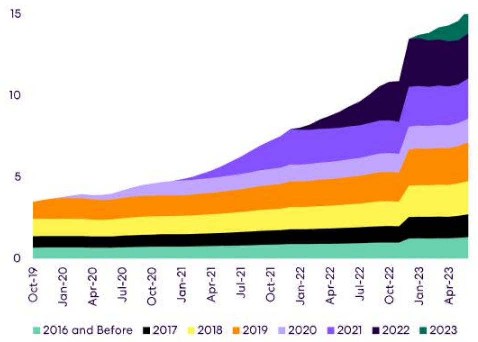


*Price increase took effect across all Membership tiers from November 2022. Q2'23 International ARPPC QoQ decline due to currency translation impacts
U.S. Membership plan subscribers % total comprise Silver (16%), Gold (80%) and Platinum (4%)

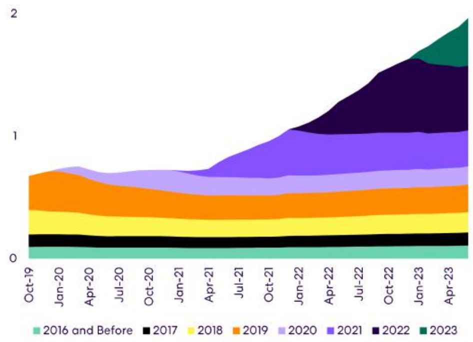
COHORT MONETIZATION TRENDS

Rapidly growing U.S. and accelerating International monetization

U.S. Paying Circle Monthly Revenue by Registration Cohort ($M)



International Paying Circle Monthly Revenue by Registration Cohort ($M)



HARDWARE REVENUE

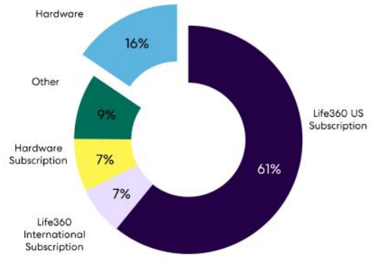
Valuable component of Life360's location ecosystem

- CY23 H1 revenue growth of 31% supported by 7% uplift in hardware units sold, and 11% increase in average sales price (ASP).
- Unit growth reflected reduced returns in Q2'23, and backdrop of weaker consumer electronics category demand in Q2'22. Higher ASP was the result of actions undertaken to change the product mix and reduce promotional activity
- Non-GAAP Hardware margins improved significantly to 25% due to strengthened retail channel inventory and strategic shift to prioritize higher margin sales channels
- Guidance for CY23 revenue growth of 0% - 5%, based on difficulty of forecasting hardware sales in the current challenging environment, as well as a more constrained approach to marketing investment and promotional activities

*Q1'22 revenue is adjusted and includes Tile revenue pre-acquisition

Hardware revenue ($M)*

Hardware revenue as % of total consolidated revenue (CY23 H1)



OTHER REVENUE

Revenue stabilization reflects de-risking of Data business

Data

- H1 revenue decline of 9% year-on-year reflects new partnership with Placer.ai in January 2022, and transition to solely sales of aggregated insights
- Intentional decision to trade off growth opportunity for predictability and reduced regulatory risk

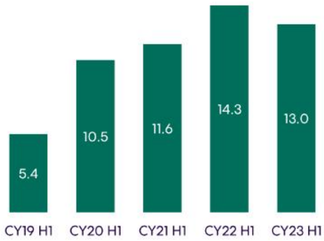
Lead Generation

- Limited strategic focus area in the short term, with expectation of significant long term growth potential

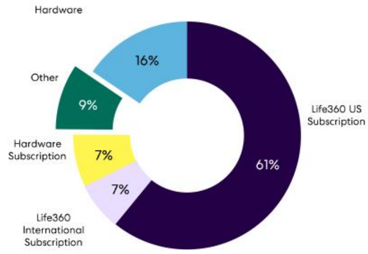
Total Other Revenue

- Expectations for CY23 revenue of ~$26 million based on current agreements

Other revenue ($M)*



Other Revenue as % of total consolidated revenue (CY23 H1)



02

Strategy Update

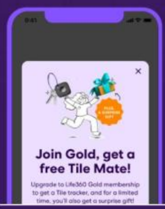
Lauren Antonoff
Chief Operating Officer

STRATEGY UPDATE

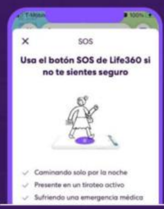
2023 Key Initiatives

Grow our Audience

Drive Membership



Expand Internationally



Maintain financial discipline

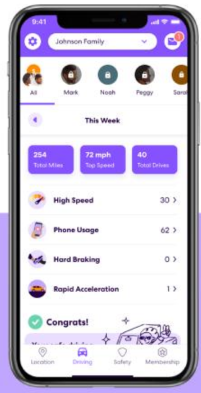
STRATEGY UPDATE

Grow our Audience

Continuing to improve the core experience and building user engagement for long-term growth

