

ASX ANNOUNCEMENT

26 March 2020

Impact of COVID-19

San Francisco-based Life360, Inc. (Life360 or the Company) (ASX:360) today provides an update on the impact of COVID-19 on its business and outlook for 2020.

Business Update

During the first quarter of 2020, Life360's performance has remained strong. Overall revenue growth for Q1 to date is more than 60% YoY. There has been no material change in premium cancellation rates as a consequence of COVID-19. However, as lockdowns have progressed, there has been a decrease in new registrations as the value of the product is naturally diminished when families do not leave their homes. As a result, the company is scaling back paid user acquisition until families are no longer sheltering in place. While the lockdowns and decreased marketing will reduce short-term registration rates, there is no evidence that this impact will be more than temporary.

Demand for Life360's data products has remained strong. No partners have cancelled, but decreased people movement could adversely impact their businesses. A prolonged downturn would put collection of certain portions of data revenue at risk.

CEO Chris Hulls said "While registration rates and daily app usage have been materially impacted amid the recent global lockdowns, weekly and monthly retention remains strong. We have seen activity rebound in certain countries, such as Japan, that have returned to a more normal state. Consequently we believe the decline in app usage is temporary and reflects families no longer going about their daily routines. We see no evidence of any long-term changes in user behaviour".

Progress on the Life360 Membership offering remains largely on track, and any roadmap delays as a result of productivity loss due to forced lockdowns will be less than one month. 40% of the Life360 workforce is based outside of San Francisco so the company was well positioned to manage the transition to remote work.

During the lockdowns, Life360 has also been part of an organized TikTok campaign by a small group of teenage influencers to spam certain apps, such as video conferencing and homework apps, with one star reviews. Manipulative reviews have been removed from one platform and discussions are underway with the second one.

Outlook

Life360 reported CY19 results on 27 February 2020 and provided guidance for CY20 business and financial performance.

CY20 Q1 results are expected to be broadly in line with internal forecasts. However there are considerable uncertainties over the duration of the current environment, with negative impacts on the business likely in Q2. Consequently directors believe it is prudent to withdraw previous guidance. Life360's discretionary expenditure model provides the opportunity for cost management, particularly in paid user acquisition, to at least partially offset revenue shortfalls. Life360 remains confident that it will reduce operating cash outflow in CY20 versus CY19.

Life360's priority remains the safety and well-being of its employees. Business continuity plans, including remote working, have been in place for some weeks and are working well.



Balance Sheet

At December 2019, Life360's net cash balance was US\$64.1 million with no debt. This strong capital position provides ample resources to fund future cash flow requirements.

Authorisation

Chris Hulls, Director, Co-Founder and Chief Executive Officer of Life360 authorised this announcement being given to ASX.

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 27 million monthly active users (MAU) located in more than 160 countries.

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