

Risk Factors Comparison 2024-02-09 to 2023-02-10 Form: 10-K

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Our business is subject to numerous risks and uncertainties, including those described in Item 1A. Risk Factors on this Annual Report on Form 10-K. These risks include, but are not limited to the following:

- We may not be able 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.
- ~~An economic downturn or economic uncertainty in the United States and international markets, as well as inflation, increasing interest rates or fluctuations in currency exchange rates may adversely affect consumer spending and demand for our products, which could impact our operating results or financial position.~~
- **An economic downturn or economic uncertainty in the United States and international markets, as well as inflation, market volatility, fluctuations in interest rates or currency exchange rates, may adversely affect consumer spending and demand for our products, which could impact our operating results or financial position.**
- ~~Our goal to grow revenue and be profitable relies upon our ability to grow unit sales, from our GoPro.com channel and our retail partners and distributors we may not be successful in doing so.~~
- **To remain competitive and stimulate consumer demand, we must effectively manage product introductions, product transitions, product pricing and marketing.**
- We may not be able to acquire and retain subscribers at all or at historical rates, which could adversely impact our results of operations and our ability to be profitable.
- **Adverse developments in global economic or geopolitical conditions, or the occurrence of other world events, could materially adversely affect our revenue and results of operations.**
- If our sales fall below our forecasts, especially during the holiday season, our overall financial condition and results of operations could be adversely affected.
- We rely on third-party suppliers, some of which are sole-source suppliers, to provide services and components for our products which may lead to supply shortages and other services, long lead times for components, and supply changes, any of which could disrupt our supply chain or our operations and may increase our costs.
- We depend 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.
- Our future growth depends, in part, on further penetrating our total addressable market, and we may not be successful in doing so.
- **Environmental, social, and governance (ESG) matters expose us to, could result in additional costs and / or risks that could, which may adversely affect our business, financial condition and results of operations,** reputation, and **stock price** performance.
- If we do not successfully coordinate or if we encounter issues with our manufacturers, suppliers, or supply chain, business, brand, and results of operations could be harmed and we could lose sales.
- ~~Our international operations account for a significant portion of our revenue and operating expenses and are subject to challenges and risks.~~
- **HERO11-HERO12** Black is our flagship waterproof camera launched in **September 2023, featuring our GP2 processor, HyperSmooth 6.0 image stabilization, high dynamic**
- Our international operations account for a significant portion of our revenue and operating expenses and are subject to challenges and risks.
- **Corporate Social Responsibility (CSR) matters, as well as increased scrutiny and expectations from investors and others regarding environmental, social, and governance (ESG) matters expose us to, could result in additional costs and / or risks that could, which may adversely affect our business, financial condition and results of operations,** reputation, and **stock price** performance.
- Security and data breaches and ~~cyberattacks~~ **cyber-attacks** could disrupt our web platform, products, services, internal operations, information technology systems, or those of our strategic partners, and any such disruption could reduce our expected revenue, increase our expenses, damage our reputation, and cause our stock price to decline significantly.
- We depend on key personnel and qualified personnel to operate our business. If we are unable to attract, engage and retain qualified personnel, our ability to develop, transform and successfully operate our business could be harmed.
- We operate in a highly competitive market and the size and resources of some of our competitors may allow them to compete more effectively than we can. New entrants also enter the digital imaging market category from time-to-time. These market factors could result in a loss of our market share and a decrease in our revenue and profitability.
- Adverse changes to trade agreements, trade policies, tariffs and import / export regulations may have a negative effect on our business and results of operations.
- Our gross margin can vary significantly depending on multiple factors, which can result in unanticipated fluctuations in our operating results.
- A small number of retailers and distributors account for a substantial portion of our revenue, and if our relationships with any of these retailers or distributors were to be terminated or the level of business with them significantly reduced, our business could be harmed.
- Our success depends on our ability to maintain the value and reputation of our brand.
- Consumers may be injured while engaging in activities with our products, and we may be exposed to claims, or regulations could be imposed, which could adversely affect our brand, operating results, and financial condition.
- We may be subject to warranty claims that could result in significant direct or indirect costs, or we could experience greater returns from retailers and customers than expected, which could harm our business and operating results.
- We may grow our business in part through acquisitions, joint ventures, investments, and partnerships, which could require significant management attention, disrupt our business, dilute stockholder value, and adversely affect our operating results.
- ~~The ongoing COVID-19 outbreak has had a material impact on the United States and global economies and could have a material adverse impact on our employees, suppliers, customers and end consumers, which could adversely and materially impact our business, financial condition and results of operations.~~
- Catastrophic events or political instability could disrupt and cause harm to our business.
- Our aspirations and disclosures related to **Corporate Social Responsibility (CSR) matters, as well as increased scrutiny and expectations from investors and others regarding environmental, social, and governance (ESG) matters expose us to, could result in additional costs and / or risks that could, which may adversely affect our business, financial condition and results of operations,** reputation, and **stock price** performance.

Item 1. Business Overview GoPro helps the world capture and share itself in immersive and exciting ways. Our cameras, mountable and wearable accessories, subscription and service, and implied post contract support have generated substantially all of our revenue. We sell our products globally through retailers, distributors, and on GoPro.com. Our product offerings include the following:

range (HDR) photos and videos in 5.3K at 60 frames per second (FPS) and 4K at 60 FPS, and wireless audio support for Apple AirPods and the other Bluetooth devices. HyperSmooth 6.0 image stabilization features improved AutoBoost, which analyzes up to 4x more data compared to HyperSmooth 5.0 while also supporting 360-degree Horizon Lock. The HERO12 Black also includes 10-bit color video at up to 5.3K video at 60 FPS, 27-megapixel photo resolution, 8:7 aspect ratio video for a larger vertical field of view, and HyperView, which allows for a 16:9 field of view. The HERO12 Black also includes the Enduro Battery, which improves the camera performance in both cold and moderate temperatures, a front-facing and rear touch display, TimeWarp 3.0, a Timecode Sync feature, and a Night Effects Time Lapse feature. Additionally, we began shipping our HERO12 Black Creator Edition, which is an all-in-one content capturing bundle that makes vlogging, filmmaking and live streaming easier than ever. HERO12 Black Creator Edition combines the HERO12 Black, Volta, Enduro Battery, Media Mod, and Light Mod to create professional-quality videos.

