Q1 2021 Preliminary Earnings Results Summary

May 6, 2021

SAFE HARBOR STATEMENT

This presentation may contain projections or other forward-looking statements within the meaning Section 27A of the Private Securities Litigation Reform Act. Words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “should,” “will” and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements in this presentation may include, but are not limited to, planned growth and expansion of our total addressable market through new products and subscription services; increased profitability in 2021 and beyond; overall consumer demand, and the impact of the COVID-19 pandemic on our business. These statements involve risks and uncertainties, and actual events or results may differ materially. Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are our ability to achieve revenue growth or profitability in the future, and if revenue growth or profitability is achieved, we may not be able to sustain it; our ability to effectively manage our shift of sales strategy to focus on our direct-to-consumer channel; the risk that we are not able to increase the number of and retain our existing paying subscribers; the risk that our reduction in operating expenses may impact our ability to meet our business objectives and achieve our revenue targets, and may not result in the expected improvement in our profitability; our ability to continue to focus on expense management; the fact that our plan to profitability depends in part on further penetrating our total addressable market, and we may not be successful in doing so; the risk that growing our direct-to-consumer business while reducing our reliance on our other sales channels could impact profitability; the impact of the COVID-19 pandemic and its effect on the United States and global economies and our business in particular; any inability to successfully manage frequent product introductions (including roadmap for new hardware, software and subscription products) and transitions, including managing our sales channel and inventory, and accurately forecasting future sales; the fact that a small number of retailers and distributors account for a substantial portion of our revenue and our level of business with them could be significantly reduced due to retail closures related to COVID-19; our transition away from some distributors and retailers; our reliance on third party suppliers, some of which are sole source suppliers, to provide components for our products; our reliance on third party logistics partners to deliver without interruption; our dependence on sales of our cameras, mounts and accessories, and subscription services for substantially all of our revenue (and the effects of changes in the sales mix or decrease in demand for these products); the fact that an economic downturn or economic uncertainty in our key U.S. and international markets, as well as fluctuations in currency exchange rates, may adversely affect consumer discretionary spending; any changes to trade agreements, trade policies, tariffs, and import/export regulations; the effects of the highly competitive market in which we operate, including new market entrants; the fact that we may not be able to achieve revenue growth or profitability in the future; risks related to inventory, purchase commitments and long-lived assets; difficulty in accurately predicting our future customer demand; the importance of maintaining the value and reputation of our brand; the risk that the e-commerce technology systems that give consumers the ability to shop online do not function effectively; the risk that we will encounter problems with our distribution system; the threat of a security breach or other disruption including cyberattacks; the concern that our intellectual property and proprietary rights may not adequately protect our products and services; and other factors detailed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2020, and as updated in future filings with the Securities and Exchange Commission (SEC) including the Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, each of which is on file with the SEC. These forward-looking statements speak only as of the date hereof or as of the date otherwise stated herein. Forward-looking statements are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. GoPro disclaims any obligation to update these forward-looking statements.

USE OF NON-GAAP METRICS

We report gross margin, operating expenses, operating income (loss), net income (loss) and diluted net income (loss) per share in accordance with U.S. generally accepted accounting principles (GAAP) and on a non-GAAP basis. Additionally, we report non-GAAP adjusted EBITDA. We believe that non-GAAP information is useful because it can enhance the understanding of our ongoing economic performance. We use non-GAAP reporting internally to evaluate and manage our operations. We have chosen to provide this information to investors to enable them to perform comparisons of operating results in a manner similar to how we analyze our own operating results.

A full reconciliation of GAAP to non-GAAP financial data can be found in the appendix to this slide package and in our Q1 2021 earnings press release issued on May 6, 2021, which should be reviewed in conjunction with this presentation.

