

CY19 H1 Results

Investor Presentation

22 August 2019



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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

Wendell Laidley, CFO

Outlook

Chris Hulls, Co-Founder and CEO

Q&A

Appendix

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

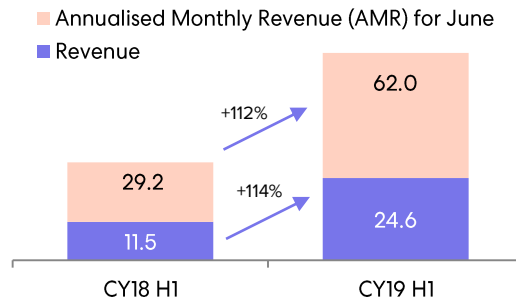
Business and Strategy Overview



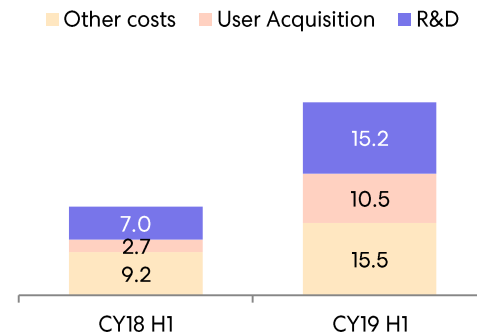
CY19 H1 performance

Investing for growth and future profitability

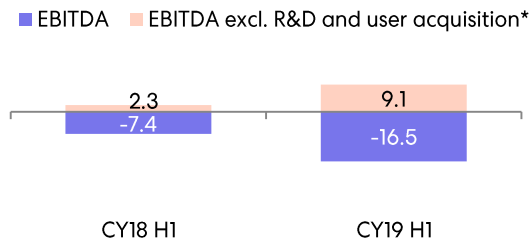
MONETISATION OF USER BASE DRIVING STRONG REVENUE GROWTH (\$M)



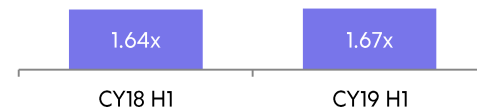
SCALABLE COST BASE WITH DISCRETIONARY INVESTMENT (\$M)



EBITDA LOSSES REFLECT DISCRETIONARY INVESTMENT IN R&D AND USER ACQUISITION (\$M)



RATIO OF OPERATING EXPENSES TO REVENUE IS STABLE



*EBITDA excl. R&D and user acquisition shows the impact on EBITDA from the discretionary investment in Research & Development and User Acquisition

CY19 H1 Highlights

Delivering on our strategy to build and monetise our user base

Brand and user growth

12.7m

US Monthly Active Users (MAU)
+66% YoY growth

Top 50

Ranking in US iTunes App Store
(Average 6 months to June 2019)
#18 in the month of June, highest
ever rank

Product expansion

\$1.0m

Revenue from launch of Allstate
lead generation partnership
(Quarter to June 2019)

\$62.0m

Annualised Monthly Revenue
+112% YoY growth
(June 2019)

Platform innovation

v2

Major product upgrade supporting
growth in Average Revenue Per
Paying Circle (ARPPC)

+115%

Investment in Research &
Development % change YoY

International growth

>23m

Global Monthly Active Users (MAU)
+56% YoY growth

12

Languages supported on
platform

Brand & User Growth

Rebrand Rollout

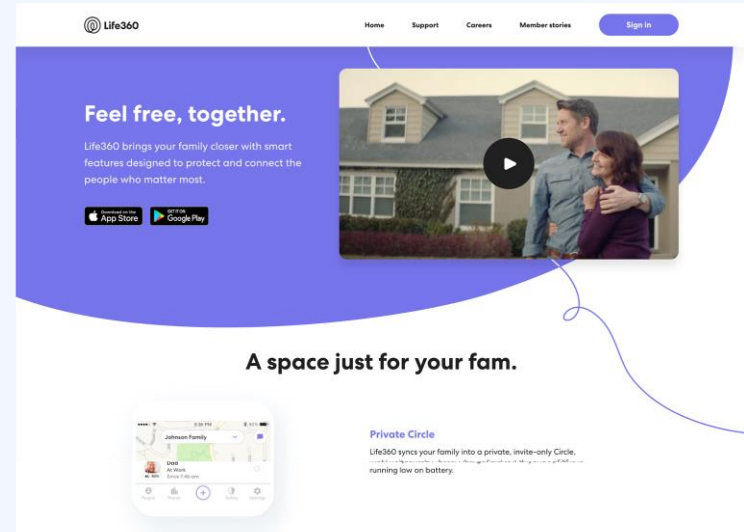
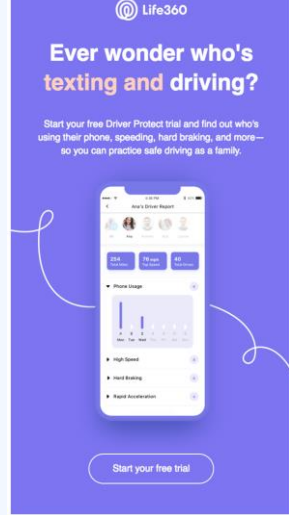
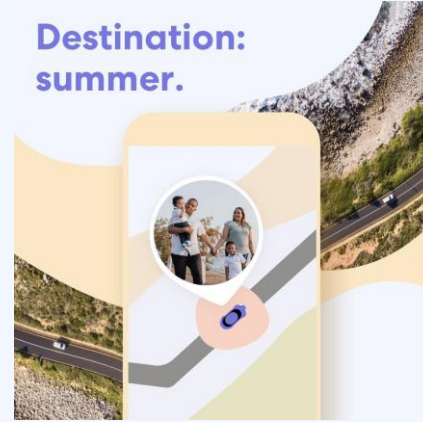
Completed rollout of new brand identity to update the brand “look and feel” to create a strong relationship with our users and establish Life360 as a modern solution for digitally native families through:

