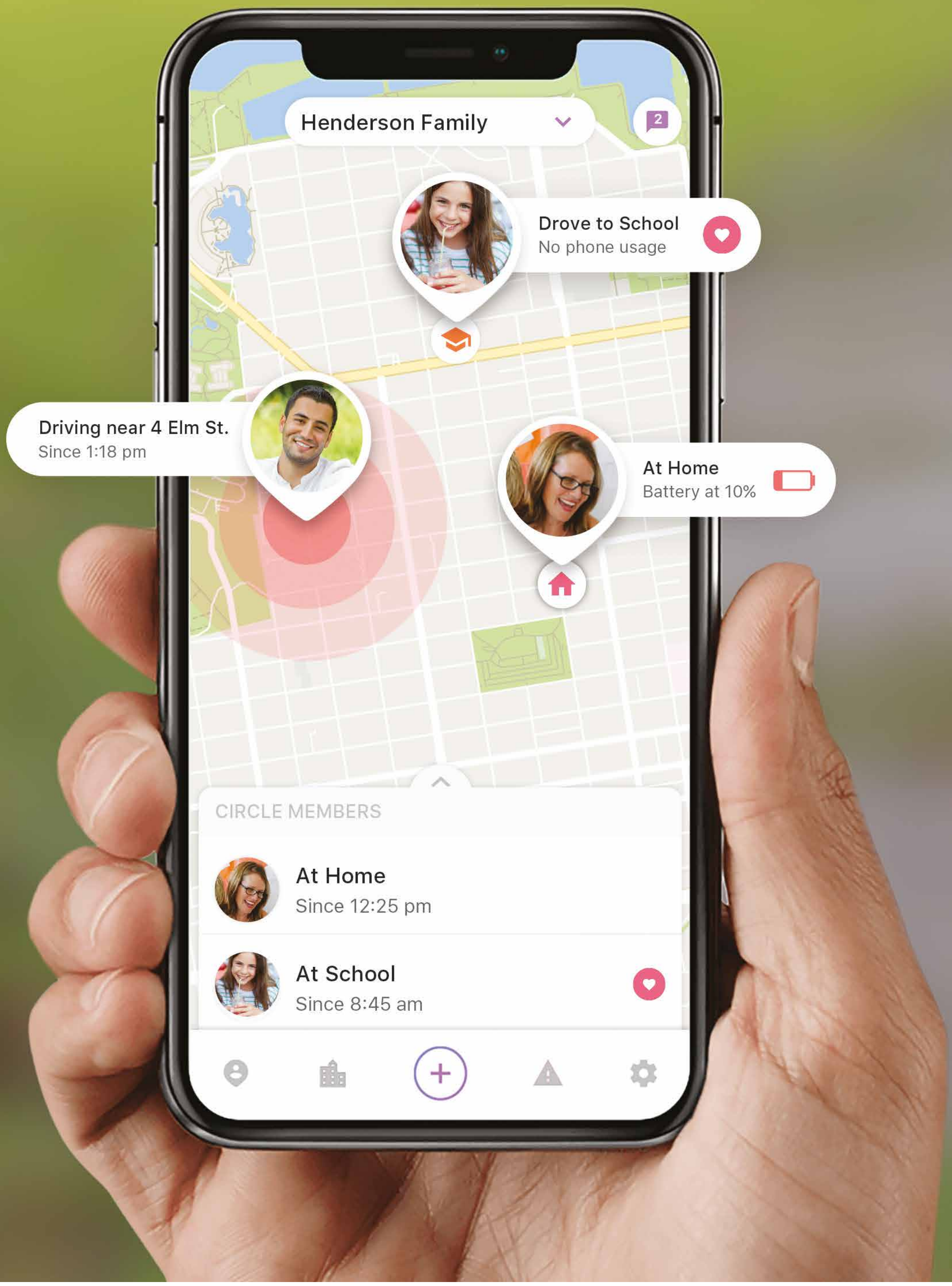
Life360

PROSPECTUS

Life360, Inc.
ARBN 629 412 942

Prospectus for the initial public offering of 30.36 million CDIs over shares of common stock in the Company at an offer price of A$4.790 per CDI to raise A$145.43 million



JOINT LEAD MANAGERS AND UNDERWRITERS
CREDIT SUISSE
BELL POTTER

AUSTRALIAN LEGAL ADVISER
DLA PIPER

IMPORTANT NOTICES

Offer

The Offer contained in this Prospectus is an invitation to acquire CHESS Depositary Interests (**CDIs**) over shares of common stock (**Shares**) in Life360, Inc., a Delaware Corporation (ARBN 629 412 942) (**Company** or **Life360**). This Prospectus is issued by the Company and Life360 SaleCo LLC, a Delaware corporation (**SaleCo**) for the purposes of Chapter 6D of the Corporations Act.

Lodgement and Listing

This Prospectus is dated 29 April 2019 and a copy of this Prospectus was lodged with ASIC on that date. This Prospectus is a replacement prospectus which replaces the prospectus dated 17 April 2019 and lodged with ASIC on that date (**Original Prospectus**). This Prospectus differs from the Original Prospectus. The differences between this prospectus and the Original Prospectus are the removal of a reference to AMR in the Investment Overview; the incorporation (by reference) of the Company's audited financial statements for CY16, CY17 and CY18 in this Prospectus; and an amendment to Section 11 (Defined Terms) to include a definition of Original Prospectus and to update the definition of Prospectus Date to now refer to the date of lodgement of the Original Prospectus with ASIC. The Company has applied to ASX for admission of the Company to the official list of ASX and for quotation of the CDIs on ASX.. Neither ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry Date

No Shares or CDIs will be allotted or issued, or transferred, on the basis of this Prospectus later than 13 months after the Prospectus Date.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. Neither the Company nor SaleCo is licensed to provide financial product advice in respect of the Company's securities or any other financial products.

No person is authorised to give any information or to make any representation in connection with the Offer or the CDIs or Shares described in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, SaleCo or the Joint Lead Managers in connection with the Offer.

This Prospectus and each of the documents which are incorporated by reference are important and should be read in their entirety before deciding whether to invest in the Company's CDIs. There are risks associated with an investment in the Company's CDIs, which must be regarded as a speculative investment. Some of the key risks that should be considered are set out in Section 4. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues). There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or the documents incorporated by reference, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the CDIs.

No person named in this Prospectus warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

No offer where offer would be illegal

This Prospectus does not constitute an offer or invitation to apply for CDIs in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the CDIs or the Offer or to otherwise permit a public offering of the CDIs, in any jurisdiction outside Australia. The Offer is not being extended to any investor outside Australia, other than to certain institutional and sophisticated investors as part of the institutional offer in certain jurisdictions as described in Section 8.14. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Notice to United States residents

The CDIs being offered pursuant to this Prospectus have not been registered under the *United States Securities Act of 1933*, as amended (**U.S. Securities Act**) or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the U.S. Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the CDIs or distribution of this Prospectus or other offering material or advertisement in connection with the Offer in any state or other jurisdiction in which such offer, solicitation, distribution or sale would be unlawful under applicable law, including the U.S. Securities Act and applicable state securities laws. In addition, any hedging transactions involving the CDIs or any Shares into which the CDIs may be converted may not be conducted unless in compliance with the U.S. Securities Act. Persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions.

U.S. Securities Law Restrictions

The CDIs being offered pursuant to this Prospectus are being made available to investors in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act for offers which are made (1) outside of the United States to persons that are not, and are not acting for the account or benefit of, U.S. Persons and (2) in the United States solely to Eligible U.S. Fund Managers, in each case in "offshore transactions" (as defined in Regulation S under the U.S. Securities Act). As a result of relying on the Regulation S exemption, the CDIs which are issued under Regulation S and the Offer will be "restricted securities" under Rule 144 of the U.S. Securities Act. This means that investors in the Offer will not be able to sell the CDIs issued to them under the Offer into the United States or to a U.S. Person for a distribution compliance period of 12 months from the date of allotment of the CDIs under the Offer, unless the resale of the CDIs is registered under the U.S. Securities Act or an exemption is available (including resales to QIBs under Rule 144A). The distribution compliance period may be extended. Please refer to Section 10.15 for further information.

To enforce the above transfer restrictions, the Company has requested that all CDIs issued under the Offer, or any Shares into which the CDIs have been converted prior to the end of the restriction period, contain a legend to the effect that transfer is prohibited except in accordance with Regulation S of the U.S. Securities Act, or pursuant to an available exemption from registration (including resales to QIBs under Rule 144A); and that hedging transactions involving the CDIs, or any Shares into which CDIs may be converted, may not be conducted unless in compliance with the U.S. Securities Act.

In addition, the Company has requested that all CDIs issued under the Offer bear a designation on ASX, that prevents any CDIs from being sold on the ASX to, or to the account or benefit of, U.S. Persons (that are not QIBs). However, investors will still be able to freely transfer their CDIs on ASX to any person other than a U.S. Person who is not a QIB. Please refer to Section 10.15 for further information on the restrictions which will be placed on the Company's

For personal use only

CDIs. Finally, all investors subscribing for CDIs under the Offer will be required to make certain representations and warranties regarding their non-U.S. status in their Application for CDIs under the Offer. Please refer to Section 10.15 for further information.

Financial information and amounts

Section 6 of this Prospectus sets out in detail the Financial Information referred to in this Prospectus and the basis of preparation of that information. The Company's audited financial statements for CY16, CY17 and CY18 are incorporated by reference into this Prospectus. If you would like to obtain a copy of these financial statements please email legal@life360.com.

The Financial Information included in Section 6 has been prepared and presented in accordance with U.S. Generally Accepted Accounting Principles (**U.S. GAAP**) except where otherwise stated.

Investors should also note that the Pro Forma Historical Financial Information included in this Prospectus does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission (**SEC**).

Investors should note that certain financial data included in the Prospectus is classified as non-U.S. GAAP financial measures under Regulation G of the *United States Securities Exchange Act of 1934*, as amended (**U.S. Exchange Act**). The disclosure of such non-U.S. GAAP financial measures in the manner included in this Prospectus may not be permissible in filings made with the SEC. The Company believes that use of non-U.S. GAAP financial measures provides useful information to users in measuring the financial performance and conditions of the Company. The non-U.S. GAAP financial measures do not have standardised meanings prescribed by U.S. GAAP, Australian Accounting Standards (**AAS**) and other authoritative pronouncements issued by the Australian Accounting Standards Board (**AASB**) or International Financial Reporting Standards (**IFRS**), and therefore may not be comparable with other similarly titled measures presented by other entities, nor should these be interpreted as an alternative to other financial measures determined in accordance with U.S. GAAP, AAS or IFRS. Investors are cautioned not to place undue reliance on any non-U.S. GAAP financial information, ratios or metrics included in this Prospectus. For a description of non-U.S. GAAP financial information included in this Prospectus, see Section 6.2.4.

All financial amounts contained in this Prospectus are expressed in United States dollars and rounded to the nearest million unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

An exchange rate of A$1:US$0.71 has been used throughout this Prospectus except where expressly noted otherwise.

Disclaimer

No person is authorised by the Company, SaleCo or the Joint Lead Managers to give any information or make any representation in connection with the Offer that is not contained in the Prospectus. Only information or representations contained in this Prospectus may be relied on as having been authorised by the Company or its Directors, SaleCo or its directors, the Joint Lead Managers or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the Prospectus Date.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations, financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors, many of which are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 4. Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements set out in this Prospectus and are cautioned not to place undue reliance on such forward-looking statements.

These forward-looking statements speak only as at the Prospectus Date. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with ASX after the Prospectus Date.

Certain numerical figures included in this Prospectus may have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Exposure period

The Corporations Act prohibits the Company from processing Applications for CDIs under the Offer in the seven-day period after the date of lodgement of the Original Prospectus with ASIC (**Exposure Period**). The Exposure Period was extended by ASIC to 29 April 2019. The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds under the Offer. This Prospectus will be made generally available to Australian residents during the Exposure Period without the Application Form by being posted on the following website: www.life360.com/offer. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

During the Exposure Period, this Prospectus will be made generally available to Australian residents without the Application Form, by being posted on www.life360.com/offer.

Electronic prospectus

This Prospectus will be available in electronic form on the following website: www.life360.com/offer.

Obtaining a copy of the Prospectus

A hard copy of this Prospectus will be available for Australian residents free of charge during the Offer Period by contacting the Offer Information Line on 1300 375 912 between 8.30am and 5.00pm (Sydney time), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, please call +61 3 9415 4393.

This Prospectus will be made available in electronic form on the following website: www.life360.com/offer. Information contained on www.life360.com, other than the Prospectus, does not form part of this Prospectus.

The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia. Hard copy and electronic versions of the Prospectus are generally not available to persons in other jurisdictions (including the United States).

Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If unsure about the completeness of this Prospectus received electronically, or a print out of it, you should contact the Company on the above. A paper copy of this Prospectus will be available for Australian residents free of charge by contacting the Life360, Inc. Offer Information Line on 1300 375 912 (between 8:30am to 5:00pm Sydney time).

Applications for the CDIs under this Prospectus may only be made on either a printed copy of the Application Form attached to or accompanying this Prospectus or via the electronic Application Form attached to the electronic version of this Prospectus, available at www.life360.com/offer.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with Section 724 of the Corporations Act.

Cooling off rights

Cooling off rights do not apply to an investment in CDIs pursuant to the Offer. This means that in most circumstances you cannot withdraw your Application once it has been accepted.

Privacy

The Company, SaleCo, the Registry on its behalf, and the Joint Lead Managers may collect, hold, use and disclose personal information provided by investors to allow it to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment. This means that the Company will need to collect your personal information (for example, your name, address and details of the Securities that you hold). Under the Corporations Act some of this information must be included in the Company's securities register, which will be accessible by the public.

The Company and SaleCo will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, the Company and the Registry may not be able to process your Application.

The Company, SaleCo and the Registry may also share your personal information with agents and service providers of the Company or others who provide services on the Company's behalf, some of which may be located outside of Australia where personal information may not receive the same level of protection as that afforded under Australian law.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located at www.life360.com. Alternatively, you can contact the Company by telephone on +1 866 277 2233 from 8:30am to 5:00pm Sydney time, Monday to Friday (excluding public holidays) or email at legal@life360.com and the Company will send you a copy of its Privacy Policy free of charge. It is recommended that you obtain a copy of this Privacy Policy and read it carefully before making an investment decision.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and the Company's Privacy Policy (located at www.life360.com).

The Company's Privacy Policy also contains information about how you can access and seek correction of your personal information, complain about a breach by the Company of privacy laws, and how the Company will deal with your complaint.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Registry if any of the details you have provided change.

Definitions, abbreviations and time

Defined terms and abbreviations used in this Prospectus (unless specified otherwise) are explained in Section 11.

All references to time in this Prospectus refer to Sydney time unless stated otherwise.

Photographs, data and diagrams

Photographs and diagrams used in this Prospectus which do not have any descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in the Prospectus are illustrative only and may not be drawn to scale and may not accurately reflect the final appearance of the subject matter which it depicts.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at 1 March 2019.

Company website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred to in this Prospectus, is incorporated in this Prospectus by reference.

Regulation of Life360

As the Company is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by Delaware General Corporation Law and applicable U.S. law. See Section 10.12 for information about material regulations that apply to the Company and its operating activities.

CONTENTS

KEY OFFER INFORMATION

IMPORTANT DATES	
Lodgement of the Original Prospectus with ASIC	**17 April 2019**
Lodgement of this Prospectus with ASIC	**29 April 2019**
Offer opens	**1 May 2019**
Offer closes	**8 May 2019**
Commencement of trading of CDIs on the ASX on a conditional and deferred settlement basis	**10 May 2019**
Settlement	**14 May 2019**
Issue and transfer of CDIs (Completion)	**15 May 2019**
Commencement of trading of CDIs on the ASX on an unconditional and deferred settlement basis	**15 May 2019**
Expected date for dispatch of holding statements	**16 May 2019**
Expected commencement of trading of CDIs on the ASX on a normal settlement basis	**17 May 2019**

All dates and times above are Sydney time. The above timetable is indicative only. The Company, and SaleCo, in consultation with the Joint Lead Managers reserve the right to vary the dates and times set out above subject to the Corporations Act and other applicable law. In particular, the Company and SaleCo, in consultation with the Joint Lead Managers reserve the right to close the Offer early, extend the Closing Date or accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

KEY OFFER STATISTICS	
Company	Life360, Inc.
Proposed ASX Code for the CDIs	360
Securities offered	CDIs
Ratio of CDIs per Share	3 CDIs for 1 Share
Number of CDIs available under the Offer	30.36m
Number of New CDIs available under the Offer	23.52m
Number of Sale CDIs available under the Offer	6.84m
Offer Price per CDI	A$4.790
Gross proceeds from the Offer[1]	A$145.43m
Proceeds of the Offer paid to Selling Shareholders (before costs)[2]	A$32.75m
Number of Securities[3] on issue as at the date of this Prospectus	120.37m
Total number of Securities[3] at Completion of the Offer (on an undiluted basis)	143.89m
Total number of Securities[3] at Completion of the Offer (on a fully diluted basis)[4]	170.78m
Number of Options and RSUs on issue at Completion of the Offer (CDI equivalent)[5]	26.23m
Number of Warrants on issue at Completion of the Offer (CDI equivalent)	0.66m
Total number of Securities[3] held by Existing Shareholders at Completion of the Offer (on an undiluted basis)	113.53m
Indicative market capitalisation at Completion of the Offer (on an undiluted basis)[6]	A$689.24m
Indicative market capitalisation at Completion of the Offer (on a fully diluted basis)[7]	A$818.01m
Indicative enterprise value at Completion of the Offer[8]	A$683.21m
Indicative enterprise value / CY19F Total Revenue	8.3x
Indicative enterprise value / CY19F Annualised Monthly Revenue	6.5x

1 Calculated by multiplying the sum of the total number of New CDIs to be issued under the Offer plus the total number of Sale CDIs to be transferred under the Offer by the Offer Price.

2 Calculated by multiplying the total number of Sale CDIs to be transferred under the Offer by the Offer Price.

3 CDI numbers assume that all Shares are held in the form of CDIs.

4 Calculated as the sum of the total number of Shares and CDIs at Completion of the Offer (on an undiluted basis) plus the number of Shares that would be issued if all the Options, RSUs and Warrants on issue at completion of the Offer were exercised in full.

5 The Company intends to grant a further 149,000 Options to new employees on or about the Listing Date.

6 Calculated as the total number of CDIs on issue following the Offer multiplied by the Offer Price per CDI.

7 Calculated as the total number of Securities at Completion of the Offer (on a fully diluted basis) multiplied by the Offer Price per CDI.

8 Enterprise value is calculated as the indicative market capitalisation at Completion of the Offer (on a fully diluted basis), minus pro forma net cash of A$134.8 million (US$95.7 million) as at 31 December 2018. Refer to Section 6 for more detail.

Investors should note that CDIs may not trade at the Offer Price post listing.

The key metrics above assume an exchange rate of A$1:US$0.71.

CHAIRMAN'S LETTER

17 April 2019

Dear Investor,

On behalf of the Directors of Life360, it is my pleasure to invite you to become a Shareholder in Life360.

We operate a high growth platform for today's busy families. Our core offering is the Life360 mobile application (**Life360 App**), which is the market leading App for families, providing features that range from communications to driving safety and location sharing. We are based in San Francisco, California, with a team of over 100 people.

We operate a "freemium" model where the App is available to Users at no charge with premium subscription options available, but not required. This has helped us develop a rapidly growing and highly engaged User base of over 18.5 million monthly active Users (**MAU**), which grew by more than 67% between 1 January 2018 and 31 December 2018.

Our addressable market is limited only by the number of people who have smartphones and our ultimate goal is to disrupt the multi-billion dollar security and insurance industries by building a global User base of security-conscious families. We hope to provide those families with a more compelling offering than legacy providers.

Over the past few years we have strategically invested in people, User growth and technology with strong financial discipline. Our founder led executive team and Board has deep expertise and built the business as a mobile-first proposition which differentiates us from our legacy competitors. We have demonstrated an ability to acquire Users economically, the majority of which come organically at no cost to the Company. Our core technology is highly scalable and our business model allows us to easily expand into new markets with limited incremental cost.

We intend to use the proceeds from the Offer to invest further in our business and to grow our User base which we believe will enable us to become the pre-eminent membership service for families worldwide.

This Prospectus contains detailed information about the Offer (see Section 8) and the financial and operating performance of Life360 (see Section 6).

Section 4 includes a description of the key risks associated with an investment in Life360. These include risks associated with reliance on our ability to attract new Users and retain existing Users and Paying Circles, reliance on our Driver Protect and Life360 Plus products, risks associated with our future marketing initiatives, risks associated with the introduction of new product offerings to our Users, competition risk and the protection of our intellectual property.

I encourage you to read this Prospectus carefully and in its entirety before making your investment decision. You should seek professional advice if required.

On behalf of the Board, I invite you to consider this opportunity to invest in Life360, and I look forward to welcoming you as a Shareholder.

Yours sincerely,

Mr John Philip Coghlan
Chair of the Board

1. INVESTMENT OVERVIEW

1. INVESTMENT OVERVIEW

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for CDIs under the Offer, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

TOPIC	SUMMARY
1.1. Background	
What is Life360?	• We operate a platform for today's busy families, bringing them closer together by helping them better know, communicate with and protect the people they care about most. Our core offering, the Life360 App, is a market leading App for families, with features that range from communications to driving safety and location sharing. • With a rapidly growing User base of over 18.5 million MAU, we are quickly becoming the dominant digital brand at the centre of family life both in the United States (**U.S.**) and Internationally. For more information, see Section 2.1.
What is our history?	• Our Company is based in San Francisco and was founded in 2007 by Chris Hulls, our Chief Executive Officer, and by Alex Haro, our President.[1] Chris envisioned the Life360 Platform after Hurricane Katrina where he witnessed the difficulty families had reconnecting after the disaster and realised that technology could be used to better help families in times of need. • Since launching as a mobile location-based service provider in the U.S., we have leveraged our core technologies to offer a range of additional services including driving safety, personal SOS, Crime Reports, automated family notifications, family communications and more. • In the last 18 months, we have shifted our focus to User monetisation and are currently building towards a User model where our Users will get access to a suite of safety and security services at a fraction of the cost of legacy competitors. We are now also taking these products that have proven highly successful in the U.S. and expanding Internationally. • We have raised over US$100 million to date over five funding rounds from a range of venture capital, strategic and individual investors. For more information, see Section 2.2.
What industries does Life360 operate in?	• We operate in the digital consumer subscription services market, focused on products and services for digitally native families, where all members of the household are connected by smartphones. As we develop our User base we will look to disrupt a number of legacy industries including General Insurance, residential security systems, crash and roadside assistance, elder monitoring, identity theft protection and travel and phone insurance. For more information, see Section 3.2.

1 Chris was the Company's initial sole founder. Alex joined as a late Co-founder shortly after corporate formation.

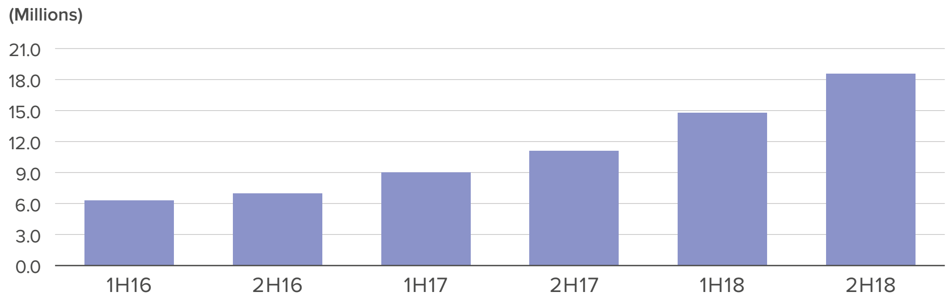
TOPIC | SUMMARY

1.1. Background

What is the historical financial performance of the Company?

- Like many early stage companies, we have incurred operating losses to date to build our Platform and gain market share. In the twelve months to 31 December 2018 (**CY18**), we incurred a pro forma net loss of US$20.5 million. Cumulative losses up to 31 December 2018 are approximately US$86.5 million.

GLOBAL MAU GROWTH



For more information, see Section 6.

TOPIC | SUMMARY

1.2. Key features of Life360's business model

What is the Life360 vision and strategy

- Our ultimate goal is to disrupt key segments of the security and insurance industries by building a global User base of security-conscious families, thereby positioning ourselves as a gatekeeper to high dollar value family purchases. This could include products such as home insurance, auto insurance and security products.
- To achieve this goal of becoming the leading provider of relevant services to our family-centric User base, we are:
  - Building a significant captive audience of security-conscious families;
  - Developing the Life360 brand into a household name;
  - Expanding the features and services offered through our Platform; and
  - Growing our footprint by replicating our highly successful U.S. strategy in International markets.

For more information, see Section 2.6.

2 AMR for CY16 excludes ADT partnership revenue. AMR for Dec-18 excludes revenue generated from the Allstate "proof of concept" trial.

TOPIC	SUMMARY
1.2. Key features of Life360's business model	
What is Life360's product offering?	• We are a membership Platform that is built around four main pillars: location, driving, safety and co-ordination to help families feel safe and stay co-ordinated with the people they care about the most. • Customers can download the Life360 App for free and upgrade to one of two premium subscription offerings, being Life360 Plus and Driver Protect. These premium offerings provide access to incremental safety and driving monitoring features. • The Life360 App experience starts with families creating private Circles to share each other's current location, places visited, driving data and other activities performed throughout the day. Life360 notifies Circle members on location activity and offers direct messaging features to facilitate co-ordination for the family. Beyond helping with daily activities, Life360 protects families through safety-related features such as Help Alerts, Crash Detection, Crime Reports and Roadside Assistance. For more information, see Section 2.5.
How does Life360 generate its income?	• Our business model is predicated on building a large critical mass of Users and monetising them Directly through subscription-based products we build ourselves (as discussed in Section 2.5) and Indirectly where we allow third parties to derive value from our Users (as discussed in Section 2.4.2). • We measure our success in terms of average revenue per User (**ARPU**) and the size of our User base. Both of these measures have demonstrated strong growth across our operating regions, the U.S. and International markets. • We also have a long-term vision to provide targeted offers to our Users based on the insights we are able to gather from their usage of the Life360 App. Our initial contextual offer is being conducted in partnership with Allstate, the largest publicly traded U.S. insurance provider, where we expect to shortly begin providing our U.S. Users customised car insurance offers based on how they drive. For more information, see Section 2.4.2.
Who are Life360's Users?	• We have a large and growing User base located in over 160 countries, comprised primarily of security-conscious families who have a high propensity to pay for premium offerings. As of December 2018, we had over 18.5 million MAU which grew from 11.1 million MAU in December 2017, a 67% increase. In the U.S., our current primary focus region, our MAU grew 76% year on year as of December 2018. • Given the nature of our mobile-first platform, our User base is extremely diverse and continues to evolve with our geographical expansion and product innovation. As at 31 December 2018, 54% of our User base is located in the U.S. For more information, see Section 2.4.1.
What are Life360's key business model dependencies?	• The key business model dependencies for Life360 are as follows: – User growth; – Conversion and retention of paying accounts, referred to as Paying Circles; and – Monetisation of User base (for example through the Lead Generation Offering). For more information, see Section 2.4.

TOPIC	SUMMARY
1.2. Key features of Life360's business model	
How do customers access our products?	• Our product is accessible via mobile, tablet or web browser. • The Life360 App is compatible on iPhone (iOS) and Android eco-systems. • The Life360 website supports most standard web browsers including Safari, Chrome and Internet Explorer. For more information, see Section 2.5.
What are Life360's material contracts?	• Life360's material contracts include: – Master Services and Licence Agreement with Arity; – Marketplace Publisher Agreement with Answer; – Master Services and Licence Agreement with ADT; and – Distribution, website hosting, marketing and customer services agreements with third party suppliers. For more information, see Section 9.

TOPIC	SUMMARY
1.3. Key strengths and investment highlights	
Ability to disrupt legacy incumbents via a low cost mobile App offering	• Our goal is to disrupt incumbent businesses in the safety, security and insurance industries which operate legacy business models with inefficiencies including expensive hardware, large human-intensive sales and support teams, limited ability to scale and products which are not used on a regular basis. Our position as a mobile-first company with a critical mass of millions of MAU gives us significant structural advantages that cannot be matched by the previous generation of service providers. These advantages include: – **A mobile-first proposition** » By being mobile-first, we are tapping into a paradigm shift in customer behaviour and are able to deliver high utility products in a convenient manner. This is a key factor in our ability to disrupt industries where incumbents rely on pre-mobile business and delivery models. – **Ability to price more competitively** » Most of our features are software-based, with the advantage of very low setup and support costs. – **Deep data insights and highly engaged audience** » We have amassed one of the world's largest digital audiences of security-conscious family units and we have deep insights into these Users in a way that was not possible before the smartphone. We know where our Users live, work, shop, drive and more. This allows us to identify specific life transition points that correlate with purchasing activity and historical changes in business relationships. – **Ability to rapidly scale** » It is estimated that there are over 1.5 billion people in our target markets with an Android or iOS-powered smartphone.[3] Any person with an Android or iOS-powered smartphone can download the Life360 App today, and the effort required by us to localise our product to a given region is significantly lower than that required by legacy competitors who need to establish infrastructure to expand into a market. For more information, see Section 2.3.1.

TOPIC	SUMMARY
1.3. Key strengths and investment highlights	
Self-reinforcing leadership position over direct competitors	• We enjoy a self-reinforcing leadership position that makes it extremely difficult for direct competitors to effectively compete. This creates a flywheel effect that is driving our rapid growth and further entrenches our leadership position in this space. – **Leading market position** » With over 18.5 million MAU and 67% growth in MAU from 1 January 2018 to 31 December 2018, we have a leading position in the family safety and co-ordination market. Life360 is the only family safety or co-ordination App that is consistently Ranked in the top 100 in the U.S. iTunes App Store. As of March 2019, we Ranked fifth in the social networking category, with the only Apps Ranked more highly being Facebook, Facebook Messenger, WhatsApp and Pinterest.[4] Our brand awareness and strong word of mouth growth has resulted in approximately 77% of our new Users in CY18 coming from organic sources which are not paid for by the Company. – **Robust monetisation options** » We are able to monetise our Users by offering them the ability to buy services that we create, or by partnering with third parties that want to access our Users. The revenue we generate on a per User basis has been growing rapidly as we have focused on monetisation. – **Reinvestment in growth** » We are able to take the revenue we generate from our Users and reinvest it in growth through: › The development of new features and services that will increase ARPU and improve engagement with the Life360 product; and › Increasing paid User acquisition to accelerate the growth of our User base. – **Market position entrenched** » The combination of the Life360 App's rapidly expanding utility and strong growth in the size of our User base is establishing us as the dominant digital brand for families. This helps to drive continued User growth and creates a continually growing barrier to entry. In the U.S., word of mouth now accounts for over 50% of our new downloads[5] and our brand awareness is over 29% of U.S. parents with children under the age of 18[6]. For more information, see Section 2.3.2.

3 Excluding the People's Republic of China (**PRC**) which has over 700 million smartphone users according to a report issued by Newzoo (Global Market Report, 2017).
4 In the U.S. Apple iTunes App Store according to App Annie.

<table>
<tr><th>TOPIC</th><th>SUMMARY</th></tr>
<tr><td colspan="2">1.3. Key strengths and investment highlights</td></tr>
<tr><td>Other key highlights</td><td>

Large total addressable market
Our target industries include General Insurance, residential security systems, crash and roadside assistance, elder monitoring, identity theft protection and travel and phone insurance, which have a combined global total addressable market size of over US$2 trillion (refer to Section 3.2 for further details).
Proprietary location technology
The key technical differentiator between the Life360 Platform and our competitors is the quality of our location engine, which provides extremely high accuracy, low latency and long battery life. It is very difficult for competitors to offer our breadth of capabilities while maintaining similar levels of reliability and battery life. Our ability to build a high-quality product is not something that can be easily replicated and we currently have 25 patents issued and pending.
Deep focus on the family
We have specifically focused on the family as we believe this provides long-term differentiation that makes it hard for generic services to compete. While having a reliable generic location sharing feature may be a commodity at some point, our family-specific features, such as Driver Protect, smart notifications, safety zones and more, will continue to be our differentiator.
Highly entrenched User base
Our Users are deeply locked into our Platform, making it extremely hard for competitors to gain market share. Unlike other utility-based Apps, where it is easy to move from one service to another, to switch from Life360 a User must not only shift their entire family to an alternative service, but also all the Circles they are in with people outside of their core family unit.
Mobile-first team with experienced executive and Board
Co-founders Chris Hulls (Chief Executive Officer) and Alex Haro (President) built the Company from day one with mobile in mind, and our entire organisational structure is tuned to developing smartphone-based products. As we have grown, we have complemented our Co-founders and early employees with a strong senior management team with deep expertise across technology, marketing and finance. The Board is led by John Philip Coghlan who was formerly the Chief Executive Officer of Visa USA and Vice Chairman at Charles Schwab.

For more information, see Section 2.3.3.</td></tr>
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5 Per internal in-depth survey of U.S. Life360 Users, conducted in November 2017 by Life360.

6 Per survey of 1,035 parents of children under 18 years old. Conducted in October 2018 by third party survey service, Survey Monkey.

TOPIC	SUMMARY
1.4. Key growth initiatives	
Growing customer awareness of the Life360 brand and driving User acquisition	• To date, we have primarily relied upon word of mouth recommendations and the flywheel effect to achieve our strong growth. Going forward, we will invest in building brand recognition via various marketing channels including Paid Social (Facebook and Instagram), Apple Search Ads and Google Search Ads. For more information, see Section 2.6.
Expanding the functionality of our Platform through innovation	• Core to our growth strategy is relentless product development and investment in innovation to expand our Platform. In CY17, we invested US$9.3 million in research and development and as at December 2018, more than 70% of our workforce engaged in product development as we believe that the quality, depth and breadth of our Platform drives our success. For more information, see Section 2.6.
Expansion of service and product offering via partnerships	• We have a large and captive audience and as a trusted brand, we will be able to expand our product and service offering to our User base. This will be achieved through jointly launching products and services with our partners (for example, driver insurance offers with Allstate). • In the longer term, we plan to offer our own branded products and services to take advantage of our low operating cost base. For more information, see Section 2.6.
International expansion	• We are currently primarily focused on the U.S. market, however our potential addressable market includes anyone with a smartphone, which is estimated to be more than 1.5 billion people globally (excluding PRC). We are able to expand into International markets given our Platform is highly scalable and costs of entry into new markets is low. If we are able to reach similar levels of penetration as the U.S. in our top 5 International markets and Australia, our MAU in these markets would expand to approximately 56 million. For more information, see Sections 2.6, 4.2.1 and 4.2.6.

TOPIC	SUMMARY
1.5. Key financial information	
On what basis has the financial information been prepared?	• Our Statutory Historical Financial Information for CY16, CY17 and CY18 has been audited by BDO USA, LLP. The Historical Financial Information has been reviewed by BDO Corporate Finance (East Coast) Pty Ltd (**BDO**). • The Statutory and Pro Forma Historical Financial Information has been prepared and presented in accordance with the measurement and recognition principles of Generally Accepted Accounting Principles (United States) (**U.S. GAAP**). A reconciliation between U.S. GAAP and Australian International Financial Reporting Standards (**AIFRS**) is contained in Section 6.6. • We operate on a financial year ended 31 December. All amounts disclosed in this Prospectus are presented in U.S. Dollars and, unless otherwise noted, are rounded to the nearest million dollars. • This Prospectus includes Forecast Financial Information based on the specific and general assumptions of Life360. The Forecast Financial Information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation of the Historical Financial Information. For more information, see Section 6.2.

TOPIC	SUMMARY

1.5. Key financial information

What is the key financial information you need to know about our financial position, performance and prospects?

A summary of our Pro Forma Statement of Financial Position as at 31 December 2018 is set out below:

Item (US$ millions)	Pro Forma Historical December 2018
Cash	100.6
Net tangible assets	94.1
Net assets	95.1

The Pro Forma Financial Information detailed in Section 6 and the Independent Limited Assurance Report detailed in Section 7 is based on various best estimates assumptions. These assumptions should be read in conjunction with the key risks set out in Section 4.

The Company's audited financial statements for CY16, CY17 and CY18 are incorporated by reference into this Prospectus. If you would like to obtain a copy of these financial statements please email legal@life360.com.

What is our historical and forecast financial performance?

A summary of Pro Forma Historical and Forecast Financial Information is set out below:

	Pro Forma Historical			Pro Forma Forecast
US$ millions	CY16	CY17	CY18	CY19F
Total revenue	5.3	11.5	32.1	58.6
EBITDA	(13.7)	(13.2)	(20.0)	(30.2)
Net loss	(14.2)	(13.6)	(20.5)	(29.7)
Operating cash flow	(11.5)	(13.4)	(16.3)	(24.6)

- The information above, which contains non-U.S. GAAP or AIFRS financial measures, is intended as a summary only and should be read in conjunction with the more detailed discussion on the Financial Information disclosed in Section 6, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the key risks set out in Section 4.

How do we intend to fund our operations?

- Following Completion, our principal sources of funds are expected to be cash on hand and short-term investments in interest bearing certificates of deposits and other similar instruments.
- We expect that we will have sufficient cash reserves to meet our operational requirements and business needs during the Forecast Period.
- We may need to raise additional financing in the future to fund operations.

For more information, see Section 6.5.3.

What is our dividend policy?

- The policy of the Company is to reinvest all cash flow into the business in order to maximise our growth. Accordingly, no dividends are expected to be paid in the near-term following our listing on the ASX.

For more information, see Section 6.11.

RISK	SUMMARY
1.6. Key risks	
A summary of the most significant risks is described below. Key risks involved with an investment in Life360 include the general and Company-specific risks detailed in Section 4.	
User and Paying Circle retention and growth	• Our business depends on our ability to attract new Users and retain existing Users and Paying Circles and our revenue growth relies on our ability to attract new Users and convert Users to Paying Circles. • There is no assurance that we will be able to continue to grow our Users and Paying Circles, either at similar growth rates or at all. • A failure to grow and retain our Users and Paying Circles may have a material adverse impact on our future financial performance. For more information, see Section 4.2.1.
Reliance on Driver Protect and Life360 Plus	• A key component of our business model is the monetisation of our Users through subscription-based products. Our current subscription-based products are Driver Protect and Life360 Plus and over 74% of our revenue now comes from these two products. • Actual or perceived reductions in the functionality, quality, reliability and cost-effectiveness of the Driver Protect or Life360 product could impact on our ability to grow and retain Paying Circles, which may have a material adverse impact on our future financial performance. For more information, see Section 4.2.2.
Competition and new technologies	• The consumer subscription services market is fast-paced and constantly changing. Some of our existing and potential competitors have significantly more resources than we do. • If we do not successfully compete, our business, financial performance, and operations could be adversely affected. For more information, see Section 4.2.3.
Reliance on iOS and Android	• Because the Life360 App is only used on mobile devices, it must remain interoperable with popular mobile operating systems, Android and iOS, and related hardware. • We have no control over Apple or Google's operating systems or hardware, or over hardware manufactured by other original equipment manufacturers. Changes to these systems or hardware could have an adverse impact on the Life360 App and our ability to grow and retain Users, and could adversely impact our future financial performance. For more information, see Section 4.2.4.
Product development	• We intend to grow our revenue through new subscription-based products and through Indirect Revenue. Developing new products and technology is expensive and time consuming. We may not receive revenues from these investments for several years, or may not realise such benefits at all, which may have a material adverse impact on our future financial performance. For more information, see Section 4.2.5.
Expansion outside of the U.S.	• There is a risk that we will not be able to grow our Users outside of the U.S. in a way that provides the scale required to extend fee-paying services available in a particular geography, or to generate Indirect Revenue, which may have a material adverse impact on our future financial performance. For more information, see Section 4.2.6.

RISK	SUMMARY
1.6. Key risks	
Data protection	• The use of information technology and the adequacy and effectiveness of our proprietary technology platforms are critical to our ability to deliver the Life360 App and to the growth of our business. By their nature, information technology systems are susceptible to security issues, including cyber-attacks and other unauthorised access to data and information. For more information, see Section 4.2.7.
Reputation	• Unforeseen issues or events may adversely impact our reputation and the willingness of Users to engage with the Life360 App, which may in turn adversely impact on our User base and our ability to generate revenue. • Any security breaches may subject us to reputational damage, a loss of confidence in Life360 and the Life360 App, claims by Users, loss of Users, a disruption of service, legal action and/or regulatory scrutiny. Any of these events could have a material adverse effect on our reputation, business, financial condition and financial performance. For more information, see Section 4.2.8.
Lead generation	• We intend to generate revenue by delivering product offerings in a contextually relevant way that do not feel like advertisements (**Lead Generation Offering**). While we have partnered with Allstate to complete a "proof of concept" campaign to offer U.S. Users customised car insurance offers, this Lead Generation Offering is a new and unproven offering. A failure to grow the Lead Generation Offering may adversely impact our financial performance. For more information, see Section 4.2.9.
Failures or disruptions in the Platform	• We depend on the constant real-time performance, reliability and availability of our technology system and access to our partners networks. There is a risk that these systems may fail to perform as expected and we may be subject to litigation and other claims and disputes, including contractual disputes and product liability claims in relation to existing features of the Life360 App such as Crash Detection and Roadside Assistance. A failure or disruption to our systems or the Life360 App may adversely impact our business, financial performance and reputation. For more information, see Section 4.2.10.
Reliance on key personnel	• Our ability to effectively execute our growth strategy is substantially dependent on the performance and expertise of our team. In particular, we are heavily dependent on our Executive Team and other senior employees. • Our employees, including our Executive Team, are all employed "at will". As employees "at will", employment may be terminated at any time, with or without cause (for Chris Hulls, Alex Haro and Itamar Novick and the Executive Team upon six months' notice). Because employment is "at will", employees can voluntarily terminate their employment with us and there is no assurance that we will be able to retain the services of such persons. For more information, see Section 4.2.11.
Trading history and trade record	Like many start-up companies, we have incurred losses since inception. Given our limited history it may be difficult to make an evaluation of our business or its prospects. For more information, see Section 4.2.24.
Other	Other general risks of an investment in Life360 and more detail on Company-specific risks are set out in Section 4.

TOPIC	SUMMARY
1.7. Directors and senior management	
Who are the Directors and proposed Directors of Life360?	• John Philip Coghlan, Independent Non-Executive Chair of the Board • Chris Hulls, Co-founder and Chief Executive Officer • Alex Haro, Co-founder and President • James Synge, Independent Non-Executive Director • Brit Morin, Independent Non-Executive Director • Mark Goines, Independent Non-Executive Director • David Wiadrowski, Independent Non-Executive Director For more information, see Section 5.2.
Who are the senior management of Life360?	• Chris Hulls, Co-founder and Chief Executive Officer • Alex Haro, Co-founder and President • Wendell Laidley, Chief Financial Officer • Itamar Novick, Chief Business Officer • David Rice, Chief Operating Officer • Amol Kher, Vice President of Engineering • Ariana Hellebuyck, Vice President of Marketing • Ben Kim, Vice President of Product • Monica Walls, Vice President, People & Talent • Jon Troutman, Vice President of Design For more information, see Section 5.3.

TOPIC	SUMMARY

1.8. Significant interests of key people and related party transactions

Who are the current Shareholders and what will their interest be at Completion of the Offer?

	Date of Prospectus		Immediately following the Offer			
Existing shareholders	Number of Shares (m)	% of Shares	Number of Shares (m)	CDI Equivalent (m)	% of Shares	Options, RSUs and Warrants (m)
Co-founders						
Chris Hulls	2.89	7.2%	2.89	8.66	6.0%	1.48
Alex Haro	1.78	4.4%	1.78	5.35	3.7%	0.62
Sub-Total	**4.67**	**11.6%**	**4.67**	**14.01**	**9.7%**	**2.10**
The ADT Security Corporation	4.99	12.4%	4.99	14.97	10.4%	–
Seraph Life360, LLC	3.24	8.1%	2.91	8.74	6.1%	–
Fontinalis Capital Partners I, LP	2.80	7.0%	2.52	7.56	5.3%	–
Board of Directors and senior management[1]	2.55	6.3%	2.33	6.99	4.9%	0.96
Other existing shareholders	21.88	54.5%	20.42	61.26	42.6%	5.90
Investors in the offer	–	–	10.12	30.36	21.1%	–
Total	**40.12**	**100.0%**	**47.96**	**143.89**	**100.0%**	**8.96**

1 Excluding Chris Hulls and Alex Haro.

For more information, see Section 8.10.

TOPIC	SUMMARY

1.8. Significant interests of key people and related party transactions

What significant benefits are payable to Directors and other persons connected with Life360 or the Offer and what significant interests do they hold?

Shareholders	Shares held immediately prior to the Offer (m)	Shares held on Completion of the Offer (m)	CDI equivalent (m)
John Philip Coghlan[1]	0.07	0.07	0.20
Chris Hulls	2.89	2.89	8.66
Alex Haro	1.78	1.78	5.35
Brit Morin	–	–	–
James Synge[2]	0.64	0.48	1.44
Mark Goines[3]	0.24	0.19	0.56
David Wiadrowski	–	–	–
Total	**5.62**	**5.41**	**16.22**

Note:

1 34,893 Shares are held by John Coghlan as trustee for the John Coghlan Living Trust.

2 James Synge intends to sell up to 164,449 Shares into the Offer.

3 Held by Mark Goines as trustee for the Goines Wong Living Trust, which is controlled by Mark Goines and his wife. Mark Goines intends to sell up to 50,000 Shares into the Offer.

- Directors are entitled to fees and remuneration as disclosed in Section 5.5.
- Directors and key executives are eligible to participate in the Company's incentive plans as disclosed in Section 5.8.
- The Company has entered into commercial agreements with certain Directors as disclosed in Section 5.5.8.

For more information, see Section 5.

Will any CDIs or Shares be subject to restrictions on disposal following Completion of the Offer?

- Yes, certain Shareholders (the **Escrowed Shareholders**) have agreed to enter into voluntary escrow arrangements in relation to the Shares retained by them on Completion (and Shares issued on exercise of Options).

For more information, see Section 10.14.

TOPIC	SUMMARY

1.9. Overview of the Offer

Who are the issuers of this Prospectus?

- This Prospectus is issued by Life360, a company incorporated in Delaware, U.S., and SaleCo, a Delaware limited liability company.

What is SaleCo?

- SaleCo is a special purpose vehicle that was established in Delaware, U.S., to facilitate the sale of CDIs by the Selling Shareholders.
- Each of the Selling Shareholders, the Company and SaleCo have entered into the IPO Sell-Down Deed under which the Selling Shareholders irrevocably offer to sell a prescribed number of their existing Shares to SaleCo, which will be sold by SaleCo into the Offer in the form of CDIs, free from encumbrances and third party rights. The Selling Shareholders have agreed to sell approximately 2.3 million existing Shares to SaleCo (representing 6.8 million CDIs). None of the Directors[7] or members of senior management are selling Shares into the Offer.

For more information, see Section 10.7.

What is the Offer?

- The Offer is an initial public offering of CDIs over shares in Life360. Under the Offer, 30.4 million CDIs (equivalent to 10.1 million Shares representing a ratio of 3 CDIs for 1 Share) will be issued by the Company and offered by SaleCo. The Offer will consist of:
  - 23.5 million New CDIs offered by the Company to raise A$112.7 million; and
  - 6.8 million Sale CDIs offered by SaleCo to raise A$32.8 million, raising total proceeds of A$145.4 million.

For more information, see Section 8.1.

Why is the Offer being conducted?

- The Offer is being conducted to:
  - Provide funding and financial flexibility to support our growth strategy and future growth opportunities;
  - Enable Existing Shareholders to partially monetise their investment;
  - Broaden our Shareholder base; and
  - Provide us with benefits of an increased brand profile that arises from being a listed entity.

For more information, see Section 8.3.

What is the proposed use of the funds raised under the Offer?

- The Board believes that the Company's current cash reserves, cash flow from existing operations, plus the net proceeds of the Offer will be sufficient to fund the Company's business objectives during the Forecast Period. The sources and uses of the Offer proceeds are set out below:

Sources of funds	A$m	Uses of funds	A$m
Cash proceeds received from issue of CDIs by the Company	112.7	Payments to Selling Shareholders	31.4
Cash proceeds received from sale of CDIs by SaleCo	32.8	Sales and marketing (including User acquisition)	43.8
		Research and platform development	35.0
		Working capital	25.1
		Costs of the Offer	10.1
Total sources of funds	**145.4**	**Total uses of funds**	**145.4**

For more information, see Section 8.3.

7 James Synge and Mark Goines, who are Proposed Directors, will sell Shares into the Offer (See Section 10.7).

TOPIC	SUMMARY
1.9. Overview of the Offer	
How is the Offer structured and who is eligible to participate?	• The Offer comprises: – The Broker Firm Offer, which is open to Australian residential retail clients who have received a firm allocation of CDIs from their Broker made under this Prospectus; and – The Institutional Offer, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions, made under this Prospectus. For more information, see Sections 8.5 and 8.6.
Will the CDIs be quoted on the ASX?	• The Company will apply to ASX within seven days of the date of this Prospectus for quotation of all CDIs on the ASX under the ticker code 360. • Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. For more information, see Section 8.4.
What are CDIs?	• The ASX uses an electronic system called CHESS for the clearance and settlement of trades on the ASX. • Life360 is incorporated in the State of Delaware in the U.S., which does not recognise the CHESS system of holding securities. To enable companies such as Life360 to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. CDIs represent the beneficial interest in the underlying shares in a foreign company such as Life360 and are traded in a manner similar to shares of Australian companies listed on the ASX. • The CDIs and Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state in other jurisdictions of the U.S. Due to certain U.S. securities laws restrictions, you will not be able to sell CDIs into the U.S. or to U.S. Persons for a period of 12 months from the Allotment Date (**Distribution Compliance Period**), unless the resale of the CDIs is registered under the U.S. Securities Act or an exemption is available (including resales to QIBs pursuant to Rule 144A) . • The Company has requested that all CDIs issued or transferred under the Offer bear a designation on ASX which effectively automatically prevents any CDIs from being sold on ASX during the Distribution Compliance Period to persons that are in the U.S. or to, or for the account or benefit of, U.S. Persons, in each case that are not QIBs. However, you will still be able to freely transfer your CDIs on ASX during the Distribution Compliance Period, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the U.S. or that is, or is acting for the account or benefit of, a U.S. Person, in each case that is not a QIB. For more information, see Section 10.13.
Who are the Joint Lead Managers for the Offer?	• Credit Suisse (Australia) Limited and Bell Potter Securities Limited.
What are the fees and costs of the Offer?	• The Company will pay to the Joint Lead Managers a lead manager fee of up to 4.0% (excluding GST) of the total amount raised under the Offer. • The Selling Shareholders (via SaleCo) will pay the Company a fee up to 4.0% of the total amount received by SaleCo with respect to the amount raised from the sale of the Sale CDIs under the Offer. For more information, see Sections 9.1 and 10.17.

TOPIC	SUMMARY
1.9. Overview of the Offer	
What is the CDI:Share ratio?	• 3 CDIs:1 Share.
What rights and liabilities attach to the CDIs being offered?	• The Shares underlying the CDIs will rank equally with the Shares currently on issue with the Company. There are certain differences between the Shares and ordinary shares which are typically issued by Australian incorporated public companies. • A description of the CDIs and the underlying Shares, including the rights and liabilities attaching to them, is set out in Section 10.13.
What law governs Life360?	• As the Company is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by the Australian Securities and Investments Commission but instead are regulated by Delaware General Corporation Law and applicable U.S. law, including in relation to laws and regulations relating to takeovers. Further information about the differences between the laws governing the Company as a U.S. company with laws governing Australian publicly listed companies can be found in Section 10.12.
When can I sell my CDIs on the ASX?	• It is expected that trading of the CDIs on a conditional and deferred settlement basis will commence on or about 10 May 2019. • It is expected that CDIs will commence trading on ASX on a normal settlement basis on or about 17 May 2019. For more information, see Section 8.4.
Is the Offer underwritten?	• Yes. The Offer is fully underwritten by the Joint Lead Managers subject to the terms of the Underwriting Agreement. For more information, see Section 9.1.
What is the allocation policy?	• The allocation of CDIs between the Broker Firm Offer and the Institutional Offer will be determined by the Joint Lead Managers by agreement with the Company and SaleCo, having regard to the allocation policies outlined in Sections 8.5 and 8.6.
Is there any brokerage, commission or stamp duty payable by Applicants?	• No brokerage, commission or stamp duty is payable by applicants on acquisition of CDIs under the Offer.
What are the tax implications of investing in CDIs?	• Refer to Section 10.16 and note that it is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of CDIs, having regard to their specific circumstances.
When will I receive confirmation that my Application has been successful?	• It is expected that the initial holding statements will be dispatched by standard post on or around 16 May 2019. For more information, see Section 8.5.5.
What is the minimum Application size under the Offer?	• Applications must be for a minimum of 420 CDIs. There is no maximum value of CDIs that may be applied for under the Broker Firm Offer. For more information, see Section 8.4.
Is there a minimum amount to be raised under the Offer?	• No, the Offer is fully underwritten by the Joint Lead Managers.

TOPIC	SUMMARY
1.9. Overview of the Offer	
What do Applicants pay when applying under the Offer?	• All Applicants under the Offer will pay A$4.790 per CDI.
How can I apply?	• Retail Investors under the Broker Firm Offer should contact their Broker for instructions on how to complete the Broker Firm Offer Application Form accompanying this Prospectus. The Joint Lead Managers may seek to obtain identification information from Applicants. The Company reserves the right to reject an Application if that information is not provided. For more information, see Section 8.5.
Can the Offer be withdrawn?	• We may withdraw the Offer at any time before the issue or transfer of CDIs to successful Applicants or bidders. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). For more information, see Section 8.8.
Is there a cooling-off period?	• No.
Where can I find out more information about this Prospectus or the Offer?	• Call the Life360 Offer Information Line at 1300 375 912 (within Australia) or +61 3 9415 4393 (outside Australia) from 8:30am to 5:00pm (Sydney time) Monday to Friday (excluding public holidays). • If you are unclear in relation to any matter or are uncertain as to whether Life360 is a suitable investment for you, you should seek advice from your stockbroker, solicitor, accountant, financial adviser, or other independent professional adviser before deciding whether to invest. For more information, see Section 8.

2. COMPANY OVERVIEW

2. COMPANY OVERVIEW

2.1. Introduction

We operate a platform for today's busy families, bringing them closer together by helping them better know, communicate with and protect the people they care about most. Our core offering, the Life360 App, is a market leading App for families, with features that range from communications to driving safety and location sharing. With a rapidly growing User base of over 18.5 million MAU, we are quickly becoming the dominant digital brand at the centre of family life both in the U.S. and Internationally.

FIGURE 1: LIFE360 FAMILY MEMBERSHIP VISION

We operate using a "freemium" model where our core offering, the Life360 App, is available to Users at no charge, with two premium subscription options, Life360 Plus and Driver Protect, available but not required. Our focus is on digitally native families where all members of the household are connected by smartphones. This is a growing market segment as many adults who grew up with computers and cell phones now have families and naturally look to technology to help them get through the day. For further details on the Life360 App and our technology see Section 2.5.

Our ultimate goal (which is presented in Figure 1 above) is to disrupt key segments of the safety, security and insurance industries by building a global User base of security-conscious families, thereby positioning ourselves as a gatekeeper to high dollar value family purchases. This could include products such as home insurance, auto insurance and security. As a digital company, we believe we can offer higher quality services at a lower cost than incumbent businesses (such as traditional security and insurance businesses) that are reliant on pre-mobile legacy business models and infrastructure. For example, our Driver Protect product offers Crash Detection and Roadside Assistance at a lower price point than services provided by incumbent businesses. We are able to offer this lower pricing because we only require our Users to download our App, whereas legacy service providers are reliant on expensive hardware. This is discussed further in Section 2.3.1.

We are well on the way to achieving our goal of building a large global business, with our key primary metrics of MAU and revenue growing strongly. Over 53% of our U.S. Users use the Life360 App daily,[8] averaging over 15 daily interactions[9] with the service.

To achieve our ultimate goal of becoming the leading provider of safety and security services to our family-centric User base, we are:

- Building a significant captive audience of security-conscious families;
- Developing the Life360 brand into a household name;
- Expanding the features and services offered through our Platform; and
- Growing our footprint by replicating our highly successful U.S. strategy in International markets.

Refer to Section 2.6 for further detail.

8 As at December 2018 and includes Push Notifications.
9 Daily interactions is the sum of average Life360 App opens and average Push Notifications sent per U.S. User. Users have 6 average daily Life360 App opens and 9 Push Notifications.

2.2. Company history

2.2.1. Overview

Our Company is based in San Francisco and was founded in 2007 by Chris Hulls, our Chief Executive Officer, and by Alex Haro, our President.[10] Chris envisioned the Life360 Platform after Hurricane Katrina where he witnessed the difficulty families had reconnecting after the disaster and realised that technology could be used to better help families in times of need.

At the time, smartphones were in their infancy and the Company was founded on the belief that location aware mobile computing would become ubiquitous. The initial prototype of the Life360 Platform was built on a pre-launch version of the Android operating system with a grant from Google. This early bet on the smartphone allowed us to leapfrog legacy incumbents that were still building products suited to a pre-mobile era, such as expensive dedicated GPS devices to share location. This also enabled us to establish a leadership position before other competitors came to market. The Company has now expanded beyond location sharing to offer a wide range of additional services including driving safety (texting while driving reports, automatic Crash Detection and response), personal SOS, Crime Reports, automated family notifications (place alerts, low battery warnings, completion of safe drives), family communications and more.

As one of the first smartphone Apps in existence, and the first Android App ever to receive venture capital funding, we have built our entire Company as a mobile-first organisation. Our core competency is mobile product and technology research and development, for which we have 25 patents issued or pending, including patents that cover key portions of our proprietary always-on battery safe location architecture (see Section 2.9 for further detail).

In the last 24 months, we have shifted our focus to User monetisation and are moving towards a model where our Users will get access to a suite of safety and security services at a fraction of the cost of legacy competitors. Our products have proven highly successful in the U.S. and we are now expanding Internationally. Over time we intend to expand our product offering to better penetrate our total addressable market. The evolution of our business is presented in Figure 2 below.

Like many early stage companies, we have incurred losses to date to build our platform and gain market share. In the twelve months to 31 December 2018, we incurred a pro forma net loss of US$20.5 million. Cumulative losses up to 31 December 2018 are approximately US$86.5 million.

FIGURE 2: KEY PHASES OF LIFE360'S HISTORY

2008 – 2015: Build mobile User base

- Leveraged mobile ubiquity to build a highly monetisable User base
  - Built core product with best in class family location and co-ordination features
  - Established large and engaged User base
  - Developed leading always-on battery safe location technology

2016 – Present: Prove monetisation

- Launched services that have better features and lower pricing than legacy options
  - Launched Life360 Plus, a premium subscription service providing access to increased functionality around core features of location, alerts and crime
  - Launched Driver Protect subscriptions service with premium features including Roadside Assistance, Crash Detection / emergency response, driver reports, phone usage alerts and unsafe breaking or acceleration
  - Established partnership with Allstate for usage based auto insurance offers (proof of concept trial completed in December 2018)

2019 and Beyond: Bundle and disrupt

- Expand our product offering and offer low cost family membership bundle to better penetrate our total addressable market
  - Build a membership offering that provides Users with access to a suite of uniquely developed services customised for families covering areas around life, home and auto
  - Move into adjacent verticals such as identity theft, travel insurance and residential security
  - Offer services via other emerging platforms such as wearable and smart home devices
  - Full launch of contextual offers

2.2.2. Who has invested in the Company?

We have raised over US$100 million to date over five funding rounds from a range of venture capital, strategic and individual investors. Our current investors include The ADT Security Corporation, Allstate Insurance, IAG, Samsung, BMW and Verizon.

10 Chris was the Company's initial sole founder. Alex joined as a late Co-founder shortly after corporate formation.

2.3. Business model advantages and highlights

2.3.1. Ability to disrupt legacy incumbents via a low cost mobile App offering

Our goal is to disrupt the incumbents in the safety, security and insurance industries which operate legacy business models with inefficiencies that include expensive hardware, large human-intensive sales and support teams, limited ability to scale, and products which are not used on a regular basis. Our position as a mobile-first company with a critical mass of millions of MAU gives us significant structural advantages. These advantages include:

- **A mobile-first proposition:** We are tapping into a paradigm shift in customer behaviour and are able to deliver high utility products in a convenient manner. This is a key factor in our ability to disrupt industries where incumbents rely on pre-mobile business and delivery models. For example, customers can download our App for free and it is available anytime and anywhere through their smartphone. This compares to pre-mobile businesses that typically require consumers to purchase products which are not kept on their person at all times, resulting in limited relative utility. Furthermore, our products are delivered via an aesthetically pleasing and intuitive user interface that is able to be upgraded over time. This provides a superior customer experience to pre-mobile products which do not have the functionality and flexibility that mobile enables.
- **Ability to price more competitively:** Most of our features are software-based, with the advantage of very low setup and support costs. For example, our Driver Protect product in the U.S. is priced at US$7.99 a month for an entire family (a Paying Circle). Our legacy competitors such as OnStar, a General Motors subsidiary, and The American Automobile Association (**AAA**), may offer similar functionality but typically charge a higher price or price on a per vehicle basis rather than a Paying Circle basis. We can offer lower pricing because our Users bring their own smartphones and cellular plans, whereas competitors such as OnStar install hardware into cars. While manufacturers may innovate and install new hardware into vehicles that compete with the Life360 App, we expect that our software-based products will continue to be competitive from a pricing perspective.
- **Deep data insights and highly engaged audience:** We have amassed one of the world's largest digital audiences of security-conscious family units and have deep insights that were not possible before the smartphone. We know where our Users live, work, shop, drive and more. This allows us to identify specific life transition points that correlate with purchasing activity and historical changes in business relationships.

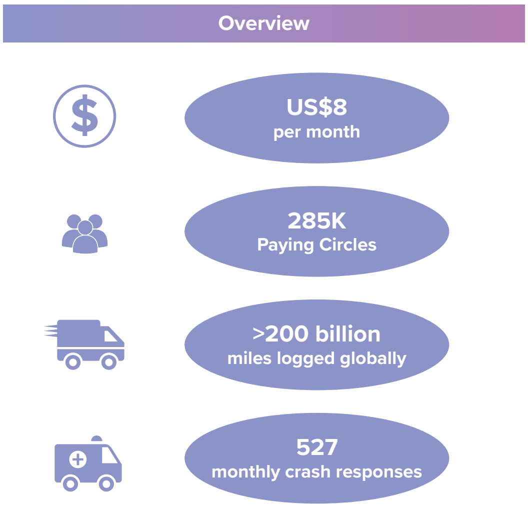
  For example, most home security systems are purchased when someone moves to a new home. Existing home security companies typically rely on random targeting or dated public tax records to target people with product offers. In contrast, we have the capability to not only know in real-time when a User moves, but are also able to identify that a User is looking for a new home by cross-referencing the movement of our Users with a database of homes listed for sale. This means in the future we may be able to partner with security and insurance companies to provide contextually relevant offers to the User for such services.

