



# vivint.SmartHome®

CREATING THE SMART HOME EXPERIENCE

INVESTOR PRESENTATION

SEPTEMBER 16, 2019



**MOSAIC**  
ACQUISITION CORP

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This presentation includes Adjusted EBITDA, Covenant Adjusted EBITDA, and Unlevered Free Cash Flow, which are supplemental measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). See the Appendix to this presentation for definitions of these non-GAAP measures and reconciliations to the most comparable financial measures calculated in accordance with GAAP.

# Today's presenters and leadership



**Todd Pedersen**  
Vivint Smart Home  
*Founder and Chief Executive Officer*  
**20+ years with Vivint**



**Alex Dunn**  
Vivint Smart Home  
*President*  
**13+ years with Vivint**



**Mark Davies**  
Vivint Smart Home  
*Chief Financial Officer*  
**6+ years with Vivint**



**Drew McKnight**  
Fortress Investment Group  
*Managing Partner*



**David Maura**  
Mosaic Acquisition Corp.  
*Chairman, President and  
Chief Executive Officer*

# Strong base of committed shareholders with aligned interests, including:

## Long-standing Commitment to Vivint

The Blackstone logo consists of the word "Blackstone" in a white, serif font, centered within a solid black rectangular background.

- Global investment manager with \$545 billion<sup>1</sup> in assets under management, and a 30+ year track record of value creation
- Notable history of successfully investing in the technology sector
- Highly supportive of management and has supported growth since initial investment in 2012
- **Blackstone and Vivint management rolling in excess of \$2.3 billion in equity investment and making an additional \$100 million equity investment**

## Long-term Investors



- Leading, highly diversified global investment manager with approximately \$39.2 billion of assets under management<sup>2</sup> as of March 31, 2019
- Manages assets on behalf of over 1,750 institutional clients and private investors worldwide across a range of credit and real estate, private equity and permanent capital investment strategies
- Owned by SoftBank Group
- **New investment of \$125 million**



- Global technology investor that aspires to advance the Information Revolution by accelerating the growth of leading technology companies with superior business models
- **A representative of the SoftBank Vision Fund will serve as director of the company post close**

## History of Operational Expertise



- Market-leading SPAC structure (no warrants on Forward Purchase Agreement)
- Executives with extensive public markets experience, with deep bench of marquee investors (HRG, Spectrum Brands)
- Efficient capital allocator – management team executed on 11 platform M&A transactions (aggregate value of ~\$4 billion) and numerous financing related transactions at Spectrum Brands since 2010
- **Fully committed \$150 million through Forward Purchase Agreements**

# AGENDA

- 1 INVESTMENT THESIS
  - 2 COMPANY OVERVIEW
  - 3 GROWTH STRATEGY
  - 4 FINANCIAL SUMMARY
  - 5 TRANSACTION OVERVIEW AND COMPARABLES
- APPENDIX

An aerial photograph of a residential neighborhood, showing rows of houses with dark roofs and light-colored walls, interspersed with trees and winding streets. The image is overlaid with a semi-transparent light gray filter.

# INVESTMENT THESIS

# Investment thesis for Vivint Smart Home

## Proprietary cloud-based software platform delivering premier Smart-Home-as-a-Service

**1.5M**

Total Subscribers

**20M+**

devices managed in subscribers' homes

**1.5B+**

home-related events each day

**7+** daily app actions

per user<sup>1</sup>



**Highest app engagement<sup>2</sup>**

## Attractive recurring business model

**95%+**

recurring revenue

Large cohort base with

**\$5.7B**

revenue backlog

**Subscription model with strong visibility and long-term contracted cash flows**

## Compelling unit economics with Flex Pay significantly enhancing capital efficiency

**\$63.35**

Increasing AMRU

**>3.0x**

Adjusted LTV / Net SAC<sup>3</sup>

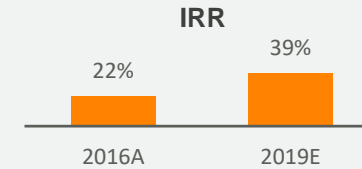
Strong customer retention with

**~8 year**

subscriber lifetime

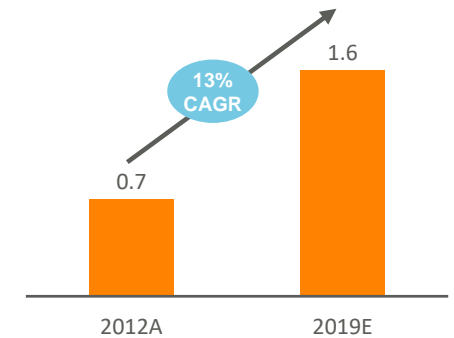
**75%**

Net Service Margin<sup>4</sup>



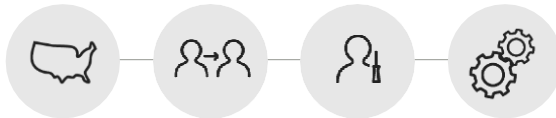
## Strong subscriber momentum

**Subscribers (M)**



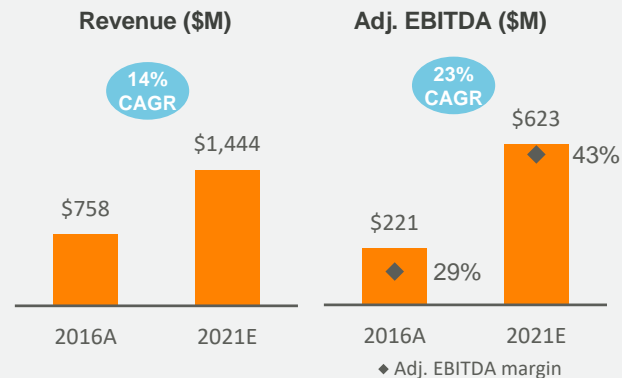
## Differentiated end-to-end model

Find Design Install Manage

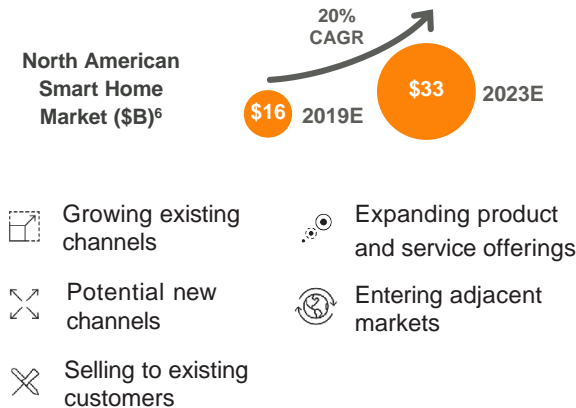


- Patented technology with data-driven, vertically integrated proprietary engine to generate new business
- 14 devices+** per home enables complex, yet highly tailored experiences<sup>5</sup>
- Continual software improvements

## Strong growth and attractive margins at scale



## Multiple levers for sustained, organic growth



## Founder-led management team

Proven team with a track record of operational excellence, financial performance, and ongoing technological innovation and leadership

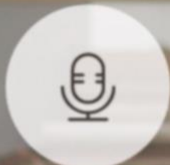
Management rolling 100% of equity



# COMPANY OVERVIEW

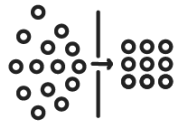
Doorbell Camera

LIVE



CUSTOMER EXPERIENCE VIDEO  
[vivint.com/cxvideo](http://vivint.com/cxvideo)

# In the next hour...



**84M**

events processed in the cloud by the Vivint Smart Home OS<sup>1</sup>



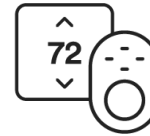
**98K**

live video views from apps and panels, plus another 83K views of recorded video<sup>1</sup>



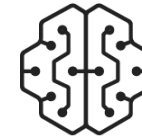
**36K**

views of home activity history from mobile apps<sup>1</sup>



**31K**

changes to locks and thermostats via apps, panels, and voice<sup>1</sup>



**33K**

actions performed automatically by the Vivint Smart Home OS / Vivint Assist<sup>1</sup>



**101K**

home state changes to *Away* decided by Vivint Assist, plus over 1K automated state changes to *Vacation*<sup>2</sup>

**DATA ► KNOWLEDGE ► ACTION = vivint.SmartHome™**

## VIVINT'S MISSION

# Redefine the home experience

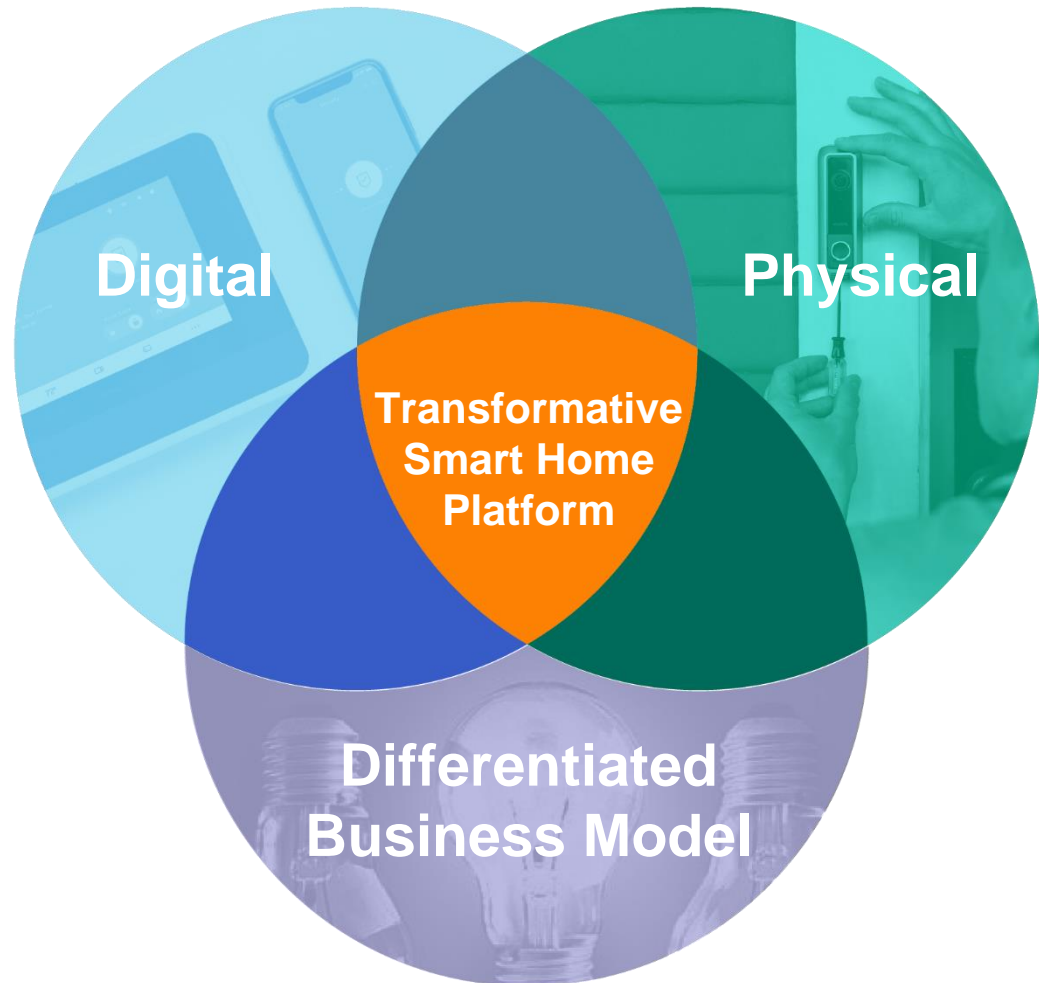
through intelligently designed  
cloud-enabled solutions delivered to  
every home by people who care.



**vivint.SmartHome**®

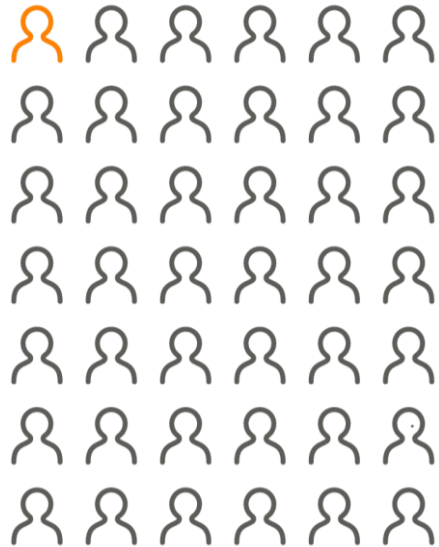
# Delivering a transformative Smart Home experience requires simply and affordably integrating consumers' digital and physical worlds

- Transforming everyday experiences sets a high bar for consumer-facing technology
- Doing this in mainstream consumers' homes requires extensive physical-world operational capabilities
- A stable, profitable business model is critical for long-term viability and sustained growth



# Vivint is in the early days of a big opportunity

## Significant household opportunity in North America



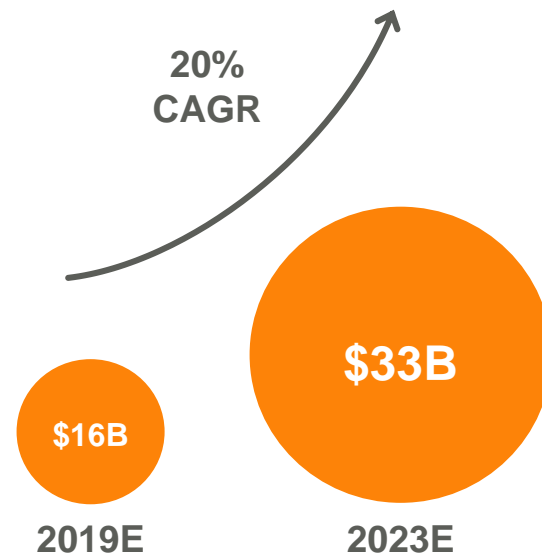
**1.5M**  
Current  
Subscribers<sup>1</sup>