- **HERO11 Black launched in 2022**, featuring our GP2 processor, a larger sensor and HyperSmooth 5.0 image stabilization. The larger sensor provides 10-bit color video at up to 5.3K video at 60 FPS frames per second, 27-megapixel (MP) photo resolution, 8:7 aspect ratio video for a larger vertical field of view, and HyperView HyperView, which allows for a 16:9 field of view. HyperSmooth 5.0 image stabilization includes 360-degree Horizon Lock, which keeps video footage steady. The HERO11 Black also includes the Enduro Battery, which improves the camera performance in both cold and moderate temperatures, TimeWarp 3.0, Night Effects Time Lapse, and a front-facing and rear touch display. The HERO11 Black is cloud connected and can automatically upload recently captured footage and generate a highlight video to the user's GoPro subscription cloud account. We also offer began shipping our HERO11 Black Creator Edition in the Fall of 2022 which is an all-in-one content capturing bundle that makes vlogging, filmmaking and live streaming easier than ever. Creator Edition combines the HERO11 Black, Volta, Enduro Battery, Media Mod, and Light Mod to create professional-quality videos.
- HERO11 Black Mini launched in November of 2022, and has all the power of the HERO11 Black, but is smaller, lighter and simpler with a one-button design. The HERO11 Black Mini includes our GP2 processor, the larger sensor used in our HERO11 Black flagship camera, HyperSmooth 5.0 image stabilization and the Enduro Battery.
- **HERO10 Black launched in 2021**, which includes our high-performance GP2 processor. The camera's highest video resolution of 5.3K video at 60 frames per second delivers 91% more pixel resolution than 4K video at 30 frames per second and 665% more pixel resolution than 1080p HD at 60 frames per second, allowing for fluid playback and 2X slow motion. 4K video can be captured at 120 frames per second (4X slow motion) and 2.7K video can be captured at 240 frames per second (8X slow motion). The HERO10 Black also includes HyperSmooth 4.0 video stabilization, in-camera horizon leveling which has a tilt limit of 45° in high-performance settings, making chaotic video footage look smooth and steady. The new GP2 processor combined with the ultra-high resolution 23.6MP sensor enables life-like image quality. In addition to 23-megapixel photos, HERO10 Black enables 19.6 megapixel video stills to be pulled from 5K 4:3 video at 30 frames per second and 15.8 megapixel video stills from 5.3K video at 60 frames per second, which is ideal for capturing still images of sports and fast-paced activities. The HERO10 Black is also waterproof up to 33 feet, cloud connected while being charged and will automatically upload recently captured footage to the user's GoPro cloud account. Additionally, the HERO10 Black continues to build off the noteworthy HERO9 Black features, including Power Tools, TimeWarp 3.0, front-facing and rear touch displays, and camera Mod compatibility.
- MAX is our 360-degree waterproof camera featuring MAX HyperSmooth image stabilization, 360-degree MAX TimeWarp Video, MAX SuperView, PowerPano, built-in mounting, high-quality audio, live streaming, voice control and a front-facing touch display. MAX HyperSmooth provides the highest performance video stabilization yet, while MAX SuperView provides the widest field of view ever from a GoPro camera. PowerPano allows users to capture a 6.2mp, 270-degree panoramic photo with the push of a button and creates an artifact-free shot of action or movement. Our MAX camera features six built-in microphones that allows users to capture immersive 360-degree audio, directional audio for vlogging and the best stereo sound ever from a GoPro.
- **GoPro Premium subscription is our a subscription service that includes full access to the video and photo editing features in the new Quik desktop app and Quik mobile app**, unlimited cloud storage of GoPro content supporting source video and photo quality, camera replacement and damage protection, cloud storage up to 25 gigabytes (GB) of non-GoPro content, access to a high-quality live streaming service on GoPro.com as well as discounts on GoPro cameras, gear, mounts and accessories. Our HERO5 Black and newer cameras automatically upload photos and videos to a subscriber's GoPro account at the highest possible quality, while HERO7 Black and newer cameras can access our live-streaming service.
- **Premium subscription launched in February 2024, and is a subscription service that includes all the same features included in our Premium subscription, cloud storage up to 500 GB of non-GoPro content, and HyperSmooth Pro in the Quik desktop app. HyperSmooth Pro offers HyperSmooth Pro stabilization with real time playback, lens correction, batch export, the reframe tool, frame grab and trim tool.**

• Quik subscription is an important step in expanding our total addressable market to those who value organizing the visual moments of their lives with footage from any phone or camera. Quik subscribers can conveniently share their favorite photos or videos to the Quik mobile app where those special "keeper" photos or videos will be added to a private "Mural" feed within the app. The Quik subscription provides access to a suite of powerful yet simple single-clip and multi-clip editing tools which allows users to edit photos or videos and create cinematic stories to showcase their life moments.

- **Quik desktop app launched in February 2024, for both Premium and Premium subscribers for macOS. Our Quik desktop app brings the speed and convenience of the Quik mobile app to desktop users, but with an expanded list of features and capabilities that take advantage of a desktop computer's processing power and screen size. Quik desktop and Quik mobile apps sync with one another to allow users to transition their projects from one app to the other.**
- **Quik mobile app** is a mobile app that provides the primary experience for users of both the GoPro Premium and Quik subscriptions and is an the primary integration point for GoPro camera owners into the GoPro software ecosystem. The primary goal of the Quik mobile app is to enable users to get the most out of their favorite photos and videos from any phone or camera. This includes a simplified but powerful experience for offloading, backup, editing, story

