

31 May 2023

2023 Annual General Meeting – Chairman and CEO speeches

San Francisco area-based Life360, Inc. ("Life360" or the "Company") (ASX: 360) will today hold its 2023 Annual General Meeting.

Meeting details

The Annual General Meeting will be by way of a virtual meeting which will be held electronically via webcast and an online voting platform. The meeting will take place at 9.30am (Sydney time) today on 31 May 2023 (4.30pm San Francisco time on 30 May 2023).

Shareholders and other interested parties are able to join the virtual AGM [here](#). Meeting ID 399-569-800.

Speeches and Presentations

Accompanying commentary and the presentations from Chairman John Philip Coghlan and Co-Founder and Chief Executive Officer, Chris Hulls are attached.

Guidance

The CEO presentation includes the following guidance:

Our CY23 earnings expectations are unchanged from the guidance we provided with the Q1 results:

- Core Life360 subscription revenue growth (excluding Tile and Jiobit) in excess of 50% YoY;
- Hardware revenue growth of 0% - 5%;
- Other revenue of approximately \$26 million;
- Consolidated revenue of \$300 - \$310 million;
- Positive Adjusted EBITDA and Operating Cash Flow of \$5 million to \$10 million, with positive Adjusted EBITDA for each quarter of CY23, and positive Operating Cash Flow anticipated on a quarterly basis beginning with Q2'23 and for full CY23.

Authorization

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

About Life360

Life360 operates a platform for today's busy families, bringing them closer together by helping them better know, communicate with, and protect the pets, people and things they care about most. The Company's core offering, the Life360 mobile app, is a market leading app for families, with features that range from communications to driving safety and location sharing. Life360 is based in the San Francisco area and had approximately 50.8 million monthly active users (MAU) as of March 31, 2023, located in more than 150 countries. For more information, please visit life360.com.

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

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

Forward-looking statements

This announcement and the accompanying conference call contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Life360 intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements regarding Life360's intentions, objectives, plans, expectations, assumptions and beliefs about future events, including Life360's expectations with respect to the financial and operating performance of its business, including subscription revenue, hardware revenue, consolidated revenue, Adjusted EBITDA, and operating cash flow; its capital position; future growth; future price increases and the impact of past price increases on future results of operations and churn; and the impact of past price increases on future results of operations and churn; user engagement, conversion and retention and subscriber churn; the strategic value and opportunities for Tile; operating cost savings, including through reduced commissions as well as Life360's expectations of any changes to the information disclosed herein. The words "anticipate", "believe", "expect", "project", "predict", "will", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" and other similar expressions can generally be used to identify forward-looking statements. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on these forward-looking statements as they involve inherent risk and uncertainty (both general and specific) and should note that they are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. There is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Subject to any continuing obligations under applicable law, Life360 does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement, to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statements are based.

Although Life360 believes that the expectations reflected in the forward-looking statements and the assumptions upon which they are based are reasonable, Life360 can give no assurance that such expectations and assumptions will prove to be correct and, actual results may vary in a materially positive or negative manner. Forward-looking statements are subject to known and unknown risks, uncertainty, assumptions and contingencies, many of which are outside Life360's control, and are based on estimates and assumptions that are subject to change and may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include risks related to the preliminary nature of financial results, risks related to Life360's business, market risks, Life360's need for additional capital, and the risk that Life360's products and services may not perform as expected, as described in greater detail under the heading "Risk Factors" in Life360's ASX filings, including its Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 23, 2023 and other reports filed with the SEC. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise is disclaimed. This announcement should not be relied upon as a recommendation or forecast by Life360. Past performance information given in this document is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information, future share price performance or any underlying assumptions. Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Life360.

Chairman and CEO's Speeches and Presentations

John Philip Coghlan - Chairman

Slide 2

Good afternoon to our US investors and good morning to our Australian investors. Welcome to the 2023 Annual General Meeting of Life360 Inc.

My name is John Philip Coghlan and I am the Chairman of Life360. On behalf of the Board, it is my pleasure to address shareholders at Life360's fourth AGM since listing on the ASX in 2019.