**160M**  
U.S. and Canadian  
households<sup>2</sup>

**1%** Market  
Penetration<sup>1</sup>

## Conventional market sizing underestimates the home opportunity

North American Smart Home  
Market (2019E – 2023E)<sup>3</sup>



## Vivint is built for redefining the home experience



# Vivint is succeeding at delivering consumers a transformative Smart Home experience



## USER EXPERIENCE

**Smart Home Operating System** that delivers a seamlessly integrated and intuitive experience

**Highest app engagement** in the connected home industry<sup>1</sup>

**7+ daily app actions** per user<sup>2</sup>

**4.6-star** app rating with 74K reviews<sup>3</sup>

## GO-TO-MARKET

**U.S. and Canada** sales, installation and service footprint with coverage of **98% of U.S. zip codes**<sup>4</sup>

**~8M consumer conversations** by **4,800+ sales reps** per year<sup>5</sup>

**Third-party financing** of equipment purchases through **Vivint Flex Pay**

## SCALE

**1.5M subscribers** across North America<sup>4</sup> with **308K new subscribers** in Q2'19 LTM 2019

**20M+ devices** managed on Vivint's platform<sup>4</sup> with an average of **14+ devices** per home<sup>6</sup>

**1.5B+** events per day processed in Vivint's cloud-based operating system<sup>4</sup>

**\$5.7B in backlog revenue** from existing subscriber base<sup>4</sup>

# Vivint Flex Pay pricing model gives flexibility to consumers and delivers powerful unit-of-one economics

## Devices and services sold separately



**\$1,500**

avg. equipment purchase<sup>1</sup>

0% APR financing available for up to 60 months\*\* (85% 3<sup>rd</sup>-party<sup>2</sup>)

### Service Packages

Smart Home

**\$39<sup>99</sup>/MO**

Cameras

**\$5<sup>00</sup>/MO**

Per Camera

Car Guard

**\$9<sup>99</sup>** 1<sup>st</sup> Car

**\$4<sup>99</sup>** Additional Cars

Subscription agreements are coterminous with equipment financing

**vivint.SmartHome**

Note: All data as of June 30, 2019

\*\* With approved credit

1. Based on management's estimates

2. Defined as finance partners and PIF

3. Illustrative Vivint Flex Pay program for non-RIC customers

## Attractive unit economics create long-term value<sup>3</sup>

**~\$580**

annual subscription revenue / subscriber

**~8 yr**

subscriber life

**70%**

Net Service Margin

**~\$3,265**

service margin LTV per subscriber

**~\$1,090**

Net SAC per subscriber

**>3.0x**

Adjusted LTV / Net SAC

**47%**

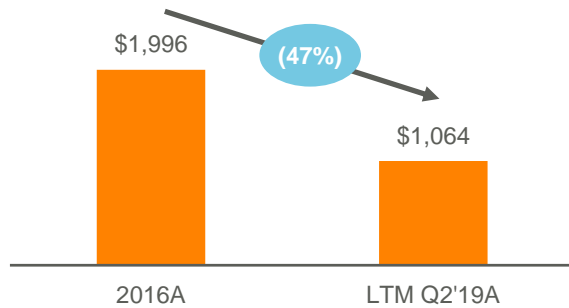
IRR

## Flex Pay has transformed Vivint's business

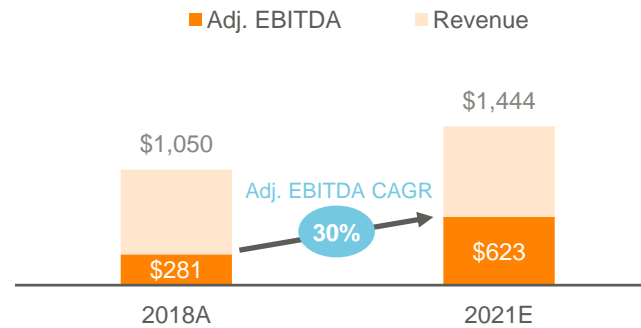
- Flex Pay provides greater subscriber accessibility
- Enables qualified customers to purchase smart home devices with unsecured financing either through:
  - 3<sup>rd</sup>-party financing partner
  - Vivint
- In most cases at 0% APR
- ✓ Improved unit economics
- ✓ Increased contract length
- ✓ Reduced balance sheet risk
- ✓ Improved the capital efficiency of the business

# Improving unit economics and business model innovation are driving significant enterprise scaling

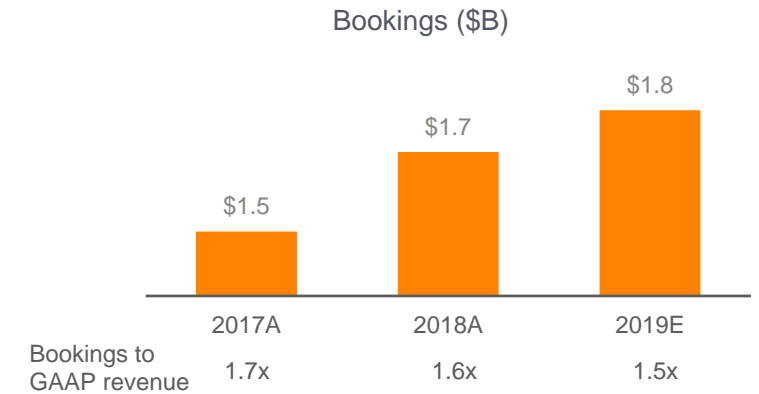
Net subscriber cost (\$)



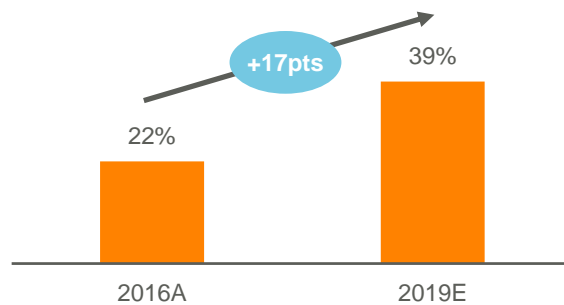
Adj. EBITDA growth and margin expansion (\$M)



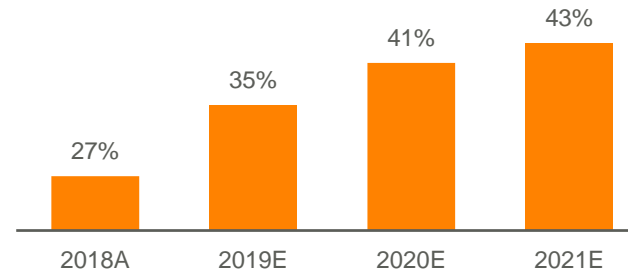
Annual bookings trending at over 1.5x of GAAP revenue each year (\$B)



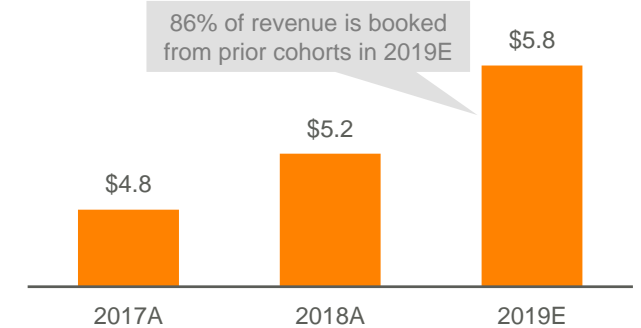
IRR



Adjusted EBITDA margin



Backlog (\$B)



# Consumers want Do-It-For-Me (DIFM) services



VS



**4.8 hrs**

Average installation time for DIY security systems<sup>1</sup>

**76%**

of the Smart Home market in 2020 expected to be with managed service providers<sup>2</sup>

- Integrating numerous devices that were not designed to work together is difficult and often **results in an experience** that is **complex, inconsistent, and unreliable**
- DIY solutions **put a large burden on homeowners** to accurately and correctly install and support so many devices themselves
- Whole-home automation **requires users to write individual rules** for **each and every circumstance**
- **Vivint's software** within the devices, in the cloud, and in the app **work together to help mainstream consumers** seamlessly manage their homes

# Vivint's model for delivering an end-to-end Smart Home solution

## Find



- 98% of U.S. zip codes covered<sup>1</sup>
- In-home, online, and retail
- 4,800+ total sales representatives across all channels<sup>1</sup>
- ~8M consumer conversations per year across all channels<sup>2</sup>

## Design



- Consultative sales critical for comprehensive Smart Home
- \$47.75 average monthly subscription revenue per subscriber<sup>3</sup>
- Over 14 devices per system<sup>4</sup>

## Install



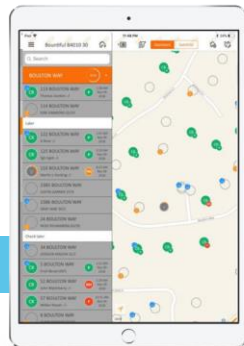
- Professional installation with half done same-day<sup>5</sup>
- 85 tNPS for installation<sup>5</sup>
- Dedicated licensing and permitting department
- 3,000+ installers<sup>1</sup>

## Manage

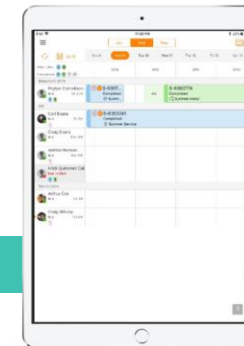


- White-glove support with 81% first-contact resolution rate<sup>5</sup>
- Continual software improvement with regular, recurring updates pushed to devices in homes

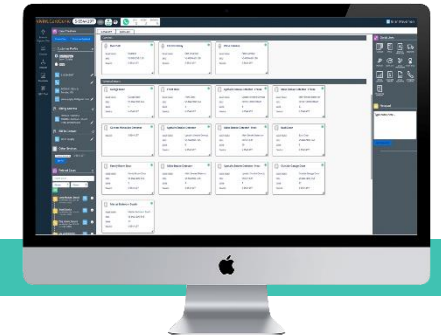
Street Genie



Tech Genie



Care Genie



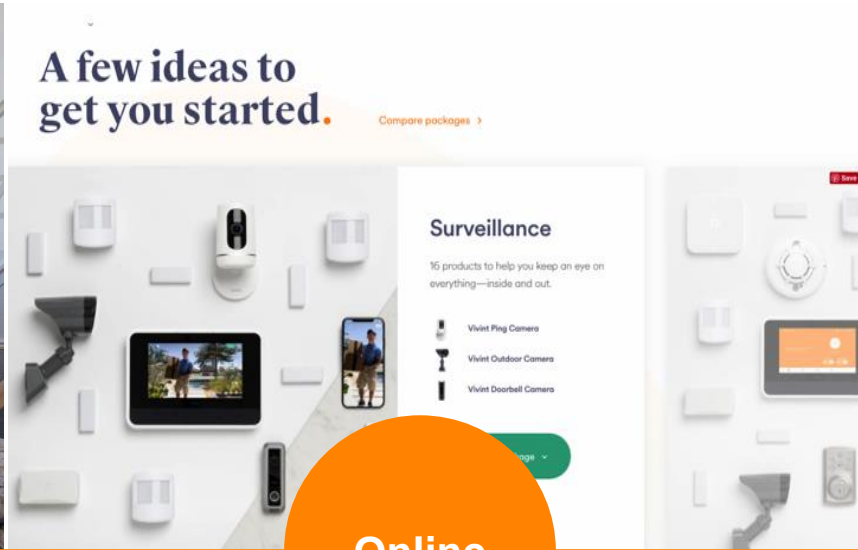
1. As of June 30, 2019
2. Based on management's estimate
3. For new subscribers, as of LTM June 30, 2019
4. Average across active subscribers on Vivint Smart Home OS as of June 30, 2019
5. For the year-ended December 31, 2018

# Vivint's consultative sales channels bring Smart Home to the consumer



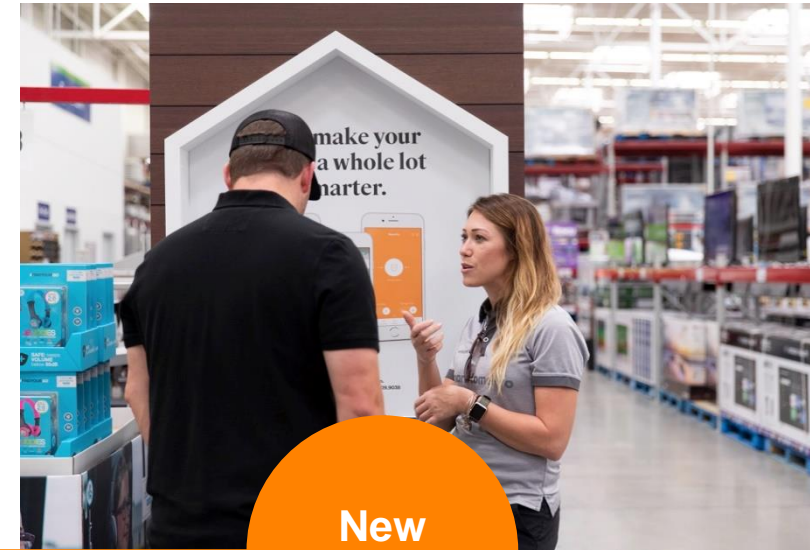
In Home

- 4,500+ in-home sales representatives<sup>1</sup>
- ~8M in-home conversations per year<sup>2</sup>



