ASX Small and Mid-Cap Conference

10 September 2020
Russell Burke, CFO

Life360
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The world’s leading family safety service.

Family love is universal, and we are all connected by the need to keep loved ones safe. That’s why Life360 is trusted by over 25 million members worldwide across 13 languages—and counting.
Life360
Company Snapshot

US HQ
San Francisco-based

360.AX
ASX-listed
CHESS Depository Interest (CDI)

IPO
May 2019

~200
Employees

~A$600m
Market capitalisation
4 September 2020

$58.4m
Net cash at June 2020

Note: All references in this presentation to $ are to US$
Life360

Business Snapshot

25m
Monthly Active Users at June 2020

845k
Paying Circles (subscribers) at June 2020

195
countries

13
languages

$77.9m
June 2020 Annualised Monthly Revenue

$38.7m
Normalised CY20 H1 revenue* +57% YoY

$(2.6)m
CY20 H1 underlying EBITDA loss** +82% YoY improvement

*Includes non-recurring adjustment of approximately $0.9 million in relation to deferral of subscription revenue  ** Includes non-recurring adjustment and excludes stock based compensation
Market opportunity

Life360 has significant growth opportunity in US and international markets.
“Freemium” model
Monetises free users and subscribers
"Freemium" model
Users convert into subscribers over a very extended timeframe

- 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 subscription
  - Subscriber churn is offset by users converting to subscriptions over time

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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.
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 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

* 2020 Revenue is underlying revenue including non-recurring adjustment  ** Underlying EBITDA excludes Stock Based Compensation
Direct Revenue – strong subscription retention while growing ARPPC

**PAYING CIRCLES (000s)**

- Driver Protect
- Life360 Plus
- Other

- 21% growth in 1H 20 Paying Circles to 845K
- Impressive subscriber retention in the face of disruptions associated with COVID-19

**AVERAGE REVENUE PER PAYING CIRCLE (ARPPC)**

- US: $40.24, $39.29, $33.45, $41.41, $42.31, $43.74, $46.15, $48.74, $51.35
- International: $46.52, $58.90, $59.83, $62.04, $64.28, $70.27, $71.72

- ~12% YoY increase in 1H20 ARPPC supported by growth in Driver Protect and higher proportion of monthly versus annual subscriptions
Indirect Revenue – strong growth in data and lead generation

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
Life360 Membership is here
Putting the “360” into the Life360 name

Scaling from location tracking app to suite of membership services

2008

- Develop the technology
- Build our audience
- Prove we can monetise
- Disrupt an industry

2020

- Create the Membership
  - 10m MAU
  - Life360 Plus
  - Driver Protect
  - Membership
Membership allows us to offer services that hit the emotional triggers of every life stage
Membership allows us to offer services that hit the emotional triggers of every life stage
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

Families with teens
Families with college kids
Empty nesters
Aging parents
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)

Families with newborns
Families with young kids
Families with teens
Families with college kids
Empty nesters
Aging parents
Life360 Membership offering

Membership tiers

**Basic Life360 Account**
Free
- Real-time Location Sharing
- 2 Place Alerts
- 2 days of Location History
- Unlimited Check-Ins
- Crash Detection
- Family Driving Summary
- SOS Alert

**Silver**
Make daily coordination a breeze
$4.99/mo
- All basic Life360 features, plus...
  - 5 Place Alerts
  - 7 days of Location History
  - Crime Reports
  - $100 Stolen Phone Coverage

**Gold**
Protect your family on the go
$9.99/mo
- All Silver features, plus...
  - Unlimited Place Alerts
  - 30 days of Location History
  - Individual Driver Reports
  - 24/7 Emergency Dispatch for Crash Detection & SOS Alerts
  - Roadside Assistance
  - 5 miles free towing
  - $250 Stolen Phone Coverage
  - $25K in ID Theft Coverage
  - ID Theft Restoration

**Platinum**
Be prepared for anything, anywhere
$19.99/mo
- All Gold features, plus...
  - Disaster Response
  - Medical Assistance
  - Travel Support
  - Credit Monitoring
  - 50 miles free towing
  - $500 Stolen Phone Coverage
  - $1M in ID Theft Coverage
*Assuming family household of four people. Prices may vary.
Membership Launch – First Full Month Results*
Strong take-up and ARPPC** uplift

>40k
New and upsell subscribers in the new membership tier

~6%
of US subscribers in the new membership tier

+33%
ARPPC** increase of first new Membership cohort post launch vs CY20 H1

*First full month is 14 July – 14 August 2020  **Average Revenue Per Paying Circle
## Unit Economics

Membership model subscription contribution margin expectations

<table>
<thead>
<tr>
<th></th>
<th>Estimated ARPPC</th>
<th>% margin</th>
<th>$ margin²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>$110-115¹</td>
<td>85-90%</td>
<td>~$98</td>
</tr>
<tr>
<td>US Legacy</td>
<td>$72</td>
<td>85-90%</td>
<td>~$63</td>
</tr>
<tr>
<td>International</td>
<td>$51</td>
<td>90-95%</td>
<td>~$47</td>
</tr>
<tr>
<td>Cost of serving free users</td>
<td>-</td>
<td>~(18-20)%</td>
<td></td>
</tr>
</tbody>
</table>