Bring the map to life

Amplify member communications to drive engagement



Feedback to encourage safer driving

STRATEGY UPDATE

Drive Membership

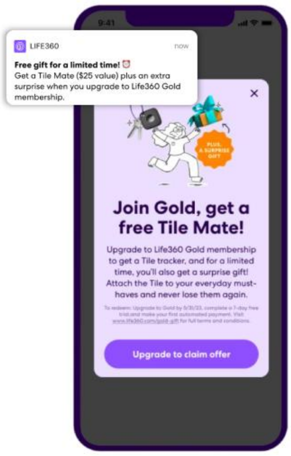
Leverage hardware bundling and feature-focused promotions to drive continued subscription revenue growth

In-app member experience
Enhanced in-app features to drive awareness of key value propositions, improving monetization

Roadside assistance

Pin freshness

Promo pin for Tile



Tile bundling promotion
Improved early retention results for bundled subscriptions

STRATEGY UPDATE

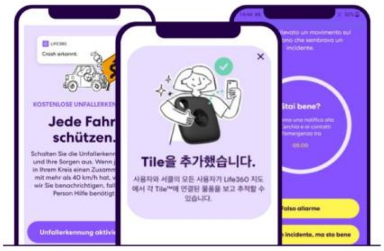
Expand Internationally

Creating free international user experience parity to drive growth

International Free User Retention (Month 1)

Significantly improving international retention in line with investment with feature parity

CY23 H1 achievements – performance and feature parity



- Launch of free crash detection and enhanced SOS features
- Global integration of Tile with Life360 map
- Significant improvements in App performance e.g. map load-time

CY23 H2 and beyond goals

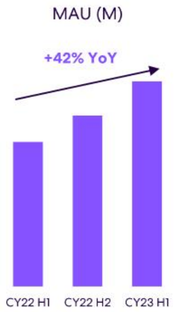
- Additional languages and improved localization to establish beachheads for future triple tier launches
- Investment in international marketing to drive engagement and conversion
- Multi-country triple tier launch readiness in late CY24 and beyond

STRATEGY UPDATE

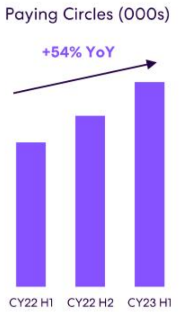
Expand Internationally

Monetizing free user base through Membership in key regions

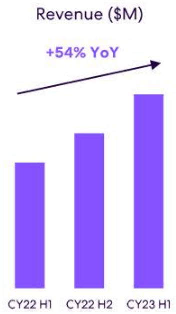
Canada, UK, Australia Performance



User retention is approaching U.S. levels, supporting top of funnel growth



Significant growth in Paying Circles with minimal marketing investment to date



Improving conversion driving revenue growth, with ARPPC upside opportunity following Membership tier launches

Predominantly English-speaking country performance (Canada, UK, Australia)

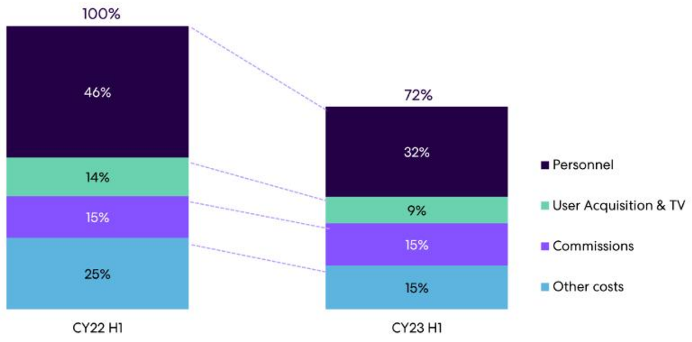
- Represents a highly attractive market. Key performance indicators are approaching the U.S. levels prior to the Membership launch
  - Engagement
  - User Retention
  - Brand awareness
- Significant CY23 H1 YoY growth despite minimal marketing investment to date
- Triple tier Membership launched in Canada in November 2021, with 120% uplift in ARPPC and 72% increase in revenue. This forms the initial playbook for the international rollout
- UK triple tier Membership on track for CY23 Q4 launch. To include hardware bundling, in line with U.S. Membership experience

STRATEGY UPDATE

Maintain financial discipline

At pivot point to leverage scale in the cost base while still investing for growth

Operating Costs by category declining as % total revenue*
Achieved by scale impact and efficiencies without sacrificing growth investment

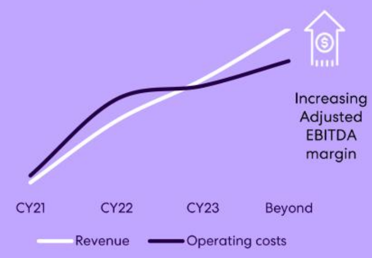


*Operating costs exclude Cost of Sales and all reconciling adjustments between GAAP and Non-GAAP operating costs as outlined in Appendix 2.

