

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 000-56424

Life360, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1900 South Norfolk Street, Suite 310
San Mateo, CA
(Address of principal executive offices)

26-0197666
(I.R.S. Employer
Identification No.)

94403
(Zip Code)

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

Not Applicable.
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

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

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

As of August 9, 2023, the registrant had 66,953,068 shares of common stock, par value \$0.001 per share, including shares underlying all issued and outstanding Chess Depository Interests ("CDIs"), outstanding.

Life360, Inc.
Form 10-Q for the Quarter Ended June 30, 2023
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In this report, unless otherwise stated or the context otherwise indicates, the terms "Life360," "the Company," "we," "us," "our" and similar references refer to Life360, Inc and its consolidated subsidiaries. The Life360 logo, and other trademarks, trade names or service marks of Life360, Inc. appearing in this Quarterly Report on Form 10-Q are the property of Life360, Inc. All other trademarks, trade names and service marks appearing in this Quarterly Report on Form 10-Q are the property of their respective owners. Solely for convenience, the trademarks and trade names in this report may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert their rights thereto.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Quarterly Report”) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on our management’s beliefs and assumptions and on information currently available to our management. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Exchange Act. These forward-looking statements involve risks and uncertainties regarding, among other things, (a) our projected sales, profitability, and cash flows, (b) our growth strategy, (c) our future financing plans, and (d) our anticipated needs for, and use of, working capital. They are generally identifiable by use of the words: “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. We caution you the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. You should not place undue reliance on these forward-looking statements.

The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed under “Item 1A. Risk Factors” and other sections in this Quarterly Report on Form 10-Q.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Condensed Consolidated Balance Sheets
 (Dollars in U.S. \$, in thousands, except share and per share data)
 (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 and \$3,513 measured at fair value, respectively)	6,129	3,513
Deferred revenue, current	31,065	30,056
Total current liabilities	68,699	87,649
Convertible notes, noncurrent (\$1,075 and \$3,425 measured at fair value, respectively)	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 (Note 11)		
Stockholders' Equity		
Common Stock, \$0.001 par value; 100,000,000 shares authorized as of June 30, 2023 and December 31, 2022; 66,831,437 and 65,239,843 issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	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

See accompanying notes to the condensed consolidated financial statements (unaudited).

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)

See accompanying notes to the condensed consolidated financial statements (unaudited).

Condensed Consolidated Statements of Stockholders' Equity
 (Dollars in U.S. \$, in thousands, except share and per share data)
 (unaudited)

	Common Stock		Additional Paid-In Capital	Notes Due from Affiliates	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2022	65,239,843	\$ 67	\$ 501,763	\$ (314)	\$ (256,972)	\$ (6)	\$ 244,538
Exercise of stock options	185,073	—	714	—	—	—	714
Vesting of restricted stock units	870,915	1	(1)	—	—	—	—
Taxes paid related to net settlement of equity awards	—	—	(5,731)	—	—	—	(5,731)
Repayment of notes due from affiliate	—	—	77	314	—	—	391
Stock-based compensation expense	—	—	8,955	—	—	—	8,955
Change in foreign currency translation adjustment	—	—	—	—	—	24	24
Net loss	—	—	—	—	(14,071)	—	(14,071)
Balance at March 31, 2023	66,295,831	\$ 68	\$ 505,777	\$ —	\$ (271,043)	\$ 18	\$ 234,820
Exercise of stock options	146,056	—	855	—	—	—	855
Vesting of restricted stock units	389,550	—	—	—	—	—	—
Taxes paid related to net settlement of equity awards	—	—	(2,820)	—	—	—	(2,820)
Stock-based compensation expense	—	—	9,269	—	—	—	9,269
Change in foreign currency translation adjustment	—	—	—	—	—	2	2
Net loss	—	—	—	—	(4,413)	—	(4,413)
Balance at June 30, 2023	66,831,437	\$ 68	\$ 513,081	\$ —	\$ (275,456)	\$ 20	\$ 237,713

Condensed Consolidated Statements of Stockholders' Equity
(Dollars in U.S. \$, in thousands, except share and per share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Notes Due from Affiliates	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2021	60,221,799	\$ 61	\$ 416,278	\$ (951)	\$ (165,343)	\$ —	\$ 250,045
Exercise of stock options	277,995	—	1,508	—	—	—	1,508
Exercise of warrants	66,892	—	—	—	—	—	—
Vesting of restricted stock units	124,059	—	—	—	—	—	—
Taxes paid related to net settlement of equity awards	—	—	(716)	—	—	—	(716)
Issuance of common stock in connection with an acquisition	779,032	1	15,408	—	—	—	15,409
Issuance of common stock	—	—	85	—	—	—	85
Stock-based compensation expense	—	—	6,095	—	—	—	6,095
Interest accrued relating to notes due from affiliates	—	—	—	(5)	—	—	(5)
Change in foreign currency translation adjustment	—	—	—	—	—	29	29
Net loss	—	—	—	—	(25,222)	—	(25,222)
Balance at March 31, 2022	61,469,777	\$ 62	\$ 438,658	\$ (956)	\$ (190,565)	\$ 29	\$ 247,228
Exercise of stock options	56,583	—	258	—	—	—	258
Exercise of warrants	20,903	—	1	—	—	—	1
Vesting of restricted stock units	179,118	—	—	—	—	—	—
Taxes paid related to net settlement of equity awards	—	—	(778)	—	—	—	(778)
Stock-based compensation expense	—	—	10,429	—	—	—	10,429
Interest accrued relating to notes due from affiliates	—	—	—	(3)	—	—	(3)
Repayment of notes due from affiliates	—	—	648	648	—	—	1,296
Issuance of common stock in settlement of contingent consideration	360,724	—	4,221	—	—	—	4,221
Change in foreign currency translation adjustment	—	—	—	—	—	(14)	(14)
Net loss	—	—	—	—	(32,985)	—	(32,985)
Balance at June 30, 2022	62,087,105	\$ 62	\$ 453,437	\$ (311)	\$ (223,550)	\$ 15	\$ 229,653

See accompanying notes to the condensed consolidated financial statements (unaudited).

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

	Six Months Ended June 30,	
	2023	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 (Note 8)	(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	<u>\$ 64,150</u>	<u>\$ 79,320</u>
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	<u>\$ 2,108</u>	<u>\$ 25,104</u>

The following table presents the cash, cash equivalents, and restricted cash reported within the balance sheets totaling the same such amounts shown above:

	June 30, 2023	June 30, 2022
Cash and cash equivalents	\$ 62,404	\$ 64,264
Restricted cash	1,746	15,056
Total cash, cash equivalents, and restricted cash	<u>\$ 64,150</u>	<u>\$ 79,320</u>

See accompanying notes to the condensed consolidated financial statements (unaudited).

1. Nature of Business

Life360, Inc. (the “Company”) is a leading technology platform used to locate the people, pets and things that matter most to families. The Company was incorporated in the State of Delaware in 2007. The Company’s core offering, the Life360 mobile application, includes features that range from communications to driving safety and location sharing. The Company operates under a “freemium” model where its core offering is available to users at no charge, with three membership subscription options that are available but not required. The Company also generates revenue through monetization arrangements with certain commercial third parties (“Data Revenue Partners”) through Lead Generation and license agreements (including aggregated insights into the data collected from the Company’s user base). On September 1, 2021, the Company acquired all ownership interests of Jio, Inc (“Jiobit”). Jiobit is a provider of wearable location devices for young children, pets, and seniors. On January 5, 2022, the Company acquired all ownership interests of Tile, Inc. (“Tile”). Tile is a smart location company whose products include a Bluetooth enabled device and related accessories that work in tandem with the Tile application to enable its customers to locate lost or misplaced objects.

On January 12, 2023, the Company announced a workforce restructure which resulted in a reduction of the Company’s workforce of approximately 14%. The Company incurred \$0.5 million and \$3.7 million in non-recurring personnel and severance related expenses in connection with the restructure during the three and six months ended June 30, 2023, respectively. As of June 30, 2023, approximately \$0.4 million of the expense incurred remains unpaid and is included within accrued expenses and other current liabilities on the condensed consolidated balance sheet.

The restructuring costs are recognized in the condensed consolidated statements of operations for the three and six months ended June 30, 2023 as follows (in thousands):

	Personnel and Severance Related Expenses	
	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023
Cost of subscription revenue	\$ 3	\$ 64
Cost of hardware revenue	3	94
Research and development	—	1,878
Sales and marketing	85	751
General and administrative	387	945
Total	\$ 478	\$ 3,732

2. Summary of Significant Accounting Policies

Included below are select significant accounting policies. Refer to Note 2, “Summary of Significant Accounting Policies” in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 23, 2023 (“Annual Report”) for a full list of our significant accounting policies.

Basis of Presentation and Consolidation

The accompanying unaudited condensed consolidated financial statements, which include the accounts of the Company and its wholly owned subsidiaries, have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for interim periods and following the requirements of the Securities and Exchange Commission (“SEC”) for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP can be condensed or omitted. All intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated balance sheet as of December 31, 2022, included herein, was derived from the audited financial statements as of that date. In the opinion of the Company’s management, the condensed consolidated financial statements reflect all normal recurring adjustments necessary for a fair statement of the results of operations for the interim periods presented and are not necessarily indicative of the Company’s future results of operations.

The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report.

Use of Estimates

The preparation of the Company's condensed consolidated financial statements in conformity with GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets, liabilities, net revenue, and expenses. Significant items subject to such estimates, judgments, and assumptions include:

- revenue recognition, including the determination of selling prices for distinct performance obligations sold in multiple performance obligation arrangements, the period over which revenue is recognized for certain arrangements, and estimated delivery dates for orders with title transfer upon delivery;
- allowances for credit losses and product returns;
- promotional and marketing allowances;
- inventory valuation;
- average useful customer life;
- valuation of stock-based awards;
- legal contingencies;
- impairment of long-lived assets and goodwill;
- valuation of contingent consideration, convertible notes and embedded derivatives;
- useful lives of long-lived assets; and
- income taxes including valuation allowances on deferred tax assets.

The Company bases its estimates and judgments on historical experience and on various assumptions that it believes are reasonable under the circumstances. Actual results could differ significantly from those estimates.

Accounting pronouncements not yet adopted

Although there are several new accounting standards issued or proposed by the FASB, which the Company will adopt, as applicable, the Company does not believe any of these accounting pronouncements will have a material impact on its condensed consolidated financial statements.

Concentrations of Risk and Significant Customers

The Company depends on the constant real-time performance, reliability and availability of its technology system and access to its partner's networks. The Company primarily relies on a single technology partner for its cloud platform and a limited number of contract manufacturers to assemble components of the Jiobit and Tile hardware tracking devices. Any adverse impacts to the platform and the contract manufacturers could negatively impact the Company's relationships with its partners or users and may adversely impact its business, financial performance, and reputation.

The Company derives its accounts receivable from revenue earned from customers located in the United States and internationally. Channel and retail partners account for the majority of the Company's revenue and accounts receivable for all periods presented.

Life360, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)

The following tables set forth the information about the Company's channel and retail partners who represented greater than 10% of its revenue or accounts receivable, respectively:

	Percentage of Revenue			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Channel Partner A	54 %	49 %	55 %	47 %
Channel Partner B	16 %	15 %	15 %	15 %
Retail Partner A	*	13 %	*	12 %

* Represents less than 10%

	Percentage of Gross Accounts Receivable	
	As of June 30,	As of December 31,
	2023	2022
Channel Partner A	55 %	33 %
Channel Partner B	11 %	*
Data Partner A	11 %	11 %
Retail Partner A	17 %	23 %

* Represents less than 10%

Cash and Cash Equivalents

The Company considers all highly liquid investment securities with remaining maturities at the date of purchase of three months or less to be cash equivalents. Cash and cash equivalents include deposit and money market funds. Money market mutual funds are valued using quoted market prices and therefore are classified within Level 1 of the fair value hierarchy.

Restricted Cash

Deposits of \$1.7 million and \$14.9 million were restricted from withdrawal as of June 30, 2023 and December 31, 2022, respectively. In April 2023, the Company released and paid \$13.1 million of restricted cash which was previously held in indemnity escrow as part of the acquisition of Tile in January 2022 (the "Tile Acquisition") for general representations and warranties, fifteen months after the acquisition date.

The remaining restricted cash, noncurrent balance of \$1.7 million as of June 30, 2023 relates to cash deposits restricted under letters of credit issued on behalf of the Company in support of indebtedness to trade creditors incurred in the ordinary course of business. The restricted cash, noncurrent balance of \$1.6 million as of December 31, 2022 relates to funds placed in an indemnity escrow fund after the acquisition of Jibit, and facility lease agreements.

3. Segment and Geographic Information

The Company operates as a single operating segment. The Company's chief operating decision maker is its chief executive officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources. All material long-lived assets are based in the United States.

Revenue by geographic region is generally based on the address of the customer as defined in the contract with the customer. The following table sets forth revenue by geographic region for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
North America	\$ 63,541	\$ 43,259	\$ 124,341	\$ 89,311
Europe, Middle East and Africa	4,137	3,379	8,456	6,579
Other international regions	3,110	2,206	6,134	3,924
Total revenue	\$ 70,788	\$ 48,844	\$ 138,931	\$ 99,814

4. Deferred Revenue

Deferred revenue consists primarily of payments received and accounts receivable recorded in advance of revenue recognition under the Company's subscription service arrangements and is recognized as the revenue recognition criteria is met. The Company primarily invoices its customers for its subscription services arrangements in advance. Amounts anticipated to be recognized within one year of the balance sheet date are recorded as deferred revenue, current; the remaining portion is recorded as deferred revenue, noncurrent in the consolidated balance sheets.

During the three and six months ended June 30, 2023, the Company recognized revenue of \$6.0 million and \$19.8 million, respectively, that was included in the deferred revenue balance at December 31, 2022. During the three and six months ended June 30, 2022, the Company recognized revenue of \$3.2 million and \$11.3 million, respectively, that was included in deferred revenue balance at December 31, 2021.

Remaining performance obligations represent the amount of contracted future revenue not yet recognized as the amounts relate to undelivered performance obligations, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods.

Revenue expected to be recognized from remaining performance obligations was \$32.8 million as of June 30, 2023, of which the Company expects \$31.1 million to be recognized over the next twelve months.

5. Costs Capitalized to Obtain Contracts

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. The Company determined that its costs to obtain contracts were both direct and incremental. These costs are attributable to the Company's largest channel partners.

Costs of obtaining new revenue contracts are deferred and then amortized on a straight-line basis over the related period of benefit, which is three years for the three and six months ended June 30, 2023 and approximately two years to three years depending on the subscription type for the three and six months ended June 30, 2022.

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The following table represents a roll forward of the Company's costs capitalized to obtain contracts, net (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Capitalized costs to obtain contracts, beginning of period	\$ 2,123	\$ 1,834	\$ 2,063	\$ 1,649
Acquired costs capitalized to obtain contracts	—	—	—	849
Additions to capitalized costs to obtain contracts	497	679	995	951
Amortization of capitalized costs to obtain contracts	(426)	(735)	(864)	(1,671)
Capitalized costs to obtain contracts, end of period	<u>\$ 2,194</u>	<u>\$ 1,778</u>	<u>\$ 2,194</u>	<u>\$ 1,778</u>

6. Fair Value Measurements

The Company measures its financial assets at fair value each reporting period using a fair value hierarchy that prioritizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of inputs which may be used to measure fair value are as follows:

Level 1 - Observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Valuations based on unobservable inputs to the valuation methodology and including data about assumptions market participants would use in pricing the asset or liability based on the best information available under the circumstances.

The carrying amounts of certain financial instruments, including cash and cash equivalents, prepaid expenses, accounts receivable, and accounts payable approximate fair value due to their short-term maturities.

The Company measures and reports certain assets and liabilities at fair value on a recurring basis.

The fair value of these assets and liabilities as of June 30, 2023 and December 31, 2022 are classified as follows (in thousands):

	As of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	\$ 40,896	\$ —	\$ —	\$ 40,896
Total assets	<u>\$ 40,896</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 40,896</u>
Liabilities:				
Derivative liability (Note 10)	\$ —	\$ —	\$ 341	\$ 341
Convertible notes (Note 9)	—	—	7,204	7,204
Total liabilities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7,545</u>	<u>\$ 7,545</u>

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	As of December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	\$ 61,227	\$ —	\$ —	\$ 61,227
Total assets	\$ 61,227	\$ —	\$ —	\$ 61,227
Liabilities:				
Derivative liability (Note 10)	\$ —	\$ —	\$ 101	\$ 101
Convertible notes (Note 9)	—	—	6,938	6,938
Total liabilities	\$ —	\$ —	\$ 7,039	\$ 7,039

The change in fair value of the Level 3 instruments were as follows (in thousands):

	As of June 30, 2023		
	Derivative liability (Note 10)	Convertible notes (Note 9)	Contingent consideration
Fair value, beginning of the year	\$ 101	\$ 6,938	—
Vesting of revolving notes	—	72	—
Changes in fair value	240	194	—
Fair value, end of period	\$ 341	\$ 7,204	—

	As of December 31, 2022		
	Derivative liability (Note 10)	Convertible notes (Note 9)	Contingent consideration
Fair value, beginning of the year	\$ 1,396	\$ 12,293	\$ 9,500
Vesting of revolving notes	—	137	—
Forfeiture of revolving notes	—	(235)	—
Repayment of convertible notes (Note 9)	—	(3,471)	—
Changes in fair value	(1,295)	(1,786)	(5,279)
Issuance of common stock in settlement of contingent consideration	—	—	(4,221)
Fair value, end of period	\$ 101	\$ 6,938	\$ —

For the three and six months ended June 30, 2023, the Company recorded a loss associated with the change in fair value of the derivative liability of \$0.3 million and \$0.2 million, respectively. For the three and six months ended June 30, 2023, the Company recorded a loss associated with the change in fair value of the convertible notes of \$0.3 million and \$0.2 million, respectively. For the year ended December 31, 2022, the Company recorded a gain associated with the change in fair value of the derivative liability and the change in fair value of the convertible notes of \$1.3 million and \$1.8 million, respectively. The amounts have been recorded in other income (expense), net in the condensed consolidated statements of operations and comprehensive loss.

For the year ended December 31, 2022, the Company recorded a gain associated with the change in fair value of the contingent consideration of \$5.3 million. The amounts have been recorded in general and administrative expense in the condensed consolidated statements of operations and comprehensive loss.

For the three and six months ended June 30, 2022, the Company recorded a gain associated with the change in fair value of the derivative liability of \$0.4 million and \$1.3 million, respectively. For the three and six months ended June 30, 2022, the Company recorded a gain associated with the change in fair value of the convertible notes of \$0.5 million and \$2.1 million, respectively. The amounts have been recorded in other income (expense), net in the condensed consolidated statements of operations and comprehensive loss.

For the three and six months ended June 30, 2022, the Company recorded a gain associated with the change in fair value of the contingent consideration of \$1.3 million and \$5.3 million, respectively. The amounts have been recorded in general and administrative expense in the condensed consolidated statements of operations and comprehensive loss.

7. Business Combinations

Tile, Inc.

On January 5, 2022, the Company completed the acquisition of Tile, Inc. (“Tile”), a privately held consumer electronics company. The company is based in San Mateo, California and was founded in 2012. Tile is a smart location company whose products include a Bluetooth enabled device and related accessories that work in tandem with the Tile application, to enable its customers to locate lost or misplaced objects. Tile offers a comprehensive list of products to use with the Tile application, along with optional subscription services to enhance features offered for Tile products. The addition of Tile is expected to strengthen and extend Life360’s market leadership position by leveraging Tile’s developed technology and customer relationships to accelerate the Company’s own product development and augment the Life360 team with a critical mass of talent. The aggregate purchase consideration was \$173.5 million, of which \$158.1 million was paid in cash and \$15.4 million paid in equity. The \$15.4 million in equity was comprised of 780,593 shares of the Company’s common stock valued on the date of acquisition and 534,465 shares of common stock contingent consideration which was promised upon reaching certain operational goals. Of the consideration transferred, \$14.1 million in cash and 84,524 common shares were placed in an indemnity escrow fund to be held for fifteen months after the acquisition date for general representations and warranties and were released during April 2023.

A total of \$35.0 million was excluded from purchase consideration which consists of retention compensation of 1,499,349 shares of restricted stock units valued at \$29.6 million, \$0.4 million related to 38,730 vested common stock options issued to Tile employees as stock-based compensation on the acquisition date and change in control bonuses of \$3.0 million, which were recognized as compensation expense on the condensed consolidated statements of operations on the acquisition date. The Company incurred transaction related expenses of \$1.7 million, which were recorded under general and administrative expenses in the condensed consolidated statements of operations. The remaining costs excluded from purchase consideration related to 1,561 shares granted to a key employee and vest based on continued employment, and 4,784 shares of contingent consideration granted to a key employee, which also vest based on continued employment.

Of the 1,499,349 shares of retention restricted stock units, 787,446 shares valued at \$15.6 million contain performance vesting criteria based on the achievement of certain company milestones, and vest over a two year period. The remaining retention restricted stock units of 711,903 shares vest over a two to four year period.

The contingent consideration was based on the Company’s achievement of certain targets for revenue and earnings before interest, taxes, depreciation, and amortization for the three months ended December 31, 2021 and the three months ended March 31, 2022. The Company determined that the criteria to satisfy the contingent consideration were not met, and as such, no value was ascribed to the contingent consideration.

The transaction was accounted for as a business combination. The total purchase price of \$173.5 million was allocated to the tangible and intangible assets and liabilities based on their estimated fair values on the date of acquisition. The excess purchase consideration over the fair value of the net tangible assets and identifiable intangible assets acquired was \$102.5 million and was recorded as goodwill.

8. Balance Sheet Components**Accounts receivable, net**

Accounts receivable, net consists of the following (in thousands):

	As of June 30, 2023	As of December 31, 2022
Accounts receivable	\$ 33,562	\$ 33,219
Allowance for doubtful accounts	(94)	(94)
Accounts receivable, net	<u>\$ 33,468</u>	<u>\$ 33,125</u>

Inventory

Inventory consists of the following (in thousands):

	As of June 30, 2023	As of December 31, 2022
Raw materials	\$ 2,441	\$ 3,063
Finished goods	7,949	7,763
Total inventory	<u>\$ 10,390</u>	<u>\$ 10,826</u>

The Company recorded a raw materials inventory write-off of \$0.9 million for the six months ended June 30, 2023. The write-off resulted from a decision made during the three months ended March 31, 2023 to discontinue a product line in the Company's product roadmap. The raw materials have no alternative use and have been fully written off for the six months ended June 30, 2023. There were no additional inventory write-offs for the three months ended June 30, 2023, and there were no inventory write-offs recorded for the three and six months ended June 30, 2022.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	As of June 30, 2023	As of December 31, 2022
Prepaid expenses	\$ 8,340	\$ 6,925
Other receivables	1,556	1,623
Total prepaid expenses and other current assets	<u>\$ 9,896</u>	<u>\$ 8,548</u>

Prepaid expenses primarily consist of certain cloud platform and customer service program costs. Other receivables primarily consist of refunds owed to the Company and other amounts which the Company is expected to receive in less than twelve months.

Property and Equipment, net

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

	As of June 30, 2023	As of December 31, 2022
Computer equipment	\$ 275	\$ 276
Leasehold improvements	100	100
Production manufacturing equipment	823	624
Construction in Progress	314	—
Furniture and fixtures	9	9
Total property and equipment, gross	1,521	1,009
Less: accumulated depreciation	(692)	(616)
Total property and equipment, net	<u>\$ 829</u>	<u>\$ 393</u>

For the three and six months ended June 30, 2023, depreciation expense was \$40 thousand and \$77 thousand, respectively, and for the three and six months ended June 30, 2022, depreciation expense was \$0.1 million and \$0.2 million, respectively.

There was no impairment of property and equipment or long-lived assets recognized during the three and six months ended June 30, 2023 or 2022.

Prepaid Expenses and Other Assets, noncurrent

Prepaid expenses and other assets, noncurrent consist of the following (in thousands):

	As of June 30, 2023	As of December 31, 2022
Prepaid expenses, noncurrent	\$ 1,223	\$ 1,524
Investment in affiliate	5,474	5,474
Other assets	21	136
Total prepaid expenses and other assets, noncurrent	<u>\$ 6,718</u>	<u>\$ 7,134</u>

Prepaid expenses, noncurrent primarily consist of cloud platform costs. Investment in affiliate relates to warrants to purchase shares of common stock of a current Data Revenue Partner.

Leases

The Company leases office space under various non-cancelable operating leases with remaining lease terms of up to 3.3 years, some of which include the option to extend the lease. In May 2023, the Company amended its lease agreement for its headquarter office space located in San Mateo, California. The amendment extended the lease term to November 2026, reduced the Company's leased office space and reduced the monthly lease payments. As a result, the associated right-of-use asset and lease liability were remeasured and the right-of-use asset and lease liability increased by \$1.1 million and \$1.1 million, respectively, upon the remeasurement date.