creation and sharing of user's media. ~~GoPro Player ReelSteady is a desktop app with industry-leading video stabilization and 360-reframing tools in a single post-production app. The GoPro Player ReelSteady app includes features such as ReelSteady stabilization with real-time playback, lens correction, batch export, the reframe tool, frame grab and trim tool.~~ We also offer a full ecosystem of mountable and wearable accessories. See Products for additional information. We believe our investments in hardware, cloud, mobile and desktop software solutions have yielded a solid foundational experience for consumers that we will continue to build upon in ~~2023-2024~~. Our strategy Helping our consumers capture and share their experiences in immersive and exciting ways is at the core of our mission and business. We are committed to developing solutions that create an easy, seamless experience for consumers to capture, create, and share engaging personal content **with a focus on enabling capture beyond the phone, targeting markets where GoPro can add value, performance, and differentiation**. When consumers use our products and services, they often generate and share content that increases awareness for GoPro, driving a virtuous cycle and a self-reinforcing demand for our products. We believe revenue growth will be driven by the introduction of new **types and categories of** cameras, accessories, lifestyle gear, and subscription and service offerings. We also believe new or enhanced camera features drive a replacement cycle among existing users and attract new users. Consumers can choose between numerous channels to purchase our hardware products, which are sold through ~~GoPro.com and~~ a global network of retailers **and GoPro.com**. In addition, consumers may purchase our ~~subscription~~ **subscriptions** through GoPro.com or via the Quik mobile **and desktop app apps**. Cameras. We offer a family of flagship cameras, including our cloud connected **HERO12 Black**, HERO11 Black, HERO11 Black Mini, HERO10 Black, HERO10 Black Bones, HERO9 Black, ~~HERO8 Black~~ and MAX cameras. Our **HERO12 Black**, HERO11 Black, HERO11 Black Mini, HERO10 Black, HERO9 ~~Black~~, ~~HERO8 Black~~, and MAX cameras are durable, waterproof (without a housing), come with select mounting accessories, and have built-in Wi-Fi and Bluetooth technology, that provide connectivity with a mobile device to enable remote control, content viewing, editing, and sharing functionality. Our **HERO12 Black**, HERO11 Black, HERO11 Black Mini, and HERO10 Black cameras offer 5.3K video at 60 frames per second, our HERO9 Black camera offers 5K video at 30 frames per second, and ~~our HERO8 Black camera can shoot video in 4K at 60 frames per second.~~ MAX captures video in 360-degrees at 6K resolution and stitches to 5.6K. All of our current cameras feature multi-language voice and contextual control, image stabilization, a simplified user experience, and the ability to auto-upload photos and videos via Wi-Fi for easy access and editing with our Quik **mobile app**. HERO11 Black, HERO10 Black, HERO9 Black, ~~HERO8 Black~~ and MAX also feature GPS and additional sensors that capture location, elevation, speed and G-force loads. ~~We also offer Open GoPro, an open API initiative, that makes it easy for third-party developers to integrate HERO9 and newer cameras into their own development efforts.~~ Mounts and accessories. We offer a wide range of mounts and accessories, either bundled with a camera or sold separately, that enhance the functionality and versatility of our products, and enable consumers to capture their experiences during a variety of activities or moments from different viewpoints. We also produce and sell camera attachments called Mods, which allow users to transform their **HERO12**, HERO11, HERO10, ~~or HERO9 or HERO8 Black~~ cameras into a production powerhouse. The Media Mod provides an integrated directional microphone, the Light Mod illuminates a scene and the Display Mod allows users to ~~perfectly~~ frame themselves during self-capture. In addition, we offer Max Lens Mod that brings Max HyperSmooth video stabilization and Max SuperView's ultra-wide-angle photo and video to the **HERO12**, HERO11, HERO10 and HERO9 Black cameras. Other equipment-based mounts include helmet, handlebar, roll bar and tripod mounts. Our 3-way mount is a 3-in-1 mount that can be used as a camera grip, extension arm or tripod, and our floating mounts such as the Handler, and Bite Mount Floaty, allow our cameras to float in water. We also enable consumers to wear mounts on their bodies with the use of our magnetic swivel clip, wrist housing, chest harness and head strap. Additionally, we offer spare batteries, dive filters and charging accessories, and cables to connect our GoPro cameras to computers, laptops, and television monitors. Our accessories expand the features, versatility, and convenience of our cameras. ~~Subscription Subscriptions~~. Our **GoPro Premium and Premium** subscription ~~offers~~ **offerings provide** a range of benefits to our consumers, including a camera protection plan and a platform that enables subscribers to easily access, edit, and share content. The **GoPro Premium and Premium** ~~subscription subscriptions~~ **subscriptions** also ~~includes~~ **include** unlimited cloud storage **of GoPro content** supporting original **GoPro** source video and photo quality, access to a high-quality live streaming service on GoPro.com, as well as discounts on GoPro cameras, lifestyle gear, mounts, and accessories. Our HERO5 Black and newer cameras automatically upload photos and videos to a subscriber's GoPro account at the highest possible quality, while HERO7 Black and newer cameras can access our live-streaming service. We had ~~2.25-5~~ million subscribers as of December 31, ~~2022-2023~~, representing ~~43-12~~ % growth year-over-year. **We also offer the Quik subscription which is important in expanding our TAM to all those who want to create, edit, and organize the visual moments of their lives. The Quik subscription provides edits that can be applied to single clips, or several clips of an event and can be put together into automated, music-synced videos. Quik subscribers can also conveniently share their favorite photos or videos via the Quik mobile app where those special "keeper" photos or videos will be added to a private "Mural" feed.** Applications. We offer mobile, **desktop**, and web applications that provide a complete media workflow for archiving, editing, multi-clip story creation, and sharing content on the fly. ~~The Our~~ Quik **mobile app** makes it easy for users to get the most out of their favorite photos and videos no matter which phone or camera is used to capture the footage. ~~Our~~ ~~We believe the Quik~~ **desktop app offers the speed and convenience of** the Quik **mobile app** ~~subscription are~~ **important steps in expanding our total addressable market to desktop users all those who want to create, edit but with and an expanded list** ~~organize the visual moments of their lives~~ **features and capabilities**. The Quik subscription provides access **desktop and Quik mobile apps sync with one another** to a suite of powerful yet simple editing tools which allows ~~allow~~ users to **transition projects from one** edit photos or videos themselves. Edits can be applied to single clips, or several clips of an event can be put together into automated, music-synced videos. Quik subscribers can also conveniently share their favorite photos or videos via the Quik app where ~~to those~~ **the other** special "keeper" photos or videos will be added to a private "Mural" feed. Furthermore, by integrating the Quik app editing engine into the GoPro cloud ecosystem, we are now able to