Online

- 43% of net new subscribers<sup>3</sup>
- 28% 4-year CAGR<sup>4</sup>

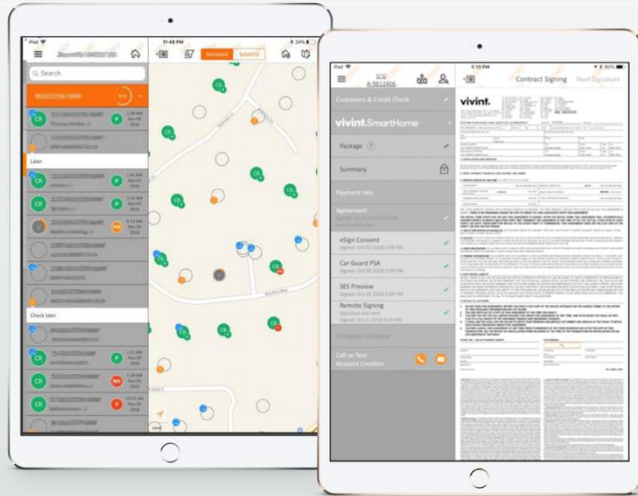


New Channels

- Retail: several pilots underway
- Multifamily: 47.2M units in the U.S.<sup>5</sup>
- Additional: homebuilders, CEDIA

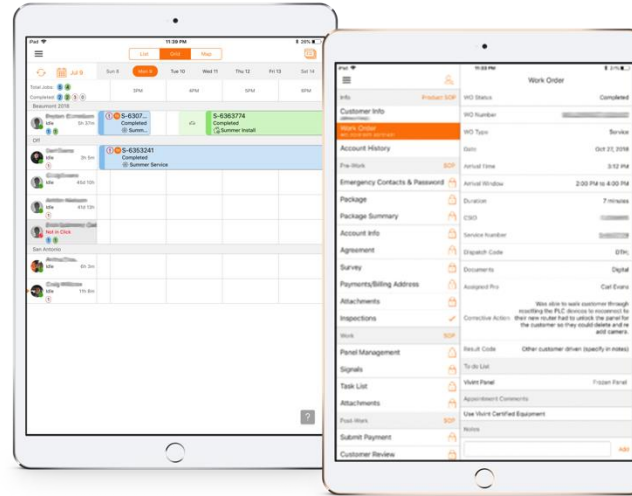
# Vivint's patented technology empowers its Smart Home Pros to design, finance and install a customized system for every consumer

## Street Genie



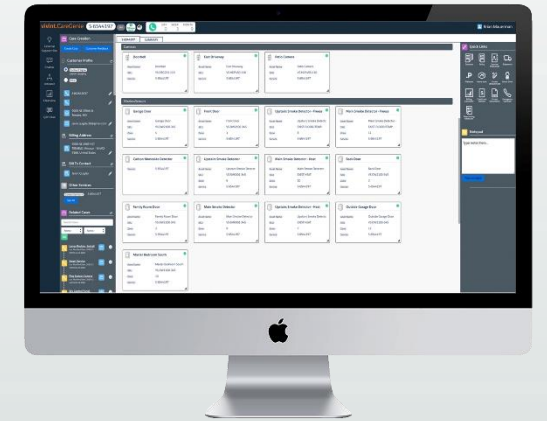
- Area and performance management
- Lead distribution
- Demographics and pre-qualification
- Licensing and compliance
- Configuration, pricing and quoting
- Underwriting and loan processing
- Payment collection
- Technician dispatch

## Tech Genie



- Schedule management
- Work order details
- Inventory management
- Licensing and compliance
- Upgrades (CPQ, loan, payment)
- Integration with smart home products for system testing and diagnostics
- Performance management

## Care Genie



- Account information and history
- Smart home system diagnostics
- Support and troubleshooting workflows
- Work order scheduling
- Device order fulfillment

# A standalone device strategy is different than a winning Smart Home strategy



## Standalone Device

- Multiple apps
- DIY install
- One-time purchase with little or no subscription
- Hardware margin business model
- Difficult path to smart home



## Smart Home

- Many devices required to create a smart home
- Seamless and intuitive experience in a single app
- Hassle-free DIFM installation and maintenance
- Long-term relationship with subscriber
- High-margin subscription business model
- AI-driven automation and assistance

# Vivint's extensive suite of proprietary Smart Home devices enables comprehensive coverage of the home...



...with over 14 devices per system<sup>2</sup>

# Partners want their devices integrated into Vivint's curated ecosystem...



...which makes them smarter

# The Vivint Smart Home Operating System seamlessly integrates all of these devices into a unified, intuitive experience

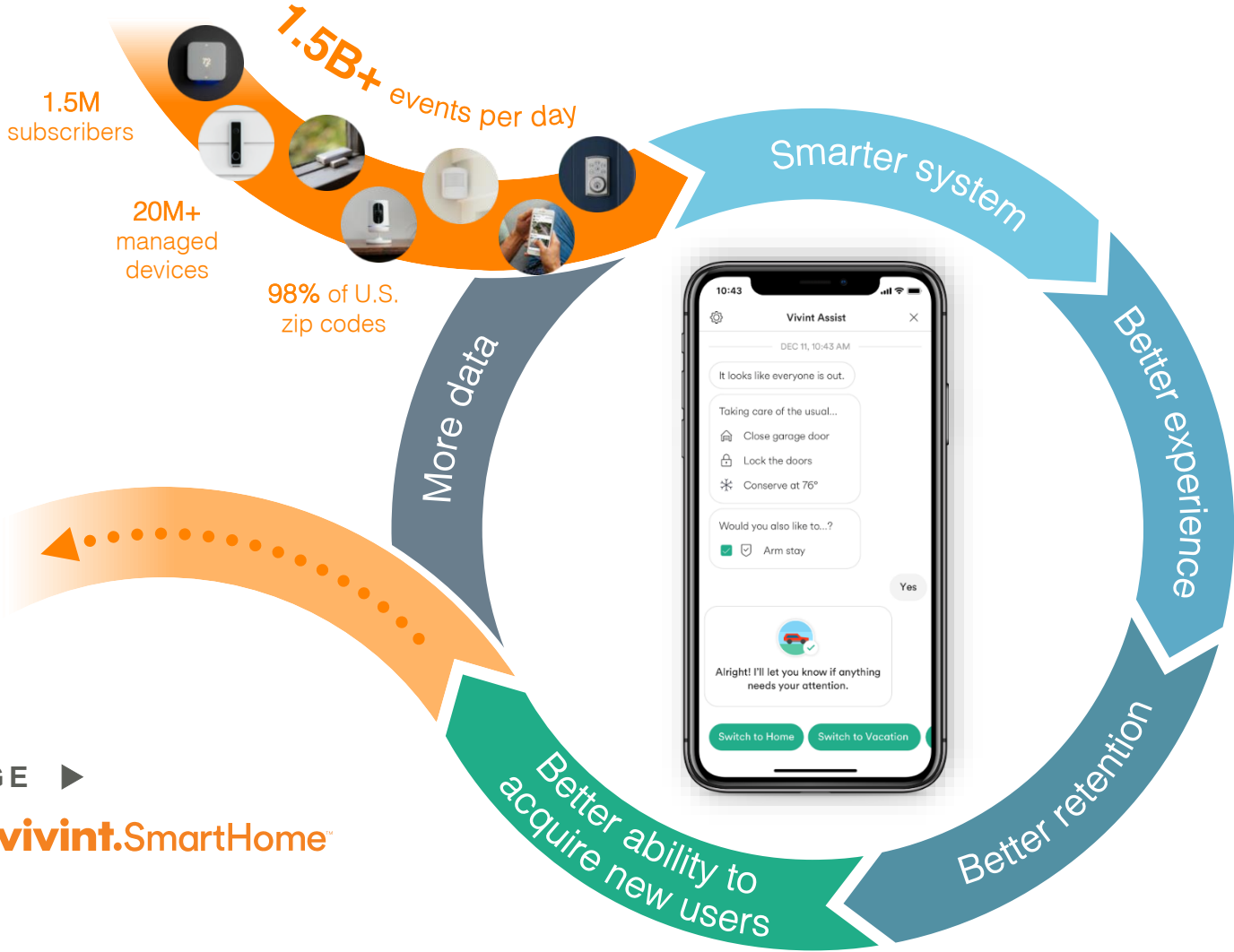


### Vivint Smart Home OS:

- Proprietary software running in the home, the cloud, and apps
- Flexible and extensible
- Real-time events, with 1.5B+ /day processed in the cloud<sup>1</sup>
- AI-powered automation and assistance with Vivint Assist

DATA ► KNOWLEDGE ► ACTION = **vivint.SmartHome™**

# Proprietary data underpinned by Vivint's powerful AI-driven software fuels product innovation and additional growth opportunities



Technology, service, and business model innovation enable superior customer experience

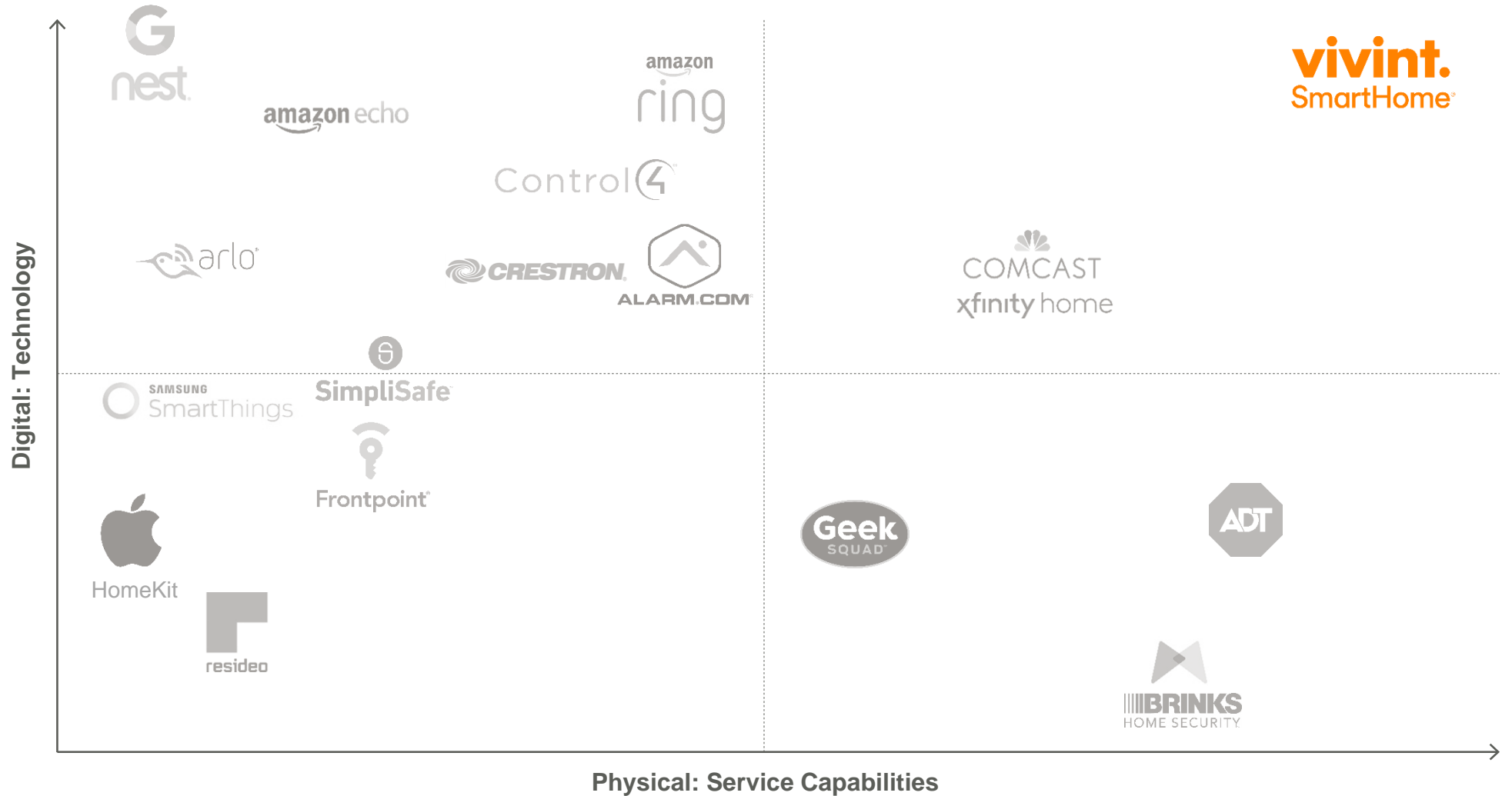
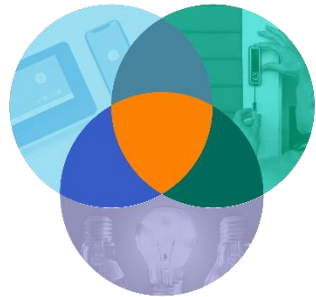
Accurate modeling of home occupancy requires broad sensor coverage

Occupancy and other analytics are critical to delivering smart functionality and unlocking new business opportunities, including:

- Home automation based on occupancy state changes
- Secure package delivery
- HVAC fault detection and prediction
- Home insurance loss mitigation and optimized risk-based pricing