Expense drivers for CY23 and beyond

- Cost base at scale providing profitability leverage
- More than $15 million annualized savings expected from CY23 Q1 reorganization and restrained hiring
- Platform commissions reducing over time
- Increasing marketing efficiency

Revenue and Cost history and outlook



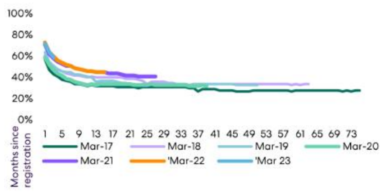

03
Financial Overview
Russell Burke, CFO

FINANCIAL OVERVIEW

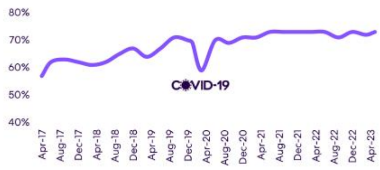
Market leading retention metrics

US Organic User Retention

Relative retention by cohort (% total)

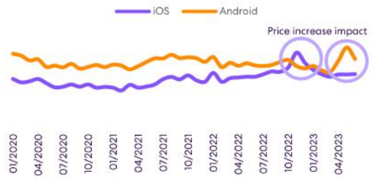


Month 1 user retention over time



US Average Churn Rate over Time

(% total monthly subscribers)



Quarterly U.S. ARPPC before and after price increase (US$)

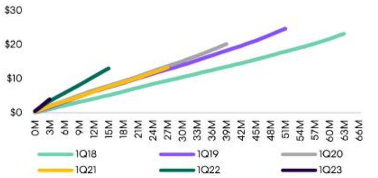
Commentary

- The line chart indicates how long users within a given cohort remain with Life360
- Month 1 user retention increased in 2020 and 2021 due to investments in the user experience, remaining stable at historically higher levels
- iOS churn has returned to previous levels following the price impact increase in late 2022 following price increases. Android experienced a similar spike in churn following the April 2023 price increase, however has begun to normalize in line with Android trends

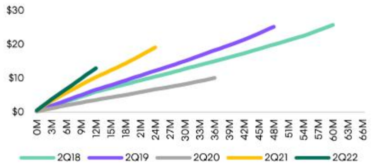
FINANCIAL OVERVIEW

User cohort cumulative revenue $M*

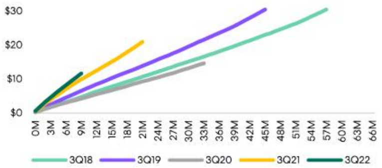
Quarter 1



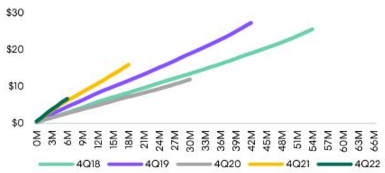
Quarter 2**



Quarter 3



Quarter 4



*Revenue per cohort includes global subscription and other revenue generated by each quarterly cohort over time. Excludes legacy ADT partnership revenue. **Insufficient data for 2Q23

Life360

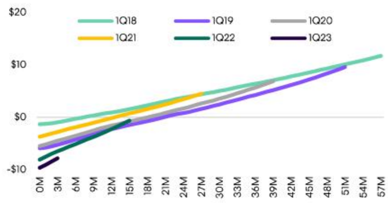
Commentary

- Higher pricing combined with higher registration volumes and improved user retention has driven significant uplifts in revenue for user cohorts
- CY22 Q3-Q4 revenues up vs CY21 by more than 10% by Month 6
- CY23 Q1 revenues up significantly vs CY22 Q1, with Month 3 revenues higher by more than 15%
- Retention improvements from bundling expected to drive further increases in cohort performance