offer automatic, behind-the-scenes creation of videos and edits to users without any work on their part. Lifestyle Gear. We offer a lifestyle gear lineup that melds our signature design and versatility across a line of bags, backpacks, and cases. We also offer an exclusive line of t-shirts, hats, and other soft goods that capture the spirit of the brand. Seasonality Historically, we have experienced our highest levels of revenue in the fourth quarter of the year, coinciding with the holiday shopping season, particularly in the United States and Europe. While we aim to reduce the impact of fourth quarter seasonality on full year performance, timely and effective product introductions and forecasting, whether just prior to the holiday season or otherwise, are critical to our operations and financial performance. Segment information and geographic data We operate as one reportable segment. Financial information about geographic areas is presented in Note 10 Concentrations of risk and geographic information, to the Notes to Consolidated Financial Statements of this Annual Report on Form 10-K. Research and development We are passionate about developing new and innovative products that inspire our consumers and enhance our brand. We are constantly innovating to deliver better performance, expanded functionality, and increased convenience to enhance the appeal of our products. We strive to remain a market leader by consistently introducing innovative products, software, and services that offer optimal performance. We have a user experience-driven approach to product development and our CEO leads product design. By engaging with customers, consumers, and opinion leaders in our core markets around the world, our development team strives to introduce meaningful and empowering new features that expand the versatility and performance of our products. We also benefit from input received from our in-house production team, our sponsored athletes, and our brand advocates that regularly travel the world capturing content using our products. We believe leveraging this input will help refine our existing products and influence future products that give us a competitive advantage. Our engineering team supports the development of cameras, related mounts and accessories, firmware, and software. Our hardware engineering team is responsible for developing solutions to support the concepts developed by our product team. These solutions include GoPro's custom designed system on chip, which allows our cameras to perform advanced image computation, unparalleled image quality and next-level image stabilization, new image silicon processors, image sensors and lenses, as well as the core algorithms that enable the systems to operate and provide optimal performance and features. Our hardware engineering team also integrates these innovations and firmware into our product designs, and develops our cameras, mounts, and accessories. Our software engineering team develops applications that enhance the functionality of our products and facilitate the management, editing, sharing, and viewing of content. These applications are being developed for mobile, desktop, and web-based platforms. Our core technologies include rendering engines to enable smooth video playback and editing, algorithms for moment identification, automatic story creation as well as cloud-based media storage, analysis, and playback. Our software engineering team also manages our cloud and web platforms that power our application experiences and direct-to-consumer channel via GoPro.com. Manufacturing, logistics, and fulfillment Our products are designed and developed in the United States, France, China, and Romania, and a majority of our manufacturing is outsourced to contract manufacturers located in China and Thailand. We believe that using outsourced manufacturing enables greater scale and flexibility than establishing our own manufacturing facilities. Several key strategic parts are purchased from suppliers by us and then consigned to our manufacturers, while the vast majority of parts are procured directly by our contract manufacturers. Our strategic commodities team manages the pricing and supply of the key components of our cameras, including digital signal processors, sensors and lenses, and we leverage their expertise to achieve competitive pricing on the largest value-add components and leverage our contract manufacturers' volume purchases for best pricing on common parts. We have third-party facilities in China and Thailand for final pack-out of our finished products. These finished products are shipped to outsourced fulfillment centers in the United States, as well as Hong Kong, Japan, Netherlands, and Singapore that deliver our products to our customers. Sales channels and customers We offer our products in over 80 countries through our retail sales channel to retailers and distributors, and through our direct-to-consumer sales channel via GoPro.com. In 2023 and 2022 and 2021, GoPro.com revenue represented 30% and 38% and 34% of our net revenue, respectively, and retail accounted for 70% and 62% and 66% of our net revenue, respectively. Direct sales We sell directly to most of our retailers in the United States, some of our retailers in Europe and to consumers worldwide through GoPro.com. Independent specialty retailers. We use a network of location-based independent manufacturer representatives to sell our products to independent specialty retailers in the United States, focused on sports and consumer activity capture markets. Our representatives provide highly personalized service to these retailers, including in-store merchandising, taking orders, and providing clinics to educate retail sales personnel about GoPro products and services. We also have an internal, regionally focused sales team that provides a secondary level of service to both the independent specialty retailers and manufacturer representatives. Independent specialty retailers generally carry our higher end products, targeting their core customers who we believe tend to be early adopters of new technologies. Independent specialty retailers outside of the United States represent a similarly important sales channel for us, and we reach these customers indirectly through our network of international distributors. Big box retailers. We sell to large retailers with a global or national presence, including Amazon.com, Inc., Best Buy, Inc., Target Corporation, and Walmart, Inc. We support these retailers with a dedicated and experienced sales management team that we believe enables us to reduce channel conflict. Mid-market retailers. We also sell to retailers with a large regional or national presence, often focused on specific verticals such as consumer electronics, sporting goods, military, hunting and fishing, and motorsports. In the United States, we sell directly to these mid-market retailers through our experienced sales teams assigned to particular accounts and regions. GoPro.com. We sell our full line of products to consumers worldwide through our online store at GoPro.com, which we market through online and offline advertising. GoPro.com revenue represented 30%, 38%, and 34% and 32% of net revenue for 2023, 2022, and 2021 and 2020, respectively. Distribution We sell to over 40 approximately 60 distributors who resell our products to retailers in international and domestic markets. We have dedicated sales personnel focused on providing a high level of service to these distributors, including assisting with product mix planning, channel marketing and in-store merchandising, development of marketing materials, order assistance and educating the distributors' sales personnel about GoPro products. In-store merchandising Our in-store

merchandising strategy focuses on our iconic GoPro- branded, video- enabled point of purchase (POP) merchandising displays located in nearly all retail outlets where our products are sold. These displays showcase GoPro videos and present our product ecosystem in a customer- friendly manner. Our larger retailers help us represent a broader range of GoPro products due to their in- store deployment of our larger and custom POP displays. As of December 31, **2023 and 2022 and 2021**, we had approximately **28, 000 and 26 ,000 and 23 ,000** POP displays, respectively, in retail outlets worldwide. Marketing and advertising Our marketing and advertising programs are focused on engaging consumers by exposing them to compelling GoPro content and educating them about new hardware features, as well as the power of our solutions for software editing (mobile, web and desktop applications) and content management. We believe this approach enhances our brand while demonstrating the performance, durability , and versatility of our products. Our marketing and advertising efforts span a wide range of consumer interests and leverage both traditional consumer marketing and lifestyle marketing strategies. Consumer marketing. Social media plays an important role in our consumer marketing strategy **as an awareness driver and opportunity to engage directly with our community. At the end of 2023, we reached a total of 52. 5 million followers across all platforms and our owned content received more than 1. 4 billion views**. Our consumers capture and share ~~personal~~ GoPro content on social media and content sharing platforms like **including** Facebook, Instagram, TikTok, Twitter and YouTube . ~~At the end of 2022, we reached a total of 49. 6 million lifetime followers~~. To date, **earned** ~~we have reached over 17. 4 billion views of content tagged # GoPro on TikTok~~ **has reached over 26 and more than 3. 7 billion views on GoPro’s YouTube channel**. We also integrate user- generated content and GoPro originally produced content into advertising campaigns across various platforms including **television**, print, online, billboards , and other out- of- home advertising, and at consumer and trade facing events. This content also supports our in- store channel marketing efforts, appearing on our POP displays and other in- store marketing materials. We continue to believe GoPro content remains a significant asset that builds awareness for our brand and products. Lifestyle marketing. Our lifestyle marketing programs focus on expanding GoPro brand awareness by engaging consumers through relationships with key influencers, event promotions , and other outreach efforts. We cultivate strong relationships with influential athletes, celebrities, entertainers , and brands, all of whom use our products to create and share engaging content with their own fans and consumers. Competition The market for cameras is highly competitive and characterized by frequent product introductions and rapid technological advances. We believe the principal competitive factors impacting the market for our products include quality, reliability and user experience, price and performance, design innovation, brand recognition, marketing and distribution capability, service and support, and brand reputation. We compete against established, well- known camera manufacturers such as Canon Inc. and Nikon Corporation, as well as large, diversified electronics companies such as, Samsung Electronics Co. and Sony Corporation and specialty companies such as Garmin Ltd., the Ricoh Company, Ltd., ~~Shenzhen~~ **Arashi Vision Co- Inc. (Insta360)**, ~~Ltd~~ and SZ DJI Technology Co., Ltd. We believe we compete favorably with these companies’ products. Our durable and versatile product design facilitates increased functionality and wearability, and we offer a variety of mounts and other accessories that enable a wide range of consumer use cases that are difficult for other competing products to address. Further, we offer many professional- grade features within our camera and 360- degree camera product offerings at attractive consumer price points, including our HyperSmooth **5-6**. 0 which is our most advanced stabilization ever and includes in- camera horizon leveling that keeps shots smooth and level, and for our 360 experience, MAX SuperView and PowerPano. MAX SuperView provides the widest field of view ever from a GoPro camera while PowerPano allows users to capture a 6. 2mp, 270- degree panoramic photo with the push of a button and creates an artifact- free shot of action or movement. We also provide users with a suite of mobile and desktop applications that enhance the overall GoPro experience. Moreover, we believe we have achieved significant brand recognition in our target vertical markets. We believe our years of experience working with active and influential consumers contributes to our ability to develop attractive products and establishes the authenticity of our brand, thereby differentiating us from current and potential competitors. Smartphones and tablets with photo and video functionality have significantly displaced the market for traditional camera sales, and the makers of those devices also have mobile and other content editing applications and storage for content captured with those devices. Our Quik **mobile and desktop app apps** , and ~~GoPro~~ subscription **and service offerings** may not be as compelling a solution as those offered by other companies, such as Apple, Inc. and Google, although the Quik **mobile and desktop** app supports content from other platforms including content from iOS and Android. It is possible that, in the future, the manufacturers of such devices, such as Apple, Google , and Samsung, may continue to design their products for use in a range of conditions, including challenging physical environments and waterproof capabilities, or develop products with features similar to ours. In addition, new companies may emerge and offer competitive products directly in our category. Intellectual property Intellectual property is an important aspect of our business. Our practice is to seek protection for our intellectual property in the United States and certain jurisdictions globally, as appropriate. To establish and protect our proprietary rights and confidential information, we rely upon a combination of trademark, copyright, patent, trade secrets, and other forms of intellectual property rights, as well as contractual restrictions such as confidentiality agreements, licenses, and intellectual property assignment agreements with employees, contract manufacturers, distributors , and others. GoPro is a leading innovator that holds a comprehensive portfolio of intellectual property rights. Our trademarks, including “ GOPRO, ” “ HERO ,” and the GoPro logos, among others, are a critical component of the value of our business. We believe the strength of our trademarks, service marks, and trade dress have generated considerable brand loyalty, distinction, and renown among our customers and prospective customers. GoPro’ s patent portfolio **has** been recognized as a leader in the high- tech and electronics industry. Our patents, including utility and design patents, cover innovations that help our customers capture, create , and share their content using our cameras, mounts, accessories , and software. Our patents cover technology and product areas that include cameras, mounts, accessories, digital imaging, image processing, image stabilization, operational firmware and software, post- processing software, mobile, desktop and cloud software, as well as the ornamental aspects of our hardware and software products. As of December 31, **2022-2023** , we had approximately 1, 218 **427** issued patents and **419-401** patent applications pending in the United States, and **671-770**