Comprehensive data is critical to empowering a truly smart home

# Vivint delivers an easy, affordable, and transformative Smart Home experience



# Founder-led management team with significant industry experience



**Todd Pedersen**  
 Founder and  
 Chief Executive Officer  
 vivint.Solar APXALARM



**Alex Dunn**  
 President  
 2GIG  
 GENERAL CATALYST  
 vivint.Solar



**Matt Eyring**  
 EVP, General Manager  
 of Inside Sales  
 Medtronic INNOISIGHT



**Todd Santiago**  
 EVP, General Manager of  
 New Channels  
 2GIG NCH CORPORATION



**Scott Hardy**  
 Chief Operating Officer  
 Cisco Cicero  
 McKinsey&Company



**Mark Davies**  
 Chief Financial Officer  
 DELL ALCOA hp



**Jeremy Warren**  
 Chief Technology Officer  
 2GIG DEPARTMENT OF JUSTICE



**Jeff Lyman**  
 Chief Product Officer  
 NIKE + NIKEiD



**Joe Albaugh**  
 Chief Security Officer  
 BearingPoint. FDA



**Starr Fowler**  
 SVP, Human Resources  
 BOART LONGYEAR Honeywell  
 amec



**Nate Randle**  
 Chief Marketing Officer  
 Callaway AJZZ NIKE



**JT Hwang**  
 Chief Engineering Officer  
 hp NETEZZA



**Joy Driscoll Durling**  
 Chief Information and Digital  
 Enablement Officer  
 Adobe macromedia



**Shawn Lindquist**  
 Chief Legal Officer  
 FUSION-10 OMNITURE



# GROWTH STRATEGY

# Vivint has a five-pronged strategy for growth

Growing existing channels



Adding new channels



Selling to existing customers



Expanding product and service offerings



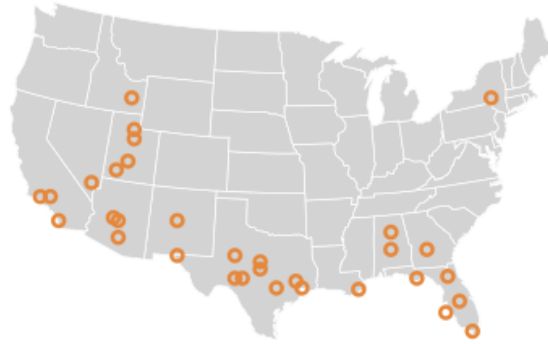
Entering adjacent markets



# 1 Growing existing channels

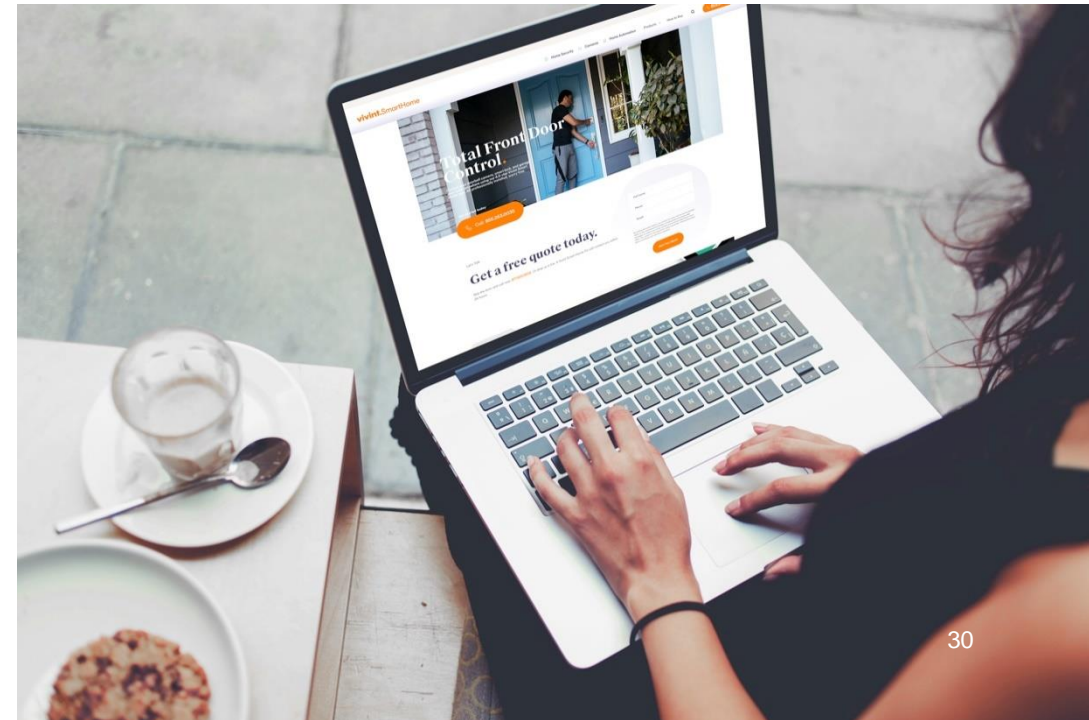
## Direct-to-home growth strategy

- Continued dedication to new and established recruiting hubs
- Open new recruiting hubs each year
- New pay scale incentives to drive recruiting



## National inside sales growth strategy

- Capitalize on increasing awareness of Vivint and Smart Home category
- Continue to refine digital marketing funnel and online lead sources
- Grow third-party lead referral partners



## 2 Adding new channels



### Retail

- In-store lead generation coupled with in-home sales experience
- Design, sale and install of systems in a single appointment creates significant efficiencies
- Excellent customer experience, with a tNPS of 82<sup>1</sup>



### Multifamily – Vivint Smart Properties

- Sizeable opportunity, with 47.2 million total units (36% of Americans rent)<sup>2</sup>
- Strong value proposition for owners: ancillary revenue, operational efficiencies, property differentiation, mitigation of insurance risks
- Formidable competitive advantages for Vivint: nationwide operations, highly-rated and robust product offering, mature core business



### Professional channels

- New homebuilders channel efforts target ~900K new single-family homes built each year<sup>2</sup>
- New CEDIA (custom installation/AV) channel offers opportunity to sell larger systems with attractive unit economics
- Control4 integration allows access to network of 3,000+ dealers<sup>3</sup>

### 3 Selling to existing customers

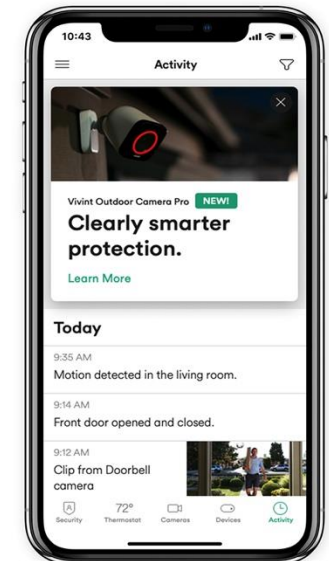
## Vivint is just beginning to offer upgrades to its existing subscriber base

### Full-system upgrades

- Vivint Flex Pay unlocks the ability to offer full-system upgrades
- Focus in 2019 has been on subscribers near the end of or out of contract:
  - ~18K upgrades sold through YTD June 2019; up from ~3K for all of 2018
  - Existing subscribers want the newest devices and software platform, and are willing to extend contract terms with new financing offer

### Device up-sell

- Individual device upsell to begin in 2020
- Generates both hardware margin and increased subscription revenue
- Leveraging app, customer care and field technicians

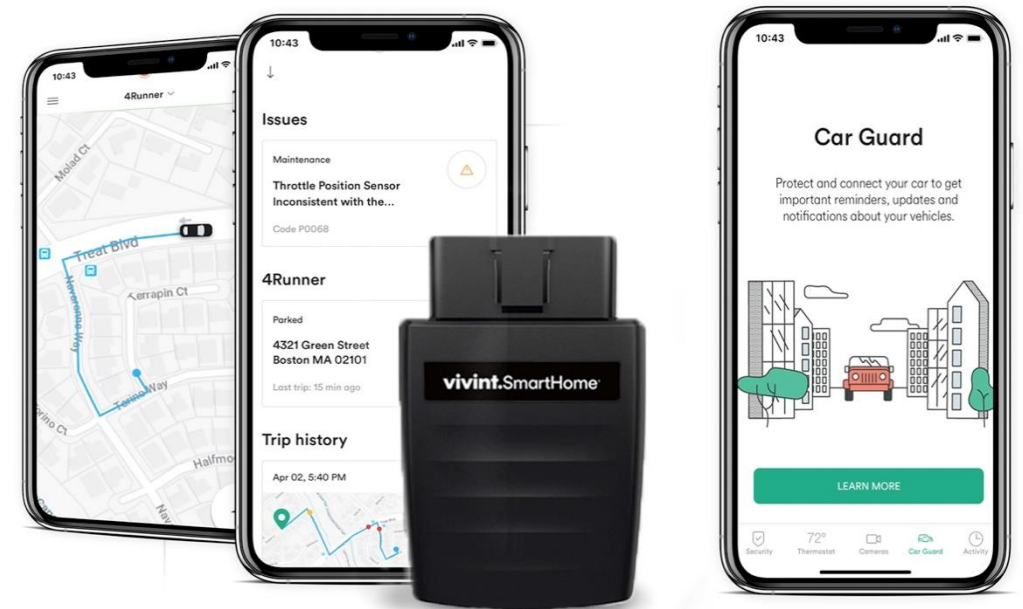


## 4 Expanding product and service offerings

### New products create opportunities for subscription revenue growth

#### Vivint Car Guard launched in 2019

- Vivint can sell Car Guard not only to new subscribers, but also to its existing subscriber base
- Seamlessly integrated into the Vivint Smart Home Operating System
- Subscription pricing for Car Guard is \$9.99/month for the first device and \$4.99/month for additional devices



# 5 Entering adjacent markets: Vivint is in the early days of a big opportunity

Vivint is able to **unlock additional market opportunities**, building upon:

- Capabilities to sell, deploy and manage services
- Breadth of data and depth of understanding that comes from comprehensive, professionally installed systems
- Existing subscriber base





# FINANCIAL SUMMARY

# Superior financial model

- Subscription-based business model
- Leading scale
- Margin outperformance
- Strong adjusted EBITDA growth
- Expanding subscriber base
- Differentiated unit economics
- Long-term customer relationships
- Predictable revenue
- Robust backlog

**95%+**

**Recurring revenue**

**\$1.17B**

**Revenue (2019E)**

**75%**

**Net Service Margin (Q2'19)**

**30%**

**Adjusted EBITDA CAGR ('18-'21E)**

**1.6M**

**Total Subscribers (2019E)**

**>3.0x**

**Adjusted LTV / Net SAC<sup>1</sup>**

**~8 years**

**Average customer lifetime**

**\$5.8B**

**Revenue backlog (2019E)**

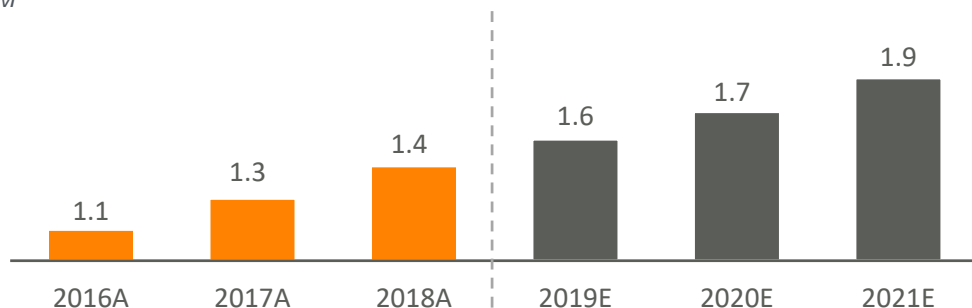
**1.6x**

**Bookings / GAAP revenue (2018A)**

# Compelling Smart-Home-as-a-Service subscription model yielding differentiated growth and margin expansion

## Subscribers

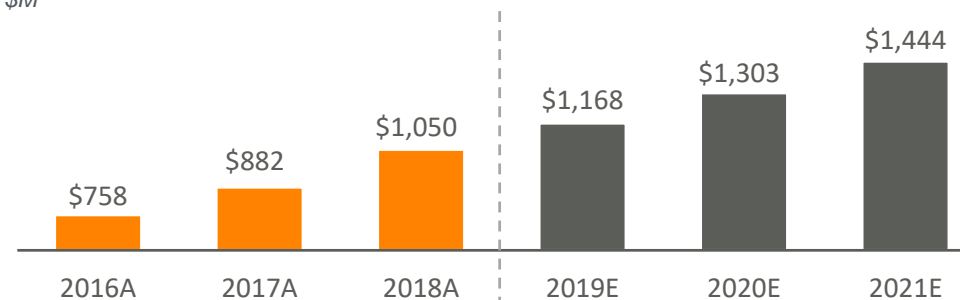
In M



- 62% projected growth from 2016A to 2021E

## Revenue

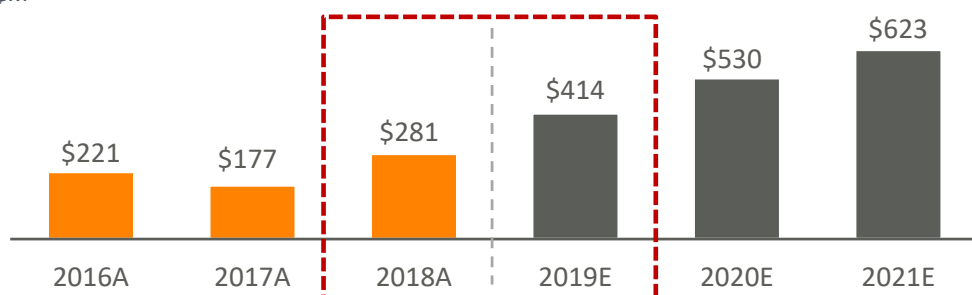
In \$M



- Predictable, subscription-based revenue projected to grow at 14% CAGR from 2016A to 2021E

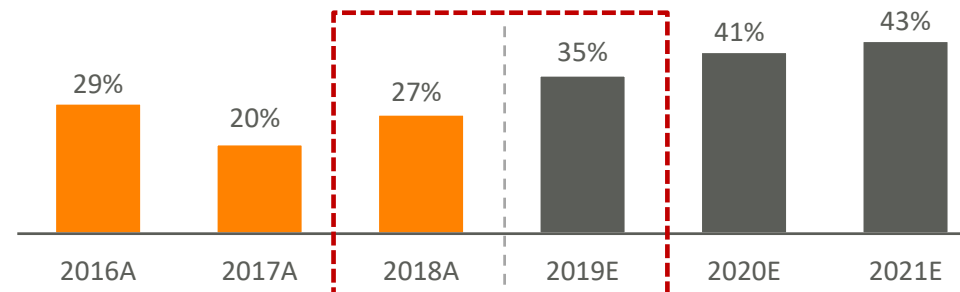
## Adjusted EBITDA

In \$M



- 2017A Adjusted EBITDA projected to more than triple by 2021E, supported by \$5.7B backlog (Q2'19)
- 2017A Adjusted EBITDA impacted by Best Buy partnership which was exited in 2018