  Our intention is to deliver relevant product offers in a way that does not feel like advertisements. For example, we completed a successful proof of concept trial with Allstate, the largest publicly traded U.S. insurance provider, which provided our U.S. Users with customised car insurance offers based on how they drive and achieved very strong results. We are now refining the product before full launch which is expected in 2Q19. This is detailed in Sections 2.3.2 and 2.4.2.
- **Ability to rapidly scale:** It is estimated that there are over 1.5 billion people with an Android or iOS-powered smartphone in our target markets.[11] Any person with an Android or iOS-powered smartphone can download the Life360 App today and the effort required to localise our product to a given region is significantly lower than that of legacy competitors who must establish infrastructure to expand into a market. This means we can rapidly establish ourselves in new markets. The products we can offer in each market will depend on characteristics of the particular market and not all products will be viable in all of our markets.

In 2017 we introduced our Driver Protect product which provides premium features including Roadside Assistance, Crash Detection, emergency response, driver reports, phone usage alerts and unsafe braking or acceleration. Figure 3 provides an example of how that offering has enabled us to disrupt legacy providers of roadside assistance services.

11 Excluding PRC which has over 700 million smartphone users according to a report issued by Newzoo (Global Mobile Market Report, 2017) (https://newzoo.com/insights/trend-reports/global-mobile-market-report-light-2017/).

FIGURE 3: A CASE STUDY IN DISRUPTING LEGACY INCUMBENTS: DRIVER PROTECT[12]

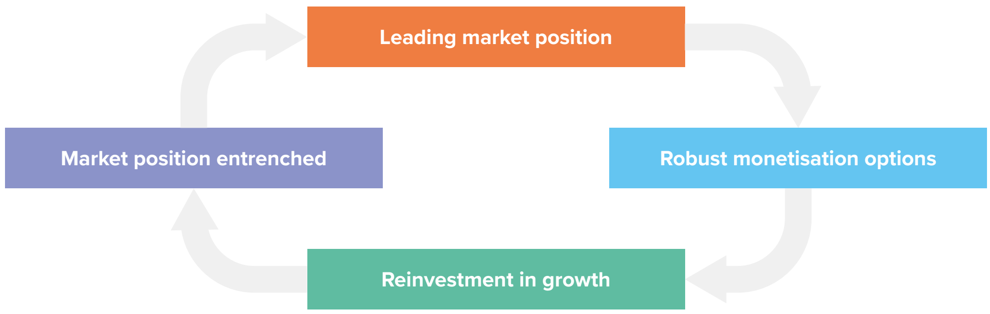


	Comparison to legacy providers
A mobile-first proposition	• Designed for families, and follows phones not cars, so to protect drivers and passengers in any vehicle • Provides daily value with driver reports (speeding, phone use, aggressive driving)
Ability to price more competitively	• Runs on User's existing phone. No need for User to purchase additional hardware • Upsell made to existing User base without additional marketing or sales cost
Deep data insights and a highly engaged audience	• Captures over 10 billion miles monthly • Allows indirect monetisation through Usage Based Insurance offers
Ability to rapidly scale	• Minimal infrastructure needed to expand to new international locales • Only requirement is call centre integration to emergency services phone line

2.3.2. Self-reinforcing leadership position over direct competitors

We enjoy a self-reinforcing leadership position in the family safety and co-ordination market that makes it extremely difficult for direct competitors to effectively compete. This flywheel effect (outlined in Figure 4 below) is driving our rapid growth and further entrenches our leadership position.

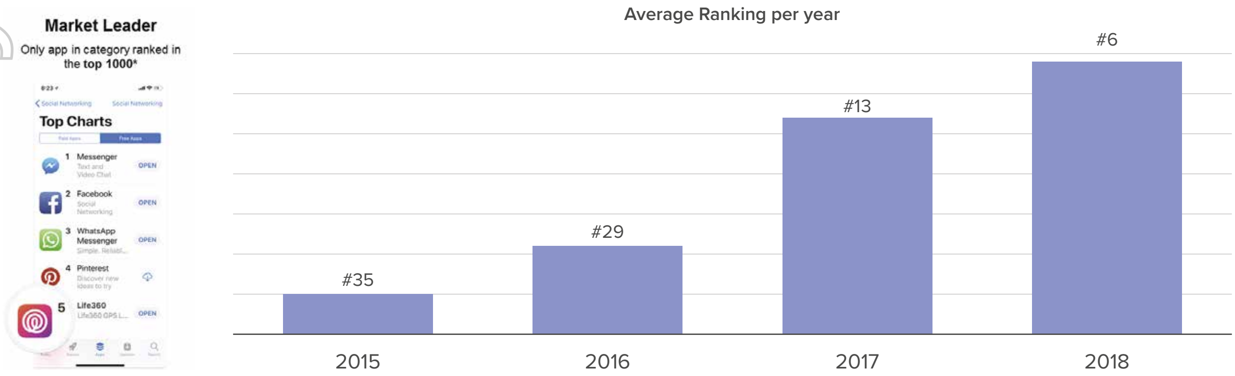
FIGURE 4: FLYWHEEL EFFECT



- **Leading market position:** We have a leading position in the family safety and co-ordination market with over 18.5 million MAU. Life360 is the only family safety or co-ordination App that consistently Ranks in the top 100[13] across all categories. Since March 2018, we have Ranked within the top 10 of the social networking category, frequently hitting top 5.[14] As of March 2019, we Ranked fifth in the social networking category, with the only Apps Ranking higher being Facebook, Facebook Messenger, WhatsApp and Pinterest.[15] As of March 2019, we also Ranked #1 in the lifestyle category, with Tinder Ranking #2.[16] In contrast, competitors such as Geozilla have not consistently featured in the top 100 Apps over this period.[17] Figure 5 shows our average Ranking in the social networking category since 2015.

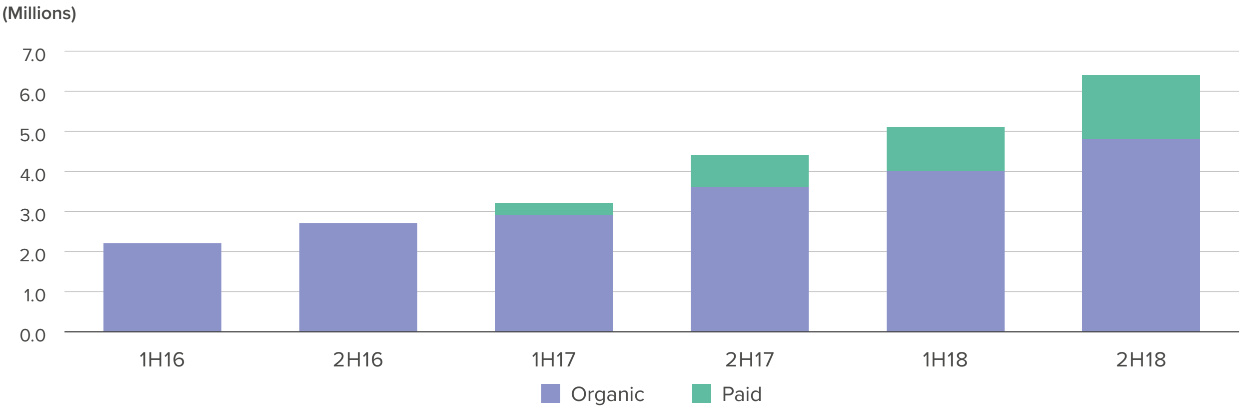
12 Miles logged as at March 2019. Monthly crash responses include all signals, including unverified and false crash detections.
13 In the U.S. Apple iTunes App Store.
14 In the U.S. Apple iTunes App Store, according to App Annie.
15 In the U.S. Apple iTunes App Store.
16 In the U.S. Google Play App Store. Excludes the "Fantastic Face" App.
17 In the U.S. Apple iTunes App Store, according to App Annie.

FIGURE 5: LIFE360 HAS CONSISTENTLY RANKED IN THE TOP 10 APPS IN THE U.S. APPLE ITUNES APP STORE SOCIAL NETWORKING CATEGORY OVER THE LAST YEAR AND FREQUENTLY RANKS IN THE TOP 5[18]



Our leading positions on both the Apple iTunes App Store and Google Play Store, combined with the strength of our brand and growth in word of mouth recommendations, means we can expand our User base very cost effectively. As demonstrated in Figure 6 below, we currently acquire the majority of our Users organically, with approximately 77% of our new Users in CY18 coming from sources which are not paid for by the Company. We believe that competitors in the market would have to rely on paid advertising to overcome the advantage that our strong Ranking on the App Stores provides.

FIGURE 6: U.S. NEW REGISTRATIONS[19] – GROWTH IN NEW ORGANIC VERSUS PAID USERS



- **Robust monetisation options:** We are able to monetise our Users by offering them the ability to buy services that we create, or by partnering with third parties that want to access our Users (discussed further in Section 2.4.2). For example, in December 2018 we successfully completed a proof of concept campaign in partnership with Allstate, which offered some of our U.S. Users customised car insurance offers based on how they drive. In one month, using a beta version of the advertisement, we generated more than US$500,000 in revenue. It is intended that once the contextual offers are fully launched (which is expected to occur in 2Q19), these offers will be presented within the context of our weekly Driver Report feature and designed as a member benefit rather than an advertisement. This combination of deep data insights and the ability to make contextually relevant offers underpins the unique nature of our Platform. Figure 7 below shows an illustrative example of our contextually relevant offer compared to an example advertisement of a legacy incumbent.

18 Sourced from App Annie as at December 2018.

19 Registrations are defined as new Users who downloaded the Life360 App, completed the registration process and created an account. Registrations are counted in MAU in the initial month of Registration.

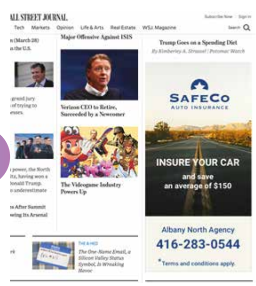
FIGURE 7: CASE STUDY: ALLSTATE PARTNERSHIP[20]

Contextually relevant product which adds value for our Users

Contextual offer

- ✓ Seamless integration with core experience
- ✓ Offer based on actual driving data
- ✓ Contextual and relevant

Vs



Legacy ad

- Non-contextual and easy to tune out
- Limited targeting or customisation

- ✓ Our initial contextual offer service is being conducted in partnership with Allstate (investor in Life360)
- ✓ Successful proof of concept in December 2018 which generated over US$500,000 in revenue
- ✓ Provides customised car insurance deals to our Users based on how they drive (Usage Based Insurance)
- ✓ Offers are shown within the context of our Weekly Driver Report feature
- ✓ Allows us to monetise the large amounts of User data we capture
- ✓ We believe Users will not view the offers as advertisements, but rather as a benefit of using the Life360 service

As demonstrated in Figures 8 and 9 below, the revenue we generate on a per User basis has grown rapidly as we have focused on monetisation:

FIGURE 8: AGGREGATE DIRECT CASH RECOVERY OVER FIRST 2 MONTHS FOLLOWING REGISTRATION FOR VARIOUS U.S. APPLE ITUNES APP STORE PAID USER COHORTS

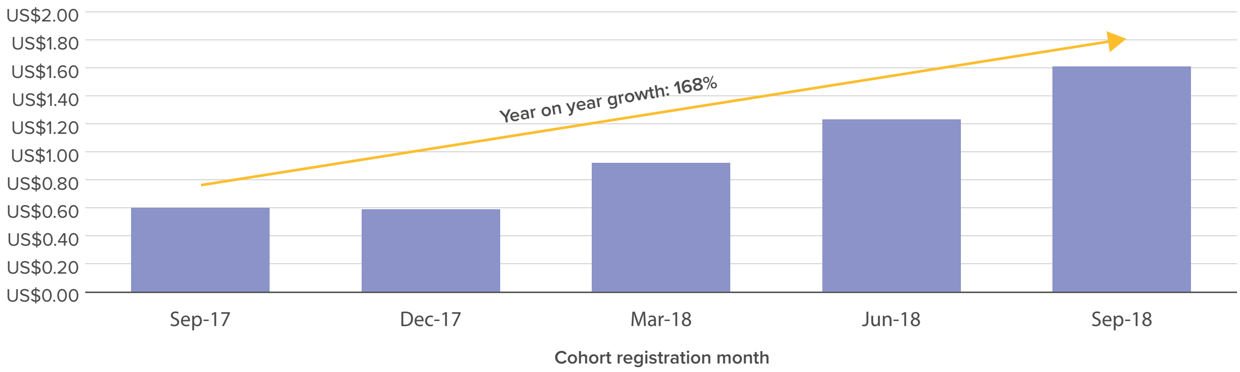
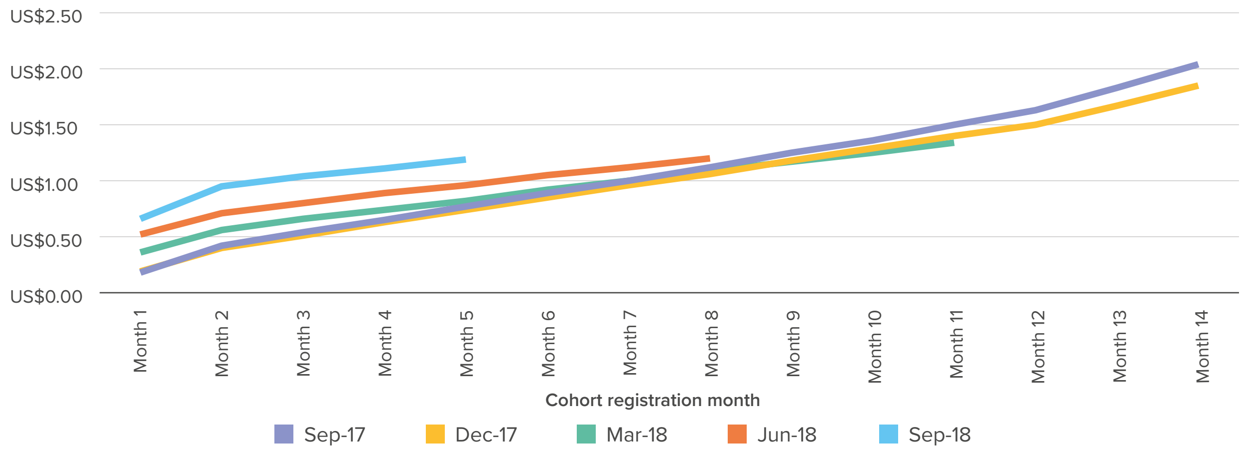


FIGURE 9: AVERAGE DIRECT CASH RECOVERY FOR VARIOUS U.S. APPLE ITUNES APP STORE PAID USER COHORTS

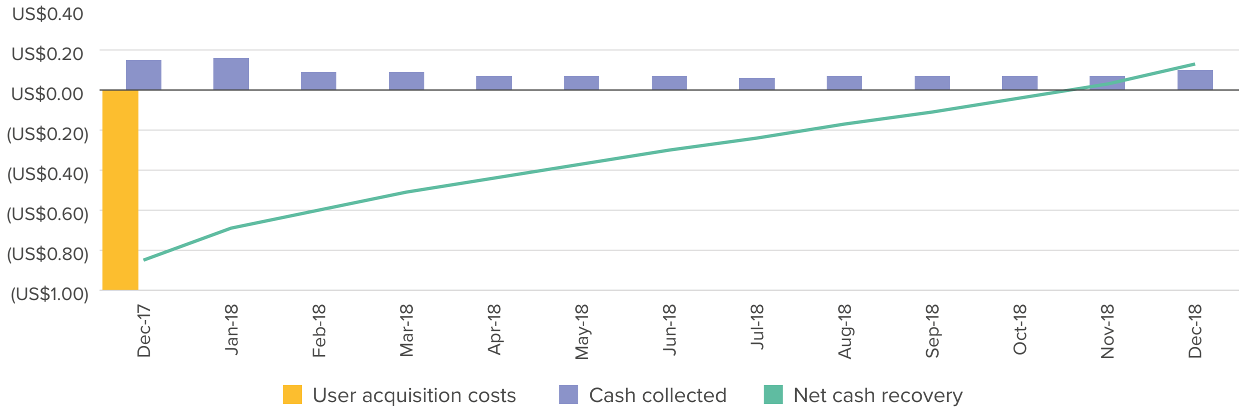


20 Contextual offer screenshot presents an illustrative example of a Life360 branded insurance offer. Actual offers powered by Allstate will have a different User interface at launch and will not be Life360 branded. Legacy ad screenshot presents an illustrative example and is not an actual advertisement.

- **Reinvestment in growth:** We reinvest the revenue we generate from our Users into growth initiatives such as:
  - The development of new features and services in order to increase ARPU and improve engagement with the Life360 product; and
  - Increasing paid User acquisition to accelerate the growth of our User base.

  When we engage in paid User acquisition, we quantitatively measure how quickly we can recover the cost of the User acquisition. Our current strategy for the acquisition of U.S. Users is to deploy capital to acquire any User who we believe has a reasonable prospect of generating positive cash flow within a prescribed window. We base our paid User acquisition decisions on historical performance, actual cohort behaviours analysis (for example retention and subscription rates) and expectation of future revenue returns. Historically, as shown in Figure 10 below, our paid User acquisition has had a breakeven period of less than one year due to our strong revenue growth. As our long-term aggregate cash recovery per User increases, we expect the amount we are willing to pay per User to also be able to increase (along with the breakeven period).

FIGURE 10: ACTUAL DIRECT CASH RECOVERY OF U.S. APPLE ITUNES APP STORE SPEND IN DECEMBER 2017[21]



In addition to tracking actual Direct cash recovery of paid User acquisition costs, we undertake analysis to assess the effectiveness and long-term economic return on our User acquisition investment.

We assess our paid acquisition spending on a per channel basis by calculating the present value of paid Users' five year expected cash recovery. This reflects the expected revenue generated by paid Users and members of their Circles[22] and the expected incremental costs incurred to service these Users[23]. We do not take into account the expected increase in organic User growth as a result of word of mouth recommendations from paid Users or increased brand awareness. The present value of the expected cash recovery is compared to acquisition costs per User to assess long-term economics of our paid User acquisition spending.

Our current breakeven period and paid User economics demonstrates there is significant room to scale paid User acquisition channels. We intend to increase the per User prices we pay to acquire new Users, should this be necessary, as we gain more certainty about long-term economic value. This will, in time, increase the difficulty for competitors to build a competing user base while also accelerating our User growth. A significant use of the Offer proceeds will be to expand the depth and breadth of our paid User acquisition channels, which we expect will generate significant revenue over the lifetime of these Users. Refer to Section 6.9 for details on expected total User acquisition costs in the forecast period.

- **Market position entrenched:** The Life360 App's rapidly expanding utility, combined with the size of our User base, is establishing us as the dominant digital brand for families. This helps to drive continued User growth and creates a continually growing barrier to entry. We have already reached a brand awareness of over 29% of U.S. parents with children under the age of 18,[24] supporting the fact that word of mouth now accounts for over 50% of our new downloads.[25] Our belief is that we can reach a similar tipping point of organic awareness in International markets that will ultimately result in a leading position in markets outside the U.S.

21 43% of U.S. paid budget spent on iTunes, December 2018. Direct cash collected only. Adjusted for estimated cash collected from acquired Users who have disabled attribution tracking and cannot be associated to their paid acquisition channel per Apple App store. This Cohort is reflective of the average U.S. historical Cohort. As we increase paid User acquisition costs per User, we expect this payback period to increase.

22 This includes expected Direct Revenue and data revenue generated by paid Users, as well as expected data revenue generated from members of paid User's Circles (refer to Section 2.4.2 for details on our revenue model). This assumes cash is received as revenue is earned and does not include Lead Generation Offering revenue or any increase in total ARPU from the launch of new features. There is a risk that the accuracy of our revenue projections diminish for the outer months in the User's lifecycle.

23 This analysis assumes cash is paid as expenses are incurred.

24 Per survey of 1,035 parents of children under 18 years old. Conducted in October 2018 by third party survey service, Survey Monkey.

25 Per internal in-depth survey of U.S. Life360 Users, conducted in November 2017 by Life360.

2.3.3. Other key highlights

- **Large total addressable market:** Our target industries include General Insurance, residential security systems, crash and roadside assistance, elder monitoring, identity theft protection and travel and phone insurance, which have a combined global total addressable market size of over US$2 trillion (refer to Section 3.2 for further details). We are currently underpenetrated outside of the U.S. and estimate that if we can reach similar levels of penetration as the U.S. in our top five International markets and Australia, our MAU in these markets would expand to approximately 56 million. This is detailed in Section 2.6.
- **Proprietary location technology:** The key technical differentiator between the Life360 Platform and our competitors is the quality of our location engine, which provides extremely high accuracy, low latency and long battery life. On average, we are able to consume less than 10% of the total battery drain for an average U.S. smartphone user.[26] It is very difficult for competitors to offer our breadth of capabilities while maintaining similar levels of reliability and battery life. This is due to our patent protection (25 patents issued and pending, refer to Section 2.9 for further details) and the fact we have built our team from the ground up around this unique technical challenge. Much of the unique intellectual property that we own is based on the need to maintain functionality across over 5,000 unique device types, increasing the difficulty to replicate.
- **Deep focus on the family:** We have specifically focused on the family as we believe this provides long-term differentiation that makes it hard for generic services to compete. While having a reliable generic location sharing feature may become a commodity at some point, our family-specific features, such as Driver Protect, smart notifications, safety zones and other safety features, will continue to be our differentiator.
- **Highly entrenched User base:** Our Users are deeply locked into our Platform, making it extremely hard for competitors to gain market share. Unlike other utility-based Apps, where it is easy to move from one service to another, to switch from Life360 a User must not only shift their entire family to an alternative service, but also all the Circles they are in with people outside of their core family unit.
- **Mobile-first team with experienced executive and Board:** Co-founders Chris Hulls (Chief Executive Officer) and Alex Haro (President) built the Company from day one with mobile in mind, and our entire organisational structure is tuned to developing smartphone-based products. As we have grown, we have complemented our Co-founders and early employees with a strong senior management team who have deep expertise across technology, marketing and finance. Our leaders have held senior positions at established companies including Microsoft, Netflix, Google, CBS, The Boston Consulting Group, McKinsey and Yahoo, as well as a number of start-ups including Gigya, Canary and NerdWallet. The Board is led by John Philip Coghlan who was formerly the Chief Executive Officer of Visa USA and Vice Chairman at Charles Schwab.

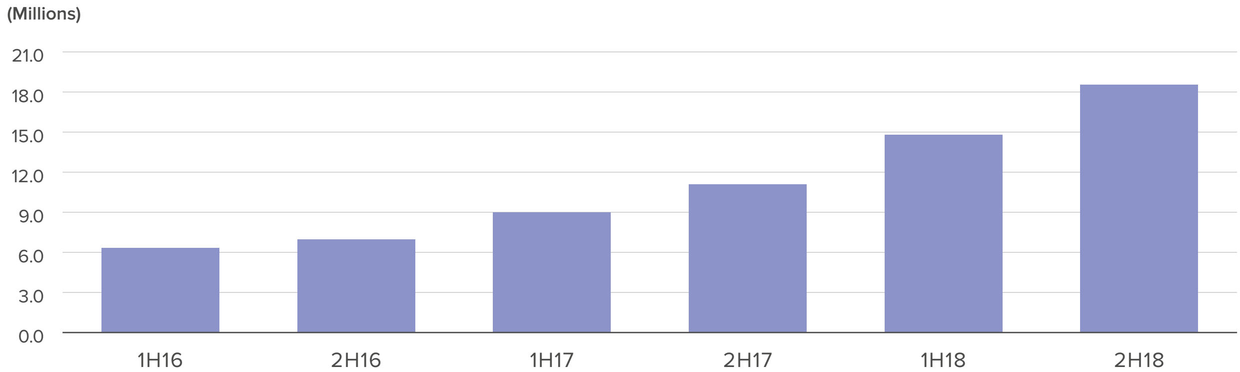
2.4. User base and revenue generation

2.4.1. User base

Large and growing User base

We have a large and growing User base comprised primarily of security-conscious families. As of December 2018, we had over 18.5 million MAU which grew from 11.1 million MAU in December 2017, a 67% increase.[27] Our growth is presented in Figure 11 below. This has been driven by continued strong organic User growth and the introduction of paid User acquisition.

FIGURE 11: GLOBAL MAU GROWTH



26 Based on internal testing and users with common App usage patterns and ninety minutes a day of total driving.
27 Does not include Push Notifications.

We currently operate in over 160 countries and our User base is growing both in the U.S. and Internationally. The U.S. is our largest region with approximately 10.0 million MAU, which grew 76% year on year, and accounted for approximately 54% of our total User base as of December 2018.[28] The U.S. has been the focus of our business and paid marketing to date, and has the highest level of available features. Figure 12 below shows a geographical breakdown of our MAU.

Our International region, which comprises countries outside of the U.S. and the PRC, experienced MAU growth of 59% from December 2017 to December 2018. Our three largest International locations are India, the United Kingdom and Brazil; none of which comprise more than 7% of our total global MAU. MAU in these three locations grew 88%, 109% and 64% from December 2017 to December 2018 respectively.[29] The International region represents a significant growth opportunity as our full product suite is rolled out to these geographies, increased marketing spend from the Offer proceeds is applied to these geographies, and they are able generate scale to establish the flywheel effect described in Section 2.3.2. Further detail on this strategy is outlined in Sections 2.2.1 and 2.6.

FIGURE 12: OVERVIEW OF TOTAL MAU BY GEOGRAPHY AS AT DECEMBER 2018[30]

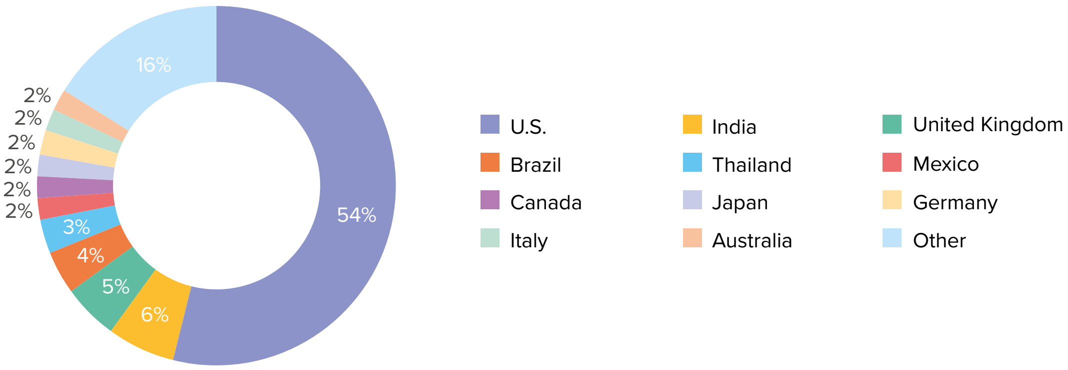
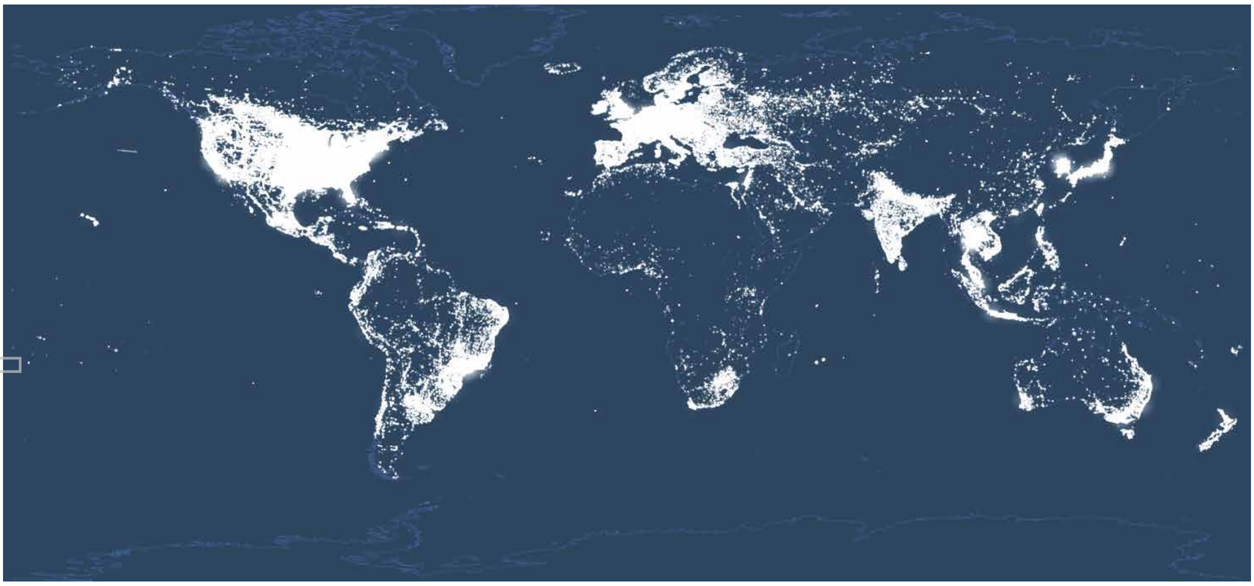


FIGURE 13: HEAT MAP OF ACTUAL USER ACTIVITY OVER A 30 MINUTE PERIOD AS AT 15 OCTOBER 2018



28 Does not include Push Notifications.
29 Does not include Push Notifications.
30 Does not include Push Notifications. Users may be counted in multiple countries in a single month if they are travelling.

Highly engaged

Our Users rapidly incorporate Life360 into their daily routines, in particular Parents, who rely on the service as a key communication tool for their families. In the U.S., they have on average 15 interactions with the Life360 App per day.[31] As shown in Figure 14 below, which provides a snapshot of User usage frequency in the U.S., of our approximately 10.0 million U.S. MAU,[32] 76%[33] use the service at least once a week and 53%[34] use it daily.

FIGURE 14: U.S. ACTIVE USER USAGE FREQUENCY AS OF DECEMBER 2018

	Total[35]	% MAU (excluding Push Notifications)	% MAU (including Push Notifications)
MAU	10.0 million	100%	100%
Weekly Active Users	7.1 million	71%	76%
Daily Active Users	3.7 million	37%	53%

In our International region, of our 8.5 million MAU, 56% use the Life360 App weekly,[36] and 31% use it daily.[37] We expect International usage patterns to move closer to that of our U.S. User base over time as we make all of our U.S. features available globally and enhance our offshore technical infrastructure.

The frequency of User activity in the U.S. and Internationally is demonstrated in Figure 13 above, which shows usage of the Life360 App over a 30 minute period on 15 October 2018.

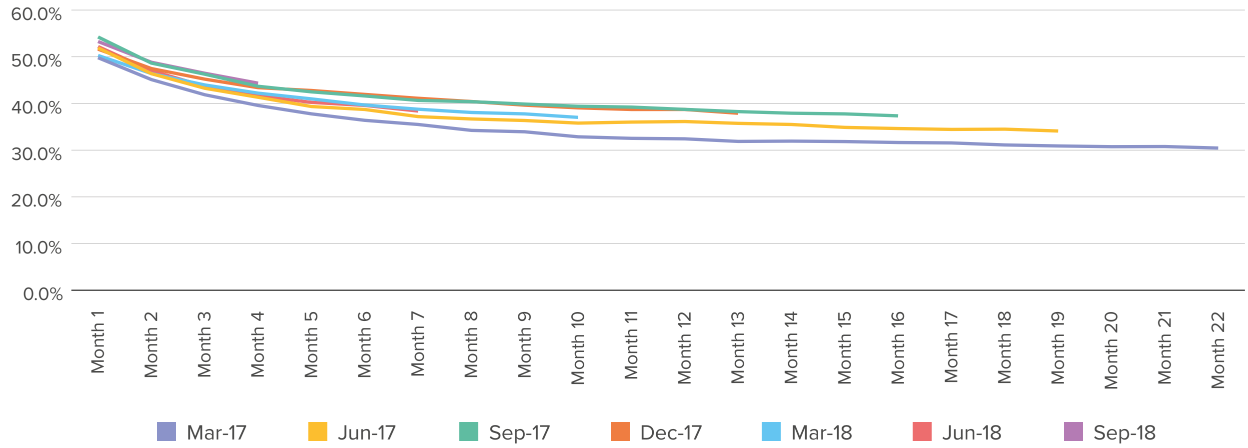
High long-term retention

Historically, Apps have been characterised by poor retention. The same forces that allow Apps to quickly acquire users also make it easy for users to Churn. In fact, most Apps lose over 90% of their users within three months of sign-up.[38]

The most common way retention is tracked and benchmarked is Cohort retention, where users from a given sign-up period are tracked over time and compared to the number of users still using the product. By this metric, our retention exceeds the majority of Apps on the market.

In our case, while we experience initial Churn like all Apps, after the first 6 months we see the rate of Churn significantly decrease and stabilise after a period of 18 months. This is illustrated in Figure 15 below.

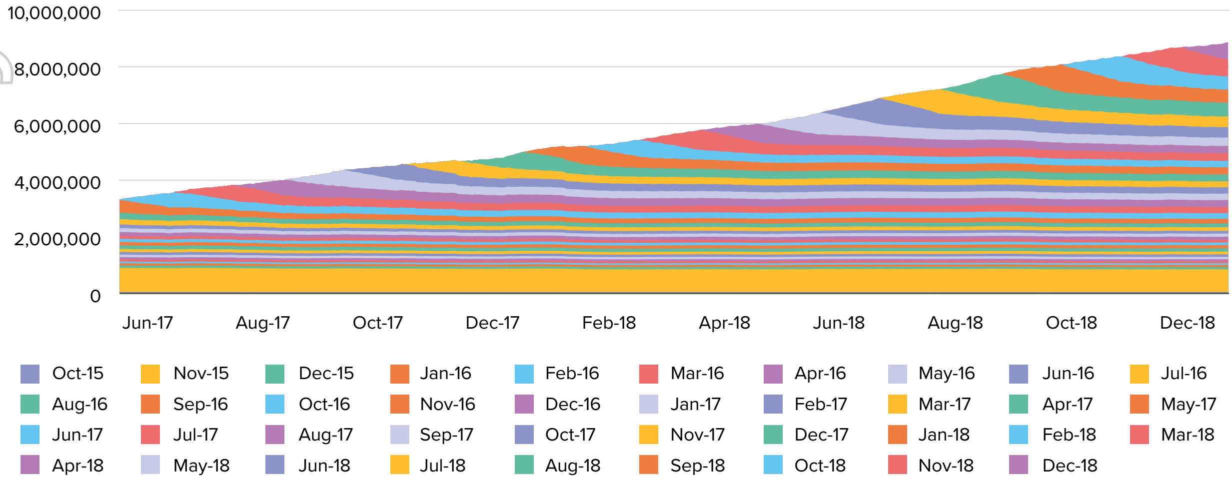
FIGURE 15: U.S. MONTHLY RETENTION FOR USERS ACQUIRED SINCE MARCH 2017



This long-term retention is contributing to our overall MAU growth as illustrated in Figure 16.

31 Includes Push Notifications. Assumes administrators are Parents.
32 Does not include Push Notifications. Includes teens and non-Parent users.
33 Includes Push Notifications in the defined period.
34 Includes Push Notifications in the defined period.
35 Does not include Push Notifications.
36 Includes Push Notifications in the defined period.
37 Includes Push Notifications in the defined period.
38 Sourced from Statista, 'Worldwide mobile app user retention by mobile platform' (https://www.statista.com/statistics/243728/worldwide-mobile-app-user-retention-by-mobile-plaform/).

FIGURE 16: U.S. ACTIVE USERS BY COHORT

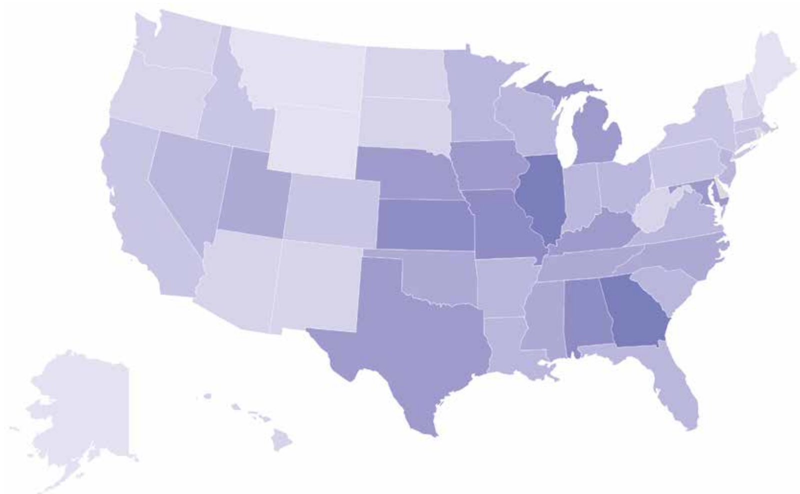


While International long-term retention is lower than the U.S., we see a similar engagement effect. We believe there is significant opportunity for International markets to match U.S. retention rates as we undertake our globalisation efforts.

U.S. User demographics

As shown in Figure 17, our penetration in the U.S. is higher in areas where younger heads of households are common, which is typically in the mid-east to south-east of the country. We expect that younger and more digitally-native families will represent a greater proportion of society, both in the U.S. and globally, and will support the continued expansion of our User base. Additionally, we see an opportunity to grow our User base as the Life360 App becomes more widely adopted in larger coastal population centres.

FIGURE 17: RELATIVE PENETRATION BY U.S. STATE



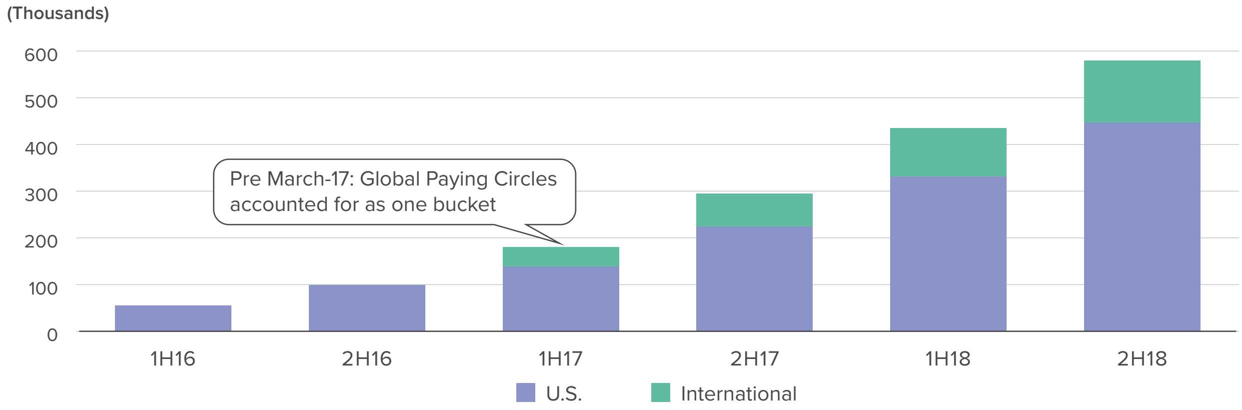
Growth in Paying Circles

As shown in Figure 18, we had approximately 579,000 paying accounts as of December 2018, referred to as Paying Circles, representing a 97% increase from approximately 294,000 Paying Circles as of December 2017. When Users upgrade, premium features are unlocked for that User's entire Circle, and approximately 2.0 million Users are currently members of a Paying Circle. In the U.S., approximately 15% of Users are covered by Paying Circles versus approximately 6% in our International markets.

New Paying Circles are primarily sourced from the conversion of our free Users, which typically occurs when they reach the functionality limit of the free offering and look to gain extra utility from the Life360 App. That is, they are "pulled" towards the Paying Circle rather than being "pushed" into a subscription service.[39]

39 For example, this could occur where a Parent has set their child's school as a Place (refer to Section 2.5.2 for details of this feature) and wants to add additional Places beyond the number provided in the free version of our App. This could result in them being drawn to subscribing to our premium offering to unlock additional functionality.

FIGURE 18: OVERVIEW OF PAYING CIRCLES BY GEOGRAPHY



Net growth in Paying Circles is also affected by our ability to retain existing Paying Circles. We have maintained high retention over time (as shown in Figure 19) while also increasing our conversion rates as a result of new features and functionality. This has led to an increase in the size of our new Paying Circle Cohorts over time (as shown in Figure 20 below). Currently, in the U.S., our marquee premium service, Driver Protect, has a 12 month retention rate of 59%.[40]

FIGURE 19: DRIVER PROTECT RETENTION PER U.S. COHORT SINCE MARCH 2017

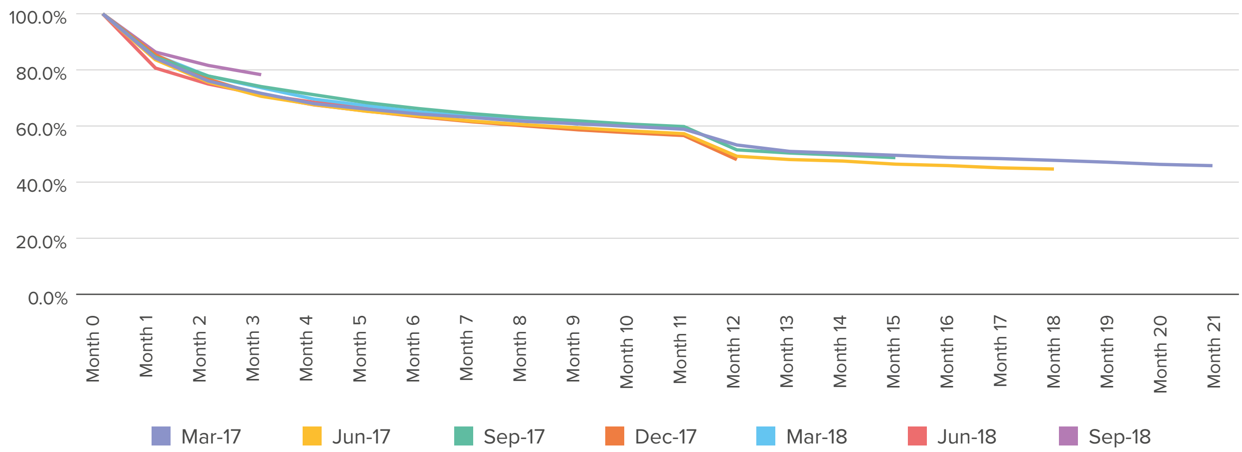
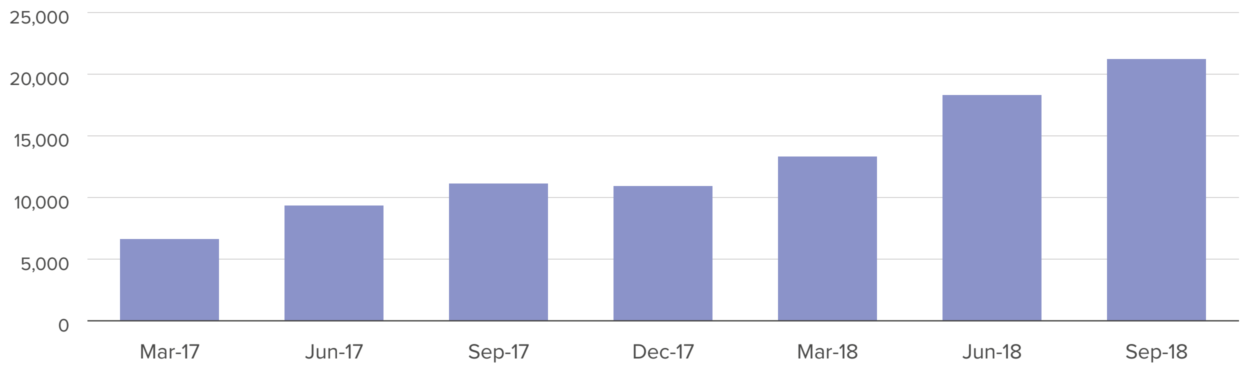


FIGURE 20: DRIVER PROTECT U.S. SIGN-UPS PER COHORT SINCE MARCH 2017



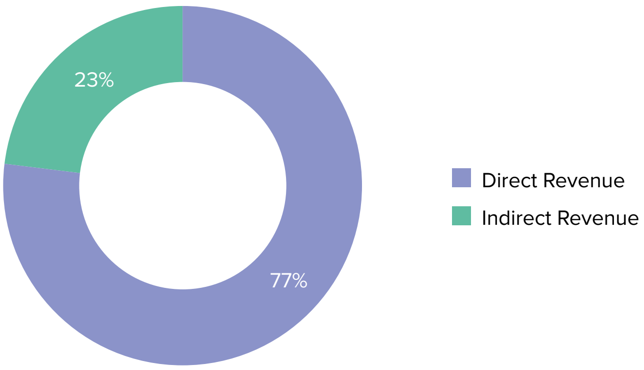
40 Month over month subscriber retention blending monthly and annual packages.

2.4.2. Revenue generation

Our business model is predicated on building a large critical mass of Users and monetising them Directly, through subscription-based products we build ourselves (as discussed in Section 2.5), and Indirectly, where we allow third parties to derive value from our Users.

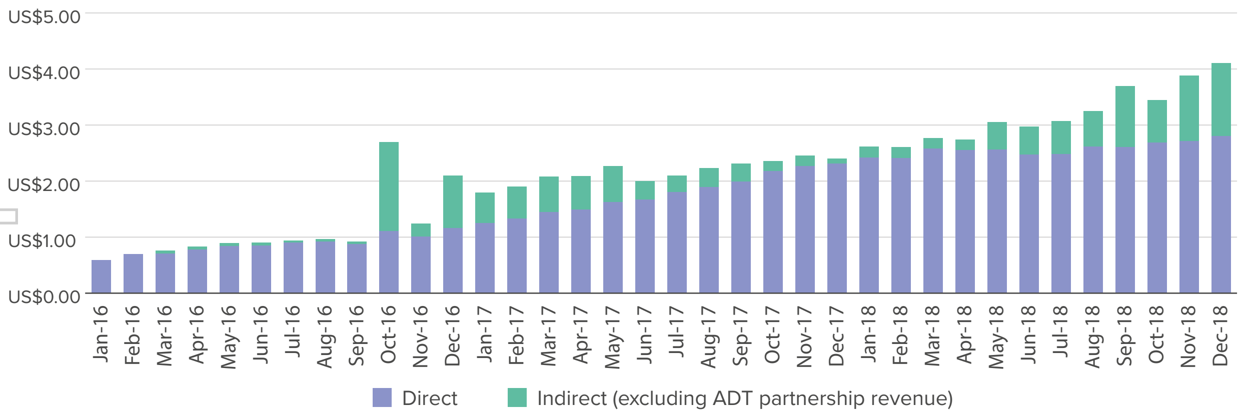
We measure our success both in terms of the size of our User base and ARPU. The freemium model under which we operate only becomes economically viable at significant User scale and as a result, we solely focused on free User growth for most of our history. Our first aggressive attempts to monetise came with the release of our Life360 Plus product in 2016, followed by Driver Protect in 2017. Over 74% of our revenue now comes from these two services, which are primarily targeted at U.S. Users.

FIGURE 21: OVERVIEW OF LIFE360 REVENUE MIX (CY18)



In the U.S., monthly ARPU increased by 71% from December 2017 to December 2018. ARPU is based on revenue and does not account for the growing number of annual subscriptions which are recognised over the year in the income statement despite cash being received upfront. Overall, we have seen a steady increase in ARPU from Direct Revenue over time for our U.S. User base. Indirect Revenue recognition is dependent on billing cycles and has caused some historic volatility, however we expect this volatility to stabilise with our soon to be launched Lead Generation Offering. This steady increase in ARPU from Direct Revenue and volatility in Indirect Revenue is shown in Figure 22 below.

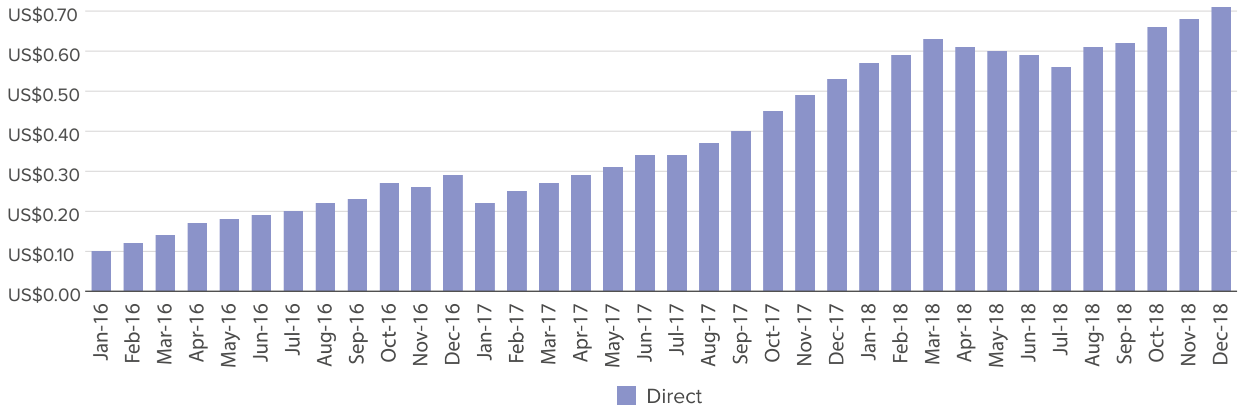
FIGURE 22: OVERVIEW OF ANNUALISED ARPU (TOTAL USERS – U.S.)[41]



While International ARPU is also growing (as demonstrated in Figure 23), our focus is not to grow ARPU in aggregate but rather expand wherever we have positive per User economics (positive cash contribution) at large scale. For example, we may see expansion in regions such as India. As we roll out the full product features to additional markets, we expect that we can increase pricing in International markets in line with the U.S. which may help align U.S. and International ARPU.

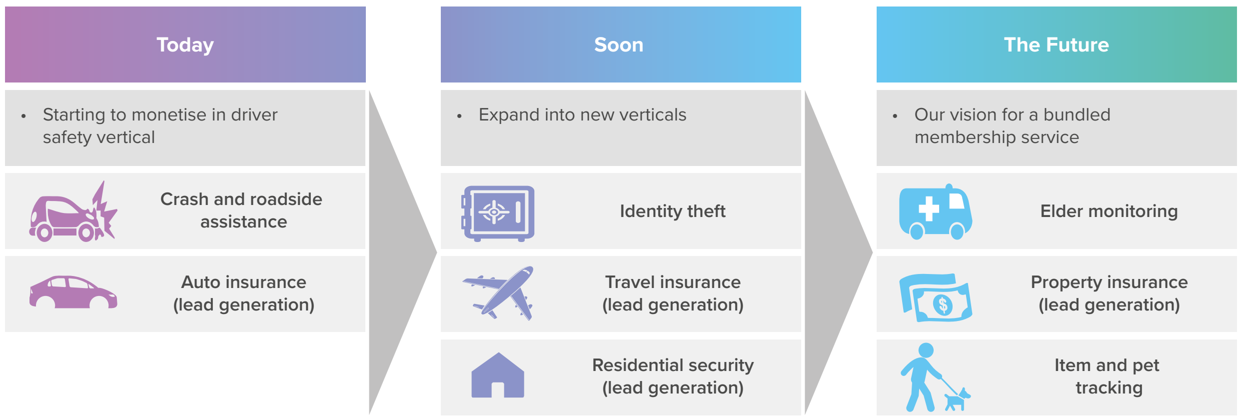
41 Indirect Revenue excludes ADT partnership revenue and revenue generated by Allstate proof of concept trial in December 2018.

FIGURE 23: OVERVIEW OF ANNUALISED ARPU (TOTAL USERS – INTERNATIONAL)[42]



We expect that in a given region, ARPU will increase over time as we develop new services for our Users and partner with third parties who want to access our User base. Over time, we also expect to increase our offering to new verticals and adjacencies (as outlined in Figure 24 below) and will seek to build a bundled membership service in order to drive ARPU.

FIGURE 24: OPPORTUNITIES TO ENHANCE THE MONETISATION OF OUR USER BASE



Direct Revenue overview

Users can sign-up for either our Life360 Plus or Driver Protect offerings depending on their needs (see Section 2.5 for a description of the value proposition). Users can select either monthly or annual subscriptions. When a User subscribes to one of these offerings, they acquire the rights for their Circle of up to 6 Users.

- Driver Protect
  - U.S. (US$7.99/month; US$69.99/year)
  - International (US$4.99/month; US$49.99/year)
- Life360 Plus
  - U.S. (US$2.99/month; US$24.99/year)
  - International (US$2.99/month; US$24.99/year)

Some Users have existing subscriptions to an additional legacy product (for US$4.99/month) that is no longer offered. As such, this will phase out over time as the remaining subscriptions end.

42 Our International region does not currently generate Indirect Revenue.

FIGURE 25: OVERVIEW OF GROWTH IN GLOBAL PAYING CIRCLES

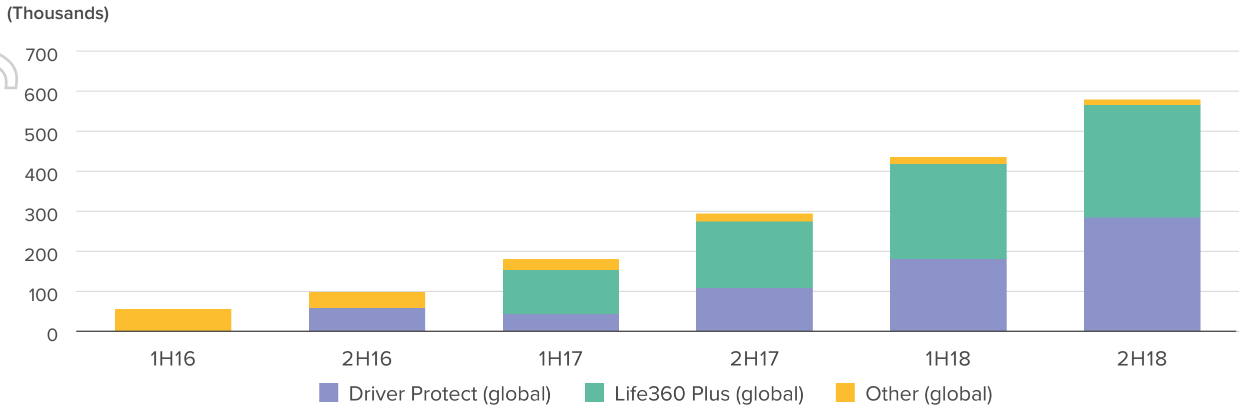


FIGURE 26: OVERVIEW OF ANNUALISED DIRECT ARPPC (PAYING CIRCLES)[43]

US$	1H16	2H16	1H17	2H17	1H18	2H18
U.S.						
Semi-annual Direct ARPPC	20.12	19.65	23.26	29.45	29.92	31.02
Annualised Direct ARPPC	40.24	39.29	46.52	58.90	59.83	62.04
International						
Semi-annual Direct ARPPC	n.a.	n.a.	16.73	20.71	21.15	21.87
Annualised Direct ARPPC	n.a.	n.a.	33.45	41.41	42.31	43.74

Indirect Revenue overview

Approximately 23% of our revenue is generated Indirectly where we are not directly paid by the User. Indirect Revenue includes anonymised insights into the data we collect from our User base and the sale of third party products and services in partnership with ADT. It is also intended to include contextually relevant advertising based on signals we capture through usage of the Life360 App and the sale of third party products and services in partnership with Allstate (refer to Section 2.3.2 for further detail). For example, we have the technology to determine when a User is shopping for a new home, which correlates heavily to purchasing a home security system or homeowner's insurance. In the future, we intend to partner with third parties to offer these types of services at the right time in our Users' lifecycle.

Contextual offers

Our initial contextual offer service is being conducted in partnership with Allstate, the largest publicly traded U.S. insurer. Our strategic partnership with Allstate capitalises on the growing Usage Based Insurance (**UBI**) market. UBI is a type of customised vehicle insurance that utilises predictive analyses of lifestyle and driving behaviours to price premiums. This compares to traditional pricing models which rely on retroactive analysis. Life360 has the world's largest captive audience of Users on a driving safety App, and collects more mobile telematics data than any insurer in the world.

Under the partnership, Arity (an indirect wholly-owned subsidiary of Allstate) accesses anonymised driving data from Life360. In turn, insurance offers will be presented to those Users based on driving scores calculated by Arity. The offers will be presented by Answer (another indirect wholly-owned subsidiary of Allstate). Life360 receives a portion of the revenue generated through the partnership. Separately, Allstate has invested in Life360 as part of a preferred stock capital offering conducted during 2017.

43 ARPPC represents Average Direct Revenue per Paying Circle. The number of International Paying Circles in CY16 is not available from our internal reporting systems.

The offer is linked to a User's driving score and presented in a contextually relevant way; therefore we believe Users will not view the offers as advertisements but rather as a benefit of using the Life360 App. In December 2018 the proof of concept trial was launched which was highly successful with strong user engagement and earning over US$500,000 in revenue from the limited trial. It has now been taken offline to refine the User experience and implement learnings from the trial with an anticipated full launch in 2Q19.

Data insights

As of December 2018, we have month-to-month agreements with nine companies to obtain certain U.S. device and usage data from our dataset, subject to our Users' device settings and preferences. These companies utilise the data for the purposes of analytics, data insights and advertising. We also share certain U.S. device data with Arity, which provides our Users with crash detection and driving behaviour insights, and analyses movement data for analytics and advertising purposes.

We do not share personal information from a User's profile or registration (such as a name or email address) with these third parties and we provide an easy mechanism for our Users to opt-out of such sharing. Our U.S. data sharing practices are consistent with standards published by the Interactive Advertising Bureau, applicable laws and best practices to protect the privacy of our User data and to honour User choice.

ADT Partnership

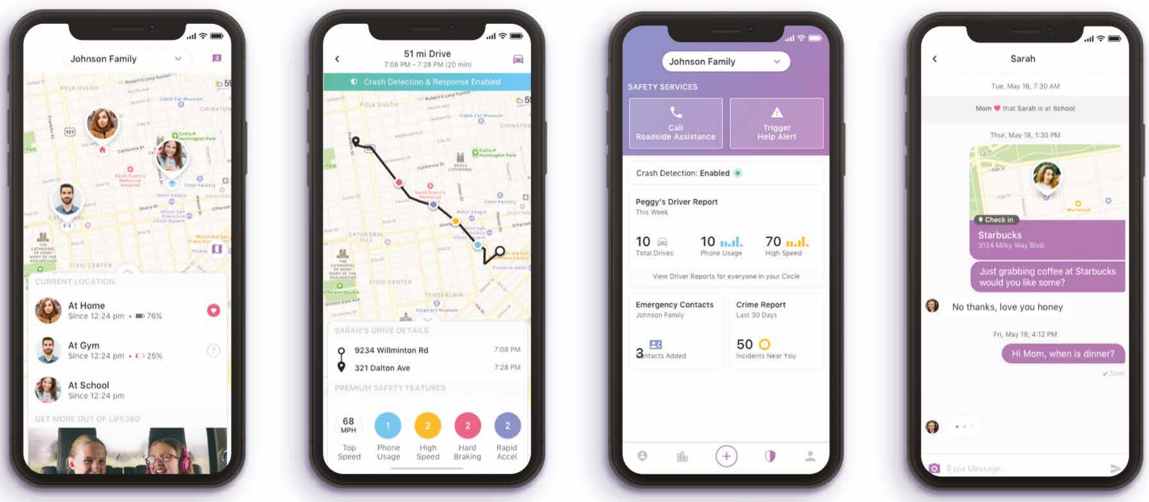
We jointly developed the ADT Go App and are paid fees for hosting and developing this co-branded service. ADT led our Series C financing in 2014. This is a legacy revenue source and we expect partnership revenue from ADT to potentially fall over time.

2.5. Overview of product and technology

2.5.1. Product overview

We are a membership Platform that is built around four main pillars: location, driving, safety and co-ordination to help families feel safe and stay co-ordinated with the people they care about the most. The Life360 App experience starts with families creating private Circles to share each other's current location, places visited, driving data and other activities performed throughout the day. Life360 notifies Circle members on location activity and offers direct messaging features to facilitate co-ordination for the family. Beyond helping with daily activities, Life360 protects families through safety-related features such as Help Alerts, Crash Detection, Crime Reports and Roadside Assistance. Select examples of the Platform's features are shown in Figure 27 below.

FIGURE 27: SELECT EXAMPLES OF OUR USER INTERFACE



2.5.2. Product features and User experience

We combine a sleek and seamless User interface with our artificial intelligence and machine learning capabilities to create a sophisticated yet user-friendly platform. Figure 28 lists the Platform's features and services across our free and premium offerings.

FIGURE 28: LIFE360 SERVICES ACROSS U.S. FREE AND PREMIUM OFFERINGS

		Basic	Life 360 Plus	Driver Protect
Core features	Location sharing	✓	✓	✓
	Real-time mode	✓	✓	✓
	Multiple Circles	✓	✓	✓
	Life customer support		✓	✓
	Place alerts	2	Unlimited	Unlimited
	History	2 days	30 days	30 days
Co-ordination	Messaging	✓	✓	✓
	Check-ins	✓	✓	✓
	Battery monitoring	✓	✓	✓
	Driving ETA	✓	✓	✓
Safety	Help Alert	✓	✓	✓
	Crime Reports		✓	✓
Driving	Drive review & alerts	✓	✓	✓
	Top speed	✓	✓	✓
	Texting while driving			✓
	Rapid acceleration			✓
	Hard braking			✓
	Roadside Assistance			✓
	Crash Detection			✓
	24/7 Ambulance dispatch			✓
	Weekly driver report			✓

Core features

The Life360 App provides Users with a custom map that shows the real-time location of all the members in their Circles. Our technology enables us to efficiently capture accurate location data even when the App is running in the background, so we can ensure that a User's map is always up to date, even if other members of their Circle never open the App. We also provide additional context around that location data such as street address and battery level to provide a rich window into what other Circle members are doing.

Going beyond current location, Life360 also lets Users see the location history for each member in their Circle. Through both full day overview and detailed timeline views, we provide Users with a detailed play-by-play of all the locations that their Circle members have visited.

