# CY22 H1 Results

Investor Presentation

16 August 2022

Life360

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All values are stated in US dollars unless otherwise stated.

# Agenda

**Business and Strategy Update**
Chris Hulls, Co-Founder and CEO

**Financial Overview**
Russell Burke, CFO

**Outlook**
Chris Hulls, Co-Founder and CEO

**Q&A**
Chris Hulls and Russell Burke

**Appendix**
1. Operating metrics
2. Unit Economics – Marketing payback
3. Non-GAAP financial measures

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

# Business Update

# CY22 H1 achievements

## Creating a one-stop trusted family safety membership service

**Delivering strong core subscription momentum**

42m Monthly Active Users +29% YoY

1.4m Paying Circles +41% YoY, second highest ever quarterly net subscriber additions

**Executing Tile integration strategy**

Platform in place for bundled Tile hardware Membership offering

Life360's bundle offer matching prior test results with a  35% subscription uplift

**Establishing a pathway to profitability**

$174m AMR* +65% YoY achieving significant revenue scale

Unified platform in place to support improved subscriber conversion, retention metrics and pricing power

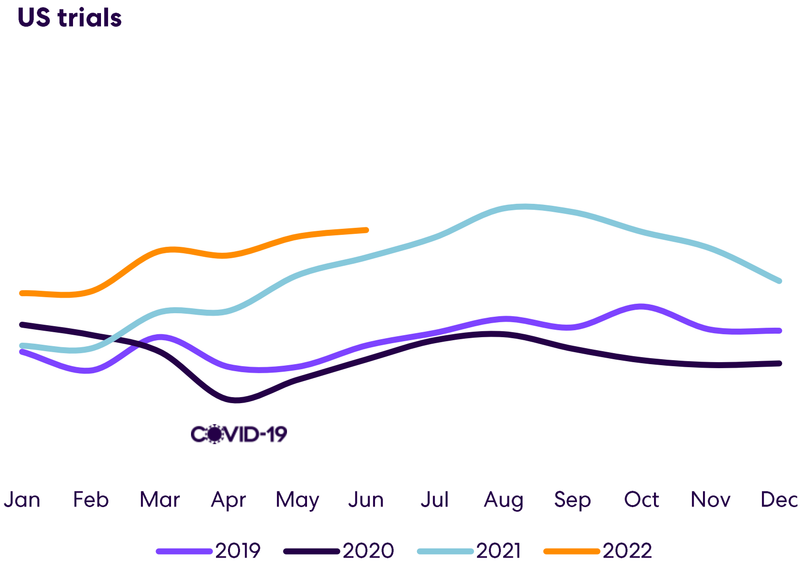
Integrated leaner cost base and reducing commissions to drive efficiencies in CY23

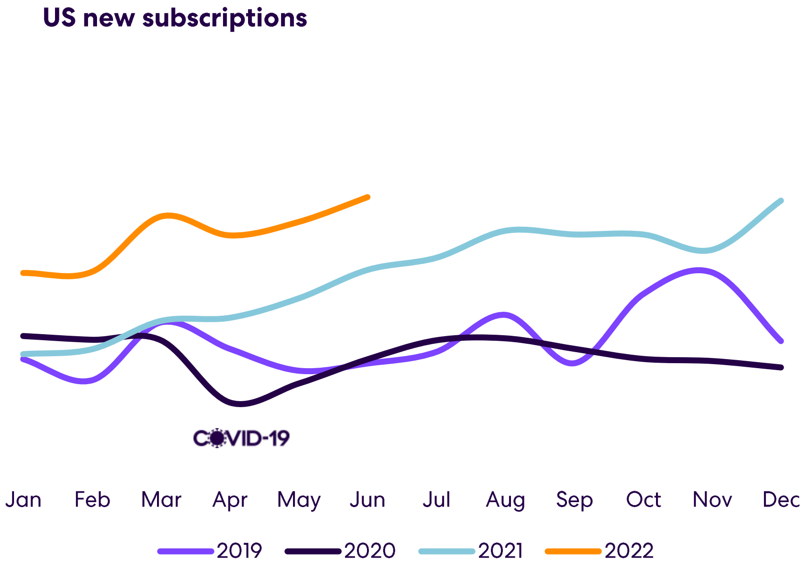
Membership growth meeting bullish expectations
Adjusted EBITDA** and cash burn as expected

*June 2022 Annualised Monthly Revenue (AMR) excluding hardware revenue
**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

# Resilience in current challenging macro environment

On track for seasonal Q3 uplift with higher overall volumes



# CY22 H1 User Highlights

Connecting families and saving lives

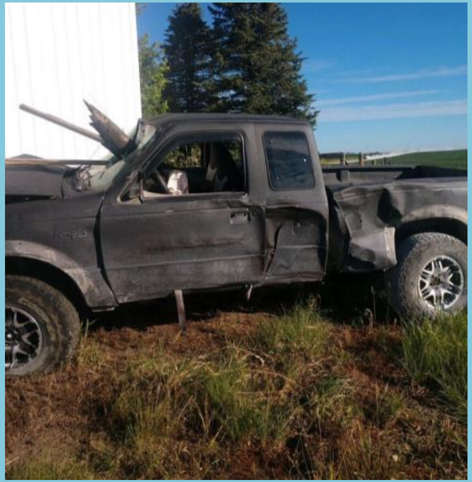
**1,138,353**
Help alerts sent

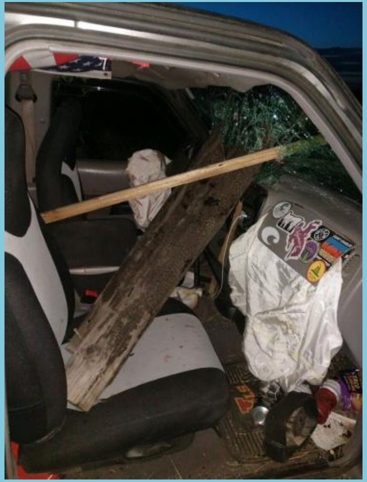
**105,731,475,183**
Miles driven with Life360 Crash Detection

**14,349**
Ambulances dispatched

**12,092,565,856**
Safe arrival notifications

**373 billion**
Tile Bluetooth location updates





"My boys were headed to go do chores when they were involved in a pretty serious accident which involved multiple fence posts being hit, some of which actually impaled the windshield of their vehicle. From what I can tell, Life360 immediately called 911 and within less than two minutes of the accident had notified me. Both the boys are home and are going to hopefully make a complete full recovery. Had we not had this app, it's unlikely I would have found out about this or known about the accident for a significant amount of time. It's not a very heavily travelled road. It's not very likely either one of them would have been able to find their phones. So we are so grateful and so thankful for Life360 and what they were able to do for us at our time of need, and we will forever be a customer.

**Life360 user**

# CYH1 Results Summary

- Continued strong subscription revenue momentum, up 90% including Tile and Jiobit subscriptions, and 60% for Life360 subscriptions on a like-for-like basis
- Hardware revenue constrained by strategic shift to prioritize higher margin sales channels, reduced paid acquisition spending, broad softness in consumer electronics, and deliberate strategy to clear channel inventory
- Annualized Monthly Revenue (excluding hardware) increase of 65%
- CY22 H1 Adjusted EBITDA loss was as expected due to peak period of investment ahead of the Life360 and Tile bundled launch, and seasonality of Tile's contribution
- CY22 H2 expectations reflect continued growth in subscriber metrics and revenue; peak seasonal period for hardware revenue flowing into positive EBITDA and cashflow in Q4; cost efficiencies from integration

