CY20 H1 Results

Investor Presentation

27 August 2020

Life360

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All values are stated in US dollars unless otherwise stated.

Agenda

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

Financial Overview
Russell Burke, CFO

Outlook
Chris Hulls, Co-Founder and CEO

Q&A

Appendix
1. Operating metrics
2. Competitive landscape

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

Business and Strategy Overview

CY20 H1 Highlights

Delivering on our strategy to build and monetise our user base

$77.9m

June 2020
Annualised Monthly Revenue
+26% YoY

$38.7m

Normalised CY20 H1 revenue*
+57% YoY

+33%

ARPPC** increase of first new Membership cohort post launch vs CY20 H1

845k

+21% YoY Paying Circles growth reflects resilience of subscription model in face of COVID-19

$1.1m

Positive Q2 EBITDA (underlying)

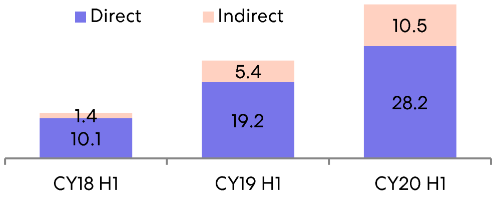
$0.7m

Positive Q2 operating cash flow demonstrating Life360's discretionary business model

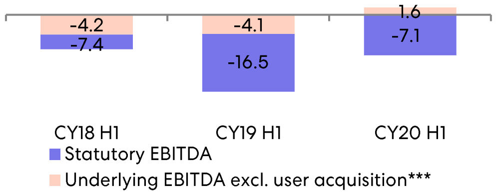
*Includes non-recurring adjustment of approximately $0.9 million in relation to deferral of subscription revenue **Average Revenue Per Paying Circle

Strong CY20 H1 financial performance

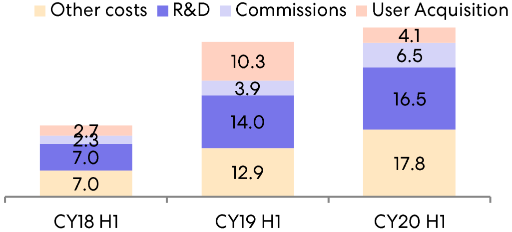
STRONG REVENUE GROWTH SUPPORTED BY MONETISATION OF USER BASE* ($M)



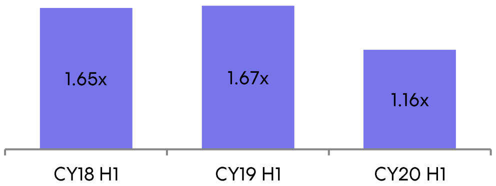
EBITDA LOSSES REFLECT VARIABLE INVESTMENT IN USER ACQUISITION ***($M)



SCALABLE COST BASE WITH DISCRETIONARY INVESTMENT** ($M)

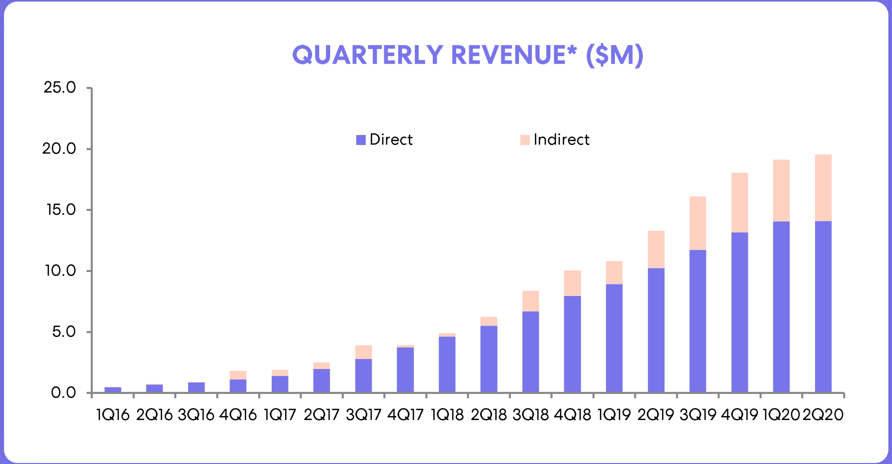


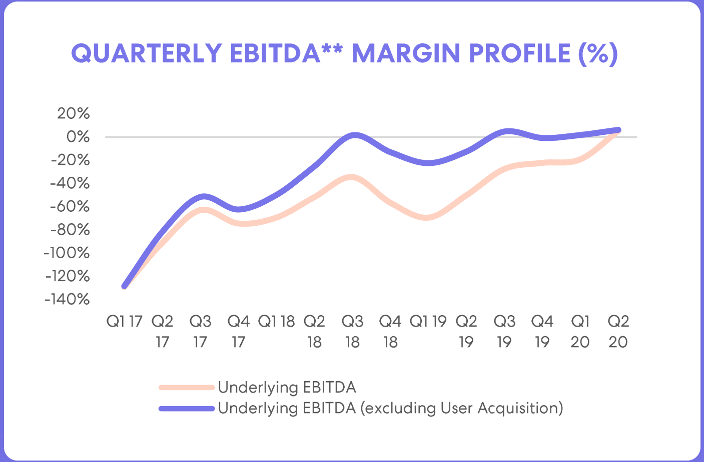
IMPROVING RATIO OF EXPENSES TO REVENUE



* Revenue is underlying revenue including non-recurring adjustment ** Stock Based Compensation is included in Other costs
***Underlying EBITDA excludes Stock Based Compensation and includes CY20 H1 non-recurring adjustment. EBITDA excl. user acquisition shows the impact on EBITDA from the discretionary investment in user acquisition.

Growing revenue in midst of COVID-19 and improving margin profile





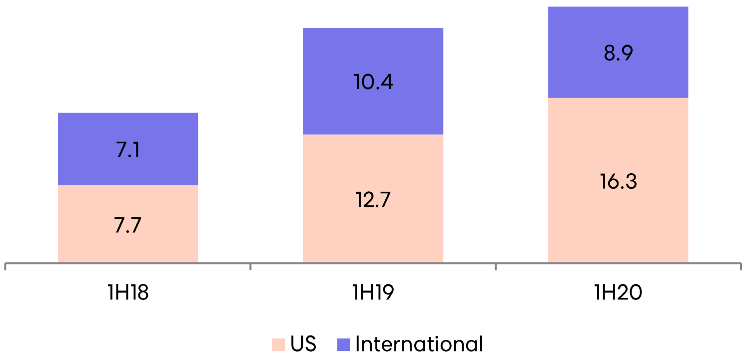
- Direct revenue comprises subscription fees paid by Paying Circles for subscription products
- Indirect revenue is revenue generated from the sale of third party products and services in partnership with companies such as Allstate, and anonymised insights into the data we collect from our user base
- Excludes ADT partnership revenue. December 2018 excludes revenue generated by the Allstate proof of concept trial

* 2Q20 Revenue is underlying revenue including non-recurring adjustment ** Underlying EBITDA excludes Stock Based Compensation

Excellent durability in revenue-generating US MAU

International declines in marginal revenue territories

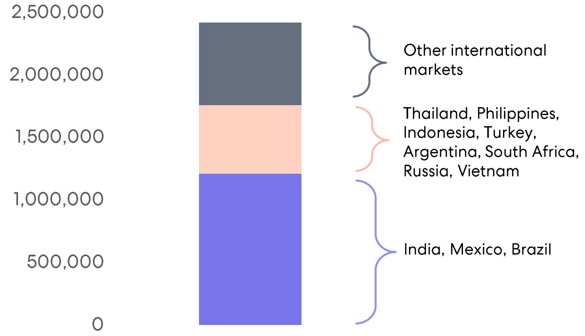
MONTHLY ACTIVE USERS (MAU) (M)