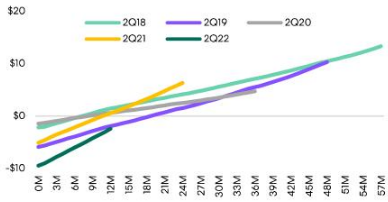
FINANCIAL OVERVIEW

Marketing Payback $M

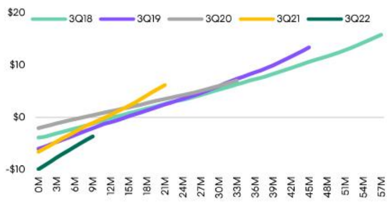
Quarter 1



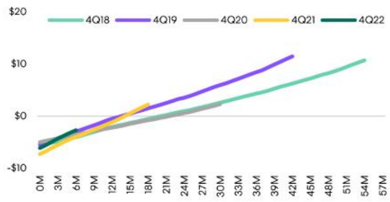
Quarter 2*



Quarter 3



Quarter 4



*Insufficient data for 2Q23

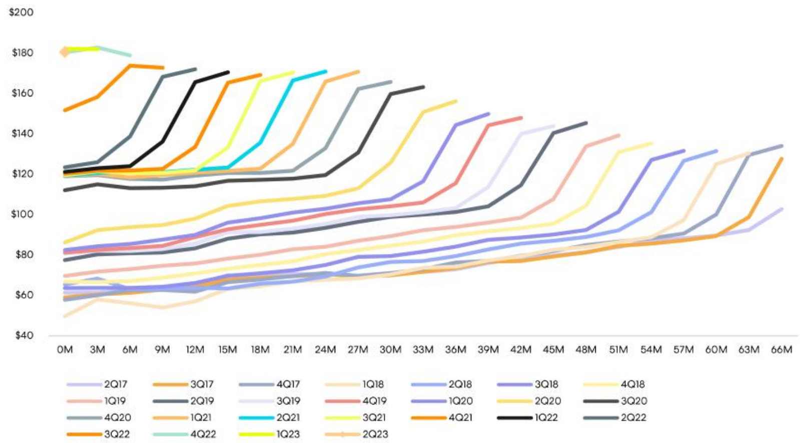
Life360

Commentary

- Blended marketing payback quarterly summary provides performance insight into overall efforts across all channels in aggregate
- User acquisition and TV spend increased in CY23 Q1 YoY, retaining high levels of efficiency
- Expectation for increased spending in CY23 Q3 during 'Back to School', with a further step-up in Q4'23 to drive efficient future growth
- CY22 user acquisition and TV spend increased, building on the strength of the CY21 performance
- CY23 and CY22 cohorts on track to achieve breakeven well within breakeven targets of 24 months

FINANCIAL OVERVIEW

Significant U.S. ARPPC uplift from progressive price increases in CY22 H2



Pricing Summary

U.S. price increases implemented from CY22 H2

All New Subs (iOS + android)
(from August 2022)

	Before	After
Silver	$4.99	$7.99
Gold	$9.99	$14.99
Platinum	$19.99	$24.99
No change Annual		

Existing Subs
(iOS users notified October 2022, Android in April 2023)

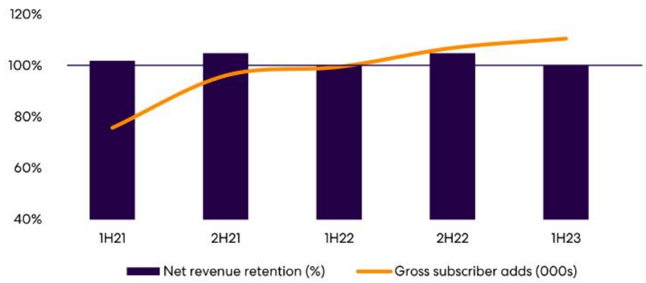
	Before	After
Silver	$4.99	$7.99
Gold	$9.99	$14.99
Platinum	$19.99	$24.99
No change Annual		

Legacy Subs
(iOS users notified October 2022, Android in April 2023)

	Before	After
Plus	$2.99	$7.99
Driver Protect	$7.99	$12.99
Platinum Intro	$14.99	$19.99
No change Annual		

Net subscription revenue retention at or above 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 1H21, revenue retention is calculated as the average monthly revenue over the period vs. the revenue earned in December 2020).

Commentary

- 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, 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

FINANCIAL OVERVIEW

Key Financial Metrics (Non-GAAP)

$M	CY23 H1	CY22 H1	% ch YoY
INCOME STATEMENT			
U.S. subscription revenue	*92.7*	*61.0*	*52%*
International subscription revenue	*11.7*	*8.1*	*45%*
Subscription revenue	104.4	69.1	51%
Hardware revenue	21.6	16.5	31%
Other revenue	13.0	14.3	(9)%
Total revenue	**138.9**	**99.8**	**39%**
Non-GAAP Gross Profit	**105.8**	**66.5**	**59%**
Non-GAAP Gross Margin %	*76%*	*67%*	
Non-GAAP Subscription Gross Margin %	*85%*	*80%*	
Research and Development	(37.5)	(43.5)	14%
User Acquisition & TV costs	(13.0)	(13.6)	4%
Other Sales & Marketing	(9.6)	(13.3)	28%
Commissions	(20.8)	(14.7)	(42)%
General & Administrative	(18.8)	(14.7)	(28)%
Non-GAAP Operating Expenses	**(99.6)**	**(99.8)**	**0%**
Adjusted EBITDA*	**6.2**	**(32.3)**	**NM**
Adjusted EBITDA Margin %	*4%*	*(32%)*	
Stock-based compensation	(18.2)	(16.5)	(10)%
Other Non-GAAP adjustments	(2.6)	(7.3)	65%
EBITDA**	**(14.6)**	**(56.1)**	**74%**
Net Profit/(Loss)	**(18.5)**	**(58.2)**	**68%**
CASH FLOW			
Net cash used in operating activities	(5.5)	(38.5)	86%
Net cash used in investing activities	(0.9)	(113.8)	NM
Net cash provided by/(used in) financing activities	(19.8)	0.3	NM
Cash and cash equivalents and restricted cash	**64.2**	**79.3**	**(19)%**