- Website
- User communications
- App

User Growth

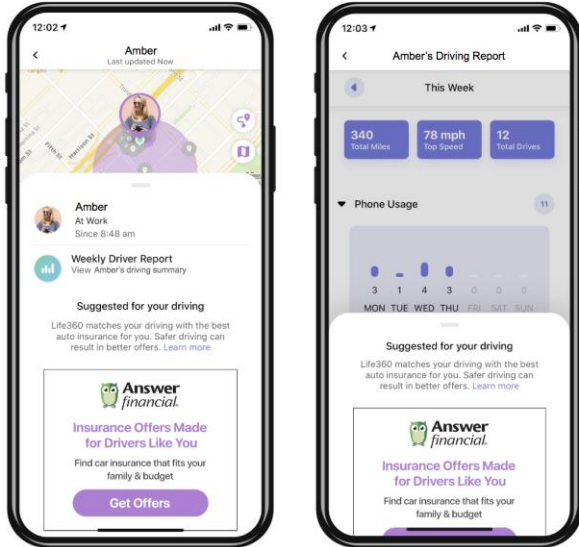
Launch of summer travel campaign targeting families with Driver Protect subscriptions package, resulted in:

- Mentions in the *New York Times* and *USA Today*
- Favourable rates of conversion of trial to subscription



Product Expansion

Delivering auto insurance offers based on driving behaviour

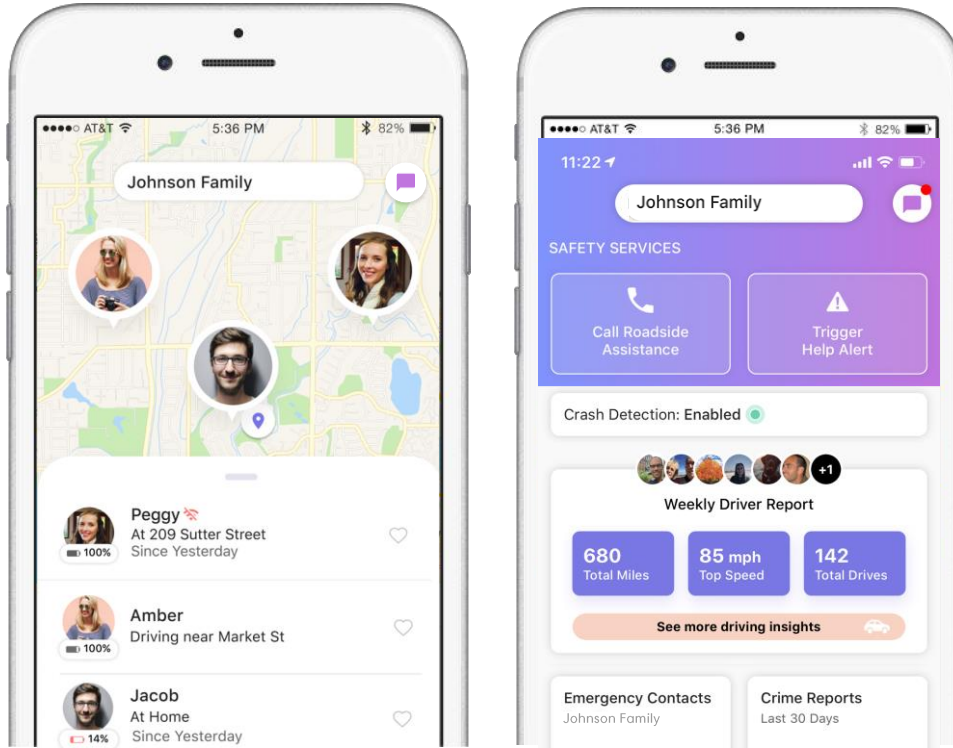


- >\$1M in revenue in Q2 from Phase 1 launch of Allstate partnership
- Full integration with discounts and telematics in development



Platform Innovation

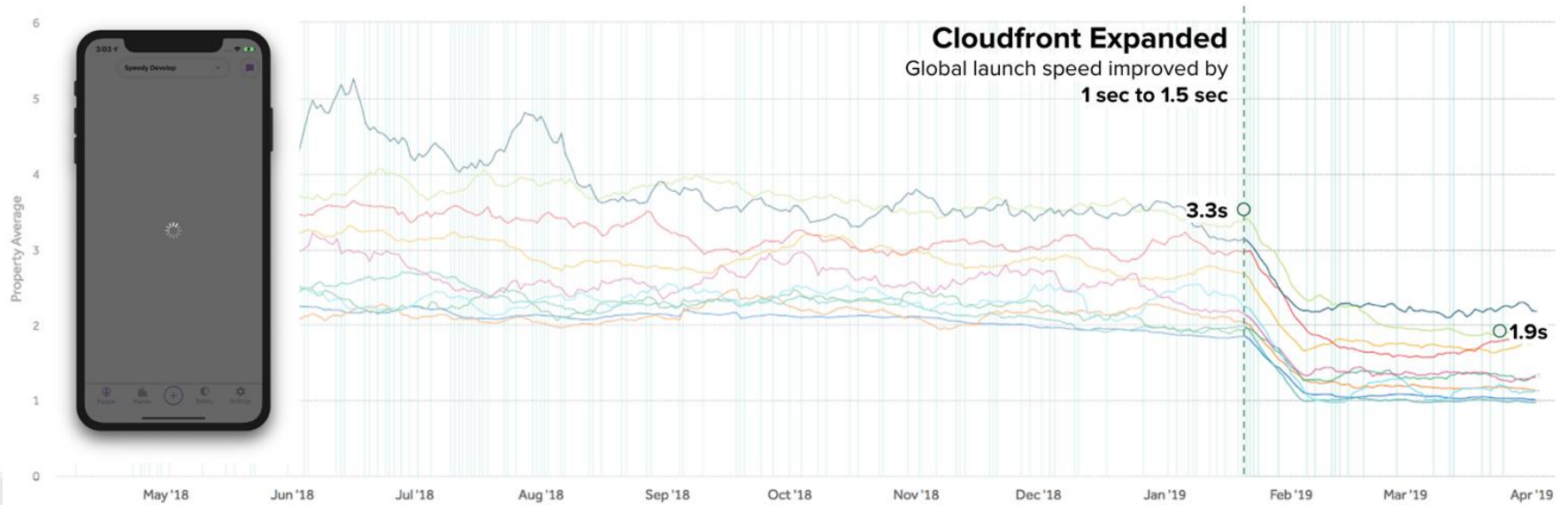
Global release of major product upgrade



- Increased premium integration resulting in higher Average Revenue Per Paying Circle (ARPPC) and improved premium retention
- Increased feature usage and engagement leading to improved free user retention
- Foundation for expanding value proposition in H2 and beyond

International Growth

Tech investment is improving international product performance
e.g. faster speeds through migration to AWS Cloudfront



● Japan	● Malaysia	● Singapore	● South Korea
● Vietnam	● South Africa	● Philippines	● Israel
● Hong Kong	● Taiwan		