The Company did not have any finance leases as of June 30, 2023 or December 31, 2022.

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The components of lease expense are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating lease cost ⁽¹⁾	\$ 250	\$ 604	\$ 495	1,194

⁽¹⁾ Amounts include short-term leases, which are immaterial.

For the three and six months ended June 30, 2023, payments for operating leases included in cash from operating activities were \$0.3 million and \$0.5 million, respectively. For the three and six months ended June 30, 2022, payments for operating leases included in cash from operating activities were \$0.6 million and \$1.2 million, respectively.

Supplemental balance sheet information related to leases is as follows (in thousands, except lease term):

	As of June 30,		As of December 31,	
	2023		2022	
Operating lease right-of-use asset	\$	1,396	\$	802
Operating lease liability, current (included in accrued expenses and other current liabilities)		512		813
Operating lease liability, noncurrent (included in other liabilities, noncurrent)		893		—
Weighted-average remaining term for operating lease (in years)		3.2		0.8

The weighted-average discount rate used to measure the present value of the operating lease liabilities was 5.0%.

Maturities of the Company's operating lease liabilities, which do not include short-term leases, as of June 30, 2023 were as follows (in thousands):

	Operating leases
Remainder of 2023	\$ 377
2024	379
2025	390
2026	366
Less imputed interest	(107)
Total operating lease liability	\$ 1,405

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Goodwill and Intangible Assets, net

Intangible assets, net consists of the following (in thousands):

	As of June 30 2023,		
	Gross	Accumulated Amortization	Net
Trade name	\$ 23,380	\$ (3,593)	\$ 19,787
Technology	22,430	(6,948)	15,482
Customer relationships	15,290	(2,839)	12,451
Internal use software	1,567	(195)	1,372
Total	<u>\$ 62,667</u>	<u>\$ (13,575)</u>	<u>\$ 49,092</u>

	As of December 31 2022,		
	Gross	Accumulated Amortization	Net
Trade name	\$ 23,380	\$ (2,424)	\$ 20,956
Technology	22,430	(4,705)	17,725
Customer relationships	15,290	(1,895)	13,395
Internal use software	701	(78)	623
Total	<u>\$ 61,801</u>	<u>\$ (9,102)</u>	<u>\$ 52,699</u>

For the three and six months ended June 30, 2023, the Company capitalized \$0.5 million and \$0.9 million in internal use software, respectively. For the three and six months ended June 30, 2022, the Company capitalized \$0.4 million and \$0.4 million in internal use software, respectively.

For the three and six months ended June 30, 2023, amortization expense was \$2.3 million and \$4.5 million, respectively. For the three and six months ended June 30, 2022, amortization expense was \$2.2 million and \$4.3 million, respectively.

During the three and six months ended June 30, 2023 and 2022, there was no impairment of intangible assets recorded.

As of June 30, 2023, estimated remaining amortization expense for intangible assets by fiscal year is as follows (in thousands):

	Amount
Remainder of 2023	\$ 4,587
2024	9,214
2025	9,134
2026	8,597
2027 and Beyond	17,560
Total future amortization expense	<u>\$ 49,092</u>

The weighted-average remaining useful lives of the Company's acquired intangible assets are as follows:

	Weighted-Average Remaining Useful Life	
	As of June 30,	As of December 31,
	2023	2022
Trade name	8.5 years	9.0 years
Technology	3.4 years	3.9 years
Customer relationships	6.6 years	7.1 years
Internal use software	2.7 years	2.8 years

As of June 30, 2023 and December 31, 2022, goodwill was \$133.7 million. No goodwill impairments were recorded during the three and six months ended June 30, 2023 or the three and six months ended June 30, 2022.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other liabilities consist of the following (in thousands):

	As of June 30, 2023	As of December 31, 2022
Accrued vendor expenses	\$ 10,549	\$ 4,868
Accrued compensation	3,400	3,900
Customer related promotions and discounts	5,402	10,871
Operating lease liability	512	813
Sales return reserves	2,123	2,952
Other current liabilities	2,408	3,611
Total accrued expenses and other current liabilities	<u>\$ 24,394</u>	<u>\$ 27,015</u>

Other current liabilities primarily relate to inventory received not yet billed and warranty liabilities related to the Company's hardware tracking devices. During the three months ended June 30, 2023, the Company recorded a \$2.1 million decrease to outstanding warranty liabilities and a corresponding reduction in product costs recorded to cost of revenue in connection with the discontinuation of certain battery related membership benefits.

Escrow Liability

The escrow liability as of December 31, 2022 related to restricted cash associated with the Tile Acquisition of \$13.1 million, and the acquisition of Jiojob (the "Jiojob Acquisition") of \$0.2 million, placed in an indemnity escrow fund to be held for fifteen months and eighteen months, respectively, after the acquisition date for general representations and warranties. The initial balances were included within total consideration transferred. As of June 30, 2023, all escrow liabilities had been released and paid as scheduled.

Other Liabilities, noncurrent

Other liabilities, noncurrent consist of the following (in thousands):

	As of June 30, 2023	As of December 31, 2022
Deposit liabilities	\$ —	\$ 78
Other liabilities, noncurrent	484	498
Operating lease liability	893	—
Total other liabilities, noncurrent	<u>\$ 1,377</u>	<u>\$ 576</u>

9. Convertible Notes

July 2021 Convertible Notes

In July 2021, the Company issued convertible notes ("July 2021 Convertible Notes") to investors with an underlying principal amount of \$2.1 million. The July 2021 Convertible Notes accrue simple interest at an annual rate of 4% and mature on July 1, 2026. The July 2021 Convertible Notes may be settled under the following scenarios at the option of the holder: (i) at any time into common shares equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of \$11.96; (ii) at the option of the holder upon a liquidation event a) paid in cash equal to the outstanding principal and any accrued but unpaid interest or b) into common shares equal to the conversion amount of outstanding principal and any accrued but unpaid interest divided by the conversion price of \$11.96; or (iii) upon maturity, settlement in cash at the outstanding accrued interest and principal amount.

Certain conversion and redemption features of the July 2021 Convertible Notes were determined to not be clearly and closely associated with the risk of the debt-type host instrument and were required to be separately accounted for as derivative financial instruments. The Company bifurcated these embedded conversion and redemption (“embedded derivatives”) features and classified these as liabilities measured at fair value. The fair value of the derivative liability of \$0.7 million was recorded separate from the July 2021 Convertible Notes with an offsetting amount recorded as a debt discount. The debt discount is amortized over the estimated life of the debt using the straight-line method, as the value attributable to the July 2021 Convertible Notes was zero upon issuance.

As of June 30, 2023 the unamortized amount and net carrying value of the July 2021 Convertible Notes is \$1.3 million and \$0.8 million, respectively. The amount by which the July 2021 Convertible Notes if-converted value exceeds its principal is \$0.6 million as of June 30, 2023.

As of December 31, 2022 the unamortized amount and net carrying value of the July 2021 Convertible Notes was \$1.5 million and \$0.6 million, respectively. The amount by which the July 2021 Convertible Notes if-converted value does not exceed its principal was \$0.4 million as of December 31, 2022.

In connection with the July 2021 Convertible Notes, the Company issued warrants to purchase 88,213 shares of the Company’s common stock with an exercise price of \$0.01 per share and a term of one year (Warrant Tranche 1), 44,106 shares of the Company’s common stock with an exercise price of \$11.96 per share and a term of 5 years (Warrant Tranche 2), and 44,106 shares of the Company’s common stock which is exercisable starting twelve months from the issuance date with an exercise price of \$11.96 per share and a term of 5 years (Warrant Tranche 3).

The fair value of the warrants was determined using the Black-Scholes option-pricing method, with the following assumptions:

	Warrants Tranche 1	Warrants Tranche 2	Warrants Tranche 3
Fair market value of common stock	\$ 15.36	\$ 15.36	\$ 15.36
Expected dividend yield	— %	— %	— %
Risk-free interest rate	0.09 %	0.89 %	0.89 %
Expected volatility	52.00 %	47.40 %	47.40 %
Expected term (in years)	1.0	5.0	5.0

The warrants were recorded to additional paid-in capital during the year ended December 31, 2022. The fair value of the warrants issued in connection with the July 2021 Convertible Notes was \$0.8 million and was recorded as a debt discount that is being amortized to interest expense under the straight-line method over the term of respective convertible notes.

As a result of the beneficial conversion feature associated with the July 2021 Convertible Notes, \$0.6 million was added to additional paid-in capital during the year ended December 31, 2021. The beneficial conversion feature was recorded as a debt discount and is being amortized to interest expense under the straight-line method over the term of the respective notes.

For the three and six months ended June 30, 2023 and June 30, 2022, the Company recognized a total of \$0.1 million and \$0.2 million, respectively, in non-cash interest expense related to the July 2021 Convertible Notes.

September 2021 Convertible Notes

In September 2021, the Company, in connection with the Jibot Acquisition, issued \$11.6 million representing the fair value of convertible notes (the “September 2021 Convertible Notes”) and \$1.6 million of revesting convertible notes (“Revesting Notes”) that vest over time. The September 2021 Convertible Notes can be converted to common stock at any time subsequent to the acquisition at a fixed conversion price of \$22.50 per share. On each of the first three annual anniversaries of the issuance date of the September 2021 Convertible Notes, the Company will repay 1/3rd of the unconverted principal plus accrued interest to the holders of such notes. Upon a change of control, the holder may elect to either convert at the fixed conversion price of \$22.50 per share or be repaid in full. The Company has elected the fair value option and will remeasure the September 2021 Convertible Notes at their fair value on each reporting date and reflect the changes in fair value in earnings. The estimated fair value of the September 2021 Convertible Notes is determined using a combination of the present value of the cash flows and the Black-Scholes option pricing model using assumptions as follows:

	As of June 30, 2023	As of December 31, 2022	As of September 1, 2021
Principal	\$ 6,730	\$ 6,730	\$ 11,206
Interest rate	6.9 %	6.6 %	4.5 %
Common stock fair value per share	15.19	9.94	20.49
Conversion price per share	22.50	22.50	22.50
Risk-free interest rate	5.13 %	4.50 %	0.45 %
Time to exercise (in years)	1.2	1.7	3.0
Volatility	47 %	53 %	37 %
Annual dividend yield	0 %	0 %	0 %

The Revesting Notes are restricted and vest with continuous employment of certain key employees over a 3-year period subsequent to the acquisition. The Revesting Notes are recognized in general and administrative expense. In April 2022, one of the key employees exited the Company, and so the entirety of their Revesting Notes were forfeited. The Company recorded a \$0.3 million reduction in compensation expense included in general and administrative expense related to the forfeiture of their Revesting Notes. In January 2023, the other key employee exited the Company. As part of their separation agreement, their Revesting Notes are due in their entirety at the maturity date and the Company recorded \$0.1 million of compensation expense included in general and administrative expense.

The Company records the Revesting Notes at fair value and will remeasure the Revesting Notes at fair value on each reporting date. As the Revesting Notes vest, the changes in fair value are recorded as general and administrative expense with a corresponding entry to convertibles notes. The estimated fair value of the Revesting Notes is determined using a combination of the present value of the Revesting Notes cash flows and the Black-Scholes option pricing model. The terms of the Revesting Notes are consistent with the terms of the September 2021 Convertible Notes. For the three and six months ended June 30, 2023, the Company recorded zero and \$0.1 million, respectively, and for the three and six months ended June 30, 2022, the Company recorded \$19.4 thousand and \$0.1 million, respectively, to compensation expense included in general and administrative expense related to the changes in fair value of the Revesting Notes.

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Convertible notes, current and noncurrent consist of the following (in thousands):

	As of June 30, 2023	As of December 31, 2022
Convertible notes, current:		
September 2021 Convertible Notes	\$ 6,129	\$ 3,455
Revesting Notes	—	58
Convertible notes, noncurrent:		
July 2021 Convertible Notes	843	635
September 2021 Convertible Notes	1,075	3,396
Revesting Notes	—	29
Total convertible notes	<u>\$ 8,047</u>	<u>\$ 7,573</u>

The contractual future principal payments for all convertible notes as of June 30, 2023 were as follows (in thousands):

	Amount
Remainder of 2023	\$ 3,365
2024	3,365
2025	—
2026	2,110
Total principal outstanding	<u>\$ 8,840</u>
Fair value adjustment	(793)
Total convertible notes	<u>\$ 8,047</u>

10. Derivative Liability

The Company's derivative liability represents embedded share-settled redemption features bifurcated from its July 2021 Convertible Notes and is carried at fair value. The changes in the fair value of the derivative liability are recorded in other income (expense), net of the Company's condensed consolidated statements of operations and comprehensive loss.

Estimating fair values of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. Since derivative financial instruments are initially and subsequently carried at fair value, the Company's income will reflect the volatility in these estimate and assumption changes.

The features embedded in the July 2021 Convertible Notes are combined into one compound embedded derivative. The fair value of the embedded derivative was estimated based on the present value of the redemption discount applied to the principal amount of the July 2021 Convertible Notes adjusted to reflect the weighted probability of exercise. The discount rate was based on the risk-free interest rate.

Upon the issuance of the convertible notes, the Company recorded a derivative liability of \$0.7 million at fair value using inputs classified as Level 3 in the fair value hierarchy. As of June 30, 2023 and December 31, 2022, the fair value of the derivative liability was \$0.3 million and \$0.1 million, respectively. Refer to Note 6, "Fair Value Measurements" for further details.

11. Commitments and Contingencies

Purchase Commitments

The Company has certain commitments from outstanding purchase orders primarily related to technology support, marketing and branding and professional services. These agreements, which total \$161.5 million as of June 30, 2023 and \$138.9 million as of December 31, 2022, are predominantly non-cancellable and expected to be paid through 2027.

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Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made, and such expenditures can be reasonably estimated. The Company is not subject to any current pending legal matters or claims that the Company believes could have a material adverse effect on its financial position, results of operations or cash flows.

Warranties and Indemnification

To date, the Company has not incurred significant costs and has not accrued any material liabilities in the accompanying condensed consolidated financial statements as a result of its warranty and indemnification obligations.

Litigation

Occasionally, the Company is involved in various legal proceedings, claims and government investigations in the ordinary course of business. The outcome of litigation and other legal matters is inherently uncertain, though the Company intends to vigorously defend the matters. In making a determination regarding accruals, using available information, the Company evaluates the likelihood of an unfavorable outcome in legal or regulatory proceedings to which the Company is a party and records a loss contingency when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. When the Company determines an unfavorable outcome is not probable or reasonably estimable the Company does not accrue for any potential litigation loss. Actual outcomes of these legal and regulatory proceedings may materially differ from the Company's estimates.

On March 12, 2019, a former alleged competitor of Tile, Cellwitch, Inc, filed a patent infringement claim against the Company in the U.S. District Court, Northern District of California ("Court"), seeking permanent injunction and damages. On December 18, 2019, Tile filed an *inter partes* review petition with the Patent Trial and Appeal Board ("PTAB") challenging the validity of the patent. On May 13, 2021, the PTAB issued a Final Written Decision on Tile's *inter partes* review petition (the "Final Written Decision"), finding a majority of the claims invalid. The Final Written Decision was affirmed by the U.S. Court of Appeals for the Federal Circuit on May 13, 2022. The case is currently in trial court and a settlement conference took place on June 6, 2023, however no conclusions were reached and we continue to actively defend against this claim.

A purported class action (E.S. v. Life360, Inc.) alleging a single cause of action for unjust enrichment was filed against Life360 on January 12, 2023, seeking equitable relief purportedly arising out of Life360's historic data sales. Given the inherently uncertain nature of litigation, the ultimate disposition of the case is not presently determinable, but the Company intends to defend against the claim. We have agreed to participate in mediation in an effort to potentially find an early resolution to the claim. The mediation is scheduled for August 21, 2023. Preparation for the mediation is currently in progress and all court deadlines and any discovery activities have been placed on hold until after the mediation is completed. We cannot predict at this point the length of time that this action will be ongoing or estimate the liability, if any, which may arise therefrom.

Based on information currently available and the current state of the litigation, we are unable to reasonably estimate a possible loss or range of possible losses, if any, with regards to outstanding litigation. As a result, no litigation reserve has been recorded on our condensed consolidated balance sheets as of June 30, 2023 or December 31, 2022. We will continue to evaluate information as it becomes known and will record an estimate for losses at the time or times if and when it is probable a loss will be incurred and the amount of the loss is reasonably estimable.

12. Common Stock

As of June 30, 2023 and December 31, 2022, the Company was authorized to issue up to 100,000,000 shares of par value \$0.001 per share common stock.

The Company has also issued shares of common stock as a result of stock option exercises throughout its existence. Common stockholders are entitled to dividends when and if declared by the Board of Directors subject to the prior rights of the preferred stockholders. The holder of each share of common stock is entitled to one vote. The common stockholders voting as a class are entitled to elect three members to the Company's Board of Directors. No dividends have been declared in the Company's existence.

Life360, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)

The Company has the following potentially outstanding common stock reserved for issuance:

	As of June 30, 2023	As of December 31, 2022
Issuances under stock incentive plan	7,373,302	8,180,840
Issuances upon exercise of common stock warrants	137,658	137,658
Issuances upon vesting of restricted stock units	5,888,385	6,779,892
Issuances of convertible notes	516,758	516,758
Shares reserved for shares available to be granted but not granted yet	3,765,752	396,347
	<u>17,681,855</u>	<u>16,011,495</u>

13. Warrants

As of June 30, 2023 and December 31, 2022, the Company had outstanding warrants to purchase 137,658 and 137,658 shares of Company common stock, respectively, with exercise prices ranging from \$2.28 to \$11.96 and expiry dates ranging from 2024 to 2028. Refer to Note 9, "Convertible Notes" for further details.

14. Equity Incentive Plan

2011 Equity Incentive Plan

The Company's equity incentive plan allows the Company to grant restricted stock units, restricted stock and stock options to employees and consultants of the Company and any of the Company's parent, subsidiaries, or affiliates, and to the members of the Board of Directors.

The following summary of stock option activity for the periods presented is as follows (in thousands, except share and per share data):

	Number of Shares Underlying Outstanding Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value
Balance as of December 31, 2022	8,180,840	\$ 7.05	5.61	\$ 40,827
Options granted	—	—		
Options exercised	(331,167)	4.83		
Options cancelled/forfeited	(476,371)	13.73		
Balance as of June 30, 2023	<u>7,373,302</u>	6.70	5.13	63,855
Exercisable as of June 30, 2023	<u>5,683,517</u>	\$ 5.43	5.04	\$ 56,000

As of June 30, 2023, there was total unrecognized compensation cost for outstanding stock options of \$6.2 million to be recognized over a period of approximately 2.3 years.

The following summary of Restricted Stock Units (RSU) activity for the periods presented is as follows:

	Number of Shares	Weighted average grant date fair value
Balance as of December 31, 2022	6,779,892	\$ 11.58
RSU granted	2,128,770	11.19
RSU vested and settled	(2,041,500)	11.14
RSU cancelled/forfeited	(978,777)	11.82
Balance as of June 30, 2023	<u>5,888,385</u>	<u>\$ 11.54</u>

Life360, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)

As of June 30, 2023, there was unrecognized compensation cost for outstanding restricted stock units of \$54.5 million to be recognized over a period of approximately 2.5 years.

The number of RSUs vested and settled includes shares of common stock that the Company withheld on behalf of employees to satisfy the minimum statutory tax withholding requirements.

Stock-based Compensation

Stock-based compensation expense was allocated as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cost of revenue				
Subscription costs	\$ 154	\$ 239	\$ 279	\$ 438
Hardware costs	243	240	449	289
Other costs	10	30	21	83
Total cost of revenue	407	509	749	810
Research and development	5,301	5,305	10,086	8,923
Sales and marketing	560	1,324	1,487	2,174
General and administrative	3,001	3,291	5,902	4,617
Total stock-based compensation expense	\$ 9,269	\$ 10,429	\$ 18,224	\$ 16,524

There were no capitalized stock-based compensation costs or recognized stock-based compensation tax benefits during the three and six months ended June 30, 2023 or the year ended December 31, 2022, respectively.

Equity Awards Issued in Connection with Business Combinations

Jio, Inc.

In connection with the Jiojob Acquisition in September 2021, the Company issued 91,217 shares of restricted common stock with an aggregate fair value of \$1.9 million to be recognized as post combination stock-based compensation ratably with continuous employment of certain employees over a 3 year period.

In January 2023, a key employee of the Jiojob Acquisition terminated employment with the Company. As part of such employee's separation agreement, the Company recorded \$0.2 million to compensation included in general and administrative expense related to their Revesting Stock. As of June 30, 2023 and December 31, 2022, there was zero and \$0.2 million of unrecognized compensation expense, respectively, related to this restricted common stock which is expected to be recognized over the remaining weighted average life of zero years and 1.7 years, respectively.

Additionally, the Company granted 43,083 service-based stock options under the Plan to certain Jiojob employees with an aggregate fair value of \$0.5 million which vests ratably over the requisite service period. As of June 30, 2023, there was \$0.1 million of unrecognized compensation expense related to unvested assumed stock options, which is expected to be recognized over the remaining weighted average life of 1.5 years. As of December 31, 2022, there was \$0.2 million of unrecognized compensation expense related to unvested assumed stock options, which is expected to be recognized over the remaining weighted average life of 1.8 years.

Tile, Inc.

In connection with the Tile Acquisition in January 2022, the Company issued 1,499,349 shares of retention restricted stock units with an aggregate fair value of \$29.6 million. Of the 1,499,349 shares of retention restricted stock units, 787,446 shares valued at \$15.6 million contained performance vesting criteria based on the achievement of certain company milestones during the three months ended March 31, 2022, and vest over a two year period. As of March 31, 2022, the vesting criteria had not been met and all 787,446 restricted stock units were forfeited. The remaining 711,903 retention restricted stock units vest over a two to four year period. As of June 30, 2023, there was \$2.6 million of unrecognized compensation expense related to the retention restricted stock units which is expected to be recognized over the remaining weighted average life of 1.2 years.

The Company also issued 38,730 vested common stock options to Tile employees as stock-based compensation on the acquisition date. The aggregate fair value of \$0.4 million was recognized as compensation expense on the date of acquisition.

A total of 694,672 shares of common stock with an aggregate fair value of \$13.7 million were issued to Tile shareholders as part of purchase consideration. All \$13.7 million was included within purchase consideration.

A total of 1,561 shares of common stock with an aggregate fair value of \$31 thousand were issued to a key employee, the vesting of which is subject to continued employment over a 30-month period. As of June 30, 2023, there was \$12 thousand of unrecognized compensation expense related to unvested restricted stock units which is expected to be recognized over the remaining 1.0 years.

A total of 84,524 shares of common stock were issued as part of consideration transferred and were placed in an indemnity escrow fund to be held for fifteen months after the acquisition date for general representations and warranties. The aggregate fair value of \$1.7 million was included within purchase consideration. All 84,524 shares of common stock were released from escrow in April 2023 as scheduled.

15. Income Taxes

The provision for (benefit from) income taxes for interim periods is determined using an estimated annual effective tax rate in accordance with Accounting Standards Codification (“ASC”) 740-270, Income Taxes, Interim Reporting. The effective tax rate may be subject to fluctuations during the year as new information is obtained, which may affect the assumptions used to estimate the annual effective tax rate, including factors such as valuation allowances against deferred tax assets, the recognition or de-recognition of tax benefits related to uncertain tax position, if any, and changes in or the interpretation of tax laws in jurisdictions where the Company conducts business.

For the three and six months ended June 30, 2023, the Company recorded a provision for incomes taxes of \$0.3 million and \$0.4 million, respectively. For the three and six months ended June 30, 2022, the Company recorded a provision for (benefit from) incomes taxes of (47) thousand and 11 thousand, respectively.

In accordance with the Tax Cuts and Jobs Act of 2017, research and experimental (R&E) expenses under Internal Revenue Code Section 174 are required to be capitalized beginning in 2022. R&E expenses are required to be amortized over a period of five years for domestic expenses and fifteen years for foreign expenses. The Company has capitalized R&E expenditures in its income tax provision as a result. Accordingly, in the three and six months ended June 30, 2023, the Company recorded state income tax expense of \$0.3 million and \$0.4 million, respectively, primarily due to state conformity to Internal Revenue Code Section 174.

In accordance with ASC 805, a change in the acquirer’s valuation allowance that stems from a business combination should be recognized as an element of the acquirer’s income tax expense or benefit in the period of acquisition. Accordingly, in the three and six months ended June 30, 2022, the Company recorded a provisional zero and \$96 thousand partial release of its valuation allowance and a corresponding income tax benefit stemming from the Tile Acquisition, respectively. The benefit was offset by the state income taxes for the three and six months ended June 30, 2022.

