

# Life360 Investor Presentation

24 March 2023



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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.

# Agenda

01

**Business &  
Strategy  
Update**

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02

**Financial  
Overview**

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**Chris Hulls**  
Chief Executive Officer



**Russell Burke**  
Chief Financial Officer

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

The Unaudited Consolidated Financial Statements for the year ended 31 December 2022 have been prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP) and are in the process of being audited. At the date of these Unaudited Consolidated Financial Statements, the Company is not aware of any material matter that would impact the reported results.

Subscription revenue was previously referred to as Direct revenue and Other revenue was previously referred to as Indirect revenue

01

# Business & Strategy Update

Chris Hulls



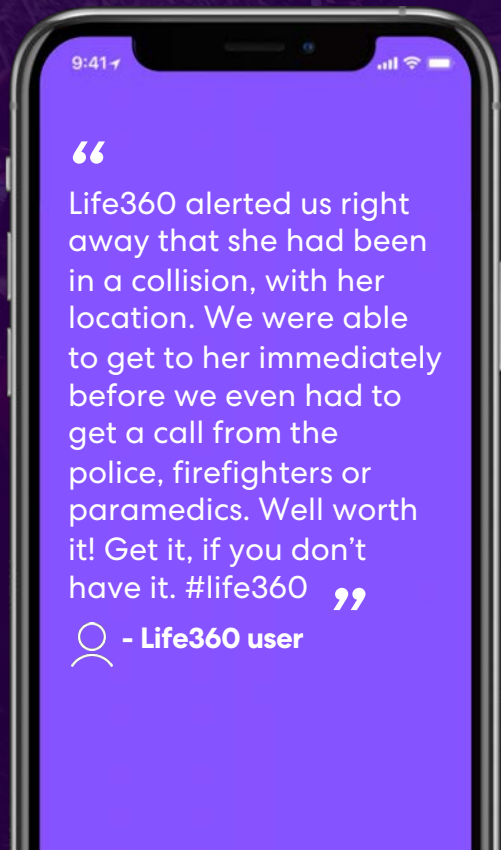
A man and a child are dancing in a living room. The man is on the left, wearing a dark t-shirt and light-colored pants, with his arms raised. The child is on the right, wearing a light-colored t-shirt and shorts, also with arms raised. The room has a white wall, a wooden chair, a potted plant, and a bucket on the floor. The entire image is overlaid with a semi-transparent purple filter.

WHY WE EXIST

# Life360 is on a mission to simplify safety so families can live fully

Safety and security is a multi-billion dollar category and the incumbents have not adapted to the needs of digitally native consumers. Life360 is taking a mobile and family first approach to disrupt the market.

# Connecting families and saving lives



**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

# Expanding and deepening our relationship with families through Membership

At IPO May 2019

LIFE360  
PLUS  
\$2.99/mo

DRIVER  
PROTECT  
\$7.99/mo



Current Premium Membership Bundles (after price increase)

SILVER  
MEMBERSHIP  
\$7.99/mo

Silver  
life



GOLD  
MEMBERSHIP  
\$14.99/mo

Gold  
life



PLATINUM  
MEMBERSHIP  
\$24.99/mo

Platinum  
life



## Commercial benefits of Membership

- Deeper connection with the Brand, improved retention and virality
- Less price sensitivity
- Member receptivity to multiple services and products
- Ability to bundle services to expand our addressable market

# Life360, Tile and Jiobit integrated offering

Completing our '360' vision of protecting people, pets and things



## Expanded addressable market and brand reach

- Bundled offering will have broader applicability to additional demographics
- Long-term this opens up additional markets such as elder care
- Expanded reach will open additional paid channels and improved top-of-funnel

## Higher conversion to paid and increased ARPPC

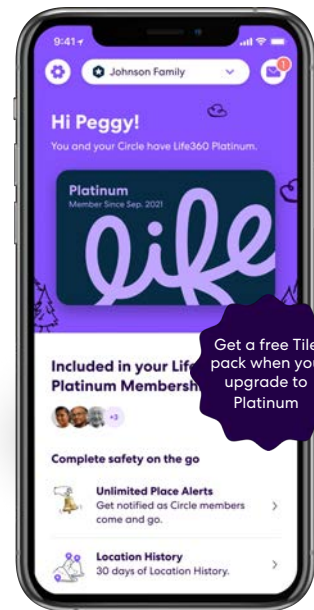
- Customers are more willing to pay for something they can physically touch
- Bundled offering will enable increased pricing and/or shift to higher tiers
- Potential for paid conversion and ARPPC to increase by double digit percentage