## Adjusted EBITDA margin

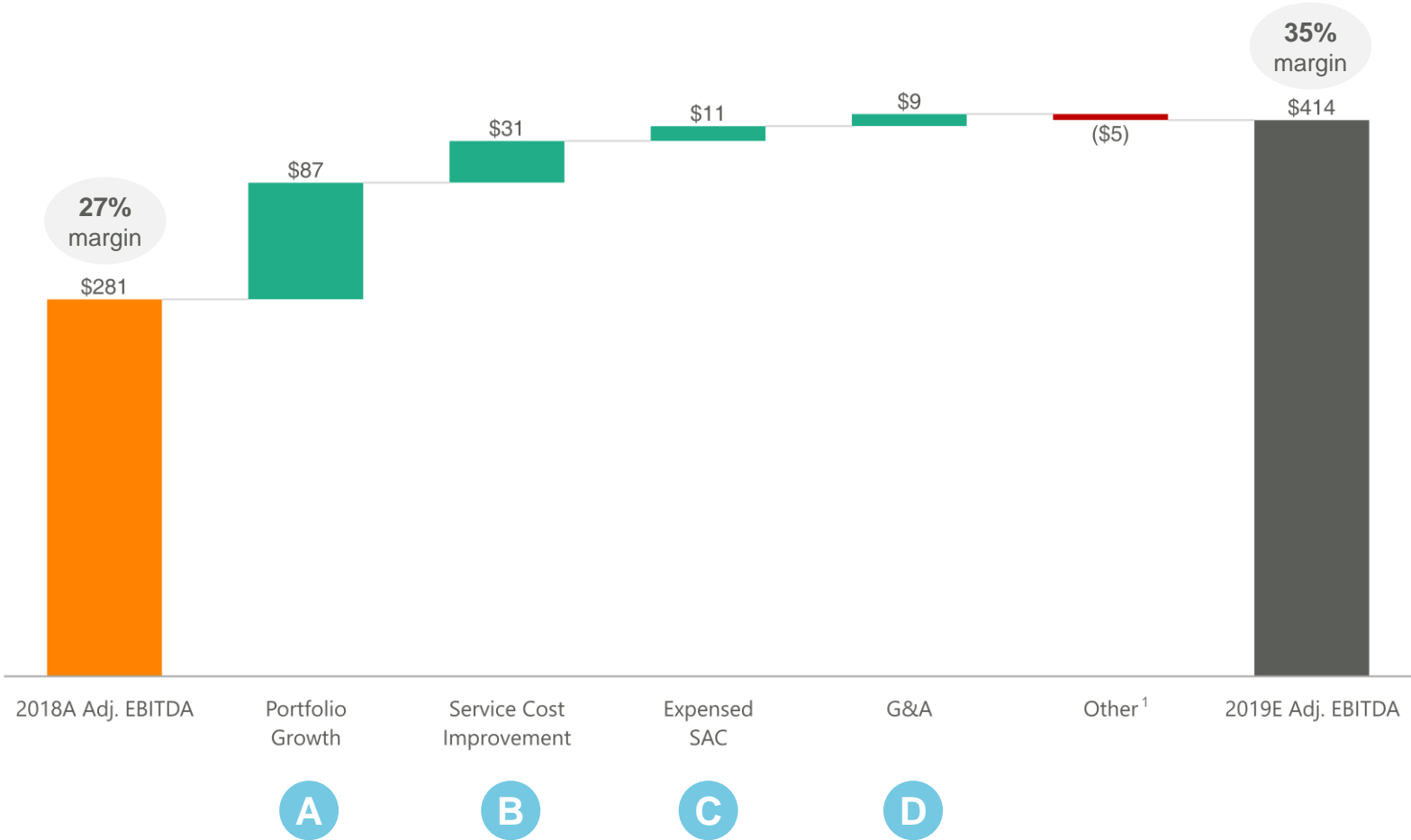


- Projected 23% margin increase from 2017A to 2021E driven by service margin, optimization and scale

# Continued portfolio growth and service cost optimization driving adjusted EBITDA margin expansion

2018A – 2019E Adjusted EBITDA bridge

## Commentary

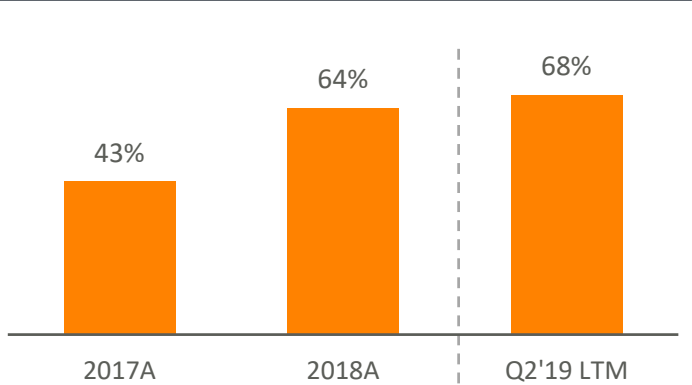


- A** Portfolio growth: Higher subscription and equipment revenue driven by increasing number of subscribers (1.4M → 1.6M)
- B** Service cost improvement: Integrated technology platform that provides continual functional enhancements, better customer experience, at lower support and service costs
- C** Expensed SAC: Reductions in fixed costs
- D** G&A: Scaling and cost improvements

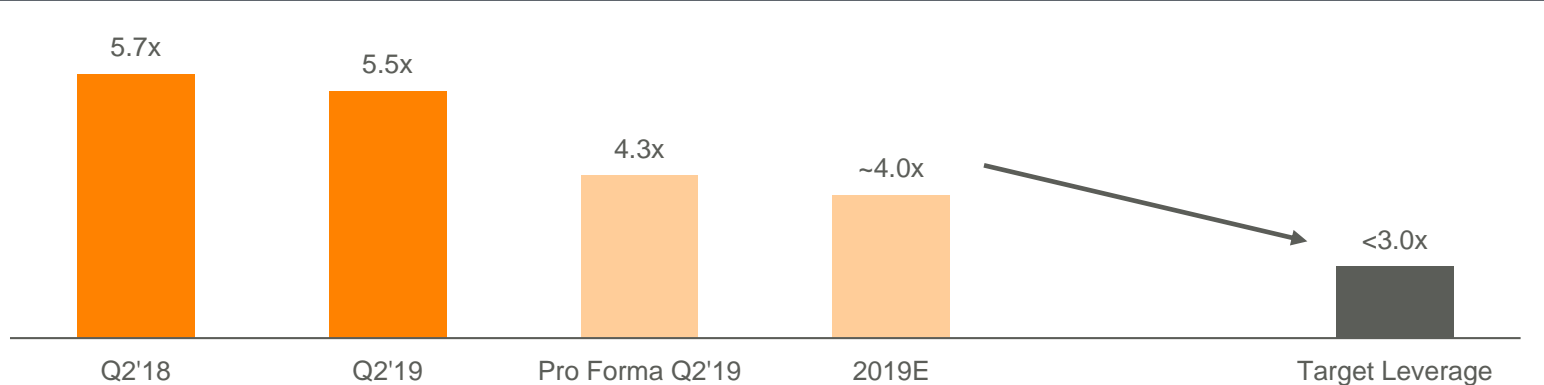
1. Other includes bad debt, Flex Pay fees, stock-based compensation

# As Flex Pay has scaled, Vivint has accelerated the acquisition of new subscribers at increasingly attractive economic terms

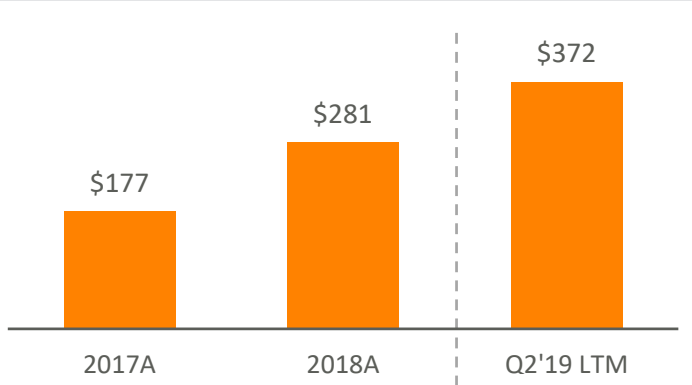
**Flex Play new subscriber mix %**



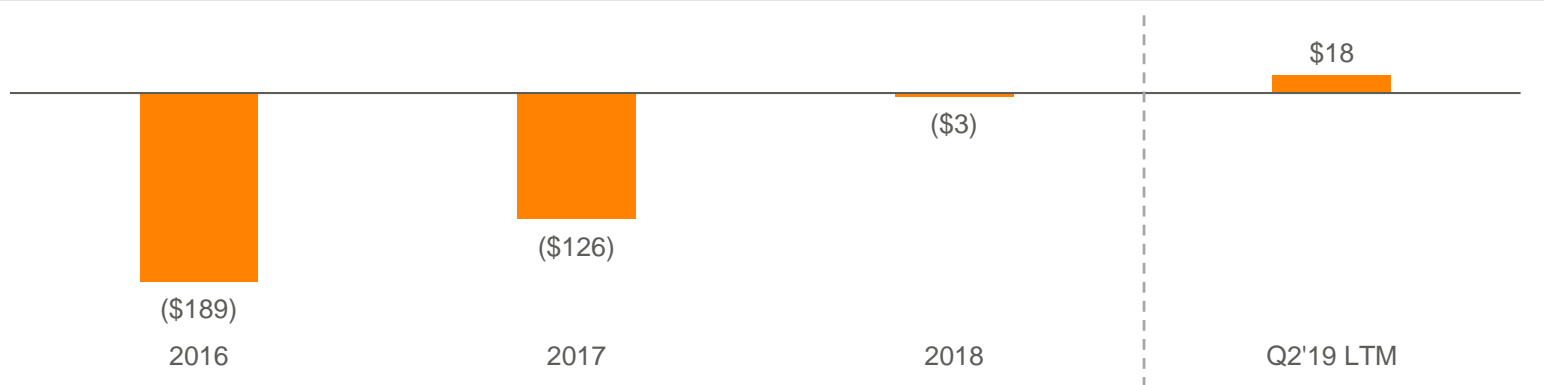
**Strong deleveraging trajectory (Net Leverage<sup>1</sup>)**



**Adjusted EBITDA**

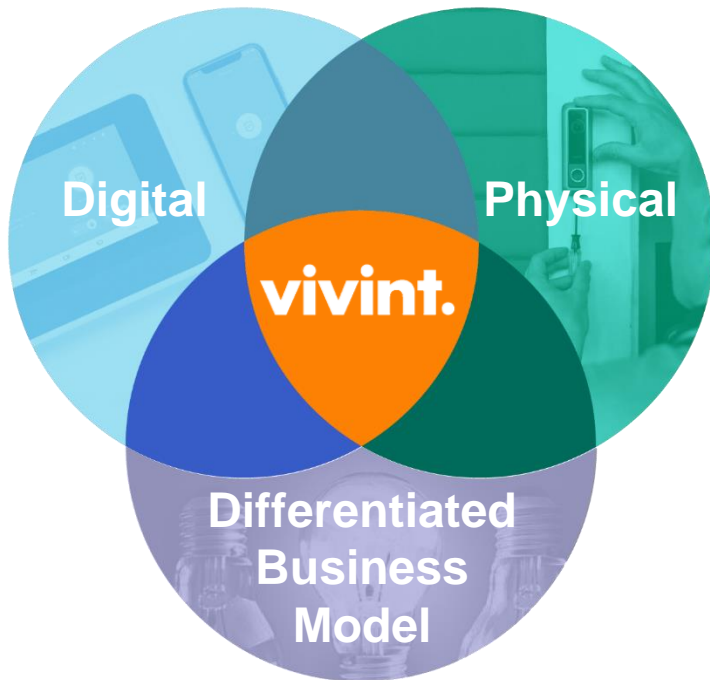


**Unlevered Free Cash Flow<sup>2</sup>**



1. Net Leverage is calculated as Net Debt / LTM Covenant Adjusted EBITDA and includes adjustment for expensed SAC. Net Debt does not include any liabilities associated with the Vivint Flex Pay financing programs  
 2. Unlevered Free Cash Flow is defined as cash flow from operations less capital expenditures plus net interest expense adjusted for tax at the effective rate of 0%

# Vivint's excellence in both technology and real-world operations powers a Smart Home business that delivers for consumers and investors



## Digital

- Proprietary cloud-enabled Vivint Smart Home OS delivers a seamlessly integrated, intuitive experience
- Broad portfolio of proprietary devices enables comprehensive coverage
- Curated partner-neutral ecosystem provides flexible extensibility
- AI-driven automation and assistance software, Vivint Assist, powered by 1.5B+ events per day

## Physical

- 1st-party direct-to-home sales team of 4,500+ representatives for consultative design
- 3,000+ field technician employees nationwide for hassle-free installation and support
- Comprehensive systems of 14+ devices per home managed with DIFM simplicity<sup>1</sup>
- Proprietary “Genie” technology empowers our people to operate smoothly and efficiently