## Peak investment period ahead of Life360 and Tile bundled launch and Tile seasonal holiday uplift

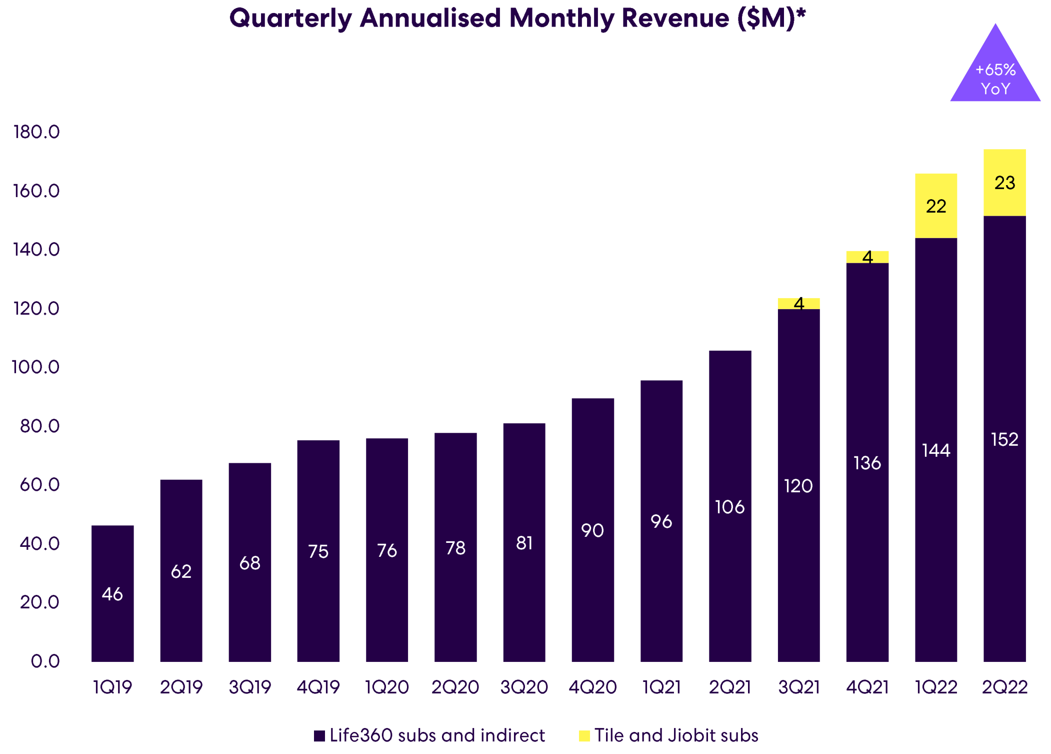
| $M | CY21 H1 | CY22 H1 | % ch YoY | CY22 H2 Guidance | CY22 Guidance |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Subscription (Direct) | 36.4 | 69.1 | *90%* | | |
| Hardware | - | 16.5 | *NM* | | |
| Other (Indirect) | 11.6 | 14.3 | *23%* | | |
| **Total revenue** | **48.0** | **99.8** | ***108%*** | **145-160** | **245-260** |
| | | | | | |
| Annualized Monthly Revenue (AMR) | 105.9 | 174.4 | *65%* | | |
| | | | | | |
| **Adjusted* EBITDA** | **(4.8)** | **(32.3)** | | **(3)-(6)** | **(35)-(38)** |
| **Adjusted* net profit/(loss)** | **(5.0)** | **(30.2)** | | | |
| | | | | | |
| **Cash and cash equivalents** | **50.8** | **79.3** | | | **~65** |

Tile Q4 seasonal holiday uplift, improving subscriber metrics, integration cost efficiencies

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

# Accelerating subscription revenue growth

AMR has more than tripled since the IPO in May 2019

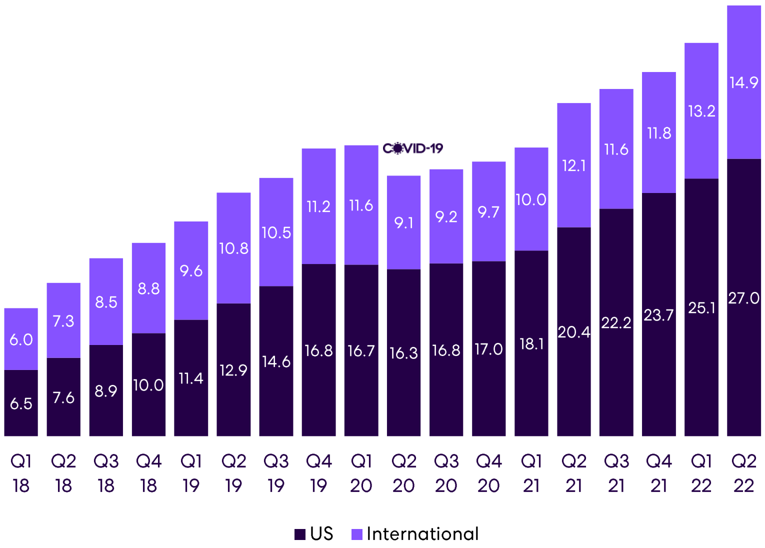



Note: Numbers may not add due to rounding
*Annualised Monthly Revenue excludes hardware

# Global MAU reaching new heights with strong retention

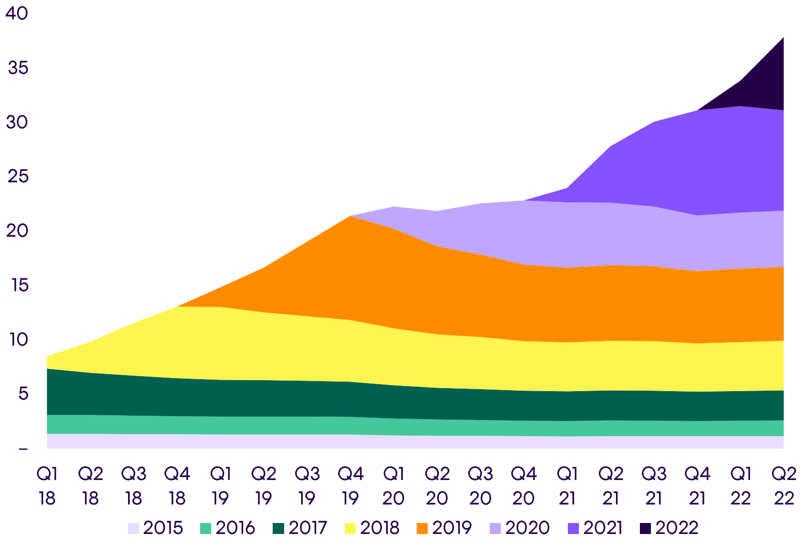
Year-on-year growth of 29%

### Life360 Core Monthly Active Users (MAU)(M)




- US MAU of 27.0 million increased 33% year-on-year
- International MAU of 14.9 million increased 24% year-on-year

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



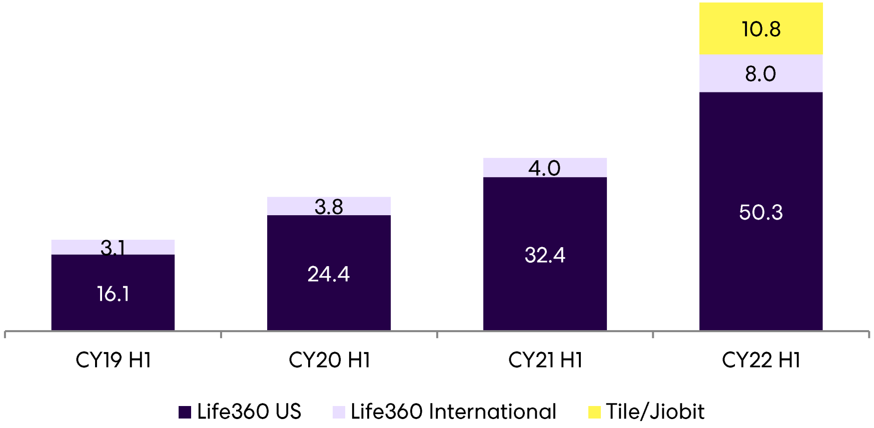

- RMAU strength reflects increasing engagement due to continued enhancements to the free user experience

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

# Subscription (Direct) Revenue

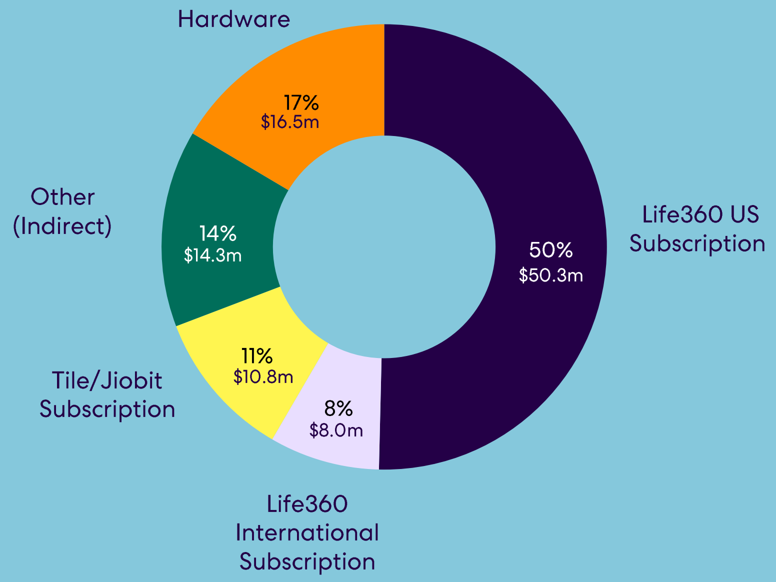
## YoY increase of 90%, +60% for Life360 subscription

**Subscription revenue* ($M)**




- Strong rebound in developed international territories with Paying Circles in the UK and Australia up more than 60% YoY

**Subscription (direct) revenue as a % revenue (CY22 H1)**

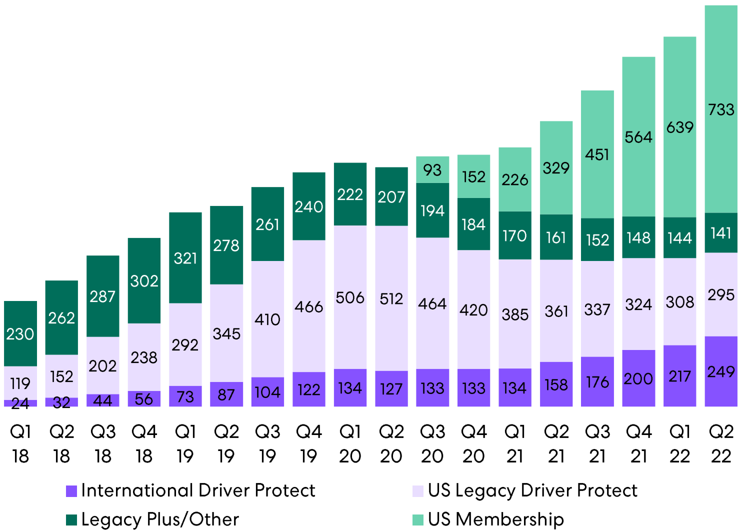



*CY20 revenue is normalised revenue excluding non-recurring adjustment. Direct revenue allocations by region for CY20 have been reclassified to conform with new methodology

