Q2 2023 Preliminary Earnings Results Summary

August 3, 2023

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 statements regarding our expectations for profitability and subscription growth; product pricing strategy, expanded distribution and overall consumer demand for our products. 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 include the inability to achieve our revenue growth or profitability in the future, and if revenue growth or profitability is achieved, we may not be able to sustain it; the fact that an economic downturn or economic uncertainty in our key U.S. and international markets, inflation, volatility in the global banking system, and fluctuations in interest rates or currency exchange rates may adversely affect consumer discretionary spending and demand for our products; the fact that our goal to grow revenue and be profitable relies upon our ability to grow sales from our direct-to-consumer business and our retail partners and distributors; our ability to acquire and retain subscribers; our reliance on third-party suppliers, some of which are sole-source suppliers, to provide services and components for our products which may be impacted due to supply shortages, long lead times or other service disruptions and may lead to increased costs due to the effects of global conflicts and geopolitical issues such as the conflict in Ukraine or China-Taiwan relations, inflation or the negative impact on exchange rates; our ability to maintain the value and reputation of our brand and protect our intellectual property and proprietary rights; the risk that our sales fall below our forecasts, especially during the holiday season; the risk we fail to manage our operating expenses effectively, and may result in our financial performance suffering the fact that our continued profitability depends in part on further penetrating our total addressable market, and we may not be successful in doing so; the fact that we rely on sales of our cameras, mounts and accessories for substantially all of our revenue, and any decrease in the sales or change in sales mix of these products could harm our business; the risk that we may not successfully manage product introductions, product transitions, product pricing and marketing; 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; our ability to attract, engage and retain qualified personnel; 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 experience fluctuating revenue, expenses and profitability in the future; risks related to inventory, purchase commitments and long-lived assets; 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; the continuing impact of the COVID-19 pandemic and the effects of global conflicts and geopolitical issues such as the conflict in Ukraine or China-Taiwan relations and its effects on the United States and global economies and our business in particular; and other factors detailed in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2022, which is on file with the Securities and Exchange Commission (SEC), and as updated in filings with the SEC. 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.

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. We additionally 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 Q2 2023 earnings press release issued on August 3, 2023, which should be reviewed in conjunction with this presentation.

QUARTERLY NON-GAAP INCOME STATEMENT SUMMARY

($ in millions, except per share data)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Revenue	$ 241.0	$ 174.7	$ 321.0	$ 305.1	$ 250.7	$ 216.7	$ 391.1	$ 316.7	$ 249.6
Camera units shipped *(in thousands)*	704	462	850	797	640	523	1,033	832	724
Gross margin*	31.6%	30.3%	35.1%	38.2%	38.5%	42.0%	41.3%	43.8%	40.1%
Operating expenses*	$ 88.2	$ 82.7	$ 93.7	$ 83.1	$ 81.5	$ 72.9	$ 92.3	$ 79.9	$ 79.4
Operating income (loss)*	$ (12.1)	$ (29.8)	$ 19.1	$ 33.4	$ 15.0	$ 18.1	$ 69.2	$ 58.8	$ 20.7
Net income (loss)*	$ (11.3)	$ (28.6)	$ 21.1	$ 31.8	$ 12.8	$ 15.2	$ 66.1	$ 55.2	$ 19.9
Diluted net income (loss) per share*	$ (0.07)	$ (0.18)	$ 0.12	$ 0.19	$ 0.08	$ 0.09	$ 0.41	$ 0.34	$ 0.12
Adjusted EBITDA*	$ (10.3)	$ (27.5)	$ 22.0	$ 35.2	$ 16.9	$ 20.6	$ 71.6	$ 60.4	$ 25.1
Headcount	908	894	877	860	839	796	766	778	774

* Non-GAAP metric. See reconciliations in Appendix.