## Reduced churn

- Subscriptions tied to physical devices have exceptionally high retention rates
- Jiobit for example, has almost double the 12 month retention as Life360 standalone

## Improved pricing power and overall LTV

- Enhanced membership offering will deliver greater pricing power
- Price + Higher Conversion + better retention = improved LTV



# Our flywheel is driving our accelerating growth



## 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

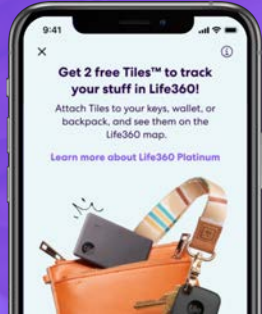
\*December 2022 Annualized Monthly Revenue (AMR) excluding hardware revenue

# 2023 Key Initiatives

## Invest in the Core



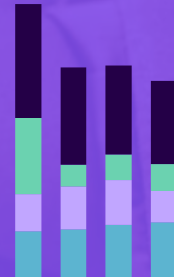
## Drive Membership



## Expand internationally



## Maintain financial discipline



# 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



- **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



- **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



- **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

02

# Financial Overview

Russell Burke



## CY22 RESULTS SUMMARY

# Delivering on growth

\$M	CY21	CY22	% ch YoY	CY22 Guidance
	<i>(unaudited)</i>			
<b>Revenue</b>				
Subscription	86.6	153.3	+77%	
Hardware	1.0	47.9	NM	
Other	25.1	27.1	8%	
<b>Total revenue</b>	<b>112.6</b>	<b>228.3</b>	<b>+103%</b>	<b>225-240</b>
Annualized Monthly Revenue (AMR) (excluding Hardware)	139.8	224.4	+61%	>215
<b>Adjusted* EBITDA</b>	<b>(13.1)</b>	<b>(40.1)</b>		<b>(37)-(41)</b>
<b>Adjusted net profit/(loss)</b>	<b>(14.9)</b>	<b>(37.9)</b>		
<b>Cash and cash equivalents**</b>	<b>231.3</b>	<b>90.4</b>		<b>~90</b>

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 3

\*\* Cash and cash equivalents includes Restricted Cash. CY22 guidance including November 2022 capital raise of \$32.2m net of transaction costs

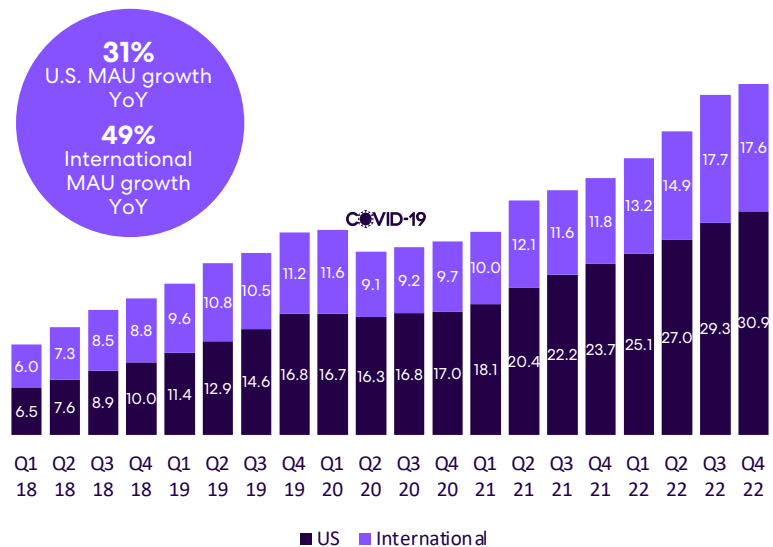
## Commentary

- Strong subscription revenue momentum, up 77% including Tile and Jiobit subscriptions, and 54% for Life360 subscriptions on a like-for-like basis
- Hardware revenue constrained by broad consumer electronics category softness, strategic shift to prioritize higher margin sales channels and deliberate strategy to clear channel inventory
- Annualized Monthly Revenue (excluding hardware) up 61% to \$224.4 million. January 2023 AMR of \$229.6 million, reflecting full monthly benefit of subscriber price increases
- CY22 Adjusted EBITDA loss in line with prior guidance
- CY22 year-end cash and cash equivalents in line with prior guidance

