Q1 2016 Preliminary Earnings Results Summary

May 5, 2016

Safe Harbor Statement

Some of the information in this presentation may contain projections or other forward-looking statements regarding future events, including but not limited to, those regarding our business outlook for 2016. 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 dependence on sales of our cameras and accessories for substantially all of our revenue and the effect of a fall in sales during the holiday season; the fact that we do not expect to continue to grow in the future at the same rate as we have in the past, that we may fail to manage our growth, and profitability in recent periods might not be indicative of future performance; any inability to successfully manage frequent product introductions and transitions or to anticipate consumer preferences and successfully develop desirable products; the risks associated with our expected entrance into the consumer drone market; the effects of the highly competitive market in which we operate; the 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; and other factors detailed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2015, which is on file with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof or as of the date otherwise stated herein. GoPro disclaims any obligation to update these forward-looking statements.

Q1 2016 Summary Overview

- We estimate unit channel sell-thru exceeded unit sell-in by approximately 50%. Q1 2016 revenue of $183.5 million, down 49% year-over-year and 58% sequentially
- Estimated unit sell-through down less than 10% when compared to Q1 2015 (which benefited from HERO4 launch)
- Average selling price of camera units shipped up 16% sequentially, excluding price protection related charges in both periods, and down slightly year-over-year
- Our $399 and above cameras combined accounted for over 50% of units shipped; our $199 and below cameras accounted for over 40% of units shipped
- According to NPD, HERO4 Silver remains the best-selling digital image camera* on a unit and dollar basis in North America. HERO4 Session rose to the #2 Best-Selling digital image camera* on a unit basis in North America, up from #8 in Q4 2015.
- Launched GoPro Desktop App and acquired Replay and Splice, two mobile editing apps, for cash of slightly over $100 million
- Net inventory of $139.7 million, down 25.8% from year-end (lowest level of inventory since Q3 2014)
- Cash and investments of $388.7 million, down $85 million from year-end (including acquisition payments of $45 million)
- Secured $250 million asset-backed credit facility; no borrowings have been made to date

* Digital image camera includes camcorders, digital point & shoot and detachable lens cameras

Use of Non-GAAP Metrics

We report gross profit, gross margin, operating expenses, operating income (loss), operating margin (loss), net income (loss) and diluted net income (loss) per share in accordance with U.S. generally accepted accounting principles (GAAP) and additionally on a non-GAAP basis. Non-GAAP items exclude, where applicable, the effects of stock-based compensation, acquisition-related costs, restructuring costs and the tax impact of these items. 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 2016 earnings press release issued on **May 5, 2016**, which should be reviewed in conjunction with this presentation.

Q1 2016 Actuals vs. Guidance

($ in millions)	**Actuals Q1 2016**	**Guidance Q1 2016**	**Actuals vs. Guidance**	**Comments**
Revenue [1]	$183.5	$160.0 - $180.0	Above range	Higher than anticipated shipments of HERO Session
Gross margin [2]	33.0%	36% +/- 100bps	Below range	Excluding charges totaling $8 million related to legacy products, gross margin would have been 36.8%
Operating expenses [2]	$157.5	$165.0 - $170.0	Below range	
Restructuring charges	$6.5	$5.0 - $10.0	Within range	
Adjusted EBITDA loss [2]	($86.8)	$(95) +/- $2.5	Above range	

[1] Revenue guidance for full year 2016 remains in the range of $1.35 - $1.5 billion.

[2] Non-GAAP metric. See reconciliation in Appendix.

Quarterly Non-GAAP Income Statement Summary

($ in millions, except EPS)	Q1 2016	Q4 2015	Q1 2015	Q1 2016 vs. Q4 2015 $ Change	Q1 2016 vs. Q4 2015 % Change	Q1 2016 vs. Q1 2015 $ Change	Q1 2016 vs. Q1 2015 % Change
Revenue	$ 183.5	$ 436.6	$ 363.1	$ (253.1)	(58.0)%	$ (179.6)	(49.5)%
Gross margin*	*33.0%*	*29.6%*	*45.2%*		*340 bps*		*(1,220) bps*
Operating expenses*	$ 157.5	$ 150.8	$ 115.1	$ 6.7	4.4%	$ 42.4	36.8%
Operating income (loss)*	$ (96.8)	$ (21.6)	$ 49.1	$ (75.2)	347.5%	$ (145.9)	(297.1)%
Operating margin (loss)*	*(52.8)%*	*(5.0)%*	*13.5%*		*(5,780) bps*		*(6,630) bps*
Net income (loss)*	$ (86.7)	$ (11.4)	$ 35.6	$ (75.3)	661.1%	$ (122.3)	(343.5)%
Diluted earnings (loss) per share*	$ (0.63)	$ (0.08)	$ 0.24	$ (0.55)	687.5%	$ (0.87)	(362.5)%

* Non-GAAP metric. See reconciliation in Appendix.