corresponding issued patents and 122-87 patent applications pending in foreign jurisdictions. Our patents expire at various times, starting in 2024, and no single patent or other intellectual property right is solely responsible for protecting GoPro's products, software, and services. GoPro continues to invest in protecting its expanding innovation through ongoing development of its patent portfolio. We continually assess our innovations, including their patentability, and regularly file patent applications to protect our innovations and technologies that come from our research, development, and design. We take active measures to protect our intellectual property against unauthorized third-party use, including misuse of our patents, copyrights, trademarks, and other proprietary rights. We monitor online marketplaces for infringing, knock-off, or counterfeit products and take action to remove those products. We have, and expect to continue to take legal action to enforce our intellectual property and proprietary rights when appropriate. Despite these protections and efforts, we may be unable to prevent third parties from using our intellectual property without our authorization, challenging the validity of our intellectual property, breaching any nondisclosure or confidentiality agreements with us, or independently developing products that are similar to ours without infringing our intellectual property, particularly in those countries where the laws do not protect our proprietary and intellectual property rights as fully as in the United States. Human capital We are continually investing in the engagement and retention of our global workforce by creating an inclusive workplace, providing market-competitive benefits to support our employees' health and well-being, and fostering a learning environment in support of their growth and development. As of December 31, 2022-2023, we employed 877-930 people. Diversity and Inclusion **GoPro celebrates diversity and recognizes the value it brings to our work culture and our business.** GoPro strives to be a more inclusive, representative, and equitable organization, and to leverage our brand and marketing to champion these values. Through our comprehensive **diversity, equity, inclusion, and belonging (DEIB)** program, we take a multi-faceted approach to creating a sense of belonging for GoPro employees. We **focus on current events, trending topics, and cultural context to** provide **opportunities for learning** trainings, workshops, events, and speaker series **community building. Our goal is** to help increase safe spaces and visibility for people with identities that have been historically **oppressed, marginalized and underrepresented**. We take a hybrid approach to employee training, utilizing a self-directed individual learning platform with research-backed content in addition to coaching and other manager-led activities. In addition to our mandatory sexual harassment prevention and bullying prevention training, **new we also include** modules **related** were added to help **supporting neurodiverse team members, building psychological safety, and helping** employees recognize and address unconscious bias and microaggressions. We host virtual discussions on a variety of diversity, equity, and inclusion topics **to educate employees on issues faced by historically marginalized groups and** to foster understanding and empathy, champion diverse leadership, and celebrate the contributions that diverse groups bring to us and our community. When our people thrive, our business thrives. GoPro invests in safe spaces through our Employee Resource Groups (ERGs). ERGs enhance the employee experience and help drive **the** DEIB strategy by building community and connection, expanding education and awareness, creating opportunities for professional development and providing valuable feedback to our People Team. Our CEO, Nicholas Woodman, also signed on to the Outdoor CEO Diversity Pledge, committing us to, over the coming years, **increasing** **increase the** representation of underrepresented groups in our hiring, marketing, and athlete rosters, as well as sharing our learnings with other outdoor brands as a catalyst for industry change. Employee Development and Training We prioritize employee development and training, which we believe has a direct impact on employee growth, engagement and retention. To support managers and individual contributors within the company, we provide training and development opportunities through our online portal, Opportunity Lab. Opportunity Lab enables employees to access virtual instructor-led classrooms or self-directed web-based courses focused on topics such as the importance of using emotional intelligence in difficult times, leading change, understanding employee engagement, feedback and career development planning. We also offer employee development through our Mentorship Program. This program supports the employees' professional development while expanding their network with our senior leaders. Our leadership development and coaching programs focus on individual leadership growth, building trust and relationships with peers and sharing best practices. We continue to optimize our organizational efficiency and collaboration by providing ongoing training on effective meeting management and **building trust** how to recognize unconscious bias. We believe that employee development is a shared responsibility of employee and manager, through both formal and informal methods (e. g., stretch assignments and peer-to-peer learning). Through our **GROW-Grow** Pro Plan program, managers and employees reflect on their individual skills and areas for development, guided by our company competency framework, and by what specific areas the employee would like to develop each year. We have a robust talent calibration and succession planning process to ensure we fill the talent pipeline and identify any skills gaps with development plans. Corporate and available information We were originally incorporated as Woodman Labs, Inc. in California and began doing business as GoPro in February 2004. We reincorporated in Delaware in December 2011 and in February 2014, we changed our name to GoPro, Inc. Our principal executive offices are located at 3025 Clearview Way, San Mateo, California 94402, and our telephone number is (650) 332- 7600. We completed our initial public offering in July 2014 and our Class A common stock is listed on The Nasdaq Global Select Market under the symbol " GPRO. " Our Class B common stock is not listed nor traded on any stock exchange. We have registered and applied to register a number of trademarks with the United States Patent and Trademark Office and the trademark offices of other countries including " GOPRO, " " HERO " and the GoPro logos. This Annual Report on Form 10- K also includes references to trademarks and service marks of other entities, and those trademarks and service marks are the property of their respective owners. Our website address is www. gopro. com. Through a link on the Investor Relations section of our website, we make available the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission (SEC): our Annual Report on Form 10- K, Quarterly Reports on Form 10- Q, Current Reports on Form 8- K and any amendments to those reports filed or furnished pursuant to Section 13 (a) or 15 (d) of the Exchange Act. All such filings are available free of charge. The information posted on our website is not incorporated into this report. The SEC maintains a website that contains reports, proxy and information statements and other information regarding our filings at www. sec. gov. You should carefully consider the