International Growth

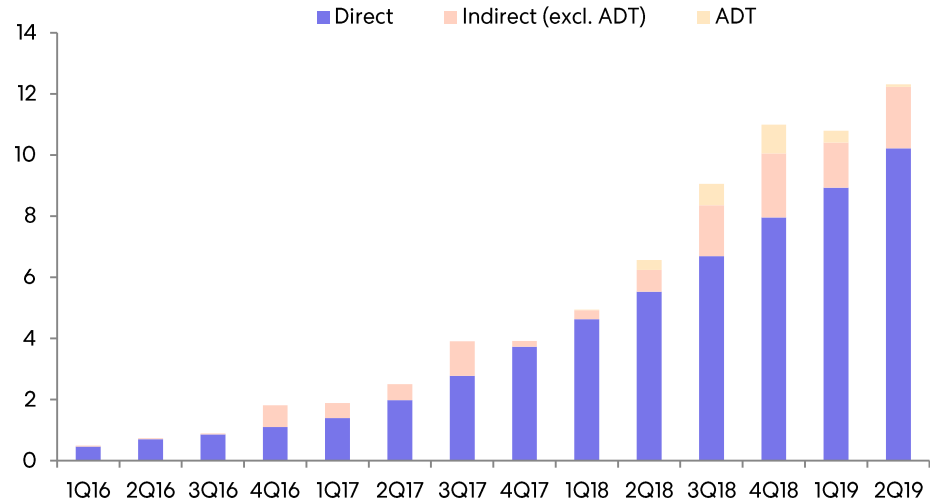
Localised full slate of user communications for all 12 languages we support



Rapidly expanding revenue profile

Reflects monetisation of user base through Direct and Indirect revenue

QUARTERLY REVENUE (\$M)



- Direct revenue comprises subscription fees paid by Paying Circles for premium products
- Indirect revenue (excl. ADT) 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
- ADT revenue reflects legacy licence revenue from co-branded ADT Go app
- Data series excludes ADT partnership revenue in 2016. December 2018 excludes revenue generated by the Allstate proof of concept trial

The New York Times

How to Assess Security Risks While Traveling

Mobile apps [Life360](#) and Apple's [Find My Friends](#), both free, share your location with people in your group, and send alerts when users arrive at a location. Life360 also lets you send a help alert to your group.

A teenager didn't come home. An iPhone app led her mother to a ravine.

Alexander and Smith told WXII that the crash has shown them the importance of using mobile tracking apps and encouraged other families to do the same. Alexander said her family now uses the Life360 app, which has more features than Find My Friends, including crash detection, roadside assistance and a help alert that instantly sends a person's location to their emergency contacts.

5 Parenting Apps We Can't Live Without!

Life360

(Available on: [Apple App Store](#) & [Google Play](#))

Life360 is the world's leading realtime, location-sharing app, and is the best way to coordinate with family and friends. Get automatic notifications when your family comes and goes from home, work and school, and when they complete drives. Life360 also offers a crash detection service that will notify your emergency contacts and dispatch emergency services.

6 travel hacks you need to know for summer vacation

Alexander and Smith told WXII that the crash has shown them the importance of using mobile tracking apps and encouraged other families to do the same. Alexander said her family now uses the Life360 app, which has more features than Find My Friends, including crash detection, roadside assistance and a help alert that instantly sends a person's location to their emergency contacts.

How To Ensure Your Overseas Trip Is As Safe As Possible

As [The New York Times](#) recommends, both [Life360](#) and [Find My Friends](#) share your location with anyone you choose and send alerts. You still have the option to turn off the tracking feature later, so don't worry about your parents tracking your every move.

How Women Can Stay Safe Traveling Alone

Another tip: Use that GPS tracker on your phone. Apps like Life360 allows users to share their location with friends and family, so the whole group knows where the traveler is at any time.

WHICH TEEN DRIVER APP SHOULD YOU TRUST? 3 OF OUR FAVORITES

LIFE360

Life360 is the world's leading realtime, location-sharing app, and is the best way to coordinate with family and friends.

Get automatic notifications when your family comes and goes from home, work and school, and when they complete drives. As seen on FOX, NBC, CBS, and more!

Best Parenting Apps for All Ages and Stages

Life360

This app promises parents peace of mind, especially for parents of new drivers and teens who forget to let you know they went out with friends after school. You can even set up an automated message that sends whenever your child's phone (and your child, hopefully) get to school or basketball practice. The basic app is free, but for \$29.99 per year, you unlock the 30-day location history and unlimited places.

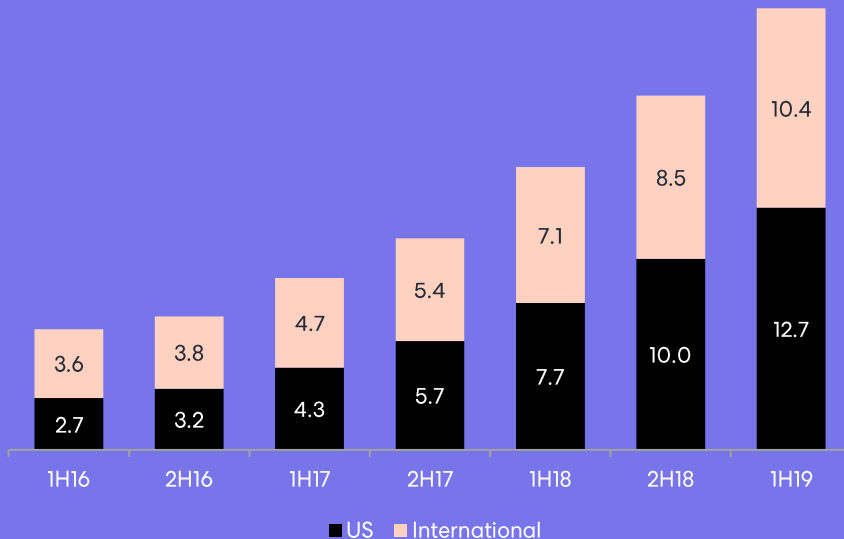
The Washington Post

HOUSTON FAMILY
MAGAZINE



Exceptional media coverage supporting US MAU growth

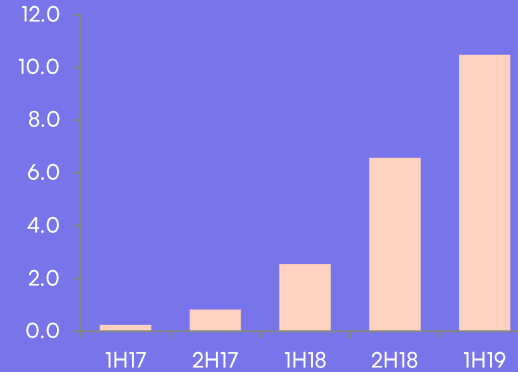
MONTHLY ACTIVE USERS (MAU) (M)