Quarterly Revenue Metrics

($ in millions)	Q1 2016		Q4 2015		Q1 2015	
Revenue by Channel:	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**
Direct	$ 83.9	45.7%	$ 290.8	66.6%	$ 162.4	44.7%
Distribution	99.6	54.3	145.8	33.4	200.7	55.3
Total Revenue	$ 183.5	100.0%	$ 436.6	100.0%	$ 363.1	100.0%
Revenue by Geography:	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**
Americas	$ 85.3	46.5%	$ 285.5	65.4%	$ 180.1	49.6%
Europe, Middle East and Africa	60.3	32.8	102.3	23.4	139.1	38.3
Asia and Pacific area countries	37.9	20.7	48.8	11.2	43.9	12.1
Total Revenue	$ 183.5	100.0%	$ 436.6	100.0%	$ 363.1	100.0%

Other Quarterly Metrics

($ in millions, units shipped in thousands)	Q1 2016	Q4 2015	Q1 2015	Q1 2016 vs. Q4 2015 Change	Q1 2016 vs. Q4 2015 % Change	Q1 2016 vs. Q1 2015 Change	Q1 2016 vs. Q1 2015 % Change
Units shipped [1]	701	2,002	1,342	(1,301)	(65.0)%	(641)	(47.8)%
Adjusted EBITDA [2]	$ (86.8)	$ (9.3)	$ 56.5	(77.5)	836.2%	(143.3)	(253.6)%
Headcount	1,483	1,539	1,076	(56)	(3.6)%	407	37.8%

(1) Units shipped represents the number of individually packaged cameras that are shipped during a reporting period, net of any returns.

(2) Non-GAAP metric. See reconciliation in Appendix.

Selected Balance Sheet Metrics

				Q1 2016 vs. Q4 2015		Q1 2016 vs. Q1 2015	
($ in millions)	Q1 2016	Q4 2015	Q1 2015	Change	% Change	Change	% Change
Cash, cash equivalents and marketable securities	$ 388.7	$ 474.1	$ 491.9	$ (85.4)	(18.0)%	$ (103.2)	(21.8)%
Days sales outstanding	22.8	30.0	26.3	(7.2)	(24.0)%	(3.5)	(13.3)%
Inventory	$ 139.7	$ 188.2	$ 164.0	$ (48.5)	(25.8)%	$ (24.3)	(14.8)%
Annualized inventory turns	3.0	5.1	5.0	(2.1)	(41.2)%	(2.0)	(40.0)%
Inventory days	102.3	55.1	74.2	47.2	85.7%	28.1	37.9%

Appendix: GAAP to Non-GAAP Reconciliation

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 profit, gross margin, operating expenses, operating income (loss), operating margin (loss), net income (loss), earnings (loss) per share and adjusted EBITDA. These non-GAAP measures are not in accordance with, nor serve as an alternative for GAAP. We believe that these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our GAAP results of operations. These non-GAAP measures should only be viewed in conjunction with corresponding GAAP measures.

In calculating non-GAAP financial measures, we exclude certain items to facilitate a review of the comparability of our core operating performance on a period-to-period basis. The excluded items represent stock-based compensation and charges that are primarily driven by discrete events that we do not consider to be directly related to core operating performance. We use non-GAAP measures to evaluate the core operating performance of our business, for comparison with forecasts and strategic plans and for calculating return on investment. In addition, management's incentive compensation is determined using non-GAAP measures. Since we find these measures to be useful, we believe that investors benefit from seeing results reviewed by management in addition to seeing GAAP results. 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.

