ASX ANNOUNCEMENT

11 June 2019

Morgan Stanley Australian Emerging Companies Conference Presentation

Life360, Inc. (Life360 or the Company) (ASX: 360) will deliver a presentation to the Morgan Stanley Australian Emerging Companies Conference on 12 June 2019 in Sydney. Chief Financial Officer Wendell Laidley will be presenting the materials attached.

Business Update and Outlook

On the back of strong growth in 2018, and having completed its ASX IPO listing on 10 May 2019, Life360 is pleased with its progress toward achieving the full-year 2019 Prospectus forecast expectations. The Company remains focused on expanding its base of monthly active users (MAU), improving retention rates, delivering increased conversion rates to paid, and pursuing continued expansion of its average revenue per user (ARPU) and direct average revenue per paying circle (ARPPC).

During the first half of 2019, Life360 completed the release of a significant product upgrade for its entire worldwide user base. The Company has also launched its Allstate lead generation partnership targeting usage-based auto insurance with pleasing early results. During May 2019, Life360 collected more than 16 billion miles of driving data, which it believes represents the largest source of consumer driving data in the world.

In the second half of 2019, Life360 is focused on growth initiatives including delivering releases of several significant new products, which together with other initiatives, are expected to contribute meaningfully to annualised monthly revenue (AMR) exiting 2019.

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 people 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 San Francisco and has more than 20 million monthly active users (MAU) located in more than 160 countries.

Contacts

For investor enquiries:
Jolanta Masojada, +61 417 261 367,
jmasojada@life360.com

For media enquiries:
Jim Kelly, +61 412 549 083
Courtney Howe, +61 404 310 364

Life360

A membership service for modern families

Morgan Stanley Australian Emerging Companies Conference | June 2019

Wendell Laidley, Chief Financial Officer

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Agenda

1. Company and business model overview
2. Summary
3. Q&A
4. Appendix

Section 1

Company and business model overview

Life360 (ASX:360) Profile

Capitalisation and key metrics

Financials (Prospectus forecasts)			
December 2019F total[1] revenue	*A$m*	83.7	+83% YoY
December 2019F annualised monthly[1] revenue (AMR)	*A$m*	107.3	+66% YoY[2]
Market data			
Price per CDI	*A$*	3.88	
Number of CDIs at completion of the IPO	*m*	143.9	
Market capitalisation (on an undiluted basis)	***A$m***	**558.3**	
Number of options, RSUs and warrants on issue at completion of the IPO (CDI equivalent)	*m*	26.9	
Total number of securities at completion of the IPO (on a fully diluted basis)	*m*	170.8	
Market capitalisation (on a fully diluted basis)	***A$m***	**662.7**	
(-) Pro forma net cash as at 31 December 2018[1]	*A$m*	(136.7)	
Enterprise value (on a fully diluted basis)	***A$m***	**526.0**	

Key metrics		
EV / CY19F total revenue	***x***	**6.3x**
EV / CY19F annualised monthly revenue (AMR)	***x***	**4.9x**

Note: Market data as at 7 June 2019.
(1) Converted to AUD at indicative exchange rate of AUDUSD 0.70.
(2) AMR as at December 2018 excludes revenue generated from the Allstate proof of concept trial.

Life360

The leading digital peace of mind service for families

Our audience

>20m

Monthly Active Users (MAU)

>10

average daily interactions per User(1)

Our business

>579k

paying families (referred to as Paying Circles)

US$75m

Dec-19F AMR(2)
>65% YoY growth

Our team

>US$200m

total funding to date

>120

FTEs with our HQ in San Francisco

Our impact

"My two teenage sons got into a very bad accident on the freeway. They collided with another car, veered off the road and flipped over. Life360 immediately detected the crash and automatically dispatched emergency services for the boys."

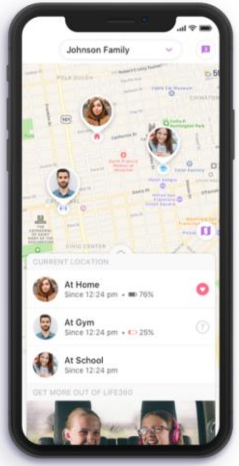
Note: MAU as at March 2019. Other figures as at December 2018.
(1) Based on U.S. parents and including push notifications.
(2) AMR denotes annualised monthly revenue.

We make your family's daily moments go mobile

Note: Pet tracking and residential security are future potential development initiatives.

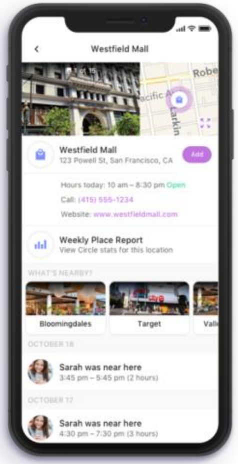
App overview and key features

Location



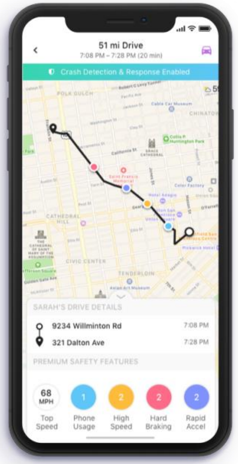
- ✓ Private family map shows real-time locations
- ✓ Check-in, send messages and view history

Places & notifications



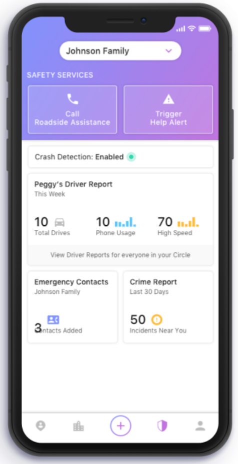
- ✓ Setup geo-fenced places and location alerts
- ✓ Get other smart alerts like low battery and drive notifications

Driving



- ✓ Driving behaviour analysis
- ✓ 24/7 roadside assistance
- ✓ Collision detection and emergency response

Safety



- ✓ Help Alert
- ✓ Crime reports
- ✓ Emergency contacts

Note: Screenshots are from redesigned app which is in beta.

We have the opportunity to become a generational business

Family

Friends

Professionals

There are over 1.5 billion smartphone Users in the world[(1)].
All smartphone connected families are our target customers.

(1) Excluding PRC which has over 700 million smartphone users according to a report issued by Newzoo (Global Market Report, 2017).

Scalable, mobile-first platform is our differentiator

Architecture

Scalable, cloud-based infrastructure
Capital-light infrastructure which allows us to rapidly scale and meet our Users' needs as we grow

Mobile-first
Platform built from the ground up with mobile in mind, no repurposing of legacy technology

Platform agnostic
Users should be able to connect to their families and access membership services wherever, whenever, on any device

Rapid updates and agile development
Team setup for continuous and flexible product improvements

24/7 Real-time Location Engine
Processes over 5,000 location points per second from around the globe

Platform technology

Proprietary location technology	✓ Extremely high accuracy, low latency and long battery life ✓ Consumes on average less than 10% of total battery drain ✓ 650TB+ of data
Data science	✓ Dedicated team in San Diego
Patents	✓ Filed 25 patents, 11 issued

Resulting in outstanding reviews

App Store: 4.8 / 5.0(1)

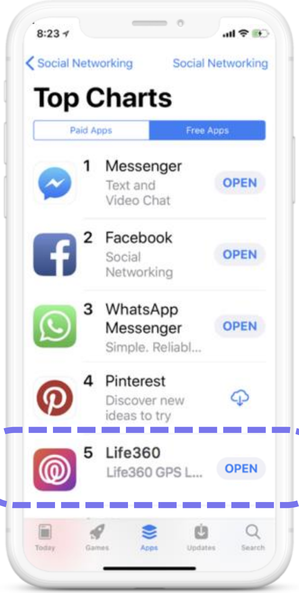
Google Play: 4.5 / 5.0(2)

>1.1 million reviews

(1) Based on 402,000 cumulative reviews on the Apple iTunes App Store as at January 2019.
(2) Based on 888,000 cumulative reviews on the Google Play Store as at January 2019.