Note: Tables may not add due to rounding. Refer to the non-GAAP reconciliation in Appendix 2.
*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
**EBITDA was previously referred to as Statutory EBITDA

Commentary

- Non-GAAP gross margin increased YoY supported by higher subscription gross margin which benefited from price increases. Hardware gross margins also increased due to higher ASP
- Non-GAAP Operating Expenses were stable year-on-year as a result of workforce reductions and full integration of acquisitions
- Adjusted EBITDA profit reflected strong revenue growth and stable costs
- SBC increased 10% as a result of increased award volumes and transition equity
- Operating cash outflow improvement relates to the improved Adjusted EBITDA performance, and working capital efficiency post integration of acquisitions
- Investing cash outflows relate to payments for internally developed software
- Financing cash outflows relate to final payments associated with the Tile acquisition and taxes paid for net settlement of equity awards offset by proceeds from the exercise of options
- Total net cash outflow of $26.2m, with cash and cash equivalents, and restricted cash of $64.2m at June 2023

Income Statement (GAAP)

$ in millions, except share and per share data	CY23 H1	CY22 H1
Revenue		
Subscription	104.4	69.1
Hardware	21.6	16.5
Other	13.0	14.3
Total revenue	**138.9**	**99.8**
Cost of subscription revenue	14.4	15.0
Cost of hardware revenue	18.2	18.6
Cost of other revenue	1.7	1.9
Total cost of revenue	**34.3**	**35.4**
Gross Profit	**104.6**	**64.4**
Operating expenses		
Research and development	50.4	52.8
Sales and marketing	47.7	46.1
General and administrative	25.7	26.1
Total operating expenses	**123.7**	**125.0**
Loss from operations	**(19.1)**	**(60.6)**
Other income (expense)		
Convertible notes fair value adjustment	(0.2)	2.1
Derivative liability fair value adjustment	(0.2)	1.3
Other income (expense), net	1.5	(1.1)
Total other income, net	**1.0**	**2.4**
Loss before income taxes	**(18.1)**	**(58.2)**
Provision for (benefit from) income taxes	0.4	0.0
Net loss	**(18.5)**	**(58.2)**
Net loss per share, basic and diluted	$(0.28)	$(0.95)
Weighted-average shares used in computing net loss per share, basic and diluted	66,032,405	61,540,024

Note: Tables may not add due to rounding.

04

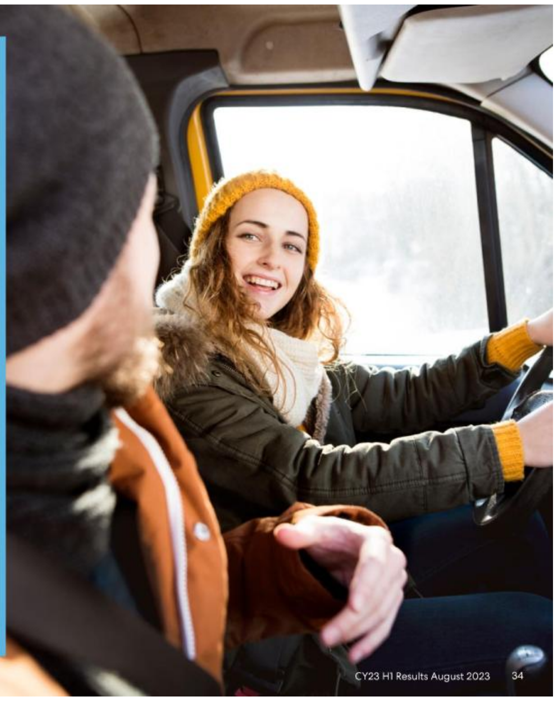
Outlook

Outlook

For CY23 Life360 expects to deliver:

- Core Life360 subscription revenue growth in excess of 50% YoY;
- Hardware revenue growth of 0% to 5%;
- Other revenue of approximately $26 million;
- Consolidated revenue of $300 million - $310 million;
- Positive Adjusted EBITDA* of $9 million - $14 million;
- Positive Operating Cash Flow of $5 million - $10 million; and
- Positive Adjusted EBITDA and Operating Cash Flow for the remaining quarters of CY23.