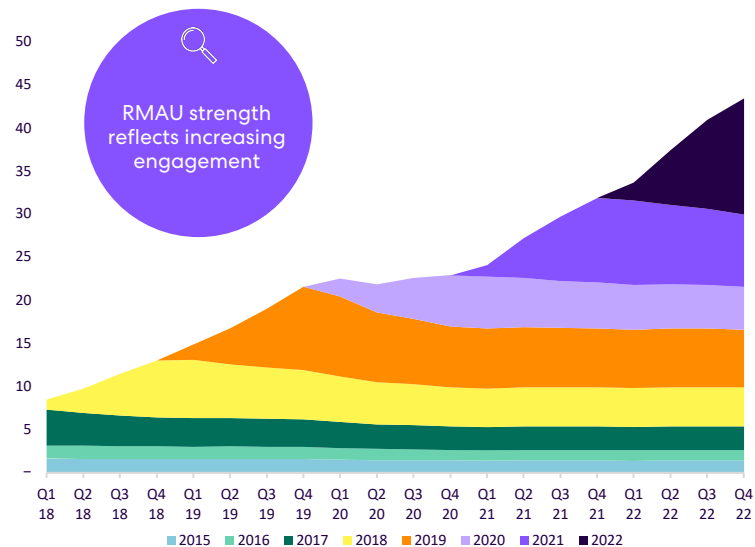
# GLOBAL MAU REACHING NEW HEIGHTS WITH STRONG RETENTION

## Year-on-year growth of 37%

Life360 Core Monthly Active Users (MAU)(M)



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

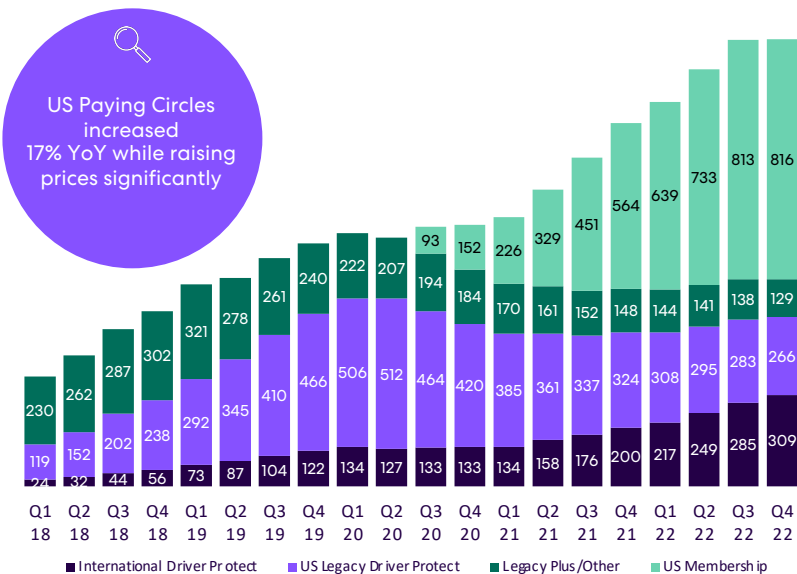


\*Returning Monthly Active Users are defined as users that are active in a given month who have registered more than 30 days ago

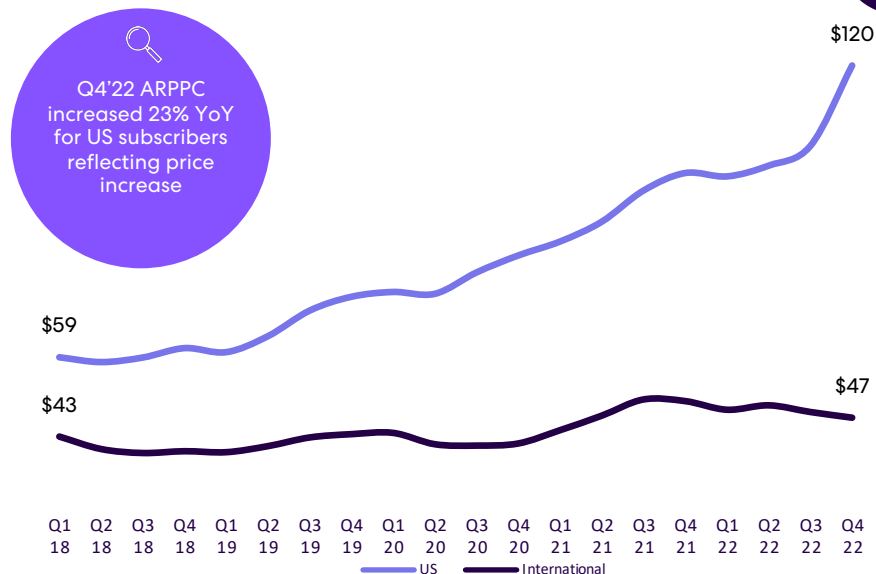
## PAYING CIRCLE GROWTH AND ACCELERATING ARPPC GROWTH