We are the definitive market leader

Market leading app



Self-reinforcing leadership position

Technology differentiated from other generic offerings

Generic features, iOS only, no audience focus

Generic features, no audience focus, swiss army knife

Snap Map

Lightweight and social focused, not meant for family

Subset of Messenger, friend focused, no map UI

Dedicated app with technology leadership

Product focused on family

Service is laser focused on family-oriented features

Safety offerings expand far beyond just location

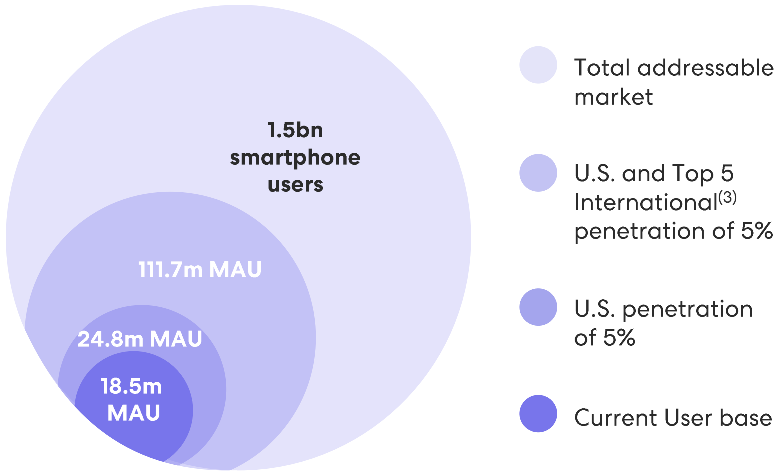
Cross-platform and not a buried feature three menus deep

Scale and data advantage

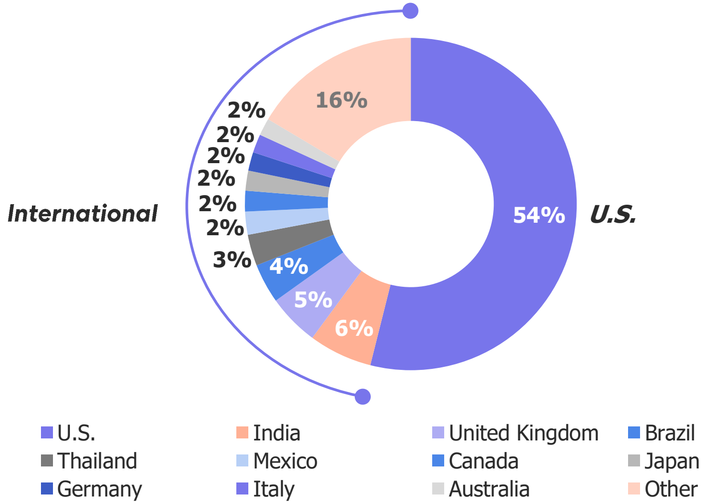
Large global addressable market

- We currently operate in over 160 countries and are growing across all primary regions
- U.S. is our current focus (with the most product features and paid User spend) and we are working towards achieving feature parity via investment in R&D
- We have a large total addressable market of 1.5 billion smartphone users with significant room for growth via increasing penetration
  - International penetration is facilitated by the highly scalable nature of the business and low entry costs for new markets

Any smartphone connected family is a potential customer(1)



Geographically diverse audience – MAU by region(2)



Source: The World Bank; GSMA Intelligence, Global Mobile Trends 2017 (September 2017).

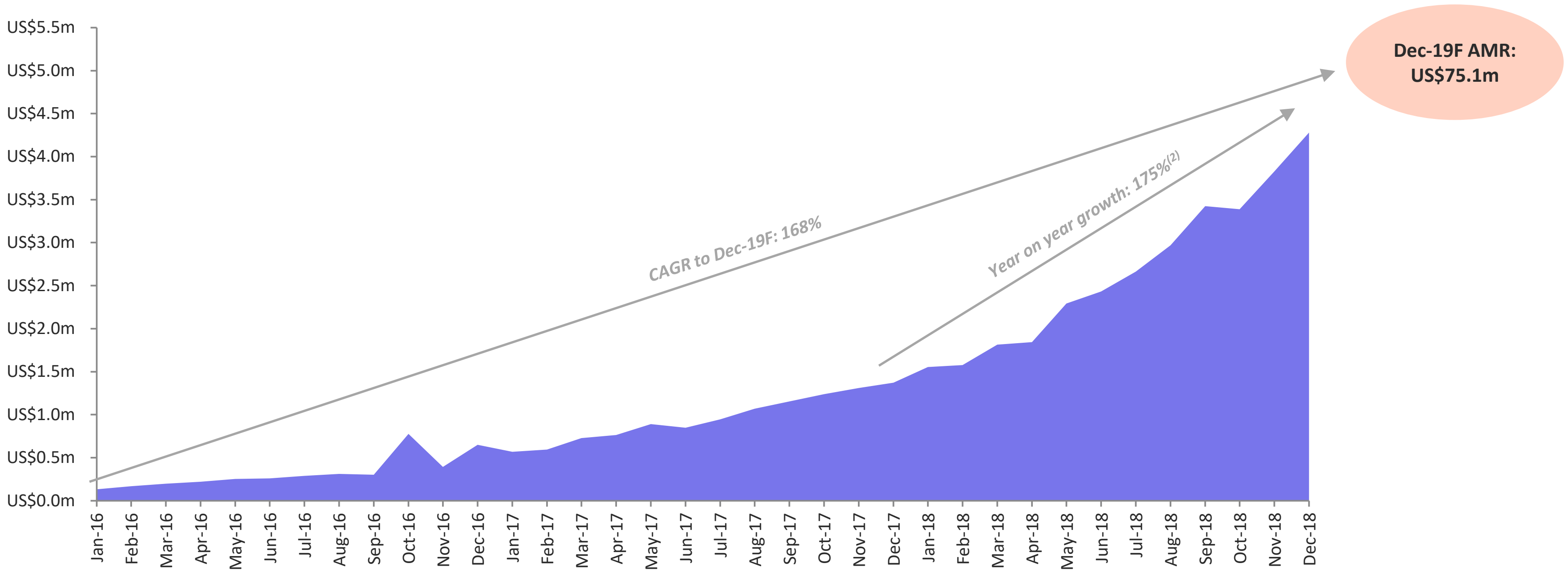
(1) Diagram not to scale. Total addressable market excludes PRC. Based on population data as at 2017 and sourced from The World Bank.