*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



05

Q&A

06

Appendix

APPENDIX 1

Operating Metrics

(in millions, except ARPPC,ARPPS,ASP)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Life360 Core*					
Monthly Active Users (MAU) - Total	42.0	47.0	48.6	50.8	54.0
US	27.0	29.3	30.9	31.7	33.6
International	14.9	17.7	17.6	19.1	20.4
Australia	1.1	1.2	1.4	1.5	1.6
Paying Circles – Total**	1.39	1.49	1.49	1.57	1.63
US – Total**	1.12	1.18	1.16	1.20	1.23
International**	0.27	0.31	0.33	0.36	0.40
Average Revenue Per Paying Circle (ARPPC)**	$90.88	$93.55	$105.79	$120.70	$119.25
Life360 Consolidated					
Subscriptions**	1.9	2.1	2.1	2.1	2.2
Average Revenue per Paying Subscription (ARPPS)**	$76.38	$78.03	$87.54	$97.98	$97.83
Hardware units shipped (stand-alone)	0.5	0.7	1.7	0.6	0.7
Average Sale Price (ASP)	$14.48	$15.63	$11.48	$17.22	$15.76
Annualized Monthly Revenue (AMR)	$174.4	$184.0	$224.4	$239.5	$248.7

* Life360 Core reflects Life360 App only
** Metrics have been recast to reflect the calculations under a revised metric definition

APPENDIX 2

Cost of Revenue and Operating expenses

GAAP to Non-GAAP reconciliation

Cost of revenue

$M	CY23 H1	CY22 H1
Cost of subscription revenue, GAAP	14.4	15.0
Less: Depreciation and amortization	(0.6)	(0.5)
Less: Stock-based compensation	(0.3)	(0.4)
Less: Severance and other	(0.1)	-
Less: Adjustment in connection with membership benefit	1.8	-
Total cost of subscription revenue, Non-GAAP	15.3	14.1
Cost of hardware revenue, GAAP	18.2	18.6
Less: Depreciation and amortization	(1.8)	(1.8)
Less: Stock-based compensation	(0.4)	(0.3)
Less: Severance and other	(0.1)	-
Less: Adjustment in connection with membership benefit	0.3	-
Non-GAAP cost of hardware revenue included in Adj. EBITDA	16.2	16.5
Less: Alignment of accounting policies[1]	-	1.0
Total cost of hardware revenue, Non-GAAP	16.2	17.5
Cost of other revenue, GAAP	1.7	1.9
Less: Stock-based compensation	-	(0.1)
Total cost of other revenue, Non-GAAP	1.7	1.8
Cost of revenue, GAAP	34.3	35.4
Less: Depreciation and amortization	(2.4)	(2.3)
Less: Stock-based compensation	(0.7)	(0.7)
Less: Severance and other	(0.2)	-
Less: Adjustment in connection with membership benefit	2.1	-
Non-GAAP cost of revenue included in Adjusted EBITDA	33.1	32.4
Less: Alignment of accounting policies[1]	-	1.0
Total cost of revenue, Non-GAAP	33.1	33.4

Operating expenses

$M	CY23 H1	CY22 H1
Research and development expense, GAAP	50.4	52.8
Less: Stock-based compensation	(10.1)	(8.9)
Less: Severance and other	(2.8)	(0.3)
Research and development expense, Non-GAAP	37.5	43.5
Sales and marketing expense, GAAP	47.7	46.1
Less: Depreciation and amortization	(2.1)	(2.1)
Less: Stock-based compensation	(1.5)	(2.2)
Less: Severance and other	(0.8)	(0.4)
Less: User Acquisition & TV Costs	(13.0)	(13.6)
Less: Commissions	(20.8)	(14.7)
Sales and marketing expense, Non-GAAP	9.6	13.3
General and administrative expense, GAAP	25.7	26.1
Less: Depreciation and amortization	-	(0.2)
Less: Stock-based compensation	(5.9)	(4.7)
Less: Severance and other	(0.9)	(6.5)
General and administrative expense, Non-GAAP	18.8	14.7
Total Operating expenses, GAAP	123.7	125.0
Less: Depreciation and amortization	(2.2)	(2.3)
Less: Stock-based compensation	(17.5)	(15.7)
Less: Severance and other	(4.5)	(7.3)
Total operating expenses, Non-GAAP	99.6	99.8

Note: Tables may not add due to rounding
1. Includes non-recurring costs reflecting the alignment of accounting policies attributable to the integration with Tile. As these adjustments are not deemed to be non-routine or one time in nature, they have not been added back to EBITDA or Adjusted EBITDA.