**Gross margin³**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissions</td>
<td>25%</td>
<td>-</td>
</tr>
</tbody>
</table>

**Contribution margin⁴**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40-45%</td>
<td>-</td>
</tr>
</tbody>
</table>

* 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
Membership will directly benefit Life360’s most important financial drivers

- **Increase in total addressable market and brand reach**
  - New features go beyond location to relevance at all life stages

- **Increase in Premium conversion**
  - Broader offering provides more opportunities to convert

- **Increase in Average Revenue Per Paying Circle**
  - Tiered offering and segmentation supports higher pricing

- **Decrease in churn**
  - Longer relevant lifecycle and higher value will reduce churn

- **Significantly higher user Lifetime Value and company revenue**
Thank you

Life360 Investor Relations
https://investors.life360.com
## Income Statement

<table>
<thead>
<tr>
<th>SM</th>
<th>CY19 H1</th>
<th>CY20 H1</th>
<th>% ch YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>15.7</td>
<td>22.7</td>
<td>44%</td>
</tr>
<tr>
<td>Indirect</td>
<td>5.4</td>
<td>9.0</td>
<td>65%</td>
</tr>
<tr>
<td><strong>International revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>3.5</td>
<td>4.6</td>
<td>34%</td>
</tr>
<tr>
<td>Indirect</td>
<td>0.0</td>
<td>1.5</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>24.6</td>
<td>37.8</td>
<td>54%</td>
</tr>
<tr>
<td>Customer support</td>
<td>(0.9)</td>
<td>(1.5)</td>
<td>(63)%</td>
</tr>
<tr>
<td>Research and Development</td>
<td>(14.0)</td>
<td>(16.5)</td>
<td>(17)%</td>
</tr>
<tr>
<td>User acquisition</td>
<td>(10.3)</td>
<td>(4.1)</td>
<td>60%</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>(5.7)</td>
<td>(9.6)</td>
<td>(70)%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>(3.4)</td>
<td>(4.6)</td>
<td>(36)%</td>
</tr>
<tr>
<td>Technology</td>
<td>(4.7)</td>
<td>(4.9)</td>
<td>(3)%</td>
</tr>
<tr>
<td>Stock Based Compensation</td>
<td>(2.1)</td>
<td>(3.7)</td>
<td>(76)%</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(41.1)</td>
<td>(44.9)</td>
<td>(9)%</td>
</tr>
<tr>
<td><strong>Statutory EBITDA</strong></td>
<td>(16.5)</td>
<td>(7.1)</td>
<td>57%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(0.2)</td>
<td>(0.3)</td>
<td>(99)%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>(16.7)</td>
<td>(7.4)</td>
<td>56%</td>
</tr>
<tr>
<td>Net interest</td>
<td>(0.2)</td>
<td>0.2</td>
<td>NM</td>
</tr>
<tr>
<td>Other</td>
<td>(0.2)</td>
<td>0.0</td>
<td>NM</td>
</tr>
<tr>
<td>Tax</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Statutory Net Profit/(loss)</strong></td>
<td>(17.1)</td>
<td>(7.2)</td>
<td>58%</td>
</tr>
<tr>
<td><strong>Non-GAAP Adjustments:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Based Compensation</td>
<td>2.1</td>
<td>3.7</td>
<td>76%</td>
</tr>
<tr>
<td>Non-recurring adjustment*</td>
<td>0.0</td>
<td>0.9</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Underlying EBITDA excl. non-GAAP adjustments</strong></td>
<td>(14.4)</td>
<td>(2.6)</td>
<td>82%</td>
</tr>
<tr>
<td><strong>Underlying net profit/(loss) excl. non-GAAP adjustments</strong></td>
<td>(15.0)</td>
<td>(2.6)</td>
<td>82%</td>
</tr>
</tbody>
</table>

| 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

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

---

### 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.

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*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.*
Cash Flow

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

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
Existing Service

Location and Communication

Crash and Roadside Assistance

Call for Roadside Assistance

**Car towing**
If you’re stuck on the road, we’ll get your car towed to safety (5 free miles with Gold, 50 free miles with Platinum).

**Tire change**
We’ll send help to your vehicle’s location to change a flat or blown tire.

**Vehicle lock out**
Keys missing or stuck in the car? We’ll send a locksmith to get you back in.
New Service
ID Theft Protection
**890-50**
Sarah has triggered an SOS on Life360. An emergency dispatcher will reach out to them and send police if needed or if there’s no answer. Please check on them by viewing their current location: [life360:uhf784LgVX](#)
Introducing
Family Safety Assist

NEW! Family Safety Assist
Get live help anytime, anywhere.
See how it works

Hi Peggy,
how can we help?

- Roadside Assistance
- ID Theft Protection
- Disaster Response
- Medical Assistance
- Travel Support
Introducing
Family Safety Assist
Membership Benefits

Life360 Perks

Your May perk is here.
For the next month, Life360 members have free access to more than 120 online classes from Brit + Co.
Claim your perk
No thanks

Your June perk is here.
Exclusive access to 25% off the JUDY emergency prep kit of your choice — so your family is prepared for anything.
Claim your perk
No thanks

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