(2) As at 31 December 2018. Does not include Push Notifications. Users may be counted in multiple countries in single month if they are travelling.

(3) Top 5 International regions comprise India, the United Kingdom, Brazil, Thailand and Mexico.

Our ability to monetise our User base both Directly and Indirectly has resulted in a rapidly expanding revenue profile

Monthly reported revenue(1)



(1) Excludes ADT partnership revenue from Jan-16 to Dec-16. Dec-18 includes revenue generated by the Allstate proof of concept trial.
(2) Year on year growth based on Dec-18 revenue excluding the Allstate proof of concept trial.

How we intend to monetise our membership base

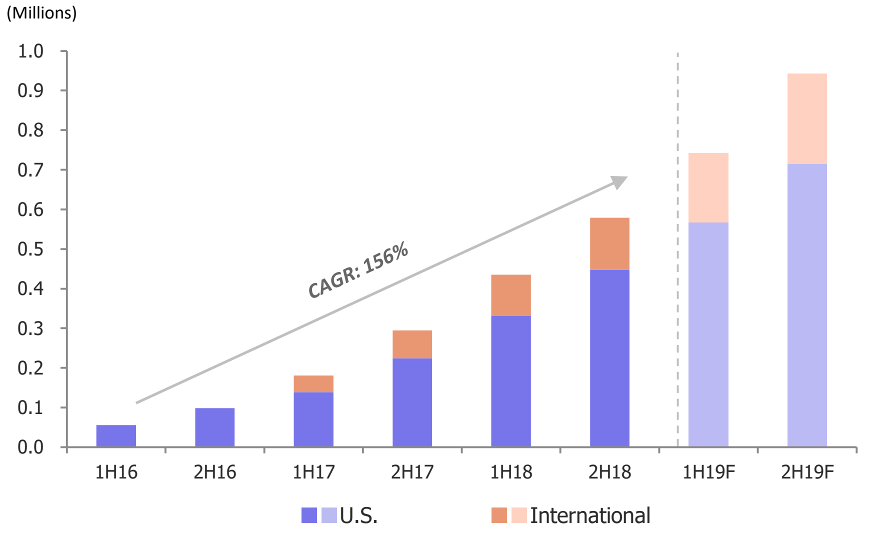
We have a successful product driven subscription model

- We operate under a "freemium" model where our core offering, the Life360 App, is available to Users at no charge, with two premium subscription options available (Life360 Plus and Driver Protect)
  - Life360 Plus was introduced in 4Q16 while Driver Protect was introduced in 1Q17 to the U.S.(1)
- New Paying Circles have typically been sourced from the conversion of free Users who are "pulled" towards premium subscriptions when they reach the functionality limit of the free offering and look to gain extra utility

Overview of features in the U.S.(2)

		Free	Life360 Plus	Driver Protect
Core Features	Location Sharing	✓	✓	✓
	Real-time Mode	✓	✓	✓
	Multiple Circles	✓	✓	✓
	Live Customer Support		✓	✓
	Place Alerts	2	Unlimited	Unlimited
	History	2 days	30 days	30 days
Coordination	Messaging	✓	✓	✓
	Check Ins	✓	✓	✓
	Battery Monitoring	✓	✓	✓
	Driving ETA	✓	✓	✓
Safety	Help Alert	✓	✓	✓
	Crime Reports		✓	✓
Driving	Drive Review & Alerts	✓	✓	✓
	Top Speed	✓	✓	✓
	Texting while Driving			✓
	Rapid Acceleration			✓
	Hard Braking			✓
	Roadside Assistance			✓
	Crash Detection			✓
	24/7 Ambulance Dispatch			✓
	Weekly Driver Report			✓
Pricing	Monthly	Free	$2.99	$7.99
	Annual	Free	$24.99	$69.99

Overview of growth in Paying Circles



(1) Driver Protect Lite was introduced Internationally in 3Q17.
(2) Feature set is currently limited in International markets. Pricing is for U.S. market. Pricing in International markets for Life360 Plus is the same as in the U.S. and pricing for Driver Protect Lite is US$4.99 per month / US$49.99 per year. Pricing in International Users' local currencies may fluctuate due to exchange rate movements.

How we intend to grow our membership base

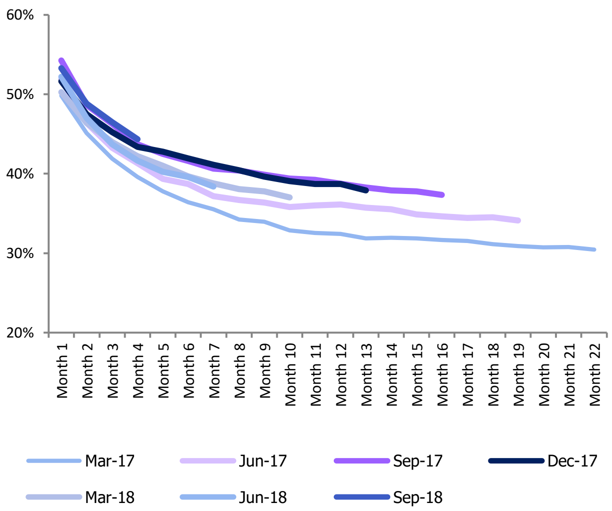
Our Users are extremely engaged and retention rates are increasing

- Our User base is extremely engaged – particularly in the U.S. where parents have 15 daily interactions with the App on average[1]
- Our retention rates are extremely high compared to industry norms and stabilise over time
- Retention rates are also increasing for both freemium and premium Users on a per Cohort basis

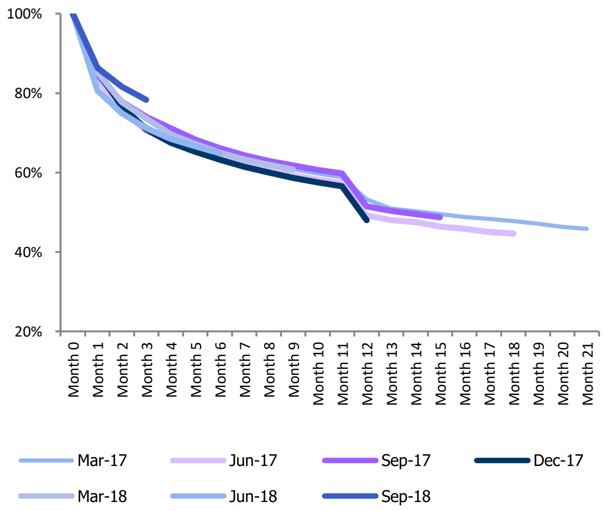
U.S. Active User usage frequency

	Total[2]	% MAU (excl. Push Notifications)	% MAU (incl. Push Notifications)
MAU	10.0 million	100%	100%
Weekly Active Users	7.1 million	71%	76%
Daily Active Users	3.7 million	37%	53%

U.S. monthly retention for Users acquired since March 2017



Driver Protect retention per U.S. Cohort since March 2017



(1) Includes push notifications. Assumes administrators are Parents.
(2) Does not include push notifications.