QUARTERLY REVENUE METRICS

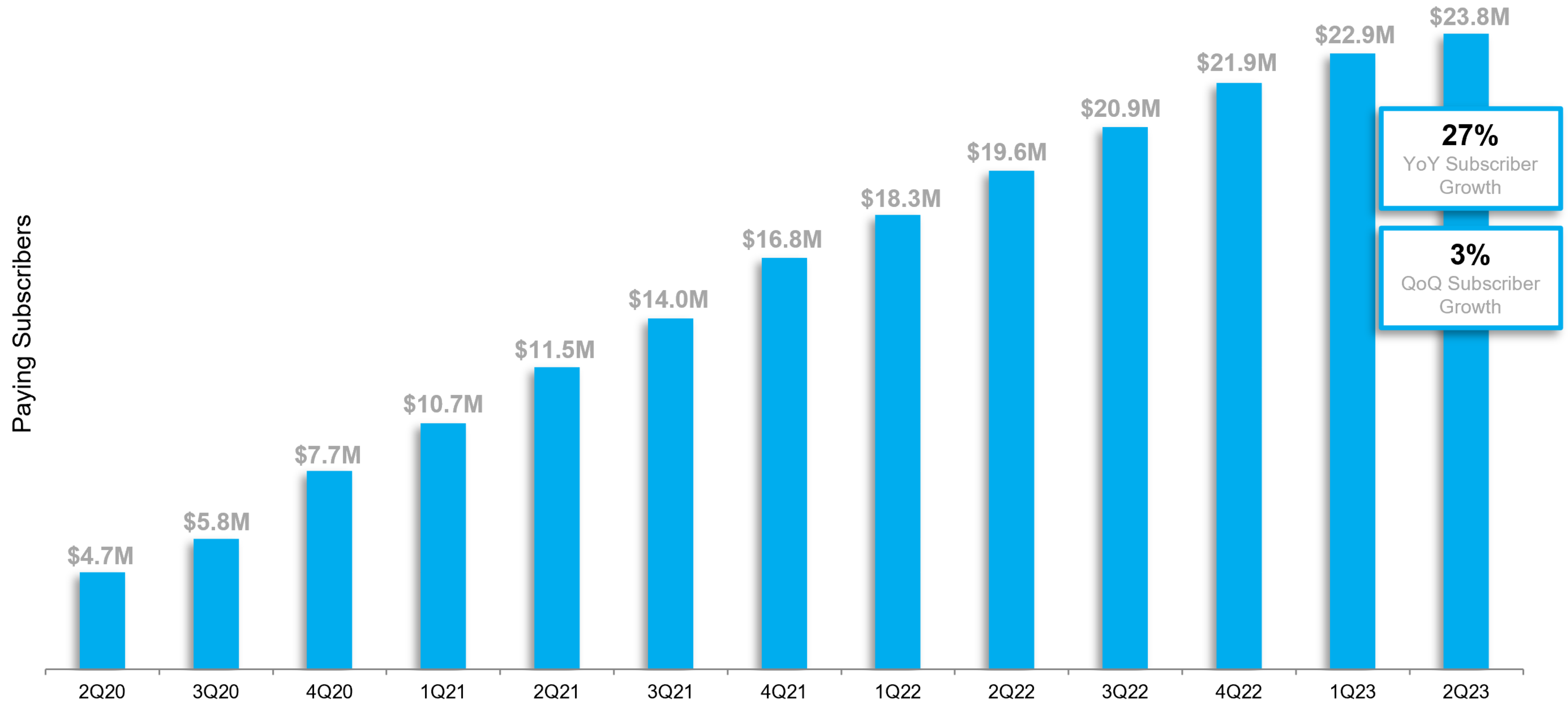
($ in millions)	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
Revenue by Channel:	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**
GoPro.com	$ 75.6	31.4 %	$ 94.9	54.3 %	$ 128.2	39.9 %	$ 98.6	32.3 %	$ 95.3	38.0 %
Retail	165.4	68.6	79.8	45.7	192.8	60.1	206.5	67.7	155.4	62.0
Total Revenue	**$ 241.0**	**100.0 %**	**$ 174.7**	**100.0 %**	**$ 321.0**	**100.0 %**	**$ 305.1**	**100.0 %**	**$ 250.7**	**100.0 %**
GoPro.com Revenue:	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**
Hardware	$ 51.2	67.7 %	$ 71.7	75.6 %	$ 106.0	82.7 %	$ 77.2	78.3 %	$ 75.2	78.9 %
Subscription and service	24.4	32.3	23.2	24.4	22.2	17.3	21.4	21.7	20.1	21.1
Total GoPro.com Revenue	**$ 75.6**	**100.0 %**	**$ 94.9**	**100.0 %**	**$ 128.2**	**100.0 %**	**$ 98.6**	**100.0 %**	**$ 95.3**	**100.0 %**
Revenue by Geography:	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**	**$**	**% of Rev**
Americas	$ 121.6	50.4 %	$ 89.5	51.3 %	$ 152.9	47.6 %	$ 139.4	45.6 %	$ 126.4	50.4 %
Europe, Middle East and Africa	66.5	27.6	46.0	26.3	82.7	25.8	85.0	27.9	71.7	28.6
Asia and Pacific	52.9	22.0	39.2	22.4	85.4	26.6	80.7	26.5	52.6	21.0
Total Revenue	**$ 241.0**	**100.0 %**	**$ 174.7**	**100.0 %**	**$ 321.0**	**100.0 %**	**$ 305.1**	**100.0 %**	**$ 250.7**	**100.0 %**