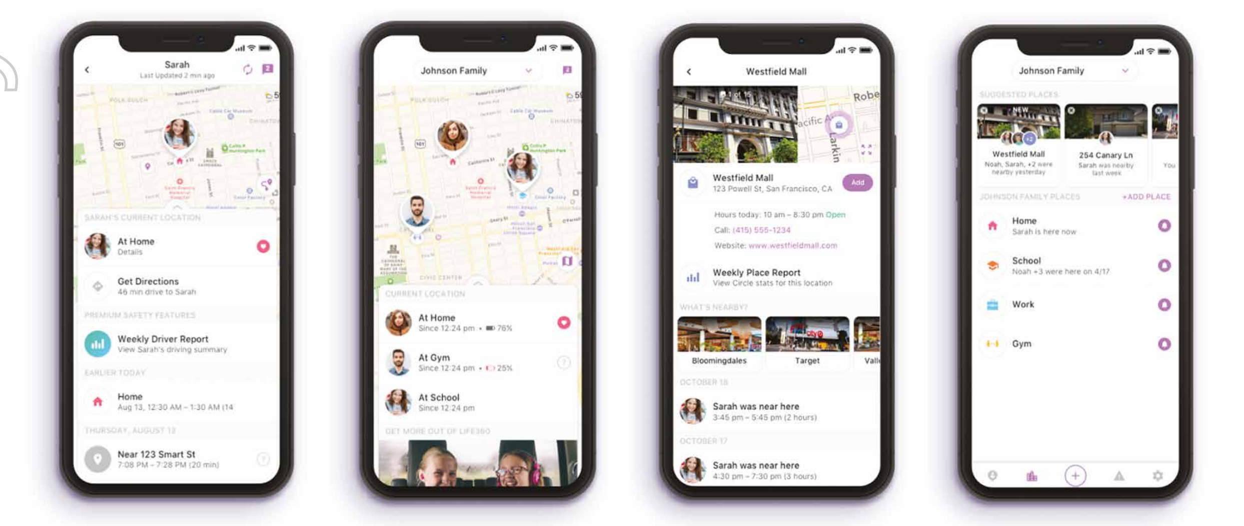
Finally, the App provides the option to temporarily pause location sharing at the touch of a button, so Users are always in control of their own privacy.

Users can further enhance their experience by tagging the important places that Circle members frequently visit, such as home, work, school or any other point of interest (**Place**). Places can be quickly added from the map or through a list of places visited in the location history. Each Place can be set up with "geo-fence" alerts to notify the entire Circle whenever members enter or exit the area.

By combining Life360's comprehensive location data with our advanced data science tools, we are also able to automatically identify significant places in a User's life and understand their behaviour patterns with those places. This enables us to highlight any significant deviations from their typical routines. The Platform's core features are further detailed in the table below. Screenshots showing some of these core features are also set out in Figure 29.

	Service	Description	Current region offered
Core features	• Location sharing	• Pinpoint accurate location sharing that is specific to each Circle and can be turned on or off by each User on demand	• Global
	• Real-time mode	• Real-time GPS tracking that enables each User to track the exact location of everyone in their private Circle	• Global
	• Circles	• Circles are a way to stay connected to important people in your life in private groups. Messaging, location sharing and check-ins are all Circle-specific, and every User has control over who is invited to join their Circle	• Global
	• Customer support	• Live customer support	• U.S. only
	• Place alerts	• Places are User defined areas that allow for alerts to be sent within a Circle when members enter or leave specified locations	• Global
	• History	• Up to 30 days of location history is stored within the App	• Global

FIGURE 29: LOCATION SHARING AND PLACES INTERFACE

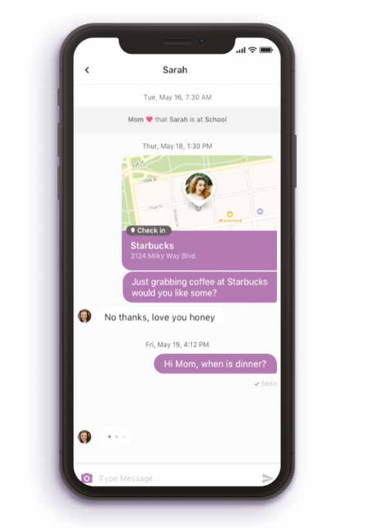


Communication / co-ordination

Our messaging service allows families to communicate within their Circles either individually or through a group chat. In addition to traditional messaging and photo sharing capabilities, Life360 offers location-based check-ins and reactions as a unique way for families to start a conversation. With check-ins, family members can let their Circles know that they have safely arrived at a location. We also support location reactions as a way to show interest in a User's daily activities in a simple and light touch way. All of our messaging services are enhanced by a smart notification platform that analyses all of the Circle's activities and communication touch points to help families stay co-ordinated throughout the day. The Platform's communication / co-ordination oriented features are further detailed in the table below. A screenshot showing the Platform's communication interface is also set out in Figure 30.

	Service	Description	Current region offered
Co-ordination	• Messaging	• In-app group or private messaging between Circle members with message notifications and read receipts	• Global
	• Check-ins	• Allows Users to send their location instantly to every member of their Circle with the touch of a button	• Global
	• Battery monitoring	• Displays current battery level to members within your Circle	• Global
	• Driving ETA	• Provides Push Notifications regarding ETA of a Circle member	• Global

FIGURE 30: COMMUNICATION INTERFACE



Safety

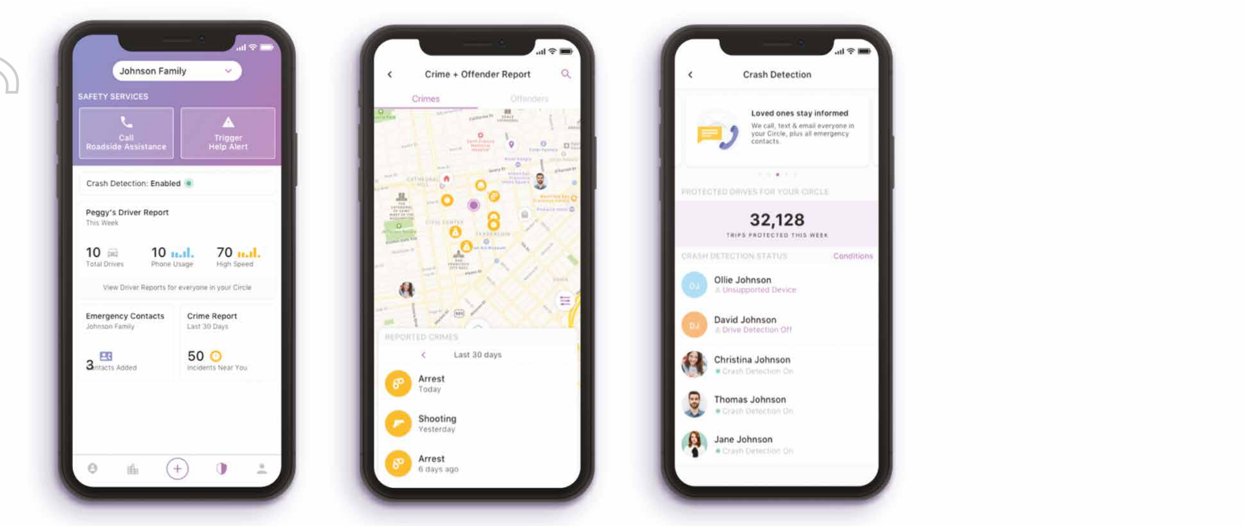
The Life360 App provides Users with easy to access safety features including Help Alert and Crime Reports (further details of which are set out in the table below). Additionally, two new features are currently under development, being document locker and emergency guides.

- **Document locker (in progress):** Whether at the doctor's office, traveling abroad or during a medical emergency, document locker will enable Users to keep a digital copy of their most important documents, with access at their fingertips. Users will be able to upload and safely store important medical, travel and government issued identification to give Circle members quick and easy access.
- **Emergency guides (in progress):** Life360 Users can stay prepared and informed on what to do and how to take action during emergencies. Emergency guides will provide in-app first aid and emergency action information covering basic caregiving and safety steps for a range of situations, including medical emergencies and natural disasters.

Screenshots showing some of these safety features are set out in Figure 31 below.

	Service	Description	Current region offered
Safety	• Help Alert	• In-app button that sends an emergency message via email, in-app message and phone call to every member of a User's Circle and emergency contacts	• Global
	• Crime Reports	• Provides in-app locations on a User's map, identifying areas where a crime has recently been reported	• U.S. only

FIGURE 31: SAFETY INTERFACE



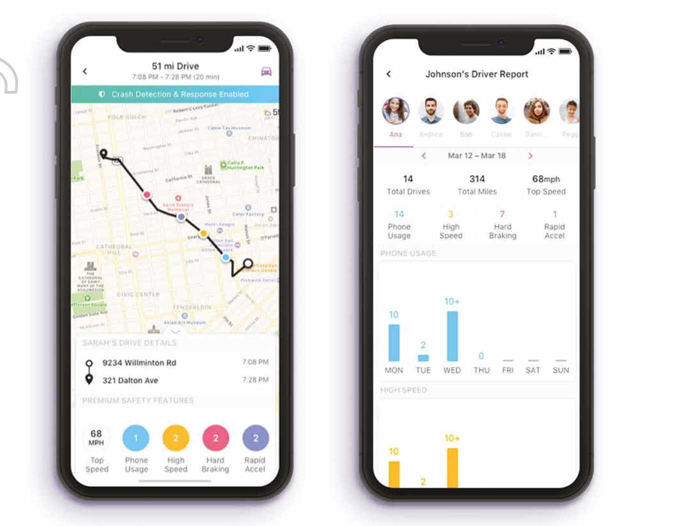
Driving

Recognising the potential dangers of getting behind the wheel, the Life360 App provides Users with a full suite of driving services including driving behaviour analysis, extended Roadside Assistance, automatic Crash Detection and emergency response when the User is both driving and is a passenger. The Platform's driving services are further detailed in the table below. Screenshots showing some of these core features are also set out in Figure 32.

	Service	Description	Current region offered
Driving	• Drive review and alerts	• Detects and records driving information and behaviour such as top speed, rapid acceleration, texting and hard braking, location and route. This information can then be sent as a report or an alert to members in your Circle	• Global
	• Top speed	• Reports the top speed recorded at the end of a drive after all data is accumulated	• Global
	• Texting while driving	• Determines phone usage by detecting movement of the phone. It will not detect an actual call or text or use when the vehicle is stopped or within a hands-free device	• Global
	• Rapid acceleration	• Identifies a sudden burst of speed in a short amount of time, defined as Nmph / sec change in speed. A machine learning algorithm subjectively rates acceleration as rapid based on initial speed	• Global

	Service	Description	Current region offered
Driving continued	• Hard braking	• Shown when the vehicle comes to an abrupt stop or brakes aggressively, defined as 10mph (16kmph) / sec change in speed. This is equal to braking hard enough to slow the vehicle by 10 miles (16 kilometres) per hour or more in one second	• Global
	• Roadside Assistance	• Provides roadside assistance covering towing, flat tyres, lock outs, jump starting a battery, running out of fuel and concierge services	• U.S. only
	• Crash Detection	• Using proprietary technology and sensors on the smartphone, Life360 Driver Protect can automatically detect when a Circle member is involved in a serious accident. Life360 trained advisors will immediately contact emergency responders and family members to provide accident location coordinates	• U.S. only
	• 24/7 ambulance dispatch	• In the case of a detected emergency, Driver Protect will dispatch emergency services to the incident location	• U.S. only
	• Weekly driver report	• Displays one week of Safe Drive Reviews, which provides a snapshot of top speed, phone usage, high speed, rapid acceleration and hard braking	• Global

FIGURE 32: DRIVING INTERFACE



2.5.2.1. Technology platform

We have designed our technology architecture with a number of core principles in mind to ensure that it is scalable, multi-platform, easy to update and built to support future development.

- **Scalable, cloud-based infrastructure:** We maintain a capital-light cloud infrastructure, allowing us to focus on running and scaling our service rather than building our own infrastructure. We use Amazon Web Services (**AWS**) for the majority of our computing, storage, bandwidth and other needs. Given these capabilities, we are confident we can continue to meet our Users' needs as we grow.
- **Mobile-first:** Our mobile architecture is the product of years of development experience and we continue to improve and adjust its features. Our mobile interface is built to be outwardly sleek and aesthetically pleasing, while capturing the full power and utility of our Platform. It has been developed for those on the go, integrating the latest advances in human-machine interaction for touch screen fluidity.
- **Platform agnostic:** We believe that Users should be able to connect to their families and access membership services wherever, whenever and on any device. We continue to grow the number of our relationships with key hardware vendors. The Life360 App supports iPhone (iOS) and Android eco-systems. The Life360 website supports most standard web browsers including Safari, Chrome and Internet Explorer.
- **Rapid updates and agile development:** Through our advanced development environment, we are able to quickly distribute product improvements, constantly bringing an improved Life360 experience everywhere. We employ agile development techniques and processes, making continuous and flexible product improvements.
- **Regular data refresh:** We use many large-scale data storage technologies, in which data is continuously collected to update our datasets with User activity. This allows Users to accurately locate family members in real-time.

2.5.2.2. Technology overview

We operate a sophisticated technology Platform that delivers a high quality App for Users, but does not require high data or battery usage from the end User. Access is required to available sensors in a User's phone to deliver optimum experience.

- **Location tech:** Our Platform collects raw sensor data from all available sensors on the User's phone, including GPS, Wi-Fi, accelerometer, gyroscope and magnetometer. Once the data is collected, it is processed by our internal software to filter out low accuracy points and signals. It is further processed and clustered immediately for use in our features and stored to provide longer term insights to our Users. We have approximately 650 TB of data stored with an additional 1 TB coming into the system every day. This translates to approximately 85 billion location points and 12.5 billion driving miles being saved every single month.
- **Data science:** We have a team of dedicated data scientists located in San Diego who collectively have decades of experience analysing location and sensor data. This team is focused on analysing our significant data stores and creating insights for the Company, our Users and our strategic partners.
- **Patents:** We have 25 patents issued and pending which relate, but are not limited, to the accuracy of location data, battery conservation and geo-fencing (refer to Section 2.9 for further details).

- **Reviews:** The quality of our Platform is demonstrated by our positive User reviews. On the Apple iTunes App Store, we had a rating of 4.8 / 5.0 from ~428,000 cumulative reviews as at March 2019, whilst on the Google Play Store, we had a rating of 4.5 / 5.0 from ~922,000 cumulative reviews as at March 2019.

2.5.2.3. Product development

We are continuously investing in research and development to improve our Platform and extend the range of our membership services. Our drive for innovation comes from the belief that we can create products and services that will improve the lives of the people who use them; whether that be by providing connection, protection or simply peace of mind to the families that rely on our Platform.

Our Platform is the result of continuous refinement after feedback and direct engagement with our User base. As at December 2018, more than 70% of our workforce was engaged in improving the Platform and developing the next generation of features, services and products that we intend to bring to market in the future. In addition, we undertake a Life360 App update every two weeks, equating to approximately 25 releases per year. All Platform upgrades and patches are delivered without interruption to Users. Such upgrades include product enhancements, software quality management, defect resolution, patching and release control.

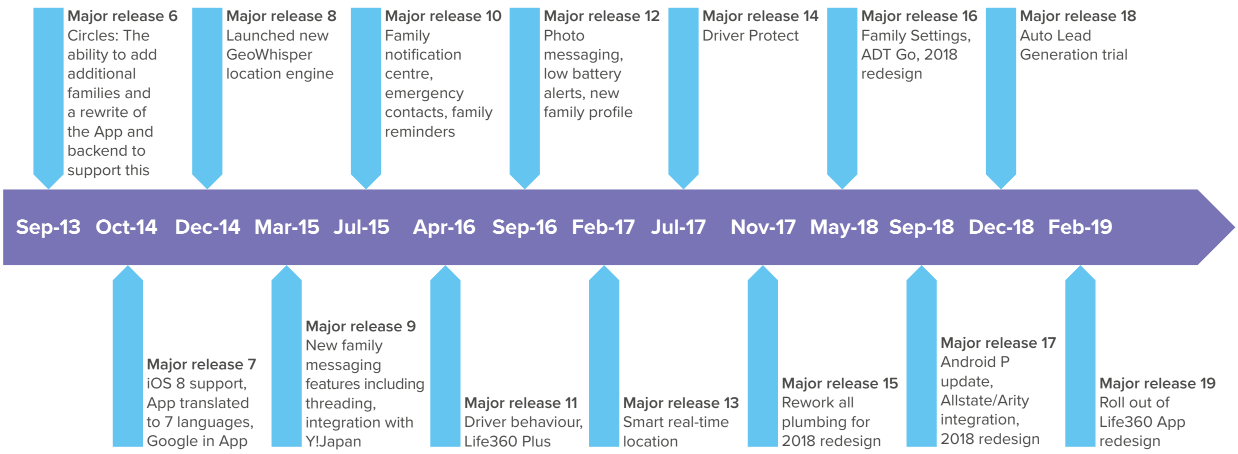
Development initiatives

We expand our Platform by developing and commercialising innovations, including through:

- Developing new network services to enable increased connectivity;
- A focus on accurate and reliable location data;
- Our User-centric approach, with a strong focus on security, privacy, quality, reliability and usability;
- Ability to integrate and use across multiple geographies; and
- Investing in disciplined development processes and scalable technology to ensure our Platform can accommodate growth in data storage and User numbers.

An overview of our historical product development initiatives is outlined in Figure 33.

FIGURE 33: PRODUCT INNOVATION TIMELINE



In 2017 we undertook a major product launch with the release of Driver Protect, a new driving solution for Users that provides route tracking, Roadside Assistance, emergency response and analysis of driving behaviour in the U.S., with limited International functionality. We also completed a full redesign of the Platform's User experience, adding new functionality around safety and places while completing a re-write of 30% of legacy code, improving speed. These developments will increase our competitive advantage and appeal across the U.S. and Internationally.

We also have two major projects currently underway:

- A complete redesign of the Life360 App which encompasses expanding features around safety and family places, and replacing the remaining legacy code and core driving technology; and
- The deployment of targeted advertising, or lead generation, for auto insurance which will provide insurance offers to Users based on their unique driving information.

Product development approach

Our product development approach is modelled to enable accountability, innovation and efficiency while allowing rapid iteration and nimbleness. We use a “swim lane” model and each swim lane is structured by a small team that operates with a common goal. Each team consists of a product leader, design leader, technical partner and three to six engineers who focus on a key area of the value proposition: monetisation, growth, location and driving, and safety. Product leaders take ownership of User research and data analysis to craft strategies and define tactics and topline metrics, enabling each swim lane to directly impact our value proposition and revenue opportunities. At present, we have five swim lanes, however we are targeting nine teams by the end of 2019 which will allow us to move faster and provide additional focus to innovative developments while growing and broadening our service offering.

Our software is developed following “agile” methodologies: small cross-functional teams that release frequently (every two weeks) and iterate often for continuous improvement. We believe in a “test driven development” approach for clear specification, quality code base and ease of new feature integration. Each time a new feature is developed, it is run on an experimentation platform to ensure the code for that feature is compatible with existing software and functionality. The use of an experimentation platform improves the software’s stability through the early detection of potential issues. Once the team is comfortable, it is seamlessly integrated into our existing Platform.

2.5.2.4. Future membership Platform

In 2019 and beyond we plan to develop the Platform to provide a more significant “membership” experience. This will involve expanding the features of the Life360 App and customised services offered, as well as ensuring that Life360 is everywhere a family needs to be connected.

Building on our core Life360 App value proposition, we will continue to develop features around location, safety and driving. In the home category, we will explore family optimised services such as home security and home insurance. In the auto category, building on our existing Driver Protect offering, we are exploring direct to consumer auto insurance. Finally, in the life category, elder care, family identity protection, panic emergency response and various family insurance offerings are possible new services to offer our Users.

There is also an opportunity to deliver family services to devices beyond the smartphone. In the home category, smart home devices such as Amazon Alexa and Google Home offer a new platform for services to assist families. In the auto category, emerging auto platforms such as Apple’s CarPlay and Google’s Android Auto will allow us to extend more deeply into auto-related features. In the life category, wearables and tracking devices will help us create features for pet and child monitoring (for example, location-based service trackers), elder care services (for example, smart watch monitoring) and item tracking.

2.5.2.5. Security and customer support

2.5.2.5.1. Security

As trusted custodians of our Users’ data we understand the importance of data protection and information security. We invest in technology, processes and people as part of our commitment to safeguarding our Users’ information and building their trust, and will continue to invest in the security of our Platform to securely deliver membership services to Users.

Our key technology risk mitigation tools include:

Risk infrastructure

- Our information security specialist maintains a robust information security program based on security policies and procedures that are designed to safeguard the confidentiality, integrity and availability of User information. The program incorporates risk assessment, training, access control, encryption, service provider security policy reviews, an incident response program and continuous monitoring and review;
- Our infrastructure team (comprising six engineers) are responsible for monitoring security and responding to security issues;
- Product managers have been trained to identify and mitigate vulnerabilities in product design and development; and
- We perform background checks on key employees.

Standards

- We are PCI DSS Compliance SAQ A 3.2 rev 1.1 compliant, which are security standards for the processing of electronic payments;
- We have developed and implemented internal standards related to redundancy, security, capacity and performance; and
- We are independently verified by VeriSign.

User data handling

- We use bank level (Secure Sockets Layer) encryption and other military grade security protocols;
- We apply strict firewall rules; and
- We maintain logically segmented networks.

Monitoring and testing

- We use Rapid7, a reputable third party IT security and analytics firm, to perform penetration testing services to simulate a real-world attack on our networks, applications, devices and people to identify the security level of our key systems and infrastructure;
- We have testing processes for software and infrastructure changes with structured releases of updates and containment barriers to enhance the quality of our Platform;
- We conduct both static and dynamic analysis testing on software changes prior to release;
- We continually monitor our environment using a selection of software infrastructure tools; and
- We perform periodic internal and external testing of our environment to verify security and control effectiveness.

2.5.2.5.2. Standard terms

Our standard terms with Users include a Privacy Policy, Data Use Policy and Terms of Use.

These policies and terms have been specifically drafted to clearly and transparently describe our data use practices, how privacy works with Life360 and the terms under which our membership services are offered. They are available on our website.

2.5.2.5.3. User support

Customer care is an integral part of our offering and ethos. Not only do we deliver billing and technical assistance, the customer department deploys 24/7 Roadside Assistance and immediately sends emergency responders when a User is detected to be in a collision. To deliver these services, we utilise contact centres. For the month of December 2018, 22,547 unique support inquiries (email and phone calls) were received and 527 collisions detected.[44] We have 13 dedicated customer care representatives in Las Vegas and Honduras via a contract relationship with Knoah Solutions. Emergency response support is provided by a shared call centre run by AvantGuard Monitoring out of Salt Lake City.

In addition, Users have access to a help area in the Life360 App (FAQ) where they can find answers to their questions.

2.6. Growth strategy

2.6.1. Key pillars of our growth strategy

Our overarching goal is to become the leading provider of relevant services to our family-centric membership base. In order to achieve this goal, we are primarily focused on growing our User base through increased uptake of our freemium offering. This growth strategy will further stimulate the flywheel effect (described in Section 2.3.2) and increase the size of our captive audience, which in turn presents more monetisation opportunities. The key pillars to increase the size of our User base while further increasing User engagement are:

- **Growing customer awareness of the Life360 brand and driving User acquisition:** To date, we have primarily relied upon word of mouth recommendations and the flywheel effect to achieve our strong growth. Going forward, we will invest in building brand recognition via various marketing channels including Paid Social (Facebook and Instagram), Apple Search Ads and Google Search Ads. In addition to brand awareness investments, we will invest in deepening and expanding our existing User acquisition channels and invest in identifying and developing new User acquisition channels. Our existing channels include Apple iTunes App Store, Google Play Store, Facebook and Instagram. Examples of future targeted channels include Ad networks, YouTube and Pinterest, all of which represent opportunities to address family member Users.

44 As at December 2018. Monthly crash responses include all signals, including unverified and false crash detections.

- **Expanding the functionality of our Platform through innovation:** Core to our growth strategy is relentless product development and investment in innovation to expand our Platform. In CY17 and CY18, we invested US$9.3 million and US$15.7 million in research and development respectively, and this is expected to increase to US$29.9 million in CY19F. Furthermore, as at December 2018, more than 70% of our workforce engaged in product development as we believe the quality, depth and breadth of our Platform drives our success. We plan to regularly upgrade and expand our Platform to increase User engagement, increase word of mouth recommendations by existing Users and also attract new Users with no prior connections to our Platform. In addition, we are looking to expand our functionality into new devices and technologies, for which smartphones act as a gateway. For example, integration with auto, smart home security and wearable devices are all viable opportunities for which our Users have expressed interest. Ultimately, this will allow us to be present in every location the family needs us to be.
- **Expansion of service and product offering via partnerships:** We have a large and captive audience and as a trusted brand, we will be able to expand our product and service offering to our User base. This will be achieved through jointly launching products and services with our partners (for example, targeted insurance offers with Allstate). These offerings utilise our unique customer insights and add to the end User experience. We also continually evaluate opportunities to develop new offerings which matter to the family unit. Examples of potential future offerings include identity theft, home security and home insurance products and services. In the longer term, we plan to offer our own branded products and services to take advantage of our low operating cost base.
- **International expansion:** We are currently primarily focused on the U.S. market, however our potential addressable market includes anyone with a smartphone, which is estimated to be 1.5 billion people globally (excluding PRC). We are currently available in all countries where Android and iTunes services are available (excluding PRC), and are able to expand into International markets given our Platform is highly scalable and costs of entry into new markets are low. We have already entered countries including India, the United Kingdom and Brazil, and are focused on increasing our penetration in these markets to replicate our success in the U.S. As illustrated in Figure 35, if we are able to reach similar penetration as the U.S. in these markets, our total number of MAU in key International markets would expand to approximately 56 million. Our expansion and improvement in penetration is expected to be achieved via increased investment in International marketing, provision of new features into these regions and User acquisition efforts. Despite its significant size, entering the PRC market is not currently a strategic focus given the significant investment required due to technological and cultural differences and the strong potential of our other International regions.

Many features that are currently live in the U.S. are not available and/or have limited functionality in other regions. Given the Life360 App's strong and improving Ranking in the social networking and lifestyle categories of the App Stores, we believe significant growth will occur solely by bringing other countries to feature parity with the U.S.

FIGURE 34: LIFE360 IS GAINING TRACTION IN INTERNATIONAL MARKETS

	SOCIAL NETWORKING			LIFESTYLE CATEGORY		
	Apple iTunes App Store Ranking			Google Play Store Ranking		
	2016	2017	2018	2016	2017	2018
	21	6	5	6	4	2
	41	14	7	15	10	8
	47	20	15	20	14	15
	30	11	6	16	7	6
	35	20	12	30	14	10
	53	44	13	56	15	11

FIGURE 35: POTENTIAL MAU IN OUR TOP 5 INTERNATIONAL REGIONS[45] AND AUSTRALIA IF U.S. PENETRATION RATES WERE ACHIEVED

Country	Current MAU (millions)	Current penetration[46]	Current U.S. penetration	Potential MAU (millions)
U.S.		3.1%	3.1%	
Top 5 International	3.8	0.2%		55.7
Australia	0.3	1.3%		0.8
Total	**4.1**			**56.4**

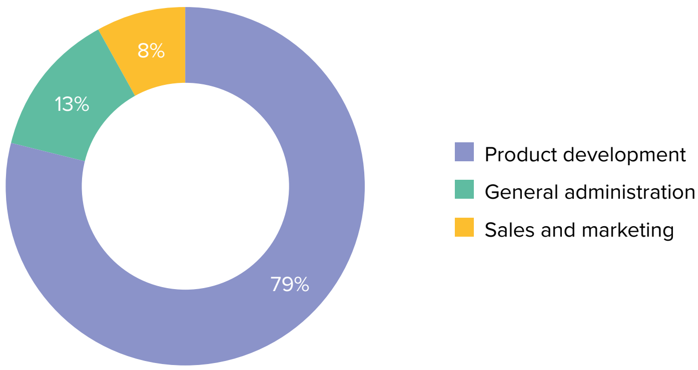
While not our main focus, the aforementioned factors are also expected to result in increased conversion from our freemium services to our premium offering. This will increase our monetisation in the short to medium-term.

Our ability to grow is subject to inherent risks, an overview of these key risks is set out in Sections 4.2.1 and 4.2.6.

2.7. Employees

As at December 2018, we had over 103 full-time equivalent (**FTE**) employees who are all located in the U.S. A breakdown of employees by function is presented in Figure 36 below.

FIGURE 36: BREAKDOWN OF FTE'S AS AT DECEMBER 2018



2.8. Marketing

We have a dedicated marketing team that is focused on improving brand awareness. Our advertising and marketing is currently spread across a range of channels including:

- Public Relations
- Email
- In-app
- Paid Social (Facebook and Instagram)
- Apple Search Ads
- Google Search Ads

45 Includes India, the United Kingdom, Brazil, Thailand and Mexico.
46 Based on population data as at 2017 and sourced from The World Bank (https://data.worldbank.org/indicator/sp.pop.totl).

The current and future focus of our paid advertising is on Apple Search Ads, Google Search Ads and Paid Social (Facebook and Instagram) given these channels have the largest potential audience market. Our advertising is focused on words or Users which align with our values and are likely to download and/or subscribe to the App. We are constantly undertaking analysis to make sure that the money spent on each channel is being returned back through User growth and paid subscriptions.

2.9. Intellectual property

Our success depends in part upon our ability to protect our technologies and intellectual property. To accomplish this, we rely on a combination of intellectual property rights, including trade secrets, patents, copyrights and trademarks, as well as contractual restrictions, technological measures and other methods.

We have strong intellectual property protection over our products and technology. As at the date of this Prospectus, our intellectual property assets are described below:

- **Technology and trade secrets:** Our core intellectual property asset is our Platform, which includes the way we collect and process billions of location points in a battery efficient, cross Platform manner, allowing us to utilise User data and generate unique insights. The existence, operation and scale of our Platform provides a competitive advantage that would be difficult for a new market entrant to replicate.
- **Patents:** We have filed 25 patent applications, of which 11 have been issued. We continue to pursue additional patent protection, both in the U.S. and abroad where appropriate and cost effective. We intend to hold these patents as part of our strategy to protect and defend our technology, including to protect and defend the Company in patent-related litigation. Refer to Appendix 2 for further details.
- **Trademarks:** Our registered trademarks in the U.S. include our primary mark "Life360" and various versions of the Life360 logo, in addition to a number of other Life360 word marks and logos.
- **Domain names:** We have registered the domain name www.life360.com and also own various other domains relating to the Life360 brand.
- **Contractual protections:** It is our policy that employees and contractors enter into agreements with us under which all intellectual property developed by the employee / contractor is our sole and exclusive property. In addition, employee and contractor agreements contain confidentiality obligations and other restrictive covenants.
- **General:** Our intellectual property is otherwise generally protected by copyright and trademark laws, and by contractual and confidentiality obligations as well as statutory and common law rights in the U.S.

2.10. Data privacy and regulation

We are subject to many U.S. (federal and state) and foreign laws and regulations, including those related to user data privacy, data protection and personal information, the collection, processing, storage, transfer, use of personal data and mandatory notification of data breaches, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, protection of minors and consumer protection. These laws and regulations are constantly evolving and may be interpreted, applied, created, or amended, in a manner that could materially harm our business, require changes to our business model or restrict our practices in certain jurisdictions. Furthermore, we are subject to foreign (including European Union (**EU**)) laws and regulations including those related to data protection, privacy, consumer protection and content regulation. Foreign laws and regulations are often more restrictive than those in the U.S. To address the EU's recently implemented General Data Protection Regulation (**GDPR**) and relevant national data privacy regulations in the EU / UK, we have made certain changes to the Life360 App, our Platform, business processes and policies. Notwithstanding, there is a risk that changes implemented and measures taken may be insufficient to comply with material obligations under GDPR and other laws. Whilst we monitor legal and regulatory developments in the U.S., as well as in foreign countries, including the EU and Australia, to implement measures and develop policies and procedures to address those laws and regulations, we cannot confirm that we are materially compliant with all such laws.

2.11. Suppliers

We have developed the majority of our core technology internally. This includes, but is not limited to, the core User interface and location infrastructure.

We use AWS for a majority of our hosting and infrastructure needs, with our core infrastructure being available in three zones located across North Virginia. Each availability zone is spread across one or more distinct data centres separate from each other. Additionally, we have a backup availability zone in Northern California. For longer term file storage, we use S3, which provides a highly scalable, reliable and fast data storage infrastructure that Amazon uses to run its own global network of websites.

We procure mapping services and elements of our technology stacks from Google and Apple. We license Google Maps for Work by purchasing a license agreement through SADA Systems Inc., an independent Google Enterprise Authorised Reseller. Google and Apple are also our distribution partners, with our Life360 App available for download through the Apple iTunes App Store and Google Play Store.

We procure marketing and analytics technology components from Amplitude and Braze. Amplitude is a cloud platform that provides data collection, processing and product analytics to help understand User behaviour, including engagement, retention and revenue. Braze is a lifecycle engagement platform offering data, teams and technology, providing value-add opportunities to messaging and engagement across devices channels and platforms.

Other external suppliers of goods and services relate to computer hardware and equipment providers. For these suppliers, we believe there are currently alternate suppliers from which we could readily acquire replacement goods or services should the need arise.

3. INDUSTRY OVERVIEW

3. INDUSTRY OVERVIEW

3.1. Overview

A number of consumer and technological trends have enabled our success to date and provide us with confidence in our ability to disrupt the following legacy industries that we are targeting: General Insurance, residential security systems, crash and roadside assistance, elder monitoring, identity theft protection, and travel and phone insurance. Our position as a mobile-first company lets us package our services in ways that are not readily accessible to legacy incumbents, and are also better suited to today's consumers who look to technology-focused solutions for their daily needs. These trends are discussed below.

3.1.1. Increased prevalence and use of mobile devices

There has been significant growth in the prevalence and use of mobile devices over the past 15 years. Two thirds of the world's population is now connected by mobile devices, with 5 billion unique mobile users as of September 2017 representing global penetration of 67%.[47] This compares to 1 billion users in 2003 or 4 billion users in 2013, and means that mobile has greater global reach than any other technology.[48]

The U.S. represents the second largest market by mobile phone penetration, with 84% of people aged over 18 owning a mobile device as of 2017.[49] This compares to 51% penetration in 2013.[50] Asia Pacific is expected to account for the majority of growth over the next few years.

The majority of mobile phones in use are smartphones whose utility is enhanced by an internet connection. It is estimated that 83% of people who own a mobile phone have access to the internet in the U.S.[51] Approximately 3.7 billion people, or half of the global population, have access to the internet.[52]

As of September 2017, smartphones represented 57% of total mobile phones globally and 82% of total mobile phones in the U.S.[53] Smartphone user growth in the U.S. is highest among those aged 35-55+ while growth for those aged under 35 has slowed due to significant historical uptake.[54] As such, the entire family is becoming connected to smartphones, in particular, family decision makers, which increases our target User base.

User engagement with smartphones is also significant. Globally, 93% of smartphone owners use their phone every day with 100% using it every week.[55] Furthermore, more than one third of smartphone users check their phone within five minutes of waking up and approximately 20% of users access their smartphones more than 50x a day.[56] In the U.S., 91% of smartphone owners use their phone every day with 100% using it every week.[57] This increased engagement with smartphones, and connection amongst families, increases the utility of Apps like the Life360 App which can integrate into everyday life.

Continued growth in smartphone ownership is expected to be driven by the following factors:

- Access to lower cost smartphone devices, which is helping to address the affordability barrier;
- Improved mobile and network infrastructure, which addresses access and coverage barriers;
- Greater levels of consumer readiness and adoption, particularly in areas of low skill and gender inequality; and
- Increased mobile user content, which increases relevance and availability.

3.1.2. Increased prevalence and use of mobile applications

Apps have become an increasingly critical channel for consumer businesses across all industries and the number of Apps available across the Apple iTunes App Store and Google Play Store has expanded to more than 6 million as at December 2017.[58] As such, App marketing, particularly App Store optimisation and paid user acquisition, has become increasingly critical for those looking to stand out.

47 GSMA Intelligence, Global Mobile Trends 2017, September 2017. GSMA Intelligence has not provided consent for this statement to be included in the Prospectus (https://www.gsmaintelligence.com/research/?file=3df1b7d57b1e63a0cbc3d585feb82dc2&download).
48 GSMA Intelligence, Global Mobile Trends 2017, September 2017 (https://www.gsmaintelligence.com/research/?file=3df1b7d57b1e63a0cbc3d585feb82dc2&download).
49 GSMA Intelligence, The Mobile Economy 2018 (https://www.gsma.com/mobileeconomy/wp-content/uploads/2018/02/The-Mobile-Economy-Global-2018.pdf).
50 Deloitte U.S. mobile consumer survey 2017. Deloitte has not provided consent for this statement to be included in the Prospectus (https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-tmt-2017-global-mobile-consumer-survey-executive-summary.pdf).
51 GSMA Intelligence, Global Mobile Trends 2017, September 2017 (https://www.gsmaintelligence.com/research/?file=3df1b7d57b1e63a0cbc3d585feb82dc2&download).
52 GSMA Intelligence, Global Mobile Trends 2017, September 2017 (https://www.gsmaintelligence.com/research/?file=3df1b7d57b1e63a0cbc3d585feb82dc2&download).
53 Deloitte U.S. mobile consumer survey 2017 (https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-tmt-2017-global-mobile-consumer-survey-executive-summary.pdf).
54 Deloitte, Global Mobile Consumer Survey: U.S. edition, 2017 (https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-tmt-2017-global-mobile-consumer-survey-executive-summary.pdf).
55 Ipsos Mori, Why the growth of mobile Apps is good news for brands, 2017. Ipsos Mori has not provided consent for this statement to be included in the Prospectus (https://www.ipsos.com/sites/default/files/2017-08/Google-mobile-apps-report-2017.pdf).
56 Deloitte, Global mobile consumer trends, 2nd edition, 2017 (https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-global-mobile-consumer-survey-second-edition.pdf).
57 Ipsos Mori, Why the growth of mobile Apps is good news for brands, 2017 (https://www.ipsos.com/sites/default/files/2017-08/Google-mobile-apps-report-2017.pdf).
58 App Annie 1801 report, Retrospective 2017 (https://www.appannie.com/en/insights/market-data/app-annie-2017-retrospective).

As at July 2017, it was estimated that over 90% of smartphone users used Apps.[59] Users completed 175 billion downloads of Apps in 2017, which is 60% more than in 2015, and equates to nearly two Apps downloaded every month per person globally.[60]

Emerging markets such as India and Brazil are in the early stages of App maturity and vast download numbers (approximately 10 billion and 5 billion in 2017 respectively) are driven by new smartphone owners discovering and experimenting with new Apps. In 2017, the Indian and Brazilian markets had 215% and 20% increases respectively in the number of downloads compared to 2015.[61]

In mature markets such as the U.S., Apps have become central to users' lives and download growth has stabilised, while engagement and spend continues to rise as users settle into their go-to Apps. However, there is still significant volume of absolute downloads. For example, users downloaded three Apps per month on average in the U.S. with over 70% of users downloading at least one App per month in 2017.[62]

Total consumer spend through Google Play Store, the Apple iTunes App Store and third party Android stores more than doubled between 2015 and 2017 to over US$86 billion, exceeding global box office revenue by 195% and PC / console gaming revenue by 70%.[63] The U.S. market has seen growth in consumer spend between 2015 and 2017 of 75%.

User engagement hit new highs in 2017, with the average global smartphone user accessing close to 40 Apps per month.[64] The average smartphone user globally has 80 Apps on their phone and engages with approximately 50% of these every month.[65] The average daily time spent on Apps increased 30% between 2015 and 2017 and users spend nearly three hours using Apps every day on average.[66] Apps' share of consumer attention continues to grow and has become the most critical channel for digital customer interactions. For example, global App engagement is significantly higher than mobile web engagement with smartphone users spending 7x more time in native Apps than in mobile browsers and accessing those Apps 13x more often.[67]

Apps utilise a number of revenue models including freemium with in-app advertising, freemium with gated features, paid download, in-app one-off purchases and subscriptions. Of these models, subscription-based Apps have become increasingly popular and prevalent in recent years. The subscription model offers users a full suite experience with increased session lengths, resulting in more loyal and engaged App users and a continuous flow of revenue through auto-renewal.

There are a number of factors driving this trend:

- Apple offers developers an 85/15 revenue split for subscriptions services with users who have been subscribed for 12 or more months (versus the regular 70/30 split);
- Subscription-based Apps tend to see higher revenue per user, with a VisionMobile study[68] showing that subscription-based Apps earned 2-3x more per user than Apps that relied on advertising or pay-to-download models, and 50% more than Apps relying on in-app purchases for revenue;
- Subscription models offer a steady, recurring flow of income;
- Developers have increased flexibility to offer discounts to users who commit to six or twelve months subscriptions, creating a lock-in effect and improved user retention; and
- Subscription-based Apps tend to result in higher levels of user engagement, as users seek to maximise use for their monthly or annual fee.

3.1.3. The rise of digital consumer subscription services

The consumer subscription services market has been impacted by the development of new distribution channels through which services are made accessible to users over the internet, or in the cloud, as opposed to being deployed via hardware "on-premises". The development of cloud-based delivery models has resulted in a transition from traditional product licenses to subscription-based revenue models. A cloud-based subscription model is a business model in which customers pay a

59 Ipsos Mori, Why the growth of mobile Apps is good news for brands, 2017 (https://www.ipsos.com/sites/default/files/2017-08/Google-mobile-apps-report-2017.pdf).
60 App Annie 1801 report, Retrospective 2017. App Annie has not provided consent for this statement to be included in the Prospectus (https://www.appannie.com/en/insights/market-data/app-annie-2017-retrospective).
61 App Annie 1801 report, Retrospective 2017 (https://www.appannie.com/en/insights/market-data/app-annie-2017-retrospective).
62 App Annie 1801 report, Retrospective 2017 (https://www.appannie.com/en/insights/market-data/app-annie-2017-retrospective).
63 App Annie 1801 report, Retrospective 2017 (https://www.appannie.com/en/insights/market-data/app-annie-2017-retrospective).
64 App Annie 1801 report, Retrospective 2017 (https://www.appannie.com/en/insights/market-data/app-annie-2017-retrospective).
65 App Annie 1801 report, Retrospective 2017 (https://www.appannie.com/en/insights/market-data/app-annie-2017-retrospective).
66 App Annie 1801 report, Retrospective 2017 (https://www.appannie.com/en/insights/market-data/app-annie-2017-retrospective).
67 App Annie 1801 report, Retrospective 2017 (https://www.appannie.com/en/insights/market-data/app-annie-2017-retrospective).
68 VisionMobile, Which Apps make more money, 2013 (http://info.localytics.com/blog/subscription-based-apps-pros-cons-and-how-to-make-the-big-bucks). VisionMobile has not provided consent for this statement to be included in the Prospectus.

recurring fee to access a software product or service for a specified period of time. Gartner estimates that by 2020, all new software entrants and 80% of existing software vendors will offer a cloud-based and subscription-based business model.[69]

Increased accessibility, flexibility and affordability have also meant that consumers are switching from an ownership model towards cloud-based, subscription-based, on-demand services. According to Zuora, consumer subscription services grew 8x faster than the S&P 500 and 5x faster than U.S. retail sales in 2017.[70] As a result, the use of cloud-based subscription services has gone mainstream, with the Harvard Business Review reporting that 30% of cloud-based subscription service users are aged 35-54 and 22% are aged 55 or older.[71] Examples of current cloud-based consumer subscription models include Spotify, which operates in the music space, Match, which operates in the online dating space, Facebook, which operates in the social media space, and Amazon Prime, which operates in the logistics space.

As illustrated in the table below, these consumer subscription businesses have a variety of monetisation models with some offering subscription-only services, while others offer a freemium service (simple and basic services offered for free for the user to try and more advanced or additional features offered at a premium) which is often supported by advertising and subscription monetisation. We believe that our freemium led offering will build a significant User base which increases the range of our monetisation opportunities.

	Life360	Spotify	Match	Facebook	Amazon Prime	Netflix
Monetisation	• Freemium • Lead gen • Subscription	• Freemium • Advertising • Subscription	• Freemium • Subscription	• Advertising	• Subscription	• Subscription

3.1.4. Expansion of the Internet of Things (IoT)

There has been a rapid expansion of the IoT, which is creating networks of interconnected physical devices embedded with electronics, software and sensors. This in turn enables the collection and exchange of data amongst devices. A range of interconnected devices are being adopted by households such as connected home devices, smart watches and fitness trackers. Within the U.S. as of September 2017, 15% of homes had digitally connected devices, smart watch penetration reached 17% and 25% of the population had a fitness tracker.

Life360 is in a strong position to capitalise on the rise of the digitally connected lifestyle as households adopt an increasing number of interconnected devices. Our Platform is designed in a way that allows for the expansion of our offering into new devices (for example, the Life360 App could be paired with smart watches and wearable devices). Additionally, Life360 can offer new, contextually relevant products and services to its Users. For example, a Circle could be integrated with a connected house so that the departure of all members of the Circle results in the connected house doors locking automatically. Currently, we are live in the U.S. with Amazon Alexa, where our Users can ask Alexa where their family members are without having to use the Life360 App directly.

3.2. Overview of our target industries

We have amassed one of the world's largest digital audiences of security-conscious families. Because we offer our Users peace of mind, we are positioned to act as a gatekeeper for products that generally fall under the family safety and co-ordination umbrella. As outlined in Section 2.3, we have demonstrated our ability to disrupt the roadside assistance and crash detection markets with our Driver Protect product. The following industries are ones where we believe we have a similar ability to either build our own services which are better and more cost effective than legacy options, or can use the data we collect on our Users to offer partner services at contextually relevant times.

3.2.1. General Insurance

General Insurance (**GI**), otherwise known as property, auto and casualty insurance, includes all forms of insurance that do not fall under life insurance policies. The global GI insurance market was worth approximately US$2 trillion in 2016, with the U.S. accounting for 39% of the market while Asia Pacific accounted for 24%.[72] The global market grew at a 5% CAGR between 2012 and 2016 driven primarily by the emergence of the Asia Pacific market.[73]

69 Gartner, Market trends: prepare now to smooth the inevitable transition to a subscription-based business model, April 2017. Gartner has not provided consent for this statement to be included in the Prospectus (https://www.gartner.com/doc/3681038/market-trends-prepare-smooth-inevitable).

70 Zuora, Subscription Economy Index report, November 2017. Zuora has not provided consent for this statement to be included in the Prospectus (https://www.zuora.com/wp-content/uploads/2017/06/Zuora-2017-Subscription-Economy-Index.pdf).

71 Harvard Business Review, The on demand economy is growing, and not just for the young and wealthy, April 2016. Harvard Business Review has not provided consent for this statement to be included in the Prospectus (https://hbr.org/2016/04/the-on-demand-economy-is-growing-and-not-just-for-the-young-and-wealthy).

72 MarketLine Industry Profile, Global Non-Life Insurance, 2017. MarketLine has not provided consent for this statement to be included in the Prospectus (https://store.marketline.com/report/mlig1749-06--non-life-insurance-global-industry-guide-2017/)

73 MarketLine Industry Profile, Global Non-Life Insurance, 2017 (https://store.marketline.com/report/mlig1749-06--non-life-insurance-global-industry-guide-2017/).

Auto insurance represents the most lucrative sub-sector, with total global gross written premiums of US$790 billion, equivalent to 39% of the market's overall value in 2016.[74] The property segment contributed global gross written premiums of US$404 billion, equivalent to 20% of the market's overall aggregate value in 2016.[75]

Due to the diverse areas covered by GI, there is a range of different factors driving market growth. Overall improved levels of economic activity tend to raise demand for non-life insurance products. Demand for policies is also influenced by the underlying number of covered products. For example, auto insurance is influenced by the number of motor vehicles.

The insurance market is becoming digitalised and this is influencing how customers access insurance, as well as how insurance providers collect data and price and offer their products. The shift towards digitisation is allowing insurance companies to gain greater insights into customers and consequently offer consumers a bespoke insurance product. An example of this is UBI, which is differentiated from traditional insurance as it rewards "safe" drivers by giving them lower premiums or a no-claims bonus. Companies relying on this technology are able to offer these benefits to customers through access to their driving data.

Our partnership with Allstate will allow Allstate to provide contextually relevant car insurance offers to Users based on how they drive and is expected to launch in 2Q19. Refer to Section 2.4.2 for further details about this partnership.

Given the reach of Life360's data collection from our Users, other GI products can also be disrupted by digitisation, such as home and contents insurance.

3.2.2. Residential security systems

Residential security systems are grids of integrated devices working collectively with a central control panel to defend against potential home intruders, including door and window sensors, wired or wireless security cameras, motion sensors, safety and security alarms and electronic and smart locks.

The global residential security systems market was valued at US$22 billion in 2015.[76] The U.S. comprised 49% of the total global market, or US$11 billion annually, as at the end of 2015.[77] In 2015, penetration of the residential security systems market in the U.S. was approximately 20%.[78]

Growth in the market is expected to be driven by two primary factors: security and safety concerns, and advances in technology. The evolution of smart homes has increased the installation of centralised control systems in homes that are cloud compatible and can be connected to smartphones. This allows homeowners to monitor and control their security systems from remote locations. Technology and design advances have also led to the rise of do-it-yourself systems, which are highly functional, user-friendly and cost-effective alternatives to relatively expensive professionally installed systems, thus increasing penetration amongst younger homeowners or those with smaller budgets. Insurance providers have also begun offering discounts on home insurance to people who have installed a monitored security system.

We believe that the data we collect from Users will give us the ability to determine when our Users are intending to purchase a home and/or have moved into a new home. As most home security systems are purchased in connection with a move, being the first to know home-mover information is advantageous to home security providers. We believe we have a competitive edge to provide contextually relevant home security system offers to our Users with partners in the home security space.

Not only do we have proprietary data in relation to home moves, we believe that in the future we could improve the functionality of existing home security systems, for example, by integrating the systems with the Life360 App and developing additional features such as an automatic arm and disarm of the home security system based on the location of family members.

3.2.3. Crash and roadside assistance

Crash and roadside assistance covers accident response, flat battery, flat tyre, lock outs, fuel delivery, towing / breakdown and general assistance. Towing, tyre change and jump starts are estimated to make up approximately 85% of all call-outs.[79]

74 MarketLine Industry Profile, Global Non-Life Insurance, 2017 (https://store.marketline.com/report/mlig1749-06--non-life-insurance-global-industry-guide-2017/).
75 MarketLine Industry Profile, Global Non-Life Insurance, 2017 (https://store.marketline.com/report/mlig1749-06--non-life-insurance-global-industry-guide-2017/).
76 Technavio, Global Residential Security Systems Market, 2016-2020. Technavio has not provided consent for this statement to be included in the Prospectus (https://www.technavio.com/report/global-embedded-systems-global-residential-security-systems-market-2016-2020).
77 Technavio, Global Residential Security Systems Market, 2016-2020 (https://www.technavio.com/report/global-embedded-systems-global-residential-security-systems-market-2016-2020).
78 Technavio, Global Residential Security Systems Market, 2016-2020 (https://www.technavio.com/report/global-embedded-systems-global-residential-security-systems-market-2016-2020).
79 Wheels White paper, Roadside Assistance Programs, 2017. Wheels has not provided consent for this statement to be included in the Prospectus (https://www.wheels.com/public/why-wheels/thought-leadership/white-papers/wheels-roadside-assistance-white-paperfn).

Approximately 91% of households in the U.S. own a car.[80] A survey commissioned by Allstate found that 95% of drivers in the U.S. have experienced a disabled or un-drivable vehicle on at least one occasion and the AAA reported 32 million U.S. drivers required roadside assistance in 2016.[81] Additionally, there are approximately 6 million car accidents in the U.S. every year, resulting in more than 90 fatalities per day and over 3 million injuries.[82] As a result, the crash and roadside assistance market in the U.S. was worth approximately US$7 billion in FY18.[83]

There are a variety of organisations across the U.S. that either directly or indirectly provide emergency roadside assistance services to customers. Examples include new vehicle manufacturers, insurance companies, membership organisations and motor clubs such as AAA. For retail consumers, motor clubs dominate the roadside assistance market with 15 major motor clubs operating in the U.S. AAA is the largest with 51 million members. Roadside assistance is often bundled with motor vehicle insurance. Additionally, companies such as OnStar provide emergency crash response services, including automatic crash detection through on-board sensors, by sending a notification and GPS location to emergency response services (refer to Section 2.3.1 for further detail).

3.2.4. Elder monitoring

The elderly monitoring market includes a range of wearables, smart home technology and other monitoring devices that provide location and health tracking, incident alert (such as a fall) and other communication services for elderly users, their caregivers and families. The elderly care market in the U.S. was valued at US$391 billion in 2016.[84] Conditions for growth in the market are favourable, with the elderly population (aged 55 and over) comprising 91 million people, or 28% of the total U.S. population, in 2016 and expected to grow to 112 million, or 32% of the total U.S. population, in 2030 according to U.S. census data.[85] The elderly monitoring market, a subset of the elderly care market, is still in its infancy with fewer than 75,000 homes in the U.S. using technology solutions for elderly monitoring in 2015.[86] In addition to an aging population, a number of factors are likely to drive strong market growth over the coming years, including:

- Health care expenditure on the elderly (aged 55 and over) is approximately 3-5x higher than for those of a younger age;[87]
- A trend towards independent living, resulting in increased demand for elderly monitoring products and services;
- Technological developments resulting in cheaper and easier to use products and services; and
- A larger range of products covering smart home devices and remote monitoring.

We have the opportunity to enter this market because the way many of our Users use the Life360 App today is very similar to the way hardware-based elder monitoring devices are used. We may be able to implement software-based functionality into the Life360 App that tracks an elder's activity as well (such as falls, leaving the home or leaving a geo-fenced area). We may also be able to integrate the Life360 App into a wearable device which can be used if the elder develops a condition that precludes them from using a smartphone.

3.2.5. Identity theft protection

The identity theft protection services industry provides monitoring and protection services to businesses and individuals. These services include identity theft insurance, credit monitoring, threat assessment and identity theft response. The U.S. identity theft market was valued at US$2.8 billion in 2017.[88] Companies in this industry primarily provide software and services aimed at reducing risk of identity theft from online or electronic media, with a particular focus on the four most common types of identity theft, being:

- Credit card fraud;
- Employment or tax-related fraud;

80 Governing.com, car ownership in U.S. cities data and map, September 2018. Governing.com has not provided consent for this statement to be included in the Prospectus (https://www.governing.com/gov-data/car-ownership-numbers-of-vehicles-by-city-map.html).

81 Allstate Roadside Services, National survey of drivers; Surprising roadside assistance trends July 2015. Allstate Roadside Services has not provided consent for this statement to be included in the Prospectus (https://www.prnewswire.com/news-releases/new-national-survey-of-drivers-reveals-top-travel-fear-breaking-down-and-waiting-for-help-on-the-side-of-the-road-300117973.html).

82 Driver Knowledge, Car Accident Statistics in the U.S, September 2018. Driver Knowledge has not provided consent for this statement to be included in the Prospectus (https://www.driverknowledge.com/car-accident-statistics/).

83 IBISWorld, Towing in the U.S., November 2018. IBISWorld has not provided consent for this statement to be included in the Prospectus (https://www.ibisworld.com/industry-trends/market-research-reports/transportation-warehousing/support-activities-for/automobile-towing.html).

84 Includes pharmaceuticals, assistive and home care technologies/devices and housing services; TFORG, The Geriatric Care Market – A worldwide trend equals a vast world of business opportunities (Part 1); €368 billion converted to US$391 billion at USD/Euro exchange rate of 0.940 (2016 average per IRS database). TFORG has not provided consent for this statement to be included in the Prospectus (https://www.tforg.com/how-we-think/sweetspot-blog/2017/03/29/geriatric-care-market-worldwide-trend-equals-vast-world-business-opportunities-part-1/).

85 U.S. census data, projected 5-year age groups and sex composition of the population, main series table 3, 2016 base population (https://www.census.gov/content/dam/Census/library/publications/2018/acs/ACS-38.pdf).

86 Strategy Analytics, Smart home elderly monitoring opportunity is set to grow more than 600% by 2020. Strategy Analytics has not provided consent for this statement to be included in the Prospectus (https://www.strategyanalytics.com/strategy-analytics/news/strategy-analytics-press-releases/2016/06/08/strategy-analytics-smart-home-elderly-monitoring-opportunity-is-set-to-grow-more-than-600-by-2020).

87 TFORG, The Geriatric Car Market – A worldwide trend equals a vast world of business opportunities (Part 1) (https://www.tforg.com/how-we-think/sweetspot-blog/2017/03/29/geriatric-care-market-worldwide-trend-equals-vast-world-business-opportunities-part-1/).

88 IBISWorld Industry report OD4588, Identity Theft Protection Services in the U.S. (https://www.ibisworld.com/industry-trends/specialized-market-research-reports/technology/computer-services/identity-theft-protection-services.html).

- Phone or utility fraud; and
- Bank fraud.

There are two major players in the U.S. identity theft protection market, being LifeLock Inc. and Intersections Inc., who hold a combined market share of approximately 30%.[89] The remainder of the market is highly fragmented, with many smaller companies offering a range of identity theft and protection services, providing an opportunity for disruption.

Strong market growth is expected over the coming years due to a rising e-commerce sector, increased use of internet, mobile and online payments, and digitisation of government records and IDs, all of which contribute to more vulnerable privacy and security data. For example, in 2017 there were 16.7 million identity theft cases within the U.S. alone.[90]

In the future, Life360 may offer identity theft protection to its Users by developing a platform through which we proactively look for use of a User's personal information, notify the User of potential threats to the User's identity, and assist Users to remedy the identity theft. As we have a trusted brand, we would be able to offer this feature to our large User base.

3.2.6. Travel and phone insurance

The travel insurance market covers expenses incurred due to any incident during travel, including medical treatment to travellers, trip cancellation, loss of baggage and loss of travel documents. Insurance coverage is available in three different types of policies, namely, single trip, annual trip and long stay travel, with single trip accounting for approximately 70% of all written premiums.[91] The global travel insurance market was valued at US$7 billion in 2016, with the U.S. accounting for US$2 billion in written insurance premiums,[92] while the global phone insurance market was valued at US$17 billion in 2017.[93]

The global phone insurance market covers physical damage, electronic damage, virus protection and theft protection.

Both the travel and phone insurance markets are expected to see strong growth over coming years due to a number of factors. Growth in the global travel insurance market is expected to be driven by increased levels of international tourism, which has grown from approximately 1 billion international tourists in 2012 to 1.3 billion in 2017.[94] Growth in smartphone insurance is expected to be driven by an increasing number of smartphone users, increased smartphone replace and repair costs, and improved ease and convenience of claims procedures.

Life360 has the ability to detect the moment when a User acquires a new smartphone (as all device changes are logged by a User through the Life360 App) and the type of device acquired (based on the operating system of the new smartphone). This allows us to provide seamless, integrated and contextually relevant smartphone insurance offers with partners in the smartphone insurance industry.

Our location tracking feature in the Life360 App will allow us to identify when Users arrive at an airport, and determine when a User may be travelling overseas. This insight may provide us with an opportunity to make contextually relevant travel insurance packages in real-time with partners in the travel insurance industry.

3.3. Competitive landscape

As a category-defining company, we currently have very little direct competition. While there a number of Apps that offer slight variations on our product and service, to date none have been able to achieve meaningful scale of Users. For example, Geozilla, which we believe to be the second largest App in the family safety and co-ordination space, does not always remain in the top 1,000 Apps on the U.S. Apple iTunes App Store, whereas the Life360 App has remained in the top 100 Apps for the twelve months to 31 December 2018 without ever falling out of the top 100 during that period.[95]

Our belief is that our existing competitors are unlikely to threaten our family safety and co-ordination leadership position. For this reason we focus on the following categories of competitors: alternatives, legacy security incumbents, large internet businesses, and potential entrants.

89 IBISWorld Industry report OD4588, Identity Theft Protection Services in the U.S. (https://www.ibisworld.com/industry-trends/specialized-market-research-reports/technology/computer-services/identity-theft-protection-services.html).
90 Credence Research, Identity Theft Protection Services market by Identity Theft Type. Credence Research has not provided consent for this statement to be included in the Prospectus (https://www.credenceresearch.com/report/identity-theft-protection-services-market).
91 Allied Market Research, North America Travel Insurance Market, May 2017. Allied Market Research has not provided consent for this statement to be included in the Prospectus (https://www.alliedmarketresearch.com/north-america-travel-insurance-market).
92 Allied Market Research, North America Travel Insurance Market, May 2017 (https://www.alliedmarketresearch.com/north-america-travel-insurance-market).
93 PR Newswire, Global Mobile Phone Insurance Market 2018-2025. PR Newswire has not provided consent for this statement to be included in the Prospectus (https://www.prnewswire.com/news-releases/global-mobile-phone-insurance-market-2018-2025-300702055.html).
94 World Tourism Organisation (UNWTO), Annual Report 2017. UNWTO has not provided consent for this statement to be included in the Prospectus (http://publications.unwto.org/publication/unwto-annual-report-2017).
95 According to App Annie.

3.3.1. Alternatives

Today, location sharing is a feature in a number of Apps, and thus is not a differentiator in and of itself. Because of this, some families may find generic location sharing services, such as those found in Google Maps and Facebook Messenger, "good enough" for their needs. To combat this, we focus on building features that are only relevant for the family unit. For example, we are able to show you how your family members are driving and their detailed down-to-the-minute location history. It would likely not make sense for more generic location sharing services to provide these features as they could be viewed as too invasive for use outside of one's immediate family.

Historically, when new generic location sharing services have been launched into larger platforms, this helps expand the total potential user base by increasing user knowledge of the potential of location sharing services. We believe this is a factor leading to increased downloads of the Life360 App. We strive to continue to differentiate from these commoditised Apps, and believe our focus on the broader needs of families will ultimately continue to bring families to our specialised service versus relying on the generic alternatives.

3.3.2. Legacy security and insurance incumbents

We know that many legacy security incumbents, such as home security and insurance providers, seek to enter our space. This is evidenced by even our investor base, which includes leaders in these industries such as Allstate, ADT, IAG and American Family Insurance. Currently, we are partners with many of these leaders, but there is the potential that they could decide to build competing offerings in the future. If these legacy incumbents want to effectively compete with us via a mobile strategy, they would have to adopt new strategies and build new services different than their current offerings. Historically, legacy incumbents have not successfully transitioned to new, technology-driven businesses due to the need to significantly change how they operate and also cannibalise existing products. As such, we believe we are better positioned to out-execute them if they challenge us. However, to further counter this threat, we are seeking to grow as quickly as possible, as the larger our User base grows, the harder it will be for us to be unseated.

3.3.3. Large internet businesses

Large internet businesses like Facebook, Apple, Google and Amazon are all credible potential competitors to Life360. They pursue similar high volume / low ARPU strategies that are exactly in line with our business model. We believe these dominant players are a threat to all businesses, both digital companies and brick and mortar organisations. We aim to counter this threat by focusing deeply on the family unit, which will allow us to provide differentiation because these larger companies generally focus on lowest-common denominator products that have applicability to all user types.

There have, however, been times these larger companies have launched directly competing products. For example, Google offers a product called Trusted Contacts, which offers some overlap to the Life360 App, but to date, has had no meaningful traction. As of March 2019, Trusted Contacts was not Ranked in the top 500 in the U.S. Apple iTunes App Store.[96]

The lack of traction that Apps like Trusted Contacts have experienced is not surprising to us. From our experience, many of these Apps are run by small teams that are actually encumbered by being part of a larger organisation. The real competitive risk comes when top level executives decide that a new category is a strategic priority, and this becomes an all-in focus for the larger organisation. Currently, we do not see evidence that entering our space is a key strategic priority for any large internet business, but we remain vigilant to this risk and seek to grow as quickly as possible to cement our market position should this change. There is also historic precedent for large internet businesses to copy one another, and in the short-term, our strategic value could grow rapidly if our category becomes one that garners significant attention from a larger player.