# Accelerating Paying Circle growth

Paying Circle acceleration combining with higher ARPPC to drive Subscription Revenue

### Paying Circles by product line (000s)

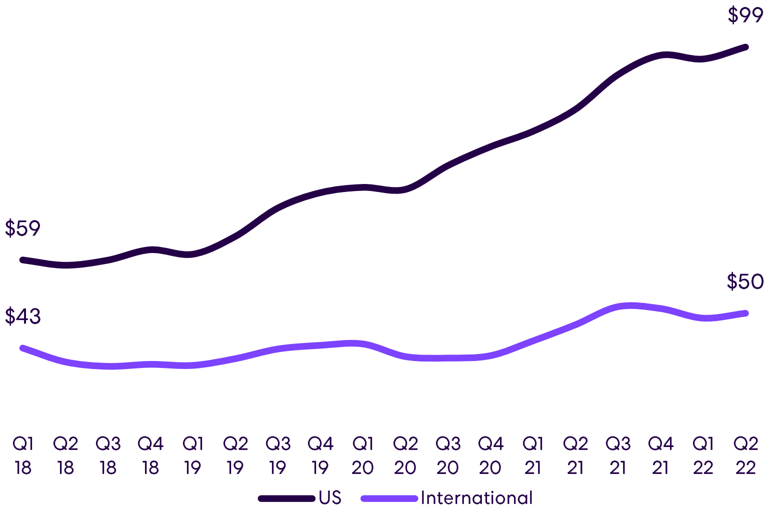



- Cumulative new and upsell subscribers in the Membership plans of 733,000, comprising Silver (10%), Gold (84%) and Platinum (6%)

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

+39%

versus new cohort subscribers prior to Membership launch

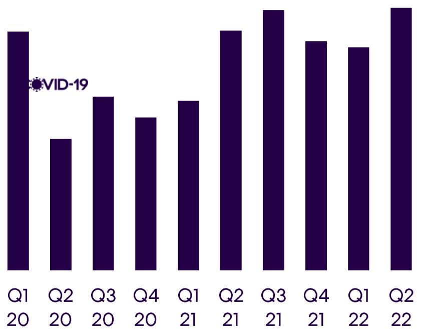



- Q2'22 ARPPC increased 13% year-on-year for US subscribers and 4% for international subscribers

# Strong US Paying Circle conversion and net additions

Record US registrations and increasing conversion driving strong subscriber growth