QUARTERLY NON-GAAP INCOME STATEMENT SUMMARY

($ in millions, except per share data)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Revenue	$ 203.7	$ 357.8	$ 280.5	$ 134.2	$ 119.4	$ 528.3	$ 131.2	$ 292.4	$ 242.7
Camera units shipped *(in thousands)*	556	1,108	923	448	341	1,857	479	1,082	842
Gross margin*	39.2%	38.3%	36.2%	31.6%	34.2%	38.6%	23.4%	35.8%	34.2%
Operating expenses*	$ 73.0	$ 73.0	$ 68.1	$ 69.0	$ 87.5	$ 99.1	$ 90.3	$ 97.3	$ 91.1
Operating income (loss)*	$ 6.9	$ 64.2	$ 33.4	$ (26.7)	$ (46.7)	$ 105.0	$ (59.6)	$ 7.5	$ (8.1)
Net income (loss)*	$ 4.8	$ 61.1	$ 31.0	$ (29.7)	$ (49.6)	$ 102.5	$ (61.3)	$ 4.2	$ (10.2)
Diluted net income (loss) per share*	$ 0.03	$ 0.39	$ 0.20	$ (0.20)	$ (0.34)	$ 0.70	$ (0.42)	$ 0.03	$ (0.07)
Adjusted EBITDA*	$ 10.7	$ 67.7	$ 39.2	$ (22.4)	$ (41.4)	$ 112.1	$ (52.7)	$ 13.6	$ (1.0)
Headcount	765	758	740	741	923	926	912	900	903

* Non-GAAP metric. See reconciliations in Appendix.

QUARTERLY REVENUE METRICS

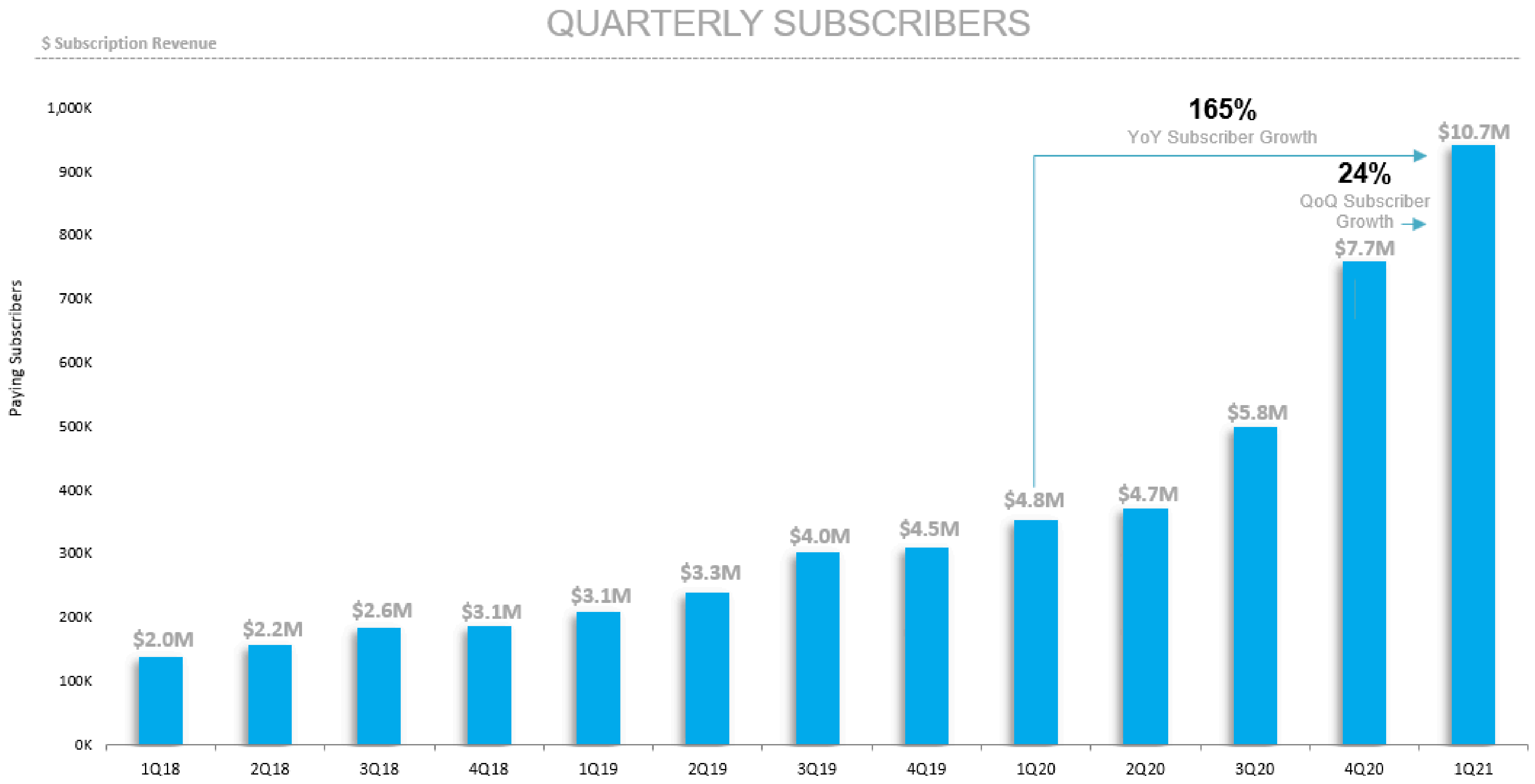
($ in millions)	Q1 2021		Q4 2020		Q3 2020		Q2 2020		Q1 2020	
Revenue by Channel:	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**
Gopro.com*	$ 82.1	40.3 %	$ 116.4	32.5 %	$ 81.3	29.0 %	$ 59.5	44.3 %	$ 25.3	21.2 %
Retail	121.6	59.7	241.4	67.5	199.2	71.0	74.7	55.7	94.1	78.8
Total Revenue	**$ 203.7**	**100.0 %**	**$ 357.8**	**100.0 %**	**$ 280.5**	**100.0 %**	**$ 134.2**	**100.0 %**	**$ 119.4**	**100.0 %**
Revenue by Geography:	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**
Americas	$ 106.7	52.3 %	$ 185.7	51.9 %	$ 157.7	56.2 %	$ 82.6	61.6 %	$ 57.3	47.9 %
Europe, Middle East and Africa	49.8	24.5	89.5	25.0	64.6	23.0	34.9	26.0	29.7	24.9
Asia and Pacific	47.2	23.2	82.6	23.1	58.2	20.8	16.7	12.4	32.4	27.2
Total Revenue	**$ 203.7**	**100.0 %**	**$ 357.8**	**100.0 %**	**$ 280.5**	**100.0 %**	**$ 134.2**	**100.0 %**	**$ 119.4**	**100.0 %**