It should also be considered that we rely heavily on Apple and Google as each owns an operating system on which the Life360 App is used, are key distribution partners for the Life360 App through their respective App Stores, and are a key advertising channel used by the Company through Apple Search Ads and Google Adwords respectively. Please refer to Section 4 for more detail on the inherent risk of these relationships.

3.3.4. Potential entrants

There are other types of companies who have family-heavy user bases. For example, there are many group messaging Apps that are used by families which may introduce features to compete with Life360. Our view is the most likely threat would come from them if they developed functionality that we have not yet envisioned, and we monitor all potentially competitive Apps for innovations we can incorporate into our product if we believe they pose a threat.

96 According to App Annie.

4. RISK FACTORS

4. RISK FACTORS

4.1. Introduction

This Section describes some of the potential risks associated with the Company's business, the industry in which the Company operates, and an investment in CDIs. This Section does not purport to list every risk faced by the Company now or in the future. Many of these risks, or the consequences of them, are outside the control of the Company, the Directors and management. If one or more of these risks eventuates, then the future operating performance of the Company and the value of your investment in CDIs may be adversely affected.

The selection of risks outlined in this Section has been based on an assessment of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. This assessment is based on the knowledge of Directors and management as at the Prospectus Date, and there is no guarantee or assurance that the importance of the risks will not change or other risks that may adversely impact the Company will not emerge.

The Company is subject to a number of risks both specific to the Company's business activities and of a general nature, which may, either individually or in combination, adversely impact the Company's future operating and financial performance, investment returns and the value of the Company's CDIs. There can be no guarantee that the Company will achieve its stated objectives, deliver on its business strategy, or that the forecast financial information or any forward-looking statement contained in this Prospectus will be achieved or eventuate. You should note that past performance may not be a reliable indicator of future performance.

Before applying for CDIs, you should be satisfied that you have a sufficient understanding of the risks involved in making an investment in the Company and whether CDIs are a suitable investment for you having regard to your investment objectives, financial circumstances and taxation position. An investment in the Company is not risk free. You should read this Prospectus in its entirety and seek professional guidance from your stockbroker, solicitor, accountant, taxation adviser, financial adviser or other independent and qualified professional adviser before deciding whether to apply for CDIs.

4.2. Risks related to the Company's business

4.2.1. User growth and retention

Our business model is predicated on building a large critical mass of Users and monetising them Directly through subscription-based products we build ourselves, and Indirectly, where we allow third parties to derive value from our Users (as discussed in Section 2.4.2).

To date, we have primarily relied upon tried and tested marketing strategies, including word of mouth recommendations, Apple Search Ads and Google Search Ads to grow our Users. We intend to increase our paid User acquisition through new channels such as YouTube and Pinterest (**New Channels**). There is a risk that the New Channels will not be successful which could have a material adverse impact on our User growth and future financial performance.

Our high historical Ranking in the App Stores has assisted us to build our User base. There is a risk that Google or Apple (or both) could amend the manner in which Apps are promoted or discovered on the App Stores with the effect that the Life360 App may not be as visible or accessible to potential new Users, which could have a material adverse impact on our User growth and future financial performance.

We primarily source our new Paying Circles from the conversion of our free Users. A failure to grow our User base may have a material adverse impact on the number of free Users converting to Paying Circles, which may have a material adverse impact on our future financial performance.

Historically, Apps have been characterised by poor retention. As at the date of this Prospectus, our User retention exceeds the majority of Apps on the market (as discussed in Section 2.4.1). The relationships between us and Users can be terminated at will by either party. Our ability to retain existing Users depends on many factors including the adequacy of the Life360 App with respect to matters such as functionality, reliability, cost-effectiveness, pricing, customer support and value compared to other products. There is no assurance that we will be able to retain Users either at similar retention rates or at all. A decrease in our User retention rates could have a material adverse impact on our future financial performance.

4.2.2. Reliance on Driver Protect and Life360 Plus

A key component of our business model is the monetisation of our Users through subscription-based products we build (as discussed in Sections 2.4.2 and 9.3).

Our current subscription-based products are Driver Protect and Life360 Plus and over 74% of our revenue now comes from these two products. Actual or perceived reductions in the functionality, quality, reliability and cost-effectiveness of the Driver Protect or Life360 Plus product could impact our ability to retain and grow Paying Circles, which may have a material adverse impact on our future financial performance.

It is our intention to develop enhancements and new features for Driver Protect and Life360 Plus to grow our Paying Circles. There is a risk that the enhancements and new features will not achieve our objective of growing our Paying Circles, which may have a material adverse impact on our future financial performance.

4.2.3. Competition and new technologies

The consumer subscription services market is fast-paced and constantly changing. Some of our existing and potential competitors (for example, Google, Facebook and Apple) have significantly more resources than we do. We face the risk that:

- Existing or new competitors, that may have significantly more resources, develop new products or improve existing products to compete with the Life360 App;
- Existing or new competitors could increase their competitive position through aggressive marketing campaigns, product innovation, price discounting or acquisitions;
- We may fail to increase adoption and usage of the Life360App, including Driver Protect and Life360 Plus;
- We may fail to anticipate and respond to changing opportunities, technology or User requirements as quickly as our competitors.

If any of these risks arise, we may compete less effectively against our competitors, and our business, financial performance and operations could be adversely affected. A general increase in competition may also require us to increase marketing expenditure, which would adversely affect our financial performance, even if our market share is maintained.

4.2.4. Reliance on iOS and Android

Because the Life360 App is only used on mobile devices, it must remain interoperable with popular mobile operating systems, Android and iOS, and related hardware, including but not limited to GPS, accelerometers and gyrometers. The owners of these operating systems, Apple and Google, each provide consumers with the ability to download products that compete with the Life360 App. We have no control over Apple or Google's operating systems or hardware, nor have control over hardware manufactured by other original equipment manufacturers (**OEMs**) and any changes to these systems or hardware that could degrade the Life360 App's functionality, impact the accessibility, speed or other performance aspects of the Life360 App, or give preferential treatment to competitive products. Any of these factors could have an adverse impact on the retention and attraction of Users and could adversely impact our future financial performance.

4.2.5. Product development

We intend to grow our revenue through new subscription-based products. Developing new products is expensive and investing in the development of new products can involve an extended period of time before a return on investment is achieved. An important element of our business strategy is to continue to make investments in innovation and related product opportunities. We believe that we must continue to dedicate resources to our innovation efforts to develop our product and technology offerings and maintain our competitive position. However, we may not receive revenues from these investments for several years, or may not realise such benefits at all.

4.2.6. Expansion outside of the U.S.

Although we have a rapidly growing User base which now spans over 160 countries, over 50% of our Users are located in the U.S., and the majority of our revenue is generated in the U.S. There is a risk that we will not be able to grow our Users outside of the U.S. in a way that provides the scale required to offer the full functionality of the Life360 App to a particular geography, or to a scale that will enable us to generate Indirect Revenue from the Users in that geography. A failure to grow International Users and International Indirect Revenue may have a material adverse impact on our future financial performance.

As we expand our presence in new geographies outside the U.S., we will be subject to risks associated with doing business in regions that may have political, legal or economic instability or less sophisticated legal and regulatory systems and frameworks.

4.2.7. Exposure to potential security breaches and data protection issues

The use of information technology and the adequacy and effectiveness of our proprietary technology platforms are critical to our ability to deliver the Life360 App and to the growth of our business. By their nature, information technology systems are susceptible to security issues, including cyber-attacks and other unauthorised access to data and information. Security breaches may involve unauthorised access to our networks, systems and databases, including with respect to our service offerings and technology platforms and the deployment of viruses or other malicious software designed to create system and service disruptions, exposing financial, proprietary and personal User information. In addition, in providing our services, we store, analyse, process, handle and transmit confidential and proprietary information, commercially sensitive information as well as the personal data and information of Users. There is a risk that the measures we take to protect such information and data are insufficient to prevent security breaches from arising, or other unauthorised access or disclosure of such information and data, and/or to prevent a User personal data breach.

Any accidental or deliberate security breaches may subject us to reputational damage, a loss of confidence in the Company and the Life360 App, claims by Users, loss of Users, a disruption of service, legal action and/or regulatory scrutiny. Any of these events could have a material adverse effect on our reputation, business, financial condition and financial performance. While we have effected an insurance policy for cyber risks, it is subject to a policy limit which may not be adequate to cover all financial exposure arising from one or more cyber security breaches. In addition, any significant claim against such a policy may lead to either or both of increased premium on renewal and additional exclusions to the terms of future policies. If cyber insurance (or any other insurance) is either not available to cover a claim, or the quantum of any relevant claim exceeds the applicable policy limit, the Company will itself be exposed to the financial impact of the event (and, as such, it could have an adverse impact on our business, financial condition or financial performance). Further, some of our third party suppliers may receive and store information provided by us or our Users through mobile or web applications. Although this information and disclosure may be subject to contractual confidentiality obligations, if third party suppliers fail to adopt or adhere to robust security practices, or in the event of a breach of their or our security systems, our confidential information, including personal data and information of our Users may be improperly accessed, used or disclosed. See also Section 4.2.18 in relation to GDPR.

4.2.8. Reputation

Maintaining the strength of our reputation is an important part of retaining and growing our User base and maintaining our relationships with partners and other key service providers that will assist in successfully implementing our business strategy. There is a risk that events may occur that may adversely impact our reputation and Users engagement with the Life360 App. This may adversely impact our User base and the willingness of third parties to work with us on additional product offerings and contextual offers, which may have a material adverse impact on our future financial performance.

4.2.9. Lead generation

We intend to generate revenue by delivering product offerings in a contextually relevant way that do not feel like advertisements (**Lead Generation Offering**). While we have partnered with Allstate to complete a proof of concept trial to offer U.S. Users customised car insurance offers, this Lead Generation Offering is a new and unproven offering.

We are developing additional functionality within the Life360 App to enable Users to control the use of their data, including to opt-out of lead generation offers. There is a risk that Users may not engage with the Lead Generation Offering at the scale necessary for potential advertising partners to spend any of their advertising budget on the Lead Generation Offering. There is a risk that advertisers will not utilise the Lead Generation Offering. A failure to grow the Lead Generation Offering may have a material adverse impact on our future financial performance.

4.2.10. Failures or disruptions in the performance of our Platform

We depend on the constant real-time performance, reliability and availability of our technology system and access to our partners networks. There is a risk that these systems may fail to perform as expected or be adversely impacted by a number of factors, some of which may be outside of our control, including damage, equipment faults, power failure, fire, natural disasters, computer viruses and external malicious interventions such as hacking or denial-of-service attacks. Our operational processes and contingency plans may not adequately address every potential event. This may adversely impact our relationships with our partners or Users and may adversely impact our business, financial performance and reputation.

Continued increases in User volumes may require us to expand and adapt our production computing infrastructure to avoid interruptions to our systems and technology. Any unprecedented User volumes may cause interruptions to our systems and technology, reduce the number of completed transactions, increase expenses, and reduce the level of User service, and these factors may adversely impact our financial performance.

4.2.11. Reliance on key personnel

Our ability to effectively execute our growth strategy is substantially dependent on the performance and expertise of our team. In particular, we are heavily dependent on our Executive Team and other senior employees.

Our employees, including the Executive Team, are all employed “at will”. As employees “at will”, employment may be terminated at any time, with or without cause (except for Chris Hulls, Alex Haro and Itamar Novick who have each agreed to provide 6 months’ notice). Because employment is “at will”, employees can voluntarily terminate their employment with us and therefore there is no assurance that we will be able to retain the services of such persons. There is no guarantee that we would be able to enforce the 6 month notice period agreed to by Chris Hulls, Alex Haro and Itamar Novick.

In addition, in the U.S., the enforcement of post-termination non-compete restrictions in employment contracts is a matter of state law. Courts generally look with disfavour on non-compete provisions that are not narrowly drawn. California, in particular, prohibits non-compete agreements, except in certain, very limited circumstances. As a result, we have not included non-compete provisions in the employment agreements of any employees, including the CEO, President and the Executive Team. However, we have entered into agreements with all key employees, including California employees, that (i) during their employment and for the 12 month period following the end of their employment, employees are prohibited from soliciting or attempting to solicit any other Company employees to terminate their relationship with the Company; and (ii) prohibits certain employees from using any of the Company’s trade secrets (a) to negatively influence any of the Company’s clients, licensors, licensees or Users from utilising Company products or services; or (b) to solicit or influence or attempt to influence any client, licensor, licensee, User or other person either directly or indirectly, to direct any utilisation of products and/or services to any person, firm, corporation, institution or other entity in competition with the Company’s business.

Notwithstanding the provisions in these agreements, employees, including members of the Executive Team, can leave the Company and are able to establish a competing business or obtain employment with one of our competitors. The loss of key management personnel, or any delay in their replacement, may adversely affect our future financial performance.

4.2.12. Protection of intellectual property

The value of our products is dependent on our ability to protect our intellectual property, which includes business processes and know-how, copyrights, patents, trade secrets and trademarks. There is a risk that we may be unable to detect the unauthorised use of our intellectual property rights in all instances. Furthermore, action that we take to protect our intellectual property may not be adequate or enforceable and thus may not prevent the misappropriation of our intellectual property and proprietary information. Breaches of our intellectual property rights may result in the need to commence legal action, such as infringement or administrative proceedings, which may be costly, time consuming and difficult to enforce in certain jurisdictions and may ultimately prove unfavourable. Any failure to protect our intellectual property rights may have an adverse impact on our operations and financial performance. Companies in the mobile, communication, media, internet, and other technology-related industries own large numbers of patents, copyrights, trademarks, trade secrets, and other intellectual property rights, and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. In addition, various “non-practicing entities” that own patents, copyrights, trademarks, trade secrets, and other intellectual property rights often attempt to aggressively assert their rights to extract value from technology companies. Furthermore, from time to time we may introduce new products or make other business changes, including in areas where we currently do not compete, which may increase our exposure to patent, copyright, trademark, trade secret, and other intellectual property rights claims from competitors and non-practicing entities. From time to time, we may receive letters from patent holders alleging that some of our products infringe their patent rights and from trademark holders alleging infringement of their trademark rights. We have been subject to litigation with respect to patents, and may be subject to similar litigation in the future.

4.2.13. Reliance on Apple iTunes App Store and Google Play Store

The Life360 App is distributed through the Apple iTunes App Store and the Google Play Store (**App Stores**). Apple and Google have broad discretion to remove or suspend any App from their App Stores at any time for any reason. Typical causes for removal include violation of applicable law, violation of applicable policies or other terms of service, violation of distribution agreements with device manufacturers, risk of liability or any other adverse impact on Google or Apple. While we believe that there is a low risk that Apple or Google would ever remove or suspend the Life360 App from one or both of the App Stores, if this were to occur, it would have a material adverse impact on our business, operations and future financial performance. Additionally, we have a legacy customer acquisition strategy that publishes versions of the Life360 App under a different publisher name on the Google Play Store to test beta features on discrete User pools and capture additional search traffic. While Google Play Store representatives are currently aware that Life360 owns and leverages multiple publisher names, there is a risk that this tactic could be disallowed. Currently, these different publisher names account for fewer than 4% of total Paying Circles. These Paying Circles would be at risk if the secondary publishing accounts were removed.

4.2.14. Reliance on key partners

We have generated Indirect Revenue from nine partners through the sale of anonymised insights into the data we collect from our User base. This revenue represented 15% of our revenue for CY18, and is forecasted to remain proportionally similar in CY19F. The data supply agreements are terminable by either party at will. There is a risk that demand for anonymised data will decrease which may adversely impact our future financial performance. There is risk that the supply of anonymised data by other parties will increase which may adversely impact demand for our anonymised data. There is also risk that regulatory or privacy law changes might adversely impact our ability to continue to generate revenue for the sale of anonymised data.

Indirect Revenue generated from ADT represented 6.2% of our revenue in CY18. Termination of the ADT agreement may adversely impact our future financial performance. Refer to Sections 2.4.2 and 9.3 for further details on the ADT agreement.

4.2.15. Management of future growth

We intend to increase the number of our Users and Paying Circles, both within the U.S. and Internationally. This will involve a significant expansion of our current management responsibilities and our financial and operational functions. An inability to manage this expansion successfully may have an adverse impact on our business.

4.2.16. Employee recruitment and retention

Our ability to effectively execute our business plan depends on our ability to attract and retain skilled staff, and to find effective replacements in a timely manner in the event of a loss in staff. There is a risk that we will not be able to recruit suitably qualified employees which may have an adverse impact on our ability to implement our business plan.

Our staff are mostly located in California and therefore employed "at will", meaning that they can terminate their employment at any time, without notice (except for Chris Hulls, Alex Haro and Itamar Novick who have each agreed to provide 6 months' notice). The loss of staff, or any delay in their replacement, could impact our ability to operate our business and achieve our growth strategies.

4.2.17. Reliance on key suppliers

We rely on contracts with third party suppliers to maintain and support our IT infrastructure. In particular, we rely on contracts with AWS for the provision of our computing, network, database, software development platforms and software infrastructure. We procure mapping services from Google and Apple. If the AWS contract, or contracts with other key suppliers in the future, are terminated or suffer a disruption for any reason, our operations and financial performance could be materially adversely impacted.

We licence from Arity its technology platform, which we integrate into our website, Life360 App and other systems to enable Users to collect, process and analyse certain driving behaviour data. If the Arity contract was terminated or not renewed, we would be required to licence the technology from another supplier. Whilst we believe this technology is available, obtaining it could be disruptive and costly, and may have an adverse impact on our business.

We have entered into an emergency roadside assistance servicing agreement under which Signature Motor Club provides Roadside Assistance on our behalf. The agreement is terminable on 90 days' written notice by either party. If Signature Motor Club was to terminate the agreement we would be required to engage another third party to provide Roadside Assistance services. Whilst we believe alternatives are available, a change to our supplier may be costly and disruptive.

4.2.18. Compliance with laws, regulations and industry compliance standards (including in relation to data protection and privacy)

Our business is subject to a range of laws, regulations and industry compliance requirements, including in relation to the privacy, data protection, marketing and servicing of consumer products and services. Because we collect, process and disclose personal information and data, we are subject to complex and evolving federal, state and foreign laws and regulations regarding data protection, privacy, consumer protection, marketing and other matters. Many of these laws and regulations are constantly evolving, subject to change and uncertain interpretation, and new laws and regulations that may be promulgated in the future that could impact our or our service providers' existing products and services. For example, the recently passed California Consumer Privacy Act of 2018, which takes effect in January 2020, may require changes to our practices with regard to third party data sales, and there have been proposals by several U.S. states and the Federal Trade Commission to more closely regulate data brokers, which may impact the practices of our data partners.

Legislative and regulatory frameworks relating to the protection of data and personal information may vary significantly between jurisdictions, and compliance costs may be onerous. Failure to comply with laws, regulations and industry compliance standards may result in litigation, regulatory enquiry or investigation, fines and penalties, or significant reputational damage, which could have a material adverse effect on our business and our offerings and earnings could decline.

Regulatory scrutiny of privacy, data collection, use of data and data protection is intensifying globally, and the personal information and other data we collect, store, process and use is increasingly subject to legislation and regulations in numerous jurisdictions around the world, including the U.S., Europe and Australia. For example, in Europe, the European Parliament and Council has adopted the GDPR, which came into effect in May 2018. The GDPR supersedes prior EU data protection legislation, imposes significantly more stringent requirements on the security, protection and disclosure of EU personal data, including on cross-border restrictions outside of the EU and provides for significant penalties for non-compliance. Due to the nature of our services and business model, we must transfer personal data from the EU to the U.S., and other jurisdictions, in order to provide services to our EU Users.

To address compliance with the GDPR and relevant national data privacy regulations in the EU / UK, in particular, we have taken certain measures in respect of our Life360 App, platform, business processes and policies. There is a risk that changes implemented and measures taken are insufficient to comply with material obligations under such laws, including (but not limited to) the cross-border transfer of User personal data outside of the EU / UK, appropriate lawful basis for the processing of User personal data, adequate technical, organisational and security measures to protect the personal data held on our systems and platform(s) and the ability of us to respond to a personal data breach in accordance with relevant regulatory requirements and we may not be materially compliant with all such obligations in all material risks. If we fail to address these requirements appropriately in connection with provision of our services, and use of our platform and products, demand for the Life360 App could decline, our financial performance may suffer, we may be restricted from doing business in a particular jurisdiction, we may be subject to claims and/or litigation, we could be at risk of incurring monetary penalties and fines for noncompliance, which could be significant, and we may suffer material reputational risk and/or brand damage in a jurisdiction, and/or globally. Although maximum, fines of up to, the greater of, €20 million or 4% of our global annual turnover may be assessed for non-compliance in respect of relevant breaches of the GDPR. Whilst we monitor legal and regulatory developments in the EU, U.S., Australia as well as in foreign countries, and seek to implement measures and develop policies and procedures to address those regulations, we cannot confirm that we are materially compliant with all such laws.

Furthermore, the laws and regulations applicable to us are subject to regulatory enforcement and judicial interpretation. As a result of infrequent interpretations, ambiguities in these laws and regulations may leave uncertainty with respect to permitted or restricted conduct under them. It is possible that certain governments may seek to block or limit the Life360 App or otherwise impose other restrictions that may affect the accessibility or usability of the Life360 App for an extended period of time or indefinitely, which could adversely affect our operations, financial performance and profitability. Changes to law, regulation and guidance could result in investigations, claims, changes to our business practices, increased cost of operations and declines in User growth, retention or engagement, any of which could have financial implications for our business.

As we internationalise and enter new markets there is a risk that we may fail to properly understand the laws, regulations and business customs of those new markets and we may not be fully compliant with all such laws, some or all of which may interrupt or adversely affect parts (or the whole) of our business and may have a material adverse effect on our operations, business model, jurisdictions in which we do business and our financial performance.

4.2.19. Co-founders retained stake

Once the Offer has completed, the Co-founders will continue to be able to exert influence over the Company, including in relation to the election of Directors, the appointment of new management and the potential outcome of matters submitted to the vote of Shareholders. There is a risk that the interests of the Co-founders may be different from the interests of investors who acquire CDIs under the Offer. The continued shareholding of the Co-founders, in particular until the end of the voluntary escrow period, may cause or contribute to a limited liquidity in the market for CDIs, which could affect the market price at which other Shareholders are able to sell. There is also a risk that a significant sale of CDIs by the Co-founders after the end of the escrow period, or the perception that such a sale might occur, could adversely impact the price of CDIs.

4.2.20. Regulation of new products and services

We may decide to provide additional products and services to our Users in the future, which may be subject to additional legal and industry compliance requirements. These new requirements may be difficult or expensive to comply with and, if not complied with, may have an adverse impact on our business or prospects.

4.2.21. Future funding requirements

Although we believe that, on Completion of the Offer, we will have sufficient working capital to meet our operational requirements and business objectives during the forecast period, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that financing can be obtained on favourable terms or at all. Furthermore, raising additional funds by issuing equity securities may result in dilution for some or all of the Shareholders.

We may seek additional debt funding in the future to finance an expansion of our business. There is no assurance that such debt facilities can be obtained when required or on reasonable terms especially considering that we are currently making a net loss, have limited tangible assets that could be offered as security to a lender, and after Completion of the Offer some or all of the additional funding capital raised will be deployed to grow the business. Furthermore, if we elect to finance an expansion by way of debt facilities, such facilities would introduce financing risks such as interest rate risk and refinancing risk. A breach of existing or future funding terms could have an adverse impact on our business.

4.2.22. Database risk

Apple and Google collect subscription fees from Paying Circles through the App Stores. Historically, the number of new and retained Users recorded by our internal database differed to the new and retained Users recorded by Apple and Google in their respective databases. Direct Revenue is recognised based on the invoices received from Apple and Google. There is a risk that the differences in database may lead to distortions between our expected Direct Revenue and our actual Direct Revenue. See also Section 6.8.2.1.

4.2.23. Remittance risk

In addition, the Paying Circle subscription fees are collected by Apple and Google through the App Stores and remitted to us. Any delay to a remittance from Apple or Google to us may have an adverse effect on our business and financial position.

4.2.24. Trading history and track record

Since commencing operations in 2007, our activities have principally involved raising money to develop our Platform, market our services, secure Users and partners, and build up our personnel capabilities. Like many start-up companies, we have incurred losses since inception. The cumulative losses up to 31 December 2018 are approximately US$86.5 million. Given our limited history it may be difficult to make an evaluation of our business or its prospects.

4.2.25. Company technology may be superseded by other technology or changes in business practice

We are a mobile-first organisation and participate in a competitive environment. Our technology systems are continuing to develop and are subject to rapid change, while business practices continue to evolve. Our success will in part depend on our ability to offer services and systems that remain current with the continuing changes in technology, and changing User and partner preferences.

4.2.26. Reliance on internet

The success of the Life360 App depends on the ability of our Users to access the internet. Should access to the internet be disrupted or restricted, usage of our services may be adversely impacted.

4.2.27. Costs of data usage

The Life360 App requires high-bandwidth data capabilities. If the cost of data usage increases, our User growth, retention and engagement may be seriously harmed.

4.2.28. Risk of litigation, claims and disputes

We may be subject to litigation and other claims and disputes in the course of conducting our business, including contractual disputes, product liability claims in relation to existing features of the Life360 App such as Crash Detection and Roadside Assistance and future features such as senior monitoring, employment disputes, claims for indemnification, intellectual property infringement claims and regulatory enforcement actions among others. There is a risk that our insurance may not provide coverage against such litigation, claims or disputes. There is a risk that, even if we are successful in defending them, such litigation, claims and disputes could materially and adversely impact our operating and financial performance due to the cost of litigating or settling such claims, and could also affect our reputation. See also Sections 4.2.29 and 10.21.

4.2.29. Insurance

We plan to maintain insurance as we consider appropriate for our needs. However, we will not be insured against all risks, either because the appropriate coverage is not available or because we consider the applicable premiums to be excessive in relation to the perceived benefits that would accrue. Accordingly, we may not be fully insured against all losses and liabilities that may unintentionally arise from our operations. If we incur uninsured losses or liabilities, the value of our assets may be at risk.

4.2.30. Open source software

Software code that is freely shared in the software development community is referred to as open source code (**Open Source Code**), and software applications built from open source code are referred to as open source software (**Open Source Software**). Our products incorporate such Open Source Software. Open Source Software is generally licensed by its authors or other third parties under open source licenses. Use and distribution of Open Source Software may entail greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. If we combine our proprietary software with Open Source Software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar services and platforms with lower development effort and time and ultimately could reduce or eliminate our ability to commercialise or profit from our services.

4.3. General investment risks

4.3.1. Exposure to general economic and financial market conditions

Once the Company becomes a publicly listed company on the ASX, the Company will become subject to the general market risk that is inherent in all securities traded on a stock exchange. This may result in fluctuations in the CDI price that are not explained by our fundamental operations and activities. There is no guarantee that the price of the CDIs will increase following quotation on ASX or that an active trading market will develop in CDIs.

Some of the factors which may adversely impact the price of the CDIs include:

- General market conditions, including investor sentiment;
- General economic conditions including interest rates, and exchange rates, changes to government fiscal, monetary or regulatory policies and settings;
- Changes in government regulation;
- Actual or anticipated fluctuations in our financial performance and those of other public companies in our sector;
- The U.S. securities restrictions applicable to the CDIs (as described in Section 10.15) may affect the liquidity of the market for the CDIs on ASX;
- Changes in accounting principles;
- Inclusion in or removal from market indices; and
- General operational and business risks.

Deterioration of general economic conditions may also affect our business operations and the consequent returns from an investment in CDIs.

4.3.2. Foreign exchange risks

The proceeds of the Offer will be received in Australian Dollars, while our functional currency is U.S. Dollars. We are not currently hedging against exchange rate fluctuations, and consequently will be at the risk of any adverse movement in the U.S. Dollar – Australian Dollar exchange rate between the pricing of the Offer and the closing of the Offer.

The CDIs will be listed on the ASX and priced in Australian Dollars. However, our reporting currency is U.S. Dollars. As a result, movements in foreign exchange rates may cause the price of the CDIs to fluctuate for reasons unrelated to our financial condition or performance and may result in a discrepancy between actual results of operations and investors' expectations of returns on securities expressed in Australian Dollars.

A portion of our revenue is denominated in non-U.S. Dollars. Accordingly, our revenue will be affected by fluctuations in the rates by which the U.S. Dollar is exchanged with non-U.S. Dollars. For example, a weakening in the value of the U.S. Dollar as compared to the Australian Dollar would have the effect of reducing the U.S. Dollar value of Australian Dollar revenue. Alternatively, a weakening of the Australian Dollar as compared to the U.S. Dollar would have an effect of increasing the U.S. Dollar value of Australian Dollar revenue. Although steps may be undertaken to manage currency risk (for example via hedging strategies), adverse movements in the U.S. Dollar against the non-U.S. Dollar revenue may have an adverse impact on us.

4.3.3. Liquidity risk

We have applied to the ASX for confirmation that we have a track record of revenue and profitability that is acceptable to ASX for the purposes of ASX Listing Rule 9.1.3, and consequently, that the ASX will not apply the restrictions in Clauses 1, 2, 3, 4, 7, 8 and 9 of Appendix 9B to the ASX Listing Rules in relation to the CDIs in the Company. We will enter into voluntary escrow arrangements under which, at Completion of the Offer, approximately 34% of the Shares / CDIs on issue will not be able to be traded until the release of the results of the Company for the half-year ending 30 June 2019, and approximately a further 16% will not be able to be traded until the release of the preliminary final results of the Company for the year ending 31 December 2019. Given the number of Shares / CDIs restricted from trading, there will only be liquidity with respect to approximately 40% of the Shares / CDIs on issue at Completion of the Offer until such time as applicable escrow periods end. Additionally, 10% of the Shares / CDIs on issue will be escrowed until the 6 month anniversary of the Listing Date. The CDIs issued under the Offer will only be listed on ASX and will not be listed for trading on any other securities exchanges in Australia, the U.S. or elsewhere. As such, there can be no guarantee that an active market in the CDIs will develop or continue, or that the market price of CDIs will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their CDIs. Furthermore, the market price for CDIs may fall or be made more volatile because of the relatively low volume of trading in our securities. When trading volume is low, significant price movement can be caused by trading a relatively small number of CDIs. If illiquidity arises, there is a real risk that security holders will be unable to realise their investment in the Company.

4.3.4. Provisions of the Company's Certificate of Incorporation, its Bylaws and Delaware law could make an acquisition of the Company more difficult

Certain provisions of our Certificate of Incorporation and Bylaws may discourage, delay or prevent a merger, acquisition or other change of control that Shareholders may consider favourable, including transactions in which Shareholders might otherwise receive a premium for their CDIs. These provisions may also limit the price that investors would be willing to pay in the future for the CDIs, thereby depressing the market price of the CDIs. Shareholders who wish to participate in these transactions may not have the opportunity to do so. A summary of these provisions is set out in Section 10.8.

We are subject to Section 203 of the Delaware General Corporation Law (the **DGCL**), which prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested Shareholder" for a period of three years following the date the person became an interested Shareholder, unless either the interested Shareholder attained such status with the approval of the Board, the business combination is approved by the Board and stockholders in a prescribed manner or the interested Shareholder acquired at least 85% of our outstanding voting stock in the transaction in which it became an interested Shareholder. A "business combination" may include a merger, asset or share sale or other transaction resulting in financial benefit to an interested Shareholder. Generally, an interested Shareholder is a person who, together with its affiliates and associates, hold (or within three years prior to the determination of interested Shareholder status did own) 15% or more of a company's voting rights. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by the Board, including discouraging attempts that might result in a premium over the market price for the CDIs held by stockholders. This is described further under the heading 'how takeovers are regulated' in Section 10.12.

4.3.5. There are costs and management time involved in complying with the DGCL and Australian laws

As a Delaware corporation, we must ensure continued compliance with the DGCL and, as we will be listed on the ASX and registered as a foreign company in Australia, we will also need to ensure continuous compliance with relevant Australian laws and regulations, including the ASX Listing Rules and the Corporations Act. To the extent of any inconsistency between the DGCL and Australian law and regulations, we may need to make changes to our business operations, structure or policies to resolve such inconsistency. If we are required to make such changes, this is likely to result in additional demands on management and extra costs.

We may in the future be required to register the Shares (which may be in the form of CDIs) with the SEC under the U.S. Exchange Act if the number of Shareholders exceeds certain thresholds (described below), which would result in us becoming subject to periodic reporting requirements of the U.S. Exchange Act. We will become subject to the reporting requirements of the U.S. Exchange Act if, among other things, we have:

- Assets of more than US$10 million; and
- Either (a) 2,000 or more holders of record of any class of equity securities or (b) 500 or more holders of record of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the U.S. Securities Act.

Registration under the U.S. Exchange Act will involve us filing an initial registration statement with the SEC and the filing of ongoing annual, quarterly, and current reports on Forms 10-K, 10-Q and 8-K. In the absence of a waiver from the ASX Listing Rules, these SEC periodic reports will be in addition to our periodic filings required by the ASX Listing Rules. At the time we become subject to the reporting requirements of the U.S. Exchange Act, we will also become subject to the *Sarbanes-Oxley Act of 2002* and certain requirements of the *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010* (**Dodd-Frank Act**), which will impose additional governance and reporting obligations.

The legal and accounting costs and management time that will be required to comply with these obligations are expected to be significant.

4.3.6. Risk of shareholder dilution

In the future the company may elect to issue Shares / CDIs or engage in capital raisings to fund ongoing working capital requirements or acquisitions that the Company may decide to make (although none are contemplated in the short-term). While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholders at the time may be diluted as a result of such issues of Shares / CDIs and capital raisings.

4.3.7. Taxation changes

The acquisition and disposal of CDIs will have tax consequences, which will differ depending on the individual financial affairs of each investor. Tax rules or their interpretation for both the Company and its Shareholders may change. Each prospective investor is encouraged to seek professional tax advice in connection with any investment in the Company.

There is a risk that both the level and basis of taxation may change both in the U.S. and Australia, as well as new markets it may enter in the future. The tax considerations of investing in the CDIs may differ for each Shareholder.

To the maximum extent permitted by law, the Company, the Directors and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for CDIs under this Prospectus. Refer to Section 10.15 for other taxation considerations.

4.3.8. Possible changes in accounting standards

U.S. GAAP is set by the Financial Accounting Standards Board (**FASB**) and are outside our control and the control of our Directors. There is a risk that interpretation of existing FASB accounting standards, including those relating to the measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables, may differ. Changes to FASB accounting standards issued by FASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in our financial statements.

4.3.9. Government and regulatory factors

Laws and regulations may be adopted with respect to the Company's products in relation to issues such as user privacy, intellectual property and information securities which could increase costs or limit our operations.

4.3.10. Force majeure events

Acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to our Company specifically or the stock market more generally, which could have a negative impact on the value of an investment in the CDIs.

4.3.11. Speculative nature of investment

The above list of key risks should not to be taken as exhaustive of the risks faced by us or by investors in the Company. The above risks and others not specifically referred to above may in the future materially affect the Company, its financial performance or the value of the CDIs. This is particularly so for an early stage business such as ours. The CDIs issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. Potential investors should therefore consider an investment in our Company as speculative and should consult their professional advisers before deciding whether to apply for CDIs under the Offer.

5. BOARD, MANAGEMENT AND GOVERNANCE

5. BOARD, MANAGEMENT AND GOVERNANCE

5.1. Board of Directors

The Board currently comprises four members, two Executive Directors and two Non-Executive Directors including the Chair. In addition, the Board has agreed to appoint three additional Non-Executive Directors, James Synge, Mark Goines and David Wiadrowski with effect from the day before Listing. References to the Board in this Section refer to the Board as it will be constituted at Listing. The Board has a broad range of experience in technology, product development and listed company directorships and is well placed to lead Life360 post Listing.

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest. Any issue concerning a Director's ability to properly act as a Director will be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

5.2. Experience and background

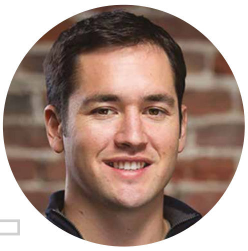
The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance expertise. Biographies of the Board members are provided below.

Director

John Philip Coghlan

Independent Non-Executive Chair

- John is the Independent Non-Executive Chair of Life360, having joined the Board in 2009
- John is the Founder and a board member at Concourse Education (a non-profit start-up focused on providing debt-free college degree attainment) and a board member at GLIDE (a non-profit organisation that aids the homeless)
- John was previously the board Chair at KIPP Bay Area Schools, served as President and Chief Executive Officer of Visa USA, and as Vice Chairman of the Charles Schwab Corporation
- John holds a Bachelor of Arts in Psychology from Stanford, a Master of Arts in Economics and Public Policy from Princeton University (Woodrow Wilson School), and a Master of Business Administration from Harvard Business School



Chris Hulls

Executive Director, Co-founder and Chief Executive Officer

- Chris is a Co-founder and the Chief Executive Officer of Life360
- Chris was previously an angel investor in, or an advisor to, a number of technology companies including Tile, Credible, Ring, Automatic, Honk and Zendrive. He is also an Air Force veteran and served in Afghanistan
- Chris holds a Bachelor of Science in Business Administration with Highest Honors from the University of California, Berkeley

Alex Haro

Executive Director, Co-founder and President
Forbes 30 under 30 – Consumer Category 2015

- Alex is a Co-founder and the President of Life360
- Alex previously worked on Orbited, a popular open source project that allows real-time communication in the browser
- Alex studied Computer Science at Pomona College / Harvey Mudd

Brit Morin

Independent Non-Executive Director

- Brit joined the Board in 2018
- Brit is the Founder and Chief Executive Officer of Brit + Co, a digital media and commerce brand and a partner to the Girl Scouts. Brit has been awarded various accolades including Ad Age's 40 under 40, Forbes 30 Under 30 and Fortune's Most Promising Entrepreneurs
- Brit previously worked in product and marketing roles at Google and Apple
- Brit holds a Bachelor of Arts from the University of Texas Austin

Proposed Director

James Synge

Independent Non-Executive Director

- James is a Partner at Carthona Capital, a leading Australian venture capital firm which specialises in technology companies
- James is a very early investor in the Company having invested more than 10 years ago and has been instrumental in bringing the Company to the Australian market for capital raising
- Prior to the establishment of Carthona Capital, James held senior positions at Bankers Trust Australia, Deutsche Bank (Frankfurt) and UBS (Zurich)
- James holds a Master of Tax from the University of Sydney and Bachelor of Business from the University of Technology (Sydney)

Mark Goines

Independent Non-Executive Director

- Mark is the Vice Chairman of Personal Capital, an online financial advisor and personal wealth management company
- Mark currently also sits on the boards of BillFloat, Odeka and Credit Interlink
- Mark holds a Bachelor of Science and a Master of Business Administration from University of California, Berkeley

David Wiadrowski

Independent Non-Executive Director

- David will be the Chair of the Audit and Risk Management Committee
- David is an experienced non-executive director currently on the board of Vocus Group Limited and is Chair of its Audit and Risk Committee
- David was a senior Assurance partner at PricewaterhouseCoopers (PwC) for more than 25 years
- David led the National Technology, Media and Telco practice at PwC for 8 years and was also the Chief Operating Officer of the PwC Assurance business for 5 years
- David holds a Bachelor of Commerce from the University of NSW, is a Fellow of the Chartered Accountants of Australia and New Zealand and is a Graduate of the Australian Institute of Company Directors

Each Director and Proposed Director has confirmed to the Company that they anticipate being available to perform their duties as Non-Executive or Executive Director, as the case may be, without constraints from other commitments.

The Board considers that each of John Philip Coghlan, Brit Morin, James Synge, Mark Goines and David Wiadrowski are free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of a Director's judgement and are able to fulfil the role of an Independent Director. The Board has adopted a definition of independence that is based on the definition set out in the ASX Corporate Governance Principles.

Chris Hulls and Alex Haro are not currently considered by the Board to be independent due to their executive roles with the Company.

5.3. Executive team

The Company has a highly experienced executive team as set out below:

Chris Hulls

Executive Director, Co-founder and Chief Executive Officer

- See Section 5.2

Alex Haro

Executive Director, Co-founder and President

- See Section 5.2

Wendell Laidley

Chief Financial Officer

- Wendell recently joined Life360 in 2019 to fulfil the role of Chief Financial Officer
- Wendell is responsible for managing our Fundraising, Accounting, Finance and Business Operations (Legal, IT, Operational Analytics) functions
- Wendell was previously the Chief Financial Officer of Big Switch Networks; Vice President of Finance, Treasury & Investor Relations at AppDynamics; Founder, Chief Operating Officer & Chief Financial Officer of Realm Cellars; and also a Principal at RS Investments
- Wendell holds a Bachelor of Arts (Economics) from Hobart College

Itamar Novick

Chief Business Officer

- Itamar joined Life360 in 2012 and currently serves in the role of Chief Business Officer
- Itamar currently manages our Business and Corporate Development team
- Itamar was previously a Venture Capitalist at Morgenthaler Ventures (Canvas Ventures), Head of Product at Gigya and served in the Israeli defence force, founding its computer criminal investigations unit
- Itamar holds a Bachelor of Science in Computer Science from Tel Aviv-Jaffa College and a Master of Business Administration from the University of California, Berkeley

David Rice

Chief Operating Officer

- David joined Life360 in 2015 and currently serves in the role of Chief Operating Officer
- David currently manages our Experience and Product teams
- David was previously Chief Product Officer at VEVO LLC, Senior Vice President at CBS Corp., Vice President of Product at Yahoo and Group Product Manager at Microsoft
- David holds a Bachelor of Arts in Business Economics and Japanese from The University of California and a Master of Business Administration from Harvard Business School

Amol Kher

Vice President of Engineering

- Amol joined Life360 in 2015 and currently serves in the role of Vice President of Engineering
- Amol currently manages our Engineering team
- Amol was previously a technical founder at Wello and team leader at Netflix, Google and Microsoft
- Amol holds a Master in Computer Science from the University of Missouri

Ariana Hellebuyck

Vice President of Marketing

- Ariana joined Life360 in 2018 in the role of Vice President of Marketing
- Ariana currently manages our Marketing and Communications teams
- Ariana was previously Brand & Marketing Lead at NerdWallet and Vice President of Brand Marketing at The University of Phoenix
- Ariana holds a Bachelor of Arts in Communication from St Edward's University and a Master of Business Administration from the University of San Francisco

Ben Kim

Vice President of Product

- Ben joined Life360 in 2018 in the role of Vice President of Product
- Ben currently manages our Product team
- Ben has spent the past 15 years leading mobile teams across a diverse set of companies, including Microsoft, Yahoo, Groupon, Gametime and other early stage startups. Ben started his career as a software developer for Sun Microsystems, making technical advancements in the Java programming language
- Ben holds a Bachelor of Science in Electrical Engineering / Computer Science and a Master of Business Administration from University of California, Berkeley

Monica Walls

Vice President, People & Talent

- Monica joined Life360 in 2018 in the role of Head of People
- Monica was previously Head of People and Talent at a small data analytics company and Vice President of Human Resources for Nexenta Systems
- Monica holds a Bachelor of Arts in Business Management and a Master of Arts in Organisational Management from the University of Phoenix
- Monica also holds certifications in Executive, Business and Proactive Leadership for Human Resources from Cornell University

Jon Troutman

Vice President of Design

- Jon joined Life360 in 2018 in the role of Vice President of Design
- Jon currently manages our Design team
- Jon was previously Co-founder and Chief Design Officer at Canary, a smart home security company, and was Lead Product Designer at General Assembly
- Jon holds a Bachelor of Fine Arts in Graphic Design from Brigham Young University

5.4. Directors' disclosure

No Director or Proposed Director of the Company has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for CDIs.

No Director or Proposed Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

5.5. Directors' interests and remuneration

Other than as set out below or elsewhere in the Prospectus, no Director or Proposed Director:

- Has or had at any time during the two years preceding the date of this Prospectus an interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or in the Offer; and
- Has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

5.5.1. Chief Executive Officer

Chris Hulls is employed in the position of Chief Executive Officer of the Company. Life360 has entered into an employment contract with Chris Hulls to govern his employment. See Section 5.5.9 below.

5.5.2. President

Alex Haro is employed in the position of President of the Company. Life360 has entered into an employment contract with Alex Haro to govern his employment. See Section 5.5.9 below.

5.5.3. Non-Executive Director remuneration

Under the Company's Bylaws, the Directors decide the total amount paid to each Non-Executive Director as remuneration for their services. However, under the ASX Listing Rules, the total amount paid to all Non-Executive Directors must not exceed in any financial year the amount fixed in a general meeting of the Company. This amount is capped under the Bylaws at US$1,000,000 per annum. Any increase to the aggregate amount needs to be approved by Shareholders. Directors will seek approval of the Shareholders from time to time, as appropriate. This aggregate annual sum does not include any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company, which may be made in addition to or in substitution for the Director's fees.

The Company has entered into an appointment letter with each of its Non-Executive Directors and each Proposed Director. The Directors' fees currently agreed to be paid by the Company under the appointment letters for the year ending December 2019 are as set out below:

Director	Annual cash Director's fees (excluding GST but including superannuation (where applicable))	RSUs granted over Shares[1]
John Philip Coghlan[2]	NIL	NIL
Brit Morin[3]	NIL	NIL
James Synge	US$20,000	US$60,000 in RSUs
Mark Goines	US$20,000	US$60,000 in RSUs
David Wiadrowski	US$20,000	US$60,000 in RSUs

1 The number of RSUs to be issued will be calculated based on the U.S. Dollar value amount set forth in the table above divided by the product of the US$ equivalent of the Offer Price multiplied by the number of CDIs equivalent to one Share on the Listing Date. The RSU grants will vest quarterly over the year following their grant provided that the Director remains a Director of the Company as at the applicable vesting date and are automatically settled in Shares for nil consideration. Unvested RSUs automatically lapse upon a termination of service unless otherwise determined by the Board. The RSUs will be granted under the 2011 Stock Incentive Plan summarised in Section 5.8 and will occur on or around the Listing Date.

2 John Philip Coghlan received option(s) to purchase 143,226 Shares on 24 October 2017 at an exercise price of US$2.15 per share, which will comprise his compensation for his services as a director for the year ending December 2019.

3 Brit Morin received option(s) to purchase 93,947 Shares on 24 January 2018 at an exercise price of US$2.15 per share, which will comprise her compensation for her services as a director for the year ending December 2019.

In addition, the following annual fees are payable to Directors for membership of Board committees:

Committee	Chair		Member	
	Cash	RSUs granted over Shares	Cash	RSUs granted over Shares
Audit and Risk Management Committee	US$5,000	US$15,000 in RSUs	US$1,250	US$3,750 in RSUs
Remuneration and Nomination Committee	US$1,000	US$1,250 in RSUs	NIL	NIL

1 The number of RSUs to be issued will be calculated based on the U.S. Dollar value amount set forth in the table above divided by the product of the US$ equivalent of the Offer Price multiplied by the number of CDIs equivalent to one Share. The RSU grants will vest quarterly over the year following their grant provided that the Director remains a Director of the Company as at the applicable vesting date and are automatically settled in Shares for nil consideration. Unvested RSUs automatically lapse upon a termination of service unless otherwise determined by the Board. The RSUs will be granted under the 2011 Stock Incentive Plan summarised in Section 5.8 and will occur on or around the Listing Date.

The Board has determined that each Non-Executive Director's remuneration (including any committee fees) is to comprise a large equity component to align the Company's Non-Executive Director remuneration arrangements with those generally adopted by similar sized U.S. technology companies. As a result, as shown in the tables above, the Board has determined that the equity component of each Non-Executive Director's remuneration will form 75% of his or her total Director fee (with the remaining 25% being paid in cash). The Company believes that the grant of RSUs will assist in the reward, retention and motivation of Non-Executive Directors and will drive enhanced company and individual performance.

5.5.4. Directors interests in Securities

The Directors are not required to hold any Securities under the Certificate of Incorporation or Bylaws. Details of the relevant interests of the Directors and the Proposed Directors in Securities are set out in the table below.

Director	Shares as at the Prospectus Date	Equivalent number of CDIs	Options as at the Prospectus Date	Equivalent number of CDIs	RSUs as at the Prospectus Date	Equivalent number of CDIs	Percentage ownership at Prospectus Date (undiluted)	Percentage ownership at Prospectus Date (fully diluted)	Percentage ownership immediately following Completion (undiluted)	Percentage ownership immediately following Completion (fully diluted)
John Philip Coghlan	66,893[1]	200,679	240,110	720,330	368[6]	1,104	0.17%	0.63%	0.14%	0.54%
Chris Hulls[2]	2,886,552	8,659,656	1,478,383	4,435,149	–	–	7.19%	8.89%	6.02%	7.67%
Alex Haro[2, 3]	1,784,054	5,352,162	620,551	1,861,653	–	–	4.45%	4.90%	3.72%	4.22%
Brit Morin	–	–	93,947	281,841	–	–	–	0.19%	–	0.17%
James Synge[2]	644,796[4]	1,934,388	–	–	6,250[6]	18,750	1.61%	1.33%	1.00%	0.85%
Mark Goines[5]	237,589	712,767	32,000	96,000	6,005[6]	18,015	0.59%	0.56%	0.39%	0.40%
David Wiadrowski	–	–	–	–	7,353[6]	22,059	–	0.01%	–	0.01%

This table includes the RSUs to be granted to the Non-Executive Directors on or about the Listing Date pursuant to the appointment letters as described in Section 5.5.3.

1 34,893 Shares are held by John Coghlan as trustee for the John Coghlan Living Trust.

2 Chris Hulls, Alex Haro, and Carthona Capital FS Pty Ltd. (an affiliate of James Synge) are members of ICCA Labs, LLC, an entity that holds 133,408 Shares. The number of Shares attributable to Chris Hulls by reason of his membership interest in ICCA Labs, LLC is 29,960. The number of Shares attributable to Alex Haro by reason of his membership interest in ICCA Labs, LLC is 30,635. The number of Shares attributable to Carthona Capital FS Pty Ltd. (an affiliate of James Synge) by reason of this membership interest in ICCA Labs, LLC is 64,379.

3 Alex Haro is a member of AJS Life360 Holdings 2 LLC, an entity that holds 686,930 Shares of Life360. The number of Shares attributable to Alex Haro by reason of his membership interest in AJS Life360 Holdings 2 LLC is 372,842.

4 James Synge holds 644,796 Shares and intends to sell 164,449 Shares into the Offer.

5 Held by Mark Goines trustee for the Goines Wong Living Trust, which is controlled by Mark Goines and his wife. Mark Goines intends to sell up to 50,000 Shares into the Offer.

6 Includes RSUs to be granted to Directors at Listing as described in Section 5.5.3.

5.5.5. Related party interests

Other than as set out below or elsewhere in this Prospectus, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Company was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest:

- The compensation arrangements with Directors and executive officers, which are described in this Section 5.5;
- The indemnification arrangements with the Directors which are described in Section 5.5.7;
- The consultancy agreements with James Synge and Carthona Capital Pty Ltd which are described in Section 5.5.8; and
- The loan arrangements with certain Directors and executive officers which are described in Section 5.5.9.

5.5.6. Policy for approval of related party transactions

The Company's Audit and Risk Management Committee is responsible for reviewing and approving all transactions in which the Company is a participant and in which any parties related to the Company, including its executive officers, Directors, beneficial owners of more than 5% of the Company's CDIs, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Company, has or will have a direct or indirect material interest.

The Audit and Risk Management Committee or its chair, as the case may be, will only approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Company and its Shareholders, after taking into account all available facts and circumstances as the Audit and Risk Management Committee or the chair determines in good faith to be necessary. Transactions with related parties will also be subject to Shareholder approval to the extent required by the ASX Listing Rules.

5.5.7. Indemnification and Directors and Officers insurance

The Company has entered into indemnification agreements with each Director. Under these agreements and Article VI of the Bylaws, the Company has agreed to indemnify, to the maximum extent and in the manner permitted by law, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as a Director or officer of the Company. These liabilities include losses or liabilities actually and reasonably incurred by the Director in performing their obligations to the Company in each successfully resolved claim, including legal expenses to the extent such losses or liabilities relate to actions taken in good faith by the Director and in a manner the Director reasonably believed to be in or not opposed to the best interests of the Company and in the case of criminal proceedings had no reason to believe that his / her conduct was unlawful. The Company may maintain in favour of each Director a policy of Directors' and officers' insurance covering certain liabilities which may be incurred in the performance of their obligations to the Company.

5.5.8. Other interests and payments

Directors may also be reimbursed for travel and other expenses reasonably incurred in connection with the performance of their duties as Directors. Directors may be paid such special remuneration as the Directors decide is appropriate where a Director performs extra work or services for or at the request of the Company.

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions and the Company's 401(k) plan in which Executive Directors are eligible to participate as employees.

In December 2017, the Company entered into a consultancy agreement with James Synge. Under this agreement, James agreed to provide consultancy services to the Company in relation to strategic, business development and operational matters. Under this agreement, James has received consideration of US$150,000. The agreement expired on 31 December 2018.

In June 2018, the Company also entered into a consultancy agreement with Carthona Capital Pty Ltd (**Carthona Capital**) (the Consultancy Agreement). James Synge is a Principal and Partner of Carthona Capital. Under the Consultancy Agreement Carthona Capital agreed to provide management services to the Company in relation to the Series D Raise completed by the Company in October 2018 and the Offer. Under the Consultancy Agreement, the Company paid to Carthona Capital a fee of US$165,000 on completion of the Series D Raise and will pay a further US$85,000 on completion of the Offer. In addition, the Company may pay an incentive fee of US$100,000 to Carthona Capital on completion of the IPO.

5.5.9. Executive remuneration and employment agreements

The employment agreements and ancillary agreements for senior executives are summarised below.

Chris Hulls – Executive Director and Chief Executive Officer

Employment agreement

Chris Hulls is employed in the position of Executive Director and Chief Executive Officer. Chris' annual base salary is US$300,000. Certain other benefits are available and payable to Chris Hulls such as health insurance, business travel expenses and other expenses consistent with the Company's expense policy.

Chris' employment may be terminated (i) at any time upon mutual written agreement of the parties; (ii) by the Company immediately and without prior notice, for cause; (iii) immediately upon Chris' death or disability; (iv) by the Company other than for cause with advance written notice of at least six months; or (v) by Chris other than due to Chris' death or disability with advance written notice of at least six months.

Retention agreement

Chris entered into a retention agreement with the Company in 2016 (**Retention Agreement**). Under the Retention Agreement the Company will pay a cash bonus to Chris of US$304,000 if:

- Chris remains employed by the Company until 31 December 2022; or
- Chris' employment is terminated without cause before 31 December 2022; or
- A change in control of the Company occurs before 31 December 2022.

Payment of the cash bonus upon termination is subject to satisfaction of certain conditions, including Chris' execution of a full and complete general release of all claims against the Company and its affiliates.

Incentives

Chris is eligible to participate in the Company's 2011 Stock Incentive Plan (see Section 5.8.1) and Stock Bonus Program (see Section 5.8.2) and has been granted 1,478,383 currently outstanding Options (**Existing Options**) (See Section 10.6 for further details) as at the Prospectus Date.

If a change of control of the Company occurs and Chris' service to the Company is involuntarily terminated by the Company or its successor in connection with or within 36 months following a change of control, all of the unvested Existing Options then held by Chris will vest.

Chris is eligible to participate in the Cash Bonus Plan (see Section 5.8.3), and is eligible to receive a target cash bonus of US$75,000 and a maximum potential bonus of US$150,000 for the year ending 31 December 2019. The performance milestones for the year ending 31 December 2019 are:

- Business performance – objectives related to business performance including MAU growth, Paying Circle growth, revenue, and the Company's net promoter score (NPS); and
- Individual management – objectives related to competencies and capabilities specific to Chris that the Board has identified as critical to Chris' development.

The business performance objectives and the individual management objectives are weighted equally. See Section 5.8.3 for further details.

Existing loan

On 26 February 2016, the Company provided a loan of US$253,000 to Chris for the exercise of options to purchase Shares, which is partially secured by 1,405,575 Shares owned by Chris. The loan remains outstanding and the key terms of the loan are:

- An interest rate of 2.61% per annum compounding annually, with a maturity date of seven years from the loan date (25 February 2023).
- The loan is a partial recourse loan, secured by 1,405,575 Shares.
- If, after the maturity date, Chris fails to repay the loan, the Company can collect the collateral (the pledged Shares).

The maturity date of the loan automatically accelerates upon certain events, including the termination by the Company of Chris' employment.

Alex Haro – Executive Director and President

Employment agreement

Alex Haro is employed in the position of Executive Director and President. Alex's annual base salary is US$250,000. Certain other benefits are available and payable to Alex Haro such as health insurance, business travel expenses and other expenses consistent with the Company's expense policy.

Alex's employment may be terminated (i) at any time upon mutual written agreement of the parties; (ii) by the Company immediately and without prior notice, for cause; (iii) immediately upon Alex's death or disability; (iv) by the Company other than for cause with advance written notice of at least six months; or (v) by Alex other than due to Alex's death or disability with advance written notice of at least six months.

Retention agreement

Alex entered into a retention agreement with the Company in February 2016 (**Retention Agreement**). Under the Retention Agreement the Company will pay a cash bonus to Alex of US$264,000 if:

- Alex remains employed by the Company until 31 December 2022; or
- Alex's employment is terminated without cause before 31 December 2022; or
- A change in control of the Company occurs before 31 December 2022.

Payment of the cash bonus upon termination is subject to satisfaction of certain conditions, including Alex's execution of a full and complete general release of all claims against the Company and its affiliates.

Incentives

Alex is eligible to participate in the Company's 2011 Stock Incentive Plan (see Section 5.8.1) and Stock Bonus Program (see Section 5.8.2) and has been granted 620,551 currently outstanding Options (**Existing Options**) (See Section 10.6 for further details) as at the Prospectus Date.

If a change of control of the Company occurs and Alex's service to the Company is involuntarily terminated by the Company or its successor in connection with or within 36 months following a change of control, all of the unvested Existing Options then held by Alex will vest.

Alex is eligible to participate in the Cash Bonus Plan (see Section 5.8.3), and is eligible to receive a target cash bonus of US$50,000 and a maximum potential bonus of US$100,000 for the year ending 31 December 2019. The performance milestones for the year ending 31 December 2019 are:

- Business performance – objectives related to business performance including MAU growth, Paying Circle growth, revenue, and the Company's net promoter score (NPS); and
- Individual management – objectives related to competencies and capabilities specific to Alex that the Board has identified as critical to Alex's development.

The business performance objectives and the individual management objectives are weighted equally. See Section 5.8.3 for further details.

Existing loan

On 26 February 2016, the Company provided a loan of US$220,000 to Alex for the exercise of options to purchase Shares, which is partially secured by 1,224,007 Shares owned by Alex. This loan remains outstanding and the key terms of the loan are:

- An interest rate of 2.61% per annum and compounding annually, with a maturity date of seven years from the loan date (25 February 2023).
- The loan is a partial recourse loan, secured by 1,224,007 Shares.
- If, after the maturity date, Alex fails to repay the loan, the Company can collect the collateral (the pledged Shares).

The maturity date of the loan automatically accelerates upon certain events, including the termination by the Company of Alex's employment.

Other senior management

All other senior management are employed under written terms of employment with Life360.

The key terms and conditions of their employment include:

- Remuneration packages;
- Eligibility to participate in the Company's 2011 Stock Incentive Plan; and
- Express provisions protecting the Company's confidential information and intellectual property.

Senior management and other Company employees are employed at-will, which means the employment relationship can be terminated by either party for any reason, at any time, with or without prior notice and with or without cause, except as otherwise agreed.

Itamar Novick is entitled to receive a one-off cash bonus of US$250,000 on completion of the Offer.

5.6. Pre-Prospectus Share transactions

Share buy-back

In June 2018, the Board launched a capital raising under which the Company issued and sold approximately 3.1 million shares of Series D convertible preferred stock to raise approximately US$28.2 million (**Series D Raise**). At the time of the launch of the Series D Raise, the Board decided that part of the funds raised by the Series D Raise would be used to provide liquidity to a limited number of Shareholders including management. During November 2018, the Company completed a buy-back of the following Shares.

Shareholder	Number of Shares bought-back	Consideration paid to Shareholder for buy-back
Chris Hulls	382,096	US$3,499,999
Alex Haro	255,839	US$2,343,485
Itamar Novick	120,087	US$1,099,997
David Rice	43,668	US$399,999
Carlos Hernandez-Perez	14,572	US$133,480
Justin Poole	12,100	US$110,836
Sudheer Peddireddy	14,000	US$128,240
Total	**842,362**	**US$7,716,036**

Settlement of loans and options

The Company has previously entered into loans with certain officers to provide them with modest liquidity in respect of their shares. Each loan was collateralised by a number of Shares held by such officer, which are pledged to secure the loan. There was no other recourse under the loans. In connection with certain of the loans, the Company purchased an option to acquire a certain number of Shares from the borrower at a pre-determined price per share (which price increases moderately over time). The Company exercised its option to settle certain of these loans, including those held by management, prior to the Prospectus Date. The below table sets out the principal amount of the loans that were settled, and the number of Shares returned by the officer to the Company to settle the loan.

Shareholder	Principal amount of loan	Number of Shares returned in settlement
Alex Haro	US$286,500	33,333
Alex Haro	US$1,206,475	181,441
Chris Hulls	US$668,500	77,778
Chris Hulls	US$3,274,262	492,482
Total	**US$5,435,737**	**785,034**

5.7. Non-compete laws in California

Enforcement of post-termination non-compete restrictions in employment contracts is a matter of state law in the U.S. and courts generally look with disfavour on non-compete provisions that are not narrowly drawn. California, in particular, prohibits non-compete agreements, except in certain, very limited circumstances. As a result, the Company has not included non-compete provisions in the employment agreements of any employees located in California, including Chris Hulls and other key executives. The Company has also not included non-compete provisions in the employment agreement of Alex Haro. However, the Company has entered into agreements with all employees, including the key executives, that (i) during their employment or within the 12 month period following the end of their employment, prohibit the employees from soliciting or attempting to solicit any other Company employees or consultants to terminate their relationship with the Company, and (ii) prohibits employees from using Confidential Information (as such term is defined, in the Confidential Information, Invention Assignment and Arbitration agreements among the parties) (a) to negatively influence any of the Company's clients, licensors, licensees or customers from purchasing Company products or services or (b) to 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 Company's business.

5.8. Employee incentive arrangements

5.8.1. 2011 Stock Incentive Plan

The Company's Amended and Restated 2011 Stock Plan (the **2011 Stock Incentive Plan**) provides for the grant of incentive stock options to employees of the Company and its subsidiaries and certain related bodies corporate, and for the grant of non-statutory stock options, restricted stock and restricted stock units to the employees and consultants of the Company, its subsidiaries and certain related bodies corporate and to the members of the Board.

The maximum aggregate number of Shares that have been reserved for issuance under the 2011 Stock Incentive Plan is 18,118,548 (equivalent to 54,355,644 CDIs) of which approximately 2.1 million are available for issuance. The Company has agreed to issue 149,000 Options to employees under the 2011 Stock Incentive Plan following Listing. Additionally, the number of Shares reserved for issuance under the 2011 Stock Incentive Plan will automatically increase on 1 January each year, beginning on 1 January 2020 and continuing through and including 1 January 2028, by 5% of the total number of Shares outstanding on 31 December on the preceding calendar year, or a lesser number of Shares determined by the Board.