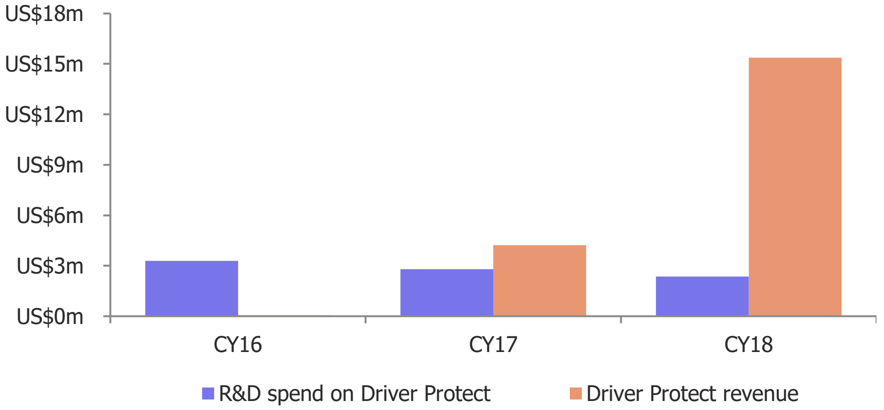
How we intend to monetise our membership base

Our product innovation is scaling up with IPO proceeds and expected to unlock adjacencies

- We continuously invest in R&D to improve the platform and extend the range of our offered services (>70% of FTEs are engaged in product development[(1)])
  - Our R&D spend has generated significant returns historically
- Our target industries include General Insurance, residential security systems, crash and roadside assistance, senior monitoring, identity theft protection and travel and phone insurance, which have a combined global total addressable market size of over US$2 trillion
- R&D investment will extend the coverage of our Platform to a broader range of life stages beyond the current target demographic of the Driver Protect product

Proven ability to disrupt legacy incumbents and generate significant returns on R&D investment

Return on R&D: Driver Protect case study



We're executing on our roadmap to enter multi-billion dollar verticals

12 month roadmap

Crash & Roadside Assistance
(Live)

Auto Insurance
(Live)

Identity Theft Protection
(3Q19)

Personal Security
(4Q19)

Future

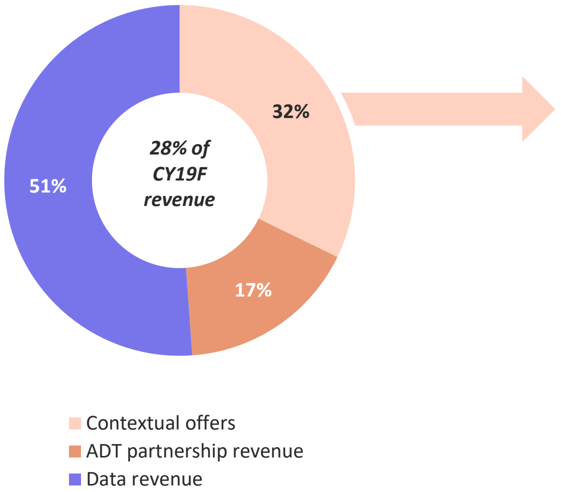
Home Security
Senior Monitoring
Travel Insurance
Home / Life Insurance

(1) As at December 2018.

How we intend to monetise our membership base

We have tangible opportunities to generate further Indirect Revenue

CY19F Indirect Revenue contribution



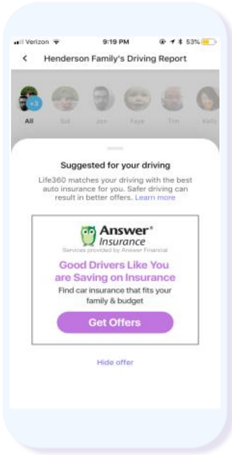
Overview of agreement

Allstate / arity

- Driving data is anonymously shared with arity (an indirect wholly-owned subsidiary of Allstate, one of the largest US-based insurers), which calculates a driving score based on driving behavior.
- Users are offered attractive and relevant insurance offers in-app based on driving scores.
- Life360 generates revenue per click by users.
- Launch in mid-May 2019, following successful December 2018 trial.
- Strong user engagement since launch with pleasing early revenue.

Overview of contextual offer

Allstate / arity



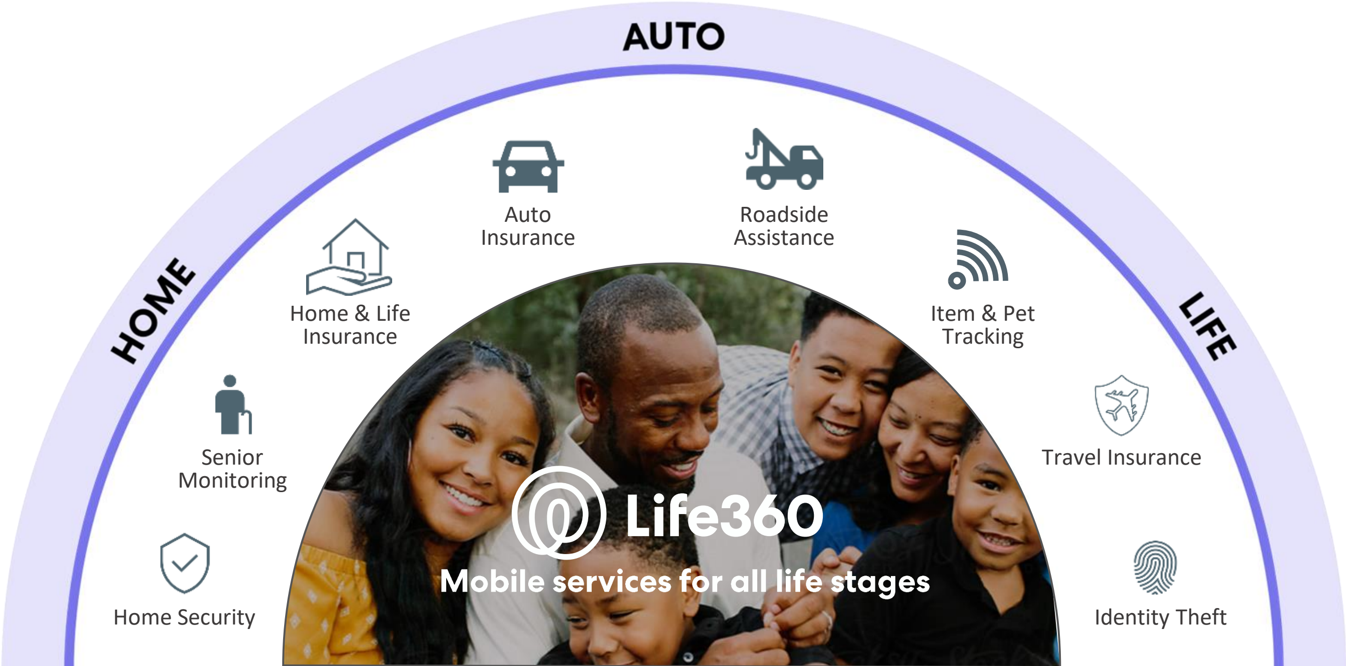
Contextual offer[1]

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

The ultimate opportunity

Disrupt the multi-billion dollar industries protecting what you care about most

Mobile-first approach to industries built on 90s technology	Incumbents do not meet the needs of digitally native families	Our engaged digital User base is a Trojan Horse for these categories