* Gopro.com revenue includes all revenue generated from gopro.com including subscription and accessory revenue.

SELECT BALANCE SHEET METRICS

($ in millions)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Cash, cash equivalents, restricted cash and marketable securities	$ 296.8	$ 327.7	$ 146.9	$ 79.7	$ 124.9	$ 165.1	$ 79.0	$ 130.1	$ 133.3
Days sales outstanding	30	27	34	46	38	34	49	45	44
Inventory	$ 111.8	$ 97.9	$ 132.8	$ 142.2	$ 172.0	$ 144.2	$ 250.0	$ 129.2	$ 119.0
Annualized inventory turns	4.7x	7.6x	5.2x	2.3x	2.0x	6.6x	2.1x	6.0x	5.4x
Inventory days	81	40	67	139	197	40	224	62	67

GOPRO SUBSCRIPTION



Appendix

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

To supplement our unaudited selected financial data presented on a basis consistent with GAAP, we disclose certain non-GAAP financial measures, including non-GAAP gross margin, operating expenses, operating income (loss), net income (loss), diluted net income (loss) per share and adjusted EBITDA. We use non-GAAP financial measures to help us understand and evaluate our core operating performance and trends, to prepare and approve our annual budget, and to develop short-term and long-term operational plans. Our management uses, and believes that investors benefit from referring to these non-GAAP financial measures in assessing our operating results. These non-GAAP financial measures should not be considered in isolation from, or as an alternative to, the measures prepared in accordance with GAAP, and are not based on any comprehensive set of accounting rules or principles. We believe that these non-GAAP measures, when read in conjunction with our GAAP financials, provide useful information to investors by facilitating:

- the comparability of our on-going operating results over the periods presented;
- the ability to identify trends in our underlying business; and
- the comparison of our operating results against analyst financial models and operating results of other public companies that supplement their GAAP results with non-GAAP financial measures.