## Differentiated business model

- Flex Pay provides consumer flexibility and cash efficiency with 3rd-party financing
- >3.0x Adj. LTV / Net SAC with 47% IRR<sup>2</sup>
- 95%+ subscription revenue with 75% Net Service Margin<sup>3</sup> delivers tremendous predictability
- 37% '18A-'20E Adj. EBITDA CAGR at scale with multiple growth levers in a large and growing market
- FV/2020E Adj. EBITDA of 10.5x provides an attractive entry point for investors



TRANSACTION OVERVIEW  
AND COMPARABLES

# Transaction detail

## Estimated sources and uses (\$M)<sup>1</sup>

Sources	
Mosaic IPO Cash	\$345
Mosaic FPA Cash	\$150
Fortress PIPE Proceeds	\$125
Blackstone PIPE Proceeds	\$100
Vivint Equity Rollover	\$2,316
Vivint Rollover Net Debt <sup>2</sup>	\$2,494
<b>Total Sources</b>	<b>\$5,530</b>

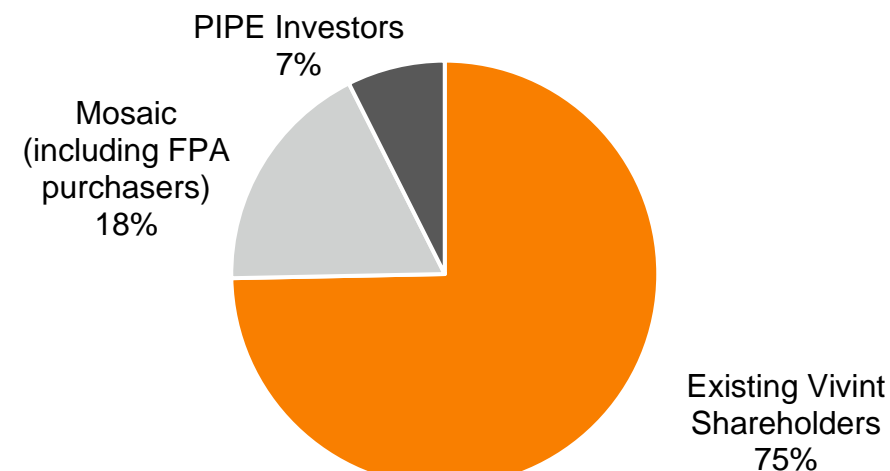
Uses	
Total Debt Paydown	\$690
Vivint Equity Rollover	\$2,316
Vivint Rollover Net Debt	\$2,494
Estimated Fees & Expenses <sup>4</sup>	\$30
<b>Total Uses</b>	<b>\$5,530</b>

## Implied pro forma firm value

Pro Forma Shares Outstanding <sup>3</sup>	309.6
Share Price	\$10.00
<b>Implied Equity Value</b>	<b>\$3,096</b>
Plus: Pro Forma Net Debt <sup>2</sup>	\$2,494
<b>Implied Pro Forma Firm Value</b>	<b>\$5,590</b>

<b>2020E Adjusted EBITDA (\$530)</b>	<b>10.5x</b>
<b>Net Debt<sup>2</sup> / LTM 6/30/2019 Covenant Adjusted EBITDA (\$583)<sup>5</sup></b>	<b>4.3x</b>

## Pro Forma Ownership<sup>3</sup>



Source: Mosaic estimates, company filings

Notes: \$ or shares in millions. Assumes existing preferred equity is converted to common equity. For illustrative purposes, pro forma capital structure reflects pay down of 8.750% Senior Notes (due 2020) and additional debt. The parties may elect to use proceeds to repay other indebtedness or for general corporate purposes. Does not include David Maura's commitment to purchase \$5mm of shares under his 10b5-1 trading plan

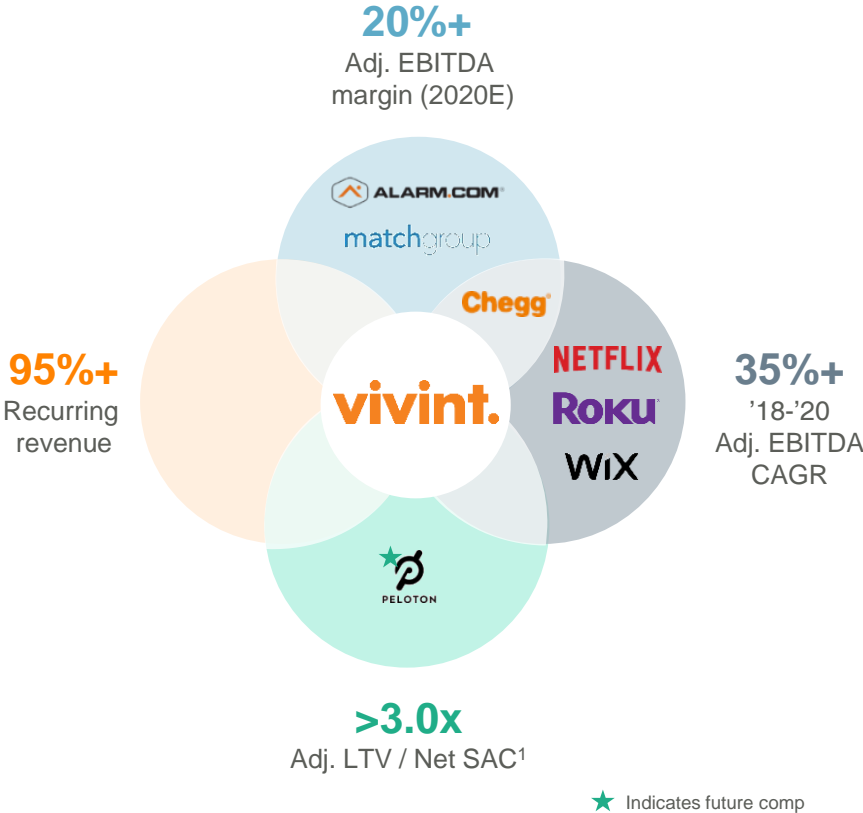
- All information in the table below is as of June 30, 2019 and does not reflect cash provided or used, changes in outstanding debt or other activity since June 30, 2019
- Debt does not include any liabilities associated with the Vivint Flex Pay financing programs
- Assumes no redemptions by public shareholders in connection with the transaction and excludes impact of 11.5 million IPO warrants. Mosaic ownership assumes 34.5 million common shares held by Mosaic IPO investors, 15.8 million common shares held by FPA investors, and 50% of the 10.4 million common shares issued to Mosaic sponsor upon conversion of Class F shares. PIPE ownership assumes the issuance of 22.5 million common shares at \$10.00 per share. Existing Vivint shareholder ownership definition assumes the issuance of 231.6 million common shares at \$10.00 per share. Excludes the impact of management equity incentives
- Includes deferred underwriting fees (3.5%), legal, advisory, and other fees
- See Appendix for definition and reconciliation to the most comparable financial measure calculated in accordance with GAAP

# Vivint is a Category of One, offering a highly differentiated strategic and financial opportunity to own the Smart Home subscriber

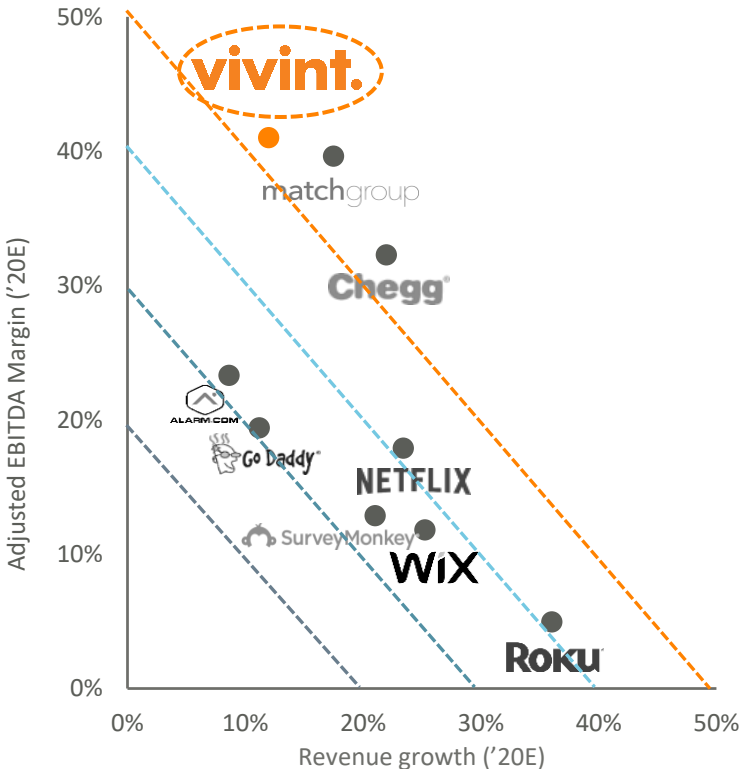
### Vivint's attributes ...

- ✓ Subscriber base is a strategic asset
- ✓ Advantaged go-to-market
- ✓ Exceptional subscription profile
- ✓ Attractive unit economics
- ✓ Highly scalable and accelerating business model

### ... distinguish the company vs. peers ...



### ... and far exceeds the Rule of 40



**Subscribers + Growth at Scale + Predictability + Attractive Margins = vivint.**

# Vivint's business and financial profile places it in an elite group of companies with significant runway for growth and margin

## Comparable Companies

2020E  
FV / Adj. EBITDA

End-to-End Platform Integration

Proprietary OS

Strong Recurring Revenue

High Customer Retention

Massive TAM

Scale (\$1B+ revenue)

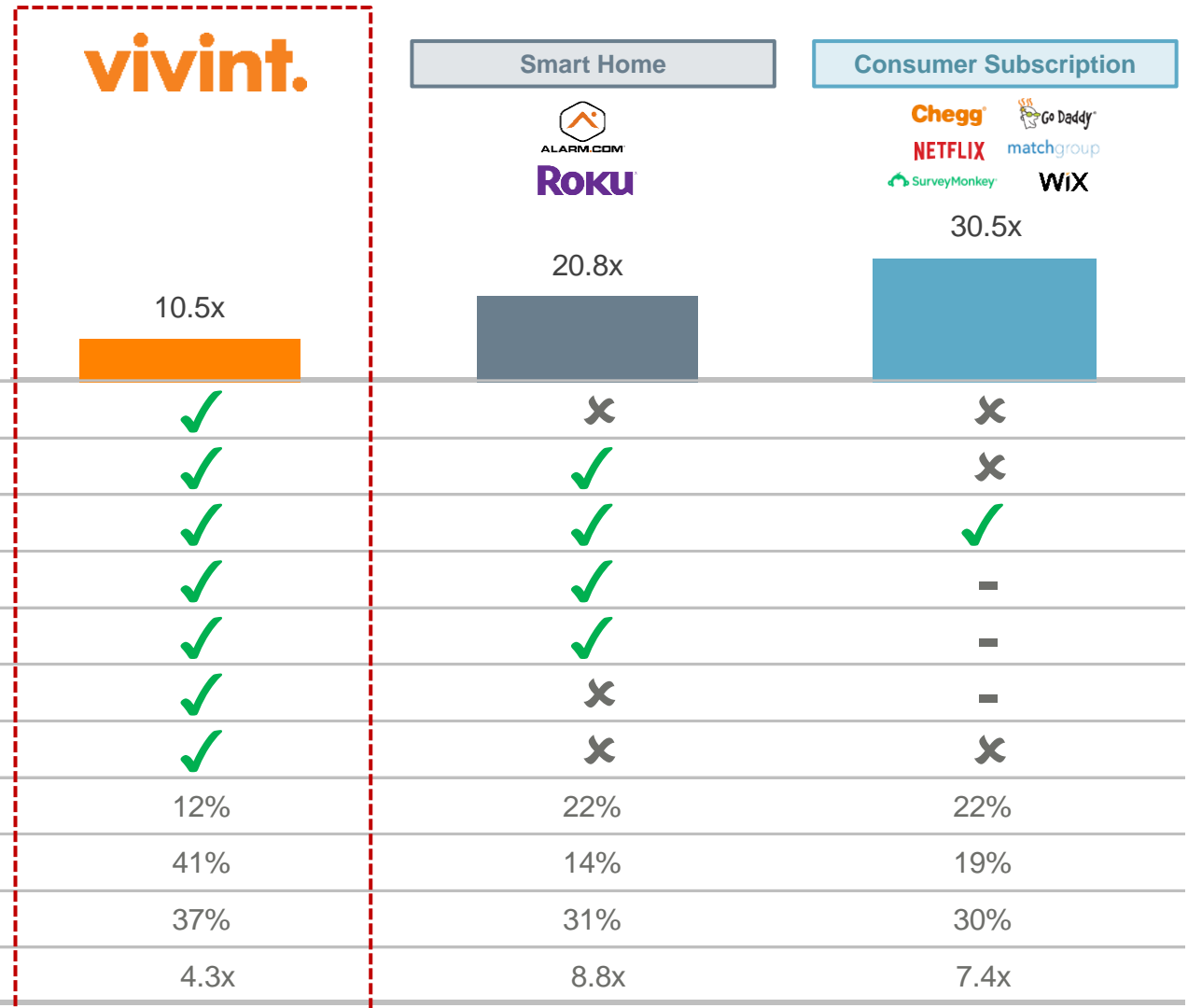
Proprietary Customer Financing Solution

2020E Revenue Growth

2020E Adjusted EBITDA Margin

2018-2020E Adjusted EBITDA CAGR

2020E EV / Revenue



# Competitively differentiated Smart Home platform



Proprietary software platform	✓	✓		✓	✓
Smart home data / analytics	✓	✓		✓	✓
Proprietary devices	✓	✓		✓	✓
DIFM service	✓		✓		
Nationwide consultative go-to-market	✓		✓		
Consumer financing	✓			✓	✓
Revenue growth ('18A-'20E CAGR)	11%	10%	5% <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>
Adj. EBITDA growth ('18A-'20E CAGR)	37%	12%	4%	N/A <sup>2</sup>	N/A <sup>2</sup>
Adj. EBITDA margin ('20E)	41%	23%	26%	N/A <sup>2</sup>	N/A <sup>2</sup>

**Vivint's purpose-built, end-to-end technology platform delivers the Smart Home experience to customers**

# Vivint's Smart-Home-as-a-Service model yields differentiated visibility into growth and superior margins

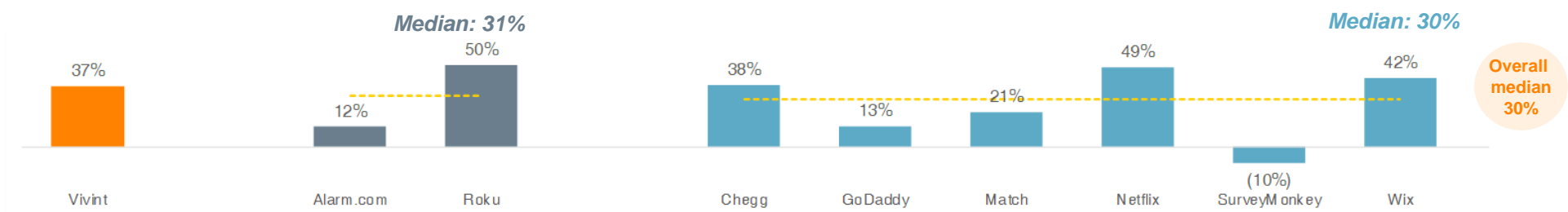
Smart Home Consumer Subs

Vivint is positioned to deliver significant equity accretion via a combination of earnings growth and optimized capital structure ...