- US 1H20 MAU grew 28% YoY to 16.3m

COVID-19 IMPACT ON INTERNATIONAL USERS

MAU reduction - June versus March 2020

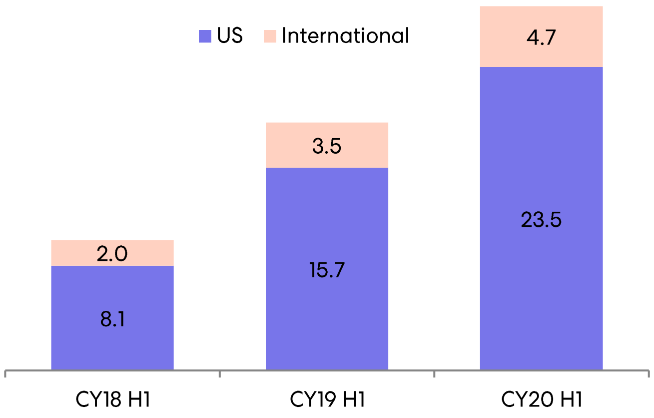


- International 1H 20 MAU declined 14% YoY and 17% versus 2H 19 due to COVID-19 impacts. A portion of the decline attributable to a loss of Google services on Huawei Android handsets
- Top countries for MAU declines account for insignificant revenue contribution
- International Paying Circles were significantly more resilient than MAU, declining at half the rate

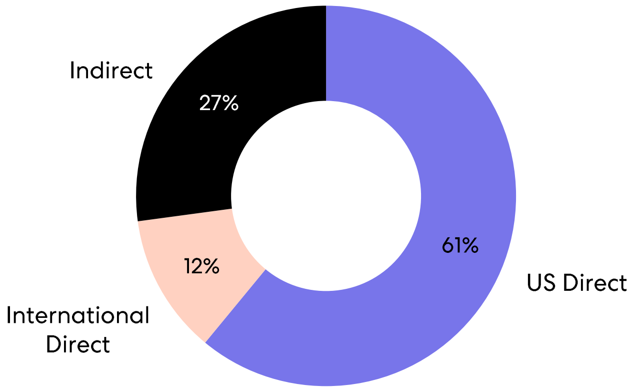
Delivering strong +48% growth in Direct Revenue

CY20 H1 YoY growth

DIRECT REVENUE ($M)*



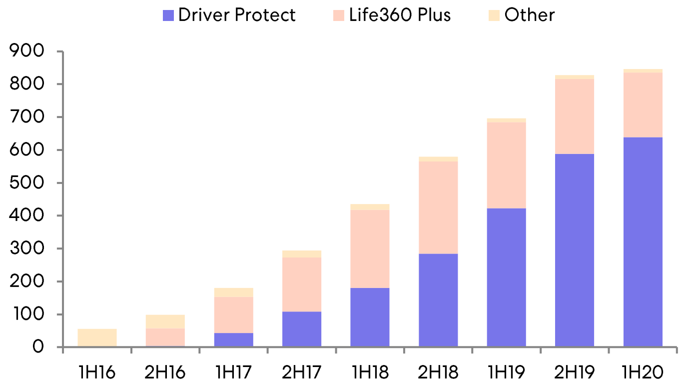
DIRECT REVENUE AS A %
TOTAL LIFE360 REVENUE (CY20 H1)



*Includes non-recurring adjustment of approximately $0.9 million in relation to deferral of subscription revenue

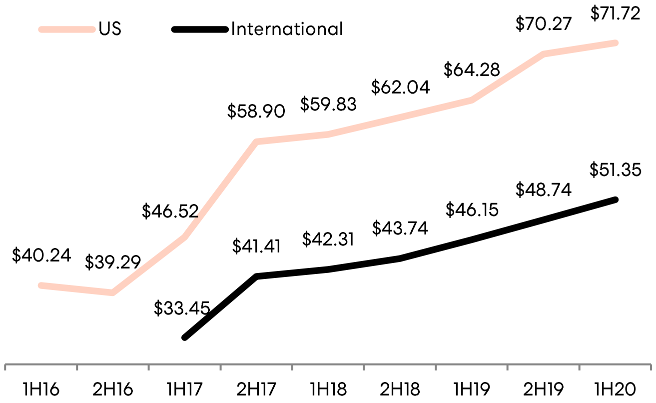
Strong subscription retention while growing ARPPC

PAYING CIRCLES (000s)



- 21% YoY growth in Paying Circles to 845K
- Impressive subscriber retention in the face of disruptions associated with COVID-19

AVERAGE REVENUE PER PAYING CIRCLE (ARPPC)



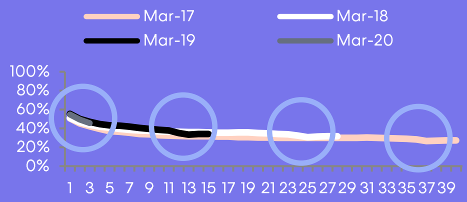
- ~12% YoY increase in 1H20 ARPPC supported by growth in Driver Protect and higher proportion of monthly versus annual subscriptions

Resilient retention despite COVID-19 impact

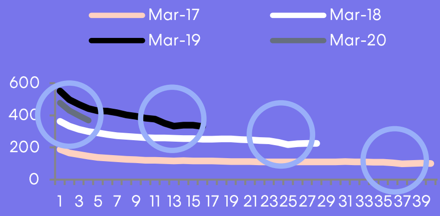
- Charts indicate how long users within a given cohort remain with Life360
- COVID-19 had an initial negative impact on organic users followed by a “bump” of reactivations
- User retention rates benefit from reactivation of previous users
- Minimal impact to long-term Premium users, with resilient retention rates for older Driver Protect cohorts

US ORGANIC USER MONTHLY RETENTION PER COHORT

Relative (% total)

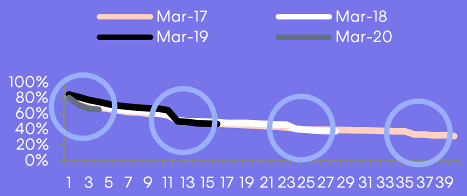


Absolute (000s)

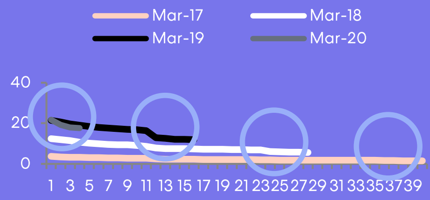


US DRIVER PROTECT SUBSCRIBERS MONTHLY RETENTION PER COHORT

Relative (% total)



Absolute (000s)

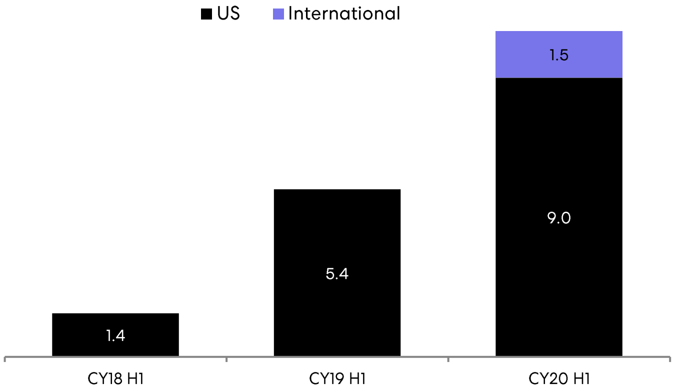


COVID-19 impact period

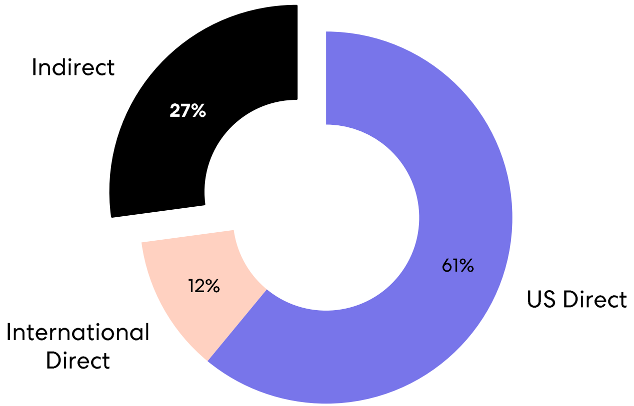
Delivering strong +94% growth in Indirect Revenue