The Board intends to grant awards representing approximately 2-3% of the Share capital of the Company (on a fully diluted basis) to employees (excluding the Executive Directors) each year.

The 2011 Stock Incentive Plan will be administered by a committee of the Board (or the Board if no committee has been established). Subject to the provisions of the 2011 Stock Incentive Plan, the administrator generally has the power to determine: (i) who will receive awards under the 2011 Stock Incentive Plan; (ii) the number of Shares to be covered by each award; (iii) the terms and conditions, not inconsistent with the terms of the 2011 Stock Incentive Plan, of any award granted under the 2011 Stock Incentive Plan, including, without limitation, the exercise or purchase price (if any) applicable to the award, the time or times when awards may vest and/or be exercised, and any restriction or limitation regarding any award or the Shares underlying any award; and (iv) to construe and interpret the terms of the 2011 Stock Incentive Plan and any award agreement.

In the event of a sale of substantially all of the Company's assets, merger or other change in control, as defined under the 2011 Stock Incentive Plan, each outstanding award will be treated as the administrator determines, including, but not limited to, providing for the assumption or substitution of the outstanding award, the cancellation of the outstanding award on such terms and conditions as it deems appropriate, including providing for the cancellation of such outstanding award for no consideration.

Subject to compliance with applicable law, the Board has the authority to amend or terminate the 2011 Stock Incentive Plan provided no amendment or termination (other than an adjustment pursuant to a recapitalisation as described above) shall be made that would materially and adversely affect the rights of any participant under any outstanding award, without his or her consent. Certain amendments will require the approval of the Shareholders. The 2011 Stock Incentive Plan will automatically terminate in 2028, unless terminated prior. Details of any Securities issued to the Directors under the 2011 Stock Incentive Plan will be published in each annual report of the Company relating to the period in which the Securities have been issued.

5.8.2. Stock Bonus Program

Of the maximum aggregate number of Shares reserved for issuance under the 2011 Stock Incentive Plan, the Company intends to set aside a total number of Shares equal to 1.75% of the Shares in the Company (calculated on a fully diluted basis) per year, for grants of Shares and/or RSUs to members of the leadership team identified by the Board, subject to and conditioned upon achievement of the performance hurdles described below.

Stock Bonus Program – 2019 awards

The maximum number of Shares that the members of the Executive Team will be eligible to receive under the Stock Bonus Program for the year ending 31 December 2019 are set out in the below table.

Executive	Maximum Award
Chris Hulls	Shares representing 0.5% of the total number of Shares in the Company (calculated on a fully diluted basis) on the date of testing of the performance hurdles described below.
Alex Haro	Shares representing 0.25% of the total number of Shares in the Company (calculated on a fully diluted basis) on the date of testing of the performance hurdles described below.
Other members of the leadership team as determined by the Remuneration and Nomination Committee	Shares representing 1.0% of the total number of Shares in the Company (calculated on a fully diluted basis) on the date of testing of the performance hurdles described below.

The number of Shares to which Chris Hulls, Alex Haro or another member of the leadership team will ultimately become entitled will be scaled depending on performance measured against two criteria:

- The Company's share price performance relative to the share price performance of companies comprising the NASDAQ Composite index measured one trading day after the release of the Company's annual results for CY19 relative to the opening trading price on the Listing Date[97]; and
- The Company's actual annualised monthly revenue relative to its target revenue for CY19.

The scales that will apply to the Shares subject to these two performance criteria are shown in the table below.

Relative share price

Life360's share price performance for 2019	Percentage of Maximum Award to be issued as Shares / RSUs, being the Achieved Award
Meets performance of companies comprising the NASDAQ Composite index	17%
Exceeds performance of companies comprising the NASDAQ Composite index by 15% or more, but less than 30%	33%
Exceeds performance of companies comprising the NASDAQ Composite index by 30% or more	50%

Revenue outperformance

Life360's actual annualised monthly revenue for 2019	Percentage of Maximum Award to be issued as Shares / RSUs, being the Achieved Award
Meets target annualised monthly revenue as of December 31, 2019 of US$75.1 million	17%
Exceeds target annualised monthly revenue as of December 31, 2019 of US$75.1 million by more than 10%, but less than 20%	33%

97 The Company's CDI price will be converted to US$ at the prevailing market rate for the purposes of the comparison.

Life360's actual annualised monthly revenue for 2019	Percentage of Maximum Award to be issued as Shares / RSUs, being the Achieved Award
Exceeds target annualised monthly revenue as of December 31, 2019 of US$75.1 million by 20% or more	50%

If the performance criteria are satisfied, the Company will:

- Grant one third of the Achieved Award to the executive as Shares within two weeks after the release of the Company's annual results for the year ending 31 December 2019 (**Grant Period**);
- Grant one third of the Achieved Award to the executive as RSUs within the Grant Period. The RSUs will vest on the first anniversary of the date of grant, subject to the grantee's continuous service through such date;
- Grant one third of the Achieved Award to the executive as RSUs within the Grant Period. The RSUs will vest on the second anniversary of the date of grant, subject to the grantee's continuous service through such date.

If the Company is subject to a change of control, vesting of the RSUs will accelerate if the recipient's job or compensation would materially change, but not in the event of termination in other circumstances.

Stock Bonus Programs – future awards

The recipients of awards under the Stock Bonus Program and the applicable performance hurdles for the years ending 31 December 2020 and beyond will be determined by the Remuneration and Nomination Committee.

5.8.3. Cash Bonus Plan

The Company has adopted an annual bonus plan, under which members of the leadership team (including the Executive Directors) identified by the Remuneration and Nomination Committee may be eligible to receive a cash bonus. The amount of the cash bonus will depend on the plan participant's performance during the relevant financial year, and will be calculated as a percentage (between 0% to 200%) of the participant's target bonus amount. This target bonus amount will be determined by the Remuneration and Nomination Committee at the start of each year. For example, a participant with a target bonus amount of US$50,000 could be entitled to a bonus of, depending on performance, between US$0 to US$100,000.

The achievement of the target cash bonus amount is subject to the satisfaction of two performance conditions. These performance conditions will be linked to the achievement of:

- Specific targets as against key performance indicators agreed with the Board for that year; and
- Qualitative measures (such as individual or organisational behaviour) agreed with the Board for that year.

An employee's entitlement to a bonus will be assessed, and any bonuses will be paid, bi-annually following completion of the Company's regular performance review process. The Board retains absolute discretion in determining whether bonus payments (in whole or in part) are to be made, and the amount to be paid (namely, between 0% to 200% of the target bonus amount).

5.9. Corporate governance

The Board is committed to best practice corporate governance and compliance arrangements for the Company to the extent appropriate given the Company's size and circumstances. The ASX Corporate Governance Council has developed and released its ASX Corporate Governance Principles and Recommendations for Australian listed entities (ASX Corporate Governance Principles) to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Corporate Governance Principles are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report or on its website disclosing the extent to which it has followed the ASX Corporate Governance Principles in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and provide reasons for not following it. Section 5.9.7 sets out a brief summary of the approach currently adopted by the Company in relation to the ASX Corporate Governance Principles.

More broadly, this Section 5.9 summarises the key aspects of the Company's corporate governance framework.

5.9.1. Board composition

At Listing the Board of Directors will be comprised of seven directors:

- five Independent Non-Executive Directors (including the Independent Non-Executive Chairman); and
- two Executive Directors (the Chief Executive Officer and the President).

5.9.2. Independence of the Board

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisors as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

5.9.3. Board Charter

The responsibilities of the Board are set down in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles. A copy of the Company's Board Charter is available on the Company's website at www.life360.com. The Company will also send you a paper copy of its Board Charter, at no cost to you, should you request a copy during the Offer Period.

5.9.4. Board's role in risk oversight

The Board's role in risk oversight includes receiving reports from management and the Audit and Risk Management Committee on a regular basis regarding material risks faced by the Company and applicable mitigation strategies and activities. Those reports detail the effectiveness of the risk management program and identify and address material business risks such as technological, strategic, business, operational, financial, human resources and legal / regulatory risks. The Board and its committees consider these reports, discuss matters with management and identify and evaluate any potential strategic or operational risks including appropriate activity to address those risks.

5.9.5. Board Committees

As set out below, the Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities. The Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

Each committee has the responsibilities described in the committee charter (which has been prepared having regard to the ASX Corporate Governance Principles) adopted by the Company. A copy of the charter for each committee is available on the Company's website at www.life360.com. The Company will also send you a free paper copy of a committee's charter should you request a copy during the Offer Period.

Committee	Overview	Members
Audit and Risk Management Committee	Oversees the Company's corporate accounting and financial reporting, including auditing of the Company's financial statements and the qualifications, independence, performance and terms of engagement of the Company's external auditor. This committee will also be responsible for monitoring and advising the Board on risk management policies and procedures.	David Wiadrowski, Chair John Philip Coghlan James Synge
Remuneration and Nomination Committee	Establishes, amends, reviews and approves the compensation and equity incentive plans with respect to senior management and employees of the Company including determining individual elements of total compensation of the Chief Executive Officer and other members of senior management. The Remuneration and Nomination Committee is also responsible for reviewing the performance of the Company's executive officers with respect to these elements of compensation. Recommends the Director nominees for each annual general meeting and ensures that the committees of the Board have the benefit of qualified and experienced Directors.	Mark Goines, Chair John Philip Coghlan Brit Morin James Synge

5.9.6. Corporate governance policies

The Company has also adopted the following policies, each of which has been prepared having regard to the ASX Corporate Governance Principles and is available on the Company's website at www.life360.com.

- **Code of Conduct:** This policy sets out the standards of ethical behaviour that the Company expects from its Directors, officers and employees;
- **Continuous Disclosure Policy:** Once listed on ASX, the Company will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act to ensure the Company discloses to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the CDIs. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations;
- **Risk Management Policy:** This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business;
- **Securities Trading Policy:** This policy is designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide guidance on avoiding any breach of insider trading laws;
- **Shareholder Communications Policy:** This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders; and
- **Diversity Policy:** This policy sets out the Company's objectives for achieving diversity amongst its Board, management and employees.

The Company will also send you a free paper copy of any of the above policies should you request a copy during the Offer Period.

5.9.7. ASX Corporate Governance Principles and Recommendations

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles. A brief summary of the approach currently adopted by the Company is set out below.

Principle 1 – Lay solid foundations for management and oversight

The Board's responsibilities are defined in the Board Charter.

The Company has also established a clear delineation between the Chair's responsibility for the Company's' strategy and activities, and the day-to-day management of operations conferred upon the Chief Executive Officer and certain other officers of the Company. The Remuneration and Nomination Committee evaluates the performance of senior executives.

Principle 2 – Structure the Board to add value

The majority of the Company's Board is comprised of independent Directors and the roles of Chair and Chief Executive Officer are exercised by two separate individuals. The Company's Chair is also an Independent Director as required by Principle 2 of the ASX Corporate Governance Principles.

Principle 3 – Promote ethical and responsible decision making

The Company has adopted a Code of Conduct, as well as a Securities Trading Policy, a Diversity Policy and a policy and procedure for related party transactions.

Principle 4 – Safeguard integrity in financial reporting

The Company has established an Audit and Risk Management Committee which complies with the ASX Corporate Governance Principles to oversee the management of financial and internal risks.

Principle 5 – Make timely and balanced disclosure

The Company is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure Policy.

Principle 6 – Respect the rights of Shareholders

The Company has adopted a Shareholder Communications Policy for Shareholders wishing to communicate with the Board. The Company seeks to recognise numerous modes of communication, including electronic communication, to ensure that its communication with Shareholders is frequent, clear and accessible.

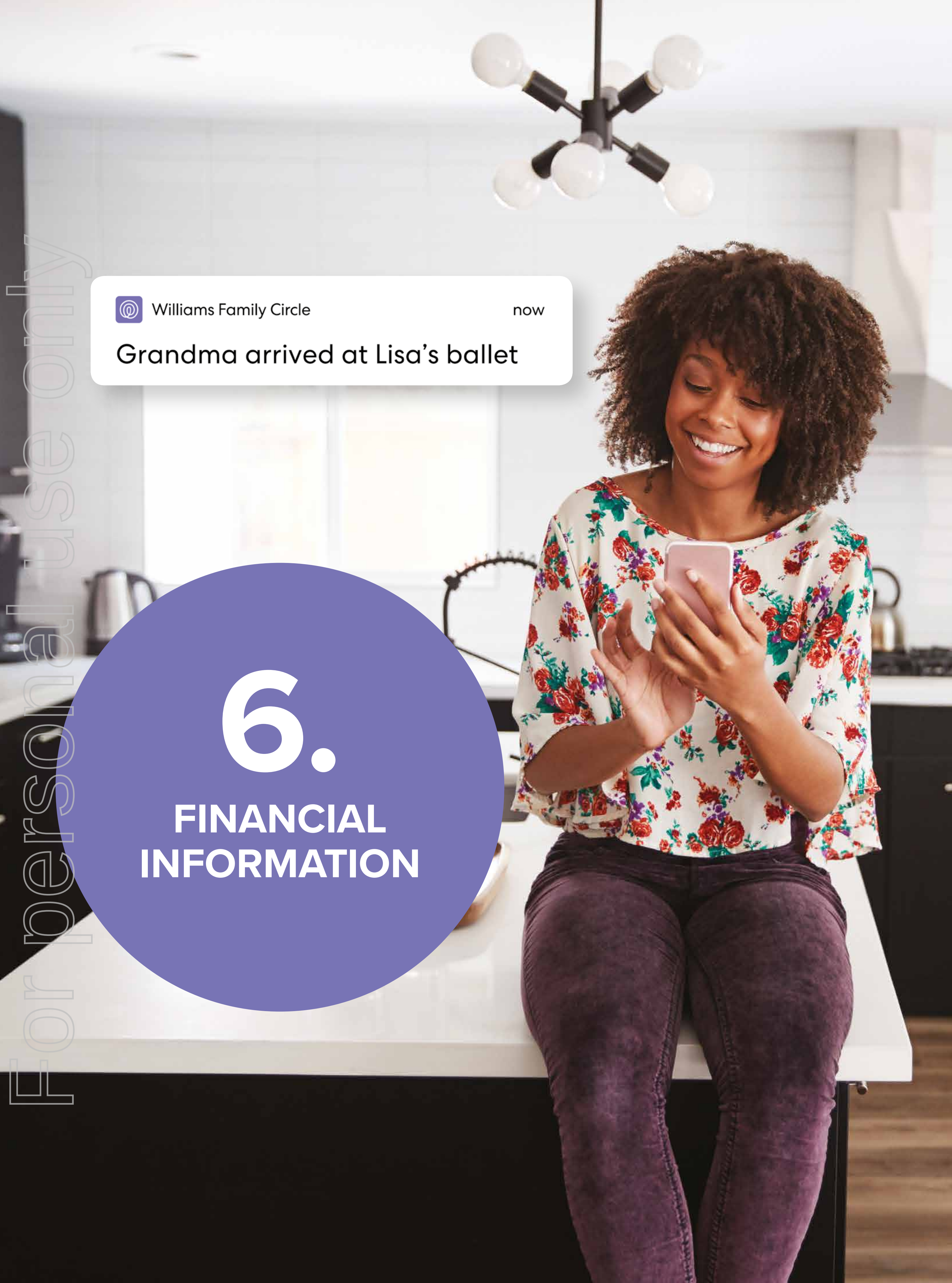
All Shareholders are invited to attend the Company's annual general meeting, either in person or by representative. The Board regards the annual general meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by Shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's auditors.

Principle 7 – Recognise and manage risk

In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy, which is designed to assist the Company to identify, evaluate and mitigate risks affecting the Company. In addition, the Board has established two standing committees to provide focused support in key areas. Regular internal communication between the Company's management and Board supplements the Company's quality system, complaint handling processes, employee policies and standard operating procedures which are all designed to address various forms of risks.

Principle 8 – Remunerate fairly and responsibly

The Company has established a Remuneration and Nomination Committee as set out in Section 5.9.5. The Company will provide disclosure of its Directors' and executives' remuneration in its annual report.



6. FINANCIAL INFORMATION

6. FINANCIAL INFORMATION

6.1. Introduction

The financial information set out in this Section contains the following financial information in relation to the Company:

Historical Financial Information

- Statutory historical and pro forma financial information for the Company, comprising:
  - Summary historical statement of operations for CY16, CY17 and CY18 (the **Statutory Historical Results**) and the pro forma summary historical statement of operations for CY16, CY17 and CY18 (the **Pro Forma Historical Results**);
  - Summary historical statement of cash flows for CY16, CY17 and CY18 (the **Statutory Historical Cash Flows**) and the pro forma summary historical statement of cash flows for CY16, CY17 and CY18 (the **Pro Forma Historical Cash Flows**); and
  - Historical balance sheet as at 31 December 2018 (the **Statutory Historical Statement of Financial Position**) and the pro forma historical balance sheet as at 31 December 2018 (the **Pro Forma Historical Statement of Financial Position**).
- The statutory and pro forma historical financial information shall be referred to herein as the Statutory Historical Financial Information and the Pro Forma Historical Financial Information, respectively.

Forecast Financial Information

- Forecast financial information for the Company, comprising:
  - Statutory forecast statement of operations for CY19F (the **Statutory Forecast Results**) and the pro forma forecast statement of operations for CY19F (the **Pro Forma Forecast Results**); and
  - Statutory forecast statement of cash flows for CY19F (the **Statutory Forecast Cash Flows**) and the pro forma forecast cash flows for CY19F (the **Pro Forma Forecast Cash Flows**).
- The statutory and pro forma forecast financial information shall be referred to herein as the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information, respectively.

The Historical Financial Information and Forecast Financial Information, together, are referred to as the **Financial Information** in this Prospectus.

Also summarised in this Section 6 are:

- The basis of preparation and presentation of the Statutory Historical Financial Information (refer to Section 6.2.2);
- Information regarding certain non-U.S. GAAP or AIFRS financial measures (refer to Section 6.2.4);
- Summary of key pro forma operating metrics (refer to Section 6.3.2);
- The pro forma adjustments to the Statutory Historical Financial Information and the Statutory Forecast Financial Information, and reconciliations to the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information respectively (refer to Sections 6.3.3 and 6.6);
- Details of Life360's indebtedness and capitalisation (refer to Section 6.5.2);
- Information regarding Life360's liquidity and capital resources (refer to Section 6.5.3);
- Management's discussion and analysis of the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information (refer to Sections 6.7 and 6.9);
- The specific and general assumptions underlying the Forecast Financial Information (refer to Sections 6.8.1 and 6.8.2);
- An analysis of the key sensitivities of the Pro Forma Forecast Financial Information (refer to Section 6.10); and
- Details of the proposed dividend policy (refer to Section 6.12).

The Statutory and Pro Forma Historical Financial Information and the Statutory and Pro Forma Forecast Financial Information should be read together with the other information contained in this Prospectus, including:

- The risk factors described in Section 4;
- The description of the use of the proceeds of the Offer described in Section 8.3;
- The Independent Limited Assurance Report, set out in Section 7; and
- The indicative capital structure described in Section 10.5.

Please note that past performance is not an indication of future performance.

6.2. Basis of preparation and presentation of the Financial Information

6.2.1. Overview

The Statutory Historical Financial Information has been derived from the Company's audited financial statements for CY16, CY17 and CY18.

The CY16, CY17 and CY18 financial statements were audited by BDO USA, LLP, which issued unqualified audit opinions in respect of these periods. No modified audit reports were issued for the Company in those periods. The Historical Financial Information has been reviewed by BDO, whose Independent Limited Assurance Report is contained in Section 7; however, the Directors are responsible for the inclusion of all financial information in this Prospectus.

The Statutory and Pro Forma Historical Financial Information have been prepared and presented in accordance with the measurement and recognition principles of U.S. GAAP issued by the FASB. A reconciliation between U.S. GAAP and AIFRS is contained in Section 6.6.

Life360 operates on a financial year ended 31 December. All amounts disclosed in this Section 6 are presented in U.S. Dollars and, unless otherwise noted, are rounded to the nearest million dollars. Rounding in the Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations. As with the rest of this Prospectus, this Section assumes that the Indicative Exchange Rate (A$1 = US$0.71) applies.

This Prospectus includes Forecast Financial Information based on the specific and general assumptions of Life360. The Forecast Financial Information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation of the Historical Financial Information.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the U.S. GAAP, AIFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Company's key accounting policies have been consistently applied throughout the financial periods presented and are set out in Appendix 1.

The impact of key changes in the accounting standards on the Financial Information is noted below.

In May 2014, the FASB issued Accounting Standards Update (**ASU**) 2014-09, Revenue from Contracts with Customers, which provides guidance for revenue recognition. The standard's core principle is that a company will recognise revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates when compared with current guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. This standard is effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted as of the annual reporting period beginning after December 15, 2016. The Company adopted ASU 2014-09 on January 1, 2016 for all periods presented.

In February 2016, the FASB issued authoritative guidance under ASU 2016-02, Leases (Topic 842). ASU 2016-02 provides new comprehensive lease accounting guidance that supersedes existing lease guidance. Upon adoption of ASU 2016-02, the Company will be required to recognise most leases on its balance sheet at the beginning of the earliest comparative period presented with a corresponding adjustment to stockholders' equity. ASU 2016-02 requires the Company to capitalise most current operating lease obligations as right-of-use assets based on the present value of future operating lease payments and to recognise a corresponding liability. Criteria for distinguishing leases between finance and operating are substantially similar to criteria for distinguishing between capital leases and operating leases in existing lease guidance. The guidance is effective for annual periods beginning after December 15, 2019. Early adoption is permitted. The Company is still evaluating the impact the adoption of this standard will have on the financial statements.

The Financial Information presented in this Prospectus has been reviewed by BDO in accordance with the *Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report. Investors should note the scope and limitations of the Independent Limited Assurance Report (refer to Section 7).

Post-listing, Life360 will continue to prepare its financial statements in accordance with U.S. GAAP issued by FASB and its financial statements post-listing will be audited and reviewed by Life360's auditor in accordance with auditing standards generally accepted in the U.S.

6.2.2. Preparation of the Historical Financial Information

The Statutory Historical Financial Information has been extracted from the audited financial statements of Life360 for CY16, CY17 and CY18 as described in Section 6.3 of this Prospectus.

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Results and Pro Forma Historical Statement of Cash Flows have been derived from the Statutory Historical Financial Information, with pro forma adjustments being made to reflect the elimination of certain non-recurring items and adjustments to reflect Life360's operating and capital structure following completion of its initial public offering, including standalone public company expenses.

The Pro Forma Historical Statement of Financial Position as at 31 December 2018 is based on the audited financial statements of Life360 at that date adjusted to reflect the impact of the Offer and other material transactions post 31 December 2018 (refer to Section 6.5.1).

Refer to Section 6.3.3 for a reconciliation between Statutory Historical Results and Pro Forma Historical Results, to Section 6.4.2 for a reconciliation between the Statutory Historical Statement of Cash Flows and the Pro Forma Historical Statement of Cash Flows and to Section 6.5.1 for a reconciliation between the Statutory Historical Statement of Financial Position and the Pro Forma Historical Statement of Financial Position.

Investors should note that past results are not a guarantee of future performance.

6.2.3. Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus. The Forecast Financial Information is presented on both a statutory and pro forma basis for CY19F. The statutory and pro forma basis for CY19F is based on Life360's specific and general forecast assumptions for the 12 months to 31 December 2019, as set out in Sections 6.8.1 and 6.8.2.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information. In preparing the Pro Forma Forecast Financial Information, pro forma adjustments have been made to the Statutory Forecast Financial Information to:

- Reflect Life360's operating and capital structure following completion of its initial public offering;
- To eliminate certain non-recurring items, including those directly in connection with the Offer; and
- To reflect standalone public company expenses.

The Forecast Financial Information has been prepared by Life360 based on an assessment of current economic and operating conditions, and on the specific and general assumptions regarding future events and actions as set out in Sections 6.8.1 and 6.8.2. The Forecast Financial Information is subject to business and economic risks including those risks set out in Section 4. The inclusion of these assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur.

The Forecast Financial Information presented in the Prospectus has been reviewed by BDO but has not been audited. Investors should note the scope and limitations of the Independent Limited Assurance Report on Forecast Financial Information (refer to Section 7). The Independent Limited Assurance Report on the Forecast Financial Information has been prepared solely in connection with the offer of CDIs in Australia.

Life360 believes the specific and general assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, the information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on Life360's actual financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of Life360, the Directors and management. Accordingly, none of Life360 and its Directors and management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Forecast Financial Information should be read in conjunction with the general assumptions set out in Section 6.8.1, the specific assumptions set out in Section 6.8.2, the sensitivity analysis set out in Section 6.10, the risk factors as set out in Section 4, the key accounting policies set out in Appendix 1 and other information in this Prospectus.

Life360 has no intention to update or revise the Forecast Financial Information or other forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation.

6.2.4. Non-U.S. GAAP or AIFRS Financial Measures

Life360 uses certain measures to report on its business that are not recognised under U.S. GAAP or AIFRS. These measures are collectively referred to in Section 6.2, and under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC, as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **Direct Revenue** comprises subscription fees paid by Paying Circles for our premium products;
- **Indirect Revenue** is revenue generated from the sale of third party products and services in partnership with companies such as Allstate and ADT, and anonymised insights into the data we collect from our User base;
- **AMR** is annualised monthly revenue which is equal to the total revenue in the last month of a respective period, multiplied by twelve. AMR represents a "run-rate" view of our revenue profile at a point in time. We believe this is a useful measure given our rapid growth and the recurring nature of our revenues;
- **MAU** is monthly active Users which is equal to the number of Users who have opened the Life360 App over the last month of a respective period;
- **Paying Circles** is equal to the number of accounts which pay for a premium product in the last month of a respective period;
- **Direct ARPPC** is average Direct Revenue per Paying Circle. Direct ARPPC is equal to Direct Revenue generated over a period divided by the average number of Paying Circles during that period;
- **ARPU** is average revenue per User. ARPU is equal to total revenue generated over a period divided by the average number of MAU during that period;
- **EBITDA** is earnings before interest (net finance income), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. EBITDA can be useful to help understand the cash flow generation potential of the business. EBITDA should not be considered as an alternative to measures of cash flow under U.S. GAAP and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of our operations;
- **EBIT** is earnings before interest (net finance income) and taxation;
- **User acquisition costs** are costs directly associated with acquiring new Users, including paid search advertising on the Apple iTunes App Store and Google Play Store; and
- **Operating cash flow** is EBITDA after the removal of non-cash items in EBITDA (for example, stock-based compensation and movements in provisions), deferred revenue and changes in other operating assets and liabilities. We use operating cash flow as a measure to indicate the level of operating cash flow generated from EBITDA.

Certain financial data included in Section 6 is also non-IFRS financial information.

Although Life360 believes that these measures provide useful information about the financial performance of Life360, they should be considered as supplements to the statement of profit and loss measures that have been presented in accordance with the U.S. GAAP and not as a replacement for them. Because these non-IFRS financial measures are not based on U.S. GAAP or AIFRS, they do not have standard definitions, and the way Life360 calculated these measures may differ from similarly-titled measures used by other companies. Investors should therefore not place undue reliance on these non-IFRS financial measures.

6.3. Consolidated Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

6.3.1. Overview

Table 1 below sets out the Pro Forma Historical Results for CY16, CY17 and CY18, the Pro Forma Forecast Results for CY19F and the Statutory Forecast Results for CY19F.

TABLE 1: PRO FORMA HISTORICAL RESULTS FOR CY16, CY17 AND CY18, THE PRO FORMA FORECAST RESULTS FOR CY19F AND THE STATUTORY FORECAST RESULTS FOR CY19F

			Pro Forma Historical		Pro Forma Forecast	Statutory Forecast
US$ millions	**Notes**	**CY16**	**CY17**	**CY18**	**CY19F**	**CY19F**
Total revenue		**5.3**	**11.5**	**32.1**	**58.6**	**58.6**
Research and development	1	(8.2)	(9.3)	(15.7)	(29.9)	(29.9)
Sales and marketing	2	(1.5)	(4.5)	(18.0)	(37.5)	(37.5)
General and administrative	3	(6.6)	(7.0)	(11.3)	(11.3)	(10.6)
Technology	4	(2.9)	(4.1)	(7.2)	(10.2)	(10.2)
Operating expenses, net		**(19.2)**	**(24.9)**	**(52.2)**	**(88.8)**	**(88.1)**
Loss from operations		**(13.8)**	**(13.4)**	**(20.2)**	**(30.3)**	**(29.6)**
Interest expense		(0.2)	(0.3)	(0.3)	(0.3)	(0.3)
Gain / (loss) on revaluation of preferred stock warrant liability		–	–	0.0	–	(0.8)
Other income / (expense)		(0.1)	0.1	(0.0)	0.8	0.8
Total other income / (expense)		**(0.3)**	**(0.2)**	**(0.4)**	**0.5**	**(0.2)**
Loss before benefit from (provision for) income taxes		**(14.2)**	**(13.6)**	**(20.5)**	**(29.7)**	**(29.8)**
Benefit from (provision for) income taxes		–	–	–	–	–
Net loss		**(14.2)**	**(13.6)**	**(20.5)**	**(29.7)**	**(29.8)**

Notes:

1 Research and development expenses have predominantly related to the development of Life360's core mobile App platform offering. These costs consist of personnel-related expenses, contractor fees, outside third party vendors and allocated facilities costs.

2 Sales and marketing expenses have primarily related to developing Life360's brand, search engine advertising (also referred to as User acquisition costs) and sales commissions to Apple Inc. and Google Inc. for subscription sales on each respective mobile App platform.

3 General and administrative expenses relate to the general management of the Company and include personnel-related expenses, rent, professional fees, travel costs, utilities and allocated facilities costs. These costs are not directly attributable to research and development or sales and marketing.

4 Technology expenses predominantly relate to expenses incurred directly in connection with the provision of the Company's mobile App offering. These consist of server expenses, outside third party vendor expenses, technology infrastructure, license fees and data analytics expenses.

6.3.2. Key operating metrics

Table 2 below sets out a summary of Life360's key historical operating metrics for CY16, CY17 and CY18 relating to the Pro Forma Historical Results, and the key forecast operating metrics for CY19F relating to the Pro Forma Forecast Results.

TABLE 2: KEY PRO FORMA HISTORICAL OPERATING METRICS FOR CY16, CY17 AND CY18 AND KEY PRO FORMA FORECAST OPERATING METRICS FOR CY19F

		Pro Forma Historical			Pro Forma Forecast
		Dec-16	Dec-17	Dec-18	Dec-19
Millions	**Notes**	**CY16**	**CY17**	**CY18**	**CY19F**
MAU	1				
U.S.		3.2	5.7	10.0	14.1
International		3.8	5.4	8.5	11.9
Total		**7.0**	**11.1**	**18.5**	**26.0**
% growth		n.a.	58.6%	67.4%	40.4%
Paying Circles	1				
U.S.		0.10	0.22	0.45	0.72
International	3	n.a.	0.07	0.13	0.23
Total		**0.10**	**0.29**	**0.58**	**0.94**
% growth		n.a.	198.6%	96.6%	62.8%
Direct ARPPC (US$)	1,2				
U.S.		36.30	50.25	60.75	59.42
% growth		n.a.	38.4%	20.9%	(2.2%)
International	3	n.a.	34.78	43.64	42.86
% growth		n.a.	n.a.	25.5%	(1.8%)
Total ARPU (US$)	1,2				
U.S.	4	1.21	2.19	3.27	3.99
% growth		n.a.	81.0%	49.7%	22.0%
International		0.21	0.38	0.63	0.75
% growth		n.a.	85.7%	64.9%	18.8%

Notes:

1 Refer to Section 6.2.4 for the explanation of certain non U.S. GAAP or AIFRS financial measures.

2 The Company's management accounts do not report Direct Revenue by geography. As a result, Direct Revenue, and consequentially Direct ARPPC, has been apportioned across the U.S. and International regions according to the percentage of total cash generated from subscription fees by each region. The cash generated from subscription fees is sourced from invoices from its distribution partners, Apple Inc. and Google Inc.

3 The number of International Paying Circles in CY16 is not available from our internal reporting systems.

4 Excludes ADT partnership revenue.

6.3.3. Pro forma adjustments to the Statutory Historical Results and Statutory Forecast Results

Table 3 below sets out the pro forma adjustments that have been made to Life360's Statutory Historical Results and Statutory Forecast Results to reflect the full year impact of the operating and capital structure that will be in place following completion of the initial public offering as if it were in place as at 1 January 2016 and other adjustments to eliminate certain non-recurring items. These adjustments are summarised below.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information. In preparing the Pro Forma Forecast Financial Information, pro forma adjustments have been made to the Statutory Forecast Financial Information to eliminate certain non-recurring items and reflect standalone public company expenses.

TABLE 3: PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL RESULTS AND STATUTORY FORECAST RESULTS

		Pro Forma Historical			Statutory Forecast
US$ millions	**Notes**	**CY16**	**CY17**	**CY18**	**CY19F**
Statutory net loss after tax		**(12.3)**	**(10.6)**	**(19.4)**	**(29.8)**
Addition of listed company costs	1	(2.0)	(2.0)	(2.0)	(0.7)
Removal of out-of-period tax expense	2	0.1	–	–	–
Removal of one-time legal expenses	3	–	0.0	0.1	–
Removal of one-time legal expenses and settlement income	4	0.1	(0.7)	–	–
Removal of remeasurement of warrant	5	0.1	(0.0)	0.7	0.8
Removal of remeasurement of options	6	(0.1)	(0.2)	0.1	–
Pro Forma net profit after tax		**(14.2)**	**(13.6)**	**(20.5)**	**(29.7)**

Notes:

1 The Pro Forma Historical Results and the Pro Forma Forecast Results include listed company costs such as additional Director fees, ASX listing and registry fees, professional service fees and investor relations and communications.

2 The Pro Forma Historical Results exclude the effect of tax expenses incurred in CY16 that related to tax assessments for prior periods.

3 The Pro Forma Historical Results exclude the effect of legal expenses incurred in connection with a legal settlement to collect amounts due under an agreement with a third party.

4 The Pro Forma Historical Results exclude the effect of legal expenses incurred and legal settlement proceeds received in connection with prosecution of an intellectual property matter.

5 The Pro Forma Historical Results and the Pro Forma Forecast Results exclude the fair value remeasurement of warrants to purchase convertible preferred stock as required by U.S. GAAP.

6 The Pro Forma Historical Results and the Pro Forma Forecast Results exclude the fair value remeasurement of options to purchase shares of the Company's common stock as required by U.S. GAAP.

6.4. Consolidated Pro Forma Historical Statements of Cash Flows and Pro Forma Forecast Statements of Cash Flows and Statutory Forecast Statements of Cash Flows

6.4.1. Overview

Table 4 below sets out the Pro Forma Historical Statements of Cash Flows for CY16, CY17 and CY18, the Pro Forma Forecast Statement of Cash Flows for CY19F and the Statutory Forecast Statement of Cash Flows for CY19F.

TABLE 4: PRO FORMA HISTORICAL STATEMENTS OF CASH FLOWS FOR CY16, CY17 AND CY18, PRO FORMA FORECAST STATEMENT OF CASH FLOWS FOR CY19F AND THE STATUTORY FORECAST STATEMENT OF CASH FLOWS FOR CY19F

		Pro Forma Historical			Pro Forma Forecast	Statutory Forecast
US$ millions	**Notes**	**CY16**	**CY17**	**CY18**	**CY19F**	**CY19F**
Cash flows from operating activities	1					
Net income / (loss)		(14.2)	(13.6)	(20.5)	(29.7)	(29.8)
Non-cash adjustments						
Depreciation and amortisation		0.2	0.2	0.1	0.1	0.1
Amortisation of costs capitalised to obtain contracts		0.0	0.1	0.7	2.0	2.0
Amortisation of debt issuance costs and discount on debt		–	0.0	0.0	0.0	0.0
Stock-based compensation expense		1.5	0.7	1.9	4.3	4.3
Issuance of common stock for services		–	–	–	–	0.8
Change in fair value of preferred stock warrant liability		–	–	0.0	–	–
Settlement of options to purchase company stock		–	–	–	(0.0)	(0.0)
Write-off of capital assets		0.1	–	–	–	–
Interest due under notes from affiliates		(0.2)	(0.1)	(0.1)	–	–
Changes in operating assets and liabilities						
Accounts receivable		(0.4)	(1.7)	(2.9)	(2.1)	(2.1)
Prepaid expenses and other current assets		0.1	(1.1)	(1.1)	(0.3)	(0.3)
Costs capitalised to obtain contracts, net	2	(0.1)	(0.7)	(1.8)	(4.5)	(4.5)
Other assets		0.1	–	(0.0)	–	–
Accounts payable		0.2	(0.0)	2.6	(1.4)	(1.4)
Accrued expenses		(0.1)	0.6	1.2	2.5	2.5
Deferred revenue	3	0.4	2.0	3.7	6.0	6.0
Non-current liabilities		0.8	0.3	(0.1)	(1.5)	(1.5)
Net cash provided by (used in) operating activities		**(11.5)**	**(13.4)**	**(16.3)**	**(24.6)**	**(24.0)**
Cash flows from investing activities	4					
Purchases of capital assets		–	(0.2)	(0.1)	(0.0)	(0.0)
Issuance of notes to affiliates		(0.7)	(5.6)	–	0.0	0.0
Settlement of interest and notes due from affiliates		0.2	4.6	5.7	–	–
Acquisitions of options to purchase company stock		–	(0.1)	–	–	–
Net cash flows provided by (used in) investing activities		**(0.5)**	**(1.2)**	**5.6**	**(0.0)**	**(0.0)**
Cash flows from financing activities	5					
Proceeds from the issuance of common and preferred stock, net of issuance costs		–	18.5	33.3	80.0	74.8
Repurchase of common stock		–	(0.1)	(13.4)	–	–
Proceeds from the exercise of options and stock awards, net of repurchases		0.1	0.1	0.3	–	–
Proceeds from borrowings		–	3.7	5.0	(1.7)	(1.7)
Payments on borrowings		–	–	(5.0)	–	–
Net cash provided by (used in) financing activities		**0.1**	**22.1**	**20.2**	**78.3**	**73.1**
Net increase (decrease) in cash and cash equivalents held		**(11.9)**	**7.5**	**9.5**	**53.7**	**49.2**
Cash and cash equivalents at beginning of financial year		15.5	3.5	11.0	20.5	26.1
Cash and cash equivalents at end of financial year		**3.5**	**11.0**	**20.5**	**74.2**	**75.2**

Notes:

1 Life360's cash flows from operating activities from all periods have been negative, primarily from research and development expenditure in connection with the Company's mobile App offering, marketing costs to build the Company's brand and administrative costs associated with the operation of a rapidly growing technology company. The Company has funded its outflows from operations primarily from the issuance of convertible notes, sale of convertible preferred stock and proceeds from term debt facilities.

2 Apple and Google apply a two tiered system to the commissions they charge Life360: 1) 30% for those who have been a paying subscriber to a Life360 App through Apple or Google for less than a year; and 2) 15% for those longer than that. The initial commission costs (30% commission fee) of acquiring paying subscribers is amortised over 24 months.

3 Deferred revenue relates to cash received upfront from Paying Circles for annual subscriptions that is amortised over twelve months for revenue recognition purposes.

4 Life360 has historically had minimal investment in capital assets. The Company has issued interest bearing notes to certain affiliates of the Company.

5 Life360 has primarily funded its operations through the sale of convertible preferred stock and term debt during the periods presented. In 2017, the Company initiated a round of Preferred Stock financing whereby the Company issued 2,714,095 shares of Series C-1 Preferred Stock for cash at a price per share of US$9.00. In 2018, an additional round of Preferred Stock financing was completed whereby the Company issued 2,316,199 shares of Series D Preferred Stock for a cash price per share of US$9.16.

6.4.2. Pro forma adjustments to the Statutory Historical Statements of Cash Flows and the Statutory Forecast Statements of Cash Flows

Table 5 below sets out the pro forma adjustments that have been made to Life360's Statutory Historical Statements of Cash Flows and Statutory Forecast Statement of Cash Flows to reflect the full year impact of the operating and financing structure that will be in place following Completion as if it was in place as at 1 January 2016. These adjustments are summarised below.

TABLE 5: PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL STATEMENTS OF CASH FLOWS AND STATUTORY FORECAST STATEMENT OF CASH FLOWS

			Pro Forma Historical		Pro Forma Forecast
US$ millions	**Notes**	**CY16**	**CY17**	**CY18**	**CY19F**
Statutory increase / (decrease) in cash and cash equivalents held		**(10.0)**	**10.2**	**10.4**	**49.2**
Addition of listed company costs	1	(2.0)	(2.0)	(2.0)	(0.7)
Removal of out-of-period tax expense	2	0.1	–	–	–
Removal of one-time legal expense	3	–	0.0	0.1	–
Removal of one-time legal expense and settlement income	4	0.1	(0.7)	–	–
Removal of IPO transaction costs as a non-recurring item	5	–	–	1.1	5.2
Pro Forma increase / (decrease) in cash and cash equivalents held		**(11.9)**	**7.5**	**9.5**	**53.7**

Notes:

1 The Pro Forma Historical Statement of Cash Flows and the Pro Forma Forecast Statement of Cash Flows include listed company costs such as additional Director fees, ASX listing and registry fees, professional service fees and investor relations and communications.

2 The Pro Forma Historical Statements of Cash Flows exclude the effect of tax expense incurred in CY16 that related to tax assessments for prior periods.

3 The Pro Forma Historical Statements of Cash Flows exclude the effect of legal expenses incurred in connection with a legal settlement to collect amounts due under an agreement with a third party.

4 The Pro Forma Historical Statements of Cash Flows exclude the effect of legal expenses incurred and legal settlement proceeds received in connection with prosecution of an intellectual property matter.

5 The Pro Forma Historical and Forecast Statements of Cash Flows exclude the impact of costs associated with the Offer (including Lead Manager and Underwriting fees, legal fees, accounting fees, ASX listing fees and other expenses) of US$6.3 million. These costs have been reversed as non-recurring items.

6.5. Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

6.5.1. Overview

Tables 6 and 7 below set out the pro forma adjustments that have been made to the audited Statutory Historical Statement of Financial Position for Life360 at 31 December 2018 in order to prepare the Pro Forma Statement of Financial Position for Life360 to consider the effect of, amongst other things, the Offer proceeds, transaction expenses and other material transactions post 31 December 2018. These adjustments reflect the impact of the changes in capital structure that will take place as part of the Offer, as if they had occurred or were in place as at 31 December 2018.

TABLE 6: STATUTORY HISTORICAL STATEMENT OF FINANCIAL POSITION AND PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

		Audited	Pro Forma	Pro Forma
US$ millions	**Notes**	**31-Dec-18**	**Adjustments**	**31-Dec-18**
Cash		25.8	74.8	100.6
Accounts receivable		5.7	–	5.7
Costs capitalised to obtain revenue contracts, net		1.2	–	1.2
Prepaid expenses and other current assets		2.4	–	2.4
Total current assets		**35.1**	**74.8**	**109.9**
Restricted cash		0.2	–	0.2
Property and equipment, net		0.3	–	0.3
Costs capitalised to obtain revenue contracts, net of current portion		0.5	–	0.5
Intangible assets, net		0.2	0.9	1.0
Notes from affiliates		0.3	–	0.3
Other non-current assets		1.1	(1.1)	0.0
Total non-current assets		**2.6**	**(0.2)**	**2.4**
Total assets		**37.7**	**74.6**	**112.3**
Accounts payable		2.9	–	2.9
Accrued expenses and other liabilities		2.1	–	2.1
Deferred revenue		6.1	–	6.1
Notes payable, current portion and net of discount		1.6	–	1.6
Total current liabilities		**12.8**	**–**	**12.8**
Notes payable, net of current portion and discount		3.3	–	3.3
Preferred stock warrant liability		0.8	(0.8)	–
Deferred rent		0.3	–	0.3
Other non-current liabilities		0.8	–	0.8
Total non-current liabilities		**5.2**	**(0.8)**	**4.4**
Total liabilities		**18.0**	**(0.8)**	**17.2**
Net assets		**19.6**	**75.4**	**95.1**
Redeemable convertible preferred stock		115.6	(115.6)	–
Common stock		0.0	0.0	0.0
Notes from affiliates		(0.6)	–	(0.6)
Additional paid-in capital		(8.9)	191.8	182.9
Accumulated deficit		(86.5)	(0.8)	(87.3)
Total equity		**19.6**	**75.4**	**95.1**

TABLE 7: PRO FORMA ADJUSTMENTS TO THE STATUTORY HISTORICAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Audited	Conversion of O/S 31 December Preferred Stock into Common Stock	Remeasurement of Preferred Stock Warrant Liability	Conversion of Preferred Stock Warrant Liability	Zen Labs, Inc Acquisition	Issuance of IPO Common Stock	Pro Forma
US$ millions	**31-Dec-18**	**Adjustment 1**	**Adjustment 2**	**Adjustment 3**	**Adjustment 4**	**Adjustment 5**	**31-Dec-18**
Cash	25.8	–	–	–	–	74.8	100.6
Accounts receivable	5.7	–	–	–	–	–	5.7
Costs capitalised to obtain revenue contracts, net	1.2	–	–	–	–	–	1.2
Prepaid expenses and other current assets	2.4	–	–	–	–	–	2.4
Total current assets	**35.1**	**–**	**–**	**–**	**–**	**74.8**	**109.9**
Restricted cash	0.2	–	–	–	–	–	0.2
Property and equipment, net	0.3	–	–	–	–	–	0.3
Costs capitalised to obtain revenue contracts, net of current portion	0.5	–	–	–	–	–	0.5
Intangible assets, net	0.2	–	–	–	0.9	–	1.0
Notes from affiliates	0.3	–	–	–	–	–	0.3
Other non-current assets	1.1	–	–	–	–	(1.1)	0.0
Total non-current assets	**2.6**	**–**	**–**	**–**	**0.9**	**(1.1)**	**2.4**
Total assets	**37.7**	**–**	**–**	**–**	**0.9**	**73.7**	**112.3**
Accounts payable	2.9	–	–	–	–	–	2.9
Accrued expenses and other liabilities	2.1	–	–	–	–	–	2.1
Deferred revenue	6.1	–	–	–	–	–	6.1
Notes payable, current portion and net of discount	1.6	–	–	–	–	–	1.6
Total current liabilities	**12.8**	**–**	**–**	**–**	**–**	**–**	**12.8**
Notes payable, net of current portion and discount	3.3	–	–	–	–	–	3.3
Preferred stock warrant liability	0.8	–	0.8	(1.6)	–	–	–
Deferred rent	0.3	–	–	–	–	–	0.3
Other non-current liabilities	0.8	–	–	–	–	–	0.8
Total non-current liabilities	**5.2**	**–**	**0.8**	**(1.6)**	**–**	**–**	**4.4**
Total liabilities	**18.0**	**–**	**0.8**	**(1.6)**	**–**	**–**	**17.2**
Net assets	**19.6**	**–**	**(0.8)**	**1.6**	**0.9**	**73.7**	**95.1**
Redeemable convertible preferred stock	115.6	(115.6)	–	–	–	–	–
Common stock	0.0	0.0	–	–	–	0.0	0.0
Notes from affiliates	(0.6)	–	–	–	–	–	(0.6)
Additional paid-in capital	(8.9)	115.6	–	1.6	0.9	73.7	182.9
Accumulated deficit	(86.5)	–	(0.8)	–	–	–	(87.3)
Total equity	**19.6**	**–**	**(0.8)**	**1.6**	**0.9**	**73.7**	**95.1**

Notes: The following transactions and events had not occurred prior to 31 December 2018 but have taken place before or expected to occur around the Allotment Date. The pro forma financial information in this Section 6.5.1 assumes that they occurred on or before 31 December 2018.

- Adjustment 1: Conversion of 30.4 million shares of convertible preferred stock outstanding at 31 December 2018 into shares of common stock.
- Adjustment 2: Fair value remeasurement of preferred stock warrant liability in connection with the Company's initial public offering and extinguishment of the liability into additional paid-in capital.
- Adjustment 3: Conversion of preferred stock warrant liability into additional paid-in capital upon initial public offering.
- Adjustment 4: Addition of intangible assets and additional paid in capital in relation to the acquisition of Zen Labs, Inc.
- Adjustment 5: As a result of the Offer of 7.3 million shares of common stock, the Company will receive proceeds of US$80 million offset by Offer costs incurred in CY19 of US$5.2 million. Offer costs of US$1.1 million were incurred in CY18 which were capitalised as a prepaid expense. Additional paid-in capital is expected to increase by US$73.7 million, being the total proceeds of US$80 million offset by total Offer costs incurred of US$6.3 million.

6.5.2. Indebtedness

The indebtedness of Life360 as at 31 December 2018 on a statutory and pro forma basis was US$5.0 million on a gross basis.

In March 2018, Life360 entered into a loan and security agreement with Silicon Valley Bank for up to US$7.0 million comprising of a First Tranche of US$5.0 million to be drawn on or around the effective date of the agreement and a Second Tranche of US$2.0 million, which Life360 did not draw. The Silicon Valley Bank Notes Payable, which matures in December 2021, is collateralised by all personal property assets of Life360 other than intellectual property (which is subject to a negative pledge) and bears interest on the outstanding principal balance at a floating per annum rate of one and one-half percentage points (1.50%) above the Prime Rate.

On a pro forma basis, Life360 had US$100.6 million of cash reserves as at 31 December 2018.

6.5.3. Liquidity and Capital Resources

Following Completion, Life360's principal sources of funds are expected to be cash on hand and short-term investments in interest bearing certificates of deposits and other similar instruments.

Life360's main use of cash is to fund working capital. Historical and forecast working capital trends are described in Sections 6.7 and 6.9.

Life360 expects that it will have sufficient cash reserves to meet its operational requirements and business needs during the Forecast Period. However, Life360 anticipates that it may need to raise additional financing in the future to fund its operations. In order to meet these additional cash requirements, Life360 may seek to sell additional equity or issue debt, convertible debt or other securities that may result in dilution to its stockholders. If Life360 raises additional funds through the issuance of debt or convertible debt securities, these securities could have rights senior to those of its common stock and could contain covenants that restrict its operations. There can be no assurance that Life360 will be able to obtain additional equity or debt financing on terms acceptable to it, if at all. Additional debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting Life360's ability to take specific actions such as incurring debt, making capital expenditures or declaring dividends. Life360's failure to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on its business, results of operations, and financial condition. Life360's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control including general economic, financial and competitive conditions.

The proceeds of the Offer will be received in Australian Dollars, while the Company's functional currency is U.S. Dollars. The Company is not currently hedging against exchange rate fluctuations, and consequently will be at the risk of any adverse movement in the U.S. Dollar – Australian Dollar exchange rate from the pricing of the Offer until Completion of the Offer and continue until such time either (a) the Company hedges against exchange rate fluctuations or (b) converts the Offer Proceeds into U.S. Dollars.

6.5.4. Quantitative and Qualitative Disclosures About Interest Rate Risk

Life360 is exposed to market risk in the ordinary course of its business. Market risk represents the risk of loss that may impact Life360's financial position due to adverse changes in financial market prices and rates. Life360's market risk exposure is primarily a result of fluctuations in foreign currency exchange rates and interest rates. Exposure to market risk for changes in interest rates relates primarily to the Company's cash, cash equivalents and debt, which has an interest rate based on the prevailing Prime Rate.

6.5.5. Contractual Obligations and Commitments

Table 8 below sets out a summary of Life360's statutory contractual obligations and commitments following Completion.

TABLE 8: LIFE360'S STATUTORY CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

		Pro Forma Historical			
US$000	**Notes**	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Operating lease commitments	1	1,432	4,348	–	5,781

Note:

1 Aggregate total future minimum lease payments under non-cancelable operating leases.

6.5.6. Off Balance Sheet Items

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 would have a material adverse effect on its financial position, results of operations or cash flows.

6.6. Reconciliation between U.S. GAAP and AIFRS

The Pro Forma Historical Financial Information contained in this Prospectus has been derived from the Statutory Historical Financial Information which has been prepared in accordance with U.S. GAAP, which is different from AIFRS, the accounting principles generally accepted in Australia. Life360 will only be required to lodge U.S. GAAP financials with ASIC as a foreign company in the future and the ASX has confirmed that the Company may solely report in U.S. GAAP once listed on the ASX (and the audit of those financial reports will be conducted in accordance with U.S. auditing standards). Future financial information of Life360 will not be prepared under AIFRS.

Life360 has reviewed the differences between U.S. GAAP and AIFRS as manifested in the Company's Historical Financial Information. They identified the following material differences relevant to potential investors under the Offers.

6.6.1. Costs of the Offer

Life360 has incurred various costs relating to the Offer and listing on the ASX. Under U.S. GAAP, costs incurred in issuing stock and listing on the ASX are classified as a reduction of equity. Under AIFRS, only those costs directly attributable to raising new equity can be offset against equity. Expenses relating to the listing of existing equity are required to be expensed and costs relating to both existing and new equity are split between equity and expenses based on the proportion of existing and new equity post the Offer. Therefore, if Life360 had prepared the Pro Forma Historical Statement of Financial Position as of 31 December 2018 in accordance with AIFRS, approximately US$2.3 million of the estimated US$6.3 million cash offer costs would be treated as an expense through the statement of operations rather than an offset against stockholder's equity. Furthermore, if Life360 had prepared the Pro Forma Historical Statement of Financial Position as of 31 December 2018 in accordance with AIFRS, approximately US$0.9 million of prepaid expenses would be expensed, resulting in a decrease in net assets of US$0.9 million.

6.6.2. Convertible Preferred Stock

Life360 has issued and sold shares of convertible preferred stock to fund its operations. Under U.S. GAAP, puttable or contingently redeemable equity securities typically are classified as equity, because redemption is not certain to occur. Puttable or contingently redeemable instruments with redemption features that are not solely within the control of the issuer are classified as mezzanine equity between permanent equity and liabilities. Under AIFRS, instruments that give the holder the right to put the instrument back to the issuer for cash or another financial asset or that is automatically put back to the issuer upon the occurrence of an uncertain future event should be accounted for as a liability. Life360 determined that the contingent redemption features of its outstanding convertible preferred stock are not solely within the control of the Company. Therefore, if Life360 had prepared the Statutory Historical Financial Information in accordance with AIFRS, Life360 would have recorded cumulative non-cash fair value losses of US$220.2 million since inception of the instruments and through the date of the Offer. There is no financial statement impact on the Pro Forma Historical Results (fair value adjustments under AIFRS would be reversed as non-recurring items) or the Pro Forma Historical Statement of Financial Position (the fair value of the convertible preferred stock liability under AIFRS at Initial Public Offering date would equal the U.S. GAAP convertible preferred stock equity, which convert to additional paid in capital at Initial Public Offering).

6.6.3. Notes Due From Affiliates

Life360 has issued certain notes in connection with grants of equity awards to executives of Life360. Under U.S. GAAP, the balance sheet display of these or similar items is not determined by the quality or actual value of the receivable or other asset contributed to the capital of the affiliate, but rather by the relationship of the parties and the control inherent in that relationship. Accordingly, in these situations, the receivable is treated as a deduction from stockholders' equity in the balance sheet. Under AIFRS, equity-linked notes from affiliates are not recognised upon inception but rather are recorded to equity upon settlement of the notes. Therefore, if Life360 had prepared the Pro Forma Historical Statement of Financial Position as of 31 December 2018 in accordance with AIFRS, approximately US$0.6 million of equity-classified notes due from affiliates would be derecognised resulting in an increase in net assets of US$0.6 million.

6.7. Management discussion and analysis of Pro Forma Historical Information

6.7.1. Overview

This Section 6.7 discusses details of key metrics relating to Life360's historical financial performance between CY16 – CY18 and the main factors which affected Life360's operating and relative financial performance in CY16 – CY18. The discussion is intended to provide a brief summary only and does not detail all the factors that affected historical operating and financial performance, nor everything which may affect Life360's operating and financial performance in the future. Unless otherwise stated, all metrics and financial information presented in this Section and the related commentary is on a pro forma basis only. The information in this Section 6.7 should also be read in conjunction with the general and specific assumptions in Section 6.8.1 and 6.8.2, the sensitivities in Section 6.10, key risk factors set out in Section 4 and the other information contained in this Prospectus.

6.7.2. Discussion of key metrics

Information in Section 6.7 has been prepared using Life360's Pro Forma Historical Financial Information for CY16, CY17 and CY18. This information is intended to provide investors with additional detail regarding Life360's historical growth and its expectations and target objectives in order to assist in assessing its future prospects.

6.7.2.1. Revenue

Our historical growth in revenue across our two regions, U.S. and International, and two types, Direct and Indirect, is illustrated in Table 9. Total revenue in CY18 (US$32.1 million) was more than 2.8 times greater than CY17 revenue. The U.S. was our primary focus region over the Historical Periods and generated 86% of total revenue in CY18.

TABLE 9: PRO FORMA HISTORICAL REVENUE BY REGION AND TYPE

		Pro Forma Historical		
US$ millions	**Notes**	**CY16**	**CY17**	**CY18**
U.S.				
Direct		2.4	8.1	20.4
Indirect		2.2	1.6	7.3
Total U.S.		**4.6**	**9.7**	**27.7**
International				
Direct		0.7	1.8	4.4
Total International		**0.7**	**1.8**	**4.4**
Total revenue		**5.3**	**11.5**	**32.1**
AMR	**1**	**7.8**	**16.5**	**45.3**
MAU (millions)				
U.S.		3.2	5.7	10.0
International		3.8	5.4	8.5
Total		**7.0**	**11.1**	**18.5**
Paying Circles (millions)				
U.S.		0.10	0.22	0.45
International	2	n.a.	0.07	0.13
Total		**0.10**	**0.29**	**0.58**
Direct ARPPC (US$)				
U.S.		36.30	50.25	60.75
International		n.a.	34.78	43.64
Total ARPU (US$)				
U.S.	3	1.21	2.19	3.27
International		0.21	0.38	0.63
Subscription-based variable cost ratio	4	**7.2%**	**8.3%**	**4.5%**
Subscription-based variable cost ratio (including Apple and Google sales commissions)		**21.3%**	**27.6%**	**21.4%**

Notes:

1 AMR as at December 2016 includes a normalisation adjustment to exclude a one-time write-off relating to ADT partnership revenue. This was incurred during a period of contract re-negotiations. AMR as at December 2018 excludes revenue generated from the Allstate proof of concept trial. AMR was US$51.3 million including revenue generated by the trial.

2 The number of International Paying Circles in CY16 is not available from our internal reporting systems.

3 Excludes ADT partnership revenue.

4 This ratio is calculated as subscription-based variable costs as a percentage of total revenue. Subscription-based variable costs represent costs that management believe are variable based on movements in the number of Paying Circles specifically, rather than MAU growth. That is, these represent incremental costs associated with delivering our premium offerings to Paying Circles and are in addition to costs which are incurred to service our total MAU base. These variable costs include call centre costs, Driver Protect partner sales commissions and credit card processing expenses (but do not include Apple and Google sales commissions). Management believes this is an appropriate measure to reflect the relative incremental costs incurred to service each new Paying Circle that subscribes to a premium product.

Our business model is predicated on building a large critical mass of engaged Users and monetising them:

- **Directly:** through subscription-based products we build ourselves; and
- **Indirectly:** where we work with third parties to provide offers and derive value from our Users.

Direct Revenue comprises subscription fees paid by Users for our premium offerings: Life360 Plus, Driver Protect (offered only in the U.S.) and Driver Protect Lite (offered outside of the U.S.). Users can select either monthly or annual subscriptions and once subscribed to one of these offerings, they acquire the rights for one Circle of up to six Users. Subscriptions continue until cancelled. Cancellation will stop automatic enrolment for the next billing period, however, the User does not receive a refund for the current billing period (month or year depending on the subscription selected). Life360 receives the full payment, net of sales commissions, within 30 days.

Direct Revenue generated 59%, 86% and 77% of total revenue in CY16, CY17 and CY18 respectively. Given the subscription model of these products and the long-term retention of our User base described in Section 2.4.1, a majority of our total revenue is recurring in nature.

Direct Revenue is a function of the number of Paying Circles on our platform and Direct ARPPC, which is equal to total Direct Revenue over a period divided by the average number of Paying Circles over that period. Direct Revenue increased by 215% from CY16 to CY17 and 151% from CY17 to CY18. This was driven by:

- Growth in total MAU in the U.S. (78% from CY16 to CY17 and 76% from CY17 to CY18) as well as improving conversion rates of Users to Paying Circles. The growth in U.S. MAU was a result of increasing organic new User registrations due to word of mouth recommendations and brand awareness, as well as increasing paid User acquisitions over the course of CY17 and CY18. This resulted in the number of U.S. Paying Circles increasing from 0.10 million in CY16 to 0.22 million in CY17 and to 0.45 million in CY18.
- Increases in U.S. Direct ARPPC as a result of launching Life360 Plus in 4Q16 and Driver Protect in 1Q17 (21% from CY17 to CY18). Driver Protect is offered in the U.S. for US$7.99/month or US$69.99/year and a greater proportion of Paying Circles subscribed to the Driver Protect product which resulted in higher Direct ARPPC. This was partially offset by an increasing trend of Paying Circles opting for an annual subscription (which is discounted by 20% relative to the full year price of monthly subscriptions), but resulted in increased retention, more favourable cash flow and lower commission fees on subscriptions over one year.
- Expansion of MAU in International markets (59% from CY17 to CY18) driven by increasing organic new User registrations due to word of mouth recommendations and brand awareness, as well as modest paid User acquisition activities over the course of CY18.
- Growth in International Direct ARPPC (25% from CY17 to CY18) as additional product features offered in the U.S. were introduced into these markets and pricing increased accordingly. Life360 Plus was released Internationally in 4Q16 and Driver Protect Lite, the International version of Life360 Driver Protect, was launched in 3Q17 which further supported growth in the International region.

In addition, as at 31 December 2018 less than 15,000 U.S. Users had existing subscriptions to an additional legacy product that is no longer offered and is being phased out.

Indirect Revenue was only generated in the U.S. over the Historical Periods and included the sale of third party products and services in partnership with a range of companies such as Allstate and ADT. This is made up of:

- Life360 and ADT have jointly launched a co-branded product called ADT Go, which is similar to the Life360 product and is being marketed by ADT.
- Additionally, we work in partnership with several companies to derive anonymised insights into the location data we collect from our User base, powering retail geo-based dashboards and financial services insights, amongst other use cases. Anonymised data insights revenue is based on Cost per Million impressions (**CPM**) and therefore increases as our User base grows.
- In December 2018, Life360 successfully launched a proof of concept trial with Allstate which provided contextually relevant advertising to our User base. This trial successfully generated over US$0.5 million of revenue in CY18.

Overall, Indirect Revenue contributed 14% of total revenue in CY17 and 23% of total revenue in CY18.

6.7.2.2. Operating expenses

The table below provides a summary of Pro Forma Historical Operating Expenses for CY16 to CY18.