16. Related-Party Transactions

The Company has entered into secondary financing transactions and other transactions with certain executive officers and Board members of the Company. A summary of the transactions is detailed below:

Notes Due From Affiliates (Contra Equity)

In February 2016, the Company issued an aggregate of \$0.6 million in secured partial recourse promissory notes (“partially secured loan”) to the Chief Executive Officer, Non-Executive Director (Previously President), Chief Operating Officer and another executive of the Company.

The Company accounted for the 2016 partially secured loan as consideration received for the exercise of the related equity award, because even after the original options are exercised or the shares are purchased, an employee could decide not to repay the loan if the value of the shares declines below the outstanding loan amount and could instead choose to return the shares in satisfaction of the loan. The result would be similar to an employee electing not to exercise an option whose exercise price exceeds the current share price. When shares are exchanged for a partially secured loan, the principal and interest are viewed as part of the exercise price of the “option” and no interest income is recognized. Additionally, compensation cost is recognized over any requisite service period, with an offsetting credit to additional paid-in capital. Periodic principal and interest payments, if any, are treated as deposit liabilities until the note is paid off, at which time, the note balance is settled and the deposit liability balance is transferred to additional paid-in capital. All promissory notes issued to the Chief Executive Officer and Chief Operating Officer were repaid as of June 2022. During the three months ended March 31, 2023, the Company received proceeds from the repayment of the partially secured loan that remained outstanding of \$0.3 million. As of June 30, 2023 and December 31, 2022, the Company had deposit liability balances of zero and \$0.3 million, respectively, in connection with the 2016 partially secured loan and other early exercises of equity awards. Principal amounts due under the 2016 partially secured loan are included in Notes Due From Affiliates as a reduction in stockholders’ equity on the consolidated balance sheets.

17. Defined Contribution Plan

The Company sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code covering substantially all employees over the age of 21 years. Contributions made by the Company are voluntary and are determined annually by the Board of Directors on an individual basis subject to the maximum allowable amount under federal tax regulations. The Company has made no contributions to the plan since its inception.

Life360, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)

18. Net Loss Per Share

The following table presents the calculation of basic and diluted net loss per share (in thousands except share and per share information):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net loss	\$ (4,413)	\$ (32,985)	\$ (18,484)	\$ (58,207)
Weighted-average shares used in computing net loss per share, basic and diluted	66,467	61,883	66,032	61,540
Net loss per share, basic and diluted	\$ (0.07)	\$ (0.53)	\$ (0.28)	\$ (0.95)

The potential shares of common stock that were excluded from the computation of diluted net loss per share for the periods presented because including them would have been antidilutive are as follows:

	As of June 30,	As of June 30,
	2023	2022
Issuances under stock incentive plan	7,373,302	8,315,495
Issuances upon exercise of common stock warrants	137,658	138,076
Issuances upon vesting of restricted stock units	5,888,385	6,519,538
Issuances of convertible notes	516,758	686,926
Shares reserved for shares available to be granted but not granted yet	3,765,752	1,105,201
	17,681,855	16,765,236

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our Annual Report. In addition to historical financial information, the following discussion contains forward-looking statements that are based upon current plans, expectations and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section titled “Risk Factors” under Part II, Item 1A in this Quarterly Report on Form 10-Q and Part I, Item 1A in our Annual Report.

Overview

Life360 is a leading technology platform used to locate the people, pets and things that matter most to families. Life360 is creating a new category at the intersection of family, technology, and safety to help keep families connected and safe. Our core offering, the Life360 mobile application, includes features that range from communications to driving safety and location sharing. The Life360 mobile application operates under a “freemium” model where its core offering is available to users at no charge, with three membership subscription options that are available but not required. Our platform recently entered a new era of location tracking services with the successful acquisitions of Jiobit and Tile. By offering devices and integrated software to members, we have expanded our addressable market to provide members of all ages with a vertically integrated, cross-platform solution of scale.

Key Factors Affecting Our Performance

We believe that our results of operations are affected by a number of factors, such as: the ability to remain a trusted brand; attracting, retaining, and converting members; maintaining efficient member acquisition; the ability to attract new and repeat purchasers of our hardware tracking devices; growth in average revenue per paying circle; expanding offerings on our platform; attracting and retaining talent; seasonality; and international expansion. We discuss each of these factors in more detail under the heading “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations” in our Form 10-K for the year ended December 31, 2022. While we do not have control of all factors affecting our results from operations, we work diligently to influence and manage those factors which we can impact to enhance our results of operations.

Components of Our Results of Operations

Revenue

Subscription Revenue

We generate revenue from sales of subscriptions on our platforms. Revenue is recognized ratably over the related contractual term generally beginning on the date that our platform is made available to a customer. Our subscription agreements typically have monthly or annual contractual terms. Our agreements are generally non-cancellable during the contract term. We typically bill in advance for monthly and annual contracts. Amounts that have been billed are initially recorded as deferred revenue until the revenue is recognized.

Hardware Revenue

We generate a majority of our hardware revenue from the sale of the Tile and Jiobit hardware tracking devices and related accessories. For hardware and accessories, revenue is recognized at the time products are delivered. We sell hardware tracking devices and accessories through a number of channels including our websites, brick and mortar retail and online retail.

Other Revenue

We also generate revenue through data monetization arrangements with certain third parties through data acquisition and license agreements for data collected from our member base for purposes of targeted advertising, research, analytics, attribution, and other commercial purposes. In January 2022, we executed a new partnership agreement with a key data partner, a prominent provider of aggregated analytics for the retail ecosystem. The agreement includes fixed monthly revenue amounts for access to aggregated data for the duration of the three-year agreement. Other revenue also includes partnership revenue.

Cost of Revenue and Gross Margin

Cost of Subscription Revenue

Cost of subscription revenue primarily consists of expenses related to hosting our services and providing support to our free and paying subscribers. These expenses include personnel-related costs associated with our cloud-based infrastructure and our customer support organization, third-party hosting fees, software, and maintenance costs, outside services associated with the delivery of our subscription services, amortization of acquired intangibles and allocated overhead, such as facilities, including rent, utilities, depreciation on equipment shared by all departments, credit card and transaction processing fees, and shared information technology costs. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.

We plan to continue increasing the capacity and enhancing the capability and reliability of our infrastructure to support user growth and increased use of our platform. We expect that cost of revenue will increase in absolute dollars in future periods.

Cost of Hardware Revenue

Cost of hardware revenue consists of product costs, including hardware production, contract manufacturers for production, shipping and handling, packaging, fulfillment, personnel-related expenses, manufacturing and equipment depreciation, warehousing, tariff costs, customer support costs, credit card and transaction processing fees, warranty replacement, and write-downs of excess and obsolete inventory. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.

Cost of Other Revenue

Cost of other revenue includes cloud-based hosting costs, as well as costs of product operations functions and personnel-related costs associated with our data platform. Personnel-related expenses include salaries, bonuses, benefits, and stock-based compensation for operations personnel.

Gross Profit and Gross Profit Margin

Our gross profit has been, and may in the future be, influenced by several factors, including timing of capital expenditures and related depreciation expense, increases in infrastructure costs, component costs, contract manufacturing and supplier pricing, and foreign currency exchange rates. Gross profit and gross profit margin may fluctuate over time based on the factors described above.

Operating Expenses

Our operating expenses consist of research and development, selling and marketing, and general and administrative expenses.

Research and Development

Our research and development expenses consist primarily of personnel-related costs for our engineering, product, and design teams, material costs of building and developing prototypes for new products, mobile app development and allocated overhead. We believe that continued investment in our platform is important for our growth. We expect our research and development expenses will increase in absolute dollars as our business grows.

Sales and Marketing

Our sales and marketing expenses consist primarily of personnel-related costs, brand marketing costs, lead generation costs, sales incentives, sponsorships and amortization of acquired intangibles. Revenue-share payments to third parties in connection with annual subscription sales of the Company's mobile application on third-party store platforms are considered to be incremental and recoverable costs of obtaining a contract with a customer and are deferred and typically amortized over an estimated period of benefit of two to three years depending on the subscription type.

We plan to continue to invest in sales and marketing to grow our member base and increase our brand awareness, including marketing efforts to continue to drive our business model. We expect that sales and marketing expenses will increase in absolute dollars in future periods and will fluctuate as a percentage of revenue. The trend and timing of sales and marketing expenses will depend in part on the timing of marketing campaigns.

General and Administrative

Our general and administrative expenses consist primarily of personnel-related costs for our legal, finance, human resources, and other administrative teams, as well as certain executives. In addition, general and administrative expenses include allocated overhead, outside legal, accounting and other professional fees, change in fair value of contingent consideration for business combinations, and non-income-based taxes. We expect our general and administrative expenses will increase in absolute dollars as our business grows.

Convertible Notes Fair Value Adjustment

The Company issued convertible notes to investors in July 2021 (the “July 2021 Convertible Notes”), and as part of the purchase consideration related to the JioBit Acquisition in September 2021 (the “September 2021 Convertible Notes” and together with the July 2021 Convertible Notes, the “Convertible Notes”). The September 2021 Convertible Notes are recorded at fair value and are revalued at each reporting period.

Derivative Liability Fair Value Adjustment

Derivative liability fair value adjustment relates to the change in the fair value of the embedded conversion and redemption features associated with the July 2021 Convertible Notes.

Other Income (Expense), net

Other income (expense), net consists of interest income earned on our cash and cash equivalents balances, foreign currency exchange (losses)/gains related to the remeasurement of certain assets and liabilities of our foreign subsidiaries that are denominated in currencies other than the functional currency of the subsidiary and foreign exchange transactions gains/(losses) and interest expense primarily related to the Convertible Notes.

Provision for (Benefit from) Income Taxes

Provision for (benefit from) income taxes consists of U.S. federal and state income taxes in jurisdictions in which we conduct business. We maintain a full valuation allowance on our federal and state deferred tax assets as we have concluded that it is not more likely than not that the deferred tax assets will be realized.

Results of Operations

The following tables set forth our condensed consolidated statements of operations and comprehensive loss for the three and six months ended June 30, 2023 and 2022 (in thousands, except percentages).

	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2023	2022		2023	2022	
Subscription revenue	\$ 52,727	\$ 36,006	46 %	\$ 104,391	\$ 69,068	51 %
Hardware revenue	11,585	6,816	70 %	21,569	16,463	31 %
Other revenue	6,476	6,022	8 %	12,971	14,283	(9)%
Total revenue	70,788	48,844	45 %	138,931	99,814	39 %
Cost of subscription revenue ⁽¹⁾	6,388	7,903	(19)%	14,433	14,974	(4)%
Cost of hardware revenue ⁽¹⁾	8,736	10,773	(19)%	18,162	18,579	(2)%
Cost of other revenue ⁽¹⁾	881	880	— %	1,723	1,855	(7)%
Total cost of revenue	16,005	19,556	(18)%	34,318	35,408	(3)%
Gross Profit	54,783	29,288	87 %	104,613	64,406	62 %
Operating expenses⁽¹⁾:						
Research and development	23,182	27,031	(14)%	50,379	52,768	(5)%
Sales and marketing	23,347	22,895	2 %	47,663	46,137	3 %
General and administrative	12,497	12,830	(3)%	25,706	26,076	(1)%
Total operating expenses	59,026	62,756	(6)%	123,748	124,981	(1)%
Loss from operations	(4,243)	(33,468)	(87)%	(19,135)	(60,575)	(68)%
Other income (expense):						
Convertible notes fair value adjustment	(266)	532	(150)%	(194)	2,107	(109)%
Derivative liability fair value adjustment	(254)	415	(161)%	(240)	1,328	(118)%
Other income (expense), net	617	(511)	(221)%	1,460	(1,056)	(238)%
Total other income, net	97	436	(78)%	1,026	2,379	(57)%
Loss before income taxes	(4,146)	(33,032)	(87)%	(18,109)	(58,196)	(69)%
Provision for (benefit from) income taxes	267	(47)	(668)%	375	11	3,309 %
Net loss	(4,413)	(32,985)	(87)%	(18,484)	(58,207)	(68)%
Change in foreign currency translation adjustment	2	(14)	(114)%	26	15	73 %
Total comprehensive loss	\$ (4,411)	\$ (32,999)	(87)%	\$ (18,458)	\$ (58,192)	(68)%

(1) Includes stock-based compensation expense as follows (in thousands, except percentages):

	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2023	2022		2023	2022	
Cost of revenue						
Subscription costs	\$ 154	\$ 239	(36)%	\$ 279	\$ 438	(36)%
Hardware costs	243	240	1 %	449	289	55 %
Other costs	10	30	(67)%	21	83	(75)%
Total cost of revenue	407	509		749	810	
Research and development	5,301	5,305	— %	10,086	8,923	13 %
Sales and marketing	560	1,324	(58)%	1,487	2,174	(32)%
General and administrative	3,001	3,291	(9)%	5,902	4,617	28 %
Total stock-based compensation expense	\$ 9,269	\$ 10,429	(11)%	\$ 18,224	\$ 16,524	10 %

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The following table sets forth our results of operations as a percentage of total revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Subscription revenue	74 %	74 %	75 %	69 %
Hardware revenue	16 %	14 %	16 %	16 %
Other revenue	9 %	12 %	9 %	14 %
Total revenue	100 %	100 %	100 %	100 %
Cost of subscription revenue	9 %	16 %	10 %	15 %
Cost of hardware revenue	12 %	22 %	13 %	19 %
Cost of other revenue	1 %	2 %	1 %	2 %
Total cost of revenue	23 %	40 %	25 %	35 %
Gross Profit	77 %	60 %	75 %	65 %
Operating expenses:				
Research and development	33 %	55 %	36 %	53 %
Sales and marketing	33 %	47 %	34 %	46 %
General and administrative	18 %	26 %	19 %	26 %
Total operating expenses	83 %	128 %	89 %	125 %
Loss from operations	(6)%	(69)%	(14)%	(61)%
Other income (expense):				
Convertible notes fair value adjustment	— %	1 %	— %	2 %
Derivative liability fair value adjustment	— %	1 %	— %	1 %
Other income (expense), net	1 %	(1)%	1 %	(1)%
Total other income, net	— %	1 %	1 %	2 %
Loss before income taxes	(6)%	(68)%	(13)%	(58)%
Provision for (benefit from) income taxes	— %	— %	— %	— %
Net loss	(6)%	(68)%	(13)%	(58)%
Change in foreign currency translation adjustment	— %	— %	— %	— %
Total comprehensive loss	(6)%	(68)%	(13)%	(58)%

Revenue

	Three Months Ended June 30,		Change	
	2023	2022	\$	%
<i>(in thousands, except percentages)</i>				
Subscription revenue	\$ 52,727	\$ 36,006	\$ 16,721	46 %
Hardware revenue	11,585	6,816	4,769	70 %
Other revenue	6,476	6,022	454	8 %
Total revenue	\$ 70,788	\$ 48,844	\$ 21,944	45 %

Subscription revenue increased \$16.7 million, or 46%, during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022, due to a 14% growth in total subscriptions, including 17% growth in Paying Circles and a full quarter's impact of the price increases for U.S. iOS Life360 subscriptions which were implemented during the three months ended December 31, 2022 and for existing Android Life360 subscriptions which were fully implemented during the three months ended June 30, 2023.

Hardware revenue increased \$4.8 million, or 70%, during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022, primarily due to an increased number of net hardware units shipped and an increase in net average sales price per unit.

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Other revenue increased \$0.5 million, or 8%, during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022, due to our strategic shift to focus on a single aggregated data arrangement and the terms associated with the arrangement.

	Six Months Ended June 30,		Change	
	2023	2022	\$	%
<i>(in thousands, except percentages)</i>				
Subscription revenue	\$ 104,391	\$ 69,068	\$ 35,323	51 %
Hardware revenue	21,569	16,463	5,106	31 %
Other revenue	12,971	14,283	(1,312)	(9)%
Total revenue	\$ 138,931	\$ 99,814	\$ 39,117	39 %

Subscription revenue increased \$35.3 million, or 51%, during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, due to a 14% growth in total subscriptions, including 17% growth in Paying Circles and a full six month impact of the price increases for Life360 subscriptions which were implemented during the three months ended December 31, 2022 and for existing Android Life360 subscriptions, which were fully implemented during the three months ended June 30, 2023.

Hardware revenue increased \$5.1 million, or 31%, during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily due to an increased number of net hardware units shipped and an increase in net average sales price per unit.

Other revenue decreased \$1.3 million, or 9%, during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, due to our strategic shift to focus on a single aggregated data and the terms associated with the arrangement.

Cost of Revenue, Gross Profit, and Gross Margin

	Three Months Ended June 30,		Change	
	2023	2022	\$	%
<i>(in thousands, except percentages)</i>				
Cost of subscription revenue	\$ 6,388	\$ 7,903	\$ (1,515)	(19)%
Cost of hardware revenue	8,736	10,773	(2,037)	(19)%
Cost of other revenue	881	880	1	— %
Total cost of revenue	16,005	19,556	(3,551)	
Gross Profit	\$ 54,783	\$ 29,288	\$ 25,495	
Gross margin:				
Subscription	88 %	78 %		
Hardware	25 %	(58)%		
Other	86 %	85 %		

Cost of subscription revenue decreased by \$1.5 million, or 19%, during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022, primarily related to a \$1.8 million decrease in membership offerings as a result of the discontinuation of certain battery related membership benefits, partially offset by a \$0.6 million increase in other membership offerings in line with the increase in revenue. The Company also saw a decrease of \$0.6 million in personnel-related costs and stock-based compensation costs attributable to the Company's integration with Tile and the recategorization of the combined workforce. These decreases were partially offset by an increase of \$0.3 million in contractor spend associated with Company growth.

Subscription gross margin increased to 88% during the three months ended June 30, 2023 from 78% during the three months ended June 30, 2022, primarily due to the subscription price increases implemented by the Company during the fourth quarter of the year ended December 31, 2022 and a decrease in membership offering costs related to the discontinuation of certain battery related membership benefits.

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Cost of hardware revenue decreased by \$2.0 million, or 19%, during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022, primarily due to a decrease of \$1.4 million in hardware costs relating to fulfillment, logistics, product, and other hardware expenses, a decrease of \$0.3 million in membership offerings related to the discontinuation of certain battery related membership benefits and a decrease of \$0.3 million in personnel-related costs and stock-based compensation costs associated with the Company's reduction in force which took place during the three months ended March 31, 2023.

Hardware gross margin increased to 25% during the three months ended June 30, 2023 from (58)% during the three months ended June 30, 2022, primarily due to higher net average sales price per unit sold during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022. The increase in gross margin is also partially attributable to the negative impacts of an increased number of product returns, increased fulfillment, logistics and product costs as well as additional personnel-related costs and stock-based compensation costs which were incurred during the three months ended June 30, 2022.

	Six Months Ended June 30,		Change	
	2023	2022	\$	%
<i>(in thousands, except percentages)</i>				
Cost of subscription revenue	\$ 14,433	\$ 14,974	\$ (541)	(4)%
Cost of hardware revenue	18,162	18,579	(417)	(2)%
Cost of other revenue	1,723	1,855	(132)	(7)%
Total cost of revenue	34,318	35,408	(1,090)	
Gross Profit	\$ 104,613	\$ 64,406	\$ 40,207	
Gross margin:				
Subscription	86 %	78 %		
Hardware	16 %	(13)%		
Other	87 %	87 %		

Cost of subscription revenue decreased by \$0.5 million, or 4%, during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily related to a \$1.8 million decrease in membership offerings as a result of the discontinuation of certain battery related membership benefits, partially offset by a \$1.3 million increase in other membership offerings in line with the increase in revenue. The Company also saw a decrease of \$1.1 million in personnel-related costs and stock-based compensation costs attributable to the Company's integration with Tile and the recategorization of the combined workforce. These decreases were partially offset by increases of \$0.4 million in professional and outside services, \$0.4 million in other facilities and related expenses, and \$0.3 million in technology expenses associated with Company growth.

Subscription gross margin increased to 86% during the six months ended June 30, 2023 from 78% during the six months ended June 30, 2022, primarily due to the subscription price increases implemented by the Company during the fourth quarter of the year ended December 31, 2022 and a decrease in membership offering costs related to the discontinuation of certain battery related membership benefits.

Cost of hardware revenue decreased by \$0.4 million, or 2%, during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily due to a decrease of \$0.7 million in fulfillment and logistics expenses largely reflecting the alignment of accounting policies and a decrease of \$0.3 million in membership offerings related to the discontinuation of certain battery related membership benefits offset by an increase of \$0.6 million in hardware product costs.

Hardware gross margin increased to 16% during the six months ended June 30, 2023 from (13)% during the six months ended June 30, 2022, primarily due to higher net average sales price per unit sold during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 as well as an increased number of product returns received during the six months ended June 30, 2022.

Research and Development

	Three Months Ended June 30,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Research and development	\$ 23,182	\$ 27,031	\$ (3,849)	(14)%

Research and development expenses decreased by \$3.8 million, or 14%, during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022. The decrease was primarily due to a decrease of \$1.7 million in personnel-related costs and stock-based compensation related to the Company's reduction in workforce which took place during the three months ended March 31, 2023. The Company also saw decreases of \$1.1 million, \$0.7 million, and \$0.3 million related to contractor, technology and other, and professional and outside services spend, respectively, as a result of the Tile and Jioibit businesses being substantially fully integrated.

	Six Months Ended June 30,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Research and development	\$ 50,379	\$ 52,768	\$ (2,389)	(5)%

Research and development expenses decreased by \$2.4 million, or 5%, during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. The decrease was primarily due to a \$2.1 million decrease in contractor spend and a \$1.0 million decrease in professional and outside services spend as a result of the Tile and Jioibit businesses being substantially fully integrated. These decreases were offset by a \$1.1 million increase in personnel-related costs and stock-based compensation, primarily related to an increased volume of stock grants awarded to employees. The Company also saw an increase of \$0.9 million related to a raw materials inventory write-off and decreases of \$0.7 million related to technology and \$0.6 million related to facilities and other spend as a result of the Tile and Jioibit businesses being substantially fully integrated.

Sales and Marketing

	Three Months Ended June 30,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Sales and marketing	\$ 23,347	\$ 22,895	\$ 452	2 %

Sales and marketing expenses increased \$0.5 million, or 2%, during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022. This increase was primarily due to a \$2.4 million increase in marketing expenses consisting of an increase of \$4.1 million in channel partner commission charges offset by decreases of \$1.5 million and \$0.2 million in other marketing and paid user acquisition spend, respectively. This increase was offset by a decrease of \$1.4 million in personnel and related costs and stock-based compensation primarily due to the Company's reduction in workforce which took place during the three months ended March 31, 2023 and a decrease of \$0.5 million in professional and outside services, contractor, and other spend due to the Company's decreased need as a result of the Tile and Jioibit businesses being substantially fully integrated.

	Six Months Ended June 30,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Sales and marketing	\$ 47,663	\$ 46,137	\$ 1,526	3 %

Sales and marketing expenses increased \$1.5 million, or 3%, during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. This increase was primarily due to a \$3.3 million increase in marketing expenses consisting of increases of \$6.1 million in channel partner commission charges and \$0.4 million in paid user acquisition spend, partially offset by a \$3.2 million decrease in other marketing spend. The increase was offset by a decrease of \$0.7 million in personnel and related costs and stock-based compensation primarily due to the Company's reduction in workforce which took place during the three months ended March 31, 2023. The Company also saw a decrease of \$1.1 million in professional and outside services, contractor, and other spend due to the Company's decreased need as a result of the Tile and Jibit businesses being substantially fully integrated.

General and Administrative

	Three Months Ended June 30,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
General and administrative	\$ 12,497	\$ 12,830	\$ (333)	(3)%

General and administrative expenses decreased \$0.3 million, or 3%, during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022. This decrease was primarily due to a decrease of \$1.5 million in professional and outside services associated with expenses related to accounting, legal and advisory services in connection with the Company's Form 10 filing and the Tile Acquisition which took place during 2022, partially offset by an increase of \$1.3 million gain on revaluation of contingent consideration related to the Jibit Acquisition incurred during the three months ended June 30, 2022. The remaining decrease of \$0.1 million relates to a decrease in other expenses as a result of the Tile and Jibit businesses being substantially fully integrated.

	Six Months Ended June 30,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
General and administrative	\$ 25,706	\$ 26,076	\$ (370)	(1)%

General and administrative expenses decreased \$0.4 million, or 1%, during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. This decrease was primarily due to a reduction of \$5.3 million in professional and outside services associated with expenses related to accounting, legal and advisory services in connection with the Company's Form 10 filing and the Tile Acquisition which took place during 2022, offset by an increase of \$5.3 million gain on revaluation of contingent consideration related to the Jibit Acquisition incurred during the six months ended June 30, 2022. The remaining decrease of \$0.4 million relates to a decrease in other expenses as a result of the Tile and Jibit businesses being substantially fully integrated.

Convertible Notes Fair Value Adjustment

For the three months ended June 30, 2023 and 2022, the Company recorded a loss and a gain associated with the convertible notes fair value adjustment of \$0.3 million and \$0.5 million, respectively. For the six months ended June 30, 2023 and 2022, the Company recorded a loss and a gain associated with the convertible notes fair value adjustment of \$0.2 million and \$2.1 million, respectively. The changes in fair value are primarily driven by the share price volatility and reduction in time to convert.