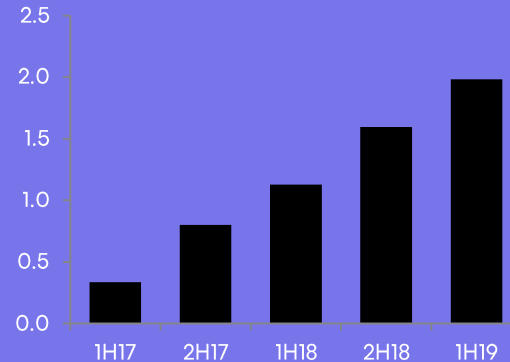
User acquisition spend supporting growth in new US paid registrations

Higher spend per user reflects increased user quality and Lifetime Value (LTV)

USER ACQUISITION SPEND (\$M)



NEW US PAID REGISTRATIONS (M)

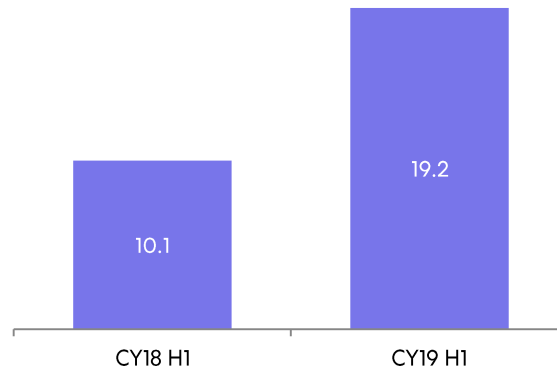


Direct Revenue

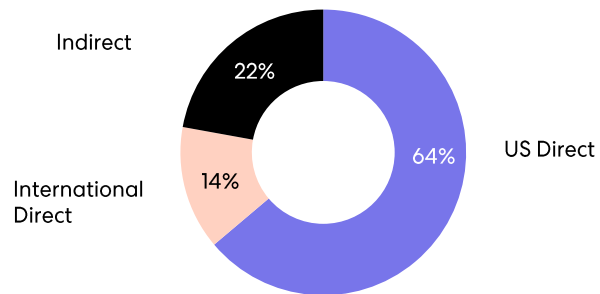
+89%

CY19 H1 YoY growth

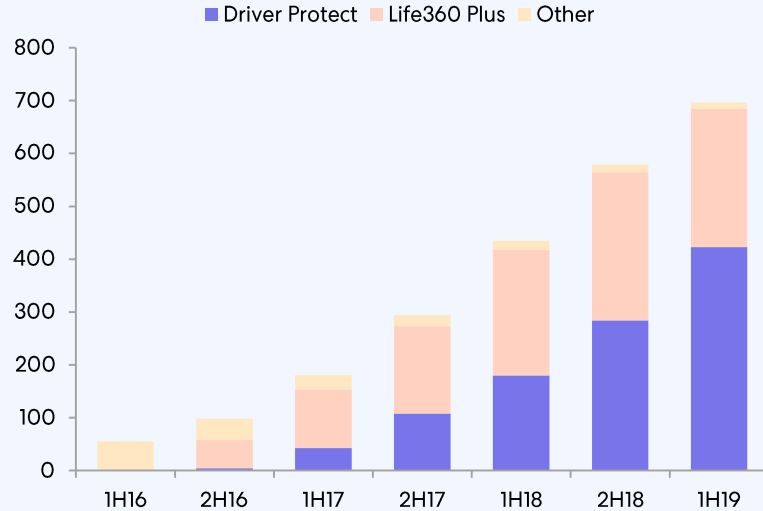
DIRECT REVENUE (\$M)



DIRECT REVENUE AS A % TOTAL LIFE360 REVENUE (CY19 H1)

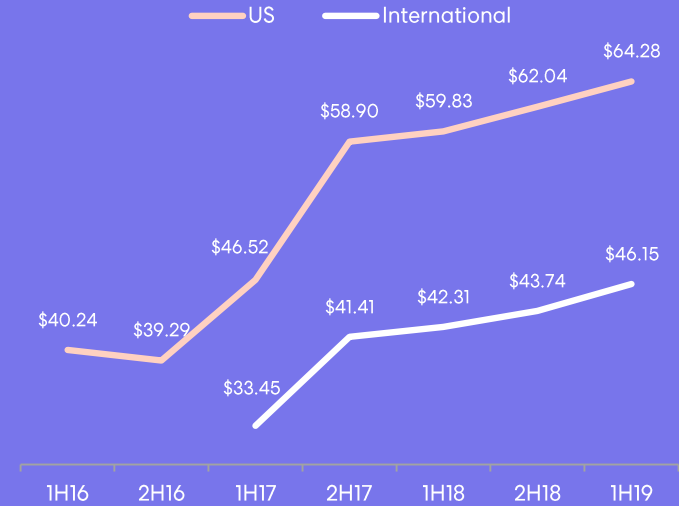


PAYING CIRCLES (000s)



- 60% YoY growth in Paying Circles to 696k
- Accelerating growth in higher priced Driver Protect
- 95% of new subscriptions for Driver Protect in June 2019

AVERAGE REVENUE PER PAYING CIRCLE (ARPPC)¹ (\$)



- 7%+ YoY increase in CY19 H1 US ARPPC supported by accelerating growth in Driver Protect
- 1H19 ARPPC ahead of CY19 prospectus forecast of \$59.42 (US) and \$42.86 (International)
- ~13% YoY increase in US ARPPC in month of June 2019

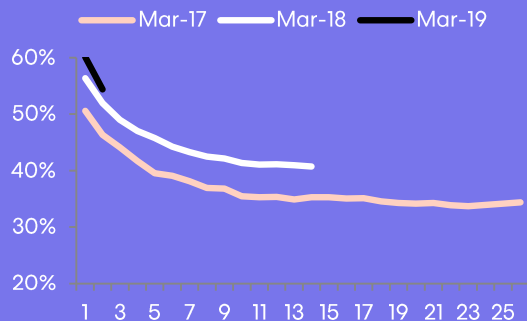
(1) The number of International Paying Circles in CY16 is not available from our internal reporting systems