These non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP. Some of these limitations are:

- adjusted EBITDA does not reflect tax payments that reduce cash available to us;
- adjusted EBITDA excludes depreciation and amortization and, although these are non-cash charges, the property and equipment being depreciated and amortized often will have to be replaced in the future, and adjusted EBITDA does not reflect any cash capital expenditure requirements for such replacements;

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

- adjusted EBITDA excludes the amortization of point of purchase (POP) display assets because it is a non-cash charge, and is treated similarly to depreciation of property and equipment and amortization of acquired intangible assets;

- adjusted EBITDA and non-GAAP net income (loss) exclude the impairment of intangible assets because it is a non-cash charge that varies in amount and frequency;

- adjusted EBITDA and non-GAAP net income (loss) exclude restructuring and other related costs which primarily include severance-related costs, stock-based compensation expenses and facilities consolidation charges recorded in connection with restructuring actions announced in the fourth quarter of 2016, first quarter of 2017, first quarter of 2018 and second quarter of 2020, including right-of-use asset impairment charges, and the related ongoing operating lease cost of those facilities recorded under Accounting Standards Codification 842, *Leases*. These expenses do not reflect expected future operating expenses and do not contribute to a meaningful evaluation of current operating performance or comparisons to the operating performance in other periods;

- adjusted EBITDA and non-GAAP net income (loss) exclude stock-based compensation expense related to equity awards granted primarily to our workforce. We exclude stock-based compensation expense because we believe that the non-GAAP financial measures excluding this item provide meaningful supplemental information regarding operational performance. In particular, we note that companies calculate stock-based compensation expense for the variety of award types that they employ using different valuation methodologies and subjective assumptions. These non-cash charges are not factored into our internal evaluation of net income (loss) as we believe their inclusion would hinder our ability to assess core operational performance;

- adjusted EBITDA and non-GAAP net income (loss) exclude the loss on extinguishment of debt because it is not reflective of ongoing operating results in the period, and such losses vary in the frequency and amount;

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

- non-GAAP net income (loss) excludes acquisition-related costs including the amortization of acquired intangible assets (primarily consisting of acquired technology), the impairment of acquired intangible assets (if applicable), as well as third-party transaction costs incurred for legal and other professional services. These costs are not factored into our evaluation of potential acquisitions, or of our performance after completion of the acquisitions, because these costs are not related to our core operating performance or reflective of ongoing operating results in the period, and the frequency and amount of such costs vary significantly based on the timing and magnitude of our acquisition transactions and the maturities of the businesses being acquired. Although we exclude the amortization of acquired intangible assets from our non-GAAP net income (loss), management believes that it is important for investors to understand that such intangible assets were recorded as part of purchase accounting and contribute to revenue generation;

- non-GAAP net income (loss) excludes non-cash interest expense. In connection with the issuance of the Convertible Senior Notes in April 2017 and November 2020, we are required to recognize non-cash interest expense in accordance with the authoritative accounting guidance for convertible debt that may be settled in cash;

- non-GAAP net income (loss) excludes a gain on the sale and license of intellectual property. This gain is not related to our core operating performance or reflective of ongoing operating results in the period, and such gains vary in the frequency and amount;

- non-GAAP net income (loss) includes income tax adjustments. We utilize a cash-based non-GAAP tax expense approach (based upon expected annual cash payments for income taxes) for evaluating operating performance as well as for planning and forecasting purposes. This non-GAAP tax approach eliminates the effects of period specific items, which can vary in size and frequency and does not necessarily reflect our long-term operations. Historically, we computed a non-GAAP tax rate based on non-GAAP pre-tax income on a quarterly basis, which considered the income tax effects of the adjustments above; and

- other companies may calculate these non-GAAP financial measures differently than we do, limiting their usefulness as comparative measures.