Appendix: GAAP to Non-GAAP Reconciliation

The following are explanations of each type of adjustment that we incorporate into non-GAAP financial measures:

- Stock-based compensation expense relates 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 as we believe their inclusion would hinder our ability to assess core operational performance. We believe that excluding this expense provides greater visibility to the underlying performance of our business operations, facilitates comparison of our results with other periods, and may also facilitate comparison with the results of other companies in our industry.
- Acquisition-related costs include the amortization of acquired intangible assets (primarily consisting of acquired technology), and 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 they are not related to our core operating performance, 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.
- Restructuring costs primarily include severance-related costs recorded in connection with our global workforce reduction in January 2016. We believe that excluding this expense provides greater visibility to the underlying performance of our business operations, facilitates comparison of our results with other periods, and may also facilitate comparison with the results of other companies in our industry.
- Adjustment for taxes relates to the tax effect of the adjustments that we incorporate into non-GAAP measures in order to provide a more meaningful measure of non-GAAP net income. We believe that these adjustments provide us with the ability to more clearly view trends in our core operating performance.

Appendix: GAAP to Non-GAAP Reconciliation

(in thousands, except per share data)	Three months ended March 31, 2016	Three months ended March 31, 2015
GAAP net income (loss)	$ (107,459)	$ 16,752
Stock-based compensation:		
Cost of revenue	357	283
Operating expenses	15,374	26,218
Total stock-based compensation	15,731	26,501
Acquisition-related costs:		
Cost of revenue	222	222
Operating expenses	2,176	120
Total acquisition-related costs	2,398	342
Restructuring costs:		
Cost of revenue	364	—
Operating expenses	6,144	—
Total restructuring costs	6,508	—
Income tax adjustments	(3,918)	(7,976)
Non-GAAP net income (loss)	$ (86,740)	$ 35,619
GAAP shares for diluted net income (loss) per share	137,543	148,573
Non-GAAP shares for diluted net income (loss) per share	137,543	148,573
Non-GAAP diluted net income (loss) per share	$ (0.63)	$ 0.24

Appendix: GAAP to Non-GAAP Reconciliation

($ in thousands)	Three months ended March 31, 2016	Three months ended December 31, 2015	Three months ended March 31, 2015
GAAP gross profit	$ 59,714	$ 128,511	$ 163,733
Stock-based compensation	357	449	283
Acquisition-related costs	222	222	222
Restructuring costs	364	—	—
Non-GAAP gross profit	$ 60,657	$ 129,182	$ 164,238
GAAP gross profit as a % of revenue	32.5%	29.4%	45.1%
Stock-based compensation	0.2	0.1	0.1
Acquisition-related costs	0.1	0.1	—
Restructuring costs	0.2	—	—
Non-GAAP gross profit as a % of revenue	33.0%	29.6%	45.2%
GAAP operating expenses	$ 181,149	$ 169,805	$ 141,465
Stock-based compensation	(15,374)	(17,671)	(26,218)
Acquisition-related costs	(2,176)	(1,323)	(120)
Restructuring costs	(6,144)	—	—
Non-GAAP operating expenses	$ 157,455	$ 150,811	$ 115,127

Appendix: GAAP to Non-GAAP Reconciliation

($ in thousands)	Three months ended March 31, 2016	Three months ended December 31, 2015	Three months ended March 31, 2015
GAAP operating income (loss)	$ (121,435)	$ (41,294)	$ 22,268
Stock-based compensation	15,731	18,120	26,501
Acquisition-related costs	2,398	1,545	342
Restructuring costs	6,508	—	—
Non-GAAP operating income (loss)	$ (96,798)	$ (21,629)	$ 49,111
GAAP operating income (loss) as a % of revenue	(66.2)%	(9.5)%	6.1%
Stock-based compensation	8.6	4.1	7.3
Acquisition-related costs	1.3	0.4	0.1
Restructuring costs	3.5	—	—
Non-GAAP operating income (loss) as a % of revenue	(52.8%)	(5.0)%	13.5%

Appendix: Adjusted EBITDA Reconciliation

(in thousands)	Three months ended March 31, 2016	Three months ended March 31, 2015
GAAP net income (loss)	$ (107,459)	$ 16,752
Income tax expense (benefit)	(14,283)	3,272
Interest (income) expense, net	(334)	65
Depreciation and amortization	8,323	5,369
POP display amortization	4,743	4,548
Stock-based compensation	15,731	26,501
Restructuring costs	6,508	—
Adjusted EBITDA	$ (86,771)	$ 56,507