# Price increase accelerating ARPPC uplift

Paying Circles by product line (000s)\*



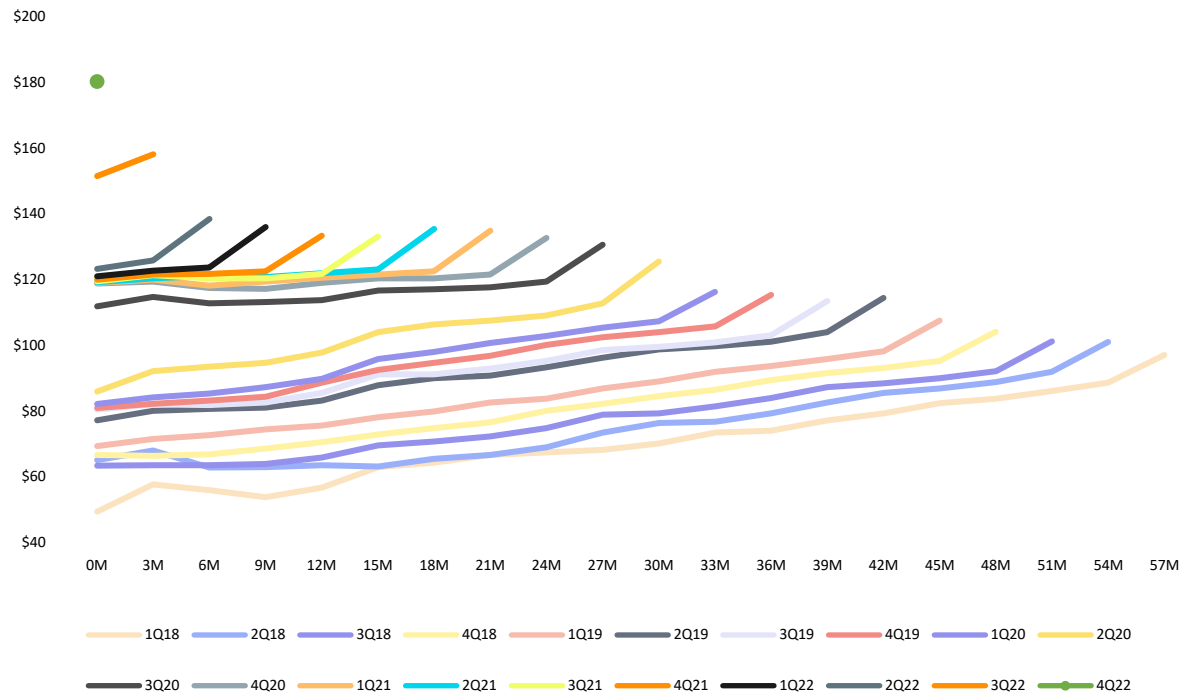
Average Revenue Per Paying Circle (ARPPC) (\$)



\*Price increase took effect across all Membership tiers from November 2022  
Cumulative new and upsell subscribers in the Membership plans of 816,000, comprising Silver (10%), Gold (84%) and Platinum (6%)  
CY22 revenue is unaudited.