Today we are very pleased to welcome those of you participating online through our virtual meeting platform provided by Lumi. This allows Shareholders, Proxies and Guests to attend the meeting virtually. All attendees can watch a live webcast of the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes.

While there has been significant easing of restrictions following the COVID-19 pandemic, given that we have security holders in the US, Australia and other parts of the world, we have decided to hold a virtual meeting once again in 2023 to allow participation and engagement amongst our security holders, wherever they may be.

It is now after 4:30pm in San Mateo, California on May 30 and correspondingly after 9:30am in Sydney, Australia on May 31.

I have been advised by our inspector of election, Computershare Trust Company, N.A, that proxies have been received in respect of a total number of outstanding shares that constitute a quorum for the matters to be considered at this meeting. I therefore declare this AGM open and welcome each of you to the virtual platform.

Before I proceed with the business of the Meeting, I would like to introduce my fellow Directors. In the US are:

- Chris Hulls, our CEO and Co-Founder, and an Executive Director;
- Alex Haro; a Co-Founder and Non-Executive Director;
- Brit Morin; Independent Non-Executive Director;
- Mark Goines; Independent Non-Executive Director; and Chairman of the Remuneration and Nomination Committee.
- Randi Zuckerberg; Independent Non-Executive Director;
- CJ Prober; an Executive Director

In Australia are:

- James Synge; Independent Non-Executive Director; and
- David Wiadrowski; Independent Non-Executive Director, and Chairman of the Audit and Risk Committee.

Also attending today are Russell Burke, our Chief Financial Officer, Paul Leitner, our Deputy General Counsel, our 2022 auditor Doug Hart from BDO and our proposed new 2023 auditor Joseph Prast from Deloitte.

The agenda for the Meeting today will be as follows:

- Firstly, I will give a short address on Life360's performance for the 2022 year and an overview of the company's strategy.
- This will be followed by a presentation from our CEO Chris Hulls.
- I will then outline the meeting procedures and continue to the formal items of business.

Slide 3

Life360 is cementing its position as the world's leading family safety membership service, offering an all-in-one solution designed for modern life.

During 2022 the Company demonstrated pleasing progress against our strategic objectives. We achieved our largest ever annual growth in Global Monthly Active Users to around 49 million. We delivered accelerating momentum in core subscription revenue, with strong Paying Circle growth and the early impact of meaningful price increases. Our pricing power demonstrates the considerable value we are delivering to our Members.

We executed the Tile integration strategy, bringing together the Life360, Tile and Jiobit teams into a single company. We built the platform to support the bundled Life360 and Tile Membership offering which launched during the first quarter of 2023.

And finally, we established a path to profitability beginning in 2023. This goal is underpinned by strong revenue momentum and an integrated, leaner and scalable cost base. Annualized Monthly Revenue for the month of December increased 61% to \$224 million, a measure of the strength of Life360's recurring revenue. We have seen continued strong momentum into the first quarter of 2023, achieving positive Adjusted EBITDA one quarter earlier than our expectations.

Slide 4

Life360 delivered CY22 revenue of \$228.3 million, a year-on-year increase of 103%. This performance benefited from strong core Life360 subscription revenue growth of 54% on a like-for-like basis, and the contributions from the Tile and Jiobit acquisitions. Adjusted EBITDA Loss (excluding Stock Based Compensation and non-recurring items) of \$(40.1) million reflected investment to accelerate the integration of Life360, Tile and Jiobit. The EBITDA loss was \$(85.2) million and Net loss was \$(91.6) million.

Life360 ended the CY22 year with cash, restricted cash and cash equivalents of \$90.4 million. This included the net proceeds of \$32.2 million from our November capital raise which was well supported by shareholders. The Company is in a strong position to navigate the uncertainties of the broader macroeconomic environment.

Slide 5

At Life360 we are progressing our Environmental, Social and Governance (ESG) activities, a reflection of our commitment to the communities we serve. Initiatives are underway across all three ESG pillars. I'll make special mention of the progress we made with our People policies as we brought together the Life360, Tile and Jiobit teams during CY22. Our corporate values were refreshed, and we established a new approach to create a Culture of Belonging with further details available in the Annual Report.