Product and service expansion opportunities

Current

Starting to monetise in driver safety vertical

- Crash and roadside assistance
- Auto insurance (lead generation)

Near-term

Expand into new verticals

- Identity theft
- Travel insurance (lead generation)
- Residential security (lead generation)

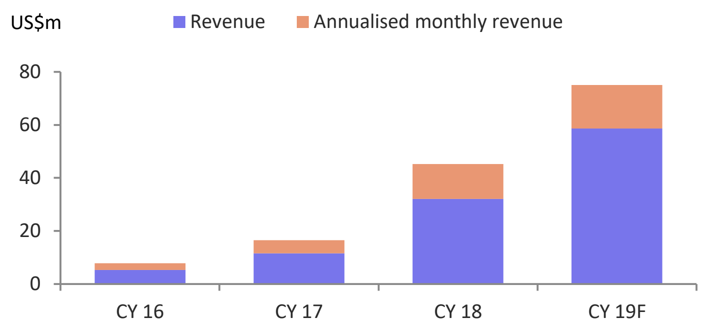
Future

Our vision for a bundled membership service

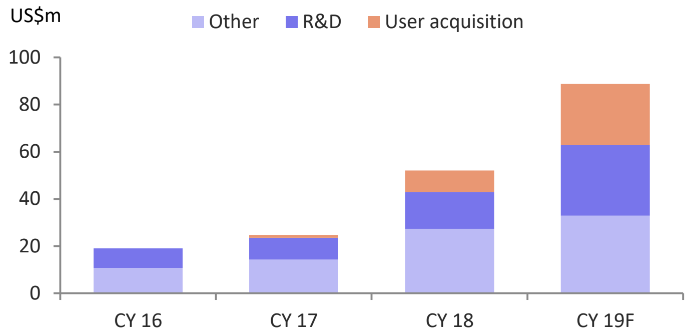
- Elder monitoring
- Property insurance (lead generation)
- Item and pet tracking

Investing for growth and future profitability

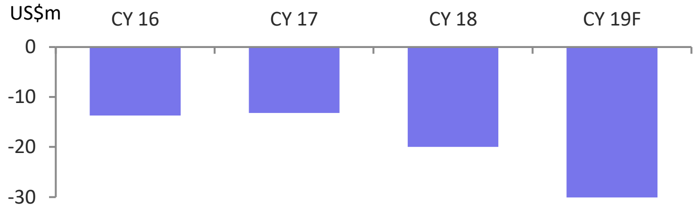
Monetisation of user base driving strong revenue growth



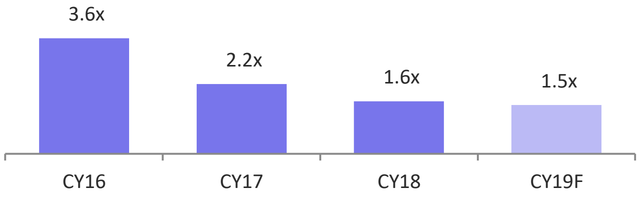
Scalable cost base with discretionary investment



EBITDA losses reflect investment in R&D and user acquisition



Ratio of operating expenses to revenue is reducing



We have a strong founder-led team backed by experienced Board

Co-Founders and Board

Chris Hulls
Co-Founder & Chief Executive Officer

Envisioned Life360 after Hurricane Katrina while at UC Berkeley. Air Force veteran, dad, and angel investor

Alex Haro
Co-Founder & President

Co-founder of Orbited FOSS project. Studied CS at Pomona/Harvey Mudd. Tech advisor to prominent startups

John Coghlan
Independent Non-Executive Chairman

Life360 seed investor. Formerly President & CEO of Visa USA. Vice Chairman of Charles Schwab. Harvard MBA

James Synge
Non-Executive Director

Principal and Partner at Carthona Capital. MT from the University of Sydney and BBus from UTS (Sydney)

Brit Morin
Independent Non-Executive Director

Founder and CEO at Brit + Co. Formerly Product at Google and Apple. University of Texas

Mark Goines
Independent Non-Executive Director

Vice Chairman of Personal Capital. Sits on the Board of BillFloat, TrackVia and Credit Interlink

David Wiadrowski
Independent Non-Executive Director

Senior Assurance partner at PwC for >25 years. Sits on the Board of Vocus and carsales.com. Chair of Life360 Audit and Risk Committee

>120 FTEs

Executive team

Wendell Laidley
CFO

CFO at Big Switch Networks, VP Finance App Dynamics, Principal RS Investments, BA, Hobart College

David Rice
COO

CPO at Vevo, SVP/GM at CBS, VP at Yahoo, Group PM Microsoft, Boston Consulting Group, Harvard MBA

Itamar Novick
CBO

Head of Product at Gigya, VC at Morgenthaler (Canvas), Founder at Intech, Berkeley MBA

Ariana Hellebuyck
VP, Marketing

VP, Brand Marketing at Apollo, Marketing at NerdWallet, Wells Fargo. Board Member, Techtonica, USF MBA

Amol Kher
VP, Engineering

VPE at Weight Watchers, CTO at Wello, Engineering Manager at Netflix, Lead at Google, MSCS Univ. of Missouri

Ben Kim
VP, Product

SVP Product at Gametime, Product Lead at Groupon, Microsoft, Yahoo, Berkeley Computer Science & MBA

Monica Walls
VP, HR

VP of HR at Nexenta Systems, Master of Arts in Organizational Management

Jon Troutman
VP, Design

Co-founder and Chief Design Officer at Canary, General Assembly, BA, Brigham Young University

Section 2

Summary

Key investment highlights

Life360

- Leading family safety digital brand with a committed and growing global user base of >20 million MAUs
- Disrupting incumbents in safety, security and insurance via a scalable, low cost mobile-first offering
- Large total addressable market — any smartphone connected family is a potential customer
- Self-reinforcing leadership position over competitors
- Attractive unit economics and financial profile
- Strong and committed founder-led team backed by a very experienced Board