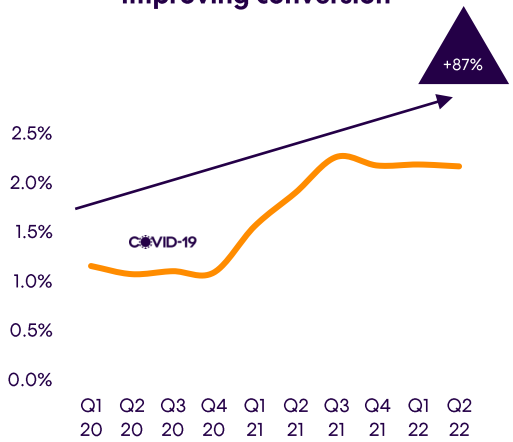
### Record US registrations




- Q2 22 new US registrations are a second quarter record

+

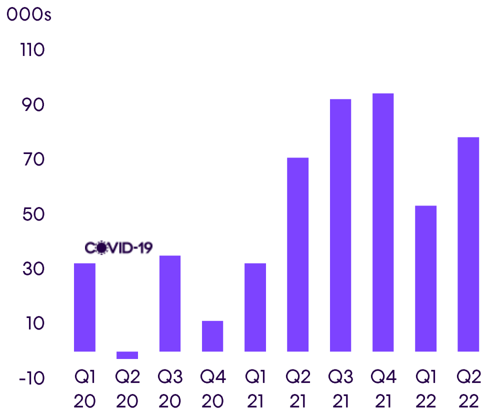
### Improving conversion




- Improving user experience is encouraging conversion to paid

=

### Strong US Paying Circle net additions

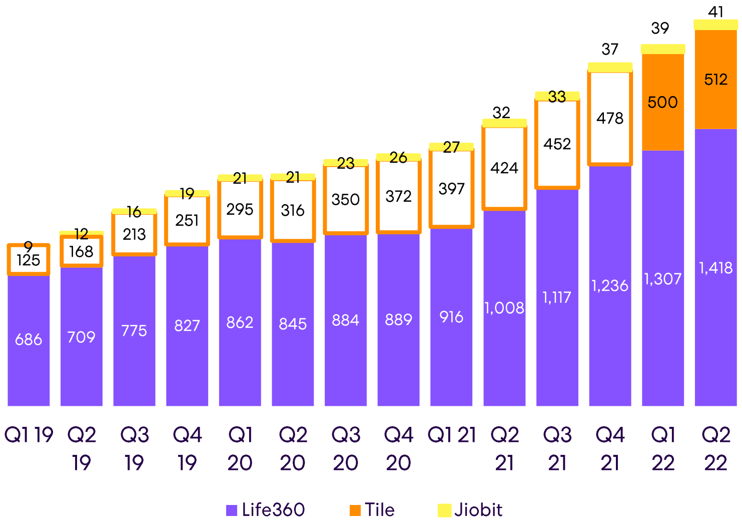



- Continued strong momentum in net additions in seasonally lower Q1 and Q2

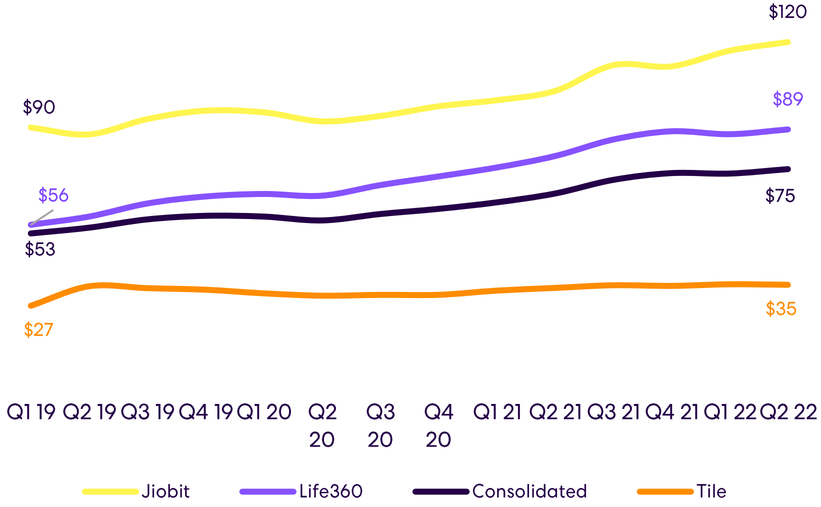
# Tile and Jiobit

## Scaling Life360's consolidated subscriptions

**Life360 Consolidated subscriptions (millions)***




**Life360 Consolidated Average Revenue Per Subscriber (ARPS) $***

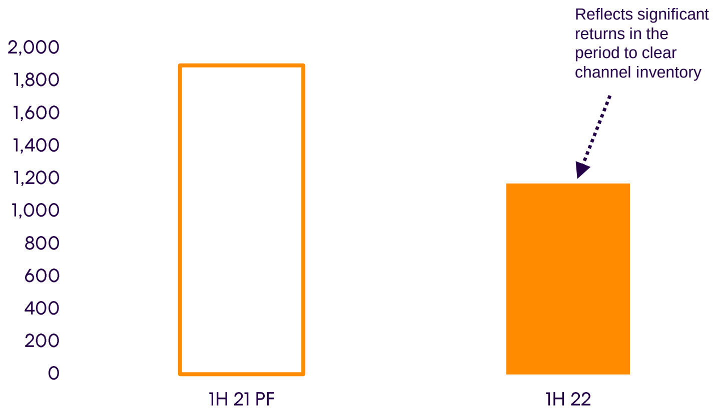



*Source: Jiobit is proforma to Q3 21 and Tile is proforma to Q4 21

# Hardware Revenue

Strategy in place to support bundled Membership and maximize Q4 seasonal uplift

**Tile and Jiobit units (net) (000s)***

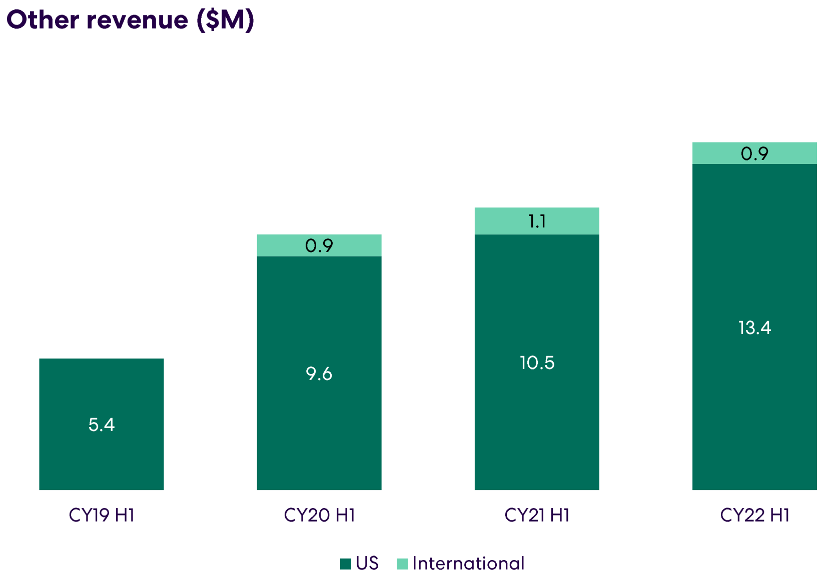



- Strategic shift to prioritize higher margin sales channels and reduced paid acquisition spending to drive strong unit economics
- This includes repositioning inventory for joint Tile/Life360 retail campaigns in the holiday period
- Deliberate strategy to clear channel inventory as part of overall inventory management, to manage risk and set up for success in following periods
- Prioritizing inventory for bundled membership distribution as part of overall inventory management
- Broad softness in industry-wide Consumer Electronics trends
- AirTags' bad press significantly reduced channel and partner demand. Recent coverage is far more positive.
- Unit sales have stabilized, with US Amazon Prime Day sales in July up 6% YoY
- Strategic focus on Q4 which traditionally delivers more than 50% of annual sales

* Proforma for H1 21

# Other (Indirect) Revenue

Year-on-year increase of 23%




## Data

- New partnership with Placer.ai in January 2022 to transition Life360 solely to sales of aggregated insights
- Minimum revenue guarantee based on the size of Life360's monthly active user base is expected to preserve revenue in-line with CY21 year-end run rate results for the duration of the three year agreement
- Intentional decision to trade off growth opportunity for predictability and reduced regulatory risk

## Lead generation

- Auto insurance lead generation with Allstate formally launched in May 2019
- Limited strategic focus area in the short term, with significant long term growth potential


Strategy
Update

# 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

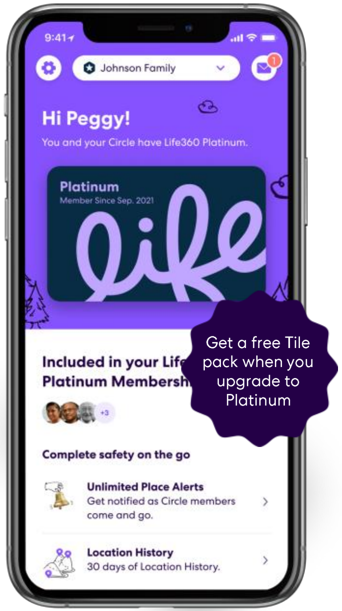
- Customers are more willing to pay for something they can physically touch
- Bundled offering will enable increased pricing and/or shift to higher tiers
- Potential for paid conversion and ARPPC to increase by double digit percentage

## 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



# Life360 and Tile integration

## H1 integration efforts to be reflected in H2

### Brand campaign

Introduce and drive awareness of Tile as part of Life360 brand

Educate users about integrated Tile + Life360 product experience


### Expanded Tile Finding Network

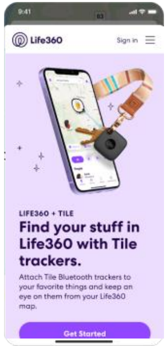
Tile's Finding Network activated


### Bundled subscriptions*

Tiles offered as part of bundled subscription offer


### Integrated Tile/360 rollout

Members can add Tiles to their Paying Circle map




### Life360 retail offer

New funnel for Life360 Membership acquisition

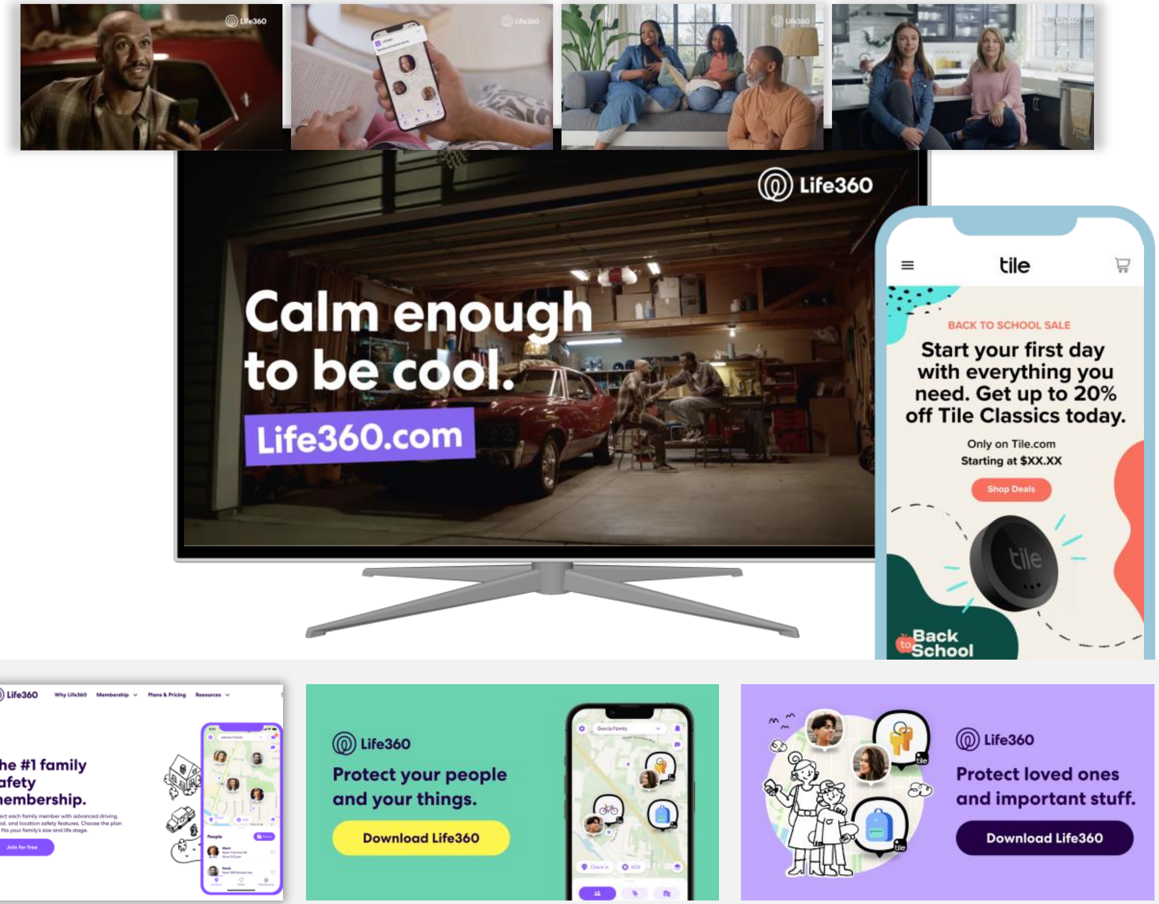

* Will be delivered initially via a "Gift with Membership" promotional offer, followed by a fully integrated membership offer including Tile hardware

TILE INTEGRATION:

# Back to School brand campaign

## Introducing Life360+Tile

- Creative approach to unite the two brands under a family safety umbrella
- Streaming TV, audio and social focused on brand awareness and user acquisition for both brands
- Already driving the lowest costs per install after only a few weeks on-air