CY20 H1 YoY growth

INDIRECT REVENUE ($M)*



INDIRECT REVENUE AS A %
TOTAL LIFE360 REVENUE (CY20 H1)



* Excludes legacy ADT revenue

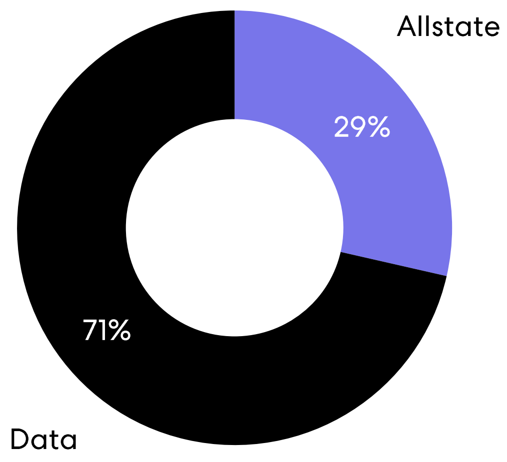
Data

- Data revenue continued to deliver strong YoY growth reflecting Life360's expanded reach
- However COVID-19 is proving detrimental to certain data customers with slowdown expected in H2

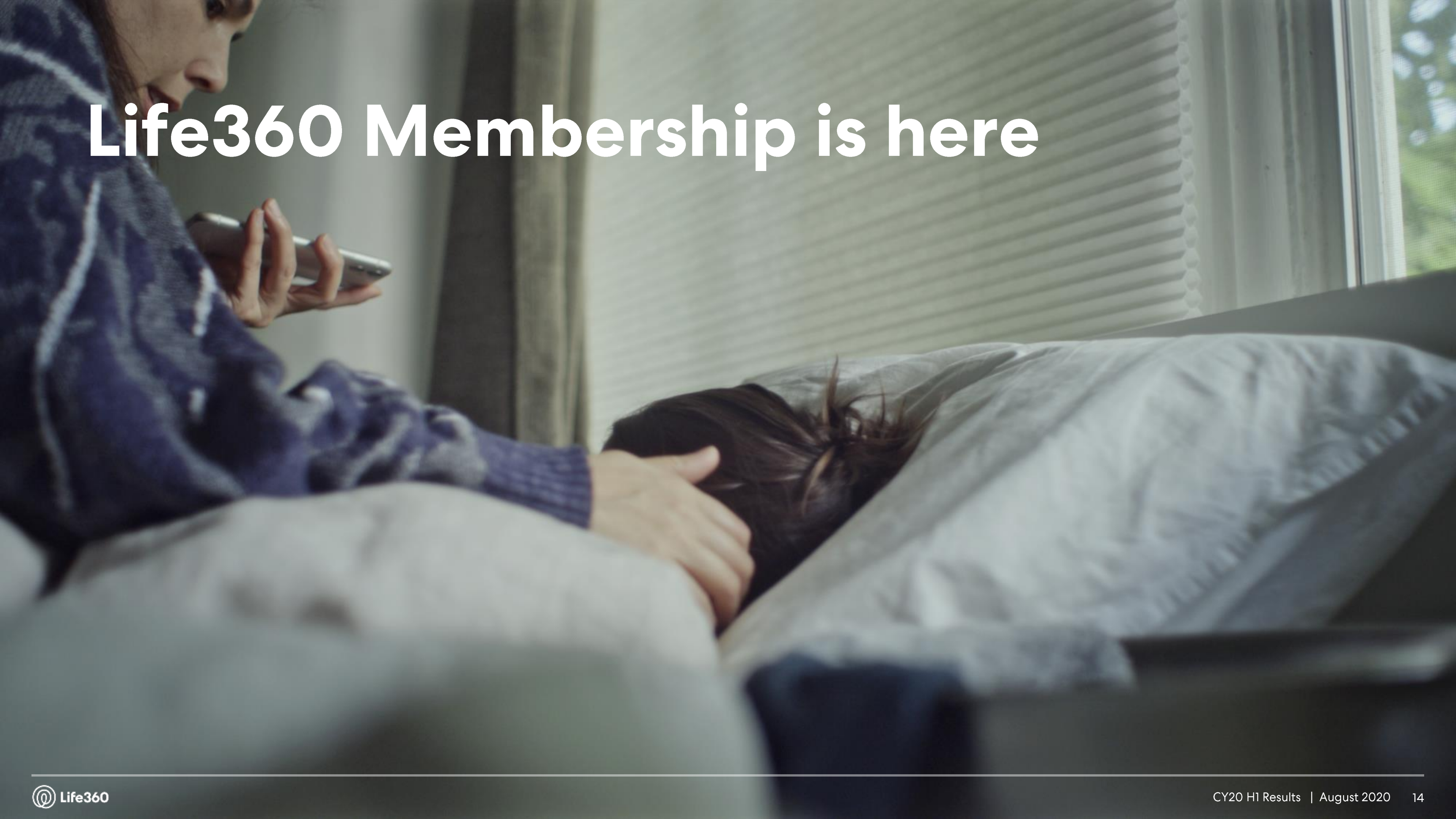
Lead generation

- Auto insurance lead generation with Allstate formally launched in May 2019
- Monthly contribution of $0.5 million of high margin revenue with significant upside
- While COVID-19 has impacted the pace of expansion, this revenue opportunity continues to be developed

CONTRIBUTION TO INDIRECT REVENUE (CY20 H1)



Life360 Membership is here



Putting the "360" into the Life360 name

Scaling from location tracking app to suite of membership services

2008 → 2020

- **Develop the technology**
- **Build our audience** — 10m MAU
- **Prove we can monetise** — Life360 Plus
- **Disrupt an industry** — Driver Protect
- **Create the Membership** — Membership

Membership allows us to offer services that hit the emotional triggers of every life stage

Location and Communication

Crash and Roadside Assistance

Identity Protection

SOS

Disaster, Medical, and Travel Assistance

Ongoing Features & Services (i.e. wearables, Life360 insurance offerings, etc)

Life360 Membership offering

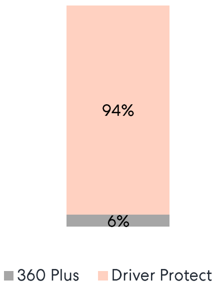
Membership tiers

Basic Life360 Account	Silver	Gold	Platinum
	Make daily coordination a breeze	Protect your family on the go	Be prepared for anything, anywhere
Free	$4.99/mo	$9.99/mo	$19.99/mo
	All **basic** Life360 features, plus...	All **Silver** features, plus...	All **Gold** features, plus...
✓ Real-time Location Sharing	✓ 5 Place Alerts	✓ Unlimited Place Alerts	✓ Disaster Response
✓ 2 Place Alerts	✓ 7 days of Location History	✓ 30 days of Location History	✓ Medical Assistance
✓ 2 days of Location History	✓ Crime Reports	✓ Individual Driver Reports	✓ Travel Support
✓ Unlimited Check-Ins	✓ $100 Stolen Phone Coverage	✓ 24/7 Emergency Dispatch for Crash Detection & SOS Alerts	✓ Credit Monitoring
✓ Crash Detection		✓ Roadside Assistance	✓ 50 miles free towing
✓ Family Driving Summary		✓ 5 miles free towing	✓ $500 Stolen Phone Coverage
✓ SOS Alert		✓ $250 Stolen Phone Coverage	✓ $1M in ID Theft Coverage
		✓ $25K in ID Theft Coverage	
		✓ ID Theft Restoration	