TABLE 10: PRO FORMA HISTORICAL OPERATING EXPENSES FOR CY16 TO CY18

		Pro Forma Historical		
US$ millions	**Notes**	**CY16**	**CY17**	**CY18**
Research and development		(8.2)	(9.3)	(15.7)
User acquisition costs		(0.0)	(1.1)	(9.1)
Sales and marketing (excluding User acquisition costs)		(1.5)	(3.4)	(8.9)
General and administrative (excluding depreciation and amortisation)		(6.4)	(6.8)	(11.2)
Technology		(2.9)	(4.1)	(7.2)
Depreciation and amortisation		(0.2)	(0.2)	(0.1)
Total operating expenses		**(19.2)**	**(24.9)**	**(52.2)**
As a % of total revenue:				
Research and development		153.8%	81.4%	49.1%
User acquisition costs		0.2%	9.3%	28.5%
Sales and marketing (excluding User acquisition costs)		27.2%	29.7%	27.7%
General and administrative expenses (excluding depreciation and amortisation)		120.3%	59.3%	34.8%
Technology		54.3%	35.6%	22.4%
Total operating expenses		**359.0%**	**216.7%**	**162.9%**

Below are the key expense categories with an explanation of general movements from CY16 to CY18:

- **Research and development**
  - This category predominantly consists of salaries, wages and bonuses related to staff engaged in research and development, primarily in the product engineering function. It also includes additional employee costs related to staff employed in this function, such as training, benefits, insurance and travel. Over the Historical Period the majority of our FTE's were engaged in designing, engineering, testing and releasing new free and premium products, as well as refining existing products.
  - The increase over the period was driven by growth in the number of FTE's engaged in research and development to support current and future growth and product development initiatives. There were 42 FTE's in product engineering as at 1 January 2016 and this number increased to 82 FTE's as at 31 December 2018. Key hires have included the addition of executives and senior leadership, including Vice President of Product and Head of Mobile Engineering.
- **User acquisition costs**
  - This category consists of costs associated with the paid acquisition of Users, primarily through paid search advertising on the Apple iTunes App Store and Google Play Store channels. It also includes a smaller experimental budget for spend in new channels such as Paid Social (Facebook and Instagram). The increase over the period was a result of our strategy to drive MAU growth and capture market share, as well as fast cash recovery cycles enabling the Company to reassign incremental subscription revenue to User acquisition.

- **Sales and marketing expenses (excluding User acquisition costs)**
  - This category predominantly consists of sales commissions payable to Apple and Google, whose mobile App platforms act as the primary sales and distribution channels of the Life360 App to Users, and Driver Protect sales commissions, which relate to payments to partners who provide roadside assistance to Users who are subscribed to Driver Protect. This category also includes costs associated with public relations, marketing agencies and direct marketing undertaken by us. The increase over the period was due to our focus on investing to grow brand awareness and improve MAU and market share growth, as well as an increase in sales commission costs, which grew in line with our Paying Circles growth. Sales commissions on both the Apple and Google platforms were 30% for the first year of subscription and 15% for every period of subscription thereafter.
- **General and administrative expenses**
  - This category predominantly consists of salaries, wages and other ancillary employee costs related to staff engaged in general administrative, customer support and other back office functions. These functions include members of the management team who sit outside of product development. This category also includes rent, office expenses and other facility expenses. The increase over the period was driven by the growth in the number of FTE's engaged in these functions and the required infrastructure to support our growing team size. There were less than 7 FTE's as at 1 January 2016 in these functions and this number increased to 13 FTE's as at 31 December 2018.
- **Technology expenses**
  - This category predominantly consists of costs related to our technology infrastructure, hosting and server costs (including AWS). It also includes other technology costs such as analytics technology, developer tools, data licensing and monitoring tools. The increase over the period reflected the increased server costs required to manage increasing data needs in line with our growing User base.
- **Depreciation and amortisation**
  - This predominantly consists of depreciation charges related to capital assets such as computer and office equipment, and capitalised technology development costs.

6.7.2.3. EBITDA

The table below provides a summary of Pro Forma Historical EBITDA for CY16 to CY18.

TABLE 11: PRO FORMA HISTORICAL EBITDA FOR CY16 TO CY18

		Pro Forma Historical		
US$ millions	**Notes**	**CY16**	**CY17**	**CY18**
EBITDA		(13.7)	(13.2)	(20.0)

EBITDA losses increased in CY18. The increase in revenue was offset by our investment in the business across a range of different areas including new product development, staff and growing our User base.

6.7.2.4. Operating cash flow

The table below provides a summary of Pro Forma Historical Operating Cash Flow for CY16 to CY18.

TABLE 12: PRO FORMA HISTORICAL OPERATING CASH FLOW FOR CY16 TO CY18

		Pro Forma Historical		
US$ millions	**Notes**	**CY16**	**CY17**	**CY18**
EBITDA		**(13.7)**	**(13.2)**	**(20.0)**
(+) Stock-based compensation		1.5	0.7	1.9
(+) Deferred revenue		0.4	2.0	3.7
(–) Costs capitalised to obtain contracts		(0.1)	(0.7)	(1.8)
(+/–) Changes in other operating assets and liabilities		0.4	(2.2)	(0.6)
(+/–) Other non-cash items in EBITDA		(0.1)	0.0	0.6
Operating cash flow		**(11.5)**	**(13.4)**	**(16.3)**

Over the Historical Period we have invested heavily in our product, Platform and User acquisitions and as a result have yet to generate positive operating cash flow. We believe this investment is warranted, and has resulted in significant growth of our User base, which we expect to monetise in the future.

Below are the key cash flow categories with an explanation of general movements from CY16 to CY18:

- **Stock-based compensation**
  - We offer stock-based compensation to employees to allow them to participate in, and benefit from, our success. The movement was due to an increase in FTE's and key hires including our Chief Financial Officer, Chief Operating Officer, Vice President of Product, Vice President of Marketing and Head of Mobile Engineering.
- **Deferred revenue**
  - This relates to cash received upfront from Paying Circles for annual subscriptions that is amortised over twelve months for revenue recognition purposes. Over time we have increased our focus on annual subscriptions which has improved cash flow generation and also resulted in a growing deferred revenue balance.
- **Costs capitalised to obtain contracts**
  - Apple and Google apply a two tiered system to the commissions they charge Life360: 1) 30% for those who have been a paying subscriber to a Life360 App through Apple or Google for less than a year; and 2) 15% for those longer than that. The initial commission costs of acquiring paying subscribers are amortised over 24 months.
  - We project the number of annual subscribers to grow. This in turn leads to an increase in the costs capitalised to obtain contracts.
- **Changes in other operating assets and liabilities**
  - This category relates to movements in operating assets such as accounts receivable and prepaid expenses, as well as movements in operating liabilities such as accounts payable and accrued expenses.
- **Other non-cash items in EBITDA**
  - This category relates to movements in non-cash items such as amortisation of costs capitalised to obtain contracts.

6.7.3. CY17 compared to CY16

The table below sets out the Pro Forma Historical Results for CY17 compared to the Pro Forma Historical Results for CY16.

TABLE 13: PRO FORMA HISTORICAL RESULTS: CY17 COMPARED TO CY16

		Pro Forma Historical		
US$ millions	**Notes**	**CY16**	**CY17**	**% change**
AMR	1	**7.8**	**16.5**	**111.4%**
Total revenue		**5.3**	**11.5**	**114.7%**
Research and development		(8.2)	(9.3)	13.6%
User acquisition costs	2	(0.0)	(1.1)	n.m.
Sales and marketing (excluding User acquisition costs)		(1.5)	(3.4)	134.2%
General and administrative (excluding depreciation and amortisation)		(6.4)	(6.8)	5.8%
Technology		(2.9)	(4.1)	40.9%
Operating expenses		**(19.0)**	**(24.7)**	**29.9%**
EBITDA		**(13.7)**	**(13.2)**	**(3.2%)**
Depreciation and amortisation		(0.2)	(0.2)	(2.1%)
EBIT		**(13.8)**	**(13.4)**	**(3.2%)**
As a % of total revenue:				
Research and development		153.8%	81.4%	n.a.
User acquisition costs		0.2%	9.3%	n.a.
Sales and marketing (excluding User acquisition costs)		27.2%	29.7%	n.a.
General and administrative (excluding depreciation and amortisation)		120.3%	59.3%	n.a.
Technology		54.3%	35.6%	n.a.
Operating expenses		**359.0%**	**216.7%**	**n.a.**

Notes:

1 AMR as at December 2016 is normalised to exclude a one-time write-off relating to ADT partnership revenue. This was incurred during a period of contract re-negotiations.

2 "n.m." denotes not meaningful.

Below are the key drivers of changes in the Pro Forma Historical Results between CY17 and CY16:

- **Total revenue**

  Revenue increased significantly from US$5.3 million in CY16 to US$11.5 million in CY17 with growth across both the U.S. and International markets.

  – U.S.: Revenue increased from US$4.6 million to US$9.7 million due to an increase in Direct Revenue. Direct Revenue increased from US$2.4 million to US$8.1 million reflecting the increase in Paying Circles, primarily from new organic Users, and Direct ARPPC, due to the contribution of Driver Protect which was made available as a premium product to all U.S. Users in CY17[98] and generated US$3.9 million of gross revenue. This was partially offset by a decrease in Indirect Revenue from US$2.2 million to US$1.6 million due to a reduction in ADT partnership revenue during a period of contract re-negotiations.

98 Driver Protect generated US$56,222 of revenue in CY16.

– International: Revenue increased from US$0.7 million to US$1.8 million due to an increase in Paying Circles, as a result of Driver Protect Lite[99] being introduced to regions outside of the U.S. in 3Q17, which generated US$0.3 million of gross revenue in CY17.

- **Operating expenses**

  Our total operating expenses increased from US$19.0 million in CY16 to US$24.7 million in CY17. This was due to:

  – An increase in research and development expenses from US$8.2 million to US$9.3 million as a result of the number of FTE's in our product development function increasing from 40 to 53. This reflected our investment in growing our team size to support growth and product development initiatives, such as our work to launch Driver Protect Lite outside of the U.S., refine our U.S. Driver Protect product and invest in new products. Overall spending on Driver Protect was US$2.8 million in CY17, representing a decrease from the US$3.7 million investment in CY16.

  – The introduction of paid search advertising on the U.S. Apple iTunes App Store and Google Play Store to drive MAU growth, which resulted in US$1.1 million of User acquisition costs.

  – An increase in sales and marketing expenses (excluding User acquisition costs) from US$1.5 million to US$3.4 million due to an increase in Apple, Google and Driver Protect sales commissions, which are variable and increase with the scale of our User base.

  – An increase in general and administrative expenses from US$6.4 million to US$6.8 million reflecting increased employee costs and rent to support our growing team size.

  – An increase in technology expenses from US$2.9 million to US$4.1 million due to an increase in server costs in line with growth in MAU, as well as analytics technology and monitoring technology used to manage the increasing data needs of our User base and team.

  – Our incremental costs associated with servicing new Paying Circles were relatively low at less than 9% of total revenue in both CY16 and CY17 (refer to Note 4 of Table 9). Management believes this is an appropriate measure to reflect the relative incremental costs incurred to service each new Paying Circle (as distinct from MAU). As such, it also illustrates our relatively high operating leverage.

- **EBITDA and EBITDA margin**

  – EBITDA loss decreased from US$(13.7) million in CY16 to US$(13.2) million in CY17 as a result of increased revenue (US$6.1 million) which was partially offset by increases in all of our operating expense categories. The increase in operating expenses reflected the upfront costs associated with acquiring Users, the distribution costs associated with increasing sales and the high growth of the Company. Furthermore, it demonstrated our strategy of rapidly growing our team to facilitate product development and increasing our market share through paid acquisition to build the scale of our User base.

The table below sets out the Pro Forma Historical Operating Cash Flow for CY17 compared to the Pro Forma Historical Operating Cash Flow for CY16.

TABLE 14: PRO FORMA HISTORICAL OPERATING CASH FLOW: CY17 COMPARED TO CY16

		Pro Forma Historical		
US$ millions	**Notes**	**CY16**	**CY17**	**% change**
EBITDA		**(13.7)**	**(13.2)**	**(3.2%)**
(+) Stock-based compensation		1.5	0.7	(55.8%)
(+) Deferred revenue		0.4	2.0	335.2%
(–) Costs capitalised to obtain contracts		(0.1)	(0.7)	890.8%
(+/–) Changes in other operating assets and liabilities		0.4	(2.2)	(612.0%)
(+/–) Other non-cash items in EBITDA		(0.1)	0.0	(107.0%)
Operating cash flow		**(11.5)**	**(13.4)**	**17.2%**

99 Driver Protect Lite was released outside of the U.S. and contains less features than the Driver Protect service offering in the U.S.

Operating cash flow in CY16 was higher than EBITDA as a result of the annual subscriptions we offer to Users which is reflected in the deferred revenue balance. In addition, we offer stock-based compensation to certain employees to align performance incentives which are non-cash. Operating cash flow in CY17 was lower than EBITDA primarily as a result of a decrease in changes in other operating assets and liabilities, driven by accounts receivable and prepaid expenses. Higher volume of annual Paying Circles drives the increase in amortised commissions captured in costs capitalised to obtain contracts.

6.7.4. CY18 compared to CY17

The table below sets out the Pro Forma Historical Results for CY18 compared to the Pro Forma Historical Results for CY17.

TABLE 15: PRO FORMA HISTORICAL RESULTS: CY18 COMPARED TO CY17

		Pro Forma Historical		
US$ millions	**Notes**	**CY17**	**CY18**	**% change**
AMR	**1**	**16.5**	**45.3**	**175.3%**
Total revenue		**11.5**	**32.1**	**179.4%**
Research and development		(9.3)	(15.7)	68.5%
User acquisition costs		(1.1)	(9.1)	755.1%
Sales and marketing (excluding User acquisition costs)		(3.4)	(8.9)	160.6%
General and administrative (excluding depreciation and amortisation)		(6.8)	(11.2)	64.1%
Technology		(4.1)	(7.2)	76.1%
Operating expenses		**(24.7)**	**(52.1)**	**110.9%**
EBITDA		**(13.2)**	**(20.0)**	**51.4%**
Depreciation and amortisation		(0.2)	(0.1)	(21.7%)
EBIT		**(13.4)**	**(20.2)**	**50.5%**
As a % of total revenue:				
Research and development		81.4%	49.1%	n.a.
User acquisition costs		9.3%	28.5%	n.a.
Sales and marketing (excluding User acquisition costs)		29.7%	27.7%	n.a.
General and administrative (excluding depreciation and amortisation)		59.3%	34.8%	n.a.
Technology		35.6%	22.4%	n.a.
Operating expenses		**216.7%**	**162.9%**	**n.a.**

Notes:

1 AMR as at December 2018 excludes revenue generated from the Allstate proof of concept trial. AMR was US$51.3 million including revenue generated by the trial.

Below are the key drivers of changes in the Pro Forma Historical Results between CY17 and CY18:

- **Total revenue**

  Revenue increased significantly from US$11.5 million in CY17 to US$32.1 million in CY18. The following factors contributed to this growth:

  – U.S.: Continued growth in both Direct and Indirect Revenue over CY18. Direct Revenue increased from US$8.1 million in CY17 to US$20.4 million in CY18 as a result of an increase in Paying Circles due to new organic User growth from our improving brand awareness and the flywheel effect, new paid User growth given our substantial ramp up in User acquisition spend, and improving conversion rates to Paying Circles as we reinvest in product quality and innovation. Direct ARPPC increased due to a greater proportion of Paying Circles subscribing to the higher priced Driver Protect offering. Overall Driver Protect revenue increased from US$3.9 million in CY17 to US$13.4 million in CY18. Indirect Revenue increased from US$1.6 million to US$7.3 million supported by an increase in data revenue which grows with the scale of our User base, growth in the ADT business, and the successful proof of concept trial for our car insurance Lead Generation Offering, which generated US$0.5 million in revenue in December 2018.

  – International: Direct Revenue increased from US$1.8 million to US$4.4 million as a result of an increase in Paying Circles, with increased new organic User growth as our penetration in International regions continues to improve. New paid User growth also increased as a function of User acquisition spend over the year. Direct ARPPC grew due to a greater proportion of Paying Circles subscribing to the higher priced Driver Protect Lite offering.

- **Operating expenses**

  Our total operating expenses increased from US$24.7 million in CY17 to US$52.1 million in CY18. This was due to:

  – An increase in research and development expenses from US$9.3 million to US$15.7 million given growth in the number of FTE's in our product development function. These new incremental staff supported our product development initiatives, including the redesign of the Life360 App discussed in Section 2.5.2.3 and the introduction of our car insurance Lead Generation Offering in partnership with Allstate. Research and development expenses related to the Driver Protect product reduced from US$2.8 million in CY17 to US$2.4 million in CY18, as it reached product maturity.

  – An increase in User acquisition costs from US$1.1 million to US$9.1 million which reflected our strategy of reinvesting the revenue we generate to accelerate the growth of our User base. This reflected increased paid search advertising on the U.S. Apple iTunes App Store and Google Play Store channels, and also accelerating our spend in these App Store channels in International markets to replicate the success of our U.S. region.

  – An increase in sales and marketing expenses (excluding User acquisition costs) from US$3.4 million to US$8.9 million due to a continued increase in Apple, Google and Driver Protect sales commissions, which are variable and increase with the scale of our Paying Circle base. In addition, we increased expenditure on longer term marketing activities in both the U.S. and International regions to improve our brand awareness and market penetration.

  – An increase in general and administrative expenses from US$6.8 million to US$11.2 million which reflects new incremental staff hires to support our growing User base and associated costs relating to our larger team size.

  – An increase in technology expenses from US$4.1 million to US$7.2 million due to growth in server costs in line with MAU growth, developer tools and monitoring technology to manage the increasing data needs of our User base and team.

  – Our subscription-based variable cost ratio decreased to 4.5% of total revenue in CY18. This is primarily a result of our existing call centre operations being able to support a greater number of Paying Circles. As such, these costs (including staffing) are not required to scale in line with Paying Circles.

- **EBITDA and EBITDA margin**

  – EBITDA loss increased from US$(13.2) million in CY17 to US$(20.0) million in CY18 as a result of increased revenue (US$20.6 million) being offset by continued growth in all of our operating expense categories. This is in line with our strategy of aggressively reinvesting our revenue into the development of new features and services that will increase ARPU, retention rates and improve User interest in the Life360 App, as well as increasing paid User acquisition costs to accelerate the growth of our User base. We expect this will increase our future pipeline of recurring revenue and result in greater long-term profitability for the Company.

The table below sets out the Pro Forma Historical Operating Cash Flow for CY18 compared to CY17.

TABLE 16: PRO FORMA HISTORICAL OPERATING CASH FLOW: CY18 COMPARED TO CY17

		Pro Forma Historical		
US$ millions	**Notes**	**CY17**	**CY18**	**% change**
EBITDA		**(13.2)**	**(20.0)**	**51.4%**
(+) Stock-based compensation		0.7	1.9	182.6%
(+) Deferred revenue		2.0	3.7	88.6%
(–) Costs capitalised to obtain contracts		(0.7)	(1.8)	164.2%
(+/–) Changes in other operating assets and liabilities		(2.2)	(0.6)	(71.1%)
(+/–) Other non-cash items in EBITDA	1	0.0	0.6	n.m.
Operating cash flow		**(13.4)**	**(16.3)**	**21.2%**

Notes:
1 "n.m." denotes not meaningful.

Operating cash flow was higher than EBITDA in CY18 as a result of the annual subscriptions we offer to Users, which is reflected in the deferred revenue balance. We offer stock-based compensation to certain employees to align performance incentives. The exercise of options to purchase Company common stock also contributed to operating cash flow. Higher volume of annual Paying Circles drives the increase in amortised commissions captured in costs capitalised to obtain contracts.

6.8. Forecast Financial Information

The Forecast Financial Information is based on various specific and general assumptions concerning future events including those set out below. The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 6.10, the risk factors set out in Section 4, the key accounting policies in Appendix 1 and the Independent Limited Assurance Report on Forecast Financial Information set out in Section 7. A reconciliation of the Pro forma Forecast Results to the Statutory Forecast Results is set out in Section 6.3.1.

In preparing the Forecast Financial Information, Life360 has undertaken an analysis of historical performance and applied assumptions, where appropriate, in order to forecast future performance for CY19F.

Life360 believes that it has prepared the Forecast Financial Information with due care and attention and considers all assumptions when taken as a whole to be reasonable at the time of preparing the Prospectus, including each of the assumptions set forth below in Sections 6.8.1 and 6.8.2. However, actual results are likely to vary from that forecast and any variation may be materially positive or negative. The assumptions, upon which the Forecast Financial Information is based, are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Life360 and its Directors and are not reliably predictable. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

Accordingly, none of Life360, its Directors or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved.

The Forecast Financial Information has been prepared based on the key accounting policies adopted by Life360, which are in accordance with U.S. GAAP, and are disclosed in Appendix 1. It is assumed that there will be no changes in U.S. GAAP, the Corporations Act or other financial reporting requirements that may have a material effect on Life360's accounting.

6.8.1. General Assumptions

In preparing the Pro Forma Forecast Financial Information, the following general assumptions have been adopted:

- No material change in the competitive environment in which Life360 operates;
- No significant deviation from current market expectations of economic conditions relevant to the sector in the Forecast Period (for example, business confidence and consumer sentiment);
- No significant interruptions, industry disruptions or disturbances in relation to Life360's technology, platform and software used to deliver services;

- No material changes in key personnel, including key management personnel, and Life360 maintains its ability to recruit and retain the personnel required to support future growth;
- No material change in applicable U.S. GAAP or other mandatory professional reporting requirements which have a material effect on Life360's financial performance or cash flows, financial position, accounting policies, financial reporting or disclosure of Life360 during the Forecast Period;
- No material changes in government laws, regulation and policy including in relation to money laundering, interest rates, foreign investment or taxation which may impact Life360's business, clients or levels of investment or business activity in areas in relation to which Life360 products are commonly used;
- The Offer proceeds are in accordance with the timetable set out in the Important Information section of this Prospectus;
- No material industry disturbances or disruptions to the continuity of operations of Life360, no material industrial actions, and no other material changes in its business;
- No material changes or disturbances in the Apple and Google mobile platforms;
- No material amendment or termination to any material contract, agreement or arrangement or material change in licenses and license providers relating to Life360's business;
- No material changes in currency;
- No material adverse impact in relation to litigation or claims (existing or otherwise);
- No material change in Life360's corporate and funding structure;
- No material impairment of intangible assets;
- No material acquisitions, divestments, restructuring or investments other than as set out in, or contemplated by, this Prospectus; and
- None of the key risks listed in Section 4 occurs, or if they do, none of them have a material adverse impact on the operations of Life360.

6.8.2. Specific Assumptions

The basis of the specific assumptions that have been used in the preparation of the Pro Forma Forecast Financial Information is set out below.

6.8.2.1. Revenue

The Pro Forma Forecast Financial Information is based on the following key revenue assumptions:

- Total MAU is a key driver of both Direct and Indirect Revenue;
  - U.S. MAU growth reflects organic new User growth in line or below past experience adjusted to reflect the increasing scale of the business. Paid User growth has been forecast based on assumed User acquisition spend, User acquisition costs per User and effectiveness of these channels with reference to historical performance;
  - International User growth reflects organic new User growth based on historical experience. Paid User growth has been forecast based on assumed User acquisition spend, User acquisition costs per User and effectiveness of these channels with reference to historical performance;
- Conversion rates to Paying Circles in both the U.S. and International regions are assumed to remain consistent or below current conversion rates which have been derived by reference to the last twelve months available data and updated for observed changes over that period;
- User retention rates in both the U.S. and International regions are assumed to remain consistent with current retention rates which have been derived by reference to the last twelve months of available data and updated for observed changes over that period;
- U.S. Direct ARPPC reflects a continued shift in our product mix towards Driver Protect subscriptions and annual subscription offering, in line with historical trends. Pricing is expected to remain constant for Life360 Plus and Driver Protect;
- International Direct ARPPC reflects a continued shift in our product mix towards Driver Protect Lite and annual subscription offering, in line with historical trends. Pricing is expected to remain constant for Life360 Plus and Driver Protect Lite;

- Introduction of car insurance Lead Generation Offering revenue based on the contracted terms agreed with Allstate and management's expectations of penetration of the Life360 User base. This also reflects the successful proof of concept trial in December 2018. Outside of Allstate there are no other lead generation activities included in the financial forecast;
- The increase in data revenue reflects growth in MAU and new data buyers. Pricing is based on historical experience;
- ADT partnership revenue has been forecast based on the contracted terms; and
- Historically there has been a delta between the Direct Revenue recorded in our internal reporting systems and the Direct Revenue we recognise based on invoices received from Apple and Google. Actual Direct Revenue per Apple and Google invoices has consistently been greater than that recorded in our internal systems over the Historical Period. We have assumed a delta over the Forecast Period which is consistent with observed historical rates.

6.8.2.2. Expense

The Pro Forma Forecast Financial Information is based on the following key operating expense assumptions:

- Research and development expenses are expected to increase primarily caused by increasing staff numbers as the team is built out to support product expansion and launch free and revenue generating products;
- User acquisition costs are forecast to grow reflecting the money raised in the Offer being invested in growing the business, expanding channels and focusing on International markets;
- Sales and marketing expenses (other than User acquisition costs) are forecast to increase as more general brand marketing activities are being undertaken to facilitate expansion Internationally and grow brand value;
- General and administrative expenses are forecast to remain relatively stable due to a reduction in contractor and consultancy costs being offset by increased headcount in our back office functions; and
- Technology expenses will increase in line with forecast MAU growth.

6.8.2.3. Cash flow

- Deferred revenue – projected growth in annual Paying Circles subscriptions translates directly to an increased deferred revenue volume;
- Change in other operating assets and liabilities – reflects the movements in trade and other receivables, other assets, trade and other payables, and other liabilities. We have assumed customer collection terms for Apple and Google payments to be consistent with trends during the period of the Historical Financial Information;
- Capital expenditure – assumed to remain minimal due to the Company's policy of expensing Software Development Costs. Refer to Appendix 1 for further details. No material investment in property, plant and equipment is expected to be required in CY19F;
- Interest income receivable – Life360 expects to receive interest (2%) from interest bearing cash deposits; and
- Tax – assumes a continuation of zero or only immaterial income and withholding taxes as a result of the Company's expectation to incur net losses in each tax jurisdiction it operates in CY19F.

6.8.2.4. Other

- Depreciation – no change in the useful life assumptions of the actual asset base and new capital investment items, and no extraordinary write-offs or impairments;
- Amortisation – no change in the useful life assumptions of the actual asset base and new capital investment items, and no extraordinary write-offs or impairments;
- No gains / losses on disposal of assets have been assumed; and
- Finance expense – payment of interest related to the loan and security agreement with Silicon Valley Bank.

6.8.3. Statutory Forecast Financial Information

The Statutory Forecast Financial Information is based on the same specific and general assumptions as those underlying the Pro Forma Forecast Financial Information as set out in Section 6.8.1 and 6.8.2 above, with the exception of the specific assumptions set out below.

6.8.3.1. Public company expenses

Public company expenses are assumed to be incurred during the Historical Periods and reflect Life360's estimate of the incremental annual expenses that the Company will incur as a public entity. These expenses include Chair and Non-Executive Director remuneration, personnel expenses, additional audit and legal expenses, listing fees, registry expenses, Directors' and Officers' insurance premiums as well as investor relations, annual general meeting and annual report expenses.

6.8.3.2. One-off IPO and other transaction expenses

IPO and transaction expenses are assumed to be incurred during the Forecast Period and reflect Life360's estimate of expenses direction in connection with its initial public offering. These expenses include underwriter commissions, legal expenses, accounting and tax advisory fees, independent market expert fees, costs associated with the drafting of the prospectus and independent reporting accountant fees.

6.9. Management discussion and analysis of Pro Forma Forecast Information

6.9.1. CY19F compared to CY18

The table below sets out the Pro Forma Forecast Results for CY19F compared to the Pro Forma Historical Results for CY18.

TABLE 17: PRO FORMA FORECAST RESULTS: CY19F COMPARED TO CY18

		Pro Forma Historical	Pro Forma Forecast	
US$ millions	**Notes**	**CY18**	**CY19F**	**% change**
AMR	1	**45.3**	**75.1**	**65.8%**
Total revenue		**32.1**	**58.6**	**82.6%**
Research and development		(15.7)	(29.9)	89.9%
User acquisition costs		(9.1)	(25.9)	183.4%
Sales and marketing (excluding User acquisition costs)		(8.9)	(11.6)	31.0%
General and administrative (excluding depreciation and amortisation)		(11.2)	(11.1)	(0.1%)
Technology		(7.2)	(10.2)	41.7%
Operating expenses		**(52.1)**	**(88.7)**	**70.3%**
EBITDA		**(20.0)**	**(30.2)**	**50.6%**
Depreciation and amortisation		(0.1)	(0.1)	(17.9%)
EBIT		**(20.2)**	**(30.3)**	**50.1%**
As a % of total revenue:				
Research and development		49.1%	51.0%	n.a.
User acquisition costs		28.5%	44.2%	n.a.
Sales and marketing (excluding User acquisition costs)		27.7%	19.9%	n.a.
General and administrative expenses (excluding depreciation and amortisation)		34.8%	19.0%	n.a.
Technology		22.4%	17.4%	n.a.
Operating expenses		**162.9%**	**151.7%**	**n.a.**

Notes:

1 AMR as at December 2018 excludes revenue generated from the Allstate proof of concept trial. AMR was US$51.3 million including revenue generated by the trial.

The table below sets out the key forecast operating metrics for CY19F compared to the key historical operating metrics for CY18.

TABLE 18: KEY FORECAST OPERATING METRICS: CY19F COMPARED TO CY18

		Pro Forma Historical Dec-18	Pro Forma Forecast Dec-19	
Millions	**Notes**	**CY18**	**CY19F**	**% change**
MAU				
U.S.		10.0	14.1	41.1%
International		8.5	11.9	39.5%
Total		**18.5**	**26.0**	**40.4%**
Paying Circles				
U.S.		0.45	0.72	60.1%
International		0.13	0.23	72.2%
Total		**0.58**	**0.94**	**62.8%**
Direct ARPPC (US$)				
U.S.		60.75	59.42	(2.2%)
International		43.64	42.86	(1.8%)
Total ARPU (US$)				
U.S.	1	3.27	3.99	22.0%
International		0.63	0.75	18.8%
Subscription-based variable cost ratio		**4.5%**	**2.0%**	**n.a.**
Subscription-based variable cost ratio (including Apple and Google sales commissions)		**21.4%**	**16.2%**	**n.a.**

Note:
1 Excludes ADT partnership revenue.

Below are the key expected drivers of changes in the Pro Forma Historical Results of CY18 and Pro Forma Forecast Results of CY19F:

- **Total revenue**

  Revenue is expected to increase from US$32.1 million in CY18 to US$58.6 million in CY19F, an 83% year on year increase. The geographic components of this growth is outlined below:

  – U.S.: Continued growth is expected in both Direct and Indirect Revenue. Direct Revenue is expected to increase from US$20.4 million to US$34.6 million as a result of an increase in Paying Circles due to new organic User growth from our improving brand awareness and the flywheel effect, and new paid User growth due to our accelerated ramp up in User acquisition spend. Direct ARPPC is impacted as while there is an expected increase of Paying Circles subscribing to the higher priced Driver Protect product, this is offset by increased annual subscriptions which are offered at a discount compared to monthly subscriptions. Indirect Revenue is expected to increase from US$7.3 million to US$16.3 million as a result of increasing data revenue which grows with the scale of our User base, as well as the roll out of car insurance Lead Generation Offering revenue from our partnership with Allstate.

– International: Direct Revenue is expected to increase from US$4.4 million to US$7.7 million as a result of an increase in Paying Circles, primarily driven by new organic User growth as our penetration in International regions continues to improve. New paid User growth is expected to increase as a result of accelerated User acquisition spend. Direct ARPPC is also expected to reflect a greater proportion of Paying Circles subscribing to the higher priced Driver Protect Lite offering on an annual basis.

- **Operating expenses**

  Our total operating expenses are expected to increase from US$52.1 million in CY18 to US$88.7 million in CY19F. This is based on the following:

  – An assumed increase in research and development expenses from US$15.7 million to US$29.9 million as a result of an increase in the number of FTE's in our product development function. These new incremental staff will support our future growth initiatives, including the development of new services that allow us to provide our Users with a more integrated membership platform as detailed in Section 2.5.2.4.

  – An assumed increase in User acquisition costs from US$9.1 million to US$25.9 million which reflects our strategy of reinvesting the revenue we generate to accelerate the growth of our User base. In the U.S., we plan to increase the depth and breadth of our spend by continuing our successful paid search advertising on the U.S. Apple iTunes App Store and Google Play Store channels and also explore new channels such as Paid Social (for example, Ad networks). We are also accelerating our spend in the App Store channels in International markets to replicate the success of our U.S. region.

  – An assumed increase in sales and marketing expenses (excluding User acquisition costs) from US$8.9 million to US$11.6 million due to a continued increase in Apple, Google and Driver Protect sales commissions, which are variable and increase with the scale of our Paying Circles base. In addition, we plan to increase expenditure on longer term marketing activities in both the U.S. and International regions to improve our brand awareness and market penetration.

  – An assumed decrease in general and administrative expenses from US$11.2 million to US$11.1 million due to a reduction in contractor and consultancy costs being offset by increased headcount in our back office functions.

  – An assumed increase in technology expenses from US$7.2 million to US$10.2 million due to an increase in server costs in line with MAU growth, developer tools and monitoring technology to manage the increasing data needs of our User base and team.

  – Our subscription-based variable cost ratio is expected to decrease to 2.0% of total revenue in CY19F. This is a result of our existing call centre operations being able to support a greater number of Paying Circles. As such, these costs (including staffing) are not required to scale in line with Paying Circles. In addition, a contract with a legacy provider of data analytics tools was terminated at the end of CY18 which will reduce our Driver Protect partner sales commissions.

- **EBITDA and EBITDA margin**

  – EBITDA loss is expected to increase from US$(20.0) million in CY18 to US$(30.2) million in CY19F as a result of increased revenue (US$26.5 million) being offset by continued increases in all of our operating expense categories. This is in line with our strategy of aggressively reinvesting our revenue into the development of new features and services that will increase ARPU, retention rates and improve User interest in the Life360 product, as well as increasing paid User acquisition costs to accelerate the growth of our User base. We expect this will increase our future pipeline of recurring revenue and result in greater long-term profitability for the Company.

The table below sets out the Pro Forma Forecast Operating Cash Flow for CY19F compared to the Pro Forma Historical Operating Cash Flow for CY18.

TABLE 19: PRO FORMA FORECAST OPERATING CASH FLOW: CY19F COMPARED TO CY18

		Pro Forma Historical	Pro Forma Forecast	
US$ millions	**Notes**	**CY18**	**CY19F**	**% change**
EBITDA		**(20.0)**	**(30.2)**	**50.6%**
(+) Stock-based compensation		1.9	4.3	128.6%
(+) Deferred revenue		3.7	6.0	64.1%
(–) Costs capitalised to obtain contracts		(1.8)	(4.5)	154.2%
(+/–) Changes in other operating assets and liabilities		(0.6)	(2.3)	269.3%
(+/–) Other non-cash items in EBITDA		0.6	2.0	249.2%
Operating cash flow		**(16.3)**	**(24.6)**	**51.3%**

Operating cash flow is expected to be higher than EBITDA as a result of the annual subscriptions we offer to Users, which is reflected in the deferred revenue balance. Annual subscriptions allow us to collect cash upfront, however results in lower revenue being recognised than a monthly subscription, given the product discount. In addition, we offer non-cash stock-based compensation to certain employees to align performance incentives. Higher volume of annual Paying Circles drives the increase in amortised commissions captured in costs capitalised to obtain contracts.

6.10. Sensitivity analysis of Forecast Financial Information

The Forecast Financial Information is based on a number of specific and general assumptions, as described in Sections 6.8.1 and 6.8.2. These specific and general assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Life360, the Directors and management, and upon assumptions with respect to future business decisions, which are subject to change.

Set out in Table 20 below is a summary of the sensitivity of the Pro Forma Forecast Financial Information to changes in a number of key assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown, and these variances may be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely key impact on the Pro Forma Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or be additive, and it is likely that Life360 management would respond to an adverse change in one item to seek to minimise the net effect on Life360's earnings and cash flow.

For the purpose of the sensitivity analysis in Table 20, each sensitivity is presented in terms of the impact on CY19F Pro Forma Forecast revenue and EBITDA.

TABLE 20: SENSITIVITY ANALYSIS ON PRO FORMA FORECAST REVENUE AND EBITDA FOR CY19F

			Pro forma forecast	
US$ millions	**Notes**		**CY19F**	
		Increase / decrease	**Revenue**	**EBITDA**
New organic MAU	1	+/– 10%	+/– 1.3	+/– 1.2
Retention of existing MAU	2	+/– 3%	+6.5/(5.5)	+5.5/(4.6)
Product pricing	3	+/– 5%	+/– 1.7	+/– 1.3
User acquisition costs per User	4	+/– 10%	–/+ 0.4	–/+ 0.3
Research and development costs	5	+/– 5%	–/+ 0.0	–/+ 3.0

Notes:

1 The impact on CY19F revenue and EBITDA of a 10% increase or decrease in global new organic MAU.

2 The impact on CY19F revenue and EBITDA of a 3% increase or decrease in global retention rates of existing MAU.

3 The impact on CY19F revenue and EBITDA of a 5% increase or decrease in global product pricing.

4 The impact on CY19F revenue and EBITDA of a 10% increase or decrease in global User acquisition costs per User.

5 The impact on CY19F revenue and EBITDA of a 5% increase or decrease in research and development costs.

6.11. Critical accounting judgements and estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Significant estimates made by management include, but are not limited to, the determination of revenue recognition, accounts receivable allowance, the fair value of preferred and common stock warrants, the fair value of our common stock and related stock-based compensation expense, legal contingencies, capitalisation of internal-use software, depreciable lives 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.

6.12. Dividend policy

The policy of the Company is to reinvest all cash flow into the business in order to maximise its growth. Accordingly, no dividends are expected to be paid in the near-term following the Company's listing on the ASX.

The payment of a dividend by Life360, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of the Directors), including the general business environment, the operating results, cash flows and the financial condition of Life360, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by Life360, and any other factors the Directors may consider relevant. The Directors do not provide any assurance of the future level of dividends paid by the Company.

7. INDEPENDENT LIMITED ASSURANCE REPORT

7. INDEPENDENT LIMITED ASSURANCE REPORT

BDO

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The Directors
Life360, Inc. and Life360 SaleCo LLC
539 Bryant Street, Suite 402
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USA

16 April 2019

Dear Directors

Independent Limited Assurance Report

INTRODUCTION

BDO Corporate Finance (East Coast) Pty Ltd (**BDO**) has been engaged by Life360, Inc. (**Life360** or the **Company**) to prepare this Independent Limited Assurance Report (**Report**) for inclusion in a prospectus proposed to be issued, in relation to the initial public offering of CHESS Depositary Interests over shares in Life360, on or about 17 April 2019 (**Prospectus**) and listing on the Australian Securities Exchange (**ASX**) (the **Offer**).

Unless stated otherwise in this Report, expressions defined in the Prospectus have the same meaning in this Report.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

SCOPE

You have requested BDO perform a limited assurance engagement in relation to the financial information described below and disclosed in the Prospectus.

The financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Generally Accepted Accounting Principles (United States) (**U.S. GAAP**) or Australian equivalents to International Financial Reporting Standard (**AIFRS**) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

SCOPE OF REVIEW OF THE STATUTORY HISTORICAL FINANCIAL INFORMATION

You have requested BDO review the following statutory historical financial information (together the **Statutory Historical Financial Information**) included in the Prospectus:

- The historical statement of operations for the twelve months ended 31 December 2016 (CY16), 31 December 2017 (CY17) and 31 December 2018 (CY18);
- The historical statement of cash flows for CY16, CY17 and CY18; and
- The historical statement of financial position as at 31 December 2018.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in U.S GAAP and the company's adopted accounting policies. The Statutory Historical Financial Information has been extracted from financial statements of Life360 for the financial periods ended 31 December 2016, 31 December 2017 and 31 December 2018 (audited by BDO USA, LLP (**BDO USA**). The audit and review were performed in accordance with auditing standards generally accepted in the United States of America. BDO USA issued an unmodified opinion on the financial reports.

SCOPE OF REVIEW OF THE PRO FORMA HISTORICAL FINANCIAL INFORMATION

You have requested BDO review the following pro forma historical financial information (together the **Pro Forma Historical Financial Information**) included in the Prospectus:

- The pro forma historical statements of operations CY16, CY17 and CY18;
- The pro forma historical statements of cash flow for CY16, CY17 and CY18;
- The pro forma historical statement of financial position as at 31 December 2018; and
- Associated details of the pro forma adjustments

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of Life360, after adjusting for the effects of pro forma adjustments described in Section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in U.S. GAAP applied to the Statutory Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 6 of the Prospectus, as if those event(s) or transaction(s) had occurred as at 31 December 2018. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position.

Directors' Responsibility

The directors of Life360 are responsible for the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with U.S. GAAP or AIFRS and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

BDO

Review statement on the Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in Section 6 of the Prospectus, and comprising:

- 12 months ended 31 December 2016;
- 12 months ended 31 December 2017; and
- 12 months ended 31 December 2018

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.

Review statement on the Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 6 of the Prospectus, and comprising:

- 12 months ended 31 December 2016;
- 12 months ended 31 December 2017; and
- 12 months ended 31 December 2018

are not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 6 of the Prospectus.

SCOPE OF REVIEW OF THE FORECAST FINANCIAL INFORMATION

You have requested BDO review the following forecast financial information (together the **Forecast Financial Information**) of Life360 included in Section 6 of the Prospectus:

- The statutory forecast statement of operations and statement of cash flows of Life360 for the year ending 31 December 2019 (**CY19**), as described in Section 6 of the Prospectus. The directors' best-estimate assumptions underlying the statutory forecast are described in Section 6 of the Prospectus; and
- The pro forma forecast statement of operations and statement of cash flows of CY19, as described in Section 6 of the Prospectus. The pro forma forecast has been derived from Life360's statutory forecast, after adjusting for the effects of the pro forma adjustments described in Section 6 of the Prospectus.

The Forecast Financial Information, to the extent possible, has been prepared on a consistent basis and in accordance with the recognition and measurement principles contained in U.S. GAAP and Life360's adopted accounting policies. Due to its nature, the Forecast Financial Information does not represent the company's actual prospective comprehensive income and cash flows for the year ending 31 December 2019

DIRECTORS' RESPONSIBILITY

The directors of Life360 are responsible for the preparation of the forecast for the year ending 31 December 2019 including the best-estimate assumptions underlying the forecast. They are also responsible for the preparation of the pro forma forecast for the year ending 31 December 2019, including the selection and determination of the pro forma adjustments made to the forecast and included in the pro forma forecast. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of a forecast and a pro forma forecast that are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY

Our responsibility is to express limited assurance conclusions on the statutory and pro forma forecast, the best-estimate assumptions underlying the statutory and pro forma forecast, and the reasonableness of the statutory and pro forma forecast themselves, based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE *3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Review statement on the Statutory Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the director's best-estimate assumptions, used in the preparation of the forecast statement of financial performance and forecast statement of cash flow of Life360 for the year ending 31 December 2019, do not provide reasonable grounds for the forecast; and
- in all material respects, the forecast:
  - is not prepared on the basis of the director's best-estimate assumptions as described in Section 6 of the Prospectus;
  - is not presented fairly in accordance with the stated basis of preparation, being U.S. GAAP; and
  - itself is unreasonable.

Review statement on the Pro Forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the director's best-estimate assumptions used in the preparation of the pro forma forecast statement of financial performance and pro forma forecast statement of cash flow of Life360 for the year ending 31 December 2019 do not provide reasonable grounds for the pro forma forecast; and
- in all material respects, the pro forma forecast:
  - is not prepared on the basis of the directors' best-estimate assumptions, as described in Section 6 of the Prospectus;
  - is not presented fairly in accordance with the stated basis of preparation; and
  - itself is unreasonable.

The statutory forecast and pro forma forecast have been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of Life360 for the year ending 31 December 2019. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast and pro forma forecast since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the forecast and pro forma forecast relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Life360. Evidence may be available to support the directors' best-estimate assumptions on which the forecast and pro forma are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Life360, which are detailed in the Prospectus, and the inherent uncertainty relating to the forecast. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 4 and Section 6 of the Prospectus, respectively. The sensitivity analysis described in Section 6 of the Prospectus demonstrates the impact on the forecast and pro forma forecast of changes in key best-estimate assumptions. We express no opinion as to whether the forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the forecast or pro forma forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of Life360, that all material information concerning the prospects and proposed operations of Life360 has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

SUBSEQUENT EVENTS

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction(s) or event(s) outside of the ordinary business of Life360 not described in the Prospectus, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

INDEPENDENCE

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Prospectus other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

GENERAL ADVICE WARNING

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 6 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the

Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

FINANCIAL SERVICES GUIDE

Our Financial Services Guide follows this Report. This guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

BDO CORPORATE FINANCE (EAST COAST) PTY LTD

Sebastian Stevens

Director

BDO

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

FINANCIAL SERVICES GUIDE

Dated: 16 April 2019

This Financial Services Guide (**FSG**) helps you decide whether to use any of the financial services offered by BDO Corporate Finance (East Coast) Pty Ltd (**BDO Corporate Finance, we, us, our).**

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us A$600,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 11, 1 Margaret St, Sydney NSW 2001 or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (**AFCA**). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 11843).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001
Toll free: 1800 931 678
Email: info@afca.org.au

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

8. DETAILS OF THE OFFER

8. DETAILS OF THE OFFER

8.1. What is the Offer?

This Prospectus relates to an initial public offering of New CDIs by the Company and the sale of Sale CDIs by SaleCo at an issue price of A$4.790 per CDI.

The Offer is an invitation to apply for:

- 23.5 million New CDIs offered by the Company to raise proceeds of A$112.7 million; and
- 6.8 million Sale CDIs offered by SaleCo to raise proceeds of A$32.8 million.

Upon Completion of the Offer, a total of 143.9 million CDIs will be on issue (assuming all Shares are held in the form of CDIs and no Options, RSUs or Warrants have been exercised following the Prospectus Date) and all Shares underlying the CDIs will rank equally in all respects with the existing Shares on issue at the date of listing. A summary of the rights attaching to the CDIs is set out in Section 10.13.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus and is fully underwritten by the Joint Lead Managers.

8.2. Offer structure

The Offer comprises:

- The Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for CDIs; and
- The Broker Firm Offer, which is open to Australian resident Retail Investors who have received a firm allocation from their broker.

Details of the Broker Firm Offer and the allocation policy under it are described in Section 8.5.

Details of the Institutional Offer and the allocation policy under it are described in Section 8.6.

The allocation of CDIs between the Broker Firm Offer and the Institutional Offer will be determined by agreement between the Joint Lead Managers, the Company and SaleCo having regard to the allocation policies described in Sections 8.5 and 8.6.

The Offer is fully underwritten by the Joint Lead Managers. A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement, is set out in Section 9.1.

The Company and SaleCo, in consultation with the Joint Lead Managers, reserve the right to close the Offer early, extend the Closing Date or accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, without notifying any recipients of this Prospectus or any Applicants.

8.3. Purpose and use of Offer proceeds

The purpose of the Offer is to provide us with:

- Funding and financial flexibility to support our growth strategy and future growth opportunities;
- Access to capital markets in the future;
- A liquid market for our CDIs / Shares and an opportunity for others to invest in CDIs / Shares to broaden our Shareholder base;
- Benefits of an increased brand profile that arises from being a listed entity; and
- An opportunity for certain Existing Shareholders to realise part of their equity in the Company through the offer of Sale CDIs by SaleCo. This excludes Co-founder and Chief Executive Officer, Chris Hulls, and Co-founder and President, Alex Haro, who will retain a substantial stake in the Company (see Section 8.10).

The proposed sources and uses of the Offer proceeds are as follows:

Sources of funds	A$m	US$m	% of funds raised
Cash proceeds received from issue of CDIs by the Company	112.7	80.0	77%
Cash proceeds received from sale of CDIs by SaleCo	32.8	23.3	23%
Total sources	**145.4**	**103.3**	**100%**

Use of funds	A$m	US$m	% of funds raised
Payments to Selling Shareholders	31.4	22.3	22%
Sales and marketing (including User acquisition)	43.8	31.1	30%
Research and platform development	35.0	24.8	24%
Working capital	25.1	17.8	17%
Costs of the Offer	10.1	7.2	7%
Total uses	**145.4**	**103.3**	**100%**

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales performance, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied. In addition, as the proceeds of the Offer will be received in Australian Dollars and the expenditure will be in U.S. Dollars, the actual amount of the proceeds used for each of the items above will depend on the AUD:USD exchange rate at the time that the funds are converted to U.S. Dollars.

The Board believes that the Company's cash reserves, its cash flow from existing operations, plus the net process of the Offer will be sufficient to fund the Company's stated business objectives, including:

- Growing customer awareness of the Life360 brand and driving User acquisition;
- Expanding the functionality of our Platform through investment in research and product development;
- Expanding our service and product offering via partnerships; and
- Expanding our International presence.

The Board will consider the use of further equity funding if appropriate to accelerate growth or fund a specific project, transaction or expansion.

8.4. Key terms and conditions of the Offer

The key terms and conditions of the Offer are summarised in the table below.

What is the type of security being offered?	The Company and SaleCo will be offering CHESS Depositary Interests in the Company under the Offer. Each CDI represents an interest in one-third of a Share in the Company.
What are the rights and liabilities attached to the securities being offered?	The holders of CDIs receive all of the economic benefit of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of an Australian listed company. The Shares underlying the CDIs will rank equally with the Shares currently on issue in the Company. There are certain differences between the Shares and ordinary shares which are typically issued by Australian incorporated public companies. A description of the CDIs and the underlying Shares, including the rights and liabilities attaching to them, is set out in Sections 8.9 and 10.13.
What is the Offer Price?	The Offer Price is A$4.790 per CDI representing A$14.370 per Share.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out on page 5. No CDIs will be issued or transferred on the basis of this Prospectus later than the expiry date of 13 months after the Prospectus Date. The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company and SaleCo, in consultation with the Joint Lead Managers, reserve the right to vary any and all of the dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the date the Offer closes, or to accept late Applications, either generally or in particular cases, to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of the Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the issue or transfer of CDIs all Application Monies will be refunded as soon as possible in accordance with the Corporations Act.
What are the cash proceeds to be raised?	A$145.4 million will be raised under the Offer, comprising: • Approximately A$112.7 million will be raised by the Company from the issue of CDIs under the Offer. • Approximately A$32.8 million will be raised by SaleCo from the sale of CDIs under the Offer, which will be remitted to the Selling Shareholders (net of costs).
Is the Offer underwritten?	Yes. The Joint Lead Managers have fully underwritten the Offer in accordance with the Underwriting Agreement. Details are provided in Section 9.1.
What is the minimum and maximum Application size under the Broker Firm Offer?	Applications must be for a minimum of 420 CDIs. There is no maximum number or value of CDIs that may be applied for under the Broker Firm Offer. The Joint Lead Managers, in consultation with the Company and SaleCo, reserve the right to reject any Application or to allocate a lesser number of CDIs than applied. In addition, the Joint Lead Managers, the Company and SaleCo reserve the right to aggregate any Application that they believe may be multiple Applications from the same person.
What is the allocation policy?	The allocation of CDIs between the Broker Firm Offer and the Institutional Offer will be determined by the Joint Lead Managers, the Company and SaleCo having regard to the allocation policies outlined in Sections 8.7. With respect to the Broker Firm Offer, it is a matter for the Broker how they allocate firm CDIs among their eligible retail clients. For further information on the Broker Firm Offer see Section 8.5. For further information on the Institutional Offer see Section 8.6.

Will the CDIs be quoted on ASX?	The Company will apply to the ASX for admission to the Official List and quotation of its CDIs on the ASX under the code 360. It is anticipated that quotation will initially be on a conditional and deferred settlement basis. Completion of the Offer is conditional on, among other things, the ASX approving the application. If approval is not given within three months after the application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the CDIs offered for subscription.
What is the 'Foreign Ownership Restriction' designation on ASX?	The CDIs and underlying Shares will be 'restricted securities' under Rule 144 under the U.S. Securities Act. This means that, during such period as the CDIs and underlying Shares are subject to transfer restrictions, which may be extended longer than 12 months, you will not be permitted to sell the CDIs sold to you in the Offer or the underlying Shares into the United Sates or to, or for the account or benefit of, a U.S. Person, unless the resale of the CDIs or the underlying Shares is registered under the U.S. Securities Act (which the Company is not obligated to do) or an exemption from such registration is available (including resale to QIBs pursuant to Rule 144A). The Company has requested that during the Distribution Compliance Period, all CDIs issued or transferred under the Offer bear a designation on ASX in order to enforce the above restrictions. This designation is intended to prevent any CDIs from being sold on ASX during the Distribution Compliance Period, to persons that are in the U.S. or to, or for the account or benefit of, U.S. Persons, in each case that are not QIBs. The Company cannot provide any assurances as to when this designation will be lifted from the CDIs. For more information, see Section 10.15. The discussion above assumes that none of the CDIs are acquired and resold by certain affiliates of the Company. Any CDIs that are acquired and subsequently resold by such affiliates will reopen the Distribution Compliance Period. While this is an inconvenience for all holders of the Company's CDIs it is necessary because there is no mechanism to distinguish the CDIs resold by such affiliates of the Company from other CDIs. Thus, the practical impact of such a resale would be to extend the Distribution Compliance Period for all of the Company's CDIs.
When are the CDIs expected to commence trading?	It is expected that trading of the CDIs on a conditional and deferred settlement basis will commence on or about 10 May 2019. Trades occurring on ASX before the date on which the CDIs are issued or transferred will be conditional on the Completion of the Offer, including Settlement and the issue or transfer of CDIs occurring (**Conditions**). Conditional and deferred settlement trading will continue until the Company has advised ASX that the Conditions have been satisfied, which is expected to be on or about 15 May 2019. Following satisfaction of the Conditions, trading on ASX will be on an unconditional but deferred settlement basis until the Company has advised ASX that initial holding statements have been dispatched to CDI holders. Trading on ASX is expected to commence on a normal settlement basis on or about 17 May 2019. Following the issue or transfer of CDIs, Successful Applicants will receive a holding statement setting out the number of CDIs issued or transferred to them under the Offer. It is expected that holding statements will be dispatched by standard post on or about 16 May 2019.

When are the CDIs expected to commence trading? continued	It is the responsibility of each person who trades in CDIs to confirm their own holding before trading in CDIs. Investors will be able to confirm their holdings by telephoning the Offer Information Line on 1300 375 912 (within Australia) or +61 3 9415 4393 (outside Australia) from 8.30am to 5.00pm Sydney time, Monday to Friday (excluding public holidays), during the Offer Period. If you sell CDIs before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell CDIs before receiving your holding statement, even if you obtained details of your holding from the Offer Information Line or confirmed your firm allocation through a Broker.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched to Successful Applicants by standard post on or about 16 May 2019. Refunds (without interest) to Applicants who make an Application and receive an allocation of CDIs, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion.
Are there any escrow arrangements	Yes. Details are provided in Section 10.14.
Has any ASIC relief or ASX waiver or confirmation been sought, obtained or been relied on?	Yes. Details are provided in Section 10.20.
Is there brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of CDIs under the Offer. See Section 9.1 for details of various fees payable by the Company and SaleCo to the Joint Lead Managers.
Are there any tax considerations?	Yes. Please refer to Section 10.16 for an overview of the tax implications for Australian investors of investing in CDIs under the Offer and note that it is recommended that all potential investors consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of CDIs, having regard to their specific circumstances.
What should I do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 375 912 (toll free within Australia) or +61 3 9415 4393 (from outside Australia) between 8.30am and 5.00pm Sydney time, Monday to Friday (excluding public holidays) All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining CDIs is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, tax adviser financial adviser or other independent professional adviser before deciding whether to invest.

8.5. Broker Firm Offer

8.5.1. Who can apply

The Broker Firm Offer is open to Australian resident retail clients of participating Brokers, who have a registered address in Australia and received an invitation from a Broker to acquire CDIs under this Prospectus and are not in the U.S. and are not a U.S. Person or acting for the account or benefit of a U.S. Person. You should contact your Broker to determine whether you can receive an allocation of CDIs from them under the Broker Firm Offer.

8.5.2. How to apply

If you have received an allocation of CDIs from your Broker and wish to apply for those CDIs under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions.

Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Registry. Applicants under the Broker Firm Offer should contact their Broker to request a copy of this Prospectus and Application Form. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (Sydney time) on the Closing Date or any earlier closing date as determined by your Broker.

Applications for CDIs must be for a minimum of 420 CDIs and payment for the CDIs must be made in full at the issue price of A$4.790 per CDI.

There is no maximum number or value of CDIs that may be applied for under the Broker Firm Offer. However, the Company and the Joint Lead Managers reserve the right to reject or scale back any Applications in the Offer. Life360 may determine a person to be eligible to participate in the Offer and may amend or waive the Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

The Offer opens at 9.00am (Sydney time) on 1 May 2019 and is expected to close at 5.00pm (Sydney time) on 8 May 2019. The Company and the Joint Lead Managers may elect to close the Offer or extend the Offer, or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your firm allocation. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company, the Joint Lead Managers and the Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

8.5.3. Payment methods

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided to you by that Broker.

8.5.4. Allocation policy under the Broker Firm Offer

CDIs that have been allocated to Brokers for allocation to their Australian resident retail clients will be issued to the Applicants nominated by those Brokers. It will be a matter for each Broker as to how they allocate CDIs among their retail clients and they (and not the Company or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant CDIs.

8.5.5. Acceptance of Applications

An Application in the Broker Firm Offer is an offer by the Applicant to apply for the amount of CDIs specified in the Application Form, at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of CDIs to Successful Applicants conditional upon the quotation of CDIs on the ASX and Settlement.

The Joint Lead Managers, in agreement with the Company, reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

8.5.6. Application Monies

Application Monies received under the Broker Firm Offer will be held in a special purpose bank account until CDIs are issued or transferred to successful Applicants. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied, will be mailed a refund (without interest) for all or part of their Application Monies, as applicable. No refunds due solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

To participate in the Offer, the Application Form must be completed and received, together with the Application Monies, in accordance with the instructions on the Application Form.

8.6. Institutional Offer

8.6.1. Who can apply

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and certain foreign jurisdictions to apply for CDIs. The Joint Lead Managers separately advised Institutional Investors of the application procedures for the Institutional Offer.

8.6.2. Allocation policy under the Institutional Offer

The allocation of CDIs among Applicants in the Institutional Offer will be determined by agreement between the Company, SaleCo and the Joint Lead Managers. The Joint Lead Managers, the Company and SaleCo have absolute discretion regarding the basis of allocation of CDIs among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of CDIs, if any, by the Joint Lead Managers.

The allocation policy was influenced, but not constrained, by the following factors:

- The number of CDIs bid for by particular Applicants;
- The timeliness of the bid by particular Applicants;
- The Company's desire to establish a wide spread of institutional shareholders;
- The size and type of funds under management of particular Applicants;
- The likelihood that particular Applicants will be long-term Shareholders; and
- Any other factors that the Company and the Joint Lead Managers considered appropriate.

8.7. Allocation policy

The basis of allocation of CDIs under the Offer will be determined by the Company, SaleCo and the Joint Lead Managers, subject to any firm allocations under the Broker Firm Offer. Certain Applicants nominated by the Company may be given preference in allotment of CDIs.

The allocation of CDIs among the Applicants under the Institutional Offer will be determined by the Company and SaleCo, in consultation with the Joint Lead Managers.

8.8. Discretion regarding the Offer

The Company may withdraw the Offer at any time before the issue or transfer of CDIs to Successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company and SaleCo, in consultation with the Joint Lead Managers, also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer CDIs than applied or bid.

8.9. About the CDIs

The Company is incorporated in the State of Delaware, U.S. To enable companies such as the Company to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. Pursuant to the ASX Settlement Operating Rules, CDI holders receive all of the economic benefits of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on ASX.

CDIs will be held in uncertificated form and settled / transferred through CHESS. No share certificates will be issued to CDI holders. Shareholders cannot trade their Shares on ASX without first transmuting their Shares into CDIs.

Three CDIs represent one underlying Share. The main difference between holding CDIs and Shares is that CDI holders hold the beneficial ownership in the Shares instead of legal title. CHESS Depositary Nominees Pty Limited (**CDN**), a subsidiary of ASX, will hold the legal title to the underlying Shares.

The Shares underlying the CDIs will be registered in the name of CDN and will be held on behalf of and for the benefit of the CDI holder. CDIs will be CHESS-approved from the date of official quotation of the CDIS on ASX in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. The Shares underlying the CDIs will rank equally with the Shares that the Company has previously issued. Investors should note that there are certain differences between Shares in Life360 and ordinary shares which are typically issued by Australian incorporated public companies. A summary of the key rights attaching to CDIs and Shares is set out in Sections 10.10 and 10.13 and a comparison of the rights attaching to CDIs and Shares with rights of holders of shares in an Australian listed company is set out in Section 10.12.

Holders of CDIs can choose to have their CDIs converted to a direct holding of Shares as described in Section 10.13. However, if they do so they will no longer be able to trade on ASX. Such Shares will continue to be subject to the restrictions contained in the Share Legend, including that any Shares will be subject to a 'holding lock' that will prevent the holder from transferring those Shares until such Shares (and the CDIs from which they were transmuted) have been held for at least one year by non-affiliates and are sold pursuant to Rule 144 under the U.S. Securities Act, unless the Company otherwise determines to remove the holding lock. Similarly, subject to any restrictions under applicable law, holders of Shares may choose to convert their Shares to CDIs to enable them to trade on ASX. However, a holder that transmutes its Shares into CDIs must comply with the restrictions set forth in the Share Legend until it is removed by the Company, including the restriction that any CDIs transmuted from Shares will be subject to a holding lock that will prevent the holder from transferring those CDIs until such CDIs have been held for at least one year by non-affiliates and are sold pursuant to Rule 144 under the U.S. Securities Act, unless the Company otherwise determines to remove that holding lock. As CDIs represent beneficial interests in the underlying Shares, holders of CDIs transmuted from Shares will be bound by the restrictions set forth in the Share Legend to the extent they relate to their beneficial interest until that Share Legend is removed by the Company. For more information on these restrictions, see Section 10.13.

The Shares and CDIs will be 'restricted securities' and subject to resale limitations under Rule 144 under the U.S. Securities Act for a period of 12 months from the date of allotment and transfer of the CDIs under the Offer. This means that during the Distribution Compliance Period investors will not be permitted to sell the CDIs acquired in the Offer or the underlying Shares into the U.S. or to, or for the account or benefit of, a U.S. Person, unless the resale of the Shares or CDIs is registered under the U.S. Securities Act (which the Company is not obligated to do) or an exemption from such registration is available (including resales to QIBs pursuant to Rule 144A). The Company has requested that all CDIs issued or transferred under the Offer bear a designation on ASX during the Distribution Compliance Period in order to enforce these restrictions. This designation is intended to prevent any CDIs from being sold on ASX during the Distribution Compliance Period to persons that are in the U.S. or to, or for the account or benefit of, U.S. Persons, in each case that are not QIBs. Investors should note that it is possible that the Distribution Compliance Period could be extended beyond one year, and the Company cannot provide any assurances as to when this designation will be moved from the CDIs. For more information, see Section 10.15.