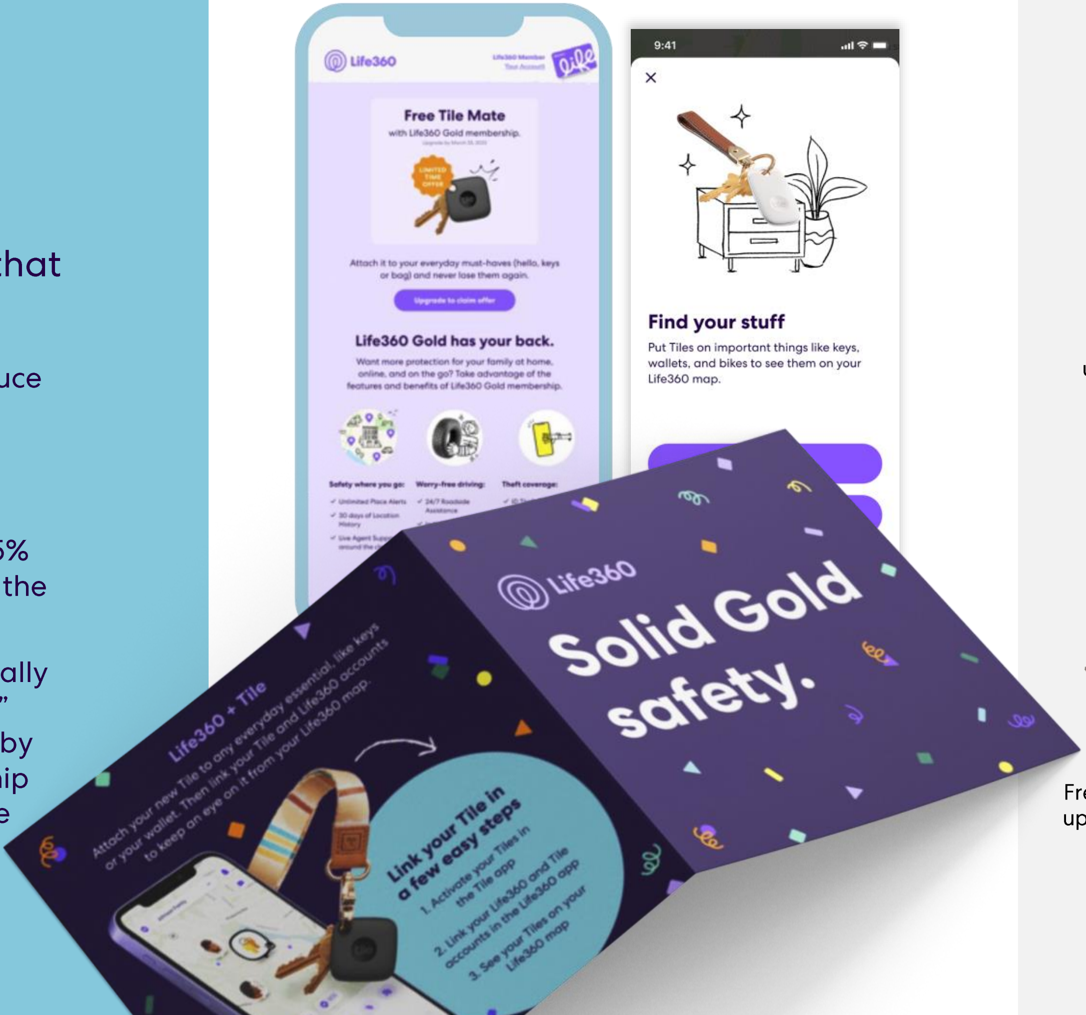


TILE INTEGRATION:

# Bundled Membership

## Vision: keep everything that matters safe and sound

- Raise awareness and introduce Tile in the Life360 app
- Includes Tiles as part of bundled subscription offer
- Bundling tests achieved a 35% uplift in subscriptions versus the control group
- Bundle will be delivered initially via a “Gift with Membership” promotional offer, followed by a fully integrated membership offer including Tile hardware





Free and Silver Members upgrade to Gold, get a Tile Mate ($25 value)

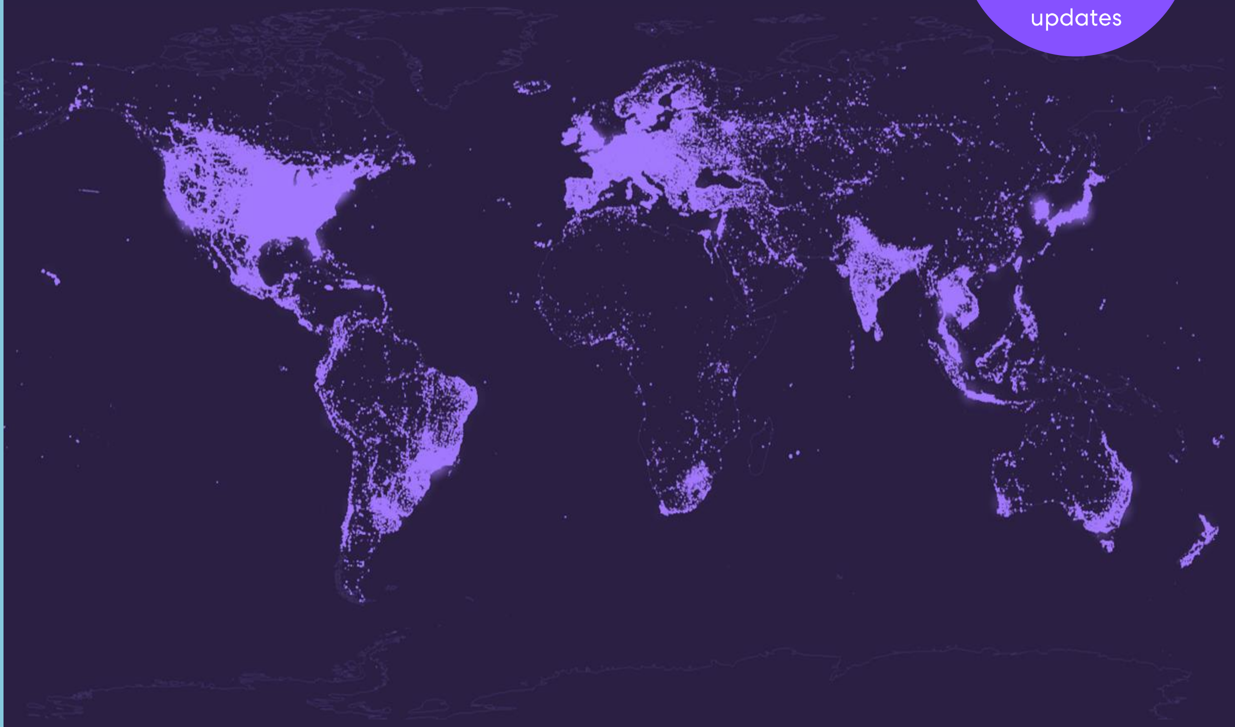

Free, Silver and Gold Members upgrade to Platinum, get a Tile Starter Pack ($55 value)

TILE INTEGRATION:

# Tile Finding Network

Life360's integration increases Tile's reach by up to 10x

- Combining Life360's global network of more than 42 million smartphone users with Tile app and access point partnerships via Amazon and others
- Enables the only vertically integrated, cross-platform solution of scale in the market
- The expanded platform solves Tile's key disadvantage versus Airtags



Map shows 30 minutes of user location updates

TILE INTEGRATION:

# Holiday season retail Life360 offer

Testing a new funnel for Life360 subscriber acquisition

- Update signage with Life360 and Tile co-branding
- Bundle offer including Life360 membership with select Tile purchase
- In-box documentation with Life360 activation codes

# ESG : Progressing our Sustainability journey

## Life360 Core Values are Family Safety and Security

### Employees

- **Employee Resource Group:** Creating safe spaces for minority groups and women engineers to connect in the workplace
- **People and talent training:** Budget allocation to support training programs, self-paced development and mentorship program
- **Additional employee benefits:** New benefits including Platinum Life360 membership, mental health support, family planning, fitness and medical care

### Environment

- **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

### Governance

- **Policies and reporting:** New ESG policy and materiality matrix; launch of Sustainability website investors.life360.com/ Sustainability/; participation in external ESG surveys to increase reporting transparency
- **ESG planning and management:** Establishment of dedicated cross functional ESG committee
- **Data security:** Rollout of company wide training programs to enhance security practices

### Community

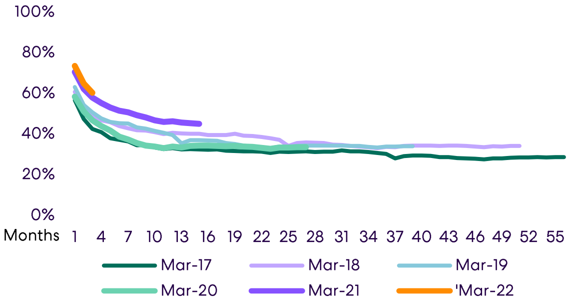
- **Data:** Agreement with Placer.ai provides a differential privacy service and additional de-identification and commercialization of solely aggregated data insights
- **Privacy policies:** Strengthened internal privacy policies and practices
- **Philanthropy:** Employee volunteering initiatives supporting groups such as families of military personnel and the disabled
- **Free user experience:** Ongoing investment in the free user experience to support family safety and security

# Financial Overview

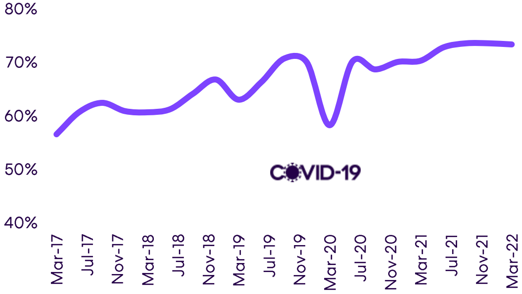
# Market leading retention metrics

## US Organic User Retention

### Relative retention by cohort (% total)

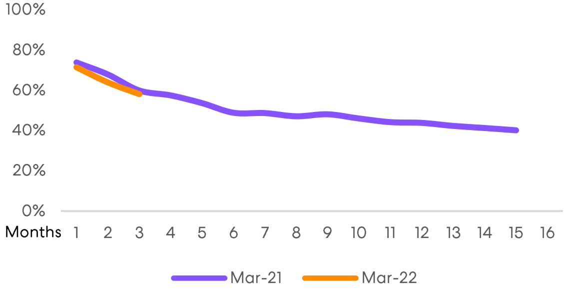



### Month 1 user retention over time

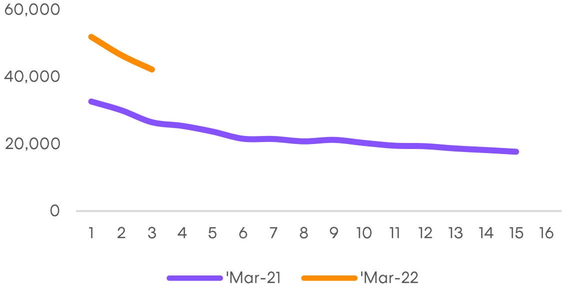



## US Membership Subscription Retention

### Relative retention by cohort (% total)




### Absolute retention by cohort (000s)

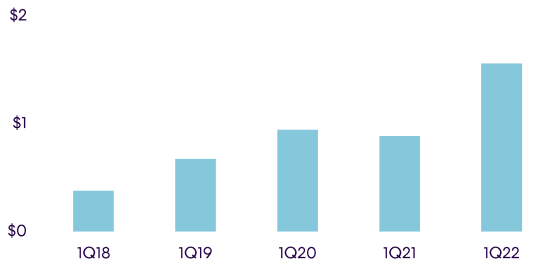



- Line chart indicates how long users within a given cohort remain with Life360
- User retention rates benefit from reactivation of previous users
- Month 1 organic user retention delivering ongoing improvement following COVID-19 related dip
- Membership subscribers showing stable retention with significantly higher absolute subscriber growth rate. Retention is typically lower in periods of high growth