Derivative Liability Fair Value Adjustment

For the three months ended June 30, 2023 and 2022, the Company recorded a loss and a gain associated with the derivative liability fair value adjustment of \$0.3 million and \$0.4 million, respectively. For the six months ended June 30, 2023 and 2022, the Company recorded a loss and a gain associated with the derivative liability fair value adjustment of \$0.2 million and \$1.3 million, respectively. The changes are due to the revaluation of the derivative liability at each reporting period and are related to embedded redemption features bifurcated from the July 2021 Convertible Notes issued to investors.

Other Income (Expense), Net

Other income (expense), net increased \$1.1 million, or 221%, during the three months ended June 30, 2023 as compared to the three months ended June 30, 2022. Other income (expense), net increased \$2.5 million, or 238%, during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. The increase was driven by an increase in dividend income earned due to a higher average gross yield in the current periods compared to the same periods in the prior year. Other income (expense) includes interest income, dividend income, foreign exchange losses, and interest expense associated with the Convertible Notes.

Key Performance Indicators

In addition to the measures presented in our condensed consolidated financial statements, we use the following key metrics to evaluate our business, measure our performance, identify trends affecting our business, develop financial forecasts, and make strategic decisions. Key operating metrics are presented in millions, except Average Revenue per Paying Circle (“ARPPC”), Average Revenue per Paying Subscription (“ARPPS”) and Average Selling Price (“ASP”), however percentage changes are calculated based on actual results. As a result, percentage changes may not recalculate based on figures presented due to rounding. Please refer to “—Results of Operations” for additional metrics management reviews in conjunction with the consolidated financial statements.

Key Operating Metrics

	As of and for the Three Months Ended June 30,			As of and for the Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
<i>(in millions, except ARPPC, ARPPS and ASP)</i>						
AMR	\$ 248.7	\$ 174.4	43 %	248.7	174.4	43 %
MAUs	54.0	42.0	29 %	54.0	42.0	29 %
Paying Circles ¹	1.6	1.4	17 %	1.6	1.4	17 %
ARPPC ¹	\$ 119.25	\$ 90.88	31 %	\$ 120.18	\$ 89.34	35 %
Subscriptions ^{1,2}	2.2	1.9	14 %	2.2	1.9	14 %
ARPPS ^{1,2}	\$ 97.83	\$ 76.38	28 %	\$ 98.01	\$ 75.27	30 %
Net hardware units shipped ²	0.7	0.5	42 %	1.2	1.2	7 %
ASP ²	\$ 15.76	\$ 14.48	9 %	\$ 16.44	\$ 14.85	11 %

¹ Metrics presented as of and for the periods ended June 30, 2022 have been recast to reflect the calculations under a revised metric definition. We previously calculated Subscriptions and Paying Circles by including subscribers who had been billed as well as whose billing status was pending as of the end of the period. We have since revised our definition of these metrics to exclude subscribers whose billing status was pending as of the end of the period. Although the difference between the two methodologies does not result in any material changes, we have changed the definition of the metric because we believe it provides a better reflection of our results during a given period.

² Metrics presented for the three and six months ended June 30, 2022 are adjusted to include pre-acquisition data for Tile related to periods before the acquisition of Tile on January 5, 2022.

Annualized Monthly Revenue

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. AMR as of June 30, 2023, and 2022 was \$248.7 million and \$174.4 million, respectively, representing an increase of 43% year-over-year.

Monthly Active Users

We have a large and growing global member base as of June 30, 2023. A Life360 monthly active user (“MAU”) is defined as a unique user who engages with our Life360 branded services each month, which includes both paying and non-paying members. As of June 30, 2023 and 2022, we had approximately 54.0 million and approximately 42.0 million MAUs on the Life360 Platform, respectively, representing an increase of 29% year-over-year. We believe this has been driven by continued strong new user growth and retention.

Paying Circles

We define a Paying Circle as a group of Life360 users with a paying subscription and who has been billed as of the end of period. Each subscription covers all members in the payor's Circle so everyone in the Circle can utilize the benefits of a Life360 Membership, including access to premium location, driving, digital and emergency safety insights and services.

As of June 30, 2023 and 2022, we had approximately 1.6 million and 1.4 million paid subscribers to services under our Life360 brand, respectively, representing an increase of 17% year-over-year.

We grow the number of Paying Circles by increasing our free member base, converting free members to subscribers, and retaining them over time with the provision of high-quality family and safety services.

Below is a comparison of Paying Circles as of June 30, 2022 using the current and prior definitions (in millions).

	As of June 30, 2022
Paying Circles (current definition)	1.4
Paying Circles (prior definition)	1.4
% Change	(1.8)%

Average Revenue per Paying Circle

We define Average Revenue per Paying Circle ("ARPPC") 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 divided by the Average Paying Circles during the same period. Average Paying Circles are calculated based on adding the number of Paying Circles as of the beginning of the period to the number of Paying Circles as of the end of the period, and then dividing by two.

For the three months ended June 30, 2023 and 2022, our ARPPC was \$119.25 and \$90.88, respectively, representing a 31% increase year-over-year. For the six months ended June 30, 2023 and 2022, our ARPPC was \$120.18 and \$89.34, respectively, representing a 35% increase year-over-year.

ARPPC is a key indicator utilized by Life360 to determine the effective penetration of our tiered product offering for Paying Circles. The increase in pricing for new Paying Circles beginning in August 2022 has led to subscribers signing up for higher price products over time, increasing ARPPC.

Below is a comparison of ARPPC for the three months ended June 30, 2022 using the current and prior definitions.

	Three Months Ended June 30, 2022	
ARPPC (current definition)	\$	90.88
ARPPC (prior definition)	\$	89.34
% Change		1.7 %

Subscriptions

We define Subscriptions as the number of paying subscribers associated with the Life360, Tile and Jibit brands who have been billed as of the end of the period.

As of June 30, 2023 and 2022, we had approximately 2.2 million and 1.9 million paid subscribers to services under the Life360, Tile, and Jibit brands, respectively, representing an increase of 14% year-over-year.

We grow the number of Subscriptions by selling hardware units and increasing our free member base, converting free members to subscribers, and retaining them over time with the provision of item tracking and high-quality family and safety services.

Below is a comparison of Subscriptions as of June 30, 2022 using the current and prior definitions (in millions).

	As of June 30, 2022
Subscriptions (current definition)	1.9
Subscriptions (prior definition)	2.0
% Change	(1.3)%

Average Revenue per Paying Subscription

We define ARPPS as total subscription revenue recognized, excluding certain revenue adjustments related to bundled Life360 subscription and hardware offerings, for the reported period divided by the average number of paying subscribers during the same period. The average number of paying subscribers is calculated by adding the number of paying subscribers as of the beginning of the period to the number of paying subscribers as of the end of the period, and then dividing by two. Paying subscribers represent subscribers who have been billed as of the end of the period.

ARPPS for the three months ended June 30, 2023 and 2022 was \$97.83 and \$76.38, respectively, representing an increase of 28% year over year. ARPPS for the six months ended June 30, 2023 and 2022, was \$98.01 and \$75.27, representing an increase of 30% year over year.

ARPPS has increased year over year as a result of the growth in subscriptions and subscription price increases implemented by the Company during the fourth quarter of the year ended December 31, 2022.

Below is a comparison of ARPPS as of June 30, 2022 using the current and prior definitions.

	Three Months Ended June 30, 2022	
ARPPS (current definition)	\$	76.38
ARPPS (prior definition)	\$	75.45
% Change		1.2 %

Net Hardware Units Shipped

Net hardware units shipped represents the number of tracking devices sold during a period, net of returns by our retail partners and directly to consumers. Selling units contributes to hardware revenue and ultimately increases the number of users eligible for a Tile or Jiobit subscription. For the three months ended June 30, 2023, Life360 sold approximately 0.7 million units, up approximately 42% as compared to the 0.5 million units sold during the three months ended June 30, 2022, reflecting a decreased number of returns in the current period and the backdrop of weaker consumer electronics category demand in the prior period. For the six months ended June 30, 2023, Life360 sold approximately 1.2 million units, up approximately 7% as compared to the 1.2 million units sold during the six months ended June 30, 2022, also reflecting a decreased number of returns in the current period and the backdrop of weaker consumer electronics category demand in the prior period.

Net Average Sales Price

To determine the net ASP of a unit, we divide hardware revenue recognized, excluding certain revenue adjustments related to bundled Life360 subscription and hardware offerings, for the reported period by the number of net hardware units shipped ("ASP") during the same period. ASP is largely driven by the price we charge customers, including the price we charge our retail partners, net of customer allowances, and directly to consumers. For the three months ended June 30, 2023, the net ASP of a unit was \$15.76, an increase of 9% compared to \$14.48 during the three months ended June 30, 2022. For the six months ended June 30, 2023, the net ASP of a unit was \$16.44, an increase of 11% compared to \$14.85 during the six months ended June 30, 2022. Both changes reflecting a change in product mix and reduced promotional activity.

Liquidity and Capital Resources

As of June 30, 2023, we had cash and cash equivalents of \$62.4 million and restricted cash of \$1.7 million. As of December 31, 2022, we had cash and cash equivalents of \$75.4 million and restricted cash of \$14.9 million.

We believe our existing cash and cash equivalents and cash provided by sales of our subscriptions and hardware devices will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. Our future capital requirements will depend on many factors and as a result, we may be required to seek additional capital. If we are unable to raise additional capital on terms acceptable to us or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, financial condition and results of operations.

On March 10, 2023, we had a banking relationship with Silicon Valley Bank (“SVB”). As of the closure of SVB on March 10, 2023, we held \$6.1 million in direct deposits with SVB, which represented approximately 6.4% of our total cash and cash equivalents as of that date. We also held \$75.4 million in shares of money market mutual funds managed by other institutions for which SVB acted as custodian. SVB was closed on March 10, 2023 by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. On March 12, 2023, the U.S. Treasury, Federal Reserve, and FDIC announced that SVB depositors would have access to all of their money starting March 13, 2023, and on March 13, 2023, we regained access to our funds held in SVB accounts. While we did not experience any losses in such accounts, the recent failure of SVB exposed us to credit risk prior to the completion by the FDIC of the resolution of SVB in a manner that fully protected all depositors. As of March 31, 2023, First Citizens BancShares’ had announced the acquisition of SVB’s assets and we have transferred a portion of our accounts to alternate depository institutions, the financial position of which management believes does not expose our Company to significant credit risk or jeopardize our liquidity. However, we may be impacted by adverse developments which affect financial institutions, transactional counterparties, other companies in the financial services industry, or the financial services industry generally, which have in the past and may in the future threaten our ability to access our existing cash and cash equivalents and could have a material adverse effect on our business and financial condition.

Cash Flows

Our cash flow activities were as follows for the periods presented:

	Six Months Ended June 30,	
	2023	2022
	<i>(in thousands)</i>	
Net cash used in operating activities	\$ (5,528)	\$ (38,528)
Net cash used in investing activities	(891)	(113,797)
Net cash (used in)/provided by financing activities	(19,796)	300
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	<u>\$ (26,215)</u>	<u>\$ (152,025)</u>

Operating Activities

Our largest sources of operating cash are cash collections from our paying users for subscriptions to our platform and hardware device sales. Our primary uses of cash for operating activities are for employee-related expenditures, costs to acquire inventory, costs to acquire customers, including user acquisition costs and commissions paid to channel partners, infrastructure-related costs, and other marketing expenses.

A number of our users pay in advance for annual subscriptions, while a majority pay in advance for monthly subscriptions. Deferred revenue consists of the unearned portion of customer billings, which is recognized as revenue in accordance with our revenue recognition policy. As of June 30, 2023 and December 31, 2022, we had deferred revenue of \$32.8 million and \$32.8 million, respectively, of which \$31.1 million and \$30.1 million is expected to be recorded as revenue in the next 12 months, provided all other revenue recognition criteria have been met.

For the six months ended June 30, 2023, net cash used in operating activities was \$5.5 million. The primary factors affecting our operating cash flows during this period were our net loss of \$18.5 million, impacted by \$22.7 million of non-cash charges, and \$9.8 million of cash used by changes in our operating assets and liabilities. The non-cash charges primarily consisted of stock-based compensation, depreciation and amortization, and an adjustment to our battery reserve related to a change in membership benefit offerings. The cash used by changes in our operating assets and liabilities was primarily due to decreases in accounts payable and accrued expenses and other liabilities.

For the six months ended June 30, 2022, net cash used in operating activities was \$38.5 million. The primary factors affecting our operating cash flows during this period were our net loss of \$58.2 million, impacted by \$13.6 million of non-cash charges and \$6.1 million of cash provided by changes in our operating assets and liabilities. The non-cash charges primarily consisted of stock-based compensation and depreciation and amortization offset by a gain on revaluation of contingent consideration. The cash provided by changes in our operating assets and liabilities was primarily due to decreases in accounts receivable and prepaid expenses and other assets offset by a decreases in accounts payable and accrued expenses and other liabilities.

Investing Activities

For the six months ended June 30, 2023, net cash used in investing activities was \$0.9 million, which primarily relates to the capitalization of internal use software costs in accordance with ASC 350-40, Intangibles - Goodwill and Other, Internal-Use Software.

For the six months ended June 30, 2022, net cash used in investing activities was \$113.8 million, which primarily related to cash paid for the Tile Acquisition, net of cash acquired.

Financing Activities

For the six months ended June 30, 2023, net cash used by financing activities was \$19.8 million, which primarily relates to the release of funds placed in an indemnity escrow fund for general representations and warranties related to the Tile Acquisition and taxes paid for the net settlement of equity awards offset by proceeds from the exercise of options and repayment of notes due from affiliates.

For the six months ended June 30, 2022, net cash provided by financing activities was \$0.3 million, which primarily related to proceeds from the exercise of options, partially offset by taxes paid for related to the net settlement of equity awards.

Obligations and Other Commitments

Our principal commitments consist of obligations under our convertible notes, operating leases for office space, and other purchase commitments. Our obligations under our convertible notes are described in Note 6, "Fair Value Measurements" and Note 9, "Convertible Notes" to our condensed consolidated financial statements. Information regarding our non-cancellable lease and other purchase commitments as of June 30, 2023, can be found in Note 8, "Balance Sheet Components," and Note 11, "Commitments and Contingencies," to our condensed consolidated financial statements. As of June 30, 2023, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Significant Management Estimates

Our condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. We base our estimates on historical experiences and on various other assumptions we believe to be reasonable under the circumstances. Actual results could differ materially from the estimates made by our management. Our significant accounting policies are discussed in Note 2, "Summary of Significant Accounting Policies" in our Annual Report on Form 10-K. There were no significant changes to these policies during the six months ended June 30, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates.

Interest Rate Risk

As of June 30, 2023 and December 31, 2022, we had \$62.4 million and \$75.4 million, respectively, of cash equivalents invested in cash and cash equivalents and money market funds. Our cash and cash equivalents are held for working capital purposes.

As of June 30, 2023 and December 31, 2022, a hypothetical 10% relative change in interest rates would not have a material impact on our consolidated financial statements.

Foreign Currency Exchange Risk

Our reporting currency and functional currency is the U.S. dollar. The majority of our sales are denominated in U.S. dollars, and therefore our revenue is not currently subject to significant foreign currency risk. Our operating expenses are denominated in the currencies of the countries in which our operations are located, which is primarily in the United States. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. To date, we have not entered into any active hedging arrangements with respect to foreign currency risk or other derivative financial instruments, although we may choose to do so in the future. We do not believe that a hypothetical 1,000 basis-point increase or decrease in the relative value of the U.S. dollar to other currencies would have a material effect on our operating results.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs. Our inability or failure to do so could harm our business, results of operations, or financial condition.

Fair Value Risk

As of June 30, 2023 and December 31, 2022, we had \$7.5 million and \$7.0 million of liabilities that are measured at fair value, respectively. Fair value measurements include significant assumptions that are driven by market conditions and macroeconomic factors at measurement dates. Our consolidated results of operations are therefore subject to market fluctuations and may be affected in the future as a result of these fair value changes.

In September 2021, the Company, in connection with the acquisition of Jibit, issued convertible notes with a fair value of \$11.6 million. The Company will repay one third of the unconverted principal balance plus accrued interest to the holders of such notes, and they may be converted to common stock at any time at a fixed conversion price of \$22.50 per share. Interest is accrued at the U.S. Prime rate plus 0.25%. The Company has elected the fair value option and remeasures the September 2021 Convertible Notes at their fair value at each reporting date and reflects the changes in fair value in earnings. Refer to Note 9, "Convertible Notes" to our condensed consolidated financial statements for more information.

Generally, the fair market value of the September 2021 Convertible Notes will increase as interest rates rise and decrease as interest rates fall. In addition, the fair value of the September 2021 Convertible Notes fluctuates when the market price of our common stock fluctuates. The estimated fair value of the September 2021 Convertible Notes is determined using a combination of the present value of the cash flows and the Black-Scholes option pricing model. Changes in the interest rate environment could have an effect on our future cash flows and earnings, depending on whether the debt is held to maturity or converted to shares of our common stock.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2023 pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The term “disclosure controls and procedures” means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation of our disclosure controls and procedures as of June 30, 2023, our Chief Executive Officer and Chief Financial Officer concluded that, as a result of material weaknesses in our internal control over financial reporting identified in connection with the preparation and audit of our consolidated financial statements for the year ended December 31, 2022 as discussed below, our disclosure controls and procedures were not effective as of June 30, 2023.

Notwithstanding the material weaknesses, management has concluded the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q present fairly, in all material respects, the Company’s financial position, results of operations and cash flows of the Company for the periods presented in conformity with U.S. GAAP.

Material Weakness and Remediation Plan

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company’s annual and interim financial statements will not be detected or prevented on a timely basis.

In connection with the audit of our Consolidated Financial Statements as of and for the year ended December 31, 2022, our management identified a material weakness related to management’s risk assessment process over information technology general controls, including certain controls over logical access, segregation of duties and change management, and certain process level controls including information used in the execution of those controls that impacted our financial reporting processes. The material weakness did not result in any identified misstatements in the financial statements, and there were no changes to previously issued financial results. However, the material weakness creates a reasonable possibility that a material misstatement to our consolidated financial statements would not be prevented or detected on a timely basis.

Management has been implementing and continues to implement measures designed to ensure that control deficiencies contributing to the material weakness are remediated. The remediation actions include:

- broadening the scope and improving the effectiveness of existing information technology general controls for access management, segregation of duties, change management and computer operations.
- enhancing documentation of our IT controls for systems key to our financial reporting process.
- providing training relating to the importance and execution of IT general controls for key systems that support financial reporting.
- developing enhanced risk assessment procedures and controls to address IT risks related to key systems that support financial reporting.
- performing an in-depth analysis of the roles and accesses within key financial reporting systems and redesigning roles and accesses to support a stronger control environment.
- engaging internal and external resources to assist us with remediation and monitoring remediation progress.

While we believe these efforts will remediate the material weakness, the material weakness cannot be considered fully remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in Internal Control over Financial Reporting

Except for the changes intended to remediate the material weaknesses described above, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three or six months ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in legal proceedings, claims and government investigations in the ordinary course of business. We have received, and may in the future continue to receive, inquiries from regulators regarding our compliance with law and regulations, including those related to data protection and consumer rights, and due to the nature of our business and the rapidly evolving landscape of laws relating to data privacy, cybersecurity, consumer protection and data use, we expect to continue to be the subject of regulatory investigations and inquiries in the future. We have received, and may in the future continue to receive, claims from third parties relating to information or content that is published or made available on our platform, among other types of claims including those relating to, among other things, regulatory matters, commercial matters, intellectual property, competition, tax, employment, pricing, discrimination, and consumer rights. Future litigation may be necessary to defend ourselves, our partners, and our customers by determining the scope, enforceability, and validity of these claims. The results of any current or future regulatory inquiry or litigation cannot be predicted with certainty, and regardless of the outcome, such investigations and litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, the potential for enforcement orders or settlements to impose operational restrictions or obligations on our business practices and other factors.

The information set forth under Note 11, “Commitments and Contingencies,” in the notes to the consolidated financial statements under the caption “Litigation” is incorporated herein by reference.

Item 1A. Risk Factors

Our business is subject to numerous risks and uncertainties. These risks and uncertainties may cause our operations to vary materially from those contemplated by our forward-looking statements. Readers should carefully consider the information in this Form 10-Q in connection with the risk factors disclosed within Item 1A “Risk Factors” in the 2022 Annual Report on Form 10-K, as supplemented by the risk factor previously in our Quarterly Report on Form 10-Q for the period ended March 31, 2023. There have been no material changes to our risk factors from those described in the Quarterly Report on Form 10-Q for the period ended March 31, 2023.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description	Filed Herewith	Incorporated by Reference			
			Form	File No.	Filing Date	Exhibit No.
3.1	Amended and Restated Certificate of Incorporation of the Company		10-12G/A	000-56424	July 5, 2022	3.1
3.2	Amended and Restated Bylaws of the Company		10-K	000-56424	March 23, 2023	3.2
10.1	Fourth Amendment to Lease for 1900 S. Norfolk Street, Suite 310, San Mateo, California, dated May 4, 2023, by and between 1900 Atrium Associates, LP and Life360, Inc.	X				
10.2	Separation Agreement between Life360, Inc. and CJ Prober	X				
10.3	Form of Separation Agreement between Life360, Inc. and CJ Prober		10-Q	000-56424	May 15, 2023	10.1
31.1	Chief Executive Officer Certification Pursuant to Rule 13a-14(a) of the Exchange Act	X				
31.2	Chief Financial Officer Certification Pursuant to Rule 13a-14(a) of the Exchange Act	X				
32.1*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				
32.2*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				
101.INS	Inline XBRL Instance Document	X				
101.SCH	Inline XBRL Schema Document	X				
101.CAL	Inline XBRL Calculation Linkbase Document	X				
101.DEF	Inline XBRL Definition Linkbase Document	X				
101.LAB	Inline XBRL Label Linkbase Document	X				
101.PRE	Inline XBRL Presentation Linkbase Document	X				
104	Cover Page Interactive Data (formatted as Inline XBRL and contained in Exhibit 101)	X				

* This certification is being furnished solely to accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing of the registrant under the Securities Act or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIFE360, INC.

Dated: August 14, 2023

By: /s/ Chris Hulls
Chris Hulls
Chief Executive Officer
(Principal Executive Officer)

Dated: August 14, 2023

By: /s/ Russell Burke
Russell Burke
Chief Financial Officer
(Principal Financial Officer)

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE (the "**Fourth Amendment**") is entered on May 4, 2023 (the "**Reference Date**"), by and between **1900 ATRIUM ASSOCIATES, LP**, a Delaware limited partnership ("**Landlord**"), and **LIFE360, INC.**, a Delaware corporation ("**Tenant**"), whose address for purposes of this Fourth Amendment is 1900 S. Norfolk Street, Suite 310, San Mateo, California.

RECITALS

This Fourth Amendment is made with reference to the following facts and objectives:

- A. Landlord and Tenant entered into an Office Lease agreement dated as of September 12, 2019 (the "**Original Lease**"), which was modified by that First Amendment to Lease dated August 18, 2020 (the "**First Amendment**"), and modified by that Second Amendment to Lease dated January 10 2022 (the "**Second Amendment**"), and modified by that Third Amendment to Lease dated January 23, 2023 (the "**Third Amendment**"), and as assigned by that Landlord Consent to Assignment of Lease and Agreement dated April 1, 2023 (the "**Assignment**"), pursuant to which Tenant leases from Landlord and Landlord leases to Tenant approximately sixteen thousand seven hundred thirty-eight (16,738) rentable square feet ("**rsf**") of space located on the Third (3rd) floor of that building in Suite 310 (the "**Existing Premises**") located at 1900 South Norfolk Street, San Mateo, California (the "**Building**"), all as more particularly described in the Lease (as defined below). The Original Lease, as amended by the First Amendment, the Second Amendment, and the Third Amendment is collectively referred to herein as the "**Lease**". All terms defined in the Lease when used herein shall have the meanings ascribed to such terms in the Lease unless expressly superseded by the terms of this Fourth Amendment.
- B. The Term of the Lease is presently set to expire on October 31, 2023.
- C. Landlord and Tenant desire to amend the Lease to, among other things, redefine the definition of Tenant, extend the Term for an additional period of thirty-seven (37) months, (ii) delete a portion of the Existing Premises and provide for Tenant's surrender to Landlord of such portion of the Existing Premises, (iii) adjust the Monthly Base Rent, (iv) adjust Tenant's Proportionate Share of Taxes and Operating Expenses, (v) add an option to extend the Term, and (iii) modify the Lease in certain other respects, all on the terms and conditions set forth herein.