Membership offering

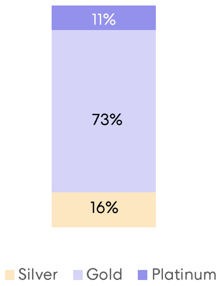
US subscriber profile – new signups

CY20 H1
pre-Membership



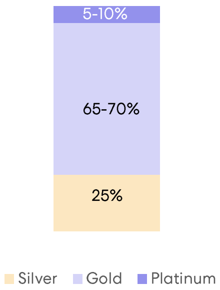
- Prior to Membership launch, new subscribers overwhelmingly chose Driver Protect in CY20 H1

One month post full launch
July 14 to August 14, 2020
(promotional pricing period)*



- New Membership subscriber mix is benefiting from promotional pricing for Platinum tier

CY20 H2
expectations

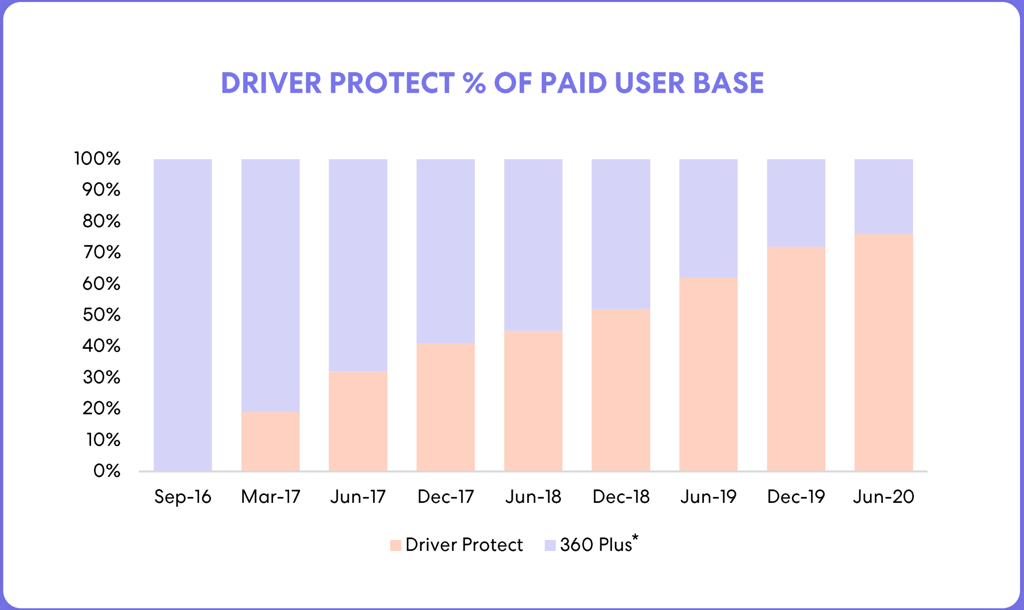


- CY20 H2 subscriber mix expectations reflect conclusion of promotional pricing period

* Ends 9 September 2020

Case Study : Driver Protect Launch

From launch~2 years until subscriber penetration reached 50%



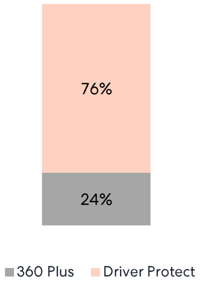
- Driver Protect was launched in the US in October 2016
- After six months, approximately 20% of the subscriber base was Driver Protect
- After 2 years, approximately half of the subscriber base was Driver Protect

* 360 Plus includes other legacy offerings due to data comparability issues in September 2016

Membership offering

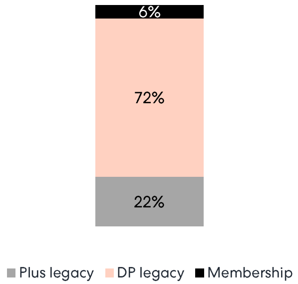
US subscriber profile – total subscriber base

CY20 H1 pre-Membership



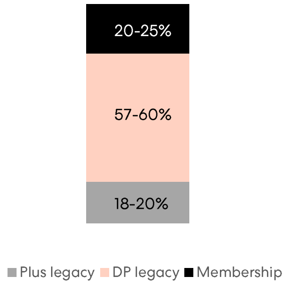
- In CY20 H1 Driver Protect made up 76% of the subscriber base

One month post full launch July 14 to August 14, 2020 *(promotional pricing period*)*



- As of August 14, 2020 more than 40k new and upsell subscribers in the new Membership tier, ~6% of the total US subscriber base of ~688k
- Legacy subscribers are grandfathered into Gold and Silver tiers at Driver Protect and 360 Plus prices

December 2020 expectations



- By December 2020, new Membership subscribers are expected to make up 20-25% of the subscriber base with the remainder on legacy plans

* Ends 9 September 2020

Membership offering

Significant gains in US ARPPC for new cohorts

	CY20 H1 pre-Membership	One month post full launch July 14 to August 14, 2020 *(promotional pricing period*)*	CY20 H2 expectations
New subscribers	**$86.70**	**~$115** +33% vs H1 20	**$110-$115** +~30% vs 1H 20
Total subscriber base	**$71.72**	**-**	**$76-$78** +~7% vs 1H 20

* Ends 9 September 2020

Post-COVID Strategy and Membership Next Steps

Life360 is well positioned to return to accelerating growth in the post-COVID world

Adapt

Build new marketing channels to drive growth when operating environment returns to normal

Invest

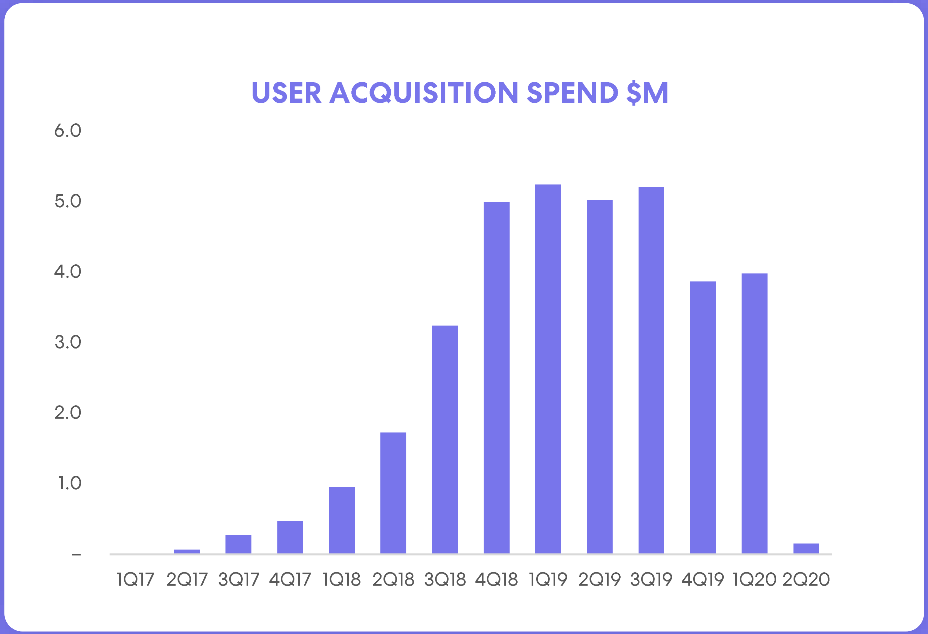
Leverage strong Membership launch by bringing forward R&D investment in new features

Evolve

Evolve from core location to emotion-based digital family communication

Adapt

Maintaining conservative user acquisition spend while investing in new marketing platforms



- Top of funnel performance remains impacted by social distancing. Despite the pause in user acquisition spend, organic traffic is successfully driving MAU growth even as COVID restrictions remain in place
- User acquisition spend will remain disciplined until the operating environment returns to normal
- A portion of these cost savings will be repurposed into other brand, marketing and growth initiatives including:
  - Web-based, direct to premium signup outside the app
  - Regional TV campaign testing
  - Brand campaigns to drive exposure to Membership
  - Enhanced SEO
  - Influencer and celebrity marketing

Invest

We're accelerating Membership due to the successful results of the launch

- Early indicators show Membership outperforming and R&D efforts will be increased
- H2 focus is on building awareness and completing features that were scheduled for phase 2
- Primary in-development feature is the free version of Identity Theft Protection to drive retention and conversion improvements
- Temporary prioritisation of continued investment in Membership ahead of international growth and other revenue opportunities