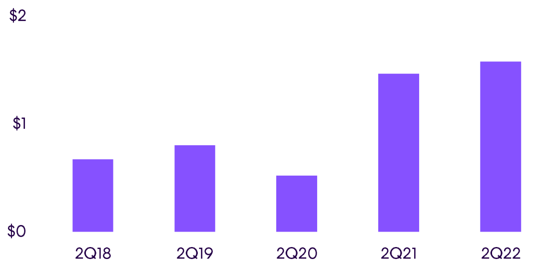
# Unit Economics

## Significant uplift in cohort revenue in the first full month $M

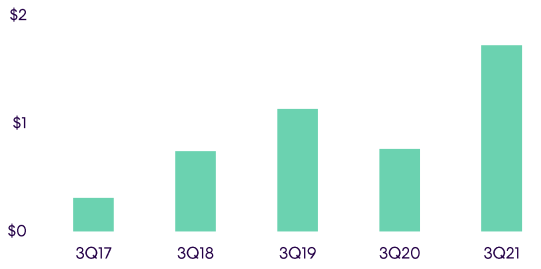
### Quarter 1



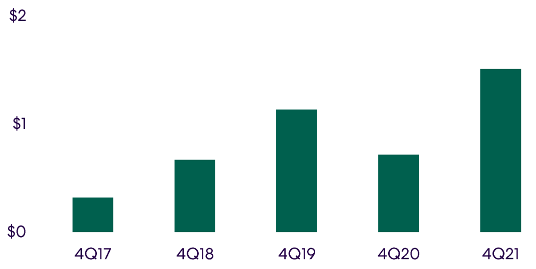

### Quarter 2




### Quarter 3




### Quarter 4

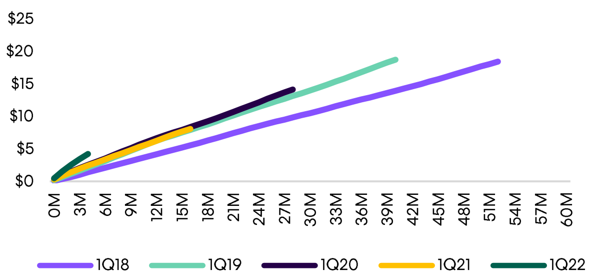



- Significant uplift in conversion to paid, and larger user cohorts emerging from COVID have more than doubled the first full month's revenue of each cohort from 2Q21 onwards

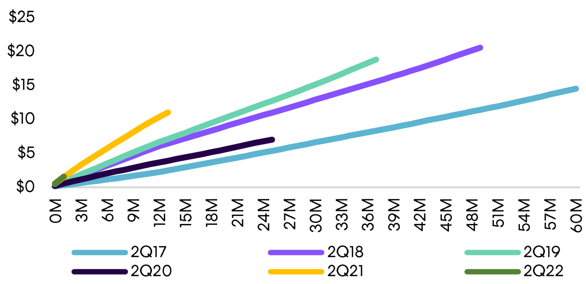
# Unit Economics

## User cohort cumulative revenue $M*

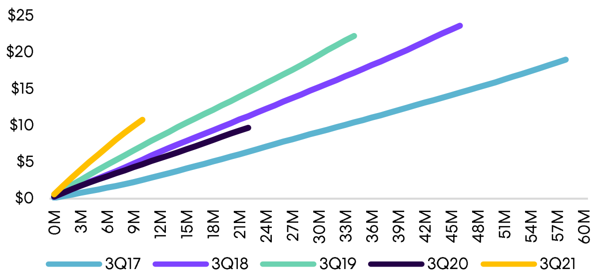
### Quarter 1



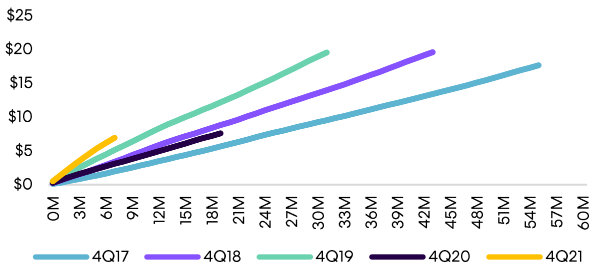

### Quarter 2




### Quarter 3




### Quarter 4

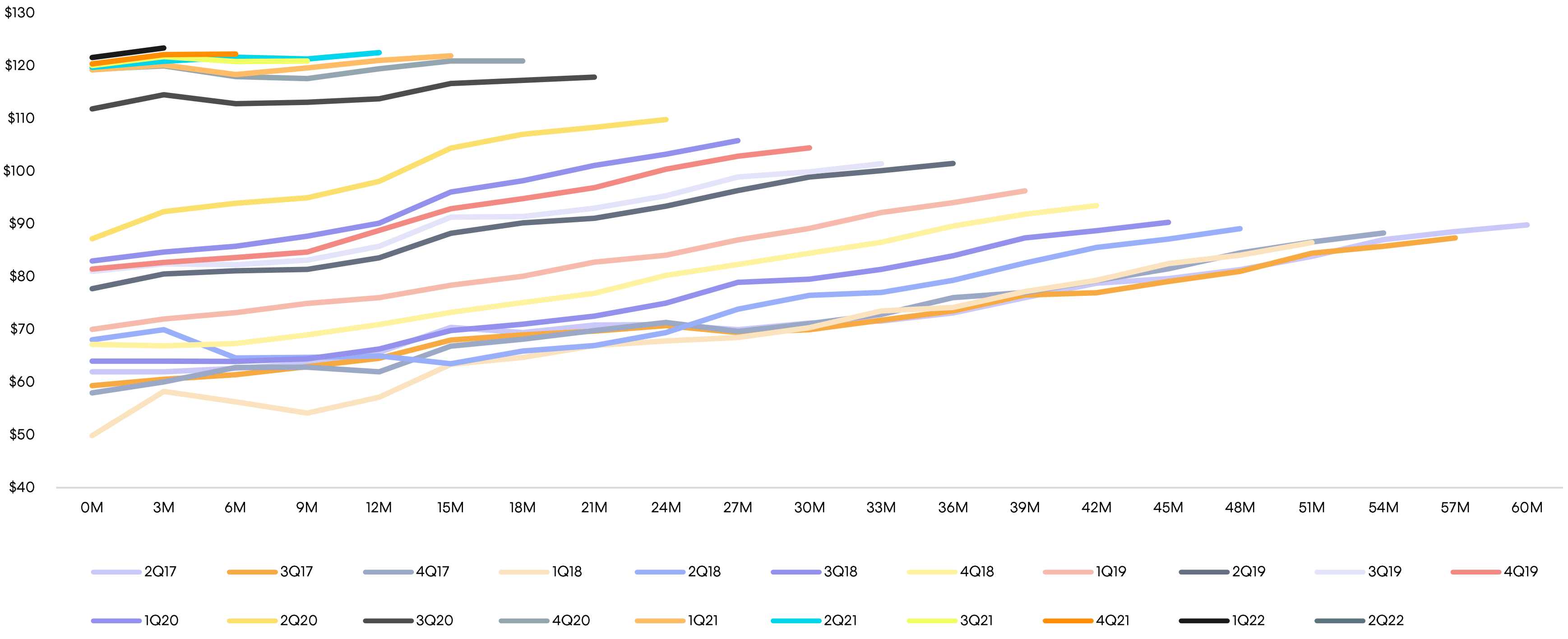



- COVID impacted revenue for CY20 Q2 to CY21 Q1
- Increased conversion to paid earlier in a cohort's lifecycle driving significant uplift in cohort revenue for CY21 Q2 cohorts onwards

*Revenue per cohort includes global direct and indirect revenue generated by each quarterly cohort over time. Excludes legacy ADT partnership revenue

# Unit Economics

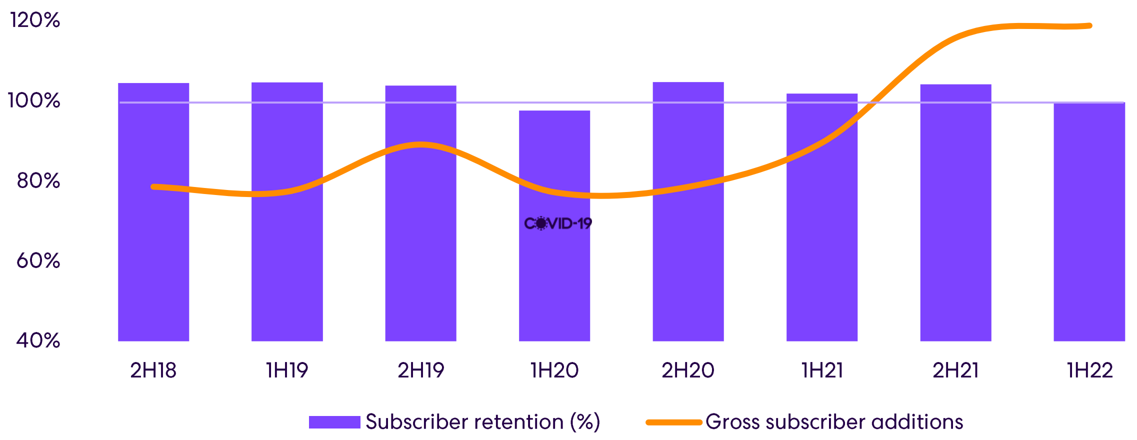
Significant US ARPPC uplift from the launch of membership with significant room for growth



# Unit Economics

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

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




- 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

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.