Engaged user base is supporting improved retention rates

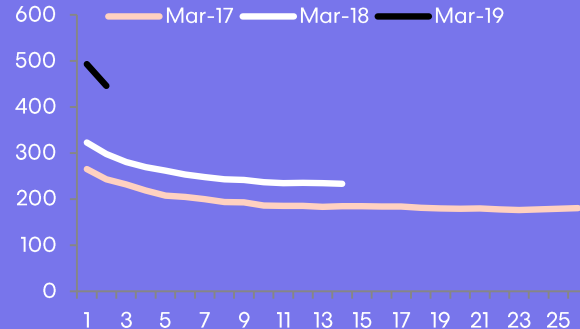
- These charts indicate how long a given cohort of users (who registered or subscribed in a given month) remain with Life360
- Flattening curves indicate stabilising retention
- Recent cohorts (ie shorter lines) show improvement in absolute numbers as well as percentage of cohort retention rates for both organic users and Driver Protect subscribers

US ORGANIC USER MONTHLY RETENTION PER COHORT

Relative (% total)

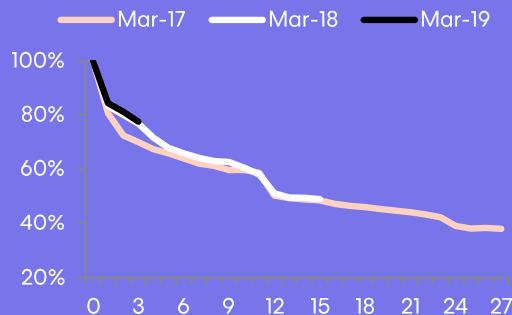


Absolute (000s)

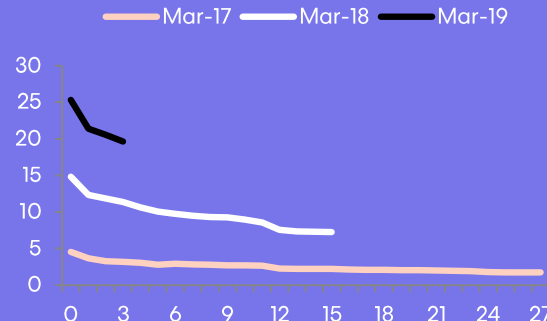


US DRIVER PROTECT SUBSCRIBERS MONTHLY RETENTION PER COHORT

Relative (% total)



Absolute (000s)

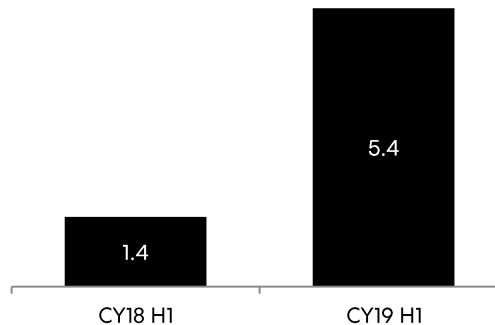


Indirect Revenue

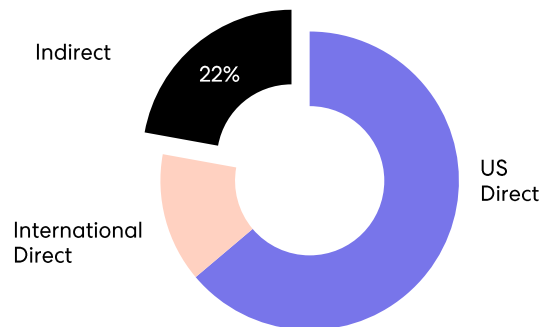
+302%

CY19 H1 YoY growth

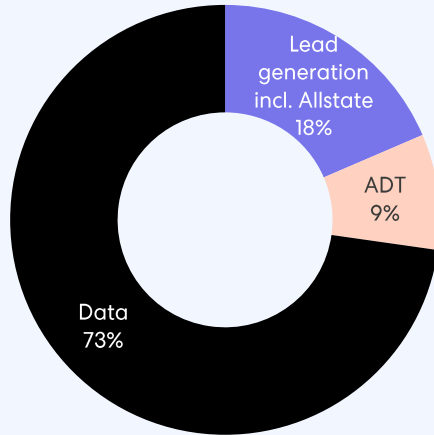
INDIRECT REVENUE (\$M)



INDIRECT REVENUE AS %
TOTAL LIFE360 REVENUE (CY19 H1)



CONTRIBUTION TO INDIRECT REVENUE (CY19 H1)



Data

- Strong YoY growth in revenue
- Higher customer numbers across multiple sectors
- Increased revenue per customer

Lead Generation

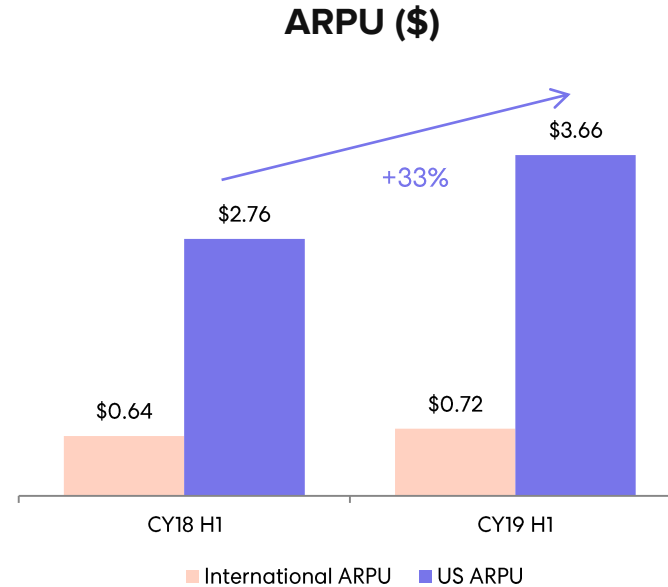
- Auto insurance lead generation with Allstate formally launched in May
- Revenues in excess of \$1.0m for the quarter to June 2019

ADT Partnership

- Legacy revenue source for hosting and branding the ADT Go App
- CY19 H1 revenues of \$0.5m
- No contribution from ADT anticipated for CY19 H2

Rapidly expanding ARPU profile

CY19 H1 ARPU increased 33%
YoY reflecting strong Direct and
Indirect revenue growth