Membership Launch Status

Live Now (key features only)

SOS

Premium Identity Theft

Family Safety Assist

Enhanced Roadside Assistance

Triple Tier Pricing

H2 Roadmap

Freemium Identity Theft

Member Perks

Expanded Marketing

Fast Follows and Optimisations

Evolve

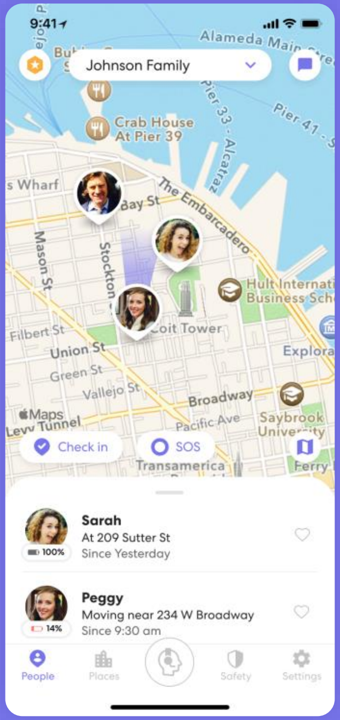
Adapting Life360's roadmap for the post-COVID world

COVID is driving the rapid acceleration of all digital communication trends, allowing the speeding up of Life360's long-planned evolution from "Where are you?" to "How are you?"

- Prioritising the free user experience, specifically communication features, for CY20 H2 and CY21
- Users are now primed for Life360's expansion beyond pure location features. These initiatives will augment how families communicate emotion through digital platforms

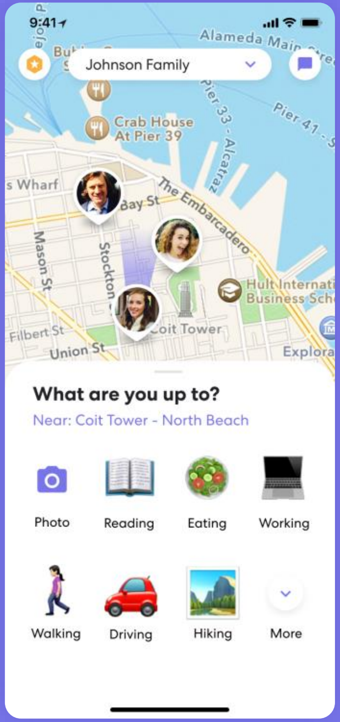
Life360 Pre-COVID

Where are you?



Life360 Post-COVID

How are you?



Note : image is conceptual

Brand and marketing has been adapted to the new environment

Expanding Life360's audience reach and developing new channels

- Now targeting teens as Life360's profile has grown through the pandemic
- Launching new content across multiple channels, including broadcast TV, TikTok and YouTube
- Creating new guerilla-style content that shifts brand perception in creative ways

Parody YouTube video reached 1 million views in ~24 hours

TikTok Case Study

Objective: Address teens on TikTok who had organised 1 star campaign attacking Life360

Strategy: Prioritise building features for teens and use unexpected tactics to shift perception

@Life360CEO TikTok account

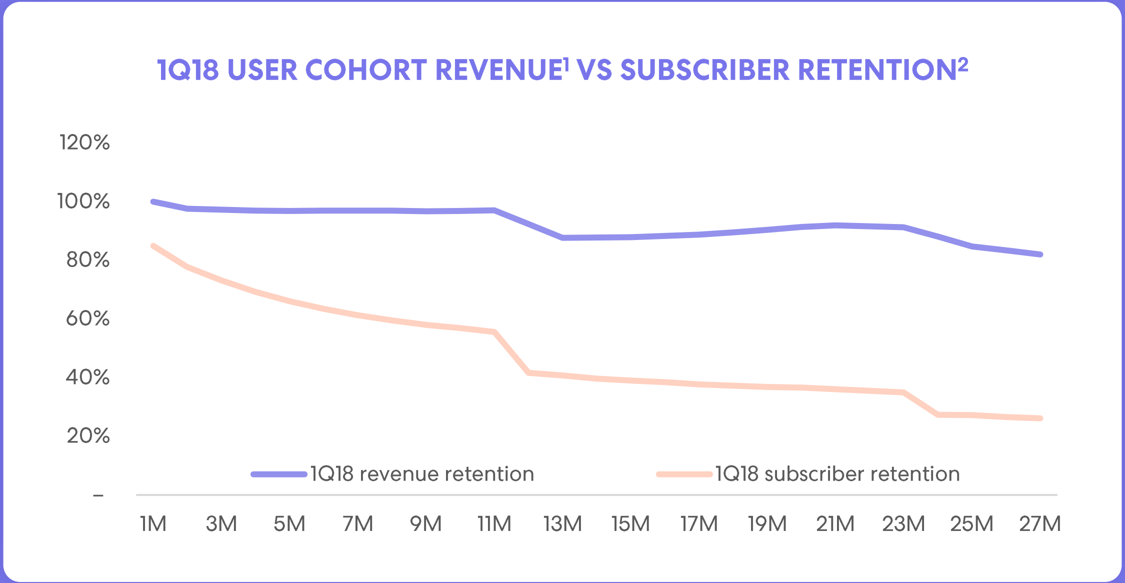
- Established human connection with teens
- Publicly creating "ghost mode" feature to demonstrate our commitment to balanced family relationships
- Drove over 50m views and 10m likes of #life360 content

Result: Significantly improved teen perception; app rating now climbing after initial fall

Financial Overview

Unit Economics

Net revenue retention is significantly higher than subscriber retention

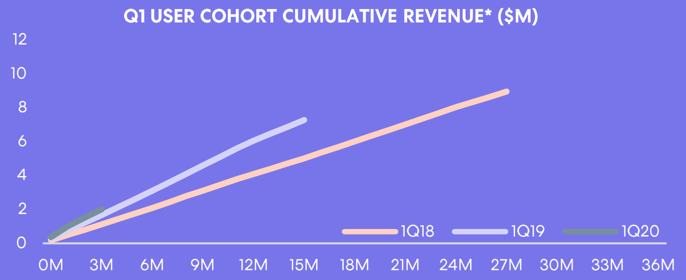


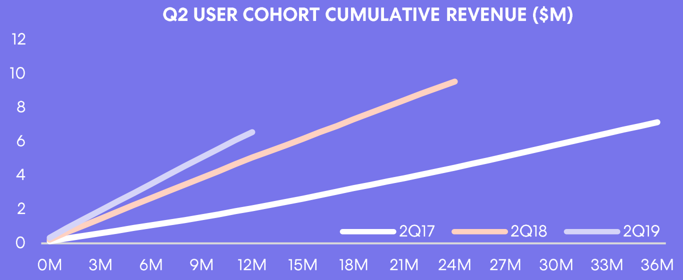
- Revenue retention compares favourably to consumer SaaS peers
- Net revenue retention is significantly higher than subscriber retention due to:
  - Increases in cohort ARPPC over time through upsell to Driver Protect
  - Subscriber churn is offset by users converting to subscriptions over time

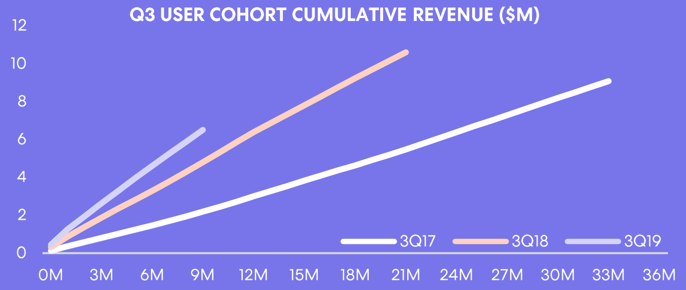
[1] Revenue retention is calculated as month X's revenue relative to the first full month's revenue after the user cohort is acquired. Includes subscription revenue only as indirect revenue was not significant in 1Q18; [2] Subscriber retention is based on US and international subscribers for all products