AGREEMENT

NOW, therefore, in consideration of the mutual covenants and promises set forth in this Fourth Amendment, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant do hereby agree as follows:

1. **CERTAIN DEFINED TERMS**. The following defined terms when used in this Fourth Amendment shall have the following meaning:
 - a. The "**Deleted Premises**" means that portion of the Existing Premises containing 9,348 rentable square feet and shown outlined on the attached Exhibit A-1.
 - b. The "**Remaining Premises**" means that portion of the Existing Premises containing 7,390 rentable square feet known as Suite 310 and shown outlined on the attached Exhibit A-2.
 2. **EFFECTIVE DATE**. November 1, 2023 (the "**Fourth Amendment Effective Date**").
-

3. EXTENSION OF TERM. The Term of the Lease is hereby extended for an additional thirty-seven (37) months (the "**Extended Term**") commencing on November 1, 2023 and ending on November 30, 2026 (the "**Third Amendment Expiration Date**"); provided that the Term with respect to the Deleted Premises shall terminate as provided in Section 6(a) below. During the Extended Term, all of the terms, covenants and conditions of the Lease shall be applicable, except as set forth herein.
4. BASE RENT; REMAINING PREMISES. During the Extended Term, Tenant shall pay Base Rent for the Remaining Premises as follows:

<u>For the Period</u>	<u>Monthly Base Rent</u>
*November 1, 2023 through October 31, 2024	\$31,408
November 1, 2024 through October 31, 2025	\$32,350
November 1, 2025 through November 30, 2026	\$33,321

*Notwithstanding anything to the contrary contained herein and provided that no default by Tenant occurs under the Lease, as amended hereby, beyond any applicable notice and cure period, Landlord hereby agrees that Tenant shall not be required to pay Base Rent for the Remaining Premises during the period commencing on November 1, 2023 and ending on November 30, 2023 (the "**Abatement Period**"). The total amount of Base Rent abated for the Remaining Premises during the Abatement Period shall not exceed \$31,408. During the Abatement Period, Tenant shall still be responsible for the payment of all of its other monetary obligations under the Lease, as amended hereby, except as otherwise expressly set forth in this Fourth Amendment. In the event of a default by Tenant under the terms of the Lease, as amended hereby, that results in termination of the Lease in accordance with the provisions of Article 15 of the Original Lease, then as a part of the recovery set forth in said Article 15, Landlord shall be entitled to the immediate recovery, as of the day prior to such termination, of the Base Rent that was abated under the provisions of this Section 4.

5. ADDITIONAL RENT; REMAINING PREMISES. Tenant's obligation to pay Tenant's Percentage Share of Building Taxes and Building Operating Expenses with respect to the Remaining Premises shall remain as provided in the Lease, except that effective as of November 1, 2023, Tenant's Percentage Share shall mean 4.51% with respect to the Remaining Premises (*7,390 rsf / 164,013 rsf*).
6. PARTIAL DELETION OF EXISTING PREMISES.

a. Partial Deletion. The Lease shall terminate with respect to Deleted Premises effective 11:59 p.m. on the date that is the Substantial Completion Date (as defined below) for the Remaining Premises (the "**Deletion Date**").

b. Rent for Deleted Premises. Prior to November 1, 2023, Tenant shall continue to pay Base Rent for the Deleted Premises in the amount set forth in the Lease. Effective as of November 1, 2023 and continuing until the Deletion Date, Tenant shall pay (i) Base Rent for the Deleted Premises in the amount of \$104,195 per month, and (ii) Tenant's Percentage Share of Building Taxes and Building Operating Expenses with respect to the Deleted Premises in the manner set forth in the Lease.

c. Surrender of Deleted Premises. On the Deletion Date, Tenant shall surrender the Deleted Premises to Landlord vacant and broom clean, with all trade fixtures, furniture, office equipment, and other equipment and personal property removed therefrom, and otherwise in the condition required by the Lease (with the same force and effect as if the Deletion Date were the expiration date under the Lease as respects the Deleted Premises). Tenant acknowledges that time is of the essence with respect to Tenant's obligation to surrender the Deleted Premises to Landlord on or prior to the Deletion Date in the condition required above. Tenant's failure to timely so surrender the Deleted Premises shall constitute a breach of and a default under the Lease (and no notice, grace or cure

period shall be applicable thereto), and a holdover of the Deleted Premises without Landlord's consent for purposes of Article 14 of the Original Lease (and Tenant's obligation to pay Base Rent and Tenant's Percentage Share of Property Taxes and Operating Expenses and other amounts due with respect thereto pursuant to the Lease and said Article 14 shall continue during such holdover period). In addition, if the Deleted Premises shall not have been surrendered to Landlord in the condition required above, Landlord may, at its option and at Tenant's expense, perform any or all work as shall be required to put the Deleted Premises in the condition required above (the "**Restoration Work**"). Landlord's costs of the Restoration Work shall be reimbursed by Tenant within thirty (30) days after Tenant's written demand, and Tenant's failure to make such reimbursement when due shall constitute a breach of and a default under the Lease.

d. Release. The later of the Deletion Date or the date on which Tenant shall surrender the Deleted Premises to Landlord in the condition required by this Section 6 (or, if applicable, such later date as Landlord shall complete the Restoration Work) is referred to herein as the "**Surrender Date**." Effective as of the Surrender Date, Tenant shall be released from its obligations thereafter arising under the Lease with respect to the Deleted Premises. Notwithstanding the foregoing, however, Tenant shall remain liable for its obligations with regard to the Deleted Premises that arise prior to the Surrender Date, and Tenant's indemnification obligations under the Lease shall survive the deletion of the Deleted Premises from the Lease with regard to any events which occur prior to the Surrender Date.

7. CONDITION OF REMAINING PREMISES. Landlord shall deliver the Remaining Premises to Tenant with the Landlord Work (as such terms are defined in the Work Letter attached hereto as Exhibit B (the "**Work Letter**") completed. Except as set forth in this Section 7 and the Work Letter, Landlord shall have no obligation to make or pay for any alterations, additions, improvement or renovations in or to the Remaining Premises and Tenant shall continue to occupy the same in their as-is condition.
8. SECURITY DEPOSIT. Landlord and Tenant hereby acknowledge that Landlord presently holds a cash deposit in the amount of Two Hundred Thousand, Three Hundred Twenty-Four (\$200,324) Dollars (the "**Deposit**"). The Deposit shall continue to be held by Landlord as security for the performance by Tenant of all of the provisions of the Lease, as amended hereby. Following an event of default by Tenant under the Lease, Landlord may use, apply or retain all or any portion of the Deposit for the payment of any rent or other charge in default, or the payment of any other sum to which Landlord may become obligated by Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby. If Landlord so uses or applies all or any portion of the Deposit, then within five (5) days after demand therefor Tenant shall deposit cash with Landlord in an amount sufficient to restore the Deposit to the full amount thereof, and Tenant's failure to do so shall be a material breach of the Lease. Landlord shall not be required to keep the Deposit separate from its general accounts. If Tenant performs all of Tenant's obligations hereunder, the Deposit, or so much thereof as has not theretofore been applied by Landlord, shall be returned, without payment of interest for its use, to Tenant (or, at Landlord's option, to the last assignee, if any, of Tenant's interest hereunder) at the expiration of the Term, and within thirty (30) days after Tenant has vacated the Remaining Premises. No trust relationship is created herein between Landlord and Tenant with respect to the Deposit. Landlord shall be entitled to commingle the Security Deposit with its other funds. Tenant and Landlord acknowledge and agree that their rights and remedies with respect to the Security Deposit shall be as provided in this Lease, and each of Landlord and Tenant hereby waive Section 1950.7 of the California Civil Code and any and all other similar statutes now existing or hereafter enacted.

9. **OPTION TO RENEW.** Subject to the provisions of this Section 9, Tenant shall have one (1) option ("**Option**") to extend the Term for a period of three (3) years (the "**Option Term**"). At the end of the Option Term, there shall be no other right to renew and the Lease shall terminate.

a. **Exercise of Option.** Tenant shall exercise the Option, if at all, by giving Landlord an irrevocable written exercise notice not more than twelve (12) months and not less than nine (9) months prior to the expiration of the Extended Term, as defined herein. Notwithstanding the foregoing, Tenant shall not have the right to exercise the Option if (i) Tenant is in default under the Lease, as amended hereby, beyond any notice or cure period, at the time of the purported Option exercise, or (ii) Tenant or a Permitted Transferee, is not in occupancy of the entire Remaining Premises at the time the Option is exercised. The Option Term shall be upon all of the terms and conditions of the Lease, as amended hereby, except that the monthly Base Rent for such Option Term shall be in accordance with Section 9(b) below. Upon commencement of the Option Term, all references herein to the "Term" of the Lease, as amended hereby, shall be deemed to include the Option Term. Unless expressly mentioned and approved in the written consent of Landlord provided for by in the Lease, the option rights of Tenant under this Section 9 are personal to the original Tenant signing this Amendment (the "**Original Tenant**") and may not be assigned or transferred by Tenant.

b. **Base Rent.** Base Rent for the Option Term (the "**Option Term Base Rent**"), in addition to other charges in additional rent due under the terms of the Lease, as amended hereby, shall be equal to one hundred percent (100%) of the Fair Market Rental of the Remaining Premises. The term "**Fair Market Rental**" for the purpose of this Section 9, shall mean and refer to the rate being charged by Landlord and other landlords at the time of exercise of the Option for non-renewal, non-expansion, then-current, comparable non-sublease, non-encumbered, non-equity space ("**Comparable Space**") in the Building and in other institutional quality office buildings in the vicinity of the Building ("**Comparable Buildings**"), similarly improved or if not similarly improved, adjusted to take into account any difference between the terms and conditions of the Lease, as amended hereby, and the terms and conditions of the leases for the Comparable Space including, without limitation, the value of the improvements in place, available tenant improvement allowances, free rent being offered, the floor level on which the premises are located, the length of the term, the extent of services to be provided to the premises, the date of lease execution and commencement, and any other material terms or conditions affecting the value thereof. The Fair Market Rental shall be mutually agreed upon by Landlord and Tenant in writing within thirty (30) days after Tenant exercises the Option. If Landlord and Tenant are unable to agree upon the Fair Market Rental within said thirty (30) day period, then the Fair Market Rental shall be established by appraisal in accordance with the procedures set forth in Section 9(c) below.

c. **Arbitration of Fair Market Rental.** If Fair Market Rental is to be determined by appraisal, then, commencing nine (9) months prior to the start of the Option Term, Landlord and Tenant shall each appoint, as an appraiser, an independent real estate broker with at least five (5) years of experience in leasing office space for Comparable Buildings, and give notice of such appointment to the other. If either Landlord or Tenant shall fail timely to appoint an appraiser, the appointed appraiser shall select the second appraiser within ten (10) days after the failure of Landlord or Tenant, as the case may be, to appoint. Such appraisers shall, within fifteen (15) days after the appointment of the last of them to be appointed, complete their determinations of Fair Market Rental based on the criteria described above and submit their appraisal reports to Landlord and Tenant. If the valuations vary by five percent (5%) or less of the higher value, the Fair Market Rental shall be the average of the two valuations. If the valuations vary by more than five percent (5%) of the higher value, the two appraisers shall, within ten (10) days after submission of the last appraisal report, appoint a third appraiser who shall be similarly qualified and independent. If the two appraisers shall be unable to agree timely on the selection of a third appraiser, then either appraiser, on behalf of both, may request such appointment by the presiding judge of the Superior Court of California for the City and County

of San Mateo. The third appraiser independently shall, within thirty (30) days after his or her appointment, select the determination of Fair Market Rental that is determined by either Landlord's appraiser or Tenant's appraiser which such third appraiser believes is closest to the actual Fair Market Rental, and shall not make any "compromise" determination. Landlord and Tenant shall each pay the fees of their respective appraisers, or the appraiser selected on their behalf in the event Landlord or Tenant shall fail to timely appoint, as provided above. The fees of the third appraiser, if there be one, shall be paid one-half by Landlord and one-half by Tenant.

10. **BROKERS.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Fourth Amendment other than Cushman & Wakefield, on behalf of Landlord ("**Landlord's Broker**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Fourth Amendment. Except for Landlord's Broker, the parties agree to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent (other than the Brokers) occurring by, through, or under the indemnifying party. The terms of this Section 10 shall survive the expiration or earlier termination of the Lease, as amended.
11. **REPRESENTATIONS and WARRANTIES OF TENANT.** As a material inducement to Landlord to enter into this Fourth Amendment, Tenant represents and warrants to Landlord that, as of the date of this Fourth Amendment:
 - a. **No Defaults.** To the best of its knowledge, the Lease is in full force and effect. There are no defaults by Landlord or Tenant under the Lease, and no circumstance has occurred which, but for the expiration of an applicable grace period, would constitute an event of default by Landlord or Tenant under the Lease. Tenant has no defenses or rights of offset under the Lease.
 - b. **Authority.** Tenant has full right, power and authority to enter into this Fourth Amendment, and has obtained all necessary consents and resolutions from its directors required under the documents governing its affairs in order to consummate this transaction, and the persons executing this Fourth Amendment have been duly authorized to do so. The Fourth Amendment and the Lease are binding obligations of Tenant, enforceable in accordance with their terms.
 - c. **No Assignments.** Tenant is the sole lawful Tenant under the Lease, and Tenant has not sublet, assigned or otherwise transferred any of the right, title or interest of Tenant under the Lease or arising from its use or occupancy of the Existing Premises, and no other person, partnership, corporation or other entity has any right, title or interest in the Lease or the Existing Premises, or the right to occupy or use all or any part of the Existing Premises.
12. **AMENDMENT TO LEASE.** This Fourth Amendment is and shall constitute an amendment to the Lease and shall be effective as of the date of this Fourth Amendment. Except as modified hereby, all of the terms and conditions of the Lease shall remain in full force and effect.
13. **EFFECTIVENESS OF LEASE.** Except as expressly provided herein, nothing in this Fourth Amendment shall be deemed to waive or modify any of the provisions of the Lease, or any amendment or addendum thereto. In the event of any conflict between the Lease, this Fourth Amendment, or any other amendment or addendum thereof, the document later in time shall prevail. Except as amended herein, the Lease shall remain in full force and effect.
14. **SUCCESSORS and ASSIGNS.** This Fourth Amendment shall be binding upon and shall inure to the

benefit of the heirs, executors, administrators, successors and assigns of Landlord and Tenant.

15. **COUNTERPARTS.** This Fourth Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which counterparts, when taken together, shall be deemed to constitute one and the same instrument. Landlord and Tenant agree that electronic signatures (e.g. DocuSign or similar electronic signature technology) may be used in place of original signatures on this Lease. All parties to this Fourth Amendment intend to be bound by the signatures on the electronic or e-mailed document, are aware that the other party or parties will rely on the electronic or e-mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Fourth Amendment based on the form of signature. Copies of such executed counterparts may be delivered by the parties hereunder by electronic means, including by electronic mail transmission to the number or address provided by each such party for such delivery, and, upon confirmation of receipt of such delivery, such electronic copies shall have the same effect as the delivery of counterparts bearing original ink signatures of the parties hereto. The parties further agree that after execution this Fourth Amendment, it may be maintained in electronic form and that such electronic record shall be valid and effective to bind the party so signing as a paper copy bearing such party's hand-written signature.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment as of the date herein below written.

LANDLORD:

1900 ATRIUM ASSOCIATES, LP,
a Delaware limited liability company

By: SEAGATE ATRIUM GP, LLC
a Delaware limited liability company
Its: general partner

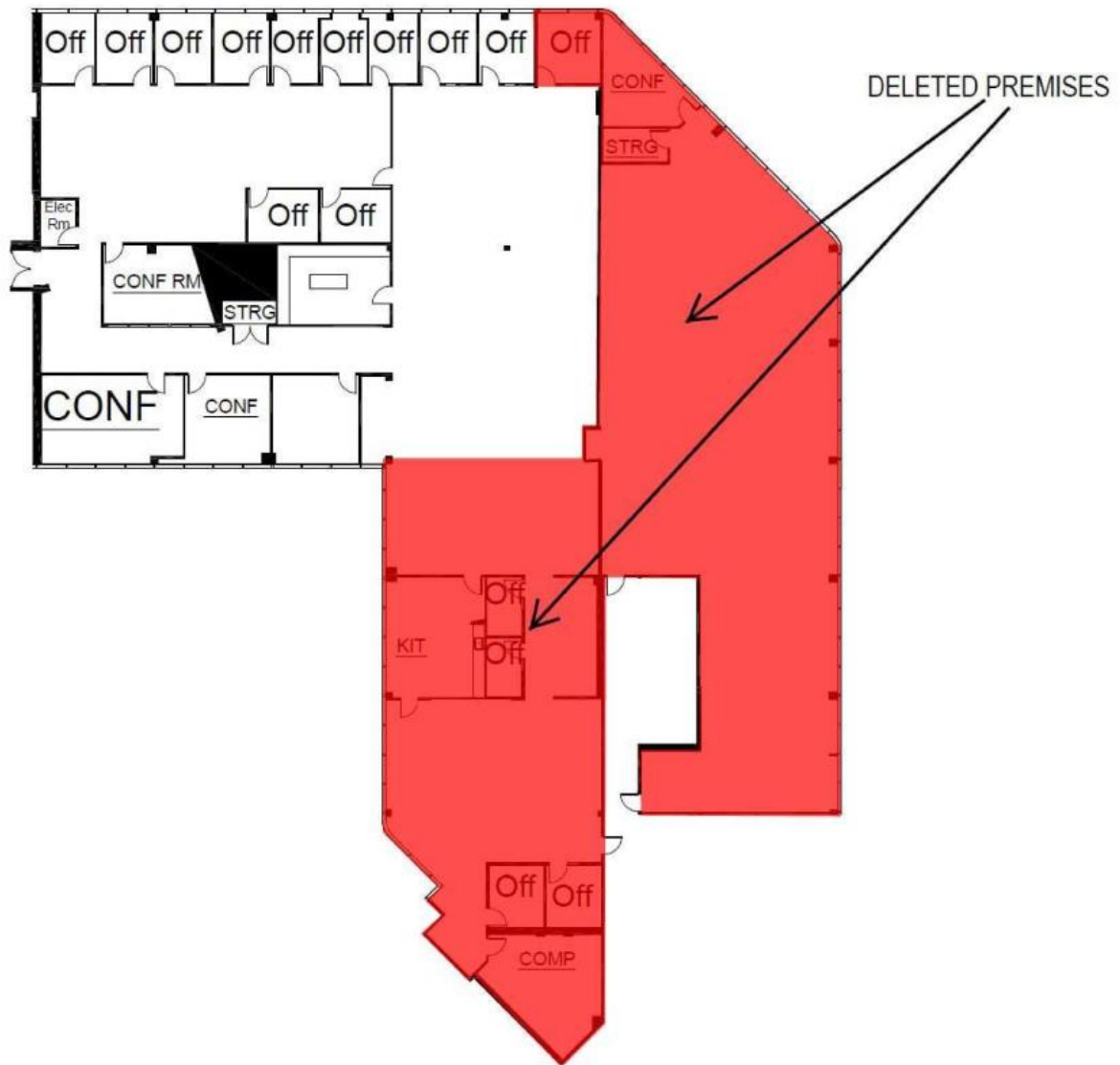
By: /s/ Dennis P. Fisco
Name: Dennis P. Fisco
Its: Managing Member

TENANT:

LIFE360, INC.,
a Delaware corporation

By: /s/ Russell Burke
Name: Russell Burke
Its: CFO

EXHIBIT A-1

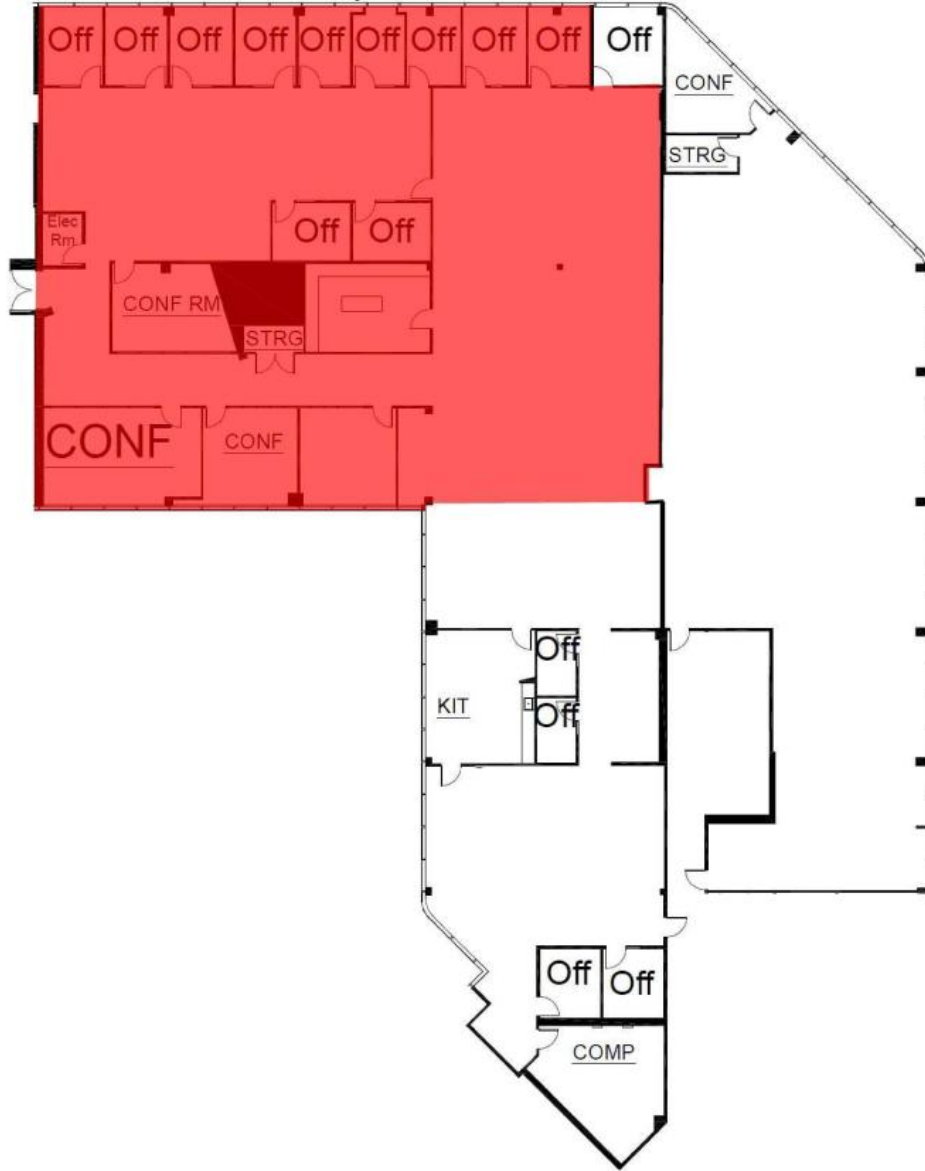


Plan Not To Scale

[End of Exhibit A-1]

EXHIBIT A-2

REMAINING PREMISES



Plan Not To Scale

[End of Exhibit A-2]

EXHIBIT B

Work Letter

The purpose of this Work Letter is to set forth the respective responsibilities of Landlord and Tenant with respect to the design and construction of the alterations, additions and improvements to the Remaining Premises identified on the space plan attached to this Fourth Amendment as Exhibit B-1. Such alterations, additions and improvements to the Remaining Premises are referred to in this Work Letter as the "**Landlord Work**."

1. Design and Approval of Landlord Work. Prior to the execution of the Fourth Amendment, Landlord and Tenant have approved the space plan attached to this Fourth Amendment as Exhibit B-1 (the "**Approved Space Plan**"). The Landlord Work to be done to the Remaining Premises shall generally include: (i) demising the Remaining Premises, (ii) creating a kitchenette, (iii) creating a Storage Room, (iv) creating a Server Room, (v) creating a Mother's Room, and (vi) providing touch-up paint where needed, all as generally depicted on the attached plan attached hereto as Exhibit B-1.

2. Construction of Landlord's Work. Following execution of the Fourth Amendment, Landlord shall engage a general contractor selected by Landlord to perform the Landlord Work substantially as shown on the Approved Space Plan, excepting only minor variations (i.e., variations which are not inconsistent with the intent of the Approved Space Plan) as Landlord may deem advisable and any Change Orders (as hereinafter defined) approved by Landlord. The Landlord Work shall be performed subject to the mutually agreed upon floorplan and finishes selected.