# Income Statement

| $M | CY22 H1 | CY21 H1 | % ch YoY |
|---|---|---|---|
| **U.S. revenue** | | | |
| Subscription (Direct) | 61.0 | 32.4 | 88% |
| Other (Indirect) | 13.4 | 10.5 | 28% |
| **International revenue** | | | |
| Subscription (Direct) | 8.0 | 4.0 | 100% |
| Other (Indirect) | 0.9 | 1.1 | (18)% |
| **Hardware** | 16.5 | - | 100% |
| **Total revenue** | **99.8** | **48.0** | **108%** |
| Cost of Revenue | (32.4) | (9.0) | 260% |
| Stock Based Compensation | (0.8) | (0.2) | 300% |
| Depreciation and amortization | (2.2) | - | 100% |
| **Total cost of revenue** | (35.4) | (9.2) | 285% |
| **Gross Profit** | **64.4** | **38.8** | **66%** |
| *Gross Margin %* | *64.5%* | *80.8%* | |
| Research and Development | (43.8) | (19.4) | (126)% |
| User acquisition | (8.8) | (2.4) | (267)% |
| Sales and marketing | (35.2) | (16.1) | (119)% |
| General and administrative | (19.2) | (6.4) | (200)% |
| Stock Based Compensation | (15.7) | (4.9) | (220)% |
| **Operating expenses** | **(122.7)** | **(49.2)** | **(149)%** |
| | | | |
| **Statutory EBITDA** | **(56.1)** | **(10.4)** | **(439)%** |
| Depreciation and amortisation | (4.5) | (0.3) | (1400)% |
| **EBIT** | **(60.6)** | **(10.7)** | **(466)%** |
| Net interest | 2.4 | 0.0 | 100% |
| Income tax benefit/(provision) | (0.1) | 0.0 | (100)% |
| **Statutory Net Profit/(loss)** | **(58.2)** | **(10.7)** | **(444)%** |
| **Non-GAAP Adjustments:** | | | |
| Stock Based Compensation | 16.5 | 5.1 | 224% |
| Transaction costs incurred for acquisitions and Form 10 | 12.6 | 0.5 | (100)% |
| Gain on revaluation of Contingent Consideration | (5.3) | 0.0 | (100)% |
| **Adjusted EBITDA excl. non-GAAP adjustments*** | **(32.3)** | **(4.8)** | **(573)%** |
| **Adjusted net profit/(loss) excl. non-GAAP adjustments*** | **(30.2)** | **(5.0)** | **(504)%** |
| Diluted share count (period end) | 62,087,105 | 50,729,047 | |
| Diluted share count (period avg) | 61,540,024 | 50,298,528 | |

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

## Commentary

- Direct revenue growth of 90% supported by 41% YoY growth in Paying Circles to 1.4 million, 12% increase in ARPPC supported by the success of the Membership model and contribution of Tile and Jiobit's subscription revenue from date of acquisition
- Indirect revenue growth of 23% underpinned by growth in Data revenue
- Gross margin reduced year-on-year due to hardware costs associated with the Tile and Jiobit acquisitions, and higher technology costs.
- Increased Research and Development expenses due to increased headcount to support product development
- Higher user acquisition expenses largely due to the Tile and Jiobit acquisitions, offset by a shift from traditional performance marketing to new channels including streaming TV.
- Higher sales and marketing expense due to increased commissions and spend on new marketing channels including TV
- General and administration expense increase reflects scaling of headcount to support growth in the business, insurance, facilities, public company requirements and costs incurred for acquisitions.
- Higher EBITDA loss driven by investment in growth for Tile and Jiobit acquisitions

# Balance Sheet

| $M | StatutoryJune 2022 | StatutoryDec 2021 |
|---|---|---|
| Cash and cash equivalents | 64.3 | 231.0 |
| Accounts receivable | 19.5 | 11.8 |
| Costs capitalised to obtain revenue contracts, net | 1.6 | 1.3 |
| Prepaid expenses and other current assets | 11.1 | 10.9 |
| Inventory | 11.2 | 2.0 |
| **Total current assets** | **107.7** | **257.0** |
| Restricted cash | 15.1 | 0.4 |
| Property and equipment, net | 0.7 | 0.6 |
| Costs capitalised to obtain revenue contracts, net of current portion | 0.2 | 0.3 |
| Intangible assets, net | 56.8 | 8.0 |
| Goodwill | 133.2 | 31.1 |
| Right of use asset | 2.0 | 1.6 |
| Other non-current assets | 8.0 | 3.3 |
| **Total non-current assets** | **216.0** | **45.3** |
| **Total assets** | **323.7** | **302.3** |
| Accounts payable and accrued expenses | 53.9 | 13.4 |
| Contingent liability | - | 9.9 |
| Convertible note debt, current | 3.4 | 4.2 |
| Deferred revenue | 24.8 | 13.9 |
| **Total current liabilities** | **82.1** | **41.5** |
| Convertible note debt, non-current | 7.1 | 8.3 |
| Other non-current liabilities | 4.8 | 2.6 |
| **Total non-current liabilities** | **11.9** | **10.9** |
| **Total liabilities** | **94.0** | **52.3** |
| Common stock | 0.1 | 0.1 |
| Notes from affiliates | (0.3) | (1.0) |
| Additional paid-in capital | 453.4 | 416.2 |
| Accumulated deficit | (223.5) | (165.3) |
| **Total equity** | **229.7** | **250.0** |
| **Total equity & liabilities** | **323.7** | **302.3** |

Note: Tables may not add due to rounding

## Commentary

- Cash and cash equivalents decreased by $166.7 million largely due to cash payments made in relation to the Tile acquisition in January 2022. Cash and cash equivalents of $79.3m
- Accounts receivable increase of $7.7m relates to timing of receipts from channel partners and the addition of Tile retail partner customers
- Inventory increase of $9.2 million reflects the hardware associated with the Tile acquisition
- Intangible assets and goodwill increased by $48.8m and $102.1m respectively as a result of the Tile acquisition
- Accounts payable and accrued expenses increased by $40.5m due to the Tile acquisition and the associated seasonality of the hardware business
- Contingent liability reduced by $9.9m due to the resolution of the Jiobit earn-out
- Convertible note debt, current of $3.4m and non-current of $7.1 million relates to the Bryant Stibel investment round and convertible debt issued in relation to the Jiobit acquisition

# Cash Flow

| $M | CY22 H1 | CY21 H1 |
|---|---|---|
| **Statutory EBITDA (pre user acquisition)** | (47.3) | (8.0) |
| User acquisition costs | (8.8) | (2.4) |
| **Statutory EBITDA** | (56.1) | (10.4) |
| Stock-based compensation | 16.5 | 5.1 |
| Deferred revenue | 0.5 | (0.6) |
| Costs capitalised to obtain contracts | (1.8) | (1.0) |
| Changes in other operating assets and liabilities | 7.4 | (0.3) |
| Other non cash items in EBITDA | (5.0) | 2.3 |
| **Net Cash Inflow / (Outflow) from Operating Activities** | **(38.5)** | **(4.9)** |
| Purchases of capital assets and cash paid for acquisition, net | (0.4) | - |
| Cash paid for acquisition, net of cash acquired | (113.4) | - |
| Cash advance on convertible note receivable in connection with an acquisition | - | (2.5) |
| **Net Cash Inflow / (Outflow) from Investing Activities** | **(113.8)** | **(2.5)** |
| Net proceeds from the exercise of options and grant of stock awards, net of repurchase | 0.3 | (0.5) |
| Proceeds from capital raise in connection with an acquisition, net of transaction costs | - | - |
| Cash received in connection with issuance of convertible notes | - | 2.1 |
| **Net Cash Inflow / (Outflow) from Financing Activities** | **0.3** | **1.6** |
| Net Cash Inflow / (Outflow) | (152.0) | (5.9) |
| Cash at Beginning of Period | 231.3 | 56.6 |
| **Cash at End of Period** | **79.3** | **50.8** |