CY19 H2 Roadmap

Implementing our strategy to build and monetise our user base

Brand and user growth

Launch of “back to school” strategic partnership with the National Parent Teacher Association (PTA), a trusted brand with parents across the U.S.
Test new channels to grow brand awareness including YouTube and broadcast TV

Product expansion

Develop a membership experience to offer higher value family services
Expand value proposition with free and premium tiers of crash detection, ID theft, and personal security products

Platform innovation

Invest in infrastructure to support global expansion
Create architecture that supports the needs of a membership model

International growth

Enhance local language app store experiences
Simplify international premium package to a single tier with customised regional pricing

Brand and User Growth

Back to School Campaign

- Integrated campaign will leverage the momentum of “Back to School” season to increase Driver Protect subscriptions
- Our partnership with the National Parent Teachers Association (PTA) will be a core component, targeting parents at a local level

Exploring new channels

- Testing of new mass audience channels to grow brand awareness and paid acquisition efficiency
- Plans include working with social media influencers and television

PTA[®]
everychild.onevoice.[®]

+

 **Life360**



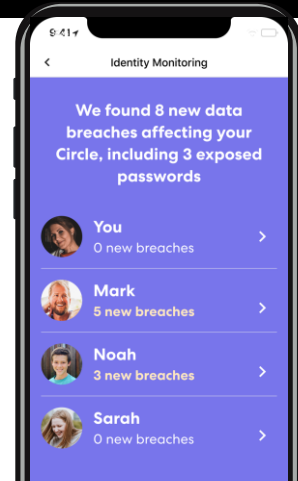
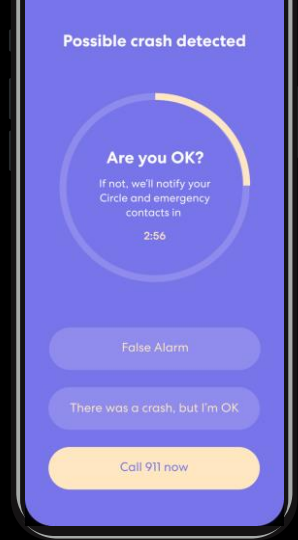
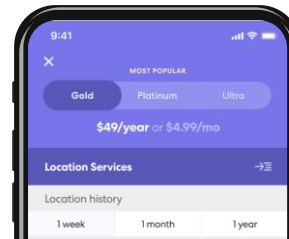
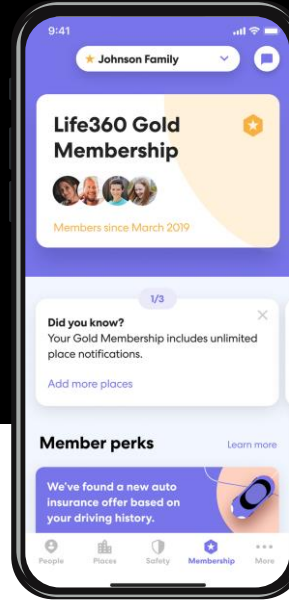
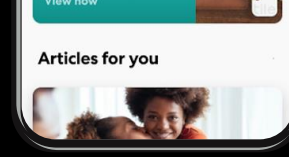
Product Expansion

Membership v1

Developing a membership experience that expands Life360 beyond location into higher value family services

CY19 H2 development phase. Launch in CY20 H1 to include:

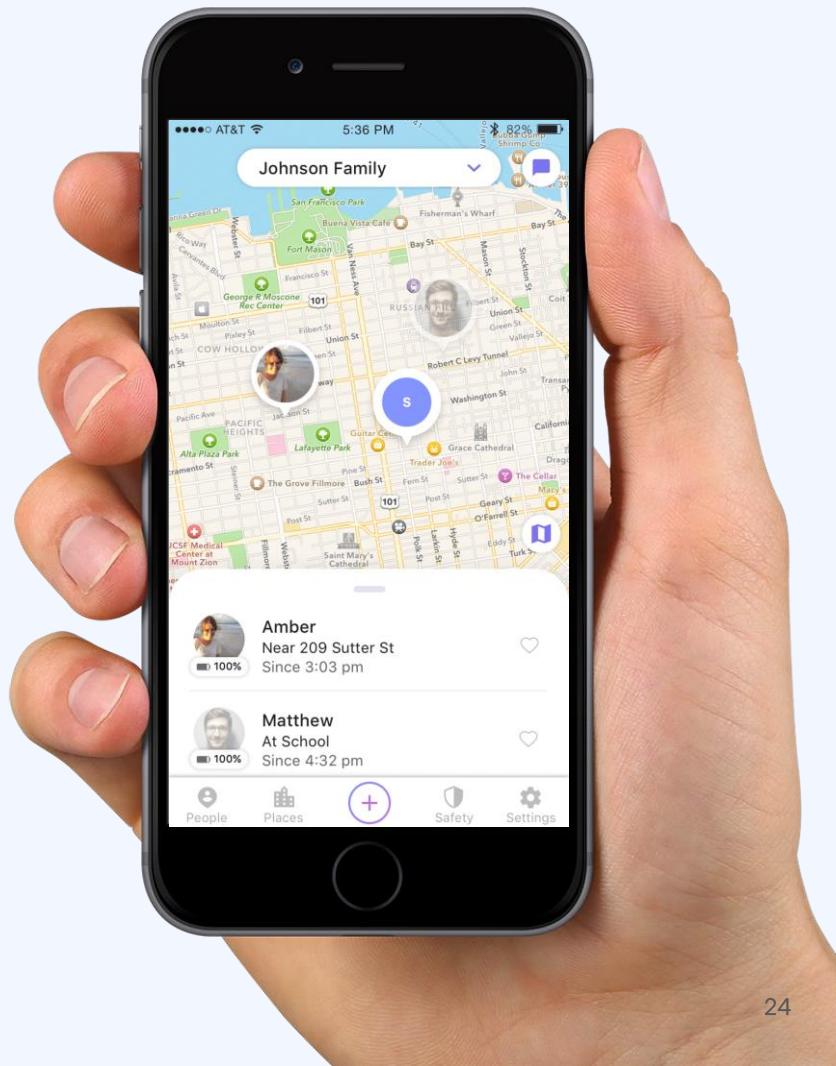
- New bundled subscription offering with 3-tiers of premium and higher price points than our existing offering
- Expanded value proposition with:
 - Free automated crash detection for all users
 - ID monitoring and restoration services (Family Digital Safety)
 - Improved help alert with police dispatch (Premium SOS)
- Curated member benefits and content
- UX changes to provide a “membership” feel - “Membership” tab