Section 3

Q&A

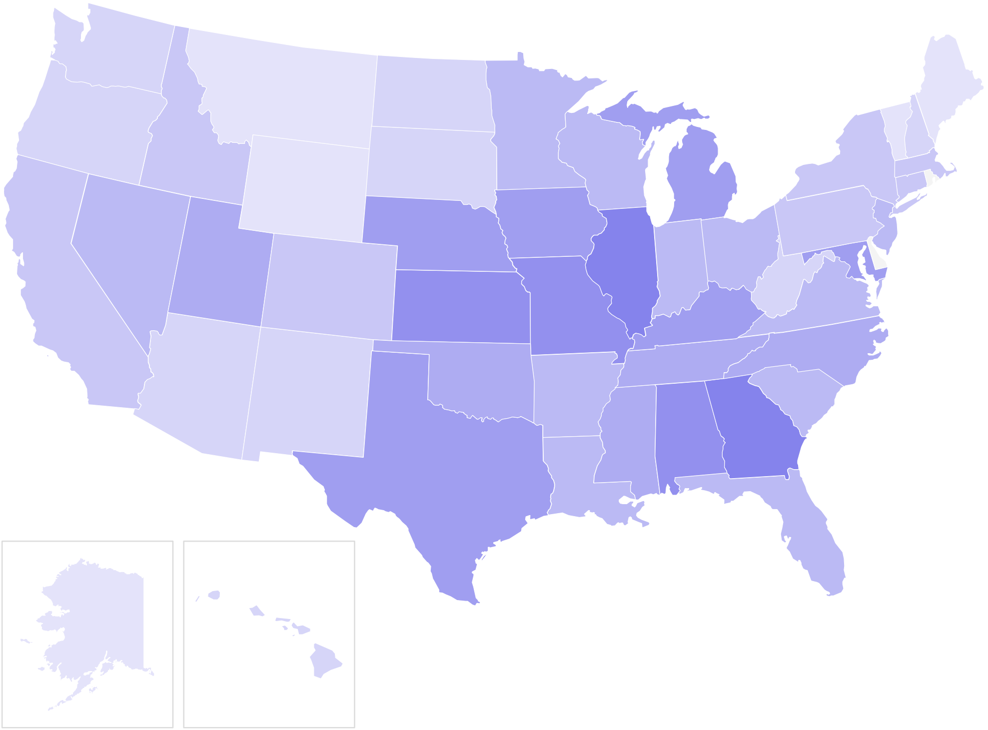
Section 4

Appendix

How we intend to grow our membership base

Our audience is growing through demographic trends and digitally native families

Relative penetration by U.S. state



Penetration is higher where younger heads of household are common

The South foreshadows the demographic trends that will become more prevalent around the country and globe

New features in our roadmap will also be more applicable to younger families

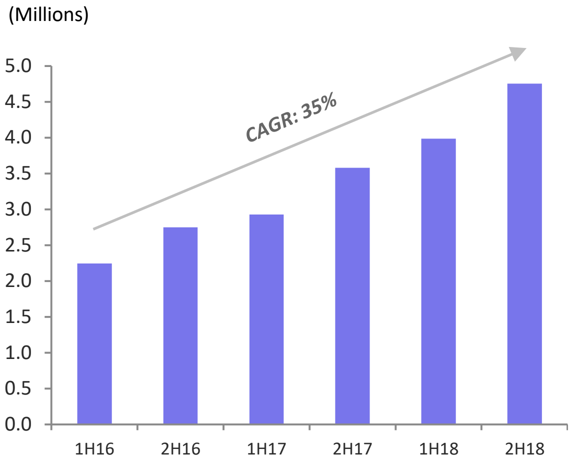
As our App becomes more widely adopted in larger coastal population centres, we see significant opportunity to sustain rapid expansion of our User base

How we intend to grow our membership base

We have strong organic User growth both in the U.S. and Internationally

- ~80% of new Users in the U.S. are organic
- We consistently rank either number one or near the top for most searches related to our core functionality (for example, "location services" and "driving")
- We have already reached brand awareness of >29% of U.S. parents with children under the age of 18[(1)], supporting the fact that word of mouth now accounts for >50% of our new downloads[(2)]
- We believe we can reach a similar tipping point of organic awareness in International markets

New organic registrations[(3)] – U.S.



Life360 is gaining traction in International markets…

	Social networking: Apple iTunes App Store ranking 2016	2017	2018	Lifestyle category: Google Play Store ranking 2016	2017	2018
U.S.	21	6	5	6	4	2
Australia	41	14	7	15	10	8
Canada	47	20	15	20	14	15
U.K.	30	11	6	16	7	6
Spain	35	20	12	30	14	10
France	53	44	13	56	15	11

…however penetration is lower than the U.S. representing a significant opportunity

	MAU (as at Dec-18)	Current penetration of population
U.S.	10.0 million	3.1%
Top 5 International regions[(4)]	3.8 million	0.2%
Australia	0.3 million	1.3%

Source: App Annie, The World Bank (population data as at 2017).

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

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

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

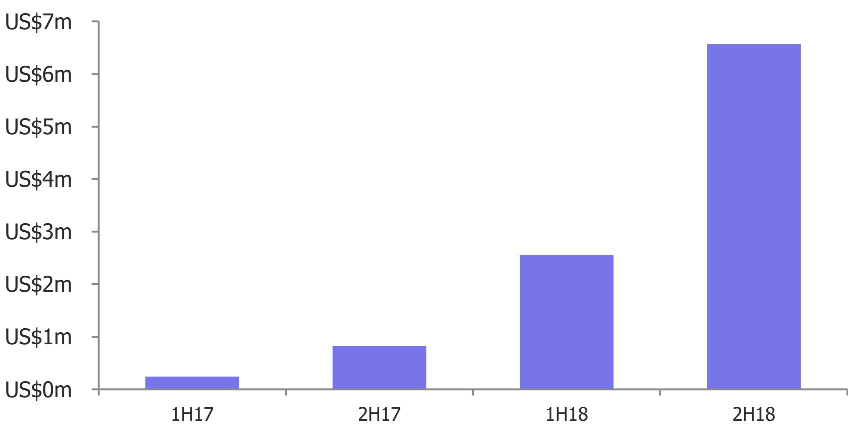
(4) Top 5 International regions comprise India, the United Kingdom, Brazil, Thailand and Mexico.

How we intend to grow our membership base

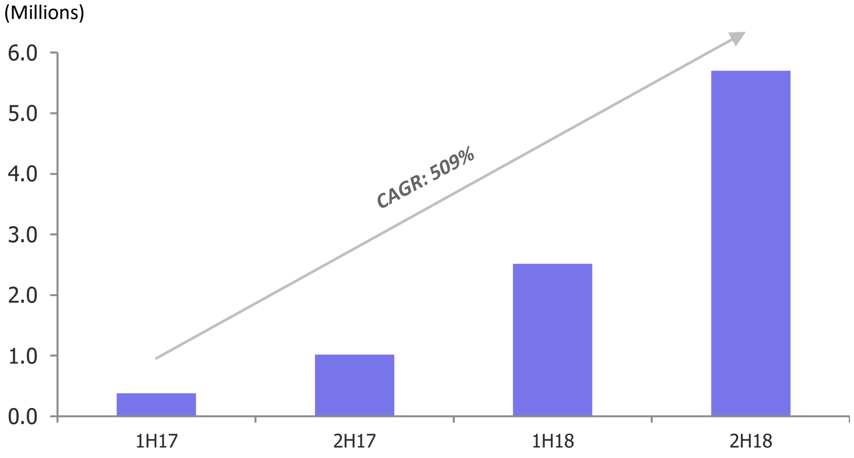
...and are accelerating our paid User acquisition spend to expand our User base

- There is significant room to scale profitable paid User acquisition channels as demonstrated by our historical breakeven period
- This will make it more difficult for competitors to build a competing user base while also accelerating our User growth
- A significant use of the Offer proceeds will be to expand the depth and breadth of our paid User acquisition channels (to include channels such as Ad networks), which we expect will generate significant revenue over the lifetime of these Users

Total global User acquisition spend



New paid registrations[1] – Global



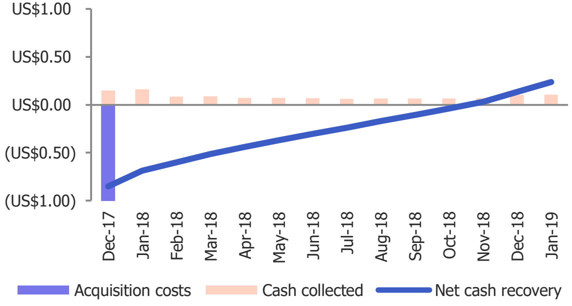
(1) Registrations are defined as new Users who downloaded the Life360 App, completed the registration process and created an account. Registrations are counted in MAU in the initial month of Registration.