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

($ in thousands, except per share data)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
GAAP net income (loss)	$ (10,168)	$ 44,413	$ 3,307	$ (50,975)	$ (63,528)	$ 95,820	$ (74,810)	$ (11,287)	$ (24,365)
Stock-based compensation:									
Cost of revenue	429	373	340	332	503	419	448	522	513
Operating expenses	8,440	7,664	8,073	5,544	7,134	6,609	9,321	10,084	9,272
Total stock-based compensation	8,869	8,037	8,413	5,876	7,637	7,028	9,769	10,606	9,785
Acquisition-related costs:									
Cost of revenue	723	723	964	1,024	1,887	1,864	1,863	2,009	2,082
Total acquisition-related costs	723	723	964	1,024	1,887	1,864	1,863	2,009	2,082
Restructuring and other costs:									
Cost of revenue	50	11	938	336	(4)	—	—	71	16
Operating expenses	783	58	14,277	11,015	(60)	29	—	1,793	287
Total restructuring and other costs	833	69	15,215	11,351	(64)	29	—	1,864	303
Non-cash interest expense	3,433	3,018	2,498	2,477	2,373	2,354	2,255	2,236	2,142
Loss on extinguishment of debt	—	5,389	—	—	—	—	—	—	—
Income tax adjustments	1,145	(585)	652	526	2,082	(4,597)	(342)	(1,235)	(118)
Non-GAAP net income (loss)	$ 4,835	$ 61,064	$ 31,049	$ (29,721)	$ (49,613)	$ 102,498	$ (61,265)	$ 4,193	$ (10,171)
GAAP shares for diluted net income (loss) per share	152,181	156,464	151,849	148,497	147,560	147,052	145,617	144,668	142,601
Add: dilutive shares	7,671	—	—	—	—	—	—	1,622	—
Non-GAAP shares for diluted net income (loss) per share	159,852	156,464	151,849	148,497	147,560	147,052	145,617	146,290	142,601
GAAP diluted net income (loss) per share	$ (0.07)	$ 0.28	$ 0.02	$ (0.34)	$ (0.43)	$ 0.65	$ (0.51)	$ (0.08)	$ (0.17)
Non-GAAP diluted net income (loss) per share	$ 0.03	$ 0.39	$ 0.20	$ (0.20)	$ (0.34)	$ 0.70	$ (0.42)	$ 0.03	$ (0.07)

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

($ in thousands)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
GAAP gross margin	38.6 %	38.0 %	35.4 %	30.3 %	32.2 %	38.2 %	21.7 %	34.9%	33.1%
Stock-based compensation	0.2	0.1	0.2	0.2	0.4	0.1	0.3	0.2	0.2
Acquisition-related costs	0.4	0.2	0.3	0.8	1.6	0.3	1.4	0.7	0.9
Restructuring and other costs	—	—	0.3	0.3	—	—	—	—	—
Non-GAAP gross margin	39.2%	38.3%	36.2%	31.6%	34.2%	38.6%	23.4%	35.8%	34.2%
GAAP operating expenses	$ 82,208	$ 80,728	$ 90,458	$ 85,606	$ 94,541	$ 105,725	$ 99,630	$ 109,132	$ 100,635
Stock-based compensation	(8,440)	(7,664)	(8,073)	(5,544)	(7,134)	(6,609)	(9,321)	(10,084)	(9,272)
Restructuring and other costs	(783)	(58)	(14,277)	(11,015)	60	(29)	—	(1,793)	(287)
Non-GAAP operating expenses	$ 72,985	$ 73,006	$ 68,108	$ 69,047	$ 87,467	$ 99,087	$ 90,309	$ 97,255	$ 91,076
GAAP operating income (loss)	$ (3,512)	$ 55,355	$ 8,854	$ (44,914)	$ (56,114)	$ 96,100	$ (71,198)	$ (6,947)	$ (20,288)
Stock-based compensation	8,869	8,037	8,413	5,876	7,637	7,028	9,769	10,606	9,785
Acquisition-related costs	723	723	964	1,024	1,887	1,864	1,863	2,009	2,082
Restructuring and other costs	833	69	15,215	11,351	(64)	29	—	1,864	303
Non-GAAP operating income (loss)	$ 6,913	$ 64,184	$ 33,446	$ (26,663)	$ (46,654)	$ 105,021	$ (59,566)	$ 7,532	$ (8,118)

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GoPro

($ in thousands)	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
GAAP net income (loss)	$ (10,168)	$ 44,413	$ 3,307	$ (50,975)	$ (63,528)	$ 95,820	$ (74,810)	$ (11,287)	$ (24,365)
Income tax expense (benefit)	1,219	116	1,242	1,069	2,399	(3,928)	(273)	(605)	378
Interest expense, net	5,796	5,442	5,241	4,629	4,681	5,032	4,278	4,479	4,083
Depreciation and amortization	3,534	3,570	4,802	4,711	5,982	6,445	6,421	6,552	6,850
POP display amortization	637	708	959	972	1,537	1,666	1,900	2,007	1,931
Stock-based compensation	8,869	8,037	8,413	5,876	7,637	7,028	9,769	10,606	9,785
Loss on extinguishment of debt	—	5,389	—	—	—	—	—	—	—
Restructuring and other costs	833	69	15,215	11,351	(64)	29	—	1,864	303
Adjusted EBITDA	$ 10,720	$ 67,744	$ 39,179	$ (22,367)	$ (41,356)	$ 112,092	$ (52,715)	$ 13,616	$ (1,035)