3. Substantial Completion. For purposes of the Amendment, the "**Substantial Completion Date**" shall mean the date that Landlord, its architect or construction manager determines that the Landlord Work has been completed, except for (a) finishing details, decorative items, minor omissions, mechanical adjustments, and similar items of the type customarily found on an architectural punch-list, the correction or completion of which will not substantially interfere with Tenant's occupancy and use of the Remaining Premises, and (b) any trade fixtures, workstations, telecommunications or built-in furniture or equipment to be installed by Tenant. Landlord shall notify Tenant of the Substantial Completion Date and, promptly thereafter, Landlord and Tenant shall set a mutually convenient time for Tenant, Landlord and the General Contractor to inspect the Remaining Premises and the Landlord Work. Upon completion of the inspection, Tenant shall acknowledge in writing that the Substantial Completion Date has occurred by executing a commencement date confirmation letter. In the event Tenant fails to inspect the Landlord Work within two (2) business days after Landlord's notice to Tenant of the Substantial Completion Date, or in the event Tenant fails to return a commencement date confirmation letter to Landlord within five (5) business days after Tenant's inspection, the Substantial Completion Date shall be deemed to have occurred on the date determined by Landlord and Tenant shall be bound by Landlord's statements regarding the matters contained in Landlord's commencement date memorandum. Further, Tenant's acceptance of possession of the Remaining Premises shall conclusively evidence its agreement that the Remaining Premises is in the condition required hereunder, except for punch-list items specified above. Landlord shall use commercially reasonable efforts to complete the punch-list items within thirty (30) days after the Substantial Completion Date; however, Landlord shall have no liability to Tenant for losses, costs or damages resulting from or attributable to delays in the completion by Landlord of punch-list items. Tenant shall cooperate with Landlord to facilitate completion of any punch-list items as quickly as possible.

4. Responsibility for Construction Costs. Landlord will perform the Landlord Work, except that all costs attributable to Change Orders requested or approved by Tenant shall be payable by Tenant. Tenant agrees that Landlord may condition its consent to any Change Orders on Tenant's payment to Landlord of the increased cost of the Landlord Work, if any, as a result thereof prior to commencing such

Change Orders. Any delay resulting from Tenant's failure to timely pay such amounts shall be a Tenant Delay.

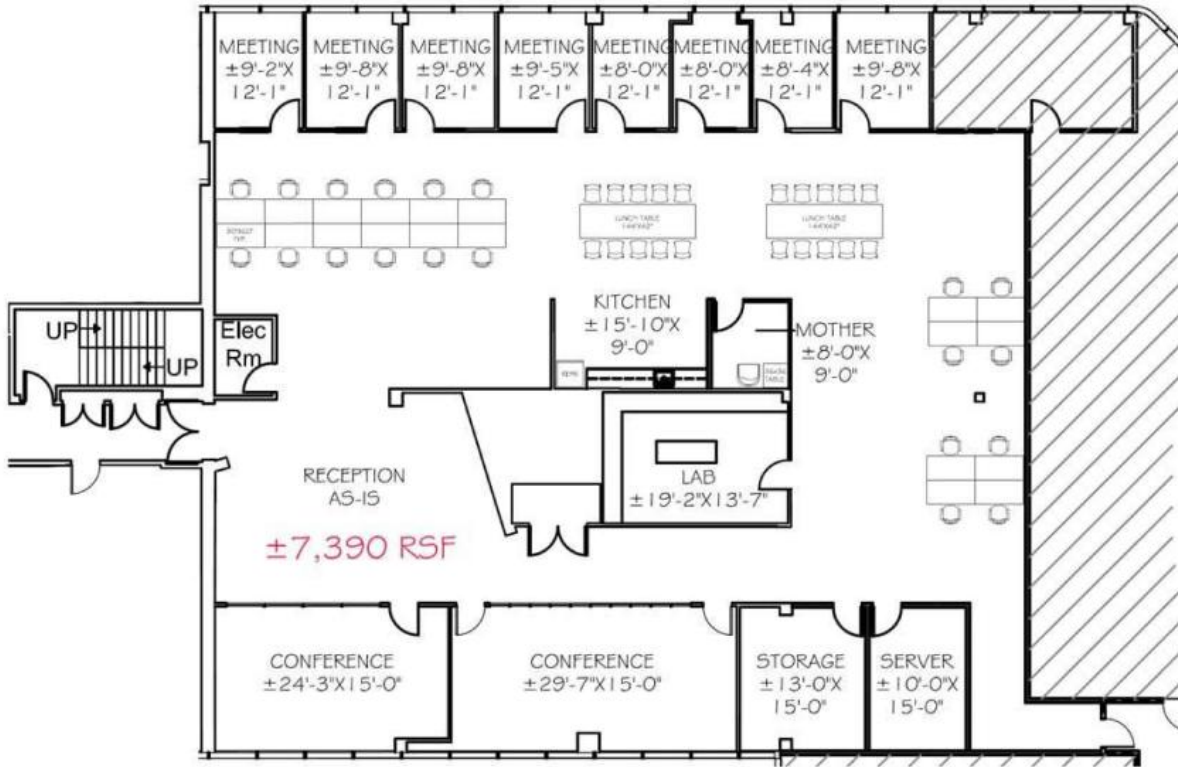
5. Change Orders. Landlord will not unreasonably withhold its approval of (a) any request by Tenant to amend or change the Approved Space Plan, or (b) any change or amendment to the Approved Plans that may be necessary to obtain any permits, or which may be required by city officials or inspectors to comply with code rulings or interpretations (any of the foregoing, a "**Change Order**"), provided such Change Order does not diminish the quality of construction of the Landlord Work. Without limiting the generality of the foregoing, however, Tenant acknowledges that it shall not be unreasonable for Landlord to withhold consent to any Change Order if any one or more of the following situations exist: (1) the proposed Change Order will adversely affect the exterior appearance of the Building; or (2) the proposed Change Order may impair the structural strength of the Building, adversely affect any Building systems or materially adversely affect the value of the Building; or (3) the proposed Change Order would trigger the necessity under applicable laws or otherwise for work to be performed outside the Remaining Premises; or (4) the specifications for the proposed Change Order are not consistent with, or would detract from, the first-class character or image of the Building. No material changes or modifications to the Approved Space Plan shall be made unless by written Change Order signed by Landlord and Tenant. Tenant shall pay all costs attributable to Change Orders, including, without limitation, any project management charges incurred by Landlord as a result of such Change Order and any costs incurred by Landlord in reviewing proposed Change Orders.

6. Tenant Delay. To the extent any delay in the Substantial Completion Date is caused by or is attributable to (a) any Change Order request by Tenant to amend or change the Approved Space Plan, (b) Tenant's request for materials, components, finishes or installations which are not readily available within industry-standard lead times (for instance, items which must be custom-made or specially ordered), to the extent such items require time to procure beyond that taken for standard items, (c) Tenant's failure to comply with the deadlines for delivery to Landlord of the Space Plans or modifications thereto, or (d) any act, neglect, failure or omission of Tenant or any of Tenant's agents, which interferes with Landlord's ability to perform the Landlord Work, such delay shall constitute a "**Tenant Delay**"; and, notwithstanding anything to the contrary set forth in the Amendment or in this Work Letter and regardless of the actual Substantial Completion Date hereunder, the Substantial Completion Date and the Expansion Commencement Date shall be deemed to be the date the Substantial Completion Date and Commencement Date, respectively, would have occurred if no Tenant Delay(s) had occurred. Tenant shall be responsible for and shall pay any costs and expenses incurred by Landlord in connection with, or as a consequence of, any Tenant Delay, as well as any increases in the cost of construction of the Tenant Improvements attributable to Tenant Delay.

7. Ownership of Tenant Improvements. The Landlord Work shall be deemed, effective upon installation, to be a part of the Remaining Premises and the Building and shall be deemed to be the property of Landlord (subject to Tenant's right to use the same during the Extended Term), and shall be surrendered at the expiration or earlier termination of the Extended Term, unless Landlord shall have conditioned its approval of any Change Order on Tenant's agreement to remove any items thereof, in which event, prior to the expiration or termination of the Extended Term, the specified items shall be removed at Tenant's expense, any damage caused by such removal shall be repaired, and the Remaining Premises shall be restored to their condition existing prior to the installation of the items in question, normal wear and tear excepted. The removal, repair and restoration described above shall, at Landlord's sole election, be performed either by Tenant or by Landlord; and if such work shall be performed by Landlord, Tenant shall pay to Landlord, within twenty (20) days following Landlord's demand, the reasonable cost and expense of such work. *[End of Exhibit B]*

EXHIBIT B-1

Approved Space Plan



Plan Not To Scale

[End of Exhibit B-1]

SEPARATION AGREEMENT

This Separation Agreement and Release of Claims (the “Agreement”) confirms the agreement between you and Life360, Inc. (the “Company”) regarding the termination of your employment with the Company and offers you the consideration described below in exchange for a general release of claims. Capitalized but undefined terms have the definitions set forth in that certain Employment Agreement between you and the Company dated November 22, 2021, as amended on or about April 11, 2022 (collectively the “Employment Agreement”). You acknowledge that, effective January 1, 2023, your employment transitioned from Tile, Inc. to the Company, with the rights and obligations pertaining to your employment with Tile, Inc. under the Employment Agreement transferring to your employment with the Company, such that the terms of your employment with the Company are the same as those of your employment with Tile, Inc., including, but not limited to, the transfer of the provisions of Paragraphs 6 and 7 of the Employment Agreement being applicable, as of January 1, 2023, to your employment with the Company and without the transition of your employment from Tile, Inc. to the Company having triggered any entitlement to any payment, accelerated vesting, or any other entitlement under Paragraphs 6 or 7 of the Employment Agreement except as otherwise set forth herein.

- 1. Resignation and Extension of Separation Date.** You have indicated your intent to resign from your employment with the Company for Good Reason pursuant to the terms of the Employment Agreement. In exchange for the promises and releases herein, the Company agrees to extend your employment as detailed herein, rather than accept your resignation effective immediately or terminate your employment immediately. The Company agrees to allow you to remain in your current position with the Company until the earlier of a) 30 calendar days after the company hires a new Chief Operating Officer or equivalent role per the Company’s sole discretion or b) September 2, 2023, at which time you will resign from your employment with the Company (“Separation Date”). The Company agrees, as a term of this Agreement, to treat your resignation as being for Good Reason in exchange for your promises made herein. After the Separation Date, you will not say or do anything to any individual or entity in which you purport to bind the Company or any of its affiliates. You agree to remain bound by the provisions of the Employment Agreement through the Separation Date and bound by any terms and obligations thereof that continue by their terms and under applicable law after the Separation Date. You expressly acknowledge that, except as consideration for the promises and releases herein, you are not otherwise entitled to remain employed in your current position with the Company from the date you gave notice of intent to resign through the Separation Date, and that your continued employment with the Company through the Separation Date is adequate and just consideration for your promises herein. This extended period of employment with the Company is referred to herein as the “Extension Period.”
- 2. Separation Pay in Exchange for Additional Release in Connection with Resignation.** On or about the Separation Date, and subject to and in satisfaction of any and all obligations of the Company under Sections 6 and 7 of the Employment Agreement, the Company shall offer you a severance payment and other severance benefits in exchange for your agreement to an additional release in the form attached hereto as Exhibit C (“Second Separation Agreement”).

3. **General Release.** In consideration for the Extension Period, , the sufficiency of which as consideration you hereby acknowledge, to the fullest extent permitted by applicable law, you waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or any of their related entities, affiliated companies, predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns and employee benefit plans (collectively the "Releasees") with respect to any matter, including (without limitation) any matter related to your employment with the Company or any other of the Releasees or the termination of that employment, including (without limitation) claims or demands related to base pay, salary, bonuses, commissions, stock, stock options, stock- based compensation or any other equity and/or ownership interests in the Company, vacation/paid time off, fringe benefits, expense reimbursements, severance pay or any other form of compensation, attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Labor Code, the Private Attorneys General Act ("PAGA"), the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Fair Labor Standards Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification Act and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar (a) any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement, (b) any claim for coverage under any D&O or other insurance policy, (c) any claim to indemnification under Section 2802 of the California Labor Code, any agreement with the Company or otherwise, (d) any right you have to file or pursue a claim for workers' compensation or unemployment insurance, or (e) any rights which are not waivable as a matter of law.

You covenant not to sue any of the Releasees for any of the claims released above, agree not to participate in any class, collective, representative, or group action that may include any of the claims released above, and will affirmatively opt out of any such class, collective, representative or group action. Further, you agree not to participate in, seek to recover in, or assist in any litigation or investigation by other persons or entities against any of the Releasees, except as required by law.

You understand that this agreement does not limit your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (each, a "Government Agency"), except that you acknowledge and agree and hereby waive your right to any monetary benefits in connection with any such claim, charge or proceeding before the Equal Employment Opportunity Commission, the Securities and Exchange Commission, or any analogous federal, state or other government agency, to the extent allowed by applicable law. You further understand that this Agreement does not limit your ability to communicate with, or otherwise participate in any investigation or proceeding that may be conducted by, a Government Agency. Notwithstanding anything to the contrary herein, this Agreement does not limit your right to receive a statutory award for information provided to the Securities and Exchange Commission.

4. **Effective Date, Acknowledgment of Waiver of Claims under ADEA.** You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have under the Age Discrimination in Employment Act of 1967 (ADEA) and the Older Workers Benefit Protection Act (OWBPA). You agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA or OWBPA after the Effective Date of this Agreement (defined below). You also acknowledge that the consideration given for the waiver and release herein is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised by this writing, as required by the ADEA, that (a) your waiver and release do not apply to any rights or claims that may arise after the execution date of this Agreement; (b) you are advised hereby to consult with an attorney before signing this Agreement; (c) you have up to twenty-one (21) days from the date you receive this Agreement to execute this Agreement (although you may choose to knowingly and voluntarily execute this Agreement earlier, as signified by the date and signature below); (d) you have seven (7) days following your execution of this Agreement to revoke the Agreement; and (e) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after this Agreement is executed by you (the "Effective Date"); (f) the Company has no obligation to provide any of the sums or consideration or perform any act referred to in this Agreement until it becomes effective and enforceable; (g) you have carefully read, and understand, all of the provisions of this Agreement; and (h) this Agreement does not affect your ability to test the knowing and voluntary nature of this Agreement. You acknowledge that any such revocation must be made by delivering a written notice of revocation to Life360, Attention: Human Resources and for such revocation to be effective, notice must be received no later than 11:59 PM (Pacific Time) on the seventh (7th) calendar day after you execute this Agreement.
5. **Confidential Information and Invention Assignment Agreement.** At all times in the future, you will remain bound by the Confidential Information and Invention Assignment Agreement you signed upon joining the Company, and as updated throughout your employment, and a copy of which is attached as Exhibit B, and that this Agreement does not modify or impact such Confidential Information and Invention Assignment Agreement or your obligations under such agreement in any way. You further acknowledge that as a result of your employment with the Company you have had access to the Company's Confidential Information (as defined in Confidential Information and Invention Assignment Agreement), that you will hold all Confidential Information in strictest confidence and that you will not make use of such Confidential Information on behalf of anyone. Except as expressly provided in this Agreement, this Agreement renders null and void all prior agreements between you and the Company and constitutes the entire agreement between you and the Company regarding the subject matter of this Agreement. This Agreement may be modified only in a written document signed by you and a duly authorized officer of the Company.
6. **DTSA Notice.** Pursuant to the federal Defend Trade Secrets Act of 2016 ("DTSA"), you shall not be held criminally or civilly liable under the federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made to the your attorney in relation to a lawsuit for retaliation against you for reporting a suspected violation of law; or (iii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and the trade secret is not disclosed except pursuant to court order. Under proper circumstances the DTSA may provide a limited exception to your obligations of confidentiality to Company.
7. **Expense Reimbursements.** You agree that, on or within ten (10) days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

8. **Company Property.** Within five (5) business days after your contemplated advisory period ends (or earlier if requested by the Company), you will return to the Company all Company owned documents (and all copies thereof) and other Company property in your possession or control, including, but not limited to, Company files, notes, financial and operational information, password and account information, customer lists and contact information, prospect information, product and services information, research and development information, drawings, records, plans, forecasts, pipeline reports, sales reports, other reports, payroll information, spreadsheets, studies, analyses, compilations of data, proposals, agreements, sales and marketing information, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computers, monitors, facsimile machines, mobile telephones, tablets, handheld devices, and servers), credit cards, entry cards, identification badges and keys, and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof in whole or in part and in any medium). You agree that you will make a diligent search to locate any such documents, property and information within the timeframe referenced above. In addition, if you have used any personally-owned computer, server, or email system to receive, store, review, prepare or transmit any confidential or proprietary data, materials or information of the Company, then within five (5) business days after your contemplated advisory period ends (or earlier if requested by the Company), you must provide the Company with a computer-useable copy of such information and then permanently delete and expunge such confidential or proprietary information from those systems without retaining any reproductions (in whole or in part); and you agree to provide the Company access to your system, as requested, to verify that the necessary copying and deletion is done.
9. **Acknowledgements and Representations.** You acknowledge and represent that you have not suffered any discrimination, harassment, or retaliation by any of the Releasees on account of your race, gender, national origin, religion, marital or registered domestic partner status, sexual orientation, age, disability, medical condition or any other characteristic protected by law. You acknowledge and represent that you have not been denied any leave, benefits, or rights to which you may have been entitled under the FMLA, CFRA or any other federal or state law, and that you have not suffered any job-related wrongs or injuries for which you might still be entitled to compensation or relief. You certify that you have not failed to report any work-related injuries or illnesses arising out of or in the course and scope of your employment with the Company. You further acknowledge and represent that, except as expressly provided in this Agreement, you have been paid all earned wages, bonuses, compensation, benefits and other amounts that any of the Released Parties have ever owed to you, and you understand that you will not receive any additional compensation, severance, or benefits after the Separation Date, with the exception of any vested right you may have under the terms of a written ERISA- qualified benefit plan.
10. **Waiver.** You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:
- A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**
11. **No Admission.** This Agreement is not and shall not be construed or contended by you to be an admission or evidence of any wrongdoing or liability on the part of Releasees, their representatives, heirs, executors, attorneys, agents, partners, officers, shareholders, directors, employees, subsidiaries, affiliates, divisions, successors or assigns.

12. **No Actions or Claims.** Except as otherwise described in Paragraph 6, you represent that you have not filed any charges, complaints, grievances, arbitrations, lawsuits, or claims against the Company, with any local, state or federal agency, union or court from the beginning of time to the date of execution of this Agreement and that you will not do so at any time hereafter, based upon events occurring prior to the date of execution of this Agreement. In the event any court ever assumes jurisdiction of any lawsuit, claim, charge, grievance, arbitration, or complaint, or purports to bring any legal proceeding on your behalf, you will ask any such agency, union or court to withdraw from and/or dismiss any such action or grievance, with prejudice to the extent permitted by law.
13. **Confidentiality of Agreement.** You agree that this Agreement does not involve any claim against the Company or any of the Released Parties for discrimination, retaliation, sexual harassment or assault, or retaliation. Accordingly, you agree that you will not disclose to others the existence or terms of this Agreement, except that you may disclose such information to Government Agencies or to your spouse, attorney, or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement, to the extent allowed under the law. This Agreement does not prevent or restrict the disclosure of factual information related to any claim filed in a civil action or a complaint filed in an administrative action regarding an act of sexual assault, an act of sexual harassment, an act of workplace harassment or discrimination, failure to prevent an act of workplace harassment or discrimination, or an act of retaliation against a person for reporting or opposing harassment or discrimination.
14. **No Disparagement.** You agree that you will not disparage Releasees or their products, services, agents, representatives, directors, officers, shareholders, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under, or in concert with any of them, with any written or oral statement. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful. Nothing in this section or in this Agreement shall prohibit you from providing truthful information in response to a subpoena, court order, written request from an administrative agency or legislature, or other law or legal process.
15. **Severability.** If any term of this Agreement is held to be invalid, void or unenforceable, the remainder of this Agreement will remain in full force and effect and will in no way be affected, and the parties will use their best efforts to find an alternate way to achieve the same result.
16. **Choice of Law.** This Agreement will be construed and interpreted in accordance with the laws of the State of California (other than their choice-of-law provisions).
17. **Miscellaneous.** This Agreement, together with Exhibits, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to this subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties, or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors, and assigns. This Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute one agreement. Execution of a facsimile copy or PDF will have the same force and effect as execution of an original, and a facsimile signature or PDF signature will be deemed an original and valid signature.

If this Agreement is acceptable to you, please sign and date the appropriate area below, electronically, and return the signed agreement via DocuSign on or before the 21st day after your receipt of this Agreement. The Company's offer contained herein will automatically expire if we do not receive the fully signed Agreement within this timeframe.

We wish you the best in your future endeavors.

Sincerely,

LIFE360, INC.

John Coghlan

Chairman of the Board

ACCEPTED AND AGREED

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

Dated: January 18, 2023

By: /s/ CJ Prober
Charles Prober

EXHIBIT A
Consulting Agreement

This Consulting Agreement (“Agreement”) is entered into as of July 7, 2023 (“Effective Date”) by and between Life360, Inc., a Delaware corporation (“Life360”), and Charles J. Prober (“Consultant”). Life360 desires to retain Consultant as an independent contractor to perform consulting services for Life360, and Consultant is willing to perform such services, on the terms described below. In consideration of the mutual promises contained herein, the parties agree as follows:

1. **Services and Compensation.** Consultant agrees to perform the services described in Exhibit A (the “Services”), and Life360 agrees to pay Consultant the compensation described in Exhibit A for Consultant’s performance of the Services.
2. **Confidentiality.** During the course of performing the Services, Consultant may have access to, or Life360 may provide to Consultant, certain non-public or proprietary information relating to Life360’s business or the business of Life360’s affiliate(s) (“Confidential Information”). Confidential Information includes, but is not limited to, the existence and terms of this Agreement. Consultant will: (a) keep confidential all Confidential Information; (b) not make available or in any other manner disclose the Confidential Information to any third-party without Life360’s prior written consent, (c) take action and cause Consultant’s agents and all other persons or entities to whom Consultant discloses any Confidential Information to take action, as is reasonably necessary to preserve and protect the confidentiality of the Confidential Information; and (d) not use the Confidential Information for any purpose other than to perform the Services. Such confidentiality obligations will survive the expiration, termination, or cancellation of this Agreement for a period of two (2) years afterwards (or, with respect to trade secrets, until such trade secrets are no longer protected as such under applicable laws). However, Consultant may disclose Confidential Information to its agents subject to confidentiality obligations no less restrictive than those in this Agreement.
3. **Ownership.**
 - a. **Assignment.** Consultant agrees that all copyrightable material, notes, designs, inventions, improvements, developments and trade secrets conceived or developed by Consultant, solely or in collaboration with others, including any and all intellectual property and publicity rights (i.e., to name, photograph, social media handle, image, likeness (including caricature), biographical information, voice, appearance, and the image of property) therein, during the term of this Agreement that relate in any manner to the business of Life360 (collectively, “Inventions”), are the sole property of Life360. Consultant will assign (or cause to be assigned) and hereby assigns to Life360 all right, title and interest in Inventions and all intellectual property rights relating to all Inventions. If Consultant has any rights to the Inventions that cannot be assigned to Life360, Consultant hereby unconditionally and irrevocably assigns the enforcement of such rights to Life360 and grants Life360, its affiliates, subcontractors, agents and assignees, an exclusive (even as to Consultant), irrevocable, perpetual, worldwide, fully paid up, royalty-free license to (with the right to transfer and sublicense) such Inventions. Consultant irrevocably appoints Life360 as its attorney-in-fact to verify and execute documents and to do all other lawfully permitted acts to effectuate Consultant’s assignment of intellectual property rights in and to the Inventions as required by this Section. Consultant will obtain from third parties any agreements necessary to comply with this Section.