Slide 6

Undoubtedly the key contribution Life360 makes to the community is our mission to simplify safety so families are connected and protected. During the year we dispatched more than 34,000 ambulances as well as billions of safe arrival notifications, illustrating the peace of mind our core proposition delivers.

Slide 7

I would like to express my appreciation to my fellow Board members for their contribution to Life360 over the past year. Shareholders greatly benefit from their expertise and guidance. On behalf of the Board I thank our colleagues, including those who unfortunately have had to leave the business, for their hard work and commitment. We are grateful for their talent and dedication which have contributed to the successful integration of the Life360, Tile and Jiobit businesses, and established the next important steps in our strategy. I acknowledge Chris Hulls and his leadership

team for their work in implementing our vision for a fully integrated and differentiated location platform.

Finally I would like to thank our shareholders for their ongoing support of the Company and participation in the November 2022 capital raising. Life360 is better positioned than ever to deliver on our mission to offer peace of mind designed for modern life.

I'll now hand over to Chris Hulls who will provide an update on the company's performance.

Chris Hulls – Co-Founder and Chief Executive Officer

Slide 8

Thank you John, and good morning to our shareholders. I am pleased to be able to provide you with a brief business update, and a deeper dive into the operating metrics driving Life360's performance. 2022 was a tremendous year of progress for the Company in delivering against our strategic objectives, and we're seeing strong momentum in the Q1 results we recently delivered to the market

Slide 9

John mentioned that during 2022 we achieved our largest ever annual growth in Monthly Active Users, and we've seen continued progress in Q1 with a 33% uplift to around 51 million users.

We have seen continued strength in our Returning Monthly Active Users or RMAU, reflecting the increasing engagement of our user base. We believe we have absolute top tier retention for a mobile app, with users who signed up nearly a decade ago just as engaged with the product as they were when they initially registered.

Slide 10

During CY22 Global Paying Circles increased 23% year-on-year, with U.S. Paying Circles growth achieved even while implementing significant price increases during Q4. As we guided to in November, Q4 subscribers were stable at Q3 levels, reflecting the one-time impact on churn, as we implemented price increases across the existing iOS subscriber base. During Q1 Paying Circles returned to growth, with Global net subscriber additions of 73 thousand, ahead of the 69 thousand achieved in Q1'22. This is a very positive result given the magnitude of the price increases implemented in Q4'22. During Q1 International Paying Circles increased 50% YoY, with net adds at close to all-time record levels.

The ARPPC chart reflects the achievement of significant price increases across all our U.S. iOS monthly membership tiers including our legacy product lines. Price increases were already in place for new monthly Android subscribers, and have extended to existing monthly Android subscribers during Q2. The impact from the size and timing of these price increases is reflected in the U.S. ARPPC chart, with a 43% uplift to \$140 in Q1.

Slide 11

These strong operational metrics are driving significant growth in Life360's recurring revenue over the course of 2022, with a further uplift in Q1 which delivered 41% YoY growth. Quarterly Annualised Monthly revenue delivered a significant uplift in Q4 of 2022 and a further step up in Q1 reflecting the benefit of price increases. AMR has more than tripled since our IPO in May of 2019.

Slide 12

John provided an overview of the 2022 financial results, and this slide highlights the progress we have made in Q1.

Subscription revenue growth of 56% reflects the Paying Circle additions and ARPPC uplift I have just outlined.

Hardware revenue increased 3% YoY. Our primary focus is on driving subscription revenue rather than standalone retail sales, and this YoY growth was achieved despite significant reductions in headcount, marketing and R&D expenses in our devices business. We will continue to be disciplined in regard to our spending in this part of the business as part of our emphasis on cash flow. Despite this conservative level of investment, we are continuing to make meaningful improvements to our devices lineup, including our anti-theft mode, use case bundles, and most recently, a newly announced potential partnership with Google to leverage Android phones to expand our network reach in the future.

Other revenue of \$6.5 million reduced 21% YoY. We made the strategic decision to shift to a single aggregated data partnership, and the prior corresponding quarter included revenue from the previous arrangement.