APPENDIX 2

Balance Sheet (GAAP)

$M	June 30, 2023	December 31, 2022
Assets	*unaudited*	
Current Assets		
Cash and cash equivalents	62.4	75.4
Restricted cash, current	-	13.3
Accounts receivable, net	33.5	33.1
Inventory	10.4	10.8
Costs capitalised to obtain revenue contracts, net	1.3	1.4
Prepaid expenses and other current assets	9.9	8.5
Total current assets	**117.5**	**142.7**
Restricted cash, noncurrent	1.7	1.6
Property and equipment, net	0.8	0.4
Costs capitalized to obtain contracts, noncurrent	0.8	0.6
Prepaid expenses and other assets, noncurrent	6.7	7.1
Operating lease right-of-use asset, noncurrent	1.4	0.8
Intangible assets, net	49.1	52.7
Goodwill	133.7	133.7
Total assets	**311.8**	**339.6**
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	7.1	13.8
Accrued expenses and other current liabilities	24.4	27.0
Escrow liability	-	13.3
Convertible notes, current	6.1	3.5
Deferred revenue, current	31.1	30.1
Total current liabilities	**68.7**	**87.6**
Convertible notes, noncurrent	1.9	4.1
Derivative liability, noncurrent	0.3	0.1
Deferred revenue, noncurrent	1.8	2.7
Other liabilities, noncurrent	1.4	0.6
Total liabilities	**74.1**	**95.1**
Commitments and Contingencies		
Stockholders' Equity		
Common stock	0.1	0.1
Additional paid-in capital	513.1	501.8
Notes due from affiliates	-	(0.3)
Accumulated deficit	(275.5)	(257.0)
Accumulated other comprehensive income	-	-
Total stockholders' equity	**237.7**	**244.5**
Total liabilities and stockholders' equity	**311.8**	**339.6**

Note: Tables may not add due to rounding

APPENDIX 2

Cash Flow (GAAP)

$M	Six Months Ended June 30,	
	2023	2022
Cash Flows from Operating Activities:		
Net loss	(18.5)	(58.2)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4.5	4.5
Amortization of costs capitalized to obtain contracts	0.9	1.7
Amortization of operating lease right-of-use asset	0.5	-
Stock-based compensation expense	18.2	16.5
Compensation expense in connection with revesting notes	0.1	(0.1)
Non-cash interest, net	0.3	0.2
Convertible notes fair value adjustment	0.2	(2.1)
Derivative liability fair value adjustment	0.2	(1.3)
Gain on revaluation of contingent consideration	-	(5.3)
Non-cash revenue from affiliate	(1.0)	(0.5)
Inventory write-off	0.9	-
Adjustment in connection with membership benefit	(2.1)	-
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable, net	(0.3)	20.1
Prepaid expenses and other assets	(0.9)	6.6
Inventory	(0.5)	(1.6)
Costs capitalized to obtain contracts, net	(1.0)	(1.8)
Accounts payable	(6.7)	(15.0)
Accrued expenses and other liabilities	(1.4)	(3.1)
Deferred revenue	1.1	0.5
Other liabilities, noncurrent	-	0.4
Net cash used in operating activities	**(5.5)**	**(38.5)**
Cash Flows from Investing Activities:		
Cash paid for acquisitions, net of cash acquired	-	(113.4)
Internal use software	(0.9)	(0.4)
Purchase of property and equipment	-	-
Net cash used in investing activities	**(0.9)**	**(113.8)**
Cash Flows from Financing Activities:		
Indemnity escrow payment in connection with an acquisition	(13.1)	
Proceeds from the exercise of options	1.6	1.8
Taxes paid related to net settlement of equity awards	(8.6)	(1.5)
Proceeds from repayment of notes due from affiliates	0.3	0.6
Issuance of common stock	-	0.1
Cash paid for deferred offering costs	-	(0.7)
Net cash (used in) provided by financing activities	**(19.8)**	**0.3**
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(26.2)	(152.0)
Cash, Cash Equivalents and Restricted Cash at the Beginning of the Period	90.4	231.3
Cash, Cash Equivalents and Restricted Cash at the End of the Period	**64.2**	**79.3**

 Note: Tables may not add due to rounding

APPENDIX 3

Non-GAAP Financial Measures

$M	Six Months Ended June 30, 2023	2022
Net loss	(18.5)	(58.2)
Add (deduct):		
Convertible notes fair value adjustment	0.2	(2.1)
Derivative liability fair value adjustment [1]	0.2	(1.3)
Provision for (benefit from) income taxes	0.4	-
Depreciation and amortization [2]	4.5	4.5
Other (income) expense, net	(1.5)	1.1
EBITDA	**(14.6)**	**(56.1)**
Stock-based compensation	18.2	16.5
Form 10 transaction costs	-	2.1
Acquisition and integration costs	-	10.4
Non-recurring workplace restructuring costs [3]	3.7	-
Inventory write-off [4]	0.9	-
Adjustment in connection with membership benefit [5]	(2.1)	-
Gain on revaluation of contingent consideration	-	(5.3)
Adjusted EBITDA	**6.2**	**(32.3)**

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. Relates to non-recurring personnel and severance related expenses in connection with the workplace restructure announced on January 12, 2023
4. Relates to the write-off of raw materials that have no alternative use to the Company following the decision to halt development
5. Relates to an adjustment recorded in the current period to reduce product costs recorded to cost of revenue in connection with the discontinuation of certain battery related membership benefits

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 and (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, (viii) non-recurring workplace restructuring costs, (ix) inventory write-offs, (x) adjustment in connection with membership benefit, and (xi) gain on revaluation of contingent consideration.