Platform Innovation

We will continue to invest to be best-in-class in location technology and core user experience:

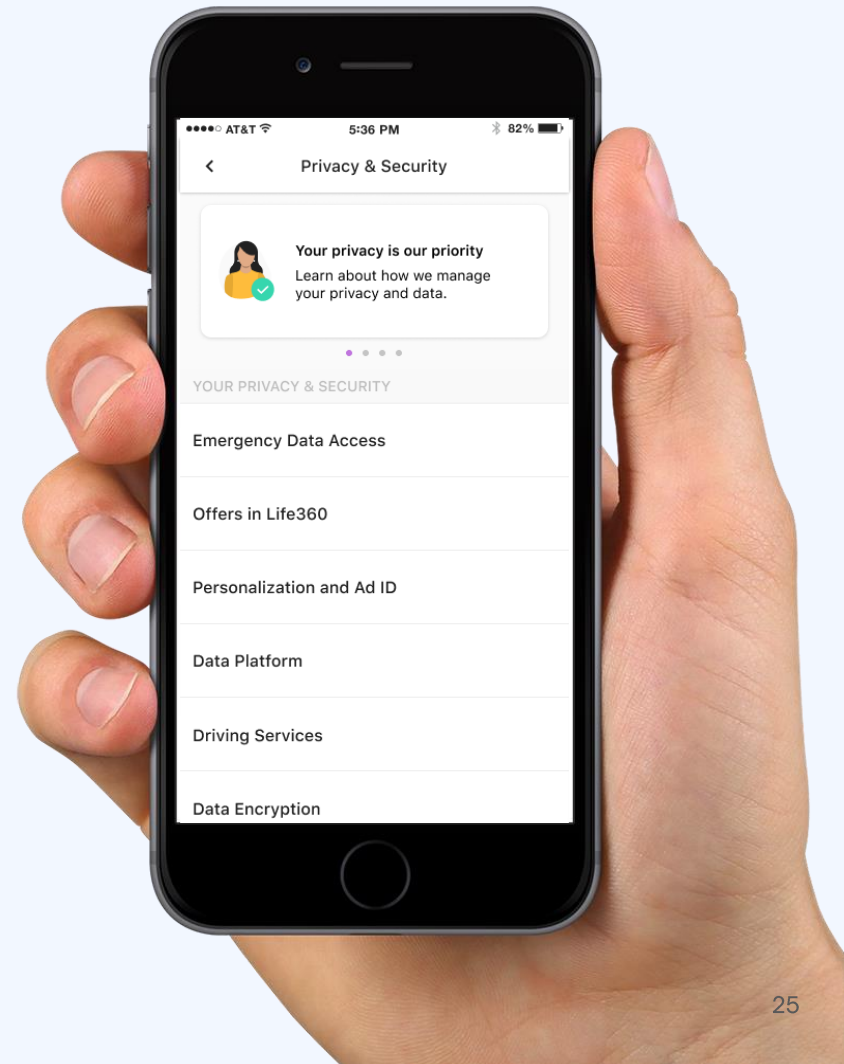
- Location freshness
- Temporary location / places
- Comparison of speed to posted speed limit
- iOS & Android updates



Data & Privacy

We are proactively addressing this important issue through the following initiatives:

- Introduction of a new Privacy Centre to provide users control of how their data is used
- Dedicated team formed to support data and privacy compliance

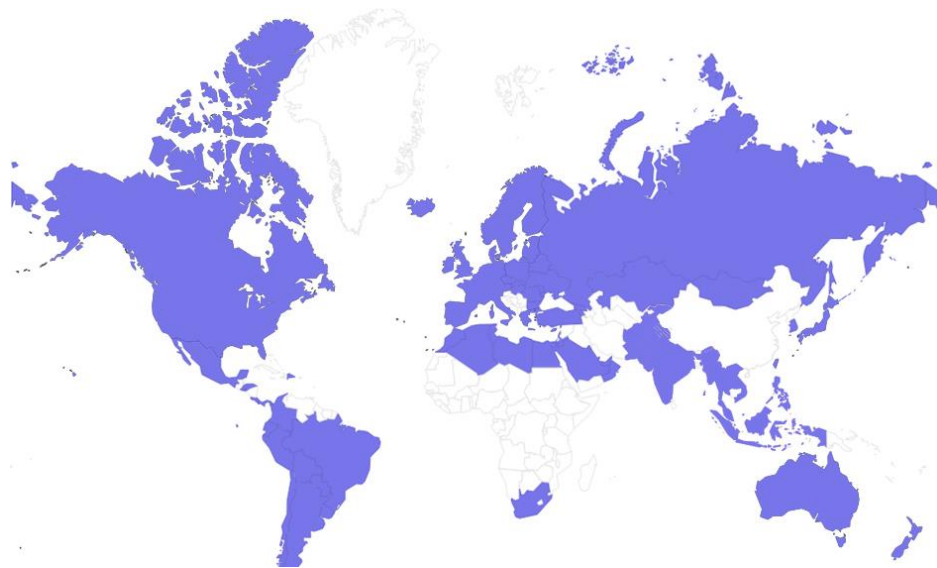


International Growth

H2 Priorities

- Customise local pricing and simplify packages
- Continue investment in technology
- Localise marketing
- Expand User Acquisition spend

International target markets



Financial Overview



Income Statement

\$M	CY18 H1	CY19 H1	% ch
U.S. revenue			
Direct	8.1	15.8	93%
Indirect	1.4	5.4	302%
International revenue			
Direct	2.0	3.4	70%
Total revenue	11.5	24.6	114%
Customer support	(0.4)	(0.9)	(127%)
Research & Development	(7.0)	(15.2)	(115%)
User Acquisition	(2.7)	(10.5)	(290%)
Sales and marketing (excl. User Acquisition)	(3.5)	(5.6)	(62%)
General and administrative (excluding D&A)	(2.7)	(4.1)	(50%)
Technology	(2.6)	(4.8)	(87%)
Operating expenses	(18.9)	(41.1)	(118%)
EBITDA	(7.4)	(16.5)	(123%)
Depreciation and amortisation	(0.1)	(0.2)	
EBIT	(7.5)	(16.7)	(124%)
Net interest	(0.1)	(0.2)	
Other income / expense	0.1	(0.2)	
Tax	0.0	(0.0)	
Net Profit (loss)	(7.5)	(17.1)	(128%)