We earlier provided guidance for Life360 to achieve Adjusted EBITDA profitability from Q2'23 onwards and for full year CY23. We have achieved this milestone a quarter early, with Q1'23 positive Adjusted EBITDA of \$0.5 million. The impact of price increases combined with better than expected net subscriber additions delivered ongoing strong momentum in subscription revenue. This positive trend, coupled with the impact of additional cost efficiencies implemented in January, supported the achievement of our Adjusted profitability target ahead of schedule. In a time of macro uncertainty we are focused on balancing fiscal responsibility with prudent investment to position the business for long-term success. We have a strong balance sheet, with cash, restricted cash and cash equivalents of \$76.1 million at March 2023 quarter end.

Slide 13

Turning to our focus on the remainder of 2023 and our continued mission to simplify safety for families. There are four pillars to our strategy, each of which build on the progress we achieved in CY22.

We are investing in the core as we continue to believe we have significant opportunities to improve the user experience, and further differentiate ourselves from our competitors who have much more limited functionality.

We are driving membership through a bundled Tile offering which is fully rolled out in the U.S. market. We are excited about opportunities over time to improve paid user conversion and retention, and while it is early days, we are excited by what appears to be a material improvement in retention, which is the signal we were hoping for at launch. While the initial launch did not focus on increasing top of funnel conversion, in coming months we will be rolling out user flows that more aggressively bring people into the Tile experience. We expect this to drive increases in conversion in the second half of the year, in particular during our critical back-to-school season. We anticipate another year of strong momentum, with guidance of more than 50% YoY growth in subscription revenue.

We are expanding internationally and have established a dedicated management team based in the UK, with a UK launch planned for the second half of 2023. Additionally we are committed to improving the international user experience with global core features. The international rollout of Tiles on the Life360 map is underway, with completion expected in coming days.

And finally, we are maintaining financial discipline and driving financial leverage, building on revenue momentum, strong gross margins and tightly managed opex to support our path to profitability.

Slide 14

Our CY23 earnings expectations are unchanged from the guidance we provided with the Q1 results:

- Core Life360 subscription revenue growth (excluding Tile and Jiobit) in excess of 50% YoY;
- Hardware revenue growth of 0% - 5%;
- Other revenue of approximately \$26 million;
- Consolidated revenue of \$300 - \$310 million;
- Positive Adjusted EBITDA and Operating Cash Flow of \$5 million to \$10 million, with positive Adjusted EBITDA for each quarter of CY23, and positive Operating Cash Flow anticipated on a quarterly basis beginning with Q2'23 and for full CY23.

With that I will hand back to John to conduct the formal part of the meeting.



2023 Annual General Meeting

31 May 2023 9.30am AEST/
30 May 2023 4.30pm US PT





Chairman's Address

John Philip Coghlan

CY22 ACHIEVEMENTS

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



Delivered strong core subscription momentum

~49m

Global Monthly Active Users
+ 37% YoY

1.5m

Global Paying Circles + 23%
YoY while raising U.S. pricing

+22%

YoY lift in CY22 U.S. ARPPC
reflecting price increase



Executed Tile integration strategy



Full team integrations of
Life360, Tile and Jiobit



Major product enhancements:
~8x increase in Tile Finding
network, Tiles on Life360 map



Platform established for
bundled Tile hardware
Membership offering



Established a pathway to profitability

\$224m*

Annualized Monthly Revenue
+61% YoY



Unified platform in place to
support improved subscriber
metrics



Integrated leaner cost base
and reducing commissions
expected to drive efficiencies

*December 2022 Annualized Monthly Revenue (AMR)

CY22 performance



Revenue

\$228.3
Million



Adjusted EBITDA*

(40.1)
Million



Net loss

\$(91.6)
Million



Strong balance sheet

\$90.4
Million cash
and cash
equivalents**

*Adjusted EBITDA was previously referred to as Underlying EBITDA. For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see Appendix 1

** Cash and cash equivalents includes Restricted Cash and November 2022 capital raise of \$32.2m net of transaction costs

Life360 Core Values are Family Safety and Security



- **Our Values:** Refreshed values following the acquisitions of Tile and Jiobit
- **Culture:** Established a new approach to create a culture of belonging
- **People and talent training:** Launched a formal Learning and Development strategy aligned with our employee value proposition
- **Additional employee benefits:** New benefits including Platinum Life360 membership and Tile credits, mental health support, family planning, fitness and medical care