SELECT BALANCE SHEET METRICS

($ in millions)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Cash, cash equivalents, restricted cash and marketable securities	$ 271.7	$ 294.6	$ 367.3	$ 348.8	$ 322.5	$ 449.9	$ 538.9	$ 378.5	$ 318.7
Days sales outstanding	31	29	22	25	32	29	26	28	35
Inventory	$ 135.4	$ 154.8	$ 127.1	$ 153.4	$ 126.0	$ 119.4	$ 86.4	$ 120.9	$ 106.8
Annualized inventory turns	4.5x	3.5x	5.9x	5.4x	5.0x	4.9x	8.9x	6.3x	5.5x
Inventory days	74	114	55	73	74	85	34	61	64

GOPRO SUBSCRIPTION

Subscribers & Subscription Revenue ($M)



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;

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- 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 restructuring and other related costs which primarily include severance-related costs, stock-based compensation expenses, manufacturing consolidation charges, facilities consolidation charges recorded in connection with restructuring actions, including right-of-use asset impairment charges, and the related ongoing operating lease cost of those facilities recorded under ASC 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;
- 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.

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- non-GAAP net income (loss) excludes non-cash interest expense. Prior to the adoption of ASU 2020-06 in fiscal year 2022, we were required to recognize non-cash interest expense related to the amortization of a debt discount associated with our 2022 Notes and 2025 Notes in accordance with the prior authoritative accounting guidance for convertible debt that may be settled in cash. From fiscal year 2022 and onwards, this debt discount accounting requirement was removed, and as a result, non-cash interest expense will no longer be a reconciling item between GAAP and non-GAAP net income (loss);

- 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;

- GAAP and non-GAAP net income (loss) per share includes the dilutive, tax effected cash interest expense associated with our 2022 Notes and 2025 Notes in periods of net income, as if converted at the beginning of the period in connection with the adoption of ASU 2020-06 on January 1, 2022; 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)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP net income (loss)	$ (17,212)	$ (29,869)	$ 3,073	$ 17,570	$ 2,519	$ 5,685	$ 52,626	$ 311,761	$ 16,952
Stock-based compensation:									
Cost of revenue	530	466	434	441	483	447	374	483	508
Operating expenses	10,587	9,848	9,131	8,898	9,768	9,389	10,049	8,846	9,521
Total stock-based compensation	11,117	10,314	9,565	9,339	10,251	9,836	10,423	9,329	10,029
Acquisition-related costs:									
Cost of revenue	—	—	—	—	—	47	71	70	288
Total acquisition-related costs	—	—	—	—	—	47	71	70	288
Restructuring and other costs:									
Cost of revenue	(211)	(14)	8,047	(21)	4	5	7	51	49
Operating expenses	(504)	(247)	(242)	(393)	80	74	106	747	856
Total restructuring and other costs	(715)	(261)	7,805	(414)	84	79	113	798	905
Non-cash interest expense	—	—	—	—	—	—	3,673	3,590	3,512
Income tax adjustments	(4,481)	(8,761)	647	5,352	(64)	(451)	(759)	(270,324)	(11,824)
Non-GAAP net income (loss)	$ (11,291)	$ (28,577)	$ 21,090	$ 31,847	$ 12,790	$ 15,196	$ 66,147	$ 55,224	$ 19,862