risks described below and all other information contained in this Annual Report on Form 10-K before making an investment decision. **These risks could materially and adversely affect our business, financial condition, and results of operations.** The risk factors below do not identify all risks that we face; our operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our operations. In that event, the trading price of our shares may decline, and you may lose part or all of your investment. Risks related to our business and industry Our cumulative GAAP income from the past three years may not be sustainable in future periods. We may not be able to achieve our forecast, sustain revenue growth or profitability, and our operating results may fluctuate unpredictably. For example, our annual revenue **decreased slightly** showed significant growth from 2020 to 2021 from \$ 891.1. 909 million **billion in 2022** to \$ 1. 16 01 billion **in**, respectively. In 2020 **2023**, annual revenue of \$ 891. 9 million was negatively impacted by COVID-19. In addition, we incurred operating income **a net loss** of \$ 53 39. 0 million and \$ 113. 2 million **for the full year of 2023** and operating losses **earned net income** of \$ 36 28. 8 million for the full year **in of 2022, 2021 and 2020, respectively**. In future periods, sales we could experience declines in revenue, or revenue could **continue to decline**, remain flat, or grow more slowly than we expect, **or we could be negatively impacted by foreign currency exchange rate fluctuations**, which could have a material negative effect on our future operating results. **For example, foreign currency exchange rate fluctuations negatively impacted revenue and operating income by \$ 50. 4 million in 2022.** Lower levels of revenue, lower product margins or higher levels of operating expenses in future periods may result in losses or limited profitability. We may experience such lower levels of revenue, lower product margins or higher levels of operating expenses for a variety of reasons, including, among other factors: **ineffective** investments in product innovation, **and development**; advertising and marketing; increasing freight rates; shipping delays; increased supply chain costs; impact of currency exchange rates; failure to maintain higher average sales pricing for our cameras; or a recession or other sustained adverse market **event events** that materially impacts consumer purchases of discretionary items, such as our products. **For example, in 2023, our margins were negatively impacted by price protection charges, an increase in the volume of sales of our entry-level price point cameras, and a decrease to sales from GoPro. com.** Additionally, we have **previously** implemented company-wide restructurings of our business resulting in a reduction in our global workforce and the elimination of certain open positions, consolidation of certain leased office facilities, as well as the elimination of several high-cost initiatives, in order to focus our resources on cameras, accessories, **software** and subscription and service. **For example, in connection with the emergence of the COVID-19 pandemic, we implemented a restructuring plan in April 2020 (the 2020 Restructuring Plan) to realign our workforce to areas of growth combined with certain cost saving measures which reduced our operating expenses in 2020.** We may not realize further or sustain cost savings from these previous actions. We may continue to experience fluctuating revenue, expenses, and profitability for a number of reasons, including other risks described in this **2022 Annual Report**, and we may encounter unforeseen expenses, difficulties, complications, delays, and other unknown factors. **Our ability to grow revenue and be profitable relies on increasing unit sales. We depend upon maintaining and developing effective sales channels between our retailers, distributors, and direct-to-consumer via GoPro. com. Our future growth relies, in part, on increasing sales through our current retail partners and distributors, as well as expanding our retail footprint, and building and maintaining strong relationships with retail partners and distributors to promote our brand and to market and sell our products. Slower than forecasted growth or any reduction in sales by our retail and distribution channels could adversely affect our revenue, operating results, and financial condition. We depend on retailers to provide adequate and attractive space for our products and POP displays in their stores and acquiesce to our policies. Due to macroeconomic factors and risk of theft, some retailers carry and display less inventory, which has impacted sales. We further depend on our retailers to employ, educate, and motivate their sales personnel to effectively sell our products. If our retailers do not adequately display our products, choose to reduce the space for our products and POP displays in their stores or locate them in less than premium positioning, or choose not to carry some or all of our products or promote competitors' products over ours or do not effectively explain to customers the advantages of our products, our sales could decrease and our business could be harmed. Increasing retail and distributor sales requires significant investment and resources. For example, we will continue investing in new POP displays and updating existing POP displays for both existing stores and new retailers which we believe will attract, inform consumers, and assist sales personnel to effectively sell our products; however, there can be no assurance that this investment will lead to increased revenue and profit. Our future growth also relies, in part, on our continued ability to attract consumers to our GoPro. com sales channel, which has and will require significant expenditures in marketing, software development and infrastructure. There can be no assurance that this investment will be successful. We have experienced continuous growth in our subscription service over the past several years, but we may not be able to sustain such growth in the future. Our revenue growth and profitability are dependent on our ability to continuously attract and retain subscribers, and we cannot be certain that efforts to do so will be successful. Any changes to our subscription offerings, or increases to the offering costs, could have an adverse effect on the success and profitability of our subscription service, attracting new subscribers and retaining existing subscribers. There are many factors that could lead to slowing subscriber growth or a decline in subscribers, including a decline in camera sales, attach rates or retention rates, our failure to introduce new features, benefits, products, or services that customers desire, changes to existing products, services, and pricing that are not favorably received by our customers, or changes in the perceived value of our offerings. For example, part of our subscription growth strategy is dependent on expanding our distribution and retail channels and increasing unit sales which we believe will lead to an increase in subscribers. If the attach rate is less than what we forecasted, particularly the retail attach rate, this could have a negative impact on our overall subscriber growth plans. A decline in subscribers could have an adverse effect on our business, financial condition, and operating results.** Factors affecting the level of consumer spending include general market and conditions, macroeconomic conditions, **geopolitical conditions, regional conflicts, tax rates, inflation, tariffs,**