- **Financial Sustainability:** Development of a “Path to Profitability” to ensure the long-term financial sustainability of the Company
- **Data:** New commercial agreement to de-identify and commercialize only aggregated data insights
- **Data security:** Rollout of company wide training programs to enhance security practices
- **ESG reporting:** Establishment of dedicated cross functional ESG committee committed to providing reporting transparency



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



- **Free user experience:** Ongoing investment in the free user experience, and expansion of free features that support family safety and security
- **Privacy:** New privacy policy developed to incorporate the acquisitions of Tile and Jiobit, coming into effect in January 2023
- **Philanthropy:** Employee volunteering initiatives and fund raising to support groups dedicated to supporting families

Connecting families and saving lives



Life360 alerted us right away that she had been in a collision, with her location. We were able to get to her immediately before we even had to get a call from the police, firefighters or paramedics. Well worth it! Get it, if you don't have it. #life360 ”



- Life360 user



2,145,532

Help alerts sent



34,461

Ambulances dispatched



26 Billion

Safe arrival notifications



223 Billion

Miles driven with Life360
Crash Detection



700 Billion

Tile Bluetooth location updates



17 Million

Tile “items left behind”
smart alerts



Chairman's Address

John Philip Coghlan

CEO's Address

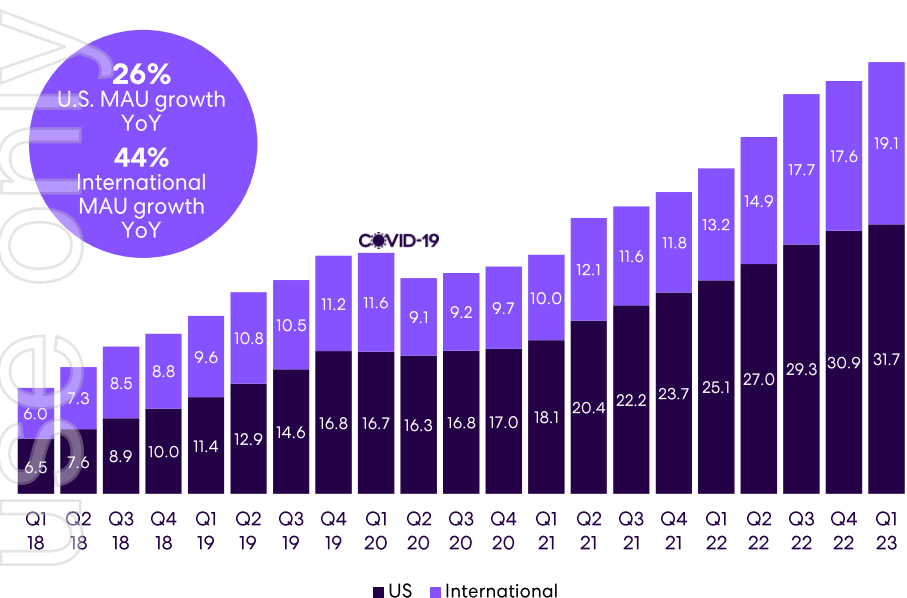
Chris Hulls



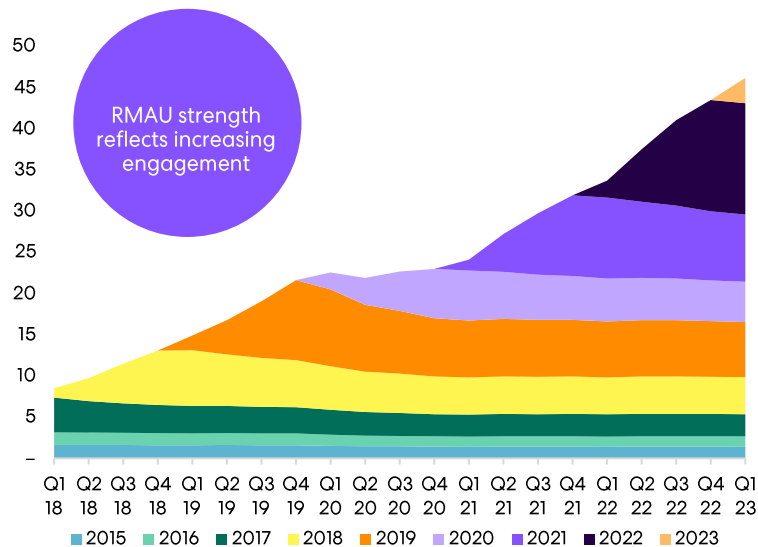
GLOBAL MAU REACHING NEW HEIGHTS WITH STRONG RETENTION

Q1'23 year-on-year growth of 33%

Life360 Core Monthly Active Users (MAU)(M)



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

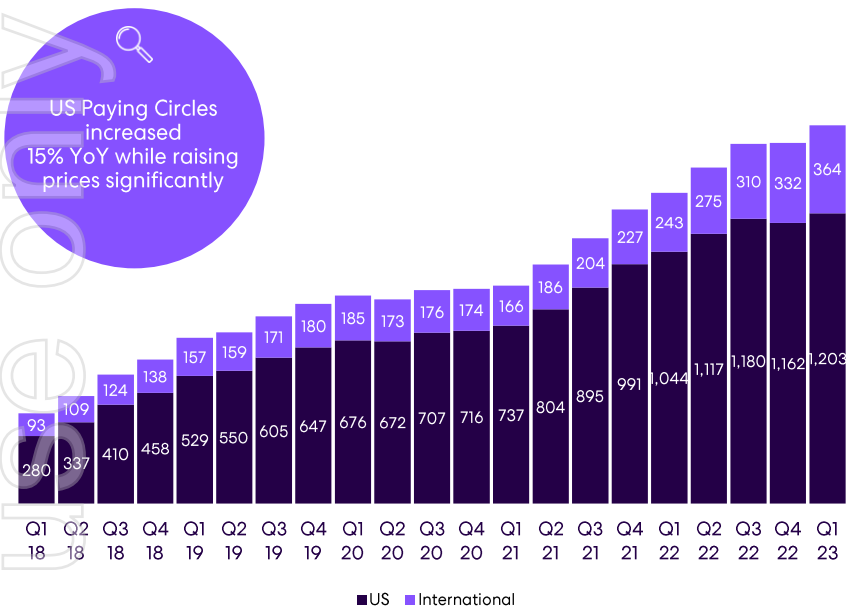


*Returning Monthly Active Users are defined as users that are active in a given month who have registered more than 30 days ago