Commentary

- Total revenue increased >110% in CY19 H1
- Annualised Monthly Revenue (AMR) of \$62M in June 2019 increased 112% over prior year period
- Direct revenue subscription offerings (Driver Protect, Life360 Plus) represent 75% of total revenue and increased 88% in CY19 H1
- Growth in Paying Circles and rising ARPPC benefitting Direct revenue
- Experiencing faster-than-anticipated transition from Plus to higher-priced Driver Protect offering
- Indirect revenue, which has three components, increased 300% during CY19 H1
- Allstate lead generation partnership had first full month in June and produced >\$1m of revenue during Q2
- Total operating expenses increased at roughly the same rate as total revenue
- Research & Development and User Acquisition account for >60% of total operating expenses and represents investment in future growth
- Remain focused on growing other operating expenses (Sales and marketing, General and administrative, technology) at slower rates than total revenue growth

Balance Sheet

\$M	Dec 2018	June 2019
Cash and cash equivalents	25.8	78.4
Accounts receivable	5.7	7.4
Costs capitalised to obtain revenue contracts, net	1.2	1.8
Prepaid expenses and other current assets	2.4	2.9
Total current assets	35.1	90.5
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	0.9
Goodwill	0.0	0.8
Intangible assets, net	0.2	0.3
Notes from affiliates	0.3	0.3
Other non-current assets	1.1	0.0
Total non-current assets	2.6	2.8
Total assets	37.7	93.3
Accounts payable	3.0	1.3
Accrued expenses and other liabilities	2.1	3.5
Deferred revenue	6.1	7.1
Notes payable, current portion and net of discount	1.6	-
Total current liabilities	12.8	11.9
Notes payable, net of current portion and discount	3.3	0.0
Preferred stock warrant liability	0.8	0.0
Deferred rent	0.3	0.3
Other non-current liabilities	0.9	0.8
Total non-current liabilities	5.3	1.1
Total liabilities	18.1	13.0
Redeemable convertible preferred stock	115.6	0.0
Common stock	0.0	0.0
Notes from affiliates	(0.6)	(0.6)
Additional paid-in capital	(8.9)	184.5
Accumulated deficit	(86.5)	(103.6)
Total equity	19.6	80.3
Total equity & liabilities	37.7	93.3

Commentary

- Cash and cash equivalents increased by >\$52M during CY19 H1 as a result of IPO proceeds in May
- Deferred revenue of \$7.1M was roughly \$2M lower than Prospectus model forecast due to slower shift of subscriptions from monthly to annual terms
- Term debt of \$4.2M was paid off in June, company is currently debt-free
- Current strong capitalisation position is considered sufficient to fund business operations through period when company achieves operating cash flow break-even

Cash Flow

\$M	CY18 H1	CY19 H1
EBITDA (pre UA and R&D⁽¹⁾)	2.3	9.2
User Acquisition costs	(2.7)	(10.5)
Research and development	(7.0)	(15.2)
EBITDA	(7.4)	(16.5)
Stock-based compensation	0.5	2.1
Deferred revenue	1.6	0.9
Costs capitalised to obtain contracts	(0.6)	(1.5)
Changes in other operating assets and liabilities	(0.6)	(3.1)
Other non cash items in EBITDA	0.2	1.4
Net Cash Inflow / (Outflow) from Operating Activities	(6.3)	(16.7)
Investments in PP&E	(0.1)	(0.1)
Proceeds from disposal	0.0	0.0
Net Cash Inflow / (Outflow) from Investing Activities	(0.1)	(0.1)
Proceeds from the issuance of preferred stock, net of issuance costs	1.2	0.0
Proceeds from issuance of common stock in initial public offering, net of underwriting commissions	0.0	75.9
Payments of deferred offering costs	0.0	(1.8)
Proceeds from the exercise of options and grant of stock awards, net of repurchase	0.2	0.3
Proceeds from borrowings	5.0	0.0
Payments on borrowings	(5.0)	(5.0)
Net Cash Inflow / (Outflow) from Financing Activities	1.4	69.4
Net Cash Inflow / (Outflow)	(5.0)	52.6
Cash at Beginning of Period	15.7	26.1
Cash at End of Period	10.7	78.7

1) EBITDA excl. US and R&D shows shows the impact on EBITDA from the variable investment in User Acquisition and Research & Development

Commentary

- Adjusting for discretionary spend (User Acquisition, R&D), EBITDA was \$9.2M for CY19 H1
- EBITDA of \$(16.5)M for CY19 H1 reflected an increase of \$(9.1)M compared to CY18 H1
- Net loss of \$(17.1)M in CY19 H1 compared to \$(7.5)M in CY18 H1
- Operating cash flow of \$(16.7)M for CY19 H1 reflects sequential reduction between the March and June quarters
- Net cash outflows from Investing activities remains relatively inconsequential
- Net cash inflows of \$69.4M from Financing activities reflected receipt of IPO proceeds in May and full repayment of term debt in June
- Operating cash burn for CY19 H2 is expected to reflect an improvement over \$(16.7)M in CY19 H1
- Management continues to expect full year 2019 operating cash burn will represent the peak period for annual operating cash burn

Outlook



Outlook

Life360 expects to achieve prospectus revenue forecasts of US\$58.6 million for CY19 underpinned by Monthly Average User and Average Revenue per Paying Circle performance ahead of prospectus forecasts, and a successful launch of the Allstate partnership. These factors are expected to offset the faster than expected wind-down of legacy revenues associated with the ADT partnership.

Q&A



Appendix



Operating Metrics

	CY18 H1	CY19 H1	CY16	CY17	CY18
MAU (millions)					
U.S.	7.7	12.7	3.2	5.7	10.0
International	7.1	10.4	3.8	5.4	8.5
Total	14.8	23.1	7.0	11.1	18.5
Paying Circles (millions)					
U.S.	0.33	0.53	0.10	0.22	0.45
International	0.10	0.16	n.a. ⁽¹⁾	0.07	0.13
Total	0.43	0.69	0.10	0.29	0.58
Direct ARPPC (US\$ annualised)					
U.S.	59.83	64.28	36.30	50.25	60.75
International	42.31	46.15	n.a. ⁽¹⁾	34.78	43.64
Total ARPU (US\$ annualised)					
U.S.	2.76	3.66	1.21	2.19	3.27
International	0.64	0.72	0.21	0.38	0.63

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