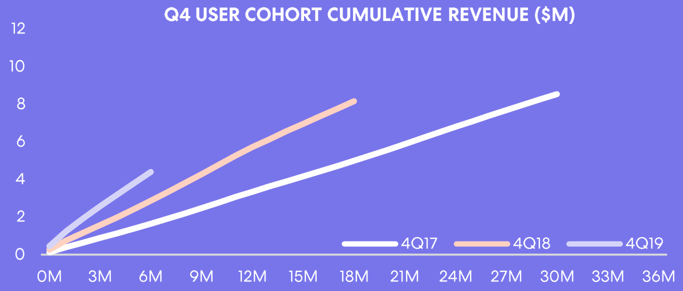
Unit Economics

Increasing revenue per user cohort reflects earlier monetisation of new users and upsell over time





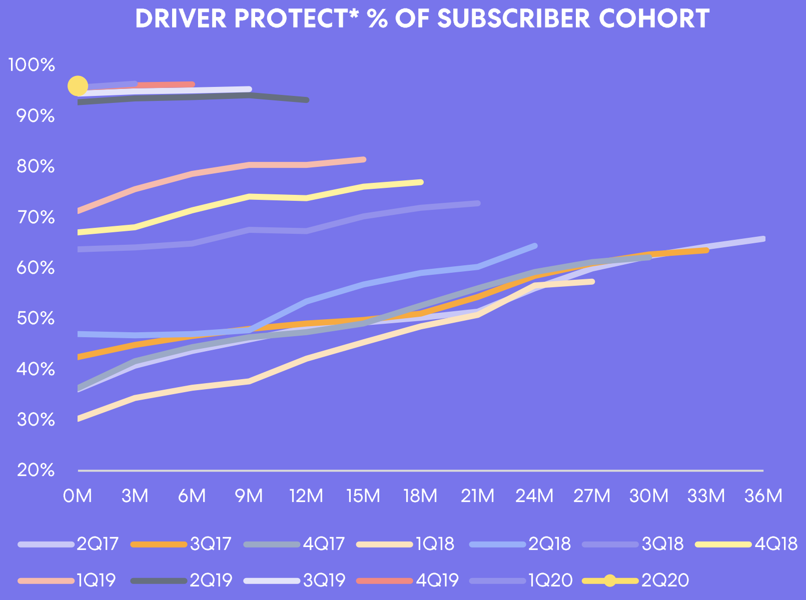


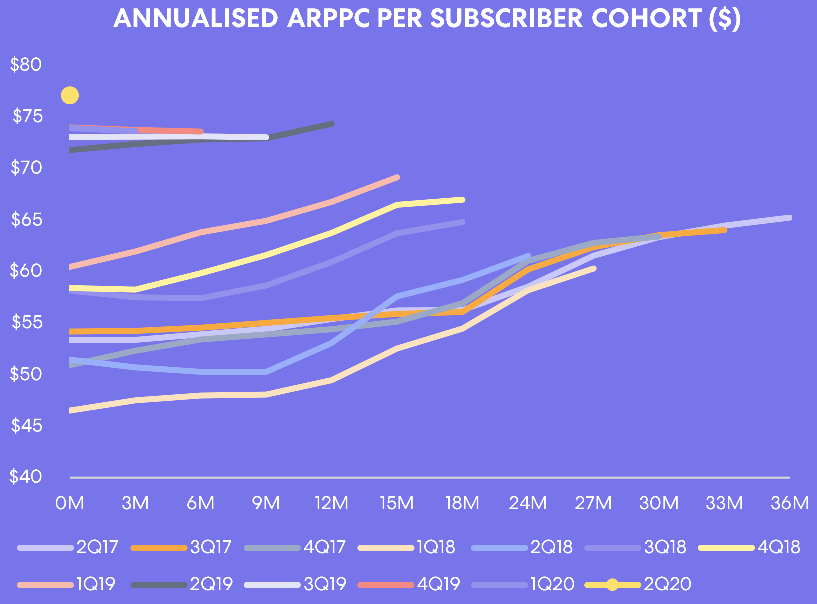


*Revenue per cohort includes global direct and indirect revenue generated by each quarterly cohort over time. Excludes legacy ADT partnership revenue

Unit Economics

Increased take-up of Driver Protect has underpinned increased ARPPC per user cohort

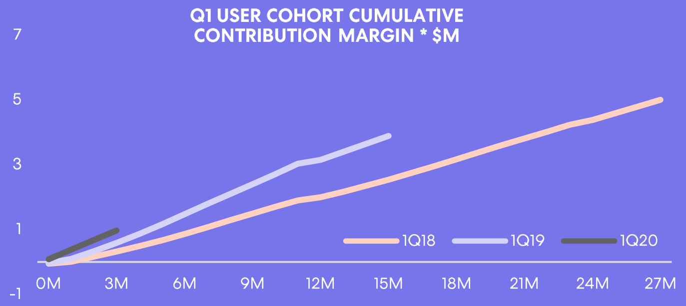


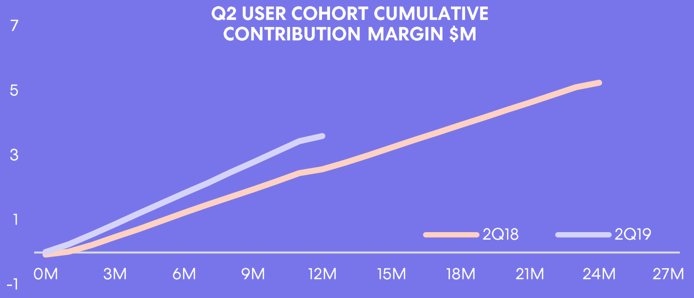


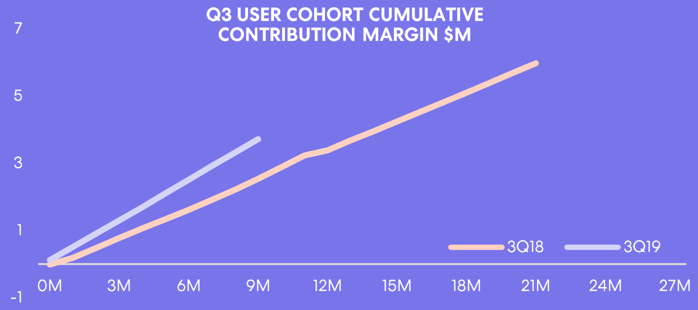
*Driver Protect in the US and Premium in international markets

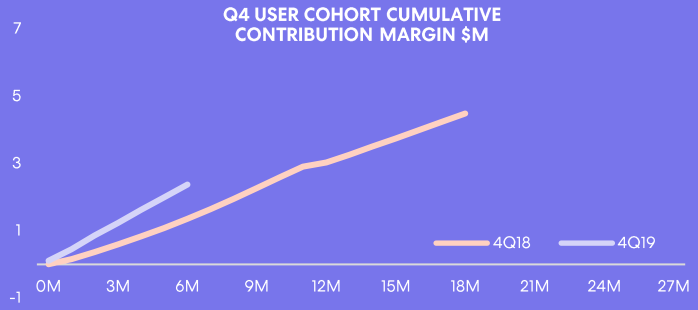
Unit Economics

Increasing contribution margin driven by conversion of free users to subscribers over time