## FINANCIAL OVERVIEW

# Significant U.S. ARPPC uplift from progressive price increases in CY22 H2



## Pricing Summary

U.S. price increases implemented in CY22 H2

### All New Subs (iOS + android)

(from August 2022)

	Before	After
Silver	\$4.99	\$7.99
Gold	\$9.99	\$14.99
Platinum	\$19.99	\$24.99
No change Annual		

### Existing Subs (iOS only)

(users notified October 2022, fully implemented by mid-December 2022)

	Before	After
Silver	\$4.99	\$7.99
Gold	\$9.99	\$14.99
Platinum	\$19.99	\$24.99
No change Annual		

### Legacy Subs (iOS only)

(users notified October 2022, fully implemented by mid-December 2022)

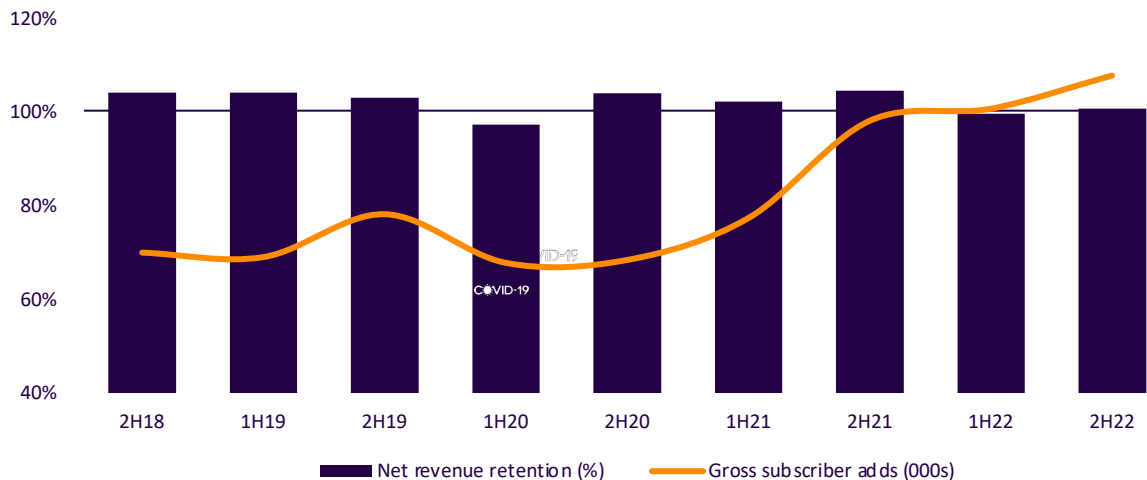
	Before	After
Plus	\$2.99	\$7.99
Driver Protect	\$7.99	\$12.99
Platinum Intro	\$14.99	\$19.99
No change Annual		

Price increases for existing monthly Android subscribers to be implemented in CY23

## FINANCIAL OVERVIEW

# Net subscription revenue retention above 100% even as absolute growth in subscribers accelerates

### Net Revenue Retention - Subscription (vs Previous Half)\*



Net revenue retention is measured based on the revenue in the final month of the previous period compared to the revenue from the same set of users earned over the next six months (e.g. for 1H19, revenue retention is calculated as the average monthly revenue over the period vs. the revenue earned in December 2018).

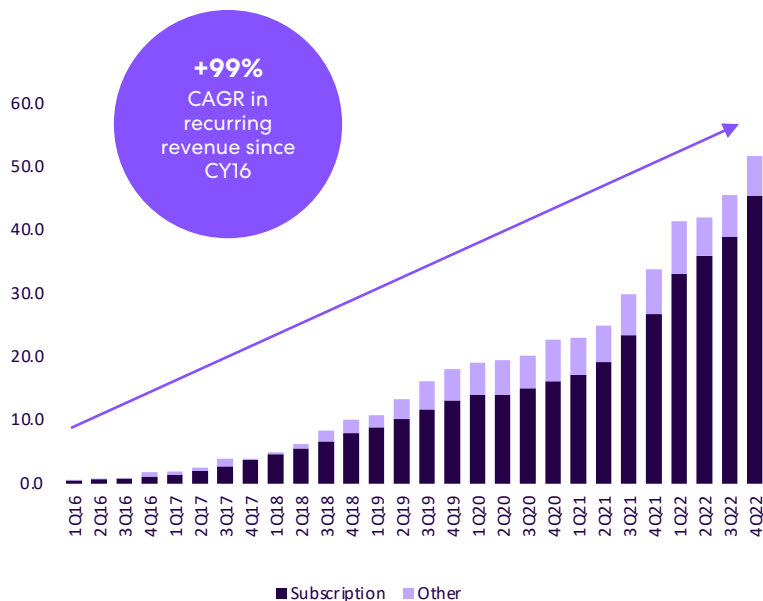
## Commentary

- The strength of Life360's freemium model is reflected in net subscription revenue retention maintaining at 100% or greater. This is supported by success in driving free users to paid subscriptions, and paid subscribers into higher price plans
- In each half year period (excluding 1H20), net revenue retention is at or above 100% across the cohort of users who had signed up by the end of the previous period
- Retention remains strong even as absolute subscriber growth accelerates, indicating that subscriber quality is being maintained