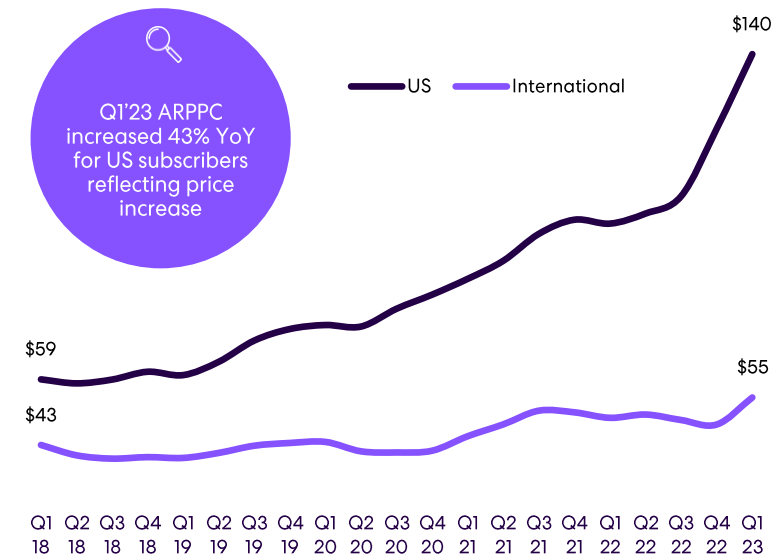
PAYING CIRCLE GROWTH AND ACCELERATING ARPPC GROWTH

Price increase accelerating ARPPC uplift

Paying Circles by geography (000s)*



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

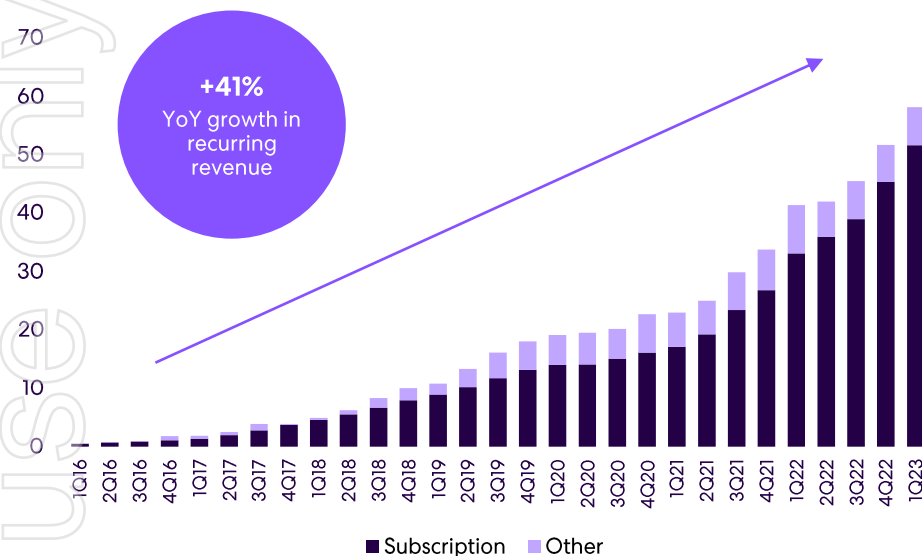


*Price increase took effect across U.S. Membership tiers from November 2022
 Cumulative new and upsell subscribers in the Membership plans of 856,000, comprising Silver (10%), Gold (84%) and Platinum (6%)
 Note: Methodology for calculating Paying Circles was revised from Q1'21

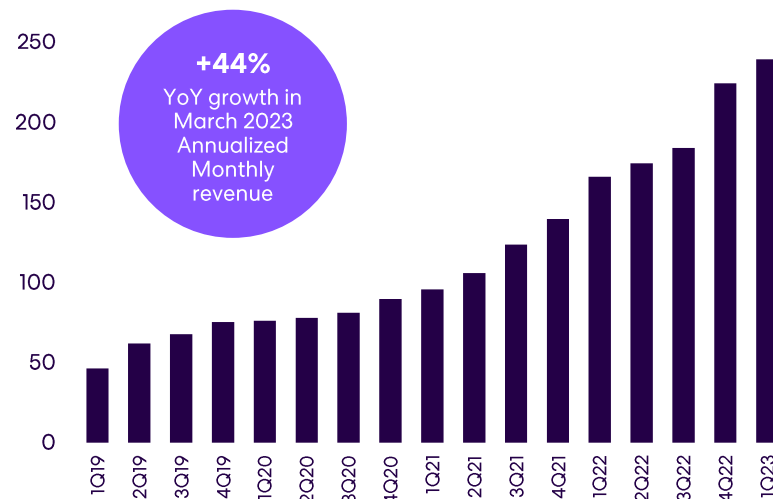
ACCELERATING SUBSCRIPTION REVENUE GROWTH

AMR has more than tripled since our IPO in May 2019

Quarterly Recurring Revenue (\$M)*



Quarterly Annualized Monthly Revenue (\$M)*



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

Q1'23 RESULTS SUMMARY

Delivering on growth

\$M	Q1'22	Q1'23	% ch YoY	CY22 Result	CY23 Guidance
Revenue					
Subscription	33.1	51.7	+56%	153.3	
Hardware	9.6	10.0	+3%	47.9	
Other	8.3	6.5	-21%	27.1	
Total revenue	51.0	68.1	+34%	228.3	300-310
Annualized Monthly Revenue (AMR)	166.1	239.5	+44%	224.4	
Adjusted* EBITDA	(13.7)	0.5		(40.1)	5-10
Cash and cash equivalents**	98.2	76.1		90.4	

Note: Tables may not add due to rounding.