8.10. Substantial Holders

The table below sets out the interests of the Existing Shareholders as at the date of this Prospectus and immediately following the Offer who hold a substantial interest in Securities of the Company. The table does not reflect any CDIs which the Existing Shareholders may subscribe for under the Offer.

	Date of Prospectus[1]			Immediately following the Offer		
Existing Shareholders	**Number of Shares (m)**	**% of Shares**	**CDI Equivalent (m)**	**Number of Shares (m)**	**% of Shares**	**CDI Equivalent (m)**
The ADT Security Corporation	4.99	12.4%	14.97	4.99	10.4%	14.97
Seraph Life360, LLC	3.24	8.1%	9.71	2.91	6.1%	8.74
Chris Hulls	2.89	7.2%	8.66	2.89	6.0%	8.66
Fontinalis Capital Partners I, LP	2.80	7.0%	8.40	2.52	5.3%	7.56

1 Assumes that the Share capital restructure described in Section 10.5 occurred immediately prior to the Prospectus Date and includes the conversion of the existing Series A-1 Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C-1 Preferred Stock, Series C Preferred Stock and Series D Preferred Stock into Shares. The table does not include Options, or Shares held by affiliated entities of the listed holders.

8.11. ASX listing

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the official list of ASX and for its CDIs to be granted official quotation by ASX. The Company is not currently seeking a listing of its CDIs or Shares on any stock exchange other than ASX.

The fact that ASX may admit the Company to the official list of ASX and grant official quotation of the CDIs is not to be taken in any way as an indication of the merits of the Company or the CDIs offered for subscription under the Offer. ASX takes no responsibility for the contents of this Prospectus. If permission for quotation of the CDIs is not granted within three months after the date of this Prospectus, all Application Amounts received by the Company will be refunded without interest as soon as practicable.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive confirmation of their allotment will do so at their own risk.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

8.12. CHESS and issuer sponsored holdings

The Company will apply to participate in CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the CDIs become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. For all Successful Applicants, the CDIs of a CDI holder who is a participant in CHESS or a CDI holder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other CDIs will be registered on the issuer sponsored subregister.

Following Completion, CDI holders will be sent a holding statement that sets out the number of CDIs that have been allocated to them. This statement will also provide details of a CDI holder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. CDI holders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

CDI holders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the CDI holder's sponsoring broker in the case of a holding on the CHESS subregister or through the Registry in the case of a holding on the issuer sponsored subregister.

The Company and the Registry may charge a fee for these additional issuer sponsored statements.

8.13. Conditional and deferred settlement trading and selling CDIs on market

It is expected that trading of the CDIs on ASX on a conditional and deferred settlement basis will commence on or about 10 May 2019.

Trades occurring on ASX before the date on which the CDIs are issued or transferred will be conditional on Completion, including Settlement and the issue or transfer of CDIs occurring (**Conditions**).

Conditional and deferred settlement trading will continue until the Company has advised ASX that the Conditions have been satisfied, which is expected to be on or about 15 May 2019.

Following satisfaction of the Conditions, trading on ASX will be on an unconditional but deferred settlement basis until the Company has advised ASX that initial holding statements have been dispatched to CDI holders. Trading on ASX is expected to commence on a normal settlement basis on or about 17 May 2019. Following the issue or transfer of CDIs, Successful Applicants will receive a holding statement setting out the number of CDIs issued or transferred to them under the Offer. It is expected that holding statements will be dispatched by standard post on or about 16 May 2019.

It is the responsibility of each person who trades in CDIs to confirm their own holding before trading in CDIs. Investors will be able to confirm their holdings by telephoning the Offer Information Line on 1300 375 912 (within Australia) or +61 3 9415 4393 (outside Australia) from 8.30am to 5.00pm Sydney time, Monday to Friday (excluding public holidays), during the Offer Period. If you sell CDIs before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell CDIs before receiving your holding statement, even if you obtained details of your holding from the Offer Information Line or confirmed your firm allocation through a Broker.

8.14. Overseas distribution

No action has been taken to register or qualify the offer of CDIs under this Prospectus, or to otherwise permit a public offering of CDIs, in any jurisdiction outside Australia.

Offer only made where lawful to do so

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. This Prospectus does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons into whose possession this document comes should inform themselves about and observe any restrictions on acquisition or distribution of the Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

U.S. residents

The securities being offered pursuant to this Prospectus have not been registered under the U.S. Securities Act and may not be offered or sold in the U.S. absent registration or an applicable exemption from registration under the U.S. Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of any securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. The CDIs being offered pursuant to this Prospectus are being made available to investors in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act for offers which are made (1) outside of the U.S. to persons that are not, and are not acting for the account or benefit of, U.S. Persons and (2) in the U.S. solely to Eligible U.S. Fund Managers, in each case in "offshore transactions" (as defined in Regulation S under the U.S. Securities Act).

In addition, any hedging transactions involving the CDIs or the underlying Shares may not be conducted unless in compliance with the U.S. Securities Act.

New Zealand residents

The offer made to New Zealand investors is available only to, and may only be accepted by, a Wholesale Investor (in terms of clause 3(2) and 3(3) of Schedule 1 of the Financial Markets Conduct Act 2013) who has completed a Wholesale Investor Certification or an Eligible Investor Certification or who invests a minimum amount of NZ$750,000 in CDIs and who has completed a Minimum Investment Acknowledgement.

This document does not constitute and should not be construed as an offer, invitation, proposal or recommendation to apply for CDIs by investors in New Zealand who are not Wholesale Investors. Applications or any requests for information from investors in New Zealand who are not Wholesale Investors will not be accepted. This document has not been, and will not be, lodged with the Registrar of Financial Service Providers in New Zealand and is not a product disclosure statement under the *Financial Markets Conduct Act 2013*. New Zealand Wholesale Investors wishing to invest in the Company should be aware that there may be different tax implications of investing in CDIs and should seek their own tax advice as necessary.

Each New Zealand investor acknowledges and agrees that he, she or it:

- Has not offered or sold, and will not offer or sell, directly or indirectly, any CDIs in the Company;
- Has not distributed and will not distribute, directly or indirectly, this document or any other offering materials or advertisement in relation to any offer of any CDIs in the Company;
- In each case in New Zealand other than to a person who is a Wholesale Investor (in terms of clause 3 of Schedule 1 of the Financial Markets Conduct Act 2013); and
- Will notify the Company if they cease to be a Wholesale Investor (in terms of clause 3(2) and 3(3) of Schedule 1 of the Financial Markets Conduct Act 2013).

The following warning statement applies in relation to those New Zealand investors who are Wholesale Investors solely by reason of the minimum amount payable by them on acceptance of the Offer being at least NZ$750,000.

WARNING: New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this Offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is NZ$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Hong Kong residents

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong (the Companies (MSC) Ordinance), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under the SFO) or in other circumstances which do not result in this Prospectus being a "prospectus" as defined in the Companies (MISC) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (MISC) Ordinance or the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as defined in the SFO and any rules made under the SFO). No person allotted the CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

By accepting receipt of this Prospectus, you are deemed to confirm, represent and warrant to the Company that you are a professional investor within the meaning of Section 1 of Part 1 of Schedule 1 to the SFO or Section 3 of the Securities and Futures (Professional Investor) Rules (Cap. 571D of the Laws of Hong Kong).

United Kingdom residents

This Prospectus does not constitute a prospectus for the purpose of the prospectus rules issued by the Financial Conduct Authority (**FCA**) pursuant to Section 84 of the *Financial Services and Markets Act 2000* (as amended) (**FSMA**) and has not been approved by or filed with the FCA. The information contained in this Prospectus is only being made, supplied or directed at persons in the United Kingdom who are qualified investors within the meaning of Section 86(7) of the FSMA and the CDIs are not otherwise being offered or sold and will not otherwise be offered or sold to the public in the United Kingdom (within the meaning of Section 102B of the FSMA), save in circumstances where it is lawful to do so without an approved prospectus (within the meaning of Section 85 of FSMA) being made available to the public before the offer is made.

In addition, in the United Kingdom no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any CDIs except in circumstances in which Section 21(1) of the FSMA does not apply to the Company and this document is made, supplied or directed at qualified investors in the United Kingdom who are:

- Persons having professional experience in matters relating to investments who fall within the definition of investment professionals in article 19(5) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005* (as amended) (**FPO**);
- High net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in article 49 of the FPO; or
- Persons who fall within another exemption to the FPO, (all such persons being Relevant Persons).

  (all such persons being Relevant Persons)

Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

By accepting receipt of this Prospectus, each United Kingdom recipient is deemed to confirm, represent and warrant to the Company that it is a Relevant Person.

United Kingdom – Exemption for fewer than 150 persons (other than qualified investors)

Neither the information in this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of Section 85 of the FSMA) has been published or is intended to be published in respect of the CDIs and options.

This document is issued on a confidential basis to fewer than 150 persons (other than 'qualified investors' (within the meaning of Section 86(7) of FSMA)) in the United Kingdom, and the CDIs may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to Section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which Section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together 'relevant persons'). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

Singapore

This document or any other offering material relating to the Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of CDIs may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than to an institutional investor, as defined in Section 4(A)(1) of the *Securities and Futures Act, Chapter 289 of Singapore* (the **SFA**), in accordance with and pursuant to Section 274 of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party. Investors should note there are certain on-sale restrictions (set out in, among others, Sections 257 and 276 of the SFA) applicable to all investors who acquire the CDIs pursuant to the exemptions in Section 274 of the SFA. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore or to consult their own professional advisers as to such on-sale restrictions, and to comply accordingly.

The contents of this document have not been reviewed by any regulatory authority in Singapore. This document may not contain all the information that a Singapore registered prospectus is required to contain. In the event of any doubt about any of the contents of this document or as to your legal rights and obligations in connection with the Offer, please obtain appropriate professional advice.

Overseas ownership and resale representation

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

9. MATERIAL CONTRACTS

9. MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer. This Section contains a summary of the main provisions of these material contracts. These summaries do not purport to be complete and are qualified by the text of the contracts themselves.

9.1. Underwriting agreement

The Offer is fully underwritten by the Joint Lead Managers pursuant to an underwriting agreement dated on or around the date of this Prospectus between the Joint Lead Managers, the Company and SaleCo (**Underwriting Agreement**). Under the Underwriting Agreement, the Joint Lead Managers have agreed to jointly lead manage the Offer and act as underwriters and bookrunners for the Offer.

For the purpose of this Section 9.1, Offer Documents means the following documents issued or published by, or on behalf of, the Company and SaleCo with their prior approval, in respect of the Offer and in a form approved by the Joint Lead Managers including:

- The pathfinder prospectus (**Pathfinder**) for the Offer and any document which supplements or replaces the Pathfinder (including any addendum to the Pathfinder);
- This Prospectus (including any supplementary prospectus) and any Application Form;
- Any cover email sent by or on behalf of the Company and SaleCo to eligible Institutional Investors outside of Australia in connection with the Institutional Offer and the bookbuild process; and
- Any investor, marketing or roadshow presentation and/or ASX announcements used by the Company and SaleCo in connection with the Offer (including any addendum to those presentations and any drafts used for roadshow purposes prior to the Prospectus Date),

(collectively, the **Offer Documents**).

Fees and expenses

Subject to the Joint Lead Managers satisfying their underwriting obligations under the Underwriting Agreement, the Company and SaleCo have agreed to pay:

- An underwriting fee equal to 1.75% of the Offer proceeds in the following proportions:
  - 60% to Credit Suisse; and
  - 40% to Bell Potter, and
- A management fee equal to 1.5% of the Offer proceeds in the following proportions:
  - 80% to Credit Suisse; and
  - 20% to Bell Potter.

The Company may also pay the Joint Lead Managers a discretionary fee of up to 0.75% of the Offer proceeds in the following proportions:

- 60% to Credit Suisse; and
- 40% to Bell Potter.

In addition to the fees described above, the Company has agreed to pay or reimburse the Joint Lead Managers for the reasonable costs incurred by it in relation to the Offer.

Termination Events

If any of the following events occur before Completion, each Joint Lead Manager may, at any time by notice to the Company and SaleCo immediately, without cost or liability to itself, terminate the Underwriting Agreement:

- A statement in the Offer Documents or public information is or becomes misleading or deceptive or likely to mislead or deceive, or a matter required to be included is omitted from an Offer Document;
- A new circumstance arises after the date of the Prospectus, that would have been required to be included in the Prospectus if it had arisen before the Prospectus Date;

- In the reasonable opinion of the terminating Joint Lead Manager, there are not, or there ceases to be, reasonable grounds for any statement or estimate in the Offer Documents which relate to a future matter, or any statement or estimate in the Offer Documents which relates to a future matter is unlikely to be met in the projected timeframe (including financial forecasts);
- An event specified in the Offer timetable is delayed by more than two business days (other than any delay caused solely by the Joint Lead Managers or any delay agreed between the Company, SaleCo and the Joint Lead Managers or a delay resulting from of an extension of the exposure period by ASIC); there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- The Company:
  - Issues or, in the reasonable opinion of the terminating Joint Lead Manager, is required under section 719 of the Corporations Act to lodge a supplementary prospectus;
  - Lodges a supplementary prospectus with ASIC in a form and substance that has not been approved by the Joint Lead Managers in accordance with the Underwriting Agreement;
- Approval is refused or not granted by the ASX, or such approval is granted subject to conditions other than customary conditions, to:
  - The Company's admission to the official list of the ASX on or before the listing approval date;
  - The quotation of the New CDIs on the ASX or for the New CDIs to be traded through CHESS on or before the quotation date (on a conditional and deferred settlement basis);
  - The Company's application to have ASX Settlement include in the Offer CDIs as FOR Financial Products in the manner contemplated by the Offer Documents,

  Or if granted the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- Any of the following notifications are made in respect of the Offer:
  - ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
  - ASIC holds a hearing under section 739(2) of the Corporations Act;
  - An application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Prospectus or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or the Prospectus;
  - Any person (other than the Joint Lead Managers) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent;
  - Any person (other than the Joint Lead Managers) gives a notice under section 730 of the Corporations Act in relation to an Offer Document;
- The Company:
  - Alters the issued capital of the Company or a Group member, other than as disclosed in the Prospectus; or
  - Disposes or attempts to dispose of a substantial part of the business or property of the Company or a Group member, without the prior written consent of the Joint Lead Managers;
- The Company withdraws an Offer Document or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- The Company is prevented from allotting and issuing the New CDIs, or SaleCo is prevented from transferring the Sale CDIs within the time required by the Timetable, the Offer Documents, the Listing Rules, applicable laws, an order of a court of competent jurisdiction, or a governmental authority;
- If a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company or SaleCo to perform its obligations under the Underwriting Agreement or to carry out the transactions contemplated by the Offer Documents;
- An event specified in the timetable in the Underwriting Agreement is delayed for more than 2 business days, other than a delay permitted under the Underwriting Agreement;

- The Company or SaleCo does not provide a closing certificate required under the Underwriting Agreement;
- A Group member becomes insolvent, or there is an act or omission which is likely to result in a Group member becoming insolvent;
- Any of Chris Hulls, Wendell Laidley or Alex Haro vacates their office or there is a change in the Board of Directors of the Company;
- The Company varies any term of its certificate of incorporation or by-laws without the prior written consent of the Joint Lead Managers;
- The Company, SaleCo, any Group member or any of their directors or officers engage, or have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;
- Any of the following occur:
  - A Director or proposed Director named in the Pathfinder or Prospectus is charged with an indictable offence;
  - Any government agency commences any public action against the Company or any of its Directors, or announces that it intends to take action; or
  - Any Director or proposed Director named in the Pathfinder or Prospectus of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act.

In addition, if one of the following events occurs and a Joint Lead Manager has reasonable grounds to believe that the event (a) has or is likely to have a materially adverse effect on the success, settlement, outcome or marketing of the Offer, the ability of the Joint Lead Manager to market or settle the Offer or on the likely price at which the New CDIs will trade on ASX, or the willingness of investors to subscribe for or acquire the New CDIs; or (b) will, or is likely to, give rise to a liability of the Joint Lead Manager under, or give rise to, or result in, a contravention by the Joint Lead Manager or its affiliates being involved in a contravention of, any applicable law:

- Any restriction deed is withdrawn, varied, terminated, rescinded, altered, amended or breached or failed to be complied with (other than termination in accordance with its terms, including to allow for the transfer by SaleCo of Shares held by it in the Company to SaleCo's ultimate beneficial controllers);
- Any information supplied by or on behalf of a member of the Group to the Joint Lead Managers in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or is likely to mislead or deceive (including by omission);
- The due diligence report or any other information supplied by or on behalf of the Company or SaleCo to the Joint Lead Managers in relation to the Group or the Offer is (or is likely to), or becomes (or becomes likely to be), misleading or deceptive (including by way of omission);
- Any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group from those respectively disclosed in this Prospectus or public information;
- A statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect;
- In respect of any one or more of Australia, the U.S., the United Kingdom, the PRC, Hong Kong, Singapore or any member state of the EU, or involving any diplomatic, military, commercial or political establishment of any of those countries in the world (a) hostilities not presently existing commence (whether or not war or a national emergency has been declared); (b) a major escalation in existing hostilities occurs (whether or not war or a national emergency has been declared); or (c) a major terrorist act is perpetrated;
- If any of the obligations of the relevant parties under any of the material contracts that are material to the business of the Company or any of the material contracts in Section 9 of the Prospectus are not capable of being performed in accordance with their terms (in the reasonable opinion of the Joint Lead Managers) or if all or any part of any such contracts is terminated, amended or varied without the consent of the Joint Lead Managers, breached, is or becomes void voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and affect, or its performance is or becomes illegal;
- There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia or the U.S. a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this document) any of which does or is likely to prohibit or regulate the Offer, capital issues or stock markets or affect the taxation treatment of the New CDIs as contemplated in the Offer Documents;

- Other than as disclosed in the Prospectus, any of the following occurs:
  – The commencement of legal proceedings against the Company, any other Group Member or against any director of the company or any other Group Member in that capacity;
  – Any regulatory body commences an enquiry or public action against a Group member;
- There is a contravention by the Company, SaleCo or any other Group member of the Corporations Act, the DGCL, the Delaware Limited Liability Company Act, the Competition and Consumer Act 2010 (Cth), the ASIC Act or any other applicable law or regulation;
- Any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act, the DGCL, the Delaware Limited Liability Company Act or any other applicable law or regulation;
- The Company or SaleCo breach any provision of the Underwriting Agreement;
- A representation or warranty contained in the Underwriting Agreement on the part of the Company or SaleCo is breached, becomes not true or correct or is not performed;
- Any of the following occurs (a) a general moratorium on commercial banking activities in Australia, the United Kingdom, the U.S., Hong Kong, Singapore, the PRC or any member state of the EU is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; or (b) trading in all securities quoted or listed on ASX, the London Stock Exchange, Hong Kong Stock Exchange, Tokyo Stock Exchange or the New York Stock Exchange is suspended for at least one day on which that exchange is open for trading; (c) any adverse effect on the existing markets, political or economic conditions of, or currency exchange rates or controls in Australia, Hong Kong, Singapore, the PRC, any member state of the EU, the U.S. or the United Kingdom, or the international financial markets or any adverse change in national or international political, financial or economic conditions; or (d) a change or development (which was not publically known prior to the date of the Underwriting Agreement) involving a prospective adverse change in taxation laws affecting the Company or the Offer occurs.

In the event a Joint Lead Manager terminates its obligations under the Underwriting Agreement, that Joint Lead Manager shall be immediately relieved of its obligations under the Underwriting Agreement and the remaining Joint Lead Manager may elect by notice to the Company that it will either (a) assume all obligations of the terminating Joint Lead Manager or (b) nominate a replacement Joint Lead Manager to be agreed with the company, that will assume all the obligations of the terminating Joint Lead Manager. Upon termination, the Company will be relieved of any obligation to pay the Joint Lead Manager any fees which have not accrued as at the date of termination (except costs reasonably incurred by the Joint Lead Manager).

Conditions, warranties, undertakings and other terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company to the Joint Lead Managers as well as common conditions precedent, including the receipt by the Joint Lead Managers of the final, signed due diligence report and ASX indicating that it will grant permission for quotation of the CDIs on the ASX.

The representations and warranties given by the Company relate to matters such as conduct of the Company, power and authorisations, information provided by the Company, information in this Prospectus and compliance with laws and the ASX Listing Rules. The Company also provides additional representations and warranties in connection with the business and affairs of the Company including in relation to licences, taxation and eligibility for listing.

The Company's undertakings include that it will not, until 90 days after Completion, issue (or agree to issue) or indicate in any way that it may or will issue or agree to issue any CDIs, Shares or other securities that are convertible or exchangeable into equity, or that represent the right to receive equity, without the prior written consent of the Joint Lead Managers. This undertaking is subject to certain exceptions, including any issue made pursuant to this Prospectus, an employee share plan, a non-underwritten dividend reinvestment or a bonus share plan.

Indemnity

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct, recklessness or gross negligence of any indemnified party, the Company agrees to keep the Joint Lead Managers and their representatives indemnified from losses suffered by them in connection with the Offer or the appointment and role of Joint Lead Managers pursuant to the Underwriting Agreement.

9.2. Arrangements with Allstate

The Company has entered into two key arrangements with The Allstate Corporation (**Allstate**) (through its indirectly wholly-owned subsidiaries) to use the Life360 App to analyse anonymised driving data and present vehicle insurance offers to Users (refer to Section 2.4.2 for further details). The key terms of these two arrangements are summarised below.

Arity Master Services and Licence Agreement

The Company has entered into a Master Services and Licence Agreement (**MSLA**) with Arity, LLC (**Arity**), an entity indirectly wholly-owned by Allstate, under which Arity licences to Life360 on a non-exclusive basis access to and use of its technology platform, which Life360 integrates into its website, App and other systems to enable its Users to collect, process and analyse certain driving behaviour data.

Term and termination: The initial term of the MSLA is from 10 February 2018 to 10 February 2020. Following the expiry of this initial term, the MSLA renews automatically for one year periods, unless Life360 provides 90 days' notice to Arity prior to the end of a term. Either party may terminate the MSLA upon 30 days' written notice for the other party's material breach that is not cured within that 30-day notice period (or a further 30-day period if the breaching party is working to cure the breach), or immediately at either party's discretion if Life360 sells all or substantially all of its assets, undertakes a merger, consolidation, acquisition or other restructure involving another person or entity, or undergoes a change in ownership of more than 50% of its voting capital stock. Arity may also immediately terminate the MSLA if Life360 breaches its exclusivity undertaking (described below) and is unable to cure the breach within 10 days of Arity notifying it of the breach.

Liability and indemnification: Each of Life360 and Arity has agreed to indemnify, defend and hold harmless the other party and its affiliates, and their directors, officers, employees and agents, from and against all third party liabilities arising out of, the services provided by the indemnifying party infringing or misappropriating a third party's patent, copyright, trade secret or trademark, the unauthorised use or disclosure of data resulting from that party's conduct, personal injury or property damage caused by that party's gross negligence or wilful misconduct, or that party's breach of any laws, regulations, ordinances or its user agreements.

Exclusivity: During the term of the MSLA, Life360 and its affiliates agree not to enter into an agreement to receive any equivalent or substantially similar services to those provided by Arity from a third party. Life360 and its affiliates also agree not to provide any third party with equivalent or substantially similar services to those provided to Arity.

Answer Marketplace Publisher Agreement

The Company has also entered into a publishing agreement with Answer Marketplace, LLC (**Answer**), another entity indirectly wholly-owned by Allstate. Answer operates a platform that digitally advertises auto insurance on third party websites, applications and platforms. Under this publishing agreement, Answer provides Life360 with a limited non-exclusive licence to use its software and advertising platform to place auto insurance advertising on the Life360 Platform. The specific advertising that appears for each User is based on the driving behaviour data collected as a result of the technology licensed under the MSLA with Arity described above. In return for placing this advertising, Answer has agreed to pay Life360 a percentage of the revenue generated by Answer from clicks on advertisements placed by Life360.

Term and termination: The initial term of the agreement is from 10 February 2018 to 10 August 2020. Following the expiry of this initial term, the agreement renews automatically for another 12 month term unless 90 days' written notice is provided by either party. Either party may terminate the agreement upon 30 days' written notice for the other party's material breach where such breach is not cured within the 30-day notice period, or immediately on the occurrence of an insolvency event or adverse assignment. Additionally, if the Arity MSLA is terminated, either party may terminate without cause upon 90 days' written notice.

Exclusivity: During the initial term of the agreement, Life360 must display auto insurance advertisements on its Platform exclusively from Answer in accordance with the agreement.

Liability and indemnification: Each party has agreed to indemnify, defend and hold harmless the other party and its affiliates, and their directors, officers, employees, members, managers, partners, stockholders and agents, from and against all claims and other losses in connection with (among other things) its breach of any representations or warranties in the agreement, an intellectual property claim, a violation or laws, any unauthorised disclosure of confidential information, and use of licensed materials not permitted by the agreement.

9.3. Arrangement with ADT

The Company entered into a MSLA with ADT, LLC (**ADT**) under which Life360 licences on a non-exclusive basis elements of its Platform's location, monitoring and response services, which ADT integrates into the co-branded ADT Go App. This leverages the Life360 Platform to deliver services to users of the ADT Go App such as family location, driver monitoring, Crash Detection and response. In return for this licence, ADT pays monthly fees to the Company calculated based on the number of User accounts.

Term and termination: The initial term is from 11 July 2017 to 11 July 2020. Following the expiry of this initial term, the MSLA renews automatically for one year periods, unless one party provides the other with notice at least six months prior to the end of a term that it does not intend to renew the MSLA. Either party may terminate the MSLA upon 45 days' written notice for the counterparty's material breach of the agreement which is not cured within the 45-day notice period. Either party may also terminate in the event of the other party's insolvency. ADT may terminate upon 60 days' written notice on the basis of a change of control in Life360, or if substantially all of its assets are sold.

Indemnity: Except in certain situations, each party has agreed to indemnify the other party against any claims or losses arising from (among other things) infringement of a third party's intellectual property rights, as well as any breaches of representations and warranties, material violations of law, grossly negligent acts or omissions, and any consequential damage to or loss of property or injury or death to persons arising therefrom. Life360 has also agreed to indemnify ADT for any defect or deficiency in the design, material or workmanship of any deliverable or service provided by Life360 under the MSLA which results in a failure of the ADT Go App to perform in all material respects as specified under the MSLA.

9.4. Other arrangements with key third party providers

The Company has entered into the following key agreements with third party providers of services to support the Company's business:

- Distribution agreements with Apple and Google, under which Apple and Google permit the Company to access their App Stores to distribute the Life360 App;
- Website hosting agreement with AWS, under which AWS hosts the Company's website and provides certain software and systems services;
- Arrangements with paid marketing partners. As part of the Company's paid marketing strategy, it employs the digital distribution services of prominent search engines, social media platforms and other digital media outlets. The majority of the Company's digital marketing spend is with Apple Search Ads, Google AdWords, Facebook and Instagram; and
- Customer Service Agreement with TriNet HR Corporation (**TriNet**), under which TriNet administers the Company's payroll, benefits and administrative employer services.

The Company utilises these services under the standard terms and conditions of the service provider, which are on terms favourable to the service provider. Such key terms include a right for the service provider to terminate without cause and to unilaterally change the terms and conditions. The Company has also provided a broad ranging indemnity, with uncapped liability, under these agreements.

10. ADDITIONAL INFORMATION

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10.1. Incorporation

The Company was incorporated on 17 April 2007 in Delaware, U.S. The Company was initially incorporated as LReady, Inc. and changed its name to Life360, Inc. on 21 October 2011.

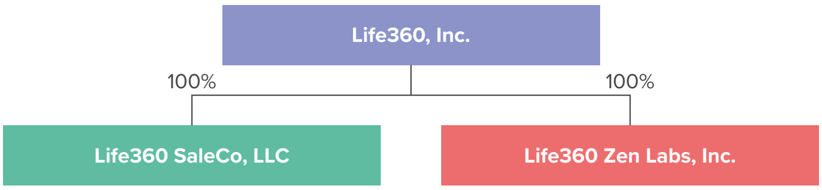
On 18 October 2018, the Company was registered as a foreign company in Australia under Chapter 5B of the Corporations Act.

10.2. Group structure

The Group comprises:

- The Company, which is the parent company and operating company of the Group;
- Its wholly owned subsidiary Life360 SaleCo, LLC, which was incorporated in Delaware in the U.S. for the purpose of facilitating the sell down of certain existing Shares held by the Selling Shareholders (refer to Section 10.7 for further details); and
- Its wholly owned subsidiary Life360 Zen Labs, Inc. which was incorporated in Delaware in the U.S. and was acquired by the Company on 4 March 2019. Life360 Zen Labs, Inc. has developed proprietary screen time monitoring technology. See Section 10.8 for further information.

The Company has a minority 15% stake in CoupleApp, Inc., the entity that is running the Couple private messaging application. See Section 10.9 for further information.



10.3. Balance date and company tax status

The accounts for the Company will be made up to 31 December annually.

10.4. Current capital structure

The issued capital of the Company as at the date of this Prospectus is set out in the table below:

Class of Security	Number
Shares	
Common Stock	9,716,486
Series A-1 Preferred Stock	3,980,850
Series A Preferred Stock	5,217,778
Series B Preferred Stock	9,200,000
Series C-1 Preferred Stock	2,741,095
Series C Preferred Stock	6,187,967
Series D Preferred Stock	3,077,366
Other Securities	
Common Stock Warrants	53,969
Series A Preferred Stock Warrants	116,149
Series B Preferred Stock Warrants	41,685
Series C Preferred Stock Warrants	7,761
Options	8,721,930
Restricted Stock Units	19,976

10.5. Capital structure following the Offer

Shortly prior to allotment and transfer of CDIs under the IPO, the following changes will automatically be made to the capital structure of the Company (**Share capital restructure**) in accordance with the terms of the Company's existing Certificate of Incorporation and certain shareholder and warrant-holder consents obtained prior to the allotment date and conditional upon the Board resolving to allot CDIs under the Offer:

- The existing Series A-1 Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C-1 Preferred Stock, Series C Preferred Stock and Series D Preferred Stock will be converted to Shares;
- The existing Series A Preferred Stock Warrants, Series B Preferred Stock Warrants and Series C Preferred Stock Warrants will be converted to warrants over Shares; and

As at the Allotment Date, the issued share capital of the Company will comprise the following:

Class of Security	Number of Securities (m)	Equivalent number of CDIs (m)
Shares	47.96	143.89
Options[1]	8.72	26.17
Restricted Stock Units[2]	0.02	0.06
Warrants over Shares	0.22	0.66

1 The Company intends to issue a further 149,000 Options to new employees on or about the Listing Date.

2 Includes Restricted Stock Units to be granted to Directors on or around the Listing Date. See Section 5.5.3 for further details.

10.6. Options and warrants on issue

Options

The Company has the following Options on issue as at the date of this Prospectus.

Grant Date	Exercise price per Share (US$)	Term	Number of Options
28/6/2012	$0.38	10 years	186,286
1/10/2013	$0.53	10 years	90,279
11/08/2014	$0.91	10 years	73,166
24/11/2014	$0.91	10 years	65,000
17/4/2015	$1.12	10 years	14,883
28/7/2015	$1.12	10 years	14,882
31/8/2015	$1.12	10 years	4,000
15/12/2015	$0.18	10 years	134,910
28/2/2016	$0.18	10 years	55,856
16/5/2016	$0.18	10 years	29,167
30/6/2016	$0.18	10 years	353,989
13/7/2016	$0.18	10 years	87,067
20/9/2016	$0.18	10 years	376,105
1/2/2017	$1.15	10 years	10,000
26/7/2017	$2.08	10 years	92,000
24/10/2017	$2.15	10 years	1,259,059
29/10/2017	$0.18	10 years	5,673
24/1/2018	$2.15	10 years	617,619
8/5/2018	$2.15	10 years	335,650
16/7/2018	$2.53	10 years	2,342,250
25/7/2018	$2.53	10 years	69,034
30/10/2018	$9.55	10 years	592,557
1/3/2019	$6.28	10 years	1,107,352
14/3/2019	$6.28	10 years	538,946
1/4/2019	$6.28	10 years	266,200

Generally, Options vest in accordance with the following vesting schedule below for so long as the Option holder continuously provides services to the Company:

- 25% of the Options on the first anniversary of the vesting start date; and
- 1/48th of the Options each month thereafter.

However, certain Options have been granted with vesting schedules that deviate from the above. For example, some Options are fully vested as of the grant date.

The Company has granted the following Options which vest subject to a time-based vesting schedule and to acceleration upon termination in connection to a change of control of the Company.

Option Holder	Options Outstanding	Grant Date	Exercise Price	Vesting Schedule
Evan de Loryn	20,000	15/12/2015	$0.18	Standard
Dylan Keil	18,757	30/06/2016	$0.18	1/8th on 6 months – 1/48th monthly
David Rice	125,392	24/10/2017	$2.15	1/48 monthly, no cliff
Chris Hulls	208,987	24/10/2017	$2.15	1/48 monthly, no cliff
Alex Haro	167,189	24/10/2017	$2.15	1/48 monthly, no cliff
Itamar Novick	167,189	24/10/2017	$2.15	1/48 monthly, no cliff
Ariana Hellebuyck	212,500	24/01/2017	$2.15	1/48 monthly, 1 year cliff
Brit Morin	93,947	24/01/2018	$2.15	1/36th monthly
Chris Hulls	1,269,386	16/07/2018	$2.53	1/48 monthly, no cliff
Alex Haro	453,352	16/07/2018	$2.53	1/48 monthly, no cliff
Itamar Novick	181,341	16/07/2018	$2.53	1/48 monthly, no cliff
Amol Kher	90,671	16/07/2018	$2.53	1/48 monthly, no cliff
John Coghlan	48,946	04/03/2019	$6.28	1/36 monthly, no cliff
Wendell Laidley	498,834	04/03/2019	$6.28	1/4 on 04/03/2020, 1/48 monthly

The Company has granted the following Shares which are subject to a right of repurchase which lapses over time (**Restricted Stock**).

Restricted Stock Holder	Restricted Stock Outstanding
Itamar Novick	13,993
David Rice	86,483

The lapsing of the right of repurchase will accelerate on termination of the employment of the office in connection with or following a change of control of the Company.

Warrants

The company has the following Warrants on issue as at the date of this Prospectus. Each warrant is exercisable into one Share.

Grant date	Exercise price per Share (US$)	Term	Number of Warrants
17/7/12	$1.52	10 years	116,149
27/3/14	$2.28	10 years	41,685
27/3/15	$0.91	10 years	8,969
4/9/15	$6.44	10 years	7,761
20/3/18	$2.15	10 years	45,000

10.7. SaleCo

SaleCo, a special purpose vehicle incorporated in Delaware, has been established to facilitate the sale of CDIs by the Selling Shareholders.

Each of the Selling Shareholders, the Company and SaleCo has entered, or will enter, into the IPO Sell Down Deed under which the Selling Shareholders agree to sell a prescribed amount of their existing Shares to SaleCo, which will be sold by SaleCo into the Offer in the form of CDIs, free from encumbrances and third party rights. The Selling Shareholders have agreed to sell 2.3 million existing Shares to SaleCo (representing 6.8 million CDIs).

The existing Shares which SaleCo acquires from the Selling Shareholders will be transferred to Successful Applicants in the form of CDIs at the Offer Price. The price payable by SaleCo to selling Shareholders for these existing Shares is equal to 3 x the Offer Price (to reflect the 3:1 CDI to Share ratio) less sale costs of up to 4.0% of the sale proceeds. The Company will procure that CDN issues CDIs to successful Applicants under the Offer.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the Underwriting Agreement and the IPO Sell Down Deed. The directors of SaleCo are Chris Hulls and Alex Haro. SaleCo is wholly owned by the Company. The indemnification agreements between Chris Hulls and Alex Haro and the Company described in Section 5.5.7 also apply to their activities as officers and directors of SaleCo, including as to any loss which they may incur as a consequence of the Offer.

10.8. Acquisition of Zen Labs, Inc.

On 4 March 2019, the Company through its wholly-owned subsidiary, Life360 Zen Labs, Inc. acquired 100% of the issued share capital of Zen Labs, Inc. (**Zen Labs**). Zen Labs has developed a proprietary mobile App, ZenScreen (**ZenScreen**). ZenScreen is an AI-powered solution that can guide users to better screen time habits and track how users are spending time on smartphones and computers.

The assets of Zen Labs include the ZenScreen App, ZenScreen backend and VPN software, related trademarks, copyrights, patents (two filed) and other intellectual property, and related usernames, user data bases and other end user data.

The consideration paid by the Company to acquire Zen Labs was the issue of 124,800 Shares. The sellers of Zen Labs were Naveen C.Puvvula, Jack E.Furr, Jean Caesar Miceli, Samantha Co, Jaime Heilpern, John Hansen, Opera Software ASA, Nitin Bhandari / Bhandari Family Revocable Trust, IRA Services Trust Co CFBO Ameet Dhillon, Casilli Family Holdings, Gerald Casilli, Dennis C.Chan, The Longhenry Trust, Muralikrishna Kott and Srikanth Nagandla (collectively the **Sellers**). The Sellers did not have any pre-existing relationship with the Company, the Directors or any other related party or promoter of the Company.

The four employees of Zen Labs have been employed by the Company on the Company's standard terms and conditions.

10.9. Interest in CoupleApp, Inc.

On 4 June 2018 the Company was issued 15% of the issued share capital of CoupleApp, Inc. (**CoupleApp**). CoupleApp has developed a mobile App, Couple App, a messaging App for couples.

The Company was issued the shares in CoupleApp in exchange for the transfer of proprietary CoupleApp and backend software, related trademarks, copyrights, and other intellectual property, and related usernames, user data bases and other end user data to CoupleApp. The intellectual property which was transferred was not used or required by the Company. CoupleApp did not have any pre-existing relationship with the Company however Chris Hulls and Alex Haro each invested US$10,000 into CoupleApp on or around the time of the transfer.

10.10. Certificate of Incorporation, Bylaws and rights attaching to the Shares

A summary of the Company's securities and provisions of its Certificate of Incorporation and Bylaws, which will apply from the Allotment Date, is set out below. This summary is not intended to be exhaustive.

General description of share capital

Shares – Following Completion, the Company's authorised capital will consist of 100,000,000 Shares, par value of $0.001 per Share.

Options and RSUs – The Company has reserved an aggregate of 18,118,548 Shares (equivalent to 54,355,644 CDIs) for issuance under the 2011 Stock Incentive Plan.

Voting

At a meeting of the Company's Shareholders, each holder of Shares shall be entitled to one vote per Share held on the record date for the meeting on all matters submitted to a vote of the Shareholders. The Company's Shareholders do not have cumulative voting rights.

Dividends

Shareholders are entitled to receive, out of any assets of the Company legally available for dividend payments, such dividends as may be declared from time to time by the Board, on a pro rata basis determined by the number of Shares held.

Rights attaching to Shares

Shareholders have no preferences of rights of conversion, exchange, pre-emption or other subscription rights. Certain stockholders have registration rights as provided in the Investor Rights Agreement dated 18 September 2018. Further details are set out in Section 10.11.

Anti-takeover provisions of Delaware Law, Certificate of Incorporation and Bylaws

As a foreign company registered in Australia, the Company will not be subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares, including provisions that relate to takeovers. The acquisition of securities in the Company is subject to DGCL, and applicable U.S. federal and state securities laws.

Certain provisions of the DGCL, the Company's Certificate of Incorporation and the Company's Bylaws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and Directors of the Company. These provisions (summarised below) could discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate and encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Company believes that the benefits of increased protection of its ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals may result in an improvement of their terms.

Delaware anti-takeover statute: The Company is subject to Section 203 of the DGCL, which prohibits a publicly held Delaware corporation from engaging in a 'business combination' with an 'interested Shareholder' for a period of three years following the date the person became an interested Shareholder, unless either the interested Shareholder attained such status with the approval of the Board, the business combination is approved by the Board and Shareholders in a prescribed manner or the interested Shareholder acquired at least 85% of our outstanding voting stock in the transaction in which it became an interested Shareholder. A 'business combination' can include a merger, asset or share sale or other transaction resulting in financial benefit to an interested Shareholder. Generally, an interested Shareholder is a person who, together with its affiliates and associates, owns (or within three years prior to the determination of interested Shareholder status did own) 15% or more of a corporation's voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by the Board, including discouraging attempts that might result in a premium over the market price for the CDIs held by Shareholders.

Removal of Directors: The Company's Bylaws provide that any Director may be removed with or without cause by the holders of a majority of the Shares then entitled to vote at an election of Directors.

Classes of directors: Upon listing on the ASX, the Board will be divided into three classes with staggered three year terms. At each annual meeting of Shareholders commencing with the 2019 meeting, the Directors whose term then expires will be eligible for re-election to serve for a three year term (i.e. until the third annual meeting following their re-election.

The Directors will be divided into three classes as follows:

Director	Class	Expiration of term
Alex Haro Mark Goines	Class I	2019 Annual General Meeting
James Synge David Wiadrowski Brit Morin	Class II	2020 Annual General Meeting
Chris Hulls John Philip Coghlan	Class III	2021 Annual General Meeting

Amendment: The Company's Certificate of Incorporation provides that the Company's Bylaws may be amended by an affirmative vote of a majority of the Board. The Company's Bylaws provide that the Bylaws may also be amended by an affirmative vote of a majority of the Shareholders then entitled to vote.

Size of the Board and Board vacancies: The Company's Bylaws provide that the number of Directors constituting the entire Board shall be seven. Thereafter, the number may be changed by a resolution of the Board or by the Shareholders. When one or more Directors resigns and the resignation is effective at a future date, a majority of the Directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies. Vacancies and newly created Directorships resulting from any increase in the authorised number of Directors elected by all of the Shareholders having the right to vote as a single class may be filled by a majority of the Directors then in office, although less than a quorum, or by a sole remaining Director, unless otherwise required by the Certificate of Incorporation or Bylaws of the Company.

Special Shareholder meetings: A special meeting of the Shareholders may be called at any time by the Board, the Chair of the Board, the Chief Executive Officer, the President or by one or more Shareholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting.

Requirements for advance notification of Shareholder nominations and proposals The Company's Bylaws establish advance notice procedures with respect to nomination of candidates for election as Directors and other business to be properly brought before an annual Shareholder meeting.

No cumulative voting: The DGCL provides that Shareholders do not have the right to cumulative votes in the election of Directors unless the Company's Certificate of Incorporation provides otherwise. The Company's Certificate of Incorporation does not provide for cumulative voting. The California General Corporation Law may provide for cumulative voting with respect to the election of the Company's directors, which may permit a Shareholder to cumulate the Shareholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the Shareholder's shares are normally entitled, or distribute such Shareholder's votes on the same principle among as many candidates as the Shareholder sees fit.

Authorised but unissued shares: Subject to limitations on the issue of securities under the ASX Listing Rules and DGCL, the Company's authorised but unissued Shares will be available for future issue without Shareholder approval. The Company may use additional Shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorised unissued Shares and preferred stock could render more difficult, or discourage, an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise.

10.11. Registration rights

Overview

Under the Company's Investor Rights Agreement, the holders of up to approximately 35.8 million Shares, or their affiliates or transferees, have the right to require the Company to register their Shares under the U.S. Securities Act so that those Shares may be publicly resold in the U.S., or to include their Shares in any registration statement the Company files, in each case as described below.

The registration rights terminate with respect to the registration rights of an individual holder on the earliest to occur of (i) five years following the consummation of this Offer, or (ii) the liquidation, dissolution or indefinite cessation of the business operations of the Company, or the closing of a deemed liquidation, dissolution or winding up of the Company pursuant to the Company's Certificate of Incorporation.

Demand registration rights

The holders of approximately 30.4 million of the Company's Shares, or their transferees, will be entitled to certain demand registration rights. At any time after the earlier of (i) six months following the effective date of the first registration statement for a public offering of the Company's securities under the U.S. Securities Act, or (ii) September 18, 2023, the holders of at least 33% of the registrable securities then outstanding may demand that the Company effect a registration under the U.S. Securities Act covering the public offering and sale of at least the number of registrable securities held by such Shareholders having an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least US$5,000,000. Upon any such demand, we must effect the U.S. registration of such registrable securities that have been requested to register together with all other registrable securities that the Company may have been requested to register by other Shareholders pursuant to the incidental registration rights described below. The Company is only obligated to effect two registrations in response to these demand registration rights.

Piggyback registration rights

If the Company registers any securities for public sale in a U.S. offering, including pursuant to any Shareholder initiated demand registration, holders of such registrable securities will have the right to include their shares in the registration statement for such offering, subject to certain exceptions. The underwriters of any underwritten offering will have the right to limit the number of registrable securities to be included in the registration statement, subject to certain restrictions.

Form S-3 registration rights

If the Company were to effect a U.S. listing, it would be required to use its best efforts to qualify and remain qualified to register securities for sale in the U.S. pursuant to a registration statement on Form S-3 under the U.S. Securities Act, which will be available once the Company has filed periodic reports with the SEC for twelve full calendar months after the U.S. listing. At any time after the Company is qualified to file a registration statement on Form S-3, the holders of at least 20% of the then outstanding registrable securities may request that the Company effect a U.S. registration on Form S-3 of registrable securities anticipated to have an aggregate sale price, net of underwriting discounts and commission, in excess of US$1,000,000.

Expenses of registration

The Company will pay the registration expenses related to any demand, piggyback or Form S-3 registration, including reasonable fees and disbursements of one counsel for the holders of such registrable securities (not to exceed US$50,000 for each registration), other than underwriting fees, discounts or commissions (if any), which will be borne by the holders of such registrable securities.

10.12. Comparison of laws governing the Company as a U.S. company with laws governing Australian publicly listed companies generally

Unless otherwise stated, the Corporations Act provisions referred to below do not apply to the Company as a foreign company.

	Delaware Law and U.S. Federal Law	Australian Law
Transactions that require Shareholder approval	The DGCL and the Company's Certificate of Incorporation and Bylaws govern the type of transactions that require Shareholder approval. Generally, the following types of transactions will require Shareholder approval: • Amendments to the Certificate of Incorporation; and • Material corporate transactions such as a merger or acquisition, the sale of all or substantially all of the Company's assets or the dissolution of the Company. The Company's Certificate of Incorporation provides that the Company's Bylaws may be amended by an affirmative vote of a majority of the Board. The Company's Bylaws provide that the Bylaws may also be amended by a majority of the Shareholders that are entitled to vote on the matter.	Under the Corporations Act, the principal transactions or actions requiring Shareholder approval include: • Adopting or altering the constitution of the company; • Appointing or removing a Director or auditor; • Certain transactions with related parties of the company; • Putting the company into liquidation; • Changes to the rights attached to shares; and • Shareholder approval is also required for certain transactions affecting share capital (for example, share buybacks and share capital reductions). Under the ASX Listing Rules, Shareholder approval is required for matters including: • Increases in the total amount of Directors' fees; • Directors' termination benefits in certain circumstances; • Certain transactions with related parties; • Certain issues of shares; and • If a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.
Shareholders' right to request or requisition a general meeting	Pursuant to the Company's Bylaws, special meetings of the Company's Shareholders may be called at any time by the Board, the Chair of the Board, the Chief Executive Officer, the President or by one or more Shareholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting.	The Corporations Act requires the Directors to call a general meeting on the request of members with at least 5% of the vote that may be cast at the general meeting or at least 100 Shareholders who are entitled to vote at a general meeting. Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.

	Delaware Law and U.S. Federal Law	Australian Law
Shareholders' right to appoint proxies to attend and vote at meetings on their behalf	At a meeting of the Company's Shareholders, every holder of shares of common stock (present in person or by proxy) is entitled to one vote for each share held on the record date for the meeting on all matters submitted to a vote of Shareholders. Under the Company's Bylaws, the presence at the meeting (in person or represented by proxy) of the holders of one-third of the outstanding shares of stock entitled to vote will constitute a quorum for the transaction of business. All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast affirmatively or negatively. Pursuant to Section 215 of the DGCL and except as otherwise provided by statute or by applicable stock exchange rules, the affirmative vote of the majority of shares present in person, by remote communication or represented by proxy at the meeting and entitled to vote generally on the subject matter will be the act of the Shareholders.	The position is comparable under the Corporations Act.
Changes in the rights attaching to shares	The DGCL allows a majority of the shares of a class or series of shares, or such other number of shares as set out in a Company's Certificate of Incorporation, to amend the rights attaching to such class or series (as applicable) of shares.	The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by: • A special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or • A written consent of members with at least 75% of the votes in the class.
Shareholder protections against oppressive conduct	There are no statutory provisions under the DGCL allowing a Shareholder to bring an action in cases of conduct which is either contrary to the interests of Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Shareholders in their capacity as a Shareholder, or themselves in a capacity other than as a Shareholder.	Under the Corporations Act, Shareholders have statutory remedies for oppressive or unfair conduct of the company's affairs and the court can make any order as it sees appropriate.

	Delaware Law and U.S. Federal Law	Australian Law
Shareholders' rights to bring or intervene in legal proceedings on behalf of the Company	Under the DGCL, a Shareholder may bring a derivative action on behalf of the company where those in control of the company have failed to assert a claim belonging to the company. A Shareholder must meet certain eligibility and standing requirements, including a requirement that the plaintiff is a Shareholder of the company at the time of the act of which the plaintiff makes the complaint and a requirement that the plaintiff maintain his or her status as a Shareholder throughout the course of the litigation. A derivative plaintiff must also have made a demand on the Directors of the company to assert the corporate claim, unless such a demand would have been futile.	The Corporations Act permits a Shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings. The court must grant the application if it is satisfied that: • It is probable that the company will not itself bring the proceedings, or properly take responsibility for them, or for the steps in them; • The applicant is acting in good faith; • It is in the best interests of the company that the applicant be granted leave; • If the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and • Either at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying, or the court considers it appropriate to grant leave. The Corporations Act provides that proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the court.

	Delaware Law and U.S. Federal Law	Australian Law
"Two Strikes" rule in relation to remuneration reports	In the U.S., the *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010* (U.S.) requires all 'reporting companies' to have an advisory Shareholder vote on pay at least once every three years. Companies must report the results and say how they have responded to these when making decisions on pay the following year. The Company will be required to register as a U.S. reporting company pursuant to Section 12(g) of the *U.S. Securities Exchange Act of 1934*, as amended, or the 'U.S. Exchange Act,' if, among other things, it has (i) assets of more than $10 million on the last day of its fiscal year and (ii) either 2,000 or more holders of any class of equity securities or 500 or more holders of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the U.S. Securities Act. If the Company qualifies as an 'emerging growth company' at the time it becomes a reporting company, then it will not be required to hold an advisory Shareholder vote on pay until it is no longer an emerging growth company. The Company will be an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.07 billion, (ii) the date that we become a 'large accelerated filer' as defined in Rule 12b-2 under the U.S. Exchange Act, which would occur if the market value of the Company's Common Stock that is held by non-affiliates exceeds $700 million as of the last business day of the Company's most recently completed second fiscal quarter, or date on which the Company has issued more than $1.0 billion in non-convertible debt during the preceding three year period. A company becomes a large accelerated filer if it meets the following conditions as of the end of its fiscal year: (i) it has an aggregate worldwide market value of the voting and non-voting common equity held by non-affiliates of $700 million or more as of the last business day of its second fiscal quarter; (ii) it has been subject to the requirements of Section 13(a) or 15(d) of the U.S. Exchange Act for at least 12 months; (iii) it has filed at least one annual report pursuant to Section 13(a) or 15(d) of the U.S. Exchange Act; and (iv) it is not eligible to rely on the requirements for smaller reporting companies for its annual and quarterly reports.	The Corporations Act requires that a company's annual report must include a report by the Directors on the company's remuneration framework (called a remuneration report). A resolution must be put to Shareholders at each annual general meeting of the company's Shareholders (**AGM**) seeking approval for the remuneration report. The approval is advisory only, however, if more than 25% of Shareholders vote against the remuneration report at two consecutive AGMs (that is, two strikes), an ordinary (50.1%) resolution must be put to Shareholders at the second AGM proposing that a further meeting be held within 90 days at which all of the Directors who approved the second remuneration report must resign and stand for re-election.

	Delaware Law and U.S. Federal Law	Australian Law
Disclosure of substantial holdings	Section 16(a) of the U.S. Exchange Act requires the reporting of beneficial ownership of a reporting company's equity securities by (i) directors, (ii) officers, and (iii) stockholders owning more than 10% of the company's common stock. In addition, the U.S. Exchange Act requires every person who acquires beneficial ownership of 5% or more of a U.S. reporting company's equity securities to disclose: • How many securities are beneficially owned by the filing person; • Whether there is a movement of at least 1% in their beneficial ownership; and • Whether they have intent to control or influence control of the company.	The Corporations Act requires every person who is a substantial holder to notify the listed company and the ASX that they are a substantial holder and to give prescribed information in relation to their holding if: • The person begins to have, or ceases to have, a substantial holding in the company; • The person has a substantial holding in the company and there is a movement of at least 1% in their holding; or • The person makes a takeover bid for securities of the company. Under the Corporations Act a person has a substantial holding if the total votes attached to voting shares in the company in which they or their associates have relevant interests is 5% or more of the total number of votes attached to voting shares in the company, or the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended. These provisions do not apply to the Company as an entity established outside Australia. However, the Company will be required to release to the ASX any substantial holder notices that are filed in the U.S.
How takeovers are regulated?	The acquisition of securities in the Company is subject to the DGCL and applicable U.S. Securities Laws. As a Delaware corporation, the Company is subject to Section 203 of the DGCL, which generally prohibits a Delaware corporation from engaging in any business combinations with any Shareholder who owns, or at any time in the last three years owned, 15% or more of the company's outstanding voting stock, referred to as an interested Shareholder, for a period of three years following the date on which the Shareholder became an interested Shareholder, subject to certain exceptions. In addition, under the DGCL, the Board will have the ability to implement a broader range of takeover defence mechanisms. Under U.S. federal securities law, certain "tender offers" to acquire shares of a company are subject to regulations that require that such offers comply with certain terms, notices, timing and other procedures.	The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if any person's voting power in the company will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Exceptions to the prohibition apply (for example, Acquisitions with Shareholder approval, 3% creep over six months and rights issues that satisfy prescribed conditions). Substantial holder notice requirements apply (as discussed above under the heading 'Disclosure of substantial holdings'). Compulsory acquisitions are permitted by persons who hold 90% or more of securities or voting rights in a company. The Australian takeovers regime will not apply to Life360 as a foreign company.

10.13. CHESS Depositary Interests

Details of CDIs and the key differences between holding CDIs and holding the underlying Shares is detailed below:

What are CDIs?	In order for the Shares to trade electronically on the ASX, the Company intends to participate in the electronic transfer system known as CHESS operated by ASX Settlement. CHESS cannot be directly used for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as the U.S. Accordingly, to enable the Shares to be cleared and settled electronically through CHESS, the Company intends to issue depositary interests called CHESS Depositary Interests or CDIs. CDIs confer the beneficial ownership in foreign securities such as the Shares on the CDI holder, with the legal title to such Shares being held by an Australian depositary nominee.
Who is the depository nominee and what do they do?	The Company will appoint CDN, a subsidiary of the ASX, and an approved general participant of ASX Settlement to act as its Australian depositary. CDN will hold legal title to the Shares on behalf of CDI holders. The CDI holders will hold the beneficial title to the Shares and will receive all direct economic and other benefits of the Shares. CDN may not dispose of any of the Shares unless authorised by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by the CDI holders. CDN will receive no fees for acting as the depository for the CDIs. By completing an Application Form, an Applicant will apply for Shares to be issued to CDN, which will in turn issue CDIs to the Applicant.
What registers will be maintained recording your interests?	The Company will operate a certificated principal register of Shares in the U.S., and an uncertificated issuer subregister of CDIs and an uncertificated CHESS subregister of CDIs in Australia. The Company's uncertificated issuer sponsored subregister of CDIs and uncertificated CHESS subregister of CDIs will be maintained by the Registry. The principal register is the register of legal title (and will reflect legal ownership by CDN of the Shares underlying the CDIs). The two uncertificated subregisters of CDIs combined will make up the register of beneficial title of the Shares underlying the CDIs.
How is local and international trading in CDIs affected?	CDI holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.
What is the CDI:Share ratio?	Three CDIs will represent an interest in one Share.
What will Applicants receive on acceptance of their Applications?	Successful Applicants will receive a holding statement which sets out the number of CDIs held by the CDI holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.

How do CDI holders convert from a CDI holding to a direct holding of Shares on the U.S. principal register?	After the closing of the Offer, a CDI holder may either leave their holdings in the form of CDIs so that legal title remains in the name of CDN) or transmute the CDIs to Shares and hold legal title in their own right. Only CDIs can be traded on ASX. The Shares are not currently quoted on any other securities exchange. The Shares will bear applicable restrictive legends on the register to assist with compliance with applicable US securities laws. CDI holders who wish to convert their ASX listed CDIs to Shares to be held on the U.S. register can do so by instructing the Company's Registry either: • Directly in the case of CDIs on the issuer sponsored sub register operated by the Company. CDI holders will be provided with a form entitled 'CDI Cancellation AU-US Register' for completion and return to the Company's Registry; or • Through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESS subregister. In this case, the sponsoring broker will arrange for conversion from the CHESS subregister to the issuer sponsored subregister so that the holder may complete the relevant form and its return to the Company's Registry. The Company's Registry will then arrange for the Shares to be transferred from CDN into the name of that holder and a statement of holding will be issued. This will cause the Shares to be registered in the name of the holder on the Company's share register and trading on ASX will no longer be possible. The Shares are not and will not in the near future be quoted on any market in the U.S. The Company's Registry will not charge an individual security holder or the Company a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants). It is expected that this process will be completed within 24 hours, provided that the Registry is in receipt of a duly completed and valid CDI cancellation form. However, no guarantee can be given about the time for this conversation to take place. Such Shares are 'restricted securities' as defined in Rule 144 under the U.S. Securities Act. As a result, all Shares will be subject to the restrictions contained in the Share Legend, including that they will be subject to a 'holding lock' that will prevent the holder from transferring those Shares for so long as any restrictions applicable to transfers of the CDIs imposed by the ASX remain in place and until such Shares (and the CDIs from which they were transmuted) have been held for at least one year by non-affiliates and are sold pursuant to Rule 144 under the U.S. Securities Act, and for so long as any restrictions applicable to transfers of the CDIs imposed by the ASX remain in place. If holders of Shares wish to convert their holdings to CDIs, they can do so by contacting the Company's Registry. The Company's Registry will not charge a fee to a holder of Shares seeking to convert the Shares to CDIs (although a fee will be payable by market participants). A holder that transmutes its Shares into CDIs must comply with the restrictions set forth in the Share Legend during the Distribution Compliance Period until it is removed by the Company, including the restriction that any CDIs transmuted from Shares will be subject to a holding lock that will prevent the holder from transferring those CDIs (i) for so long as any restrictions applicable to transfers of CDIs imposed by the ASX remain in place, (ii) until the Company determines to remove the holding lock, and (iii) until such CDIs have been held for at least one year by non-affiliates and are sold pursuant to Rule 144 under the U.S. Securities Act, unless the Company determines otherwise to remove that holding lock. As CDIs represent a beneficial interest in the underlying Shares, holders of CDIs transmuted from Shares will be bound by the restrictions set forth in the Share Legend to the extent that they relate to their beneficial interest until that Share Legend is removed by the Company. For more information see Section 10.15.

What is the 'Foreign Ownership Restriction' designation on ASX

The Shares and CDIs will be 'restricted securities' under Rule 144 under the U.S. Securities Act, and offers and sales of the CDIs and the underlying Shares will be subject to an initial one year Distribution Compliance Period from the date of allotment of the CDIs. This means that during the Distribution Compliance Period pursuant to Regulation S under the U.S. Securities Act, which may be extended longer than 12 months, investors will not be permitted to sell the CDIs acquired in the Offer or the underlying Shares into the U.S. or to, or for the account or benefit of, a US Person, unless the resale of the Shares or CDIs is registered under the U.S. Securities Act (which the Company is not obligated to do) or an exemption from such registration is available (including resales to QIBs pursuant to Rule 144A).

The Company has requested that all CDIs issued or transferred under the Offer bear a designation on ASX during the Distribution Compliance Period in order to enforce these restrictions. This designation is intended to prevent any CDIs from being sold on ASX during the Distribution Compliance Period to persons that are in the U.S. or to, or for the account or benefit of, US Persons, in each case that are not QIBs. Investors should note that it is possible that the Distribution Compliance Period could be extended beyond one year, and therefore the company cannot provide any assurances as to when this designation will be lifted from the CDIs. For more information see Section 10.15.

The discussion above assumes that none of the CDIs are acquired and resold by certain affiliates of the Company. Any CDIs that are acquired and subsequently resold by such affiliates will be subject to a Distribution Compliance Period. Because it would not be possible to distinguish such CDIs resold by affiliates of the Company from the other CDIs, the practical impact of such a resale would be to extend the Distribution Compliance Period for all of the Company's CDIs.

What are the voting rights of a CDI holder?

If holders of CDIs wish to attend and vote at the Company's general meeting, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares unless relevant U.S. Law at the time of the meeting prevents CDI holders from attending those meetings.

In order to vote at such meetings, CDI holders have the following options:

(a) Instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Registry prior to the meeting; or

(b) Informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or

(c) Converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.

As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.

As each CDI represents one-third of a Share, a CDI holder will be entitled to one vote for every three CDIs they hold.

CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by the Company.

These voting rights exist only under the ASX Settlement Operating Rules, rather than under the U.S. Exchange Act or the DGCL. Since CDN is the legal holder of applicable shares, the holders of CDIs do not have any directly enforceable rights under the Company's Bylaws or Certificate of Incorporation.