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($ in thousands, except per share data)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Numerator:									
GAAP net income (loss) - Basic	$ (17,212)	$ (29,869)	$ 3,073	$ 17,570	$ 2,519	$ 5,685	$ 52,626	$ 311,761	$ 16,952
Add: Interest on convertible notes, tax effected*	—	—	334	485	715	1,521	—	—	—
GAAP net income (loss) - Diluted	$ (17,212)	$ (29,869)	$ 3,407	$ 18,055	$ 3,234	$ 7,206	$ 52,626	$ 311,761	$ 16,952
Non-GAAP net income (loss) - Basic	$ (11,291)	$ (28,577)	$ 21,090	$ 31,847	$ 12,790	$ 15,196	$ 66,147	$ 55,224	$ 19,862
Add: Interest on convertible notes, tax effected*	—	—	334	485	715	1,521	—	—	—
Non-GAAP net income (loss) - Diluted	$ (11,291)	$ (28,577)	$ 21,424	$ 32,332	$ 13,505	$ 16,717	$ 66,147	$ 55,224	$ 19,862
Denominator:									
GAAP and non-GAAP shares - Diluted	154,562	155,402	172,124	173,184	176,860	188,737	162,742	162,746	164,857
GAAP diluted net income (loss) per share	$ (0.11)	$ (0.19)	$ 0.02	$ 0.10	$ 0.02	$ 0.04	$ 0.32	$ 1.92	$ 0.10
Non-GAAP diluted net income (loss) per share	$ (0.07)	$ (0.18)	$ 0.12	$ 0.19	$ 0.08	$ 0.09	$ 0.41	$ 0.34	$ 0.12

* Reflects the use of the if-converted method for our convertible notes, effective 1/1/22 due to the adoption of ASU 2020-06.

APPENDIX: GAAP TO NON-GAAP RECONCILIATIONS

($ in thousands)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP gross margin	31.4%	30.0%	32.5%	38.0%	38.3%	41.8%	41.2%	43.6%	39.8%
Stock-based compensation	0.3	0.3	0.1	0.2	0.2	0.2	0.1	0.2	0.2
Acquisition-related costs	—	—	—	—	—	—	—	—	0.1
Restructuring and other costs	(0.1)	—	2.5	—	—	—	—	—	—
Non-GAAP gross margin	31.6%	30.3%	35.1%	38.2%	38.5%	42.0%	41.3%	43.8%	40.1%
GAAP operating expenses	$ 98,266	$ 92,316	$ 102,596	$ 91,614	$ 91,349	$ 82,314	$ 102,449	$ 89,452	$ 89,780
Stock-based compensation	(10,587)	(9,848)	(9,131)	(8,898)	(9,768)	(9,389)	(10,049)	(8,846)	(9,521)
Restructuring and other costs	504	247	242	393	(80)	(74)	(106)	(747)	(856)
Non-GAAP operating expenses	$ 88,183	$ 82,715	$ 93,707	$ 83,109	$ 81,501	$ 72,851	$ 92,294	$ 79,859	$ 79,403
GAAP operating income (loss)	$ (22,494)	$ (39,814)	$ 1,707	$ 24,431	$ 4,655	$ 8,162	$ 58,625	$ 48,601	$ 9,502
Stock-based compensation	11,117	10,314	9,565	9,339	10,251	9,836	10,423	9,329	10,029
Acquisition-related costs	—	—	—	—	—	47	71	70	288
Restructuring and other costs	(715)	(261)	7,805	(414)	84	79	113	798	905
Non-GAAP operating income (loss)	$ (12,092)	$ (29,761)	$ 19,077	$ 33,356	$ 14,990	$ 18,124	$ 69,232	$ 58,798	$ 20,724

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GoPro

($ in thousands)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP net income (loss)	$ (17,212)	$ (29,869)	$ 3,073	$ 17,570	$ 2,519	$ 5,685	$ 52,626	$ 311,761	$ 16,952
Income tax expense (benefit)	(3,998)	(8,253)	(413)	5,960	110	(51)	(392)	(270,228)	(11,670)
Interest (income) expense, net	(1,635)	(1,683)	(486)	262	1,244	2,111	5,701	5,697	5,484
Depreciation and amortization	1,748	1,809	1,980	2,035	2,253	2,302	2,363	2,371	2,694
POP display amortization	405	417	490	448	430	687	737	714	671
Stock-based compensation	11,117	10,314	9,565	9,339	10,251	9,836	10,423	9,329	10,029
Restructuring and other costs	(715)	(261)	7,805	(414)	84	79	113	798	905
Adjusted EBITDA	$ (10,290)	$ (27,526)	$ 22,014	$ 35,200	$ 16,891	$ 20,649	$ 71,571	$ 60,442	$ 25,065