How we intend to grow our membership base

We introduced paid User acquisition spend in late CY17 with attractive User economics…

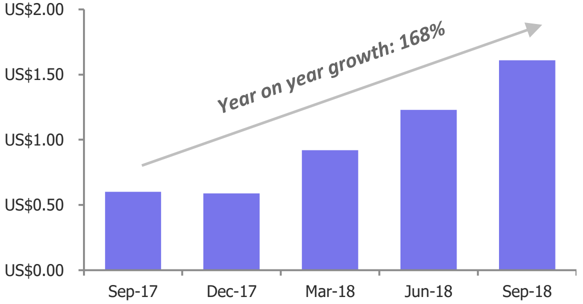
- We began acquiring Users in 2017 through channels such as Apple iTunes App Store, Google Play Store, and more recently Facebook, YouTube and Instagram
- Current strategy in the U.S. is to acquire any User we believe has a reasonable prospect of generating positive cash flow within a prescribed window
- All Paid User acquisition investments involve performance-based channels and decisions are made based on historical performance, actual Cohort behaviours analysis and expectation of future cash flow recovery

Actual cash recovery of U.S. Apple iTunes spend in December 2017[1]



- ✓ Historical breakeven period was <1 year on U.S. paid User acquisition spend but has extended as we gain comfort on long-term economics
- ✓ We expect payback period to increase as we scale User acquisition

Aggregate cash recovery over first 2 months for U.S. Apple iTunes paid User Cohorts



- ✓ Initial cash recovery is increasing across new Cohorts
- ✓ Cash recovered over life of Cohort is increasing

Spend assessment methodology

- We assess spend on a per channel basis
- We calculate the present value of paid Users' five year forecast cash recovery. This reflects:
  - Expected revenue generated by paid Users, as well as expected data revenue generated from members of paid Users' Circles
  - Expected incremental costs incurred to service these Users
- This is compared to acquisition costs per User to assess long-term economics
- To be conservative, we do not consider potential viral growth (i.e. increased word of mouth recommendations or brand awareness)

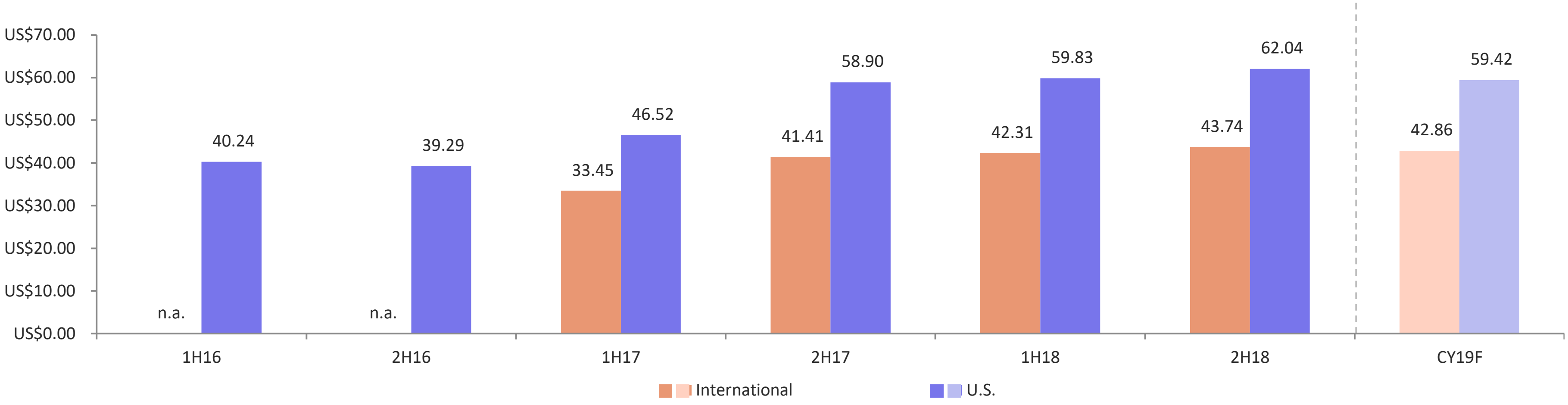
(1) Direct cash collected only. This is considered to be a representative Cohort. Adjusts for estimated cash collected from acquired users who have disabled attribution tracking and cannot be associated to their paid acquisition channel per Apple app store.

How we intend to monetise our membership base

We have a successful product driven subscription model

- We have consistently increased the amount of Direct Revenue generated on a per Circle basis in both the U.S. and Internationally
  - This reflects the shift in product mix towards premium subscriptions and particularly, the higher priced Driver Protect product (Driver Protect Lite in International regions)
- Our ability to monetise our User base through the launch of new products is evidenced by the step change in Direct ARPPC in 2H17 after Driver Protect was released in the U.S.

Annualised Direct ARPPC[(1)]



(1) Direct ARPPC represents average Direct Revenue per Paying Circle. The number of International Paying Circles in CY16 is not available from our internal reporting systems.

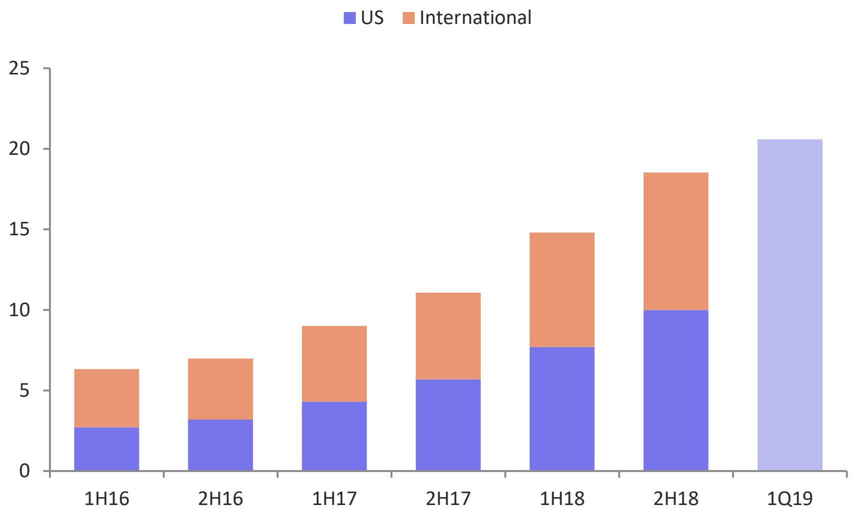
Key revenue drivers

Type	Region	Drivers
Direct	U.S.	MAU × Conversion rate × Direct ARPPC
	International	MAU × Conversion rate × Direct ARPPC
Indirect	U.S.	MAU × Indirect ARPU
	International	MAU × Indirect ARPU