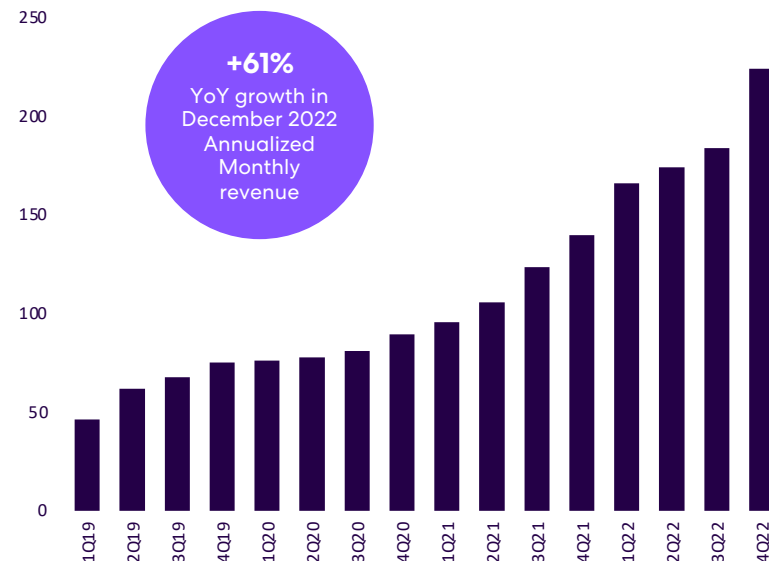
## ACCELERATING SUBSCRIPTION REVENUE GROWTH

# AMR has more than tripled since our IPO in May 2019

### Quarterly Recurring Revenue (\$M)\*



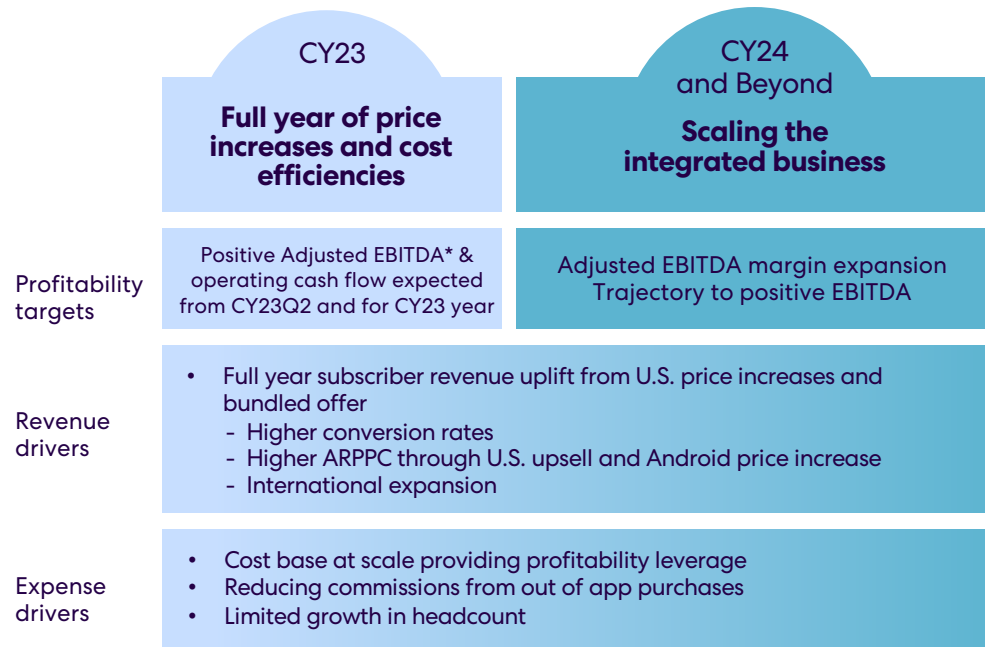
### Quarterly Annualized Monthly Revenue (\$M)\*