fluctuations in foreign exchange rates and interest rates, **potential recessions**, and other factors such as consumer confidence, the availability and cost of consumer credit, levels of unemployment and a reduction in consumer spending or **disposable discretionary** income that may affect us more significantly than companies in other industries and companies with more diversified products. **For example, if any of the current regional conflicts around the world were to escalate or expand, it could lead to disruption of our supply chain and have a negative impact on consumer discretionary spending.** The majority of our sales occur in **United States dollars (U. S. dollars—dollar and an—)**. An increase or decrease in the value of the **U. S. dollar** against the Euro and other **foreign** currencies could negatively impact **sales of our products, which could have a material impact on our operating** results. For example, a strengthening **U. S. dollar** relative to other currencies could increase the real cost to consumers of our products in those markets outside the United States, which could lower sales and / or cause us to reduce our selling price to retailers and distributors in those markets. If global economic conditions are volatile or deteriorate, consumers may delay or reduce purchases of our products resulting in lower consumer demand for our products such that we may not reach our sales targets. Some product costs have become subject to inflationary pressure, and we may not be able to fully offset such higher costs through price increases; our inability or failure to offset any such higher costs as necessary could harm our business, financial condition, and operating results. **Additionally, in** Strengthening or weakening of the **past, certain U. S. dollar** relative to foreign currencies **such as** in which we conduct business could impact sales of our products, which could have a material impact on our operating results. For example, in 2022, the Euro, Japanese yen and British pound **all have** experienced declines in value relative to the U. S. dollar, which negatively affected our results of operations during the second, third, and fourth quarter of 2022 when compared to the prior year periods, and could **continue to** negatively impact our results of operations in future periods if the U. S. dollar strengthens relative to foreign currencies. **Moreover, adverse developments that affect financial institutions, such as events involving liquidity that are rumored or actual, have in the past and may in the future lead to market- wide liquidity problems. For example, in March 2023, Silicon Valley Bank (SVB) was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. While we did not hold any cash directly at SVB, we regularly maintain cash balances at third- party financial institutions more than the FDIC insurance limit and there is no guarantee that the federal government would guarantee all depositors if such financial institutions were to fail, as they did with SVB depositors, in the event of further bank closures and continued instability in the global banking system. Any future adverse developments in the global banking system could directly or indirectly negatively impact our results of operations. We believe that we must continually develop and introduce new products, enhance our existing products, anticipate consumer preferences, and effectively stimulate consumer demand for new and upgraded products and services to maintain or increase our revenue. Our products ability to grow revenue and services are subject to changing consumer preferences that cannot be profitable relies predicted with certainty and development lead times may make it more difficult for us to respond rapidly to new or changing consumer preferences. The markets for our products and services are characterized by intense competition, evolving distribution models, disruptive technology developments, short product life cycles, customer price sensitivity and frequent product introductions. Additionally, increasing concern over climate change could also result in shifting customer preferences with respect to our products, including reduced demand for our products and services based on several their environmental impact, such as recyclability of components or packaging and energy usage required to develop and manufacture our products. The success of new product introductions, such as the HERO12 Black and HERO12 Black Creator Edition, depends on a number of factors ; including , but not limited to, our timely and successful research and development of next generation systems, pricing, market and consumer acceptance, the ability to successfully implement certain strategic go- identify and originate product trends, effective forecasting and management of product demand, purchase commitments and inventory levels, availability of products in appropriate quantities to market initiatives-meet anticipated demand,ability to obtain timely and adequate delivery of components for our new products from third- party suppliers,management of any changes in major component suppliers,management of manufacturing and supply costs,management of risks and delays associated with new product design and production ramp- up issues, logistics, and the risk that new products may have quality issues or other defects or bugs in the early stages of introduction including testing of new parts and features.Our research and development efforts are complex and require us to incur substantial expenses to support the development of our next generation cameras,editing applications , and other products and services.Our research and development expenses were \$ 165.7 million,\$ 139.9 million, and \$ 141.5 million , \$ 131.6 million for 2023, 2022, and 2021 and 2020 ,respectively and we expect that our research and development expenses will continue to be substantial in 2023-2024 as we develop innovative technologies.Unanticipated problems in developing products could divert substantial resources,which may impair our ability to develop new products and enhancements of existing products ,and could further increase our costs.We may not be able to achieve an acceptable return,if any,on our research and development efforts,and our business may be adversely affected.As we continually seek to enhance our products,we will incur additional costs to incorporate new or revised features.We might not be able to,or determine that it is not in our interests to,raise prices to compensate for any additional costs.Additionally,as a result of the macroeconomic environment,we may not be able to accurately forecast consumer demand and inventory requirements and appropriately manage inventory to meet demand.For example,inflationary pressures may have an impact on consumers' share of wallet or our ability to raise prices .With respect to- We have invested significant resources, and may in our GoPro- the future, reduce prices to stimulate demand .com sales-We offer retroactive price protection to certain of our retailers and distributors. For example, as a result of our May 2023 price drop, we recorded a total price protection charge of \$ 26. 7 million in the six months ended June 30, 2023, based on estimated channel inventory levels. If price protection adjustments are higher than expected , and our future growth relies, in part, on our continued ability to attract consumers to this channel, which has and will require significant expenditures in marketing, software development and infrastructure. If we are unable to continue to drive**