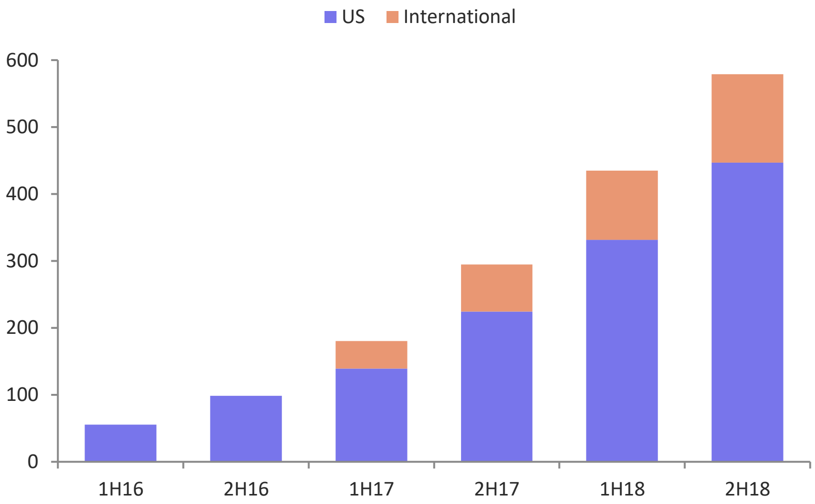
Not included in Prospectus forecast.

Successfully converting users to paid subscribers (Paying Circles)

Growth in Monthly Active Users (MAU) (millions)



Growth in Paying Circles (thousands)



Specific forecast revenue assumptions and key operating metrics

US$ millions	Pro Forma Historical CY16	CY17	CY18	Pro Forma Forecast CY19F	Difference
MAU					
U.S.	3.2	5.7	10.0	14.1	41.1%
International	3.8	5.4	8.5	11.9	39.5%
Total	**7.0**	**11.1**	**18.5**	**26.0**	**40.4%**
Paying Circles					
U.S.	0.10	0.22	0.45	0.72	60.1%
International	n.a.(1)	0.07	0.13	0.23	72.2%
Total	**0.10**	**0.29**	**0.58**	**0.94**	**62.8%**
Direct ARPPC (US$)					
U.S.	36.30	50.25	60.75	59.42	(2.2%)
International	n.a.(1)	34.78	43.64	42.86	(1.8%)
Total ARPU (US$)					
U.S.	1.21	2.19	3.27	3.99	22.0%
International	0.21	0.38	0.63	0.75	18.8%

Specific forecast revenue assumptions

Total MAU	▪ Reflects continued organic growth combined with an increase in acquired Users from paid acquisition spend
Conversion	▪ Assumed to remain broadly in line with current conversion rates in both regions
User retention	▪ Assumed to remain broadly in line with current retention rates in both regions
Direct ARPPC	▪ Reflects continued shift in product mix towards Driver Protect / Driver Protect Lite in US and International regions respectively, and a continued shift towards annual subscriptions ▪ Pricing expected to remain constant across offering in both regions
Car Insurance Lead Generation	▪ Based on contracted terms agreed with Allstate and management's expectation of penetration of User base
Data revenue	▪ Reflects growth in MAU and new buyers, with pricing based on historical experience
ADT partnership revenue	▪ Based on contracted terms agreed with ADT
Direct revenue delta	▪ Relates to delta between our internal reporting systems and revenue recognised from Apple and Google invoices (noting revenue per invoices is consistently higher historically) ▪ Assumed to be consistent with observed historical rates

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

Forecast income statement

US$ millions	Pro Forma Historical CY16	CY17	CY18	Pro Forma Forecast CY19F	Difference
AMR [1]	**7.8**	**16.5**	**45.3**	**75.1**	**65.8%**
U.S. revenue					
Direct	2.4	8.1	20.4	34.6	69.4%
Indirect	2.2	1.6	7.3	16.3	124.8%
International revenue					
Direct	0.7	1.8	4.4	7.7	74.5%
Total revenue	**5.3**	**11.5**	**32.1**	**58.6**	**82.6%**
Research and development	(8.2)	(9.3)	(15.7)	(29.9)	89.9%
User acquisition costs	(0.0)	(1.1)	(9.1)	(25.9)	183.4%
Sales and marketing (excluding user acquisition costs)	(1.5)	(3.4)	(8.9)	(11.6)	31.0%
General and administrative (excluding D&A)	(6.4)	(6.8)	(11.2)	(11.1)	(0.1%)
Technology	(2.9)	(4.1)	(7.2)	(10.2)	41.7%
Operating expenses	**(19.0)**	**(24.7)**	**(52.1)**	**(88.7)**	**70.3%**
EBITDA	**(13.7)**	**(13.2)**	**(20.0)**	**(30.2)**	**50.6%**
Depreciation and amortisation	(0.2)	(0.2)	(0.1)	(0.1)	(17.9%)
EBIT	**(13.8)**	**(13.4)**	**(20.2)**	**(30.3)**	**50.1%**
Subscription based variable cost ratio [2]	**7.2%**	**8.3%**	**4.5%**	**2.0%**	**n.a.**
Subscription based variable cost ratio (including Apple and Google sales commissions)	**21.3%**	**27.6%**	**21.4%**	**16.2%**	**n.a.**

Commentary

- Revenue growth is expected to be driven by an increase in Paying Circles (due to ramp up in User acquisition costs and improving penetration) and growth in Indirect Revenue
- Research and development assumed to be driven by an increase in the number of FTE's in our product development function
- User acquisition costs reflect our strategy of reinvesting the revenue we generate to accelerate the growth of our User base. We plan to increase the depth and breath of our spend both in the U.S. and Internationally
- Sales and marketing assumed to be driven by an increase in Apple, Google and Driver Protect sales commissions costs
- Technology expense assumed to increase due to an increase in server costs in line with MAU, developer tools and monitoring technology to manage the increasing data needs of our User base and team
- General and administrative forecast to remain relatively stable due to a reduction in contractor and consultancy costs being offset by increased headcount in back office functions
- EBITDA loss in line with our strategy of aggressively reinvesting our revenue into the development of new features and services, as well as paid User acquisition costs

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

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

Forecast operating cash flow

	Pro Forma Historical			Pro Forma Forecast	
US$ millions	**CY16**	**CY17**	**CY18**	**CY19F**	**Difference**
EBITDA	**(13.7)**	**(13.2)**	**(20.0)**	**(30.2)**	**50.6%**
(+) Stock-based compensation	1.5	0.7	1.9	4.3	128.6%
(+) Deferred revenue	0.4	2.0	3.7	6.0	64.1%
(-) Costs capitalised to obtain contracts	(0.1)	(0.7)	(1.8)	(4.5)	154.2%
(+/-) Changes in other operating assets and liabilities	0.4	(2.2)	(0.6)	(2.3)	269.3%
(+/-) Non-cash items in EBITDA	(0.1)	0.0	0.6	2.0	249.2%
Operating cash flow	**(11.5)**	**(13.4)**	**(16.3)**	**(24.6)**	**51.3%**

Commentary

- Operating cash flow is expected to be higher than EBITDA as a result of the annual subscriptions we offer to Users, which is reflected in the deferred revenue balance
- We offer stock-based compensation to certain employees to align performance incentives
- Higher volume of annual Paying Circles drives the increase in amortised commissions captured in costs capitalised to obtain contracts

Pro forma balance sheet

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