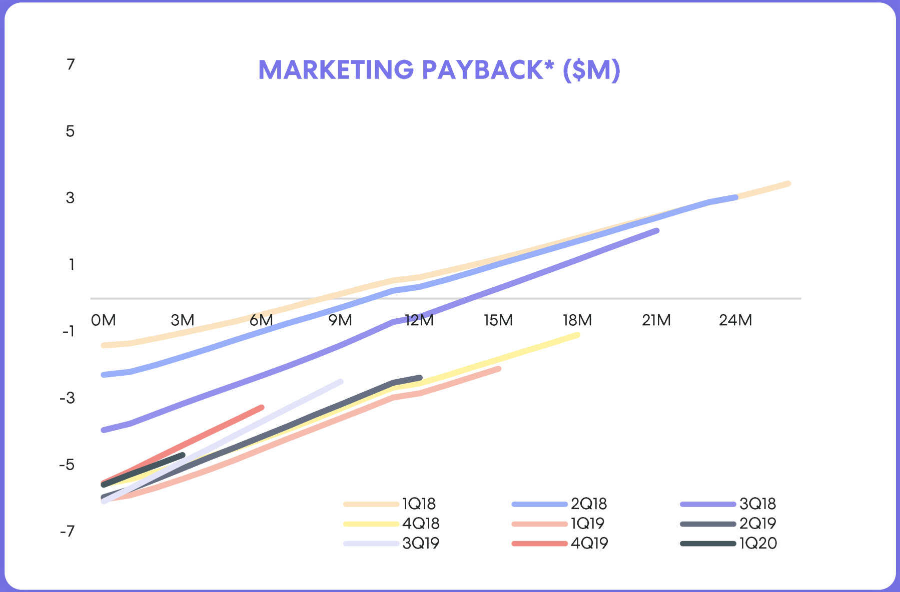




*Contribution margin includes cost of sales (hosting costs for both subscribers and free users, customer support, other technology costs and allocated salaries excluding stock based compensation) and commissions

Unit Economics

Our investment across all marketing channels shows a strong overall return



- Blended summary provides performance insight into overall efforts across all channels in aggregate
- Robust and consistent long-term returns reflect Life360's strong growth engine
- More significant investment in recent cohorts ahead of Membership model launch
- ARPPC uplift from Membership will drive faster payback and capacity to expand into new channels beyond performance based marketing

*Marketing payback calculated as contribution profit, which includes cost of sales less sales & marketing expenses (excluding commissions and stock-based compensation)

Unit Economics

Membership model subscription contribution margin expectations

	Estimated ARPPC	% margin	$ margin[2]
Membership	$110-115[1]	85-90%	~$98
US Legacy	$72	85-90%	~$63
International	$51	90-95%	~$47
Cost of serving free users	-	~(18-20)%	
Gross margin[3]		**65-70%**	
Commissions		25%	-
Contribution margin[4]		**40–45%**	-

- Estimated contribution margin is for subscription only, and does not include higher margin data and lead generation revenue streams

[1] Based on 10% annual / 90% monthly mix; 5-10% Platinum, 65-70% Gold and 25% Silver ; [2] Shown at midpoint of margin and ARPPC range; [3] Non-GAAP gross margin includes hosting costs, membership benefits, customer support, other technology costs and allocated salaries excluding stock based compensation [4] Contribution margin is non-GAAP gross margin less commissions expense

Income Statement

$M	CY19 H1	CY20 H1	% ch YoY
U.S. revenue			
Direct	15.7	22.7	44%
Indirect	5.4	9.0	65%
International revenue			
Direct	3.5	4.6	34%
Indirect	0.0	1.5	NM
Total revenue	**24.6**	**37.8**	**54%**
Customer support	(0.9)	(1.5)	(63)%
Research and Development	(14.0)	(16.5)	(17)%
User acquisition	(10.3)	(4.1)	60%
Sales and marketing	(5.7)	(9.6)	(70)%
General and administrative	(3.4)	(4.6)	(36)%
Technology	(4.7)	(4.9)	(3)%
Stock Based Compensation	(2.1)	(3.7)	(76)%
Operating expenses	**(41.1)**	**(44.9)**	**(9)%**
Statutory EBITDA	**(16.5)**	**(7.1)**	**57%**
Depreciation and amortisation	(0.2)	(0.3)	(99)%
EBIT	**(16.7)**	**(7.4)**	**56%**
Net interest	(0.2)	0.2	NM
Other	(0.2)	0.0	NM
Tax	-	-	
Statutory Net Profit/(loss)	**(17.1)**	**(7.2)**	**58%**
Non-GAAP Adjustments:			
Stock Based Compensation	2.1	3.7	76%
Non-recurring adjustment*	0.0	0.9	NM
Underlying EBITDA excl. non-GAAP adjustments	**(14.4)**	**(2.6)**	**82%**
Underlying net profit/(loss) excl. non-GAAP adjustments	**(15.0)**	**(2.6)**	**82%**
Diluted share count (period end)	48,274,415	48,294,402	
Diluted share count (period avg)	20,169,335	49,109,268	

* Non-recurring adjustment reflects the deferral of a portion of monthly subscription sales through a channel partner

Commentary

- Direct revenue growth of 48% (including non-recurring adjustment) supported by 21% YoY growth in Paying Circles to 845k. ~12% increase in ARPPC due to shift to Driver Protect and higher proportion of monthly vs annual subscriptions
- Indirect revenue growth of 94% resulting from strong growth in Data revenue, and the contribution from Allstate lead generation partnership
- Higher Research and Development expenses due to higher FTE to support product development
- Lower user acquisition expenses reflect deliberate pause in performance marketing investment to adapt to the COVID-19 pandemic
- Increased sales and marketing expense due to growth in commissions proportionate to subscription sales
- General and administration expense reflects disciplined overhead spend to scale the business
- Technology expenses largely relate to server costs which were stable
- Reduced EBITDA loss driven by strong revenue growth, significant reduction in user acquisition spend, and moderating growth in other expenses.

Balance Sheet

$M	Statutory Dec 2019	Statutory June 2020
Cash and cash equivalents	63.8	58.2
Accounts receivable	7.9	10.3
Costs capitalised to obtain revenue contracts, net	4.5	4.0
Prepaid expenses and other current assets	5.3	5.9
Total current assets	**81.5**	**78.4**
Property and equipment, net	0.5	0.9
Costs capitalised to obtain revenue contracts, net of current portion	1.3	1.3
Intangible assets, net	1.0	0.9
Other non-current assets	4.0	6.8
Total non-current assets	**6.8**	**9.9**
Total assets	**88.3**	**88.3**
Accounts payable and accrued expenses	3.9	5.1
Deferred revenue	11.1	11.1
Total current liabilities	**15.0**	**16.2**
Other non-current liabilities	1.0	3.0
Total non-current liabilities	**1.0**	**3.0**
Total liabilities	**16.0**	**19.2**
Common stock	0.1	0.1
Notes from affiliates	(0.6)	(0.6)
Additional paid-in capital	188.3	192.3
Accumulated deficit	(115.5)	(122.7)
Total equity	**72.3**	**69.1**
Total equity & liabilities	**88.3**	**88.3**

Note : Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Commentary

- Cash and cash equivalents decreased by $5.6m largely reflecting cash outflow from operating activities
- Accounts receivable increased by $2.4m due to the timing of payments from a channel partner
- Other non-current assets increased by $2.8m due to the adoption of the new lease standard
- Accounts payable and accrued expenses, and other non-current liabilities, increased by $1.2m and $2.0m respectively, mainly due to the adoption of the new lease standard