Note: Tables may not add due to rounding

## Commentary

- Net cash outflows from operating activities increased by $33.6m reflecting investment to grow the business and the Jiobit and Tile acquisitions
- Net cash outflows from investing activities are in connection with the Tile acquisition
- Net cash inflows from financing activities reflect the cash proceeds from exercise of options

# Outlook

# Pathway to profitability

| | CY22 H1 | CY22 H2 | CY23 | CY24 |
|---|---|---|---|---|
| | **Investing in Tile and Jiobit integration** | **Rollout of bundled Membership offering** | **Full year of bundled offering and cost efficiencies** | **Scaling the integrated business** |
| **Adjusted EBITDA*** | $(32)m | $(3)-(6)m | Trajectory to profitability and positive cash flow | Profitability and positive cash flow |
| **Revenue drivers** | • Continued strong Life360 subscriber growth<br>• Low seasonal Tile contribution | • H2 subscriber revenue uplift from bundled Membership launch<br>• Q4 seasonal Tile revenue uplift and profitability | • Pricing power from expanded Membership offering<br>• Full year subscriber revenue uplift from bundled offer<br>- Higher conversion rates<br>- Higher ARPPC through US upsell<br>- International expansion | |
| **Expense drivers** | • Incremental investment of ~$13 million to rapidly integrate the Life360, Tile and Jiobit businesses | • Efficiencies from H1 Tile integration with ~$11m of annualised cost savings<br>• Highly targeted growth investment | • Cost base at scale providing profitability leverage<br>• Reducing commissions from out of app purchases<br>• Limited growth in headcount | |
| **Cash and cash equivalents** | $72.3m | ~$65m | Increasing cash balance | |

*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

- As previously indicated, CY22 H1 was a period of significant investment. The investment and cash burn were as anticipated, and Life360 expects to start realizing the benefits of integration in H2, as we launch the bundled Membership offering and see an uplift in hardware in the seasonally higher holiday period in Q4. As a result, CY22 H2 is expected to see considerably lower cash burn, and a much lower Adjusted EBITDA* loss.

- For CY22 Life360 expects to deliver:
  - Core Life360 subscription (direct) revenue (excluding Tile and Jiobit) growth in excess of 55%;
  - Consolidated revenue of US$245-260 million for subscription (direct), hardware and other (indirect) revenue;
  - Adjusted EBITDA loss* in the range of US$(35)-(38) million. This includes efficiencies flowing in H2 from the Tile integration and restructuring.

- We have upgraded our guidance for Life360 subscription revenue growth, and narrowed the range for Consolidated Revenue and Adjusted EBITDA.

- Life360 expects to finish CY22 with cash and cash equivalents of approximately $65 million.

- We expect Life360 to be on a trajectory to consistently positive Adjusted EBITDA and Operating Cash Flow by late CY23, such that we record positive Adjusted EBITDA and operating cashflow for CY24. This trajectory could be further assisted by the positive impact of potential future price changes.

*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

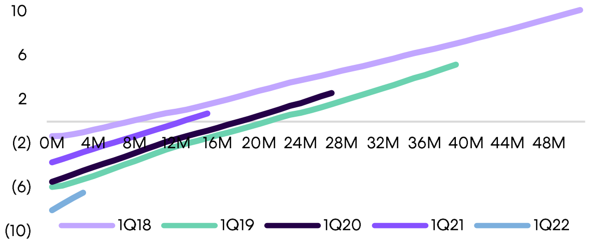
# 1. Operating Metrics

| (in millions, except ARPPC,ARPS,ASP) | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 |
|---|---|---|---|---|---|---|
| **Life360 Core** | | | | | | |
| **Monthly Active Users (MAU) - Total** | 28.1 | 32.4 | 33.8 | 35.5 | 38.3 | 42.0 |
| US | 18.1 | 20.4 | 22.2 | 23.7 | 25.1 | 27.0 |
| International | 10.0 | 12.1 | 11.6 | 11.8 | 13.2 | 14.9 |
| Australia | 0.7 | 0.8 | 0.8 | 1.0 | 1.0 | 1.1 |
| **Paying Circles - Total** | 0.92 | 1.01 | 1.12 | 1.24 | 1.31 | 1.42 |
| US - Total | 0.75 | 0.82 | 0.91 | 1.01 | 1.06 | 1.14 |
| US – Membership subscribers | 0.23 | 0.33 | 0.45 | 0.56 | 0.64 | 0.73 |
| International | 0.17 | 0.19 | 0.21 | 0.23 | 0.25 | 0.28 |
| **Average Revenue Per Paying Circle (ARPPC)** | $75.92 | $79.95 | $85.78 | $88.69 | $87.66 | $89.34 |
| | | | | | | |
| **Life360 Consolidated (Proforma for 2021)** | | | | | | |
| Subscriptions | 1.34 | 1.46 | 1.60 | 1.75 | 1.85 | 1.97 |
| **Average Revenue per Subscription (ARPS)** | $63.70 | $66.82 | $71.65 | $74.04 | $73.88 | $75.45 |
| **Hardware units shipped** | 0.88 | 1.02 | 1.02 | 3.33 | 0.70 | 0.47 |
| **Average Sale Price (ASP)** | $15.68 | $15.70 | $13.58 | $15.12 | $15.08 | $14.48 |

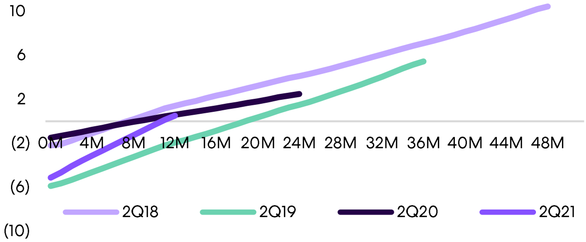
# 2. Unit Economics

## Marketing payback $M

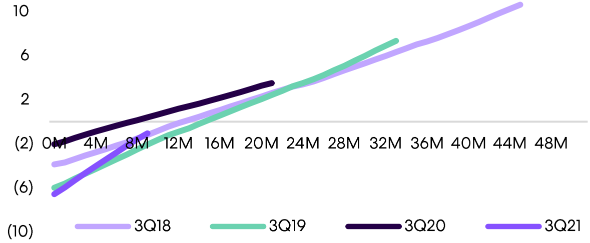
### Quarter 1



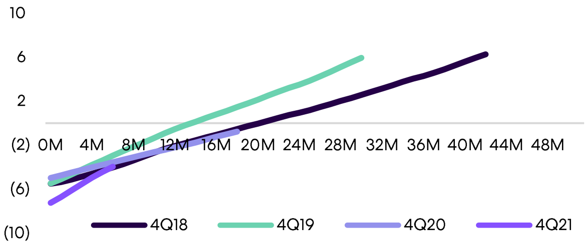

### Quarter 2




### Quarter 3




### Quarter 4




- Blended summary provides performance insight into overall efforts across all channels in aggregate
- Return to growth in 1H'21 underpinned the decision to increase marketing spend including investments in brand and TV spend.
- 2H'21 investment into marketing accelerated, including a national brand campaign and an expansion of performance marketing spend
- 1H'22 user acquisition and TV spend increased, based on the strength of the 2021 performance

# 3. Non-GAAP Financial Measures

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, (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) Form 10 transaction costs, (vii) acquisition and integration costs, and (viii) gain on revaluation of contingent consideration.

The above items are excluded from 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 in this Quarterly Report on Form 10-Q 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.

The following table presents a reconciliation of Net Loss, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA.

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | (in thousands) | | (in thousands) | |
| **EBITDA** | | | | |
| Net Loss | $ (32,985) | $ (6,804) | $ (58,207) | $ (10,656) |
| Add (deduct): | | | | |
| Convertible notes fair value adjustment | (532) | — | (2,107) | — |
| Derivative liability fair value adjustment (1) | (415) | — | (1,328) | — |
| Provision (benefit) for income taxes | (47) | — | 11 | — |
| Depreciation and amortization (2) | 2,301 | 112 | 4,502 | 224 |
| Other (income) expense, net | 511 | (3) | 1,056 | (8) |
| EBITDA | $ (31,167) | $ (6,695) | $ (56,073) | $ (10,440) |
| Stock-based compensation | 10,429 | 2,941 | 16,524 | 5,140 |
| Form 10 transaction costs | 2,138 | — | 2,138 | — |
| Acquisition and integration costs | 1,136 | 499 | 10,394 | 499 |
| Gain on revaluation of contingent consideration | (1,279) | — | (5,279) | — |
| Adjusted EBITDA | $ (18,743) | $ (3,255) | $ (32,296) | $ (4,801) |

(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

# 3. Non-GAAP Financial Measures cont'd

*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. 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.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | *(in thousands)* | | *(in thousands)* | |
| Net Loss | $ (32,985) | $ (6,804) | $ (58,207) | $ (10,656) |
| Add (deduct): | | | | |
| Stock-based compensation | 10,429 | 2,941 | 16,524 | 5,140 |
| Form 10 transaction costs | 2,138 | — | 2,138 | — |
| Acquisition and integration costs | 1,136 | 499 | 10,394 | 499 |
| Gain on revaluation of contingent consideration | (1,279) | — | (5,279) | — |
| Amortization attributable to intangible assets in connection with acquisitions | 2,178 | — | 4,254 | — |
| Adjusted loss from ordinary activities after tax | (18,383) | (3,364) | (30,176) | (5,017) |