- b. **Further Assurances.** Consultant agrees to assist Life360, or its designee, at Life360's expense, in every proper way to secure Life360's rights in Inventions and all intellectual property rights relating to all Inventions in any and all countries, including the disclosure to Life360 of all pertinent information and data with respect to all Inventions, the execution of all applications, specifications, oaths, assignments and all other instruments that Life360 may deem necessary in order to apply for and obtain such rights and in order to assign and convey to Life360, its successors, assigns and nominees the sole and exclusive right, title and interest in and to all Inventions, and all intellectual property rights relating to all Inventions. Consultant also agrees that Consultant's obligation to execute or cause to be executed any such instrument or papers shall continue after the termination of this Agreement.
- c. **Pre-Existing Materials.** Consultant will not incorporate into or provide in conjunction with any Invention, or create any Invention with a dependency upon any proprietary methodologies, tools, models, software, documentation, know-how, trade secrets, inventions, or works of authorship conceived or developed independently by Consultant or a third party excluding the Inventions and without the use of any Life360 Confidential Information, or any intellectual property owned or licensed to or by Life360 (collectively, "Pre-Existing Materials") without strictly complying with all of the conditions described in this Section. If Consultant incorporates into or provides in conjunction with any Invention, or creates any Invention with a dependency upon any Pre-Existing Materials, then Consultant hereby grants, at Consultant's sole cost and expense, Life360 (including its contractors, affiliates, and agents) a nonexclusive, royalty-free, fully paid up, irrevocable, worldwide, perpetual license (with the right to transfer and sublicense) to make, have made, sell, offer for sale, use, execute, reproduce, modify, adapt, display, perform, distribute, make derivative works of, import, export, and disclose the Pre-Existing Materials in connection with the Inventions and to permit others to do any of the foregoing. Life360 is, and shall remain, the sole and exclusive owner of all right, title and interest in and to all materials, names, trademarks, logos, photographs, video, products, and other content it provides to Consultant and all derivative works thereof (collectively, "Life360 Materials"). Consultant may only use such Life360 Materials as set forth in Exhibit A or with Life360's prior written approval and shall promptly return such Life360 Materials to Life360 and cease use of such Life360 Materials upon termination or expiration of this Agreement or upon Life360's earlier request. In order to preserve the inherent value of Life360 Materials, Consultant agrees to use the Life360 Materials in a manner that maintains the quality of Life360 Materials and further agrees that all Services Consultant provides using Life360 Materials shall be of the high quality and display the high standards that Life360 has duly established in providing its own services. Life360 hereby reserves all rights not expressly granted herein.
4. **Obligations.** Consultant certifies that Consultant has no outstanding agreement or obligation that is in conflict with any of the provisions of this Agreement or that would preclude Consultant from complying with the provisions of this Agreement. Consultant will not enter into any such conflicting agreement during the term of this Agreement. Consultant will perform the Services in compliance with all applicable laws and consumer disclosure requirements under federal, state and local laws, statutes, ordinances, rules, regulations, guidance and orders, including without limitation the U.S. Federal Trade Commission Guidelines Regarding Endorsements available on www.ftc.gov. Consultant's violation of this Section 4 will be considered a material breach under Section 6.B.
5. **Reports.** Consultant also agrees that Consultant will, from time to time during the term of this Agreement or any extension thereof, keep Life360 advised as to Consultant's progress in performing the Services under this Agreement.
6. **Term and Termination.**

- a. **Term.** The term of this Agreement will begin on the date of this Agreement and will continue until the earlier of (i) July 6, 2024 or (ii) the termination of this Agreement as provided for in **Section 6.B**.
- a. **Termination.** Consultant may terminate this Agreement upon giving the Life360 seven (7) days' prior written notice of such termination. Life360 may only terminate this Agreement upon giving the Consultant seven (7) days' prior written notice and only if (a) either Consultant refuses to or is unable to perform the Services or is in breach of any material provision of this Agreement and (b) such non-performance or breach is uncured during the seven day notice period.
- a. **Survival.** Upon such termination, all rights and duties of Life360 and Consultant toward each other shall cease except:
 - i. Life360 will pay, within thirty (30) days after the effective date of termination, all amounts owing to Consultant for Services completed and accepted by Life360 prior to the termination date and related expenses, if any, submitted in accordance with Life360's policies and in accordance with the provisions of Section 1 of this Agreement; and
 - ii. Section 2 (Confidentiality), Section 3 (Ownership), Section 4 (Obligations), Section 7 (Independent Contractor; Benefits), Section 8 (Indemnification), and Section 9 (Miscellaneous) will survive termination of this Agreement.

7. Independent Contractor; Benefits.

- a. **Independent Contractor.** It is the express intention of Life360 and Consultant that Consultant performs the Services as an independent contractor to Life360. Nothing in this Agreement shall in any way be construed to constitute Consultant as an agent, employee or representative of Life360. Without limiting the generality of the foregoing, Consultant is not authorized to bind Life360 to any liability or obligation or to represent that Consultant has any such authority. Consultant agrees to furnish (or reimburse Life360 for) all tools and materials necessary to accomplish this Agreement and shall incur all expenses associated with performance, except as expressly provided in Exhibit A. Consultant acknowledges and agrees that Consultant is obligated to report as income all compensation received by Consultant pursuant to this Agreement. Consultant agrees to and acknowledges the obligation to pay all self-employment and other taxes on such income.
- b. **Benefits.** Life360 and Consultant agree that Consultant will receive no Life360-sponsored benefits from Life360. If Consultant is reclassified by a state or federal agency or court as Life360's employee, Consultant will become a reclassified employee and will receive no benefits from Life360, except those mandated by state or federal law, even if by the terms of Life360's benefit plans or programs of Life360 in effect at the time of such reclassification, Consultant would otherwise be eligible for such benefits.

8. **Indemnification.** Consultant agrees to indemnify and hold harmless Life360 and its directors, officers and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with (i) any negligent, reckless or intentionally wrongful act of Consultant or Consultant's assistants, employees or agents, (ii) any breach by the Consultant or Consultant's assistants, employees or agents of any of the covenants contained in this Agreement, (iii) any failure of Consultant to perform the Services in accordance with all applicable laws, rules and regulations, or (iv) any violation or claimed violation of a third party's rights resulting in whole or in part from Life360's use of the work product of Consultant under this Agreement.
9. **Nonsolicitation.** From the date of this Agreement until 12 months after the termination of this Agreement (the "**Restricted Period**"), Consultant will not, without the Company's prior written consent, directly or indirectly, solicit or encourage any employee or contractor of the Company or its affiliates to terminate employment with, or cease providing services to, the Company or its affiliates. During the Restricted Period, Consultant will not, whether for Consultant's own account or for the account of any other person, firm, corporation or other business organization, intentionally interfere with any person who is or during the period of Consultant's engagement by the Company was a partner, supplier, customer or client of the Company or its affiliates.
10. Arbitration and Equitable Relief.
- a. **Arbitration.** Consultant agrees that any and all controversies, claims or disputes with anyone (including the Company and any employee, officer, director, stockholder or benefit plan of the Company, in its capacity as such or otherwise) arising out of, relating to or resulting from Consultant's performance of the Services under this Agreement or the termination of this Agreement, including any breach of this Agreement, shall be subject to binding arbitration pursuant to the laws of the State of California (the "**Rules**"). CONSULTANT AGREES TO ARBITRATE, AND THEREBY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO, ALL DISPUTES ARISING FROM OR RELATED TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO: ANY STATUTORY CLAIMS UNDER STATE OR FEDERAL LAW, CLAIMS UNDER TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, THE AMERICANS WITH DISABILITIES ACT OF 1990, THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, THE OLDER WORKERS BENEFIT PROTECTION ACT, CLAIMS OF HARASSMENT, DISCRIMINATION OR WRONGFUL TERMINATION AND ANY STATUTORY CLAIMS. Consultant understands that this Agreement to arbitrate also applies to any disputes that the Company may have with Consultant. WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the San Francisco, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in San Francisco, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to

seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the San Francisco, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and order applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to the California Code of Civil Procedure §644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this section.

- b. **Procedure.** Consultant agrees that any arbitration will be administered by the American Arbitration Association (“AAA”), and that a neutral arbitrator will be selected in a manner consistent with its National Rules for the Resolution of Employment Disputes. Consultant agrees that the arbitrator will have the power to decide any motions brought by any party to the arbitration, including discovery motions, motions for summary judgment and/or adjudication and motions to dismiss and demurrers, prior to any arbitration hearing. Consultant agrees that the arbitrator will issue a written decision on the merits. Consultant also agrees that the arbitrator will have the power to award any remedies, including attorneys’ fees and costs, available under applicable law. Consultant understands that the Company will pay for any administrative or hearing fees charged by the arbitrator or AAA, except that Consultant shall pay the first \$200.00 of any filing fees associated with any arbitration Consultant initiates. Consultant agrees that the arbitrator will administer and conduct any arbitration in a manner consistent with the Rules and that, to the extent that the AAA’s National Rules for the Resolution of Employment Disputes conflict with the Rules, the Rules will take precedence.
- c. **Remedy.** Except as provided by the Rules, arbitration will be the sole, exclusive and final remedy for any dispute between the Company and Consultant. Accordingly, except as provided for by the Rules, neither the Company nor Consultant will be permitted to pursue court action regarding claims that are subject to arbitration. Notwithstanding the foregoing, the arbitrator will not have the authority to disregard or refuse to enforce any lawful Company policy, and the arbitrator shall not order or require the Company to adopt a policy not otherwise required by law that the Company has not adopted.
- d. **Availability of Injunctive Relief.** In addition to the right under the Rules to petition the court for provisional relief, Consultant agrees that any party may also petition the court for injunctive relief where either party alleges or claims a violation of Sections 2 (Confidentiality), 3 (Ownership), 4 (Conflicting Obligations) or 9 (Nonsolicitation) of this Agreement or any other agreement regarding trade secrets, confidential information, nonsolicitation or the assignment of intellectual property by Consultant pursuant to this Agreement. In the event either the Company or Consultant seeks injunctive relief, the prevailing party will be entitled to recover reasonable costs and attorneys’ fees.

- e. **Administrative Relief.** Consultant understands that this Agreement does not prohibit Consultant from pursuing an administrative claim with a local, state or federal administrative body such as the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission or the workers' compensation board. This Agreement does, however, preclude Consultant from pursuing court action regarding any such claim.
 - f. **Voluntary Nature of Agreement.** Consultant acknowledges and agrees that Consultant is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Consultant further acknowledges and agrees that Consultant has carefully read this Agreement and has asked any questions needed to understand the terms, consequences and binding effect of this Agreement and fully understand it, including that Consultant is waiving its right to a jury trial. Finally, Consultant agrees that Consultant has been provided an opportunity to seek the advice of an attorney of its choice before signing this Agreement.
11. **Covenant of Consultant.** Consultant covenants that it shall have all employees of, or other parties retained by, Consultant to assist with the performance of the Services enter into agreements or otherwise be bound by provisions substantially similar to those set forth in this Agreement, including, but not limited to, those provisions set forth in Sections 2, 3, 4, 7, 8, 9, 10, and 12 which agreements or provisions shall be for the benefit of the Company.
12. Miscellaneous.
- a. **Governing Law; Dispute Resolution.** This Agreement and all disputes arising in connection with it will be governed by the law of the State of California, without reference to its conflicts of law doctrine. Subject to the following arbitration requirements, the parties hereby agree that all litigation arising out of this Agreement shall be subject to the exclusive jurisdiction of and venue in the federal and state courts within San Francisco County, California. Consultant hereby consents to the personal and exclusive jurisdiction and venue of these courts. For any dispute in connection with this Agreement, the parties agree to first attempt to mutually resolve the dispute informally via negotiation. If the dispute has not been resolved after thirty (30) days, the parties agree to resolve any claim, dispute, or controversy (excluding any claims for injunctive or other equitable relief as provided below) arising out of or in connection with or relating to this Agreement, or the breach or alleged breach, by binding arbitration by JAMS, under the Optional Expedited Arbitration Procedures then in effect for JAMS, except as provided herein. The arbitration will be conducted in San Francisco County, California, unless otherwise agreed. Each party will be responsible for paying any JAMS filing, administrative and arbitrator fees in accordance with JAMS rules, and the award rendered by the arbitrator may include costs of arbitration, reasonable attorneys' fees and reasonable costs for expert and other witnesses. Any judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. Nothing in this Section shall be deemed as preventing Life360 from seeking injunctive or other equitable relief from the courts as necessary to prevent the actual or threatened infringement, misappropriation, or violation of its data security, intellectual property rights or other proprietary rights.
 - b. **Voluntary Nature of Agreement.** Consultant acknowledges and agrees that Consultant is executing this Agreement voluntarily and without any duress or undue influence by Life360 or anyone else. Consultant further acknowledges and agrees that Consultant has carefully read this Agreement and has asked any questions needed to understand the terms, consequences and binding effect of this Agreement and fully understand it, including that Consultant is waiving its right to a jury trial. Finally, Consultant agrees that Consultant has been provided an opportunity to seek the advice of an attorney of its choice before signing this Agreement.

- c. **Assignability.** Except as otherwise provided in this Agreement, Consultant may not sell, assign or delegate any rights or obligations under this Agreement. Life360 may assign the Agreement without restriction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Any non-permitted assignment will be void and have no effect.
- d. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior written and oral agreements between the parties regarding the subject matter of this Agreement. If any provision of this Agreement is found to be illegal or unenforceable, the other provisions shall remain effective and enforceable to the greatest extent permitted by law. Headings are used in this Agreement for reference only and shall not be considered when interpreting this Agreement.
- e. **Notices.** Any notice or other communication required or permitted by this Agreement to be given to a party shall be in writing and shall be deemed given if delivered personally or by commercial messenger or courier service, or mailed by U.S. registered or certified mail (return receipt requested), or sent via email (with receipt of confirmation of complete transmission) to the party at the party's address or email address written below or at such other address or email address as the party may have previously specified by like notice. If by mail, delivery shall be deemed effective 3 business days after mailing in accordance with this Section.
 - i. If to Life360: Life360, Inc.; Attn: HR Department; 539 Bryant St, Suite 402, San Francisco, CA 94107; Email: hr@life360.com.
 - ii. If to Consultant, to the address for notice on the signature page to this Agreement or, if no such address is provided, to the last address of Consultant provided by Consultant to Life360.
- f. **Attorneys' Fees.** In any court action at law or equity that is brought by one of the parties to this Agreement to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, in addition to any other relief to which that party may be entitled.
- g. **Severability.** If any provision of this Agreement is found to be illegal or unenforceable, the other provisions shall remain effective and enforceable to the greatest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have executed this Consulting Agreement as of the Effective date.

For Life360, Inc.:

By: /s/ Heather Houston Date: July 10, 2023
NAME: Heather Houston
TITLE: Chief People Officer

Consultant:

By: /s/ Charles Prober Date: July 11, 2023
NAME: Charles Prober
Email: cjprober@gmail.com
Address: 2320 Crest Lane
Menlo Park, CA 94025

EXHIBIT A

Services and Compensation

Contact: Consultant's principal Life360 contacts: Chris Hulls, chris@life360.com and Russell Burke, rburke@life360.com

Services: The Consultant's responsibilities shall include, but are not limited to, the following: Advising Life360 CEO and executive team on strategic and operational matters.

Contract Duration: This agreement shall begin effective Separation Date (as defined in Consultant's Separation Agreement) and end on July 6, 2024 , subject to the terms provided in section 6. This agreement may be extended beyond the end date based upon mutual agreement between Life360 and Consultant.

Compensation: \$500 per hour

Equity and Cash Vesting: During the term of this agreement, Consultant shall continue to vest in any unvested equity awards or unvested cash payments as if Consultant were employed by Life360.

Payment: Consultant will invoice Company according to Consultant's preferred schedule, either semi-monthly or monthly, for services. Invoices should be emailed directly to ap@life360.com . Payment will be issued according to Consultant's direct deposit setup within 15 days of invoice approval by Chief Financial Officer or Chief People Officer.

EXHIBIT B

LIFE360, INC.

CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

Employee Name: Charles "CJ" Prober

Effective Date: November 22, 2021

As a condition of my becoming employed (or my employment being continued) by Life360, Inc., a Delaware corporation, or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by the Company, the receipt of Confidential Information (as defined below) while associated with the Company, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, I hereby agree to the following:

1. **Relationship**. This Confidential Information and Invention Assignment Agreement (this "Agreement") will apply to my employment relationship with the Company. If that relationship ends and the Company, within one (1) year thereafter, either reemploys me or engages me as a consultant, I agree that this Agreement will also apply to such later employment or consulting relationship, unless the Company and I otherwise agree in writing. Any employment or consulting relationship between the parties hereto, whether commenced prior to, upon or after the date of this Agreement, is referred to herein as the "Relationship."
2. **Applicability to Past Activities**. The Company and I acknowledge that I may have performed work, activities, services or made efforts on behalf of or for the benefit of the Company, or related to the current or prospective business of the Company in anticipation of my involvement with the Company, that would have been within the scope of my duties under this agreement if performed during the term of this Agreement, for a period of time prior to the Effective Date of this Agreement (the "Prior Period"). Accordingly, if and to the extent that, during the Prior Period: (i) I received access to any information from or on behalf of the Company that would have been Confidential Information (as defined below) if I received access to such information during the term of this Agreement; or (ii) I (a) conceived, created, authored, invented, developed or reduced to practice any item (including any intellectual property rights with respect thereto) on behalf of or for the benefit of the Company, or related to the current or prospective business of the Company in anticipation of my involvement with the Company, that would have been an Invention (as defined below) if conceived, created, authored, invented, developed or reduced to practice during the term of this Agreement; or (b) incorporated into any such item any pre-existing invention, improvement, development, concept, discovery or other proprietary information that would have been a Prior Invention (as defined below) if incorporated into such item during the term of this Agreement; then any such information shall be deemed "Confidential Information" hereunder and any such item shall be deemed an "Invention" or "Prior Invention" hereunder, and this Agreement shall apply to such activities, information or item as if disclosed, conceived, created, authored, invented, developed or reduced to practice during the term of this Agreement.

3. Confidential Information.

- a. **Protection of Information.** I understand that during the Relationship, the Company intends to provide me with certain information, including Confidential Information (as defined below), without which I would not be able to perform my duties to the Company. At all times during the term of the Relationship and thereafter, I shall hold in strictest confidence, and not use, except for the benefit of the Company to the extent necessary to perform my obligations to the Company under the Relationship, and not disclose to any person, firm, corporation or other entity, without written authorization from the Company in each instance, any Confidential Information that I obtain, access or create during the term of the Relationship, whether or not during working hours, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to the item or items involved. I shall not make copies of such Confidential Information except as authorized by the Company or in the ordinary course of my obligations to the Company under the Relationship.
- b. **Confidential Information.** I understand that “Confidential Information” means any and all information and physical manifestations thereof not generally known or available outside the Company and information and physical manifestations thereof entrusted to the Company in confidence by third parties, whether or not such information is patentable, copyrightable or otherwise legally protectable. Confidential Information includes, without limitation: (i) Company Inventions (as defined below); and (ii) technical data, trade secrets, know-how, research, product or service ideas or plans, software codes and designs, algorithms, developments, inventions, patent applications, laboratory notebooks, processes, formulas, techniques, biological materials, mask works, engineering designs and drawings, hardware configuration information, agreements with third parties, lists of, or information relating to, employees and consultants of the Company (including, but not limited to, the names, contact information, jobs, compensation, and expertise of such employees and consultants), lists of, or information relating to, suppliers and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the Relationship), price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information disclosed to me by the Company either directly or indirectly, whether in writing, electronically, orally, or by observation.
- c. **Third Party Information.** My agreements in this Section 3 are intended to be for the benefit of the Company and any third party that has entrusted information or physical material to the Company in confidence. During the term of the Relationship and thereafter, I will not improperly use or disclose to the Company any confidential, proprietary or secret information of my former employer(s) or any other person, and I will not bring any such information onto the Company’s property or place of business.
- d. **Other Rights.** This Agreement is intended to supplement, and not to supersede, any rights the Company may have in law or equity with respect to the protection of trade secrets or confidential or proprietary information.

- e. **U.S. Defend Trade Secrets Act.** Notwithstanding the foregoing, the U.S. Defend Trade Secrets Act of 2016 (“DTSA”) provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (iii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

4. Ownership of Inventions.

- a. **Inventions Retained and Licensed.** I have attached hereto, as Exhibit A, a complete list describing with particularity all Inventions (as defined below) that, as of the Effective Date: (i) have been created by or on behalf of me, and/or (ii) are owned exclusively by me or jointly by me with others or in which I have an interest, and that relate in any way to any of the Company’s actual or proposed businesses, products, services, or research and development, and which are not assigned to the Company hereunder (collectively “Prior Inventions”); or, if no such list is attached, I represent and warrant that there are no such Inventions at the time of signing this Agreement, and to the extent such Inventions do exist and are not listed on Exhibit A, I hereby irrevocably and forever waive any and all rights or claims of ownership to such Inventions. I understand that my listing of any Inventions on Exhibit A does not constitute an acknowledgement by the Company of the existence or extent of such Inventions, nor of my ownership of such Inventions. I further understand that I must receive the formal approval of the Company before commencing my Relationship with the Company.
- b. **Use or Incorporation of Inventions.** If in the course of the Relationship, I use or incorporate into any of the Company’s products, services, processes or machines any Invention not assigned to the Company pursuant to Section 4(d) of this Agreement in which I have an interest, I will promptly so inform the Company in writing. Whether or not I give such notice, I hereby irrevocably grant to the Company a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with right to transfer and to sublicense, to practice and exploit such Invention and to make, have made, copy, modify, make derivative works of, use, sell, import, and otherwise distribute such Invention under all applicable intellectual property laws without restriction of any kind.
- c. **Inventions.** I understand that “Inventions” means discoveries, developments, concepts, designs, ideas, know how, modifications, improvements, derivative works, inventions, trade secrets and/or original works of authorship, whether or not patentable, copyrightable or otherwise legally protectable. I understand this includes, but is not limited to, any new product, machine, article of manufacture, biological material, method, procedure, process, technique, use, equipment, device, apparatus, system, compound, formulation, composition of matter, design or configuration of any kind, or any improvement thereon. I understand that “Company Inventions” means any and all Inventions that I may solely or jointly author, discover, develop, conceive, or reduce to practice during the period of the Relationship or otherwise in connection with the Relationship, except as otherwise provided in Section 4(g) below.

- d. **Assignment of Company Inventions.** I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all of my right, title and interest throughout the world in and to any and all Company Inventions and all patent, copyright, trademark, trade secret and other intellectual property rights and other proprietary rights therein. I hereby waive and irrevocably quitclaim to the Company or its designee any and all claims, of any nature whatsoever, that I now have or may hereafter have for infringement of any and all Company Inventions. I further acknowledge that all Company Inventions that are made by me (solely or jointly with others) within the scope of and during the period of the Relationship are “works made for hire” (to the greatest extent permitted by applicable law) and are compensated by my salary. Any assignment of Company Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively, “Moral Rights”). To the extent that Moral Rights cannot be assigned under applicable law, I hereby waive and agree not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law. If I have any rights to the Company Inventions, other than Moral Rights, that cannot be assigned to the Company, I hereby unconditionally and irrevocably grant to the Company during the term of such rights, an exclusive, irrevocable, perpetual, worldwide, fully paid and royalty-free license, with rights to sublicense through multiple levels of sublicensees, to reproduce, distribute, display, perform, prepare derivative works of and otherwise modify, make, have made, sell, offer to sell, import, practice methods, processes and procedures and otherwise use and exploit, such Company Inventions.
- e. **Maintenance of Records.** I shall keep and maintain adequate and current written records of all Company Inventions made or conceived by me (solely or jointly with others) during the term of the Relationship. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, or any other format. The records will be available to and remain the sole property of the Company at all times. I shall not remove such records from the Company’s place of business or systems except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company’s business. I shall deliver all such records (including any copies thereof) to the Company at the time of termination of the Relationship as provided for in Section 5 and Section 6.

- f. **Intellectual Property Rights.** I shall assist the Company, or its designee, at its expense, in every proper way in securing the Company's, or its designee's, rights in the Company Inventions and any copyrights, patents, trademarks, mask work rights, Moral Rights, or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which the Company or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive and shall never assert such rights, and in order to assign and convey to the Company or its designee, and any successors, assigns and nominees the sole and exclusive right, title and interest in and to such Company Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. My obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue during and at all times after the end of the Relationship and until the expiration of the last such intellectual property right to expire in any country of the world. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such instruments and papers and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright, mask work and other registrations related to such Company Inventions. This power of attorney is coupled with an interest and shall not be affected by my subsequent incapacity.
- g. **Exception to Assignments.** Subject to the requirements of applicable state law, if any, I understand that the Company Inventions will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention which qualifies fully for exclusion under the provisions of applicable state law, if any, attached hereto as Exhibit B. In order to assist in the determination of which inventions qualify for such exclusion, I will advise the Company promptly in writing, during and for a period of twelve (12) months immediately following the termination of the Relationship, of all Inventions solely or jointly conceived or developed or reduced to practice by me during the period of the Relationship.
5. **Company Property; Returning Company Documents.** I acknowledge that I have no expectation of privacy with respect to the Company's telecommunications, networking or information processing systems (including, without limitation, files, e-mail messages, and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored or reviewed at any time without notice. I further acknowledge that any property situated on the Company's premises or systems and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. At the time of termination of the Relationship, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items developed by me pursuant to the Relationship or otherwise belonging to the Company, its successors or assigns.
6. **Termination Certification.** In the event of the termination of the Relationship, I shall sign and deliver the "Termination Certification" attached hereto as Exhibit C; however, my failure to sign and deliver the Termination Certification shall in no way diminish my continuing obligations under this Agreement.