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

** Cash and cash equivalents includes Restricted Cash.

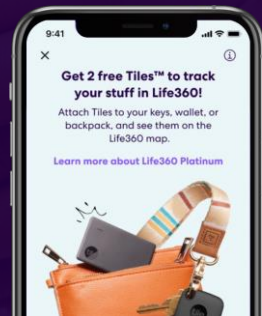
2023 Key Initiatives

Invest in the Core



Amazing user experience drives engagement and upsell to premium

Drive Membership



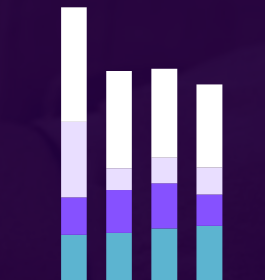
Bundled Tile hardware drives improved conversion and retention

Expand internationally



Launch in the UK provides a base for European expansion

Drive financial leverage



Leveraging revenue growth and strong margins, and managing opex to drive path to profitability

Outlook

For CY23, Life360 expects to deliver:

- Core Life360 subscription revenue growth (excluding Tile and Jiobit) in excess of 50% YoY;
- Hardware revenue growth of 0% to 5%;
- Other revenue of approximately \$26 million;
- Consolidated revenue of \$300 million - \$310 million;
- Positive Adjusted EBITDA* and Operating Cash Flow of \$5 million - \$10 million, with positive Adjusted EBITDA for each quarter of CY23, and positive Operating Cash Flow anticipated on a quarterly basis beginning with Q2'23 and for full CY23.

*Adjusted EBITDA was previously referred to as Underlying EBITDA.

For definitions of EBITDA and Adjusted EBITDA and the use of these non-GAAP measures, as well as a reconciliation of Net Loss to EBITDA and Adjusted EBITDA see Appendix 1

APPENDIX 1

Non-GAAP Financial Measures

(in thousands)	CY22	CY21
EBITDA		
Net loss	\$ (91,629)	\$ (33,557)
Add (deduct):		
Convertible notes fair value adjustment	(1,786)	511
Derivative liability fair value adjustment ⁽¹⁾	(1,295)	733
Provision (benefit) for income taxes	312	(127)
Depreciation and amortization ⁽²⁾	9,199	876
Other (income) expense, net	(13)	178
EBITDA	\$ (85,212)	\$ (31,386)
Stock-based compensation	34,680	11,938
Form 10 and IPO related costs	3,766	-
Acquisition and integration costs	11,949	2,744
(Gain)/loss on revaluation of contingent consideration	(5,279)	3,600
Adjusted EBITDA	\$ (40,096)	\$ (13,104)

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

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

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

EBITDA and Adjusted EBITDA

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

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

APPENDIX 1

Non-GAAP Financial Measures

(in thousands)	Q1'23	Q1'22
Net loss	\$ (14,071)	\$ (25,222)
Add (deduct):		
Convertible notes fair value adjustment	(72)	(1,575)
Derivative liability fair value adjustment ⁽¹⁾	(14)	(914)
Provision (benefit) for income taxes	108	(58)
Depreciation and amortization ⁽²⁾	2,273	2,201
Other (income) expense, net	(843)	546
EBITDA	\$ (12,619)	\$ (25,022)
Stock-based compensation	8,955	6,095
Acquisition and integration costs	-	9,258
Non-recurring workplace restructuring costs ⁽³⁾	3,254	-
Inventory write-off ⁽⁴⁾	916	-
(Gain)/loss on revaluation of contingent consideration	-	(4,000)
Adjusted EBITDA	\$ 506	\$ (13,669)

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

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

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

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

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

EBITDA and Adjusted EBITDA

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Disclaimer

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

This document contains unaudited financial information for the Company that has been prepared by the Company's management. The Company's results are reported under US-GAAP. Investors should be aware that certain financial data included in this presentation including average revenue per paying circle (ARPPC), and average revenue per User (ARPU) is "non-IFRS information" under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by ASIC or "non-GAAP financial measures" within the meaning of Regulation G of the Exchange Act.

All values are stated in US dollars unless otherwise stated.