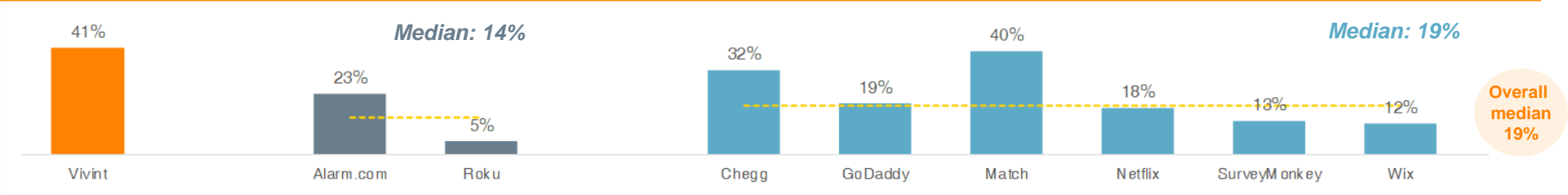
... given proven ability to deliver differentiated, superior margins through operating efficiencies and financing solutions (Flex Pay) ...

... with a highly visible path to growth enabled by 95%+ recurring revenue<sup>1</sup>

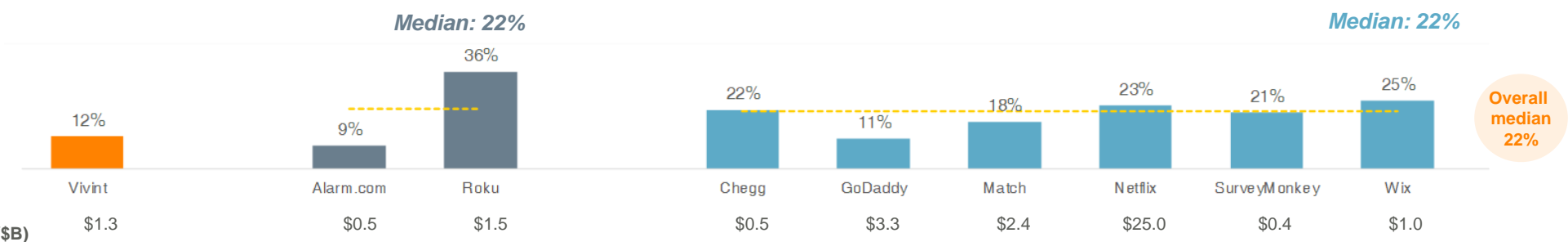
## 2018A – 2020E Adjusted EBITDA CAGR



## 2020E Adjusted EBITDA Margin



## 2020E Revenue Growth



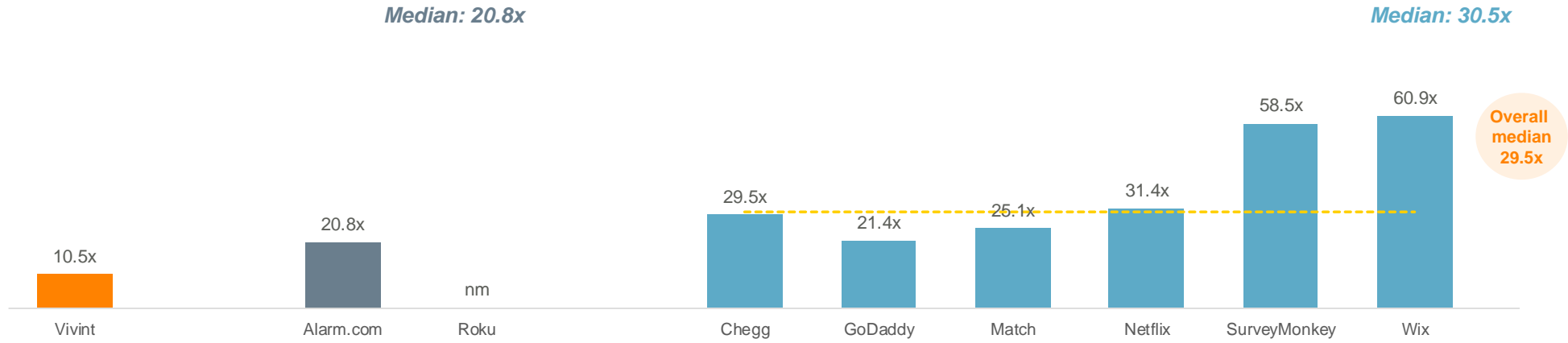
# Attractive entry point for investors

Smart Home Consumer Subs

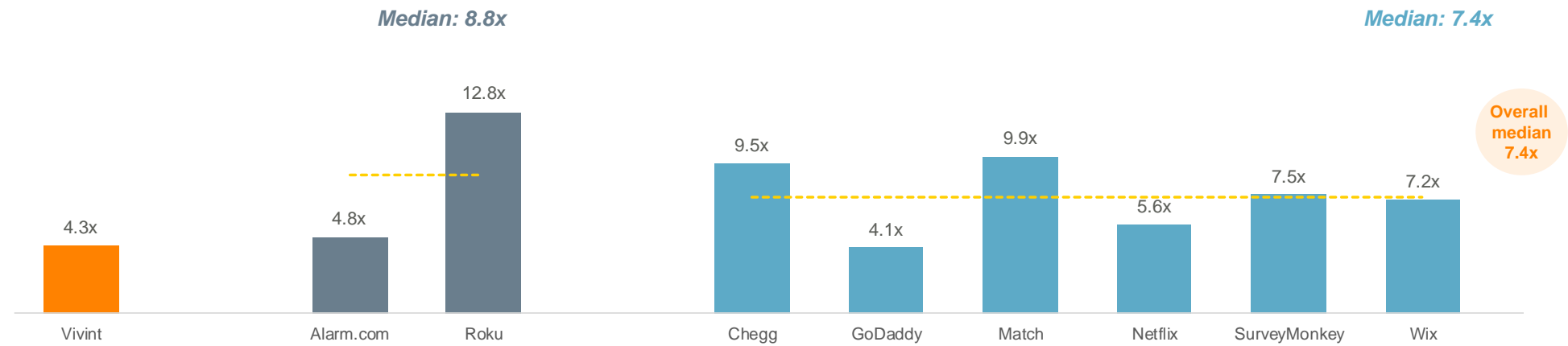
Attractive entry point ... deal valuation at discount to peers

- Highly visible growth**
  - 95%+ recurring revenue<sup>1</sup>
  - \$5.7B backlog<sup>1</sup>
- Compelling B2C service model**
  - Leader in Smart-Home-as-a-Service
  - Compelling returns driven by Flex Pay model
- Attractive cash flow dynamics and financing flexibility**
  - Low capex requirements and working capital needs
- Multiple strategic ways to continue winning**
  - Numerous unmodeled upsides

## 2020E EV / Adjusted EBITDA



## 2020E EV / Revenue



Source: Peer estimates per Factset as of 9/13/2019

Note: Calendarized to 12/31 FYE. Sorted in alphabetical order. Not all issuers calculate Adjusted EBITDA in the same manner. Amounts presented may not be comparable to similar measures

"NM" defined as multiples >100.0x or <0.0x

1. As of June 30, 2019

# Transaction overview

<p><b>Transaction Structure</b></p>	<ul style="list-style-type: none"> <li>• Mosaic Acquisition Corp. (“Mosaic”) has entered into a definitive agreement to merge with Vivint Smart Home, Inc. (“Vivint”)</li> <li>• Following the merger, Mosaic will be renamed Vivint Smart Home, Inc.</li> <li>• Pro forma corporate structure is a NYSE-listed Delaware corporation</li> <li>• Expect to close by the fourth quarter of 2019 / first quarter of 2020<sup>1</sup></li> </ul>
<p><b>Valuation</b></p>	<ul style="list-style-type: none"> <li>• Transaction valued at a pro forma enterprise value of approximately \$5.6 billion<sup>2</sup> (10.5x 2020E Adjusted EBITDA of \$530 million)</li> </ul>
<p><b>Capital Structure / Pro Forma Leverage</b></p>	<ul style="list-style-type: none"> <li>• Transaction expected to be funded through a combination of Mosaic common stock, cash held in trust, proceeds from the forward purchase agreements, assumption of Vivint debt, and \$225 million (\$125 million by Fortress and \$100 million by Blackstone) of PIPE proceeds</li> <li>• Pro forma net leverage of 4.3x based on LTM 6/30/2019 Covenant Adjusted EBITDA<sup>3</sup></li> </ul>
<p><b>Change to Shareholder Ownership</b></p>	<ul style="list-style-type: none"> <li>• In the transaction, existing Vivint shareholders, including investment funds affiliated with The Blackstone Group Inc. (“Blackstone”), Vivint management, and other existing investors are expected to roll entire existing equity stake and contribute a new investment for ~78%<sup>4</sup> of the combined company at closing</li> <li>• Equity holders of Mosaic are expected to own ~18%<sup>4</sup> of the combined company at closing and will have board representation</li> <li>• PIPE investors (Blackstone and Fortress) are expected to own ~7%<sup>4</sup> of the combined company</li> <li>• Current Vivint equity holders will be entitled to an earnout of 25 million shares split equally if share price targets of \$12.50 and \$15.00 are achieved</li> <li>• Founder shares and warrants will be subject to following vesting conditions and performance criteria:             <ul style="list-style-type: none"> <li>• 50% of founder shares will vest immediately at closing</li> <li>• 25% of remaining Founder shares will vest if share price target of \$12.50 is achieved and remaining 25% of Founder shares will vest if share price target of \$15.00 is achieved. Unvested Founder shares shall be subject to forfeiture if such conditions are not met by the fifth anniversary of closing</li> <li>• 50% of Founder warrants will vest if share price target of \$12.50 is achieved and remaining 50% of Founder warrants will vest if share price target of \$15.00 is achieved. Unvested Founder warrants shall be subject to forfeiture if such conditions are not met by the fifth anniversary of closing</li> </ul> </li> </ul>

Note: Does not include David Maura’s commitment to purchase \$5mm of shares under his 10b5-1 trading plan

1. Unless waived by Vivint, the merger will not close if Mosaic’s public stockholders redeem more than 10,350,000 shares of Mosaic’s Class A common stock (i.e., more than 30% of Mosaic’s outstanding Class A common stock)
2. Reflects transaction valuation at \$10.00 per common share
3. Debt does not include any liabilities associated with the Vivint Flex Pay financing programs. See Appendix for definition and reconciliation to the most comparable financial measure calculated in accordance with GAAP
4. Please refer to transaction structure overview section

# Anticipated transaction timeline

Date	Event
September 2019	<ul style="list-style-type: none"><li>• Transaction Agreement Executed</li><li>• Transaction Announced</li><li>• S-4 and Preliminary Proxy Materials Filed with the SEC</li></ul>
October / November 2019	<ul style="list-style-type: none"><li>• Mail Final Proxy Materials to Shareholders</li><li>• Record Date for Shareholder Vote</li></ul>
Fourth quarter of 2019 / first quarter of 2020	<ul style="list-style-type: none"><li>• Hold Shareholder Vote and Close Transaction</li></ul>



# APPENDIX

# Illustrative pro forma capital structure

## Illustrative Pro Forma Capitalization<sup>1</sup>

\$M	6/30/2019 <sup>2</sup>	Adj	PF	xEBITDA <sup>3</sup>
Cash	\$3	\$ - -	\$3	- -
Revolver	\$134	\$ - -	\$134	- -
Term Loan	\$804	\$ - -	\$804	- -
Senior Secured Notes <sup>4</sup>	\$1,395	\$ - -	\$1,395	- -
<b>Senior Secured Debt</b>	<b>\$2,333</b>	<b>\$ - -</b>	<b>\$2,333</b>	<b>4.0x</b>
<i>Net Senior Secured Debt</i>	\$2,330	\$ - -	\$2,330	4.0x
Senior Unsecured Notes	\$854	(\$454)	\$400	0.7x
<b>Total Debt<sup>6</sup></b>	<b>\$3,187</b>	<b>(\$690)</b>	<b>\$2,497</b>	<b>4.3x</b>
<i>Net Debt<sup>6</sup></i>	\$3,184	(\$690)	\$2,494	4.3x
Preferred Equity	\$100	(\$100)	\$ - -	- -
Common Equity	\$2,216	\$880	\$3,096	5.8x
<b>Total Capitalization</b>	<b>\$5,503</b>	<b>\$90</b>	<b>\$5,593</b>	<b>10.6x</b>
<b>Total Enterprise Value</b>	<b>\$5,500</b>	<b>\$90</b>	<b>\$5,590</b>	<b>10.5x</b>
<b>2020E Adjusted EBITDA</b>				<b>\$530</b>
<b>LTM 6/30/2019 Covenant Adjusted EBITDA<sup>7</sup></b>				<b>\$583</b>