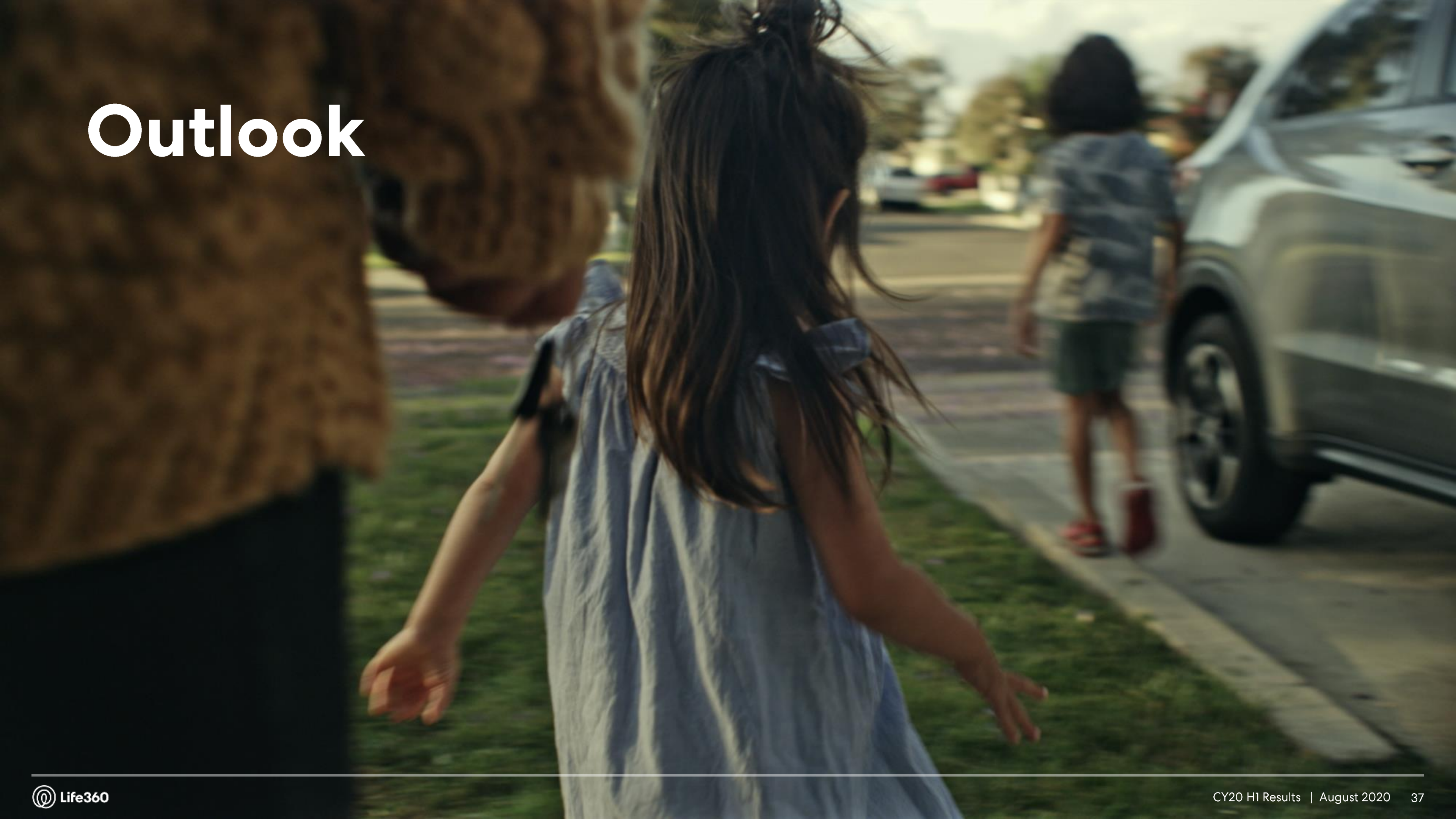
Cash Flow

$M	CY19 H1	CY20 H1
Statutory EBITDA (pre user acquisition)	(6.2)	(3.0)
User acquisition costs	(10.3)	(4.1)
Statutory EBITDA	(16.5)	(7.1)
Stock-based compensation	2.1	3.7
Deferred revenue	0.9	(0.1)
Costs capitalised to obtain contracts	(1.5)	(1.3)
Changes in other operating assets and liabilities	(3.1)	(2.5)
Other non cash items in EBITDA	1.4	1.8
Net Cash Inflow / (Outflow) from Operating Activities	**(16.7)**	**(5.5)**
Purchases of capital assets and cash paid for acquisition, net	(0.1)	(0.5)
Net Cash Inflow / (Outflow) from Investing Activities	**(0.1)**	**(0.5)**
Proceeds from issuance of common stock in initial public offering, net of underwriting commissions	75.9	0.0
Payments of deferred offering costs	(1.8)	0.0
Net proceeds from the exercise of options and grant of stock awards, net of repurchase	0.3	0.3
Proceeds from borrowings	0.0	3.1
Payments on borrowings	(5.0)	(3.1)
Net Cash Inflow / (Outflow) from Financing Activities	**69.4**	**0.3**
Net Cash Inflow / (Outflow)	52.6	(5.7)
Cash at Beginning of Period	26.1	64.1
Cash at End of Period	**78.7**	**58.4**

Commentary

- Net cash outflows from operating activities reduced by $11.2m due to strong revenue growth and a $6.2m reduction in user acquisition spend undertaken in response to the COVID-19 environment
- Net cash outflows from investing activities reflects minor investment in property, plant and equipment
- Net cash inflows from financing activities reflect proceeds from the exercise of options. In addition, during the period the Company received proceeds of a loan under the CARES Act and repaid the loan

Outlook



Outlook

- There remain significant uncertainties regarding general conditions in the US and globally as a result of social distancing relating to COVID-19, as well as significant variations in how different jurisdictions are dealing with the pandemic.

- While our business model has proven to be very resilient, and growth in US MAU resumed after an initial COVID-related decline in April, there is still significant uncertainty as to the pace of recovery, and specifically for the seasonally important Q3 "back to school" period.

- Despite these challenges, the initial results of the new Membership offering are very pleasing. New subscriber growth is strong with more than 40,000 new and upsell subscribers in the new Membership tiers as of August 14, 2020, the first month since full launch. As expected, new cohort ARPPC is showing a significant uplift, with a 33% increase versus CY20 H1.

- Although we paused most paid acquisition in Q2, we have already resumed additional broad investment in new marketing initiatives. The pace of this investment, along with full resumption of paid user acquisition, will accelerate when the operating environment returns to normal. While we expect a continuing challenging environment, we are also assuming that there is no significant increase in social distancing patterns related to COVID-19 in the US, and that there is no material additional downturn in the Data business either from iOS 14 or other factors.

- In this environment, CY20 is currently expected to deliver:
  - Revenue in the range of $79 - $82 million
  - Underlying EBITDA loss (excluding Stock Based Compensation) in the range of $(10)-$(14) million
  - Operating cash outflow in the range of $(10)-$(14) million.

Note: Revenue and EBITDA guidance include non-recurring adjustment of $0.9 million

Q&A

Appendix

1. Operating Metrics

	CY18 H1	CY19 H1	CY20 H1	CY17	CY18	CY19
MAU (millions)						
U.S.	7.7	12.7	16.3	5.7	10.0	16.3
International	7.1	10.4	9.0	5.4	8.5	10.9
Total	**14.8**	**23.1**	**25.2**	**11.1**	**18.5**	**27.2**
Paying Circles (millions)						
U.S.	0.33	0.53	0.67	0.22	0.45	0.64
International	0.10	0.16	0.17	0.07	0.13	0.19
Total	**0.43**	**0.69**	**0.84**	**0.29**	**0.58**	**0.83**
Direct ARPPC (US$ annualised)						
U.S.	59.83	64.28	71.72	50.25	60.75	67.30
International	42.31	46.15	51.35	34.78	43.64	47.16
Total ARPU (US$ annualised)						
U.S.	2.76	3.66	4.15	2.19	3.27	3.86
International	0.64	0.72	0.94	0.38	0.63	0.79

(1) The number of International Paying Circles in CY16 is not available from our internal reporting systems
Note : ARPU calculation excludes ADT revenue

2. Competitive Landscape

Membership Services

T Mobile
Stolen Phone Reimbursement
$45/month

Geozilla
Driver Reports
$16/month

Teladoc HEALTH
$20/month

LifeLock
$140/month

AAA
$15/month

verizon
Smart Family™
$5/month

NOONLIGHT
$10/month

Crime Report
$10/month

Total Cost*
$256.34/month

Life360

- Roadside Assistance
- Nurse Helpline
- SOS Alert
- Driver Reports
- Stolen Phone Reimbursement
- ID Theft Protection
- Crash Detection
- Disaster Assistance
- Travel Assistance
- Location Sharing And more...

Life360 Cost
$19.99/month

*Assuming family household of four people. Prices may vary.