What dividend and other distribution entitlements do CDI holders have?	Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI holders are to receive all economic benefits and other entitlements in relation to the underlying Shares, these include dividends and other entitlements which attach to the underlying Shares. These rights exist only under the ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under the U.S. Exchange Act or the DGCL. Whilst the Company does not anticipate declaring any dividends in the foreseeable future, should it do so in the longer term, the Company will declare any dividends in U.S. Dollars as that is its main functional currency. In that event, the Company will pay any dividend in U.S. Dollars or Australian Dollars depending on the country of residence of the CDI holder. If the CDI holder in Australia wishes to receive dividends in U.S. Dollars they must complete an appropriate form and return it to the Company's Registry, no later than the close of business on the dividend record date.
What corporate action entitlement (such as rights issues and bonus issues) do CDI holders have?	CDI holders receive all direct economic and other entitlements in relation to the underlying Shares. These include entitlements to participate in rights issues, bonus issues and capital reductions. These rights exist only under the ASX Settlement Operating Rules, rather than under the U.S. Exchange Act or the DGCL. It is possible that marginal differences may exist between the resulting entitlement of a CDI holder and the entitlements that would have accrued if a CDI holder held their holding directly as Shares. As the ratio of CDIs to Shares is not one-to-one and any entitlement will be determined on the basis of Shares rather than CDIs, a CDI holder may not always benefit to the same extent, for example, from the rounding up of fractional entitlements. The Company is required by the ASX Settlement Operating Rules to minimise any such differences where legally permissible.
What rights do CDI holders have in the event of a takeover?	If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under the ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder. CDN must ensure that the offeror processes the takeover acceptance of a CDI holder if such CDI holder instructs CDN to do so. These rights exist only under the ASX Settlement Operating Rules, rather than under the U.S. Exchange Act or the DGCL.
What notices and announcement will CDI holders receive?	CDI holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from the Company. These rights exist only under the ASX Settlement Operating Rules, rather than under the U.S. Exchange Act or the DGCL.
What rights do CDI holders have on liquidation, dissolution or winding up?	In the event of the Company's liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefit on their CDIs as holders of Shares. These rights exist only under the ASX Settlement Operating Rules, rather than under the U.S. Exchange Act or the DGCL.
Will CDI holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?	A CDI holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.
Where can further information be obtained?	For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the documents entitled: (a) Understanding CHESS Depositary Interests at: http://www.asx.com.au/documents/settlements/CHESS_Depositary_Interests.pdf (b) ASX Guidance Note 5 at: http://www.asx.com.au/documents/rules//gn05_chess_depositary_interests.pdf or contact your stockbroker or the Offer Information Line.

10.14. Escrow Arrangements

Certain Existing Shareholders who do not sell all of their Shares into the Offer will be restricted from dealing in their CDIs or Shares. These restrictions have been agreed to voluntarily.

The table below sets out the periods during which certain Shareholders are restricted from dealing in their CDIs and Shares pursuant to voluntary restrictions.

Escrowed party	Escrow period[1,2]	Shares held in escrow (m)	Equivalent number of CDIs (m)	% of Shares	Options held in escrow (m)	Equivalent number of CDIs (m)
Directors						
John Philip Coghlan	CY19 results	0.07	0.20	0.1%	0.24	0.72
Chris Hulls	CY19 results	2.89	8.66	6.0%	1.48	4.44
Alex Haro	CY19 results	1.78	5.35	3.7%	0.62	1.86
Brit Morin	CY19 results	–	–	–	0.09	0.28
James Synge	CY19 results	0.48	1.44	1.0%	–	–
Mark Goines	CY19 results	0.19	0.56	0.4%	0.04	0.11
Investors						
The ADT Security Corporation	6 month anniversary of the Listing Date	4.89	14.67	10.2%	–	–
Seraph Life360, LLC	1H19 results	2.81	8.44	5.9%	–	–
Fontinalis Capital Partners I, LP	1H19 results	2.42	7.26	5.0%	–	–
Other Shareholders	1H19 results	10.87	32.62	22.7%	0.06	0.19
Employees						
Employees	CY19 results	2.16	6.47	4.5%	1.04	3.13
Total		**28.56**	**85.67**	**59.5%**	**3.58**	**10.73**

1 CY19 results – Securities will be escrowed until the release of the preliminary final results of the Company for the year ending 31 December 2019.
2 1H19 results – Securities will be escrowed until the release of the financial results of the Company for the half year ending 30 June 2019.

Note: Directors and employees are restricted from trading Securities in the Company under the Company's Securities Trading Policy. The first available window will open after the release of the Company's first half results in 2019.

Security holders that have agreed to voluntary escrow arrangements may be released early from those restrictions to enable:

- The Shareholder to accept or participate in a bona fide third-party tender offer, merger, consolidation or other similar transaction made to all holders of the Company's common stock and involving a change of control of the Company's voting securities, provided that the Shareholders remains subject to the voluntary escrow arrangements if such tender offer, merger, consolidation or other transaction is not completed;
- The Shareholder to transfer those restricted securities in an off-market transaction to an entity the escrowed security holder controls, or following the escrowed security holder's death, or the escrowed security holder's spouse or children, provided in each circumstance, the transferee enters into a deed under which it undertakes to be bound by the same restrictions as the escrowed security holder;
- The Shareholder to comply with an order of a court or regulatory authority of competent jurisdiction compelling any restricted securities to be disposed of or a security interest granted over them, or, to take an action with the prior consent of the Company where the action is necessary to alleviate financial hardship.

10.15. Foreign ownership restrictions

Regulation S

The CDIs being offered pursuant to this Prospectus are being made available to investors in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act for offers which are made (1) outside of the U.S. to persons that are not, and are not acting for the account or benefit of, U.S. Persons and (2) in the U.S. solely to Eligible U.S. Fund Managers, in each case in “offshore transactions” (as defined in Regulation S under the U.S. Securities Act).

Accordingly, the CDIs to be issued under the Offer have not been, and will not be, registered under the U.S. Securities Act or the laws of any state or other jurisdiction in the U.S.

As a result of relying on the Regulation S exemption, the CDIs which are issued or transferred under the Offer (and the Shares underlying those CDIs) will be ‘restricted securities’ under Rule 144 of the U.S. Securities Act. This means that you will not be able to sell the CDIs issued or transferred to you under the Offer into the U.S. or to a U.S. Person during the Distribution Compliance Period, unless the re-sale of the CDIs is registered under the U.S. Securities Act or an exemption is available. Accordingly, the market for CDIs is likely to be limited to ASX, and if the market outside of the U.S. does not develop or is illiquid, purchasers of CDIs will be unable to sell the CDIs into the market within the U.S. due to restrictions on the transfer of CDIs.

To enforce the above transfer restrictions, the Company has requested that all CDIs issued under the Offers are designated Foreign Ownership Restriction (**FOR**) Financial Products under the ASX Settlement Operating Rules. This designation effectively automatically prevents any CDIs from being sold on ASX during the Distribution Compliance Period to U.S. Persons unless such person is a QIB. However, you will still be able to freely transfer your CDIs on ASX to any person other than a U.S. Person that is not a QIB.

In addition, hedging transactions with regard to the Company’s CDIs may only be conducted in accordance with the U.S. Securities Act.

No-action letter

In January 2000, the SEC issued a no-action letter to ASX with regard to initial public offerings of U.S. private companies on ASX. The letter provided that non-reporting private U.S. companies, which had not listed their shares in the U.S., such as the Company, could do so on ASX in reliance on Regulation S.

The no-action letter requires purchasers of CDIs pursuant to the Offer and any person who purchases CDIs in the secondary market to make representations about their non-U.S. status. The no-action letter is based on certain assumptions and also requires that the Company, ASX, the CUSIP Bureau and ASX Participating Organisations (as defined below) take certain actions in order to comply with the requirements set forth in the no-action letter.

The Company intends to implement procedures in connection with the Offer and secondary market transactions during the Distribution Compliance Period that are consistent with the no-action letter procedures, other than in respect of the procedures that would allow QIBs in the U.S. or that are U.S. Persons to purchase CDIs in the secondary market over the AS in transactions complying with Rule 144A.

Representations regarding non-U.S. status

Each Applicant under the Offer will be deemed to have represented, warranted and agreed for the benefit of the Company and its related bodies corporate and any officers, employees, agents, advisers or brokers of any of them (affiliates) as follows:

- That the Applicant is not a U.S. Person and is not acting for the account or benefit of a U.S. Person. A U.S. Person includes, among other things and subject to certain limited exceptions:
  - Any natural person resident in the U.S.;
  - If the Applicant is in the U.S., it is an Eligible U.S. Fund Manager;
  - Any partnership or corporation organised or incorporated under the laws of the U.S.;
  - Any estate of which any executor or administrator is a U.S. Person;
  - Any trust of which any trustee is a U.S. Person;
  - Any agency or branch of a foreign entity located in the U.S.;
  - Any non-discretionary account or similar account, other than an estate or trust, held by a dealer or other fiduciary for the benefit or account of a U.S. Person;

  – Any discretionary account or similar account, other than an estate or trust, held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the U.S.; and
  – Any partnership or corporation, organised or incorporated under the laws of any foreign jurisdiction, if formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act.
- The Applicant acknowledges and agrees that, in order to ensure that U.S. Persons do not purchase any CDIs under the Offer, a number of procedures governing the trading and clearing of CDIs will be implemented, including the application to the CDIs of the status of FOR securities under the ASX Settlement Operating Rules and the addition of the notation 'FOR Securities' to the CDI description on ASX trading screens and elsewhere, which will inform the market of the prohibition on U.S. Persons acquiring CDIs;
- The Applicant understands and agrees that, if in the future it decides to resell, pledge, transfer or otherwise dispose of any CDIs (or the Shares underlying those CDIs) it will only do so: (i) outside the U.S. in an offshore transaction in compliance with Rule 903 or 904 under the U.S. Securities Act; (ii) pursuant to an effective registration statement under the U.S. Securities Act; or (iii) pursuant to an available exemption from the registration requirements of the U.S. Securities Act, and in each case in accordance with all applicable securities laws;
- The Applicant agrees to the Company making a notation on its records and/or giving instructions to the Registry for the CDIs or the underlying Shares in order to implement and enforce the restrictions on transfer set forth and described in this Prospectus;
- The Applicant agrees not to engage in hedging transactions with regard to the CDIs (or the Shares underlying the CDIs) unless in compliance with the U.S. Securities Act; and
- The Applicant acknowledges that the Company and its affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any such acknowledgements, representations or warranties are no longer accurate, it will notify the Company immediately. Each Applicant agrees to indemnify the Company, its affiliates and their respective Directors, officers, employees and advisers against any loss, damage or costs incurred and arising out of or in relation to any breach by it of the acknowledgements, representations, warranties and agreements.

On-market transfers of CDIs in the secondary market

During the Distribution Compliance Period, CDIs may be reoffered and resold in standard (regular) way brokered transactions on the ASX where neither the seller nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, a person in the U.S. or is, or is acting for the account or benefit of, a U.S. Person in accordance with Regulation S, unless, in either case, that person is a QIB acquiring CDIs in one or more transactions exempt from registration under the U.S. Securities Act pursuant to Rule 144A thereunder (if available). Such reoffers and resales must also otherwise be conducted in compliance with the applicable Offer and secondary market procedures described below.

Requirements of ASX Settlement

During the Distribution Compliance Period, ASX Settlement will implement various procedures designed to ensure compliance with the restrictions imposed by U.S. securities laws on the CDIs, including (but not limited to) the following:

- Advise ASX participating organisations (**ASX Participants**) that, during the Distribution Compliance Period, no transaction on the ASX involving the CDIs will be effected if such participant has knowledge that the purchaser is in the U.S. or is a U.S. Person, unless the purchaser is a QIB (an Excluded U.S. Person);
- Circulate to all ASX Participants via electronic bulletins: (1) details of what constitutes an Excluded U.S. Person; and (2) notification details of the CDIs and the zero percent permitted ownership level of CDIs by Excluded U.S. Persons;
- Cause the description of the CDIs on the ASX trading screens and elsewhere (for example, Bloomberg and IRESS) to include an identifier to indicate the restrictions the CDIs are subject to under U.S. securities laws during the Distribution Compliance Period; and
- Include in the holding statement provided by ASX Settlement to investors who hold their CDIs in the CHESS Sponsored Subregister (as defined below) a description of the fact that the purchaser now holds a restricted security and is subject to the offer and resale restrictions of the CDI during the Distribution Compliance Period, which shall read 'These securities cannot be transferred to or held by U.S. Persons that are not QIBs (each as defined under U.S. law)'.

Requirements of the Joint Lead Managers and ASX Participating Organisations

As part of the Offer and Secondary Market Procedures:

- In secondary market trading during the Distribution Compliance Period, no ASX Participants may execute a transaction over the ASX in the CDIs if that broker knows, or has reason to know, that the transaction has been pre-arranged with, or that the purchaser is, a person in the U.S. or a U.S. Person or a person acting for the account or benefit of a U.S. Person, in each case, unless that purchaser is a QIB in transactions complying with Rule 144A;
- In connection with any purchase of CDIs in secondary market trading, each of the Managers and any other ASX Participants must make all reasonable efforts to ascertain whether the purchaser is in the U.S. or a U.S. Person or acting for the account or benefit of a U.S. Person, or that the purchaser is a QIB, and implement measures designed to assure reasonable compliance with this requirement;
- The confirmation sent to each applicant in the Offer and each purchaser of CDIs in secondary market trading across the ASX prior to the expiration of the Distribution Compliance Period, will include a confirmation or notice to the purchaser of the CDIs that the CDIs are subject to restrictions on offers, sales and resales to comply with Regulation S and Rule 144A; and
- During the Distribution Compliance Period, any information provided by a Manager to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the U.S. Securities Act and are subject to restrictions to comply with Regulation S and Rule 144A.

Requirements of the Company

Consistent with the ASX no-action letter, the Company will adopt procedures as part of the Offer and Secondary Market Procedures to:

- Include disclosure in this Prospectus that all purchasers from a distributor in the Offer will be deemed to have made representations regarding their non-U.S. Person status, as well as agreements regarding restrictions on resale and hedging under Regulation S and, where appropriate, Rule 144A;
- Ensure that any certificated securities, including global securities, certificates into which global certificates may be subdivided, and any physical, certificated securities issued to holders of CDIs prior to the expiration of the Distribution Compliance Period, will bear appropriate restrictive legends, and any definitive securities that are issued during the Distribution Compliance Period, other than a transaction in compliance with Rule 144A, will satisfy the requirements of Rule 903(b)(3)(iii)(B) under the U.S. Securities Act, including the legending requirement and Certification Requirement;
- Ensure that any information provided by the Company or the managers to publishers of publicly available databases about the terms of any new issuance of CDIs offered and sold in reliance on Regulation S and, if applicable, Rule 144A will include a statement that neither the CDIs nor the underlying Shares have been registered under the U.S. Securities Act and are subject to restrictions under Regulation S and, if applicable, Rule 144A;
- Require that any CDIs or Shares bearing the legend set forth in Rule 903(b)(3)(iii)(B)(3) under the U.S. Securities Act may not be transferred by the Company's Registry or other transfer agent during the Distribution Compliance Period without a favourable opinion of counsel or other assurance that the transfer complies fully with the US Securities Act; and
- Provide notification of the Regulation S/Rule 144A status of its CDIs and underlying Shares in shareholder communications, such as annual reports, periodic interim reports and its notices of shareholder meetings during the Distribution Compliance Period.

Legending requirements

Global securities, certificates into which global securities may be subdivided and any physical certificate representing the Shares into which CDIs have been converted prior to the end of the restriction period must bear certain restrictive legends required under Regulation S and certain other pertinent provisions of the U.S. Securities Act and the regulations promulgated under the U.S. Securities Act (**Share Legend**). No Shares bearing the restrictive legend may be transferred by the Registry or other transfer agent without a favourable opinion of counsel or the assurance that the transfer complies fully with the U.S. Securities Act.

Possible extension of Distribution Compliance Period

Due to the nature of the ASX trading system, the restricted stock identifier and associated transfer restrictions will remain on the CDIs during the Distribution Compliance Period, which is expected to last until one year after Settlement. The CDIs will no longer bear such restricted stock identifier and associated transfer restrictions after the Distribution Compliance Period ends, subject to approval by the ASX and delivery of certain opinions and unless required by applicable law. The Company can provide no assurance that the ASX will approve such removal or that the Company will be able to deliver or obtain any required certificates or opinion to effectuate such removal. If that is the case, the restrictions imposed during the Distribution Compliance Period will continue indefinitely.

In addition, the Distribution Compliance Period may restart if, among other reasons, the Company determines to issue additional CDIs, or following the Offer an affiliate of the Company sells CDIs pursuant to Regulation S. If this were to occur, the Distribution Compliance Period would restart as at the date of such offer and sale of CDIs. Any such extension or continuation of the Distribution Compliance Period could have an adverse effect on your ability to resell the CDIs or the liquidity of, or trading price for, the CDIs on the ASX.

10.16. Australian taxation implications of investing under the Offer

Australian tax implications

Life360 is a company incorporated in the U.S. and registered as a foreign company in Australia and as such, it would be treated as a foreign company for Australian taxation purposes.

Life360's financial year ends on 31 December annually. The following general taxation comments consider the Australian tax implications for Australian tax residents only. The tax implications for holders of the CDIs in Life360 relate to the receipt of dividends and potential gains on the disposal of the said CDIs.

The comments do not purport to provide tax advice to any particular investor and should not be relied upon as the tax position of each investor may vary depending on the specific circumstances of the investor. We recommend each investor seek their own independent income tax advice based on their particular circumstances. All current or potential investors in Life360 are urged to obtain independent financial advice about the consequences of acquiring CDIs in Life360.

To the maximum extent permitted by law, Life360, its officers, Directors, and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of CDIs in Life360 issued or transferred under this Prospectus.

Dividends

Where Life360 pays a dividend to an Australian tax resident Shareholder, the dividend should be included in the Shareholders' assessable income for the relevant year of income. For income tax purposes the dividend is to be grossed up for any withholding tax deducted in the U.S. for an Australian tax resident Shareholder.

The general U.S. dividend withholding tax rate is 15% and may be reduced in certain circumstances. A corresponding foreign tax offset may be available to the Shareholder for the withholding tax deducted in relation to the dividend paid.

The foreign tax offset should be equivalent to the withholding tax deducted and remitted to the U.S. tax authorities. This offset is calculated on the greater of:

- A$1,000; or
- The Australian tax payable on the net income on which foreign tax is paid.

Generally, dividends received by an Australian resident company who holds at least 10% in a foreign company (that is, non-portfolio dividend) would not be assessable income for Australian taxation purposes. Life360 is a foreign company, accordingly there would be no attaching franking credits to any dividend paid (that is, no franked dividends).

Profit making intention

Any gain derived by Shareholders who acquire their CDIs in Life360 as part of a business or with a view of profit, may be assessable as ordinary income for Australian taxation purposes. Correspondingly, any loss made on disposal may be deductible. In this scenario, the transaction would not be subject to the Capital Gains Tax (**CGT**) provisions and the general CGT discount concession would not be available. Each investor should seek independent advice as to whether the gain would be considered ordinary income.

CGT

The disposal of CDIs in Life360 by a Shareholder would be a CGT event. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the CDIs in Life360 (broadly, the amount paid to acquire the CDIs in Life360 plus any transaction costs incurred in relation to the acquisition or disposal of the CDIs in Life360).

In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the CDIs in Life360. A CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the CDIs have been held for more than 12 months prior to the CGT event.

Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustee (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

A capital loss will be realised where the reduced cost base of the CDIs in Life360 exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

Goods and Services Tax (GST)

No GST should be payable in respect of the acquisition or disposal of the CDIs in Life360. Further, no GST should be payable in respect of dividends paid.

Stamp Duty

On the issue or allotment of the CDIs in Life360 as part of the offer, no stamp duty should be payable. No stamp duty should be payable in respect of the acquisition or disposal of the CDIs in Life360 that are quoted on the Australian Securities Exchange at the time of the transactions.

You should consult a tax adviser regarding the U.S. federal income tax consequences of acquiring, holding and disposing of Shares in your particular circumstances, as well as any tax consequences that may arise under the laws of any state, local or foreign taxing jurisdiction.

10.17. Interests of experts and advisers

Other than as set out below, or as otherwise disclosed in this Prospectus, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- Has or had at any time during the two years preceding the date of the Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or
- Has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Credit Suisse (Australia) Limited and Bell Potter Securities Limited have acted as Joint Lead Managers to the Offer. The Company has paid or agreed to the amount described in Section 10.18 in respect of these services.

BDO Corporate Finance (East Coast) Pty Ltd has acted as the Australian Investigating Accountant and provided the Independent Limited Assurance Report in Section 7. The Company has paid or agreed to pay an amount of approximately A$600,000 (plus disbursements and GST) in respect of these services. Further amounts may be paid to BDO Corporate Finance (East Coast) Pty Ltd in accordance with time-based charges.

BDO East Coast Partnership has acted as the Company's Australian tax adviser in relation to the Offer. The Company has paid or agreed to pay A$50,000 in respect of these services. Further amounts may be paid to BDO East Coast Partnership in accordance with time-based charges.

DLA Piper Australia has acted as the Australian legal adviser to the Company in relation to the Offer. The Company has paid or agreed to pay an amount of approximately A$695,000 (plus disbursements and GST) up to the date of this Prospectus in respect of these services. Further amounts may be paid to DLA Piper Australia in accordance with its normal time-based charges.

Orrick, Herrington & Sutcliffe LLP has acted as U.S. legal adviser to the Company in relation to the Offer. The Company has paid or agreed to pay an amount of approximately US$301,000 (plus disbursements) up to the date of this Prospectus in respect of these services. Further amounts may be paid to Orrick, Herrington & Sutcliffe LLP in accordance with its normal time-based charges (plus disbursements).

The Company will pay these amounts and other expenses of the Offer out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of the expenses of the Offer is set out in Section 8.3.

10.18. Offer expenses

A summary of the Offer costs is set out below:

Offer Costs	A$m	US$m
Joint Lead Manager fees borne by Company	4.5	3.2
Joint Lead Manager fees borne by SaleCo	1.3	0.9
Legal fees	1.1	0.8
Independent accountant fees	0.6	0.4
Tax advisory fees	0.1	0.0
Audit fees	0.4	0.3
ASX Listing fee	0.5	0.3
Other costs	1.6	1.2
Total	**10.1**	**7.2**

The Company has paid or will pay all of the costs associated with the Offer other than up to 4% of the sale proceeds in relation to the sale of CDIs by Selling Shareholders (which will be borne by the Selling Shareholders). The total estimated cash expenses in connection with the Offer to be paid by the Company and SaleCo (including underwriting, management, advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses) are estimated to be approximately US$7.2 million.

10.19. Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

Chapter 6D of the Corporations Act imposes a liability regime on the Company and SaleCo (as the offeror of the CDIs), the Directors and Proposed Directors of the Company, the directors of SaleCo, any underwriters, persons named in the Prospectus with their consent as having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company and SaleCo bears primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

- Bell Potter Securities Limited has consented to being named in this Prospectus as Joint Lead Manager to the Offer in the form and context in which it is named. It does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Bell Potter Securities Limited. Bell Potter Securities Limited has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- BDO Corporate Finance (East Coast) Pty Ltd has consented to being named in the this Prospectus as the Company's Investigating Accountant and to the inclusion of its Independent Limited Assurance Report in Section 7 in the form and context in which it appears. Except for the Independent Limited Assurance Report, it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by BDO Corporate Finance (East Coast) Pty Ltd. BDO Corporate Finance (East Coast) Pty Ltd has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;

- BDO USA, LLP has consented to being named in this Prospectus as the Company's auditor in the form and context in which it is named. It does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by BDO USA, LLP. It does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by BDO USA, LLP. BDO USA, LLP has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- BDO East Coast Partnership has consented to being named in this Prospectus as the Company's tax adviser and to the inclusion of the summary of tax implications in Section 10.16 in the form and context in which it appears. Except for the summary of tax implications in Section 10.16, it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by BDO East Coast Partnership. BDO East Coast Partnership has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- Credit Suisse (Australia) Limited has consented to being named as Joint Lead Manager to the Offer in the form and context in which it is named. It does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Credit Suisse (Australia) Limited. Credit Suisse (Australia) Limited has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- DLA Piper Australia has consented to being named in of this Prospectus as the Australian legal adviser to the Company and SaleCo in the form and context in which it is named. It does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by DLA Piper Australia. DLA Piper Australia has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- Orrick, Herrington and Sutcliffe LLP has consented to being named in of this Prospectus as the U.S. legal adviser to the Company and SaleCo in the form and context in which it is named. It does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Orrick, Herrington and Sutcliffe LLP. Orrick, Herrington and Sutcliffe LLP has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus; and
- Computershare Investor Services Pty Limited has consented to being named in and elsewhere in this Prospectus as the Registry for the Company in the form and context in which it is named. It does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Computershare Investor Services Pty Limited. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

10.20. ASIC relief and ASX waivers and confirmations

10.20.1. ASIC relief

ASIC has granted a modification of Section 707 of the Corporations Act to the extent necessary to permit the Shares that will be issued on the reclassification of the Series A-1, A, B, C-1, C and D Preferred Stock to Shares and on the exercise of Options, Warrants and RSUs granted on or before the Prospectus Date to be able to be sold within 12 months of issue without requirement for a future disclosure document being prepared in connection with that sale.

10.20.2. ASX waivers and confirmations

The Company has sought the following confirmations and waivers described below:

- A waiver from ASX Listing Rule 1.1, condition 12, to the extent necessary to permit the Company to have certain Options and Warrants on issue with an exercise price of less than A$0.20 per CDI.
- A waiver from ASX Listing Rules 6.16, 6.19, 6.21 and 6.22 to the extent necessary to permit the Company to continue the 2011 Stock Incentive Plan and to have Options on issue under the 2011 Stock Incentive Plan that do not comply with those ASX Listing Rules.
- A waiver from ASX Listing Rule 10.14 to the extent necessary to permit the Company to grant RSUs to Directors described in Section 5.5.3 and to permit the Company to grant Shares and Options to Chris Hulls and Alex Haro as described in Section 5.8.1.
- A waiver from ASX Listing Rule 10.18 to the extent necessary to permit the accelerated vesting of Options described in Section 10.6, the lapsing of the right of repurchase of Restricted Stock described in Section 10.6, and to permit the terms of the Retention Agreements described in Section 5.5.9.

- A waiver from ASX Listing Rule 14.2.1 to the extent necessary to permit the Company not to provide in the proxy form for meetings, an option for CDI holders not to provide in the proxy form for meetings, an option for CDI holders to vote against a resolution to elect a Director.
- A waiver from ASX Listing Rule 14.3 to the extent necessary to permit the Company to accept nominations for the election of Directors within the time periods stated in the Company's Bylaws rather than in accordance with Listing Rule 14.3.
- A waiver from ASX Listing Rule 15.12 to permit the Company's Certificate of Incorporation and Bylaws not to contain the provisions required by ASX Listing Rules 15.12.1 to 15.12.3.
- A confirmation that the restrictions in clauses 1, 2, 3, 4, 7, 8 and 9 of Appendix 9B of the Listing Rules do not apply to the Company, as it has a track record of revenue acceptable to ASX.
- A confirmation that the Company may undertake conditional and deferred settlement trading of the CDIs, subject to certain conditions to be approved by ASX.
- A confirmation that the Company may prepare its financial accounts in accordance with U.S. GAAP and in U.S. Dollars.
- A confirmation that, subject to ASX granting relief, the continuation of the registration rights described in Section 10.11 may subsist.

An application to the ASX on behalf of the Company to request ASX Settlement to include the CDIs in Schedule 1 of the ASX Settlement Operating Rules as 'FOR financial products' has been made. See Section 10.15 for further information on the restrictions which will be placed on the Company's CDIs.

10.21. Legal proceedings

To the knowledge of the Directors, at the Prospectus Date there is no material current, pending or threatened litigation with which the Company is directly or indirectly involved, which the Company believes is likely to have a material impact on the business or the financial results of the Company.

The Company and Apple have received correspondence in relation to an alleged failure of the Crash Detection feature in the Life360 App to detect a motor vehicle crash. Apple has indicated that it will seek indemnification by the Company under Apple's terms of service. The Company has insurance arrangements in place that it expects, based on limited information available, to respond to litigation should it eventuate.

10.22. Investor considerations

Before deciding to participate in this Offer, you should consider whether the CDIs to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of CDIs listed on ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

10.23. Governing law

This Prospectus and the contracts that arise from the acceptance of Applications under the Offer are governed by the law applicable in New South Wales, Australia, and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

10.24. Statement of Directors

Other than as set out in this Prospectus, the Directors report that after due enquiries by them there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

Each Director and each Proposed Director, and each director of SaleCo, has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

11. DEFINED TERMS

11. DEFINED TERMS

In this Prospectus:

TERM	DEFINITION
1H19	The six months from January to June 2019
1QXX	The three months from January to March
2011 Stock Incentive Plan	The Company's amended and restated 2011 stock incentive plan as described in Section 5.8.1
2QXX	The three months from April to June
3QXX	The three months from July to September
4QXX	The three months from October to December
$	United States Dollars (unless otherwise specified)
A$	Australian Dollars
AAA	The American Automobile Association
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
Active User	A person who has Registered and opened the Life360 App
ADT	ADT, LLC
AFSL	Australian Financial Services Licence
AGM	Annual General Meeting
AIFRS	Australian International Financial Reporting Standards
Allotment Date	The date on which the CDIs are allotted and transferred under the Offer
Allstate	The Allstate Corporation
AMR	Annualised monthly revenue
Answer	Answer Marketplace, LLC, an indirectly wholly-owned subsidiary of Allstate
API	Application Programming Interface
App	An application, especially as downloaded by a User to a mobile device
App Stores	Apple iTunes App Store and Google Play Store
Applicant	A person who submits a valid Application Form and required Application Amount pursuant to this Prospectus
Application	An application to subscribe for CDIs under this Prospectus
Application Amount	Money submitted accompanying an Application by Applicants under the Offer
Application Form	The application form attached to or accompanying this Prospectus
Application Monies	The amount of money submitted or made available by the Applicant in connection with an Application
Arity	Arity, LLC, an indirectly wholly-owned subsidiary of Allstate
ARPU	Average revenue per User
ASIC	The Australian Securities and Investments Commission
ASU	Accounting Standards Update

TERM	DEFINITION
ASX	ASX Limited (ABN 98 008 624 691) or the market it operates, as the context requires
ASX Corporate Governance Principles	The corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus
ASX Listing Rules	The official Listing Rules of ASX as amended or waived and applicable to the Company from time to time
ASX Participants	ASX participating organisations
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532)
ASX Settlement Operating Rules	The settlement operating rules of ASX Settlement
ATO	The Australian Taxation Office
AWS	Amazon Web Services, a cloud services provider
BDO	BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170)
Bell Potter	Bell Potter Securities Limited (ABN 25 006 390 772)
Board	The Board of Directors of the Company
Broker	Any ASX participating organisation selected by the Joint Lead Managers in consultation with the Company to act as a broker to the Offer
Broker Firm Offer	Has the meaning given in Section 8.5
Bylaws	The amended and restated bylaws of the Company which will be effective from Listing
CAGR	Compound Annual Growth Rate
Carthona Capital	Carthona Capital Pty Ltd (ACN 168 242 868)
Cash Bonus Plan	The Company's cash bonus plan as described in Section 5.8.3
CDI	A CHESS Depositary Interest, representing a beneficial interest in one-third of a Share
CDN	CHESS Depositary Nominees Pty Limited (ACN 071 346 506), an entity registered in Australia (Financial Services Licence Number 254514)
CEO	Chief Executive Officer
Certificate of Incorporation	The certificate of incorporation of the Company as described in Section 10.9
CGT	Capital Gains Tax
CHESS	The Clearing House Electronic Subregister System of share transfers operated by ASX Settlement
Churn	The rate of measuring non-retention of a User per month, where if the User opens the Life360 App in one month, but not the next, they have "churned"
Circle	Private groups allowing Users to stay connected to other Users that they consider "important people", with Circle-specific features such as location sharing, messaging and check-ins
Closing Date	The date that the Offer closes, expected to be 8 May 2019
Co-founders	Chris Hulls and Alex Haro (and each of them a Co-founder)
Cohort	A cohort of paid Users based on U.S. Apple iTunes analysis
Company or Life360	Life360, Inc. (ARBN 629 412 942), a Delaware corporation registered in Australia

TERM	DEFINITION
Completion	Completion of the allotment and transfer of CDIs under the Offer
Conditions	Has the meaning given in Section 8.13
Corporations Act	*Corporations Act 2001* (Cth)
CoupleApp	CoupleApp, Inc.
CPM	Cost per Million impressions
Crash Detection	A feature of Driver Protect that can automatically detect when a Circle member is involved in a serious accident using proprietary technology and sensors on the smartphone, and subsequently Life360 trained advisors will immediately contact emergency responders and family members to provide accident location coordinates
Credit Suisse	Credit Suisse (Australia) Limited (ABN 94 007 016 300)
Crime Reports	Access to important crime information in the area as part of the Life360 App including a dynamic map identifying recent crimes reported and sex offenders registered in locations frequently visited by the Circle; only available to Life360 Plus and Driver Protect members
CY	Calendar year ended / ending 31 December
CY16	Means the calendar year ended 31 December 2016
CY17	Means the calendar year ended 31 December 2017
CY18	Means the calendar year ended 31 December 2018
CY19F	Means the calendar year ending 31 December 2019
DGCL	The Delaware General Corporation Law
Direct ARPPC	Has the meaning given in Section 6.2.4
Direct Revenue	Has the meaning given in Section 6.2.4
Directors	The Directors (including any alternate Directors) of the Company as at the date of this Prospectus
Distribution Compliance Period	The 12 month period from the Allotment Date during which the CDIs cannot be resold to any U.S. Person or for the account or benefit of a U.S. Person, unless pursuant to Rule 144A, which period may be extended under the circumstances described in Section 10.15
Dodd-Frank	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
Driver Protect	A Life360 premium offering that monitors Users' driving and offers Crash Detection and Roadside Assistance
Driver Protect Lite	The Driver Protect service that is offered outside of the U.S.
Driver Reports	Reports sent to Users within their Circles, allowing each User's Circle to view driving behaviours that are potentially unsafe including hard braking, rapid acceleration, phone handling and high speed
EBIT	Has the meaning given in Section 6.2.4
EBITDA	Has the meaning given in Section 6.2.4

TERM	DEFINITION
Eligible U.S. Fund Manager	A dealer or other professional fiduciary organised or incorporated in the U.S. that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not U.S. Persons for which it has, and is exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the U.S. Securities Act
Escrowed Shareholders	The Shareholders that have agreed to enter into voluntary escrow arrangements in relation to the Securities retained by them on Completion
Executive Team	The persons set out in Section 5.3
Existing Options	Has the meaning given in Section 5.5.9
Existing Shareholder	A holder of Shares immediately prior to the issue of CDIs under the Offer
EU	European Union
Exposure Period	The seven day period after the date of lodgement of the Original Prospectus with ASIC as has been extended by ASIC until 29 April 2019
F	Forecast
FASB	Financial Accounting Standards Board
FCA	The Financial Conduct Authority
Financial Information	Has the meaning given in Section 6.1
FOR	Foreign Ownership Restriction
Forecast Period	The 12 month period ending 31 December 2019
FPO	The Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended)
Freemium	Where the core offering is available at no charge, with premium subscription options available to paid users
FSMA	The Financial Services and Markets Act 2000 (as amended)
FTE	Full-time equivalent
GDPR	General Data Protection Regulation
General Insurance or **GI**	General insurance, includes all forms of insurance that do not fall under life insurance policies
Global	The United States and International regions
GPS	Global Positioning System
Group	Life360 and its wholly owned subsidiaries, SaleCo and Life360 Zen Labs, Inc.
GST	Means goods and services or similar tax imposed in Australia
Help Alerts	An in-App service offered to Users which allows a Circle member to tap an in-App button which immediately calls and texts other Circle members and emergency contacts via email, device notification and phone call, while also providing the exact location of the User in need
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board

TERM	DEFINITION
Independent Limited Assurance Report	The report set out in Section 7 of this Prospectus
Indirect Revenue	Has the meaning given in Section 6.2.4
Institutional Investor	An Applicant to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which the Company is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a lodged prospectus under Section 708 of the Corporations Act (disregarding Section 708AA), and excluding a retail client within the meaning of Section 761G of the Corporations Act
Institutional Offer	An invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for CDIs under this Prospectus
International	All countries outside of the United States excluding PRC
Investigating Accountant	BDO
IPO	Initial public offering
IPO Sell Down Deed	The deed entered into by the Company, SaleCo and Selling Shareholders to facilitate the Offer as described in Section 10.7
Joint Lead Managers	Credit Suisse (Australia) Limited and Bell Potter Securities Limited
Lead Generation Offering	The generation of revenue by delivering product offerings to Users in a contextually relevant way
Life360 App	The family networking application offered by the Company which allows Users to share their location and communicate with each other and incorporates premium offerings such as Life360 Plus and Driver Protect
Life360 Plus	A Life360 premium offering which incorporates some, but not all, of the Driver Protect features including 30 days of location history, 30 days of driving history, crime alerts and 24-7 in-App support
Listing	The admission of the Company to the official list of the ASX and quotation of the CDIs
Listing Date	Means the date on which the Company is admitted to the official list of ASX and the quotation of the CDIs commence
LTM	Last twelve months
m	Million
MAU	Has the meaning given in Section 6.2.4
MSLA	Master Service Licence Agreement
New CDIs	CDIs offered for subscription by the Company over newly issued Shares under the Prospectus
New Channels	New paid acquisition channels such as YouTube and Pinterest
NPS	Net promoter score
OEMs	Original equipment manufacturers
Offer	The offer of CDIs under this Prospectus
Offer Period	The period during which investors may subscribe for CDIs under the Offer, expected to be from 1 May 2019 to 8 May 2019

TERM	DEFINITION
Offer Price	A$4.790 per CDI (equivalent to A$14.370 per Share)
Official List	The official list of entities that ASX has admitted to and not removed from listing
Open Source Code	Has the meaning given in Section 4.2.30
Open Source Software	Has the meaning given in Section 4.2.30
Operating cash flow	Has the meaning given in Section 6.2.4
Option	An option to acquire a Share
Original Prospectus	The Prospectus issued by the Company and SaleCo dated 17 April 2019, which was lodged with ASIC on that date and is replaced by this Prospectus
Paid Social	Paid social media marketing channels including Facebook and Instagram
Parent	An administrator of a Circle
Patent	Means a pending U.S. and non-U.S. patent application or granted patent
Paying Circle	Has the meaning given in Section 6.2.4
Place	Has the meaning given in Section 2.5.2
Platform or Life360 Platform	The entire Life360 platform including the core offering, being the Life360 App
PRC	People's Republic of China
Pro Forma Forecast Cash Flows	Has the meaning given in Section 6.1
Pro Forma Forecast Financial Information	Has the meaning given in Section 6.1
Pro Forma Forecast Results	Has the meaning given in Section 6.1
Pro Forma Historical Cash Flows	Has the meaning given in Section 6.1
Pro Forma Historical Financial Information	Has the meaning given in Section 6.1
Pro Forma Historical Results	Has the meaning given in Section 6.1
Pro Forma Historical Statement of Financial Position	Has the meaning given in Section 6.1
Proposed Directors	James Synge, Mark Goines and David Wiadrowski who will be appointed to the Board with effect from the day before Listing
Prospectus	This prospectus, dated 29 April 2019, for the issue of CDIs (including the electronic form of that Prospectus) and any supplementary or replacement prospectuses
Prospectus Date	The date on which the Original Prospectus was lodged with ASIC, being 17 April 2019
Push Notification	A notification from the Life360 App that is displayed on the mobile device, regardless of whether the User is utilising the Life360 App or the device at the time
QIB	Qualified Institutional Buyer, as defined in Rule 144A under the U.S. Securities Act
R&D	Research and Development
Rank	The rank of an App in the relevant App Store

TERM	DEFINITION
Registration / Registered	New Users who downloaded the Life360 App, completed the registration process and created an account, and counted as an MAU in the initial month of registration
Registry	Computershare Investor Services Pty Limited
Restricted Stock	Has the meaning given in Section 10.6
Retail Investor	An Applicant who is not an Institutional Investor
Retention Agreement	Has the meaning given in Section 5.5.9
Roadside Assistance	A Driver Protect service offering that provides roadside assistance covering towing, flat tires, lock-outs, jump starting a battery, running out of fuel and concierge services
RSU	Restricted stock unit
Sale CDIs	CDIs over existing Shares offered for sale by SaleCo under this Prospectus
SaleCo	Life360 SaleCo, LLC which is offering CDIs over existing Shares for sale under this Prospectus
SEC	U.S. Securities and Exchange Commission
Security	Includes a Share or CDI which is the subject of the Offer and any other right, or any other equity interest in the Company
Selling Shareholder	Those Shareholders who will transfer Shares to SaleCo for sale (in the form of CDIs) under the Offer as described in Section 10.7
Series D Raise	Has the meaning given in Section 5.6
Settlement	The settlement of the Offer, expected to be 14 May 2019
SFA	The Securities and Futures Act, Chapter 289 of Singapore
SFO	The Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong
Share	A fully paid share of common stock in the capital of the Company
Share capital restructure	Has the meaning given in Section 10.5
Share Legend	Has the meaning given in Section 10.15
Shareholders	A registered holder of a Share or a CDI
Software Development Costs	Has the meaning in Section 12.11 of Appendix 1
SSL	Secure Sockets Layer
Statutory Forecast Cash Flows	Has the meaning given in Section 6.1
Statutory Forecast Results	Has the meaning given in Section 6.1
Statutory Historical Cash Flows	Has the meaning given in Section 6.1
Statutory Historical Results	Has the meaning given in Section 6.1
Statutory Historical Statement of Financial Position	Has the meaning given in Section 6.1
Stock Bonus Program	The Company's share bonus plan dated as described in Section 5.8.2

TERM	DEFINITION
Successful Applicant	Applicants who successfully subscribe for CDIs under the Offer
Total ARPU	Has the meaning given in Section 6.2.4
TriNet	TriNet HR Corporation
UBI	Usage Based Insurance
Underwriting Agreement	Underwriting agreement between the Company, SaleCo and the Joint Lead Managers dated on or about the Prospectus Date
UK	United Kingdom
US$	United States Dollars (or U.S. Dollars)
U.S. or United States	United States of America, its territories and provinces, any state of the United States of America and the District of Colombia
U.S. Exchange Act	United States Securities Exchange Act of 1934, as amended
U.S. GAAP	U.S. Generally Accepted Accounting Principles
U.S. Person	Has the meaning given to it in Rule 902(k) under Regulation S of the U.S. Securities Act
U.S. Securities Act	The United States Securities Act of 1933, as amended from time to time
User	A user of the Life360 App
User acquisition costs	Has the meaning given at Section 6.2.4
Warrant	A warrant to acquire a Share
Zen Labs	Zen Labs, Inc.
ZenScreen	Proprietary mobile App of Zen Labs

12. APPENDIX 1 – ACCOUNTING POLICIES

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12.1. Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Significant estimates made by management include, but are not limited to, the determination of revenue recognition, accounts receivable allowance, the fair value of preferred and common stock warrants, the fair value of our common stock and related stock-based compensation expense, legal contingencies, capitalisation of internal-use software, depreciable lives 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.

12.2. Revenue recognition

Pursuant to Accounting Standards Codification Topic 606, Revenue from Contracts with Customers (ASC 606), the Company recognises revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognise revenue when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognises as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

12.3. Costs capitalised to obtain contracts

Costs capitalised to obtain contracts comprise of revenue-share payments to Apple Inc. and Google Inc. in connection with subscription sales of the Company's App on each respective mobile App Store platform. Costs that are incremental, recoverable and directly related to customer sales contracts in which revenue is deferred are accrued and capitalised upon execution of a non-cancelable customer contract, and subsequently expensed over the average life of the customer, or two years.

12.4. Allowance for doubtful accounts

The Company makes judgments as to its ability to collect outstanding accounts receivable and provide allowances for accounts receivable when and if collection becomes doubtful. To date, the Company has not recorded any significant credit losses on customer accounts and it had no allowance for doubtful accounts as of 31 December 2016, 2017 and 2018.

12.5. Significant risks and uncertainties

The Company is subject to certain risks and uncertainties that could have a material and adverse effect on its future financial position or results of operations. The Company's customers are primarily wireless carrier Users and any changes in its customers' sales strategies, including pricing and promotion of plans that include its services, could have an adverse impact on its consolidated results of operations and financial condition.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash, cash equivalents and accounts receivable. The Company limits its exposure to credit loss by placing cash and cash equivalents with institutions of high credit standing. Deposits of cash and cash equivalents may exceed the amount of insurance provided by the Federal Deposit Insurance Corporation (FDIC) on these deposits.

The Company derives its accounts receivable from revenue earned from customers located in the U.S. and other locations outside of the U.S. The Company does not perform ongoing credit evaluations of its customers' financial condition and does not require collateral from its customers. Historically, credit losses have been insignificant. Wireless carrier Users accounted for the majority of the Company's revenue and accounts receivable for all periods presented.

12.6. Research and development costs, excluding depreciation

We charge costs related to research, design and development of products to research and development expense as incurred. These costs consist of payroll related expenses, contractor fees, outside third party vendors and allocated facilities costs.

12.7. 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.

12.8. Restricted cash

The restriction is related to securing the Company's facility leases in San Diego and San Francisco, California and expire in 2019 and 2022 in accordance with the operating lease agreements (as amended), respectively. The restrictions on these balances are being released in accordance with the operating lease agreements, as amended. These balances are included in restricted cash on the accompanying consolidated balance sheets.

12.9. Fair value of financial instruments

The Company uses fair value measurements to record fair value adjustments to certain financial and non-financial assets and liabilities to determine fair value disclosures. The accounting standards define fair value, establish a framework for measuring fair value, and require disclosures about fair value measurements. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the principal or most advantageous market in which the Company would transact are considered along with assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of non-performance. The accounting standard for fair value establishes a fair value hierarchy based on three levels of inputs, the first two of which are considered observable and the last unobservable, that requires an entity to maximise the use of observable inputs and minimise the use of unobservable inputs when measuring fair value. A financial instrument's categorisation 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 that 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.

12.10. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortisation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Equipment, computer software and furniture have estimated useful lives ranging from three to ten years. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life or the term of the lease with expected renewals.

Costs of maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is reported in operating expenses, net in the period realised.

12.11. Software development costs

Capitalisation of software development costs for software to be sold, leased, or otherwise marketed begins upon the establishment of technological feasibility of the product, which is generally the completion of a working prototype, and ends when the product is available for general release to customers. Under the Company's policy, costs incurred in the initial design, coding and testing phase of software development are expensed as incurred. To date, the period between achieving technological feasibility and the general availability of such software has been short. Accordingly, the Company has not capitalised any software development costs since inception.

For development costs related to internal use software projects, such as those used in the Company's services and network, the Company capitalises costs incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Amortisation of the costs of software developed for internal use begins when the assets are placed in productive use and are generally amortised over a period of ten years.

12.12. Intangible assets

Intangible assets, including patents, trademarks, customer relationships and acquired developed technology, are carried at cost and amortised on a straight-line basis over their estimated useful lives. The Company determines the appropriate useful life of the Company's intangible assets by measuring the expected cash flows of acquired assets.

12.13. Impairment of long-lived assets

The Company assesses the impairment of long-lived assets, such as property and equipment subject to depreciation and amortisation and acquired intangibles, when events or changes in circumstances indicate that their carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognised in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

12.14. Options to purchase common stock

The Company has acquired call options on its own stock pursuant to certain Loan, Pledge and Option Agreements with certain Executive Officers of the Company. The options permit, but do not obligate the Company, to repurchase a fixed number of awards at a variable exercise price subject to the terms outlined in the agreements. Pursuant to ASC Topic 815, *Derivatives and Hedging*, the Company determined that the financial instruments do not meet the definition of a derivative because they fail the net settlement criteria. Subsequent measurement is not directly addressed in the authoritative guidance for equity contracts that fail to meet the definition of a derivative. While it requires asset or liability classification for such an instrument, the indexation guidance does not provide information on subsequent measurement. Generally, equity contracts are initially measured at fair value or allocated value. ASC 815-10-S99-4 outlines the SEC staff's position that written or purchased options not classified in equity should be subsequently measured at fair value through earnings. Accordingly, the Company remeasures these options to fair value each reporting period using the lattice model with changes in fair value recorded through the Consolidated Statement of Operations and Comprehensive Loss.

12.15. Leases

The Company's operating lease agreements include scheduled rent escalations over the lease term, as well as lease incentive allowances. Rent expense is charged ratably on a straight-line basis over the life of the lease. Deferred rent consists of the difference between cash payments and the recognition of rent expense on a straight-line basis for the buildings the Company occupies. Lease incentive allowances are recorded as a liability and amortised on a straight-line basis over the term of the lease as a reduction to rent expense.

12.16. Preferred stock warrants

The Company accounts for warrants to purchase shares of its preferred stock that are contingently redeemable as liabilities at their estimated fair value because these warrants may obligate the Company to transfer assets to the holders at a future date under certain circumstances, such as a deemed liquidation event. The warrants are subject to remeasurement to fair value at each balance sheet date, and any fair value adjustments are recognised as change in fair value of preferred stock warrant liability in the consolidated statements of operations and comprehensive loss. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the convertible preferred stock warrants, conversion of preferred stock into common stock, or until holders of the convertible preferred stock can no longer trigger a deemed liquidation event. At that time, the convertible preferred stock warrant liability will be adjusted to fair value in the Consolidated Statement of Operations and Comprehensive Loss with the final fair value reclassified to additional paid-in capital.

12.17. Common stock warrants

The Company has issued freestanding warrants to purchase shares of common stock in connection with certain debt financing transactions. The warrants are recorded at fair value using the Black-Scholes option pricing model.

12.18. Foreign currency remeasurement

Revenue and expenses are remeasured using average exchange rates prevailing during the period. Gains and losses resulting from remeasurements are recorded in the Company's consolidated statements of operations as a component of interest and other expense, net. Foreign currency gains or losses were insignificant for the years ended 31 December 2016, 2017 and 2018.

12.19. Stock-based compensation

The Company has an equity incentive plan under which various types of equity-based awards including, but not limited to, incentive stock options, non-qualified stock options, and restricted stock awards, may be granted to employees, non-employee Directors, and non-employee consultants.

For equity awards granted to employees and Directors, the Company recognises compensation expense based on the grant-date estimated fair values. The fair value of stock options is determined using the Black-Scholes option pricing model. For restricted stock awards to employees, the fair value is based on the fair value of the stock as determined by the Company's Board of Directors. The Company recognises compensation expense for stock option awards on a straight-line basis over the requisite service period of the award, generally four years. Forfeitures are recorded as they occur.

Stock-based compensation expense related to stock options granted to non-employees is recognised based on the fair value of the stock options, determined using the Black-Scholes option pricing model, as they are earned. The awards generally vest over the time period the Company expects to receive services from the nonemployee.

12.20. Income taxes

The Company accounts for income taxes under the asset and liability method. The Company estimates actual current tax exposure together with assessing temporary differences resulting from differences in accounting for reporting purposes and tax purposes for certain items, such as accruals and allowances not currently deductible for tax purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognised in the Company's consolidated statements of operations and comprehensive loss become deductible expenses under applicable income tax laws or when net operating loss or credit carry forwards are utilised. Accordingly, realisation of the Company's deferred tax assets is dependent on future taxable income against which these deductions, losses and credits can be utilised.

The Company must assess the likelihood that the Company's deferred tax assets will be recovered from future taxable income, and to the extent the Company believes that recovery is not likely, the Company establishes a valuation allowance. The assessment of whether or not a valuation allowance is required often requires significant judgment including current operating results, the forecast of future taxable income and on-going prudent and feasible tax planning initiatives.

12.21. Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business. The Company evaluates the likelihood of an unfavourable outcome in legal proceedings to which it is a party and records a loss contingency on an undiscounted basis when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These judgments are subjective and based on the status of such legal or regulatory proceedings, the merits of the Company's defences, and consultation with legal counsel. Actual outcomes of these legal proceedings may differ materially from the Company's estimates. The Company estimates accruals for legal expenses when incurred as of each balance sheet date based on the facts and circumstances known to the Company at that time.

12.22. Comprehensive loss

Comprehensive loss is defined as a change in equity of a business enterprise during a period, resulting from transactions from non-owner sources. There have been no material items qualifying as other comprehensive loss and, therefore, for all periods presented, the Company's comprehensive loss was the same as its reported net loss.

13. APPENDIX 2 – PATENTS

13. APPENDIX 2 – PATENTS

This Appendix provides details of the patents which Life360 has been granted or applied for.

Title of the Inventions	Priority Deadline	(Priority Applications) Provisional and Patent Cooperation Treaty	U.S. Patent Application No.	Status in U.S.	Non-U.S. countries granted	Non-U.S. countries filed and pending
• Apparatus and Method for Conservation of Battery Power of Mobile Devices Within a Location-Based Group	–	–	• U.S. patent No. 9,730,163 • Issued August 8, 2017 • U.S. App. No. 14/011,433 • Filed August 27, 2013	• Issued	• EP patent No. 3039915 Issued September 5, 2018 Validated in Germany (patent No. DE602013043237.6) and the United Kingdom (patent No. EP3039915)	–
• Apparatus and Method for Conservation of Battery Power of Mobile Devices Within a Location-Based Group	• August 27, 2013	• This patent is a continuation of U.S. App. No 14/011,433 filed 27 August 2013	• U.S. patent No. 10,075,922 • Issued 11 September 2018 • U.S. App. No. 15/642,237 • Filed 5 July 2017	• Issued	–	–
• Apparatus and Method for Increasing Accuracy of Location Determination of Mobile Devices Within a Location-Based Group	• July 2, 2013	• This application claims priority to U.S. Provisional App. No. 61/842,344 • Filed July 2, 2013	• U.S. patent No. 9,788,163 • Issued October 10, 2017 • US App. No. 14/023,225 • Filed September 10, 2013	• Issued	–	• EP App. No. 14742651.4 • Filed Jun 26, 2014 • Patent scheduled to issue on March 27 2019 as patent No. 3017314. Validations in Germany and the United Kingdom to be initiated upon issuance of the EP patent.
• Apparatus and Method for Increasing Accuracy of Location Determination of Mobile Devices Within a Location-Based Group	• July 2, 2013	• This patent is a continuation of U.S. App. No. 14/023,225 filed September 10, 2013, which claims priority of U.S. Provisional App. No. 61/842,344 filed July 2, 2013	• U.S. patent No. 9,906,915 • Issued February 27, 2018 • U.S. App. No. 15/684,266 • Filed August 23, 2017	• Issued	–	–
• Apparatus and Method of Providing Connection Source Recommendations Using a Database of Historic Data on Connectivity	–	–	• U.S. patent No. 9,094,912 • Issued July 28, 2015 • U.S. App. No. 14/076,021 • Filed November 8, 2013	• Issued	–	–
• Apparatus and Method of Providing Connection Source Recommendations Using a Database of Historic Data on Connectivity	• November 8, 2013	• This patent is a continuation of U.S. App. No. 14/076,021 filed November 8, 2013	• U.S. patent No. 9,635,691 • Issued April 25, 2017 • U.S. App. No. 14/747,777 • Filed June 23, 2015	• Issued	–	–

Title of the Inventions	Priority Deadline	(Priority Applications) Provisional and Patent Cooperation Treaty	U.S. Patent Application No.	Status in U.S.	Non-U.S. countries granted	Non-U.S. countries filed and pending
• Apparatus and Method of Determining Fraudulent Use of a Mobile Device Based on Behavioural Abnormality	–	–	• U.S. patent No. 9,510,204 • Issued November 29, 2016 • U.S. App. No. 14/194,060 • Filed February 28, 2014	• Issued	–	–
• Apparatus and Method for Generating, Displaying and Implementing a Geo-Fence Using Location Determination of Mobile Devices Within a Location-Based Group	–	–	• U.S. patent No. 9,294,876 • Issued March 22, 2016 • U.S. App. No. 14/267,801 • Filed May 1, 2014	• Issued	–	–
• Apparatus and Method of Determining a Life Change of a User of a Mobile Device Based on Behavioural Abnormality	–	–	• U.S. patent No. 9,392,412 • Issued July 12, 2016 • U.S. App. No. 14/193,840 • Filed February 28, 2014	• Issued	–	–
• Apparatus and Method for Determining and Providing Relative Values of Contacts Associated with Mobile Devices Within a Location-Based Group	–	–	• U.S. patent No. 9,301,095 • Issued March 29, 2016 • U.S. App. No. 14/301,230 • Filed June 10, 2014	• Issued	–	–
• Method and System for Assessing the Safety of a User of an Application for a Proactive Response	–	–	• U.S. patent No. 10,104,527 • Issued October 16, 2018 • U.S. App. No. 15/487,343 • Filed April 13, 2017	• Issued	–	–
• Method and System for Assessing the Safety of a User of an Application for a Proactive Response	• April 13, 2017	• This patent is a continuation of U.S. App. No. 15/487,343 filed April 13, 2017	• U.S. App. No. 16/125,501 • Filed September 7, 2018	• Pending	–	–
• Systems and Methods for Intelligent Application Notification Management	–	–	• U.S. App. No. 15/584,592 • Filed May 2, 2017	• Pending	–	–
• Automatic Location-Based Notifications for a Group of Users	–	–	• U.S. App. No. 15/484,839 • Filed April 11, 2017	• Pending	–	–

13. APPENDIX 2 – PATENTS Continued

Title of the Inventions	Priority Deadline	(Priority Applications) Provisional and Patent Cooperation Treaty	U.S. Patent Application No.	Status in U.S.	Non-U.S. countries granted	Non-U.S. countries filed and pending
• Method and System for Generating Security Notifications to a User's Contacts Regarding the User of an Application	–	–	• U.S. App. No. 15/653,222 • Filed July 18, 2017	• Pending	–	–
• Method and System for Generating Notifications to Users in a Workout Notification Group Based on Detection of a First User's Physical Activity	–	–	• U.S. App. No. 15/882,682 • Filed January 29, 2018	• Pending	–	–
• Methods and Systems for Audio-Based Danger Detection and Alert	–	–	• U.S. App. No. 16/012,614 • Filed June 19, 2018	• Pending	–	–
• Auto-Resizing of Geofences	• February 22, 2018	• This application claims priority to U.S. Provisional App. No. 62/634,113 • Filed February 22, 2018	• U.S. App. No. 16/002,379 • Filed June 7, 2018	• Pending	–	–
• Methods and Systems for Sending Prepopulated Messages to a Selected Group of Mobile Devices	• April 27, 2018	• This application claims priority to U.S. Provisional App. No. 62/663,852 • Filed April 27, 2018	• U.S. App. No. 16/036,479 • Filed July 16, 2018	• Pending	–	–
• App Usage Detection Based on Screen Lock State	• February 6, 2018	• This application claims priority to U.S. Provisional App. No. 62/627,011 • Filed February 6, 2018	• U.S. App. No. 16/269,425 • Filed February 6, 2019	• Pending	–	–
• Smart Usage Monitoring and Access Control of Web and Mobile Applications	• February 14, 2018	• This application claims priority to U.S. Provisional App. No. 62/630,478 • Filed February 14, 2018	• U.S. App. No. 16/276,409 • Filed February 14, 2019	• Pending	–	–

Life360, Inc.

ARBN 629 412 942

Broker Code

Adviser Code

Broker Firm Offer Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional advisor without delay.

You should read the Life360, Inc. replacement Prospectus dated 29 April 2019 (Prospectus), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus (whether in paper or electronic form). The Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. The Prospectus has been prepared for publication in Australia. The CDIs to be offered under the Offer have not been, and will not be, registered under the U.S. Securities Act or the Securities Laws of any state or other jurisdiction in the United States, and may not be offered or sold in the United States, or to, for the account or benefit of a U.S. person in the absence of registration or an exemption from registration under the U.S. Securities Act and applicable state securities law. In addition, any hedging transactions using CDIs may only be conducted in compliance with the U.S. Securities Act.

A I/we apply for

Number of CHESS Depositary Interests (CDIs) in Life360, Inc. at A$4.79 per CDI or such lesser number of CDIs which may be allocated to me/us.

B I/we lodge full Application Money

A$.

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D Enter the postal address - include State and Postcode

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

E Enter your contact details

Contact Name

Telephone Number - Business Hours

( )

F CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any CDIs issued as a result of the Offer will be held on the Issuer Sponsored subregister.

G Payment details - Please follow the payment instruction provided to you

Reference

Amount of payment

A$

By submitting this Application Form:

- I/we declare that this Application is complete and lodged according to the Prospectus, and any relevant Supplementary Prospectus, and the declarations/ statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate,
- I/we agree to be bound by the Life360, Inc. Bylaws and Certificate of Incorporation,
- I/we represent and warrant that I/we are not in the United States or a US person and am not acting for the account of a US person, and
- I/we acknowledge and agree that certain representations and warranties are required to be given in connection with my/our application (being those set out in Section 10.15 of the Prospectus) and understand that by completing the Application Form I/we will be deemed to have made those representations and warranties.

See overleaf for completion guidelines →

How to complete this Broker Firm Offer Application Form

A Number of CDIs applied for
Enter the number of CDIs you wish to apply for. The Application must be for a minimum of 420 CDIs (A$2,011.80).

B Application Monies
Enter the amount of Application Monies. To calculate the amount, multiply the number of CDIs applied for in Step A by the Offer Price of A$4.79.

C Applicant Name(s)
Enter the full name you wish to appear on the statement of securityholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the incorrect form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F CHESS
Life360, Inc. participates in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold CDIs issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by Life360, Inc. and allocated a Securityholder Reference Number (SRN).

G Payment
Please follow the payment instruction provided to you.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for CDIs in Life360, Inc. is upon and subject to the terms of the Prospectus and the Constitution of Life360, Inc., agrees to take any number of CDIs that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

The Broker Firm Offer opens on 1 May 2019 and is expected to close at 5pm (AEST) 8 May 2019. Life360, Inc. and the Joint Lead Managers reserve the right to vary the time table without prior notice.

Your Broker must receive your completed Application Form and Application Monies (if applicable) in time to arrange settlement on your behalf by the relevant Closing Date for the Broker Firm Offer.

Privacy Notice
The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com/au.

Correct forms of registrable title(s)
Note that ONLY legal entities are allowed to hold CDIs. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the issuer. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

CORPORATE DIRECTORY

Company

Life360, Inc.

Suite 402
539 Bryant Street
San Francisco, CA 94107
USA

Phone: +1 866 277 2233
Email: info@life360.com
Web: www.life360.com

Directors and Proposed Directors

John Philip Coghlan,
Independent Non-Executive, Chair of the Board

Chris Hulls
Co-founder and Chief Executive Officer

Alex Haro
Co-founder and President

James Synge
Independent Non-Executive Director (Proposed)

Brit Morin
Independent Non-Executive Director

Mark Goines
Independent Non-Executive Director (Proposed)

David Wiadrowski
Independent Non-Executive Director (Proposed)

Australian Registered Office

Company Matters Pty Ltd

Level 12
680 George Street
Sydney NSW 2000

Proposed ASX Code

360

Investigating Accountant

BDO Australia

Level 11
1 Margaret Street
Sydney NSW 2000

Joint Lead Managers

Credit Suisse

Level 31 Gateway
1 Macquarie Place
Sydney NSW 2000

Bell Potter

Level 29
101 Collins Street
Melbourne VIC 3000

Australian Legal Adviser

DLA Piper Australia

No. 1 Martin Place
Sydney NSW 2000

U.S. Legal Advisor

Orrick, Herrington & Sutcliffe LLP

1000 Marsh Road
Menlo Park, CA 94025
USA

Auditor

BDO USA

One Bush Street
San Francisco, CA 94104
USA

Registry

Computershare Investor Services Pty Limited

452 Johnston Street
Abbotsford VIC 3067

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Life360

life360.com