## Summary

- Assumes net proceeds of \$690 million used to retire \$454 million of the 8.750% Senior Notes (due 2020) and repay \$236 million of additional debt. The parties may elect to use proceeds to repay other indebtedness or for general corporate purposes
- Pro Forma net leverage reduced significantly from 5.5x to 4.3x based on LTM 6/30/2019 Covenant Adjusted EBITDA of \$583 million
- Reduced debt service burden will allow Vivint to allocate cash flow towards additional high return growth initiatives
- Provides flexibility for management to continue to innovate and invest in the success of the business
- Positions Vivint favorably in capital markets to explore future financing options and capital structure alternatives

Note: Does not include David Maura's commitment to purchase \$5mm of shares under his 10b5-1 trading plan

1. All information in the table below is as of June 30, 2019 and does not reflect cash provided or used, changes in outstanding debt or other activity since June 30, 2019

2. Assumes existing preferred equity is converted to common equity

3. EBITDA multiples reflect 2020E Adjusted EBITDA of \$530 million for Enterprise Value and Common Equity and reflect LTM 6/30/2019 Covenant Adjusted EBITDA (as per credit agreements) of \$583 million for Senior Secured Debt, Net Senior Secured Debt, Total Debt, and Net Debt

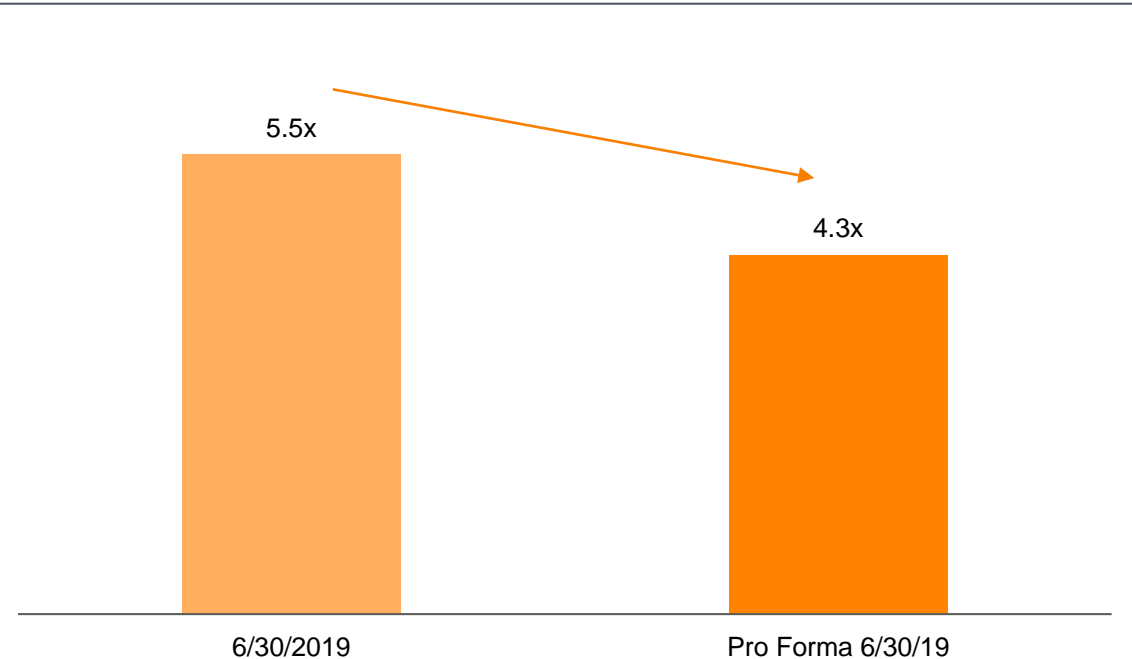
4. Includes 8.875% Senior Secured Notes due 2022 (\$270 million), 7.875% Senior Secured Notes due 2022 (\$900 million), and 8.500% Senior Secured Notes due 2024 (\$225 million)

5. Reflects Net Leverage on LTM 6/30/2019 Covenant Adjusted EBITDA of \$583 million for 6/30/2019 / PF 6/30/2019

6. Debt does not include any liabilities associated with the Vivint Flex Pay financing programs

7. See Appendix for reconciliation to the most comparable financial measure calculated in accordance with GAAP

## Net Leverage Based on Covenant Adjusted EBITDA<sup>5,6</sup>



**Introduction of Flex Pay has generated momentum and significantly improved a number of KPIs**

**Mosaic transaction significantly reduces debt service requirements and increases cash flow**

**Immediately allows Vivint to accelerate growth in a capital-efficient manner**

# Adjusted EBITDA and Covenant Adjusted EBITDA reconciliation

Year Ended December 31,

(\$M)	2016A	2017A	2018A	LTM 6/30/2019
Net loss	(\$276.0)	(\$410.2)	(\$467.9)	(\$443.9)
Interest expense, net	197.5	225.6	244.8	255.2
Income tax expense (benefit)	0.1	1.1	(1.6)	(1.1)
Depreciation	16.8	21.3	25.0	25.6
Amortization	271.8	307.9	489.0	503.1
Non-cash compensation	4.0	1.4	2.2	3.5
MDR fee <sup>1</sup>	—	1.7	6.7	9.4
Other expense (gain), net	6.8	28.0	(17.7) <sup>2</sup>	20.3
<b>Adjusted EBITDA</b>	<b>\$221.0</b>	<b>\$176.8</b>	<b>\$280.5</b>	<b>\$372.1</b>
Non-capitalized contract costs <sup>3</sup>	175.9	255.5	276.4	260.1
Other covenant adjustments <sup>4</sup>	47.1	58.2	54.5	44.9
Adjustment for a change in accounting principle (Topic 606) <sup>5</sup>	—	—	(73.8)	(94.5)
<b>Covenant Adjusted EBITDA</b>	<b>\$444.1</b>	<b>\$490.3</b>	<b>\$537.7</b>	<b>\$582.6</b>

Note: Excludes Wireless; as previously disclosed, Vivint completed the spin-out of the Vivint Wireless business to its existing shareholders on July 31, 2019

1. Cost related to financing fees paid under the Vivint Flex Pay program
2. Includes adjustment to eliminate \$50.4 million gain on sale of spectrum and intangible assets during the three months ended March 31, 2018
3. Reflects subscriber acquisition costs that are expensed as incurred because they are not directly related to the acquisition of specific subscribers. Certain other industry participants purchase subscribers through subscriber contract purchases, and as a result, may capitalize the full cost to purchase these subscriber contracts, as compared to Vivint's organic generation of new subscribers, which requires Vivint to expense a portion of its subscriber acquisition costs under GAAP
4. Other covenant adjustments includes certain items such as product development costs, subcontracted monitoring fee savings, certain legal and professional fees, expenses associated with retention bonuses, relocation and severance payments, and certain other adjustments
5. Adjustments to eliminate the impact of Vivint's adoption of Accounting Standards Codification Topic 606, Revenue from Contracts with Customers

# Unlevered Free Cash Flow reconciliation

(\$M)	Year Ended December 31,			LTM 6/30/2019
	2016A	2017A	2018A	
Operating cash flow	(\$365.7)	(\$309.3)	(\$220.5)	(\$220.5)
Capital expenditures	(\$11.6)	(\$20.4)	(\$19.4)	(\$11.9)
Cash interest <sup>1</sup>	\$188.1	\$203.4	\$236.7	\$250.4
<b>Unlevered Free Cash Flow</b>	<b>(\$189.2)</b>	<b>(\$126.3)</b>	<b>(\$3.2)</b>	<b>\$18.0</b>

# Definition of non-GAAP financial measures

This presentation includes Adjusted EBITDA, Covenant Adjusted EBITDA, and Unlevered Free Cash Flow, which are supplemental measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States (“GAAP”).

“Adjusted EBITDA” is defined as net income (loss) before interest, taxes, depreciation, amortization, non-cash compensation, MDR fees, and certain other non-recurring expenses or gains. Management believes that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors because it is frequently used by securities analysts, investors, and other interested parties in their evaluation of the operating performance of companies in industries similar to Vivint’s.

“Covenant Adjusted EBITDA” is defined as net income (loss) before interest expense (net of interest income), income and franchise taxes and depreciation and amortization (including amortization of capitalized subscriber acquisition costs), further adjusted to exclude the effects of certain contract sales to third parties, non-capitalized subscriber acquisition costs, stock based compensation and certain unusual, non-cash, nonrecurring and other items permitted in certain covenant calculations under the agreements governing Vivint’s notes, the credit agreement governing the term loan and the credit agreement governing the revolving credit facility. Management believes that the presentation of Covenant Adjusted EBITDA is appropriate to provide additional information to investors about the calculation of, and compliance with, certain financial covenants contained in the agreements governing Vivint’s notes, the credit agreements governing the revolving credit facility and the term loan.

“Unlevered Free Cash Flow” is defined as cash flow from operations less capital expenditures plus net interest expense adjusted for tax at the effective rate of 0%. Management believes that the presentation of Unlevered Free Cash Flow is appropriate to provide additional information to investors because it is frequently used by securities analysts, investors, and other interested parties in their evaluation of the operating performance of companies in industries similar to Vivint’s.

Management cautions investors that amounts presented in accordance with Vivint’s definition of Adjusted EBITDA, Covenant Adjusted EBITDA, and Unlevered Free Cash Flow may not be comparable to similar measures disclosed by other issuers, because not all issuers and analysts calculate Adjusted EBITDA, Covenant Adjusted EBITDA, and Unlevered Free Cash Flow in the same manner.

Adjusted EBITDA, Covenant Adjusted EBITDA, and Unlevered Free Cash Flow are not measurements of Vivint’s financial performance under GAAP and should not be considered as alternatives to net income (loss) or any other performance measures derived in accordance with GAAP or as alternatives to cash flows from operating activities as a measure of Vivint’s liquidity.

See slides 52 and 53 for reconciliations of this presentation for reconciliations of Adjusted EBITDA, Covenant Adjusted EBITDA, and Unlevered Free Cash Flow to net loss for Vivint, which management believes is the most closely comparable financial measure calculated in accordance with GAAP.

Adjusted EBITDA, Covenant Adjusted EBITDA, and Unlevered Free Cash Flow should be considered in addition to and not as a substitute for, or superior to, financial measures presented in accordance with GAAP.

# Certain definitions

**Total Subscribers** - is the aggregate number of active Smart Home and security subscribers at the end of a given period.

**Average Monthly Subscription Revenue per User** - or AMSRU, is Total MSR divided by Total Subscribers at the end of a given period.

**Attrition Rate** - is the aggregate number of canceled Smart Home and security subscribers during the prior 12 month period divided by the monthly weighted average number of Total Subscribers based on the Total Subscribers at the beginning and end of each month of a given period. Subscribers are considered canceled when they terminate in accordance with the terms of their contract, are terminated by Vivint or if payment from such subscribers is deemed uncollectible (when at least four monthly billings become past due). If a sale of a service contract to third parties occurs, or a subscriber relocates but continues their service, Vivint does not consider this as a cancellation. If a subscriber transfers their service contract to a new subscriber, Vivint does not consider this a cancellation.

**Average Subscriber Lifetime** - in number of months, is 100% divided by Vivint's expected long-term annualized attrition rate multiplied by 12 months.

**Net Service Cost per Subscriber** - is the average monthly service costs incurred during the period (both period and capitalized service costs), including monitoring, customer service, field service and other service support costs, less total non-recurring Smart Home services billings for the period divided by average monthly Total Subscribers for the same period.

**Net Service Margin** - is the monthly average MSR for the period, less total average net service costs for the period divided by the monthly average MSR for the period.

**New Subscribers** - is the aggregate number of net new Smart Home and security subscribers originated during a given period. This metric excludes new subscribers acquired by the transfer of a service contract from one subscriber to another.

**Net Subscriber Acquisition Costs per New Subscriber** - is the net cash cost to create new Smart Home and security subscribers during a given 12 month period divided by New Subscribers for that period. These costs include commissions, Products, installation, marketing, sales support and other allocations (general and administrative and overhead) less upfront payment received from the sale of Products associated with the initial installation, and installation fees. These costs exclude capitalized contract costs and upfront proceeds associated with contract modifications.

**Total Bookings** - is total monthly service revenue for New Subscribers multiplied by Average Subscriber Lifetime, plus total Product revenue to be recognized over the contract term from New Subscribers.

**Total Monthly Service Revenue for New Subscribers** - is the contracted recurring monthly service billings to Vivint's New Subscribers during a given period.

**Average Monthly Service Revenue per New Subscriber** - is the Total Monthly Service Revenue for New Subscribers divided by New Subscribers during a given period.

**Lifetime Service Revenue per New Subscriber** - is the Total Monthly Service Revenue for New Subscribers divided by New Subscribers, multiplied by Average Subscriber Lifetime.

**Adjusted LTV / Net SAC** - is the Lifetime Service Revenue per New Subscriber less Net Service Costs per New Subscriber divided by Net Subscriber Acquisition Costs per New Subscriber.

**Total Subscriber Lifetime Backlog** - is total unrecognized Product revenue plus total service revenue expected to be recognized over the remaining subscriber lifetime for Total Subscribers.

**vivint.SmartHome™**