The above items are excluded from EBITDA and 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 media release 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.

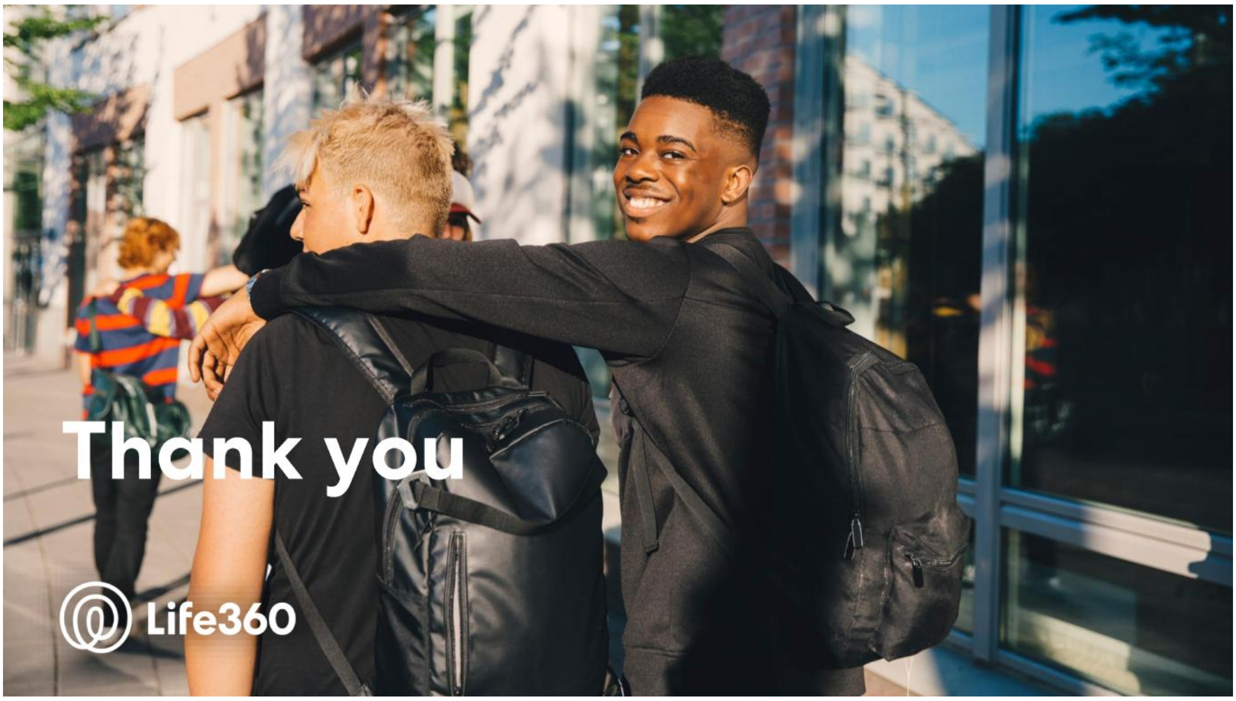
Non-GAAP Financial Measures cont'd

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

	Six Months Ended June 30,	
$M	2023	2022
Net loss	(18.5)	(58.2)
Stock-based compensation	18.2	16.5
Form 10 transaction costs	-	2.1
Acquisition and integration costs	-	10.4
Gain on revaluation of contingent consideration	-	(5.3)
Non-recurring workplace restructuring costs [1]	3.7	-
Inventory write-off [2]	0.9	-
Adjustment in connection with membership benefit [3]	(2.1)	-
Amortization attributable to intangible assets in connection with acquisitions	4.4	4.3
Adjusted (loss) profit from ordinary activities after tax	**6.7**	**(30.2)**

1. Relates to non-recurring personnel and severance related expenses in connection with the workplace restructure announced on January 12, 2023
2. Relates to the write-off of raw materials that have no alternative use to the Company following the decision to halt development
3. Relates to an adjustment recorded in the current period to reduce product costs recorded to cost of revenue in connection with the discontinuation of certain battery related membership benefits

Adjusted (loss) profit from ordinary activities after tax
Adjusted (loss) profit 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, (v) non-recurring workplace restructuring costs, (vi) inventory write-off, (vii) adjustment in connection with membership benefit, and (viii) 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.


Thank you
Life360