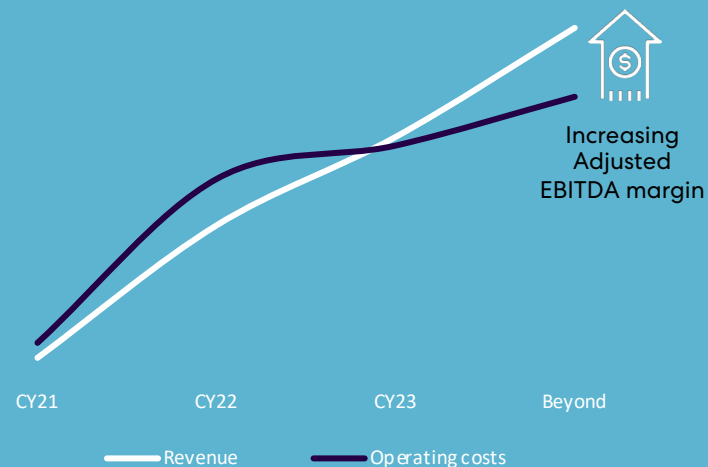
\*Recurring Revenue and Annualized Monthly Revenue are unaudited and exclude hardware. Annualized Monthly Revenue (AMR) is a financial measure used by the Company to identify the annualized monthly value of active customer agreements at the end of a reporting period.

## FINANCIAL OVERVIEW

# Pathway to profitability



## Revenue and Cost history and outlook



\*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 3

# Outlook

## For CY23 Life360 expects to deliver:

- Core Life360 subscription revenue growth (excluding Tile and Jibit) in excess of 50% YoY;
- Hardware revenue growth of 0% to 5% reflecting the continuing current challenges in the category;
- 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 and Operating Cash Flow anticipated on a quarterly basis beginning with Q2'23 and for the 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 3



Q&A



# Appendix

## APPENDIX 3

# Non-GAAP Financial Measures

<i>(in thousands)</i>	CY22	CY21
<b>EBITDA</b>		
Net loss	\$ (91,629)	\$ (33,557)
Add (deduct):		
Convertible notes fair value adjustment	(1,786)	511
Derivative liability fair value adjustment <sup>(1)</sup>	(1,295)	733
Provision (benefit) for income taxes	312	(127)
Depreciation and amortization <sup>(2)</sup>	9,199	876
Other (income) expense, net	(13)	178
<b>EBITDA</b>	<b>\$ (85,212)</b>	<b>\$ (31,386)</b>
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
<b>Adjusted EBITDA</b>	<b>\$ (40,096)</b>	<b>\$ (13,104)</b>

(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) costs related to filing our Registration Statement on Form 10 filed with the Securities and Exchange Commission (“Form 10”), (vii) acquisition and integration costs, and (viii) (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 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.

# Non-GAAP Financial Measures cont'd

The following table presents a reconciliation of net loss, the most directly comparable GAAP measure, to Adjusted loss from ordinary activities after tax.

<i>(in thousands)</i>	CY22	CY21
<b>EBITDA</b>		
Net loss	\$ (91,629)	\$ (33,557)
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
Non-recurring adjustment to reflect the deferral of portion of monthly subscription sales through a channel partner	-	-
Amortization attributable to intangible assets in connection with acquisitions	8,610	414
<b>Adjusted loss from ordinary activities after tax</b>	<b>\$ (37,903)</b>	<b>\$ (14,861)</b>

## Adjusted loss from ordinary activities after tax

Adjusted loss from ordinary activities after tax is defined as net loss, excluding (i) stock-based compensation, (ii) Form 10 transaction costs, (iii) acquisition and integration costs, (iv) gain on revaluation of contingent consideration, and (v) amortization attributable to intangible assets in connection with acquisitions.

The above items are excluded from net loss 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 adjusted loss from ordinary activities after tax provides useful information to investors in understanding and evaluating our results of operations.

This non-GAAP financial measure is 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 this non-GAAP financial measure in addition to other financial performance measures presented in accordance with GAAP, including various cash flow metrics, net loss and our other GAAP results.



Thank you



Life360