7. **Notice to Third Parties.** During the periods of time during which I am restricted in taking certain actions by the terms of Section 8 of this Agreement (the “Restriction Period”), I shall inform any entity or person with whom I may seek to enter into a business relationship (whether as an owner, employee, independent contractor or otherwise) of my contractual obligations under this Agreement. I acknowledge that the Company may, with or without prior notice to me and whether during or after the term of the Relationship, notify third parties of my agreements and obligations under this Agreement. Upon written request by the Company, I will respond to the Company in writing regarding the status of my employment or proposed employment with any party during the Restriction Period.
8. **Solicitation of Employees, Consultants and Other Parties.** As described above, I acknowledge that the Company’s Confidential Information includes information relating to the Company’s employees, consultants, customers and others, and I will not use or disclose such Confidential Information except as authorized by the Company in advance in writing. I further agree as follows:
 - a. **Employees, Consultants.** During the term of the Relationship, and for a period of twelve (12) months immediately following the termination of the Relationship for any reason, whether with or without cause, I shall not, directly or indirectly, solicit any of the Company’s employees or consultants to terminate their relationship with the Company, or attempt to solicit employees or consultants of the Company, either for myself or for any other person or entity.
 - b. **Other Parties.** During the term of the Relationship, I will not influence any of the Company’s clients, licensors, licensees or customers from purchasing Company products or services or solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.
9. **At-Will Relationship.** I understand and acknowledge that, except as may be otherwise explicitly provided in a separate written agreement between the Company and me, my Relationship with the Company is and shall continue to be at-will, as defined under applicable law, meaning that either I or the Company may terminate the Relationship at any time for any reason or no reason, without further obligation or liability, other than those provisions of this Agreement that explicitly continue in effect after the termination of the Relationship.
10. Representations and Covenants.
 - a. **Facilitation of Agreement.** I shall execute promptly, both during and after the end of the Relationship, any proper oath, and to verify any proper document, required to carry out the terms of this Agreement, upon the Company’s written request to do so.

- b. **No Conflicts.** I represent and warrant that my performance of all the terms of this Agreement does not and will not breach any agreement I have entered into, or will enter into, with any third party, including without limitation any agreement to keep in confidence proprietary information or materials acquired by me in confidence or in trust prior to or during the Relationship. I will not disclose to the Company or use any inventions, confidential or non- public proprietary information or material belonging to any previous client, employer or any other party. I will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, employer or any other party. I represent and warrant that I have listed on Exhibit A all agreements (*e.g.*, non- competition agreements, non-solicitation of customers agreements, non-solicitation of employees agreements, confidentiality agreements, inventions agreements, etc.), if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or otherwise relate to or restrict my ability to perform my duties for the Company or any obligation I may have to the Company. I shall not enter into any written or oral agreement that conflicts with the provisions of this Agreement.
- c. **Voluntary Execution.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement, that I understand and have voluntarily accepted such provisions, and that I will fully and faithfully comply with such provisions.
11. **Electronic Delivery.** Nothing herein is intended to imply a right to participate in any of the Company's equity incentive plans, however, if I do participate in such plan(s), the Company may, in its sole discretion, decide to deliver any documents related to my participation in the Company's equity incentive plan(s) by electronic means or to request my consent to participate in such plan(s) by electronic means. I hereby consent to receive such documents by electronic delivery and agree, if applicable, to participate in such plan(s) through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
12. Miscellaneous.
- a. **Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of California, without giving effect to principles of conflicts of law.
- b. **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and me relating to its subject matter and merges all prior discussions between us. No amendment to this Agreement will be effective unless in writing signed by both parties to this Agreement. The Company shall not be deemed hereby to have waived any rights or remedies it may have in law or equity, nor to have given any authorizations or waived any of its rights under this Agreement, unless, and only to the extent, it does so by a specific writing signed by a duly authorized officer of the Company, it being understood that, even if I am an officer of the Company, I will not have authority to give any such authorizations or waivers for the Company under this Agreement without specific approval by the Board of Directors. Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.
- c. **Successors and Assigns.** This Agreement will be binding upon my heirs, executors, administrators and other legal representatives, and my successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

- d. **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.
- e. **Severability.** If one or more of the provisions in this Agreement are deemed void or unenforceable to any extent in any context, such provisions shall nevertheless be enforced to the fullest extent allowed by law in that and other contexts, and the validity and force of the remainder of this Agreement shall not be affected. The Company and I have attempted to limit my right to use, maintain and disclose the Company's Confidential Information, and to limit my right to solicit employees and customers only to the extent necessary to protect the Company from unfair competition. Should a court of competent jurisdiction determine that the scope of the covenants contained in Section 8 exceeds the maximum restrictiveness such court deems reasonable and enforceable, the parties intend that the court should reform, modify and enforce the provision to such narrower scope as it determines to be reasonable and enforceable under the circumstances existing at that time.
- f. **Remedies.** I acknowledge that violation of this Agreement by me may cause the Company irreparable harm, and therefore I agree that the Company will be entitled to seek extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security (or, where such a bond or security is required, that a \$1,000 bond will be adequate), in addition to and without prejudice to any other rights or remedies that the Company may have for a breach of this Agreement.
- g. **Advice of Counsel.** I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.
- h. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile or scanned copy will have the same force and effect as execution of an original, and a facsimile or scanned signature will be deemed an original and valid signature.

[Signature Page Follows]

The parties have executed this Confidential Information and Invention Assignment Agreement on the respective dates set forth below, to be effective as of the Effective Date first above written.

THE COMPANY:
LIFE360, INC.

By: /s/ Chris Hulls
Name: Chris Hulls
Title: Chief Executive Officer

EMPLOYEE:

By: /s/ Charles "CJ" Prober Date: 11/22/2021
Name: Charles "CJ" Prober

Address: Menlo Park, CA 94025

EXHIBIT A

**LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP
EXCLUDED UNDER SECTION 4(a) AND CONFLICTING AGREEMENTS DISCLOSED UNDER SECTION 10(b)**

The following is a list of (i) all Inventions that, as of the Effective Date: (A) have been created by me or on my behalf, and/or (B) are owned exclusively by me or jointly by me with others or in which I have an interest, and that relate in any way to any of the Company's actual or proposed businesses, products, services, or research and development, and which are not assigned to the Company hereunder and (ii) all agreements, if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or otherwise relate to or restrict my ability to perform my duties for the Company or any obligation I may have to the Company:

<u>Title</u>	<u>Date</u>	<u>Identifying Number or Brief Description</u>
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Except as indicated above on this Exhibit, I have no inventions, improvements or original works to disclose pursuant to Section 4(a) of this Agreement and no agreements to disclose pursuant to Section 10(b) of this Agreement.

____ Additional sheets attached

Signature of Employee:	/s/ Charles "CJ" Prober
Print Name of Employee:	Charles "CJ" Prober
Date:	11/22/2021

EXHIBIT B

Section 2870 of the California Labor Code is as follows:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

1. Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
2. Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

EXHIBIT C
TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, flow charts, materials, equipment, other documents or property, or copies or reproductions of any aforementioned items belonging to Life360, Inc., a Delaware corporation, its subsidiaries, affiliates, successors or assigns (collectively, the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information and Invention Assignment Agreement (the "Confidentiality Agreement") signed by me, including the reporting of any Inventions (as defined therein), conceived or made by me (solely or jointly with others) covered by the Confidentiality Agreement, and I acknowledge my continuing obligations under the Confidentiality Agreement.

I further agree that, in compliance with the Confidentiality Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twelve (12) months immediately following the termination of my Relationship with the Company, I shall not either directly or indirectly solicit any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit employees or consultants of the Company, either for myself or for any other person or entity.

Further, I agree that I shall not use any Confidential Information of the Company to influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

Signature of Employee:

Print Name of Employee:

Date:

Exhibit C
Second Separation Agreement

This Second Separation Agreement and Release of Claims (the “Second Separation Agreement” or “Agreement”) is offered as of the Separation Date pursuant to the Separation Agreement and Release of Claims offered to you on or about January 18, 2023 (“First Separation Agreement”). It confirms the agreement between you and Life360, Inc. (the “Company”) regarding the termination of your employment with the Company and offers you the consideration described below in exchange for a general release of claims. Capitalized but undefined terms have the definitions set forth in that certain Employment Agreement between you and the Company dated November 22, 2021, as amended on or about April 11, 2022 (collectively the “Employment Agreement”). You acknowledge that, effective January 1, 2023, your employment transitioned from Tile, Inc. to the Company, with the rights and obligations pertaining to your employment with Tile, Inc. under the Employment Agreement transferring to your employment with the Company, such that the terms of your employment with the Company are the same as those of your employment with Tile, Inc., including, but not limited to, the transfer of the provisions of Paragraphs 6 and 7 of the Employment Agreement being applicable, as of January 1, 2023, to your employment with the Company and without the transition of your employment from Tile, Inc. to the Company having triggered any entitlement to any payment, accelerated vesting, or any other entitlement under Paragraphs 6 or 7 of the Employment Agreement except as otherwise set forth herein.

1. **Separation Date.** As set forth in the First Separation Agreement you previously indicated your intent to resign from your employment with the Company for Good Reason pursuant to the terms of the Employment Agreement and have now resigned pursuant to the terms of the First Separation Agreement. Having now resigned, your employment with the Company will be terminated effective July 7, 2023 (“Separation Date”). After the Separation Date, you will not say or do anything to any individual or entity in which you purport to bind the Company or any of its affiliates. In addition to the terms of this Second Separation Agreement, you agree to remain bound by any provisions of the Employment Agreement that continue by their terms and under applicable law after the Separation Date.
2. **Severance Payment.** Subject to Sections 6 and 7 of the Employment Agreement, the Company shall pay or provide, as applicable, and you shall receive, the payments and benefits set forth in Section 6 of the Employment Agreement in accordance with its terms or as modified by your agreement herein. Specifically, in exchange for your agreement to the general release and waiver of claims set forth below and your other promises herein, the Company will pay you the following payment (“Severance Payment”), to which you are not otherwise entitled and which you acknowledge represent full satisfaction of the Company’s obligations under Sections 6 and 7 of the Employment Agreement.
 - a. A lump sum cash amount equal to 12 months of your base salary, which equals a total lump sum cash amount of \$400,000 and is subject to applicable payroll deductions and withholdings. This lump sum will be payable on or before the seventh (7th) calendar day following the Effective Date.
 - b. A lump sum cash amount equal to your Target Bonus Amount, which equals a total lump sum cash amount of \$300,000 and is subject to applicable payroll deductions and withholdings. This lump sum will be payable on or before the seventh (7th) calendar day following the Effective Date.

3. **COBRA.** You will receive information about your right to continue your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”) after the Separation Date. In order to continue your coverage, you must complete and file the required election form within the required timeframe. If you sign this Agreement and elect to continue group health insurance coverage, then the Company will directly pay or reimburse you for the premiums required to continue your and your covered dependents’ current Company-provided health coverage pursuant to the provisions of COBRA, until the earliest of (a) the end of the first anniversary of the Separation Date and (b) the date you and your covered dependents, if any, become eligible for health coverage under another employer’s plans. You acknowledge that you otherwise would not have been entitled to any continuation of Company-paid health insurance. You must submit proof of your COBRA premium payments to the Company to receive the COBRA reimbursements. Requests for reimbursement (along with proof of payment of the premium amounts) must be submitted to the Company within ninety (90) days of being incurred to be reimbursable. Reimbursement will be processed with the next regular payroll cycle after receipt of the request and proof of payment. COBRA reimbursements are not taxable income and will be reimbursed in full according to your direct deposit setup in the Company’s payroll system.
4. **Equity Awards.** To the extent that the Company has granted you Restricted Stock Units (“RSU’s”) and/or an option or options to purchase shares of its Common Stock (the “Option(s)”), such equity awards shall not be subject to accelerated vesting as set forth in Paragraph 6(a) of the Employment Agreement, nor shall you be entitled to accelerated vesting of the Retention Equity Award set forth in the Employment Agreement provided for in Paragraph 6(a) of the Employment Agreement. Instead, the Company agrees to engage you as a consultant pursuant to the Consulting Agreement attached hereto as Exhibit A and to cause all Option(s) and/or RSU’s granted to you, to the extent valid as of the Separation Date, to continue in their applicable vesting schedules through July 6, 2024, governed by the terms of the agreements that currently apply to each such Option and/or RSU (provided, however, that if such vesting ceases by virtue of a Change of Control, or would violate any regulatory provisions, including, without limitation, any regulations with respect to the Australian Securities Exchange, then such vesting shall not occur and you and Company shall, in good faith, consider alternative arrangements designed to provide similar economic value to you). In addition, any cash and equity that you invested in connection with the Merger will be released to you on the Separation Date.
5. **Annual Performance Bonus.** As of the Separation Date, you shall be deemed to have earned an Annual Performance Bonus prorated for the first half of 2023, calculated as follows: 50% of your Target Bonus Amount for individual qualitative performance will be paid in full and the other 50% of your Target Bonus Amount shall be subject to the percentage figure approved by the Company’s Remuneration Committee for company performance and applied generally to executive bonuses. This bonus amount shall be payable during the first half of 2023 bonus pay period applicable to executives. You agree and acknowledge that, other than the bonus set forth in this paragraph and the second half of your annual bonus for 2022 that is payable in Q1 2023 (which will be paid out at a level consistent with similarly situated executives), you will not be entitled to any other Annual Performance Bonus that you have not already been paid as of the date you sign this Agreement.
6. **General Release.** In consideration for receiving the Severance Payment and other benefits described above, the sufficiency of which as consideration you hereby acknowledge, to the fullest extent permitted by applicable law, you waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or any of their related entities, affiliated companies, predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns and employee benefit plans (collectively the “Releasees”) with respect to any matter, including (without limitation) any matter related to your employment with the Company or any other of the Releasees or the termination of that employment, including (without limitation) claims or demands related to base pay, salary, bonuses, commissions, stock, stock options,

stock-based compensation or any other equity and/or ownership interests in the Company, vacation/paid time off, fringe benefits, expense reimbursements, severance pay or any other form of compensation, attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Labor Code, the Private Attorneys General Act ("PAGA"), the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Fair Labor Standards Act, the National Labor Relations Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Workers Adjustment and Retraining Notification Act and all other laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived by applicable law. Execution of this Agreement does not bar (a) any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement, (b) any claim for coverage under any D&O or other insurance policy, (c) any claim to indemnification under Section 2802 of the California Labor Code, any agreement with the Company or otherwise, (d) any right you have to file or pursue a claim for workers' compensation or unemployment insurance, or (e) any rights which are not waivable as a matter of law.

You covenant not to sue any of the Releasees for any of the claims released above, agree not to participate in any class, collective, representative, or group action that may include any of the claims released above, and will affirmatively opt out of any such class, collective, representative or group action. Further, you agree not to participate in, seek to recover in, or assist in any litigation or investigation by other persons or entities against any of the Releasees, except as required by law.

You understand that this Agreement does not limit your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (each, a "Government Agency"), except that you acknowledge and agree and hereby waive your right to any monetary benefits in connection with any such claim, charge or proceeding before the Equal Employment Opportunity Commission, the Securities and Exchange Commission, or any analogous federal, state or other government agency, to the extent allowed by applicable law. You further understand that this Agreement does not limit your ability to communicate with, or otherwise participate in any investigation or proceeding that may be conducted by, a Government Agency. Notwithstanding anything to the contrary herein, this Agreement does not limit your right to receive a statutory award for information provided to the Securities and Exchange Commission.

7. **Effective Date, Acknowledgment of Waiver of Claims under ADEA.** You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have under the Age Discrimination in Employment Act of 1967 (ADEA) and the Older Workers Benefit Protection Act (OWBPA). You agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA or OWBPA after the Effective Date of this Agreement (defined below). You also acknowledge that the consideration given for the waiver and release herein is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised by this writing, as required by the ADEA, that (a) your waiver and release do not apply to any rights or claims that may arise after the execution date of this Agreement; (b) you are advised hereby to consult with an attorney before signing this Agreement; (c) you have up to twenty-one (21) days from the date you receive this Agreement to execute this Agreement (although you may choose to knowingly and voluntarily execute this Agreement earlier, as signified by the date and signature below); (d) you have seven (7) days following your execution of this Agreement to revoke the Agreement; and (e) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after this Agreement

is executed by you (the "Effective Date"); (f) the Company has no obligation to provide any of the sums or consideration or perform any act referred to in this Agreement until it becomes effective and enforceable; (g) you have carefully read, and understand, all of the provisions of this Agreement; and (h) this Agreement does not affect your ability to test the knowing and voluntary nature of this Agreement. You acknowledge that any such revocation must be made by delivering a written notice of revocation to Life360, Attention: Human Resources and for such revocation to be effective, notice must be received no later than 11:59 PM (Pacific Time) on the seventh (7th) calendar day after you execute this Agreement.

8. **Confidential Information and Invention Assignment Agreement.** At all times in the future, you will remain bound by the Confidential Information and Invention Assignment Agreement you signed upon joining the Company, and as updated throughout your employment, and a copy of which is attached as Exhibit B, and that this Agreement does not modify or impact such Confidential Information and Invention Assignment Agreement or your obligations under such agreement in any way. You further acknowledge that as a result of your employment with the Company you have had access to the Company's Confidential Information (as defined in Confidential Information and Invention Assignment Agreement), that you will hold all Confidential Information in strictest confidence and that you will not make use of such Confidential Information on behalf of anyone. Except as expressly provided in this Agreement, this Agreement renders null and void all prior agreements between you and the Company and constitutes the entire agreement between you and the Company regarding the subject matter of this Agreement. This Agreement may be modified only in a written document signed by you and a duly authorized officer of the Company.
9. **DTSA Notice.** Pursuant to the federal Defend Trade Secrets Act of 2016 ("DTSA"), you shall not be held criminally or civilly liable under the federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made to the your attorney in relation to a lawsuit for retaliation against you for reporting a suspected violation of law; or (iii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and the trade secret is not disclosed except pursuant to court order. Under proper circumstances the DTSA may provide a limited exception to your obligations of confidentiality to Company.
10. **Expense Reimbursements.** You agree that, on or within ten (10) days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

11. **Company Property.** Within five (5) business days after your contemplated advisory period ends (or earlier if requested by the Company), you will return to the Company all Company owned documents (and all copies thereof) and other Company property in your possession or control, including, but not limited to, Company files, notes, financial and operational information, password and account information, customer lists and contact information, prospect information, product and services information, research and development information, drawings, records, plans, forecasts, pipeline reports, sales reports, other reports, payroll information, spreadsheets, studies, analyses, compilations of data, proposals, agreements, sales and marketing information, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computers, monitors, facsimile machines, mobile telephones, tablets, handheld devices, and servers), credit cards, entry cards, identification badges and keys, and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof in whole or in part and in any medium). You agree that you will make a diligent search to locate any such documents, property and information within the timeframe referenced above. In addition, if you have used any personally-owned computer, server, or email system to receive, store, review, prepare or transmit any confidential or proprietary data, materials or information of the Company, then within five (5) business days after your contemplated advisory period ends (or earlier if requested by the Company), you must provide the Company with a computer-useable copy of such information and then permanently delete and expunge such confidential or proprietary information from those systems without retaining any reproductions (in whole or in part); and you agree to provide the Company access to your system, as requested, to verify that the necessary copying and deletion is done.
12. **Acknowledgements and Representations.** You acknowledge and represent that you have not suffered any discrimination, harassment, or retaliation by any of the Releasees on account of your race, gender, national origin, religion, marital or registered domestic partner status, sexual orientation, age, disability, medical condition, or any other characteristic protected by law. You acknowledge and represent that you have not been denied any leave, benefits, or rights to which you may have been entitled under the FMLA, CFRA or any other federal or state law, and that you have not suffered any job-related wrongs or injuries for which you might still be entitled to compensation or relief. You certify that you have not failed to report any work-related injuries or illnesses arising out of or in the course and scope of your employment with the Company. You further acknowledge and represent that, except as expressly provided in this Agreement, you have been paid all earned wages, bonuses, compensation, benefits and other amounts that any of the Released Parties have ever owed to you, and you understand that you will not receive any additional compensation, severance, or benefits after the Separation Date, with the exception of any vested right you may have under the terms of a written ERISA- qualified benefit plan.
13. **Waiver.** You expressly waive and release any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.
14. **No Admission.** This Agreement is not and shall not be construed or contended by you to be an admission or evidence of any wrongdoing or liability on the part of Releasees, their representatives, heirs, executors, attorneys, agents, partners, officers, shareholders, directors, employees, subsidiaries, affiliates, divisions, successors or assigns.

15. **No Actions or Claims.** Except as otherwise described in Paragraph 6, you represent that you have not filed any charges, complaints, grievances, arbitrations, lawsuits, or claims against the Company, with any local, state or federal agency, union or court from the beginning of time to the date of execution of this Agreement and that you will not do so at any time hereafter, based upon events occurring prior to the date of execution of this Agreement. In the event any court ever assumes jurisdiction of any lawsuit, claim, charge, grievance, arbitration, or complaint, or purports to bring any legal proceeding on your behalf, you will ask any such agency, union or court to withdraw from and/or dismiss any such action or grievance, with prejudice to the extent permitted by law.
16. **Confidentiality of Agreement.** You agree that this Agreement does not involve any claim against the Company or any of the Released Parties for discrimination, retaliation, sexual harassment or assault, or retaliation. Accordingly, you agree that you will not disclose to others the existence or terms of this Agreement, except that you may disclose such information to Government Agencies or to your spouse, attorney or tax adviser if such individuals agree that they will not disclose to others the existence or terms of this Agreement, to the extent allowed under the law. This Agreement does not prevent or restrict the disclosure of factual information related to any claim filed in a civil action or a complaint filed in an administrative action regarding an act of sexual assault, an act of sexual harassment, an act of workplace harassment or discrimination, failure to prevent an act of workplace harassment or discrimination, or an act of retaliation against a person for reporting or opposing harassment or discrimination.
17. **No Disparagement.** You agree that you will not disparage Releasees or their products, services, agents, representatives, directors, officers, shareholders, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under or in concert with any of them, with any written or oral statement. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful. Nothing in this section or in this Agreement shall prohibit you from providing truthful information in response to a subpoena, court order, written request from an administrative agency or legislature, or other law or legal process.
18. **Severability.** If any term of this Agreement is held to be invalid, void or unenforceable, the remainder of this Agreement will remain in full force and effect and will in no way be affected, and the parties will use their best efforts to find an alternate way to achieve the same result.
19. **Choice of Law.** This Agreement will be construed and interpreted in accordance with the laws of the State of California (other than their choice-of-law provisions).
20. **Miscellaneous.** This Agreement, together with Exhibits, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to this subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. This Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute one agreement. Execution of a facsimile copy or PDF will have the same force and effect as execution of an original, and a facsimile signature or PDF signature will be deemed an original and valid signature.

If this Agreement is acceptable to you, please sign and date the appropriate area below, electronically, and return the signed agreement via DocuSign on or before the 21st day after your receipt of this Agreement. The Company's offer contained herein will automatically expire if we do not receive the fully signed Agreement within this timeframe.

We wish you the best in your future endeavors.

Sincerely,
LIFE360, INC.
Heather Houston
Chief People Officer

ACCEPTED AND AGREED

I agree to the terms of this Agreement, and I am voluntarily signing this release of all claims. I acknowledge that I have read and understand this Agreement, and I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

Dated: July 11, 2023

By: /s/ CJ Prober

Charles Prober

**AMENDMENT NO. 1 TO
SEPARATION AGREEMENT AND RELEASE OF CLAIMS**

THIS AMENDMENT No. 1 ("**Amendment**") is made effective as of May 12, 2023 ("**Effective Date**") by and between **Life360, Inc.** (the "**Company**") and **Charles Prober** ("**Executive**").

WHEREAS, Life360 and Executive have entered into the Separation Agreement and Release of Claims dated January 18, 2023 ("**Agreement**"); and

WHEREAS, Life360 hired and appointed a new Chief Operating Officer on May 2, 2023; and

WHEREAS, the parties hereto desire to enter into this Amendment for the purposes hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. In Section 1 (Resignation and Extension of Separation Date) of the Agreement, the following sentence is hereby deleted:

The Company agrees to allow you to remain in your current position with the Company until the earlier of a) 30 calendar days after the company hires a new Chief Operating Officer or equivalent role per the Company's sole discretion or b) September 2, 2023, at which time you will resign from your employment with the Company ("Separation Date").

And shall be replaced with the following language:

*The Company agrees to allow you to remain in your current position with the Company until **July 7, 2023**, at which time you will resign from your employment with the Company ("Separation Date").*

2. Except as otherwise provided herein, all terms and conditions of the Agreement shall remain in full force and effect, and capitalized terms shall have the same meaning as set forth in the Agreement.

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

Life360, Inc.

Executive

By: /s/ Russell Burke
Name: Russell Burke
Title: Chief Financial Officer
Date: May 12, 2023

By: /s/ Charles Prober
Name: Charles Prober
Date: May 12, 2023

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Chris Hulls, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Life360, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 14, 2023

/s/

Chris Hulls

Chris Hulls

Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Russell Burke , certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Life360, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 14, 2023

/s/

Russell Burke

Russell Burke

Chief Financial Officer

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report of Life360, Inc. (the "Company"), on Form 10-Q for the quarter ended June 30, 2023 (the "Report"), I, Chris Hulls, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 that, to my knowledge:

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

Dated: August 14, 2023

/s/ Chris Hulls
Chris Hulls
Chief Executive Officer

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report of Life360, Inc. (the "Company"), on Form 10-Q for the quarter ended June 30, 2023 (the "Report"), I, Russell Burke, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 that, to my knowledge:

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

Dated: August 14, 2023

/s/ Russell Burke
Russell Burke
Chief Financial Officer