traffic to, and increase sales through our website, our business and results of operations could be materially harmed. Retail and distribution adversely affected. With respect to management and supply costs, we may be impacted by heightened demand for specialty memory, components and batteries that are not supported by our manufacturing partners. Such supply shortages may perceive themselves affect our ability to be manage appropriate supply levels of our products and pricing pressures may negatively affect our gross margins. In addition, the introduction or announcement of new products or product enhancements may shorten the life cycle of our existing products or reduce demand for our current products, thereby offsetting any benefits of successful product introductions and potentially lead to challenges in managing inventory of existing products. Additionally, our brand and product marketing efforts are critical to stimulating consumer demand. We market our products globally through a range of advertising and promotional programs and campaigns, including social media. If we do not successfully market our products or plan invest in the right campaigns or promotions for the right products at the right at a disadvantage based on DTC sales offered through GoPro.com. Due to these -- the and right time, other -- the lack of success factors, conflicts with our -- or GoPro.com sales channel could arise and cause retail partners and distributors to divert resources away from the marketing, promotion, and sale of our products. For example, due to increased sales or costs of promotional programs through GoPro.com, our retailers may decide not to adequately display our products, choose to reduce the space for our products and POP displays in their stores, or choose not to carry some or all of our products or promote competitors' products over ours, and any reduction in sales or decreases in revenue by our current distributors and retailers or loss of key distributors or retailers could adversely affect our revenue, operating results and financial condition. We have experienced continuous growth in our subscription service over the past several years. Our continued revenue growth and profitability is dependent on our ability to continuously attract and retain subscribers, and we cannot be certain that efforts to do so will be successful. Any changes to our subscription model could have an adverse effect on existing subscribers as well as in attracting new subscribers. There are many factors that could lead to slowing subscriber growth or a decline in subscribers, including a decline in camera sales, attach rates or retention rates, our failure to introduce new features, benefits, products, or services that customers desire, changes to existing products and services that are not favorably received by our customers, or pricing and perceived value of our offerings. A decline in subscribers could have an adverse effect on our business, financial condition, and operating results of operations. Seasonal consumer shopping patterns significantly affect our business. We have traditionally experienced greater revenue in the fourth quarter of each year due to demand related to the holiday season, and in some years, including 2022-2023, greater demand associated with the launch of new products heading into the holiday season. Fourth quarter revenue comprised 29 %, 29 %, and 34 % and 40 % of our 2023, 2022, and 2021 and 2020, revenue, respectively. Given the strong seasonal nature of our sales, appropriate forecasting is critical to our operations. We anticipate that this seasonal impact is likely to continue and any shortfalls in expected fourth quarter revenue due to macroeconomic conditions, the inflationary impact on consumers' share of wallet, product release patterns, declines in the effectiveness of our promotional activities or product mix, charges incurred against new products to support promotional activities for such new products, pricing pressures, supply chain disruptions, shipping delays, or for any other reason, could cause our annual results of operations to suffer significantly. For example, during the fourth quarter of 2023, our sell-through fell short of our projections partially due to consumers' expectation of holiday season promotions even after the Thanksgiving Black Friday events. In addition, in the U. S. market, consumer spending shifted away from consumer electronics products in the month of December further impacting our results of operation. In addition, we typically experience lower revenue in the first half of the year as a percentage of total revenue for the year, as compared to second half revenue. First half revenue comprised 41 %, 43 %, and 39 % and 28 % of our annual 2023, 2022, and 2021 and 2020, revenue, respectively. We rely on third-party suppliers, some of which are sole-source suppliers, to provide services and components for our products which may lead to supply shortages and other services, long lead times for components, and supply changes, any of which could disrupt our supply chain or our operations and may increase our costs. Our ability to meet customer demand depends, in part, on our ability to obtain timely and adequate delivery of components for our products. We do not have internal manufacturing capabilities and rely on several contract manufacturers, located in China and Thailand, to manufacture our products. All of the components that go into the manufacturing of our cameras and accessories are sourced from third-party suppliers. We do not control our contract manufacturers or suppliers, including their capacity, bandwidth, or costs of their labor, environmental or other practices. Some of the key components used to manufacture our products come from a limited or single source of supply, or by a supplier that could potentially become a competitor. Our contract manufacturers generally purchase these components on our behalf from approved suppliers. We are subject to the risk of shortages and long lead times in the supply of these components and the risk that our suppliers discontinue or modify components used in our products. In addition, the lead times associated with certain components are lengthy and preclude rapid changes in quantities and delivery schedules, and such lead times could increase as a result of shipping disruptions, global conflicts (Ukraine), including any escalations or expansions of those conflicts, or other factors. We have in the past experienced and may in the future experience component shortages, and the availability of these components may be unpredictable, including as a result of global conflict and the COVID-19 pandemic pandemics. If we lose access to components from a particular supplier or experience a significant disruption in the supply of products and components from a current supplier, we may be unable to locate alternative suppliers of comparable quality at an acceptable price, or at all, and our business could be materially and adversely affected. In addition, if we experience a significant increase in demand for our products, our suppliers might not have the capacity or elect not to meet our needs as they allocate components to other customers. Developing suitable alternate sources of supply for these components may be time-consuming, difficult and costly, and we may not be able to source these components on terms that are acceptable to us, or at all, which may adversely affect our ability to meet our development requirements or to fill our orders in a timely or cost-effective manner. We also rely on third-party distribution facilities and logistics operators for substantially all of our product distribution to distributors, retailers, and to consumers. Our distribution facilities include computer controlled and

automated equipment, which means their operations may be vulnerable to computer viruses or other security risks, the proper operation of software and hardware, electronic or power interruptions or other system failures. Our reliance on single source, or a small number of suppliers, involves a number of additional risks, including risks related to supplier capacity constraints, component availability, price increases, timely delivery, component quality, failure of a key supplier to remain in business and adjust to market conditions, delays in, or the inability to execute on, a supplier roadmap for components and technologies, and natural disasters, fire, acts of terrorism, global conflicts, pandemics or other catastrophic events. In particular, for our camera designs we incorporate system on chips, sensors, lens, batteries and memory solutions that critically impact the performance of our products. These components have unique design and performance profiles, and as a result, it is not commercially practical to support multiple sources for these components for our products. For example, we incorporate the GP1 system on chip in our MAX camera as well as our HERO9 and HERO8 Black cameras-camera and the GP2 system on chip in our HERO12 Black, HERO11 Black, HERO11 Black Mini, HERO10 Black, and HERO10 Black Bones cameras and rely on a single supplier source for GP1 and GP2, and we are subject to price increases for those components. Costs for the components that comprise GP1 and GP2 could continue to increase even as prices for commodity components decline the primary supplier of our system on chips. Additionally, we rely on third parties to provide software and enterprise services. For example, we host our software applications and firmware upgrades for our cameras using Amazon Web Services (AWS). A prolonged AWS service disruption affecting our subscription products would negatively impact our ability to serve our consumers and could damage our reputation with current and potential consumers, expose us to liability, cause us to lose consumers, or otherwise harm our business. In the event that our AWS service agreements are terminated, or there is a lapse of service, elimination of AWS services or features that we use, interruption of internet service provider connectivity, or damage to such facilities, we could experience interruptions in access to the GoPro or our Quik subscription offerings as well as significant delays and additional expense in arranging or creating new facilities and services and / or re- architecting our solutions for deployment on a different cloud infrastructure service provider, which could materially adversely affect our business, results of operations and financial condition. Our business requires us to coordinate the manufacture and distribution of our products. Our manufacturers-The ongoing COVID-19 pandemic and global conflicts have resulted in industry-wide global supply chain partners may experience disruptions in their operations due to equipment breakdowns, component or material shortages, labor strikes or shortages, shipping delays, transportation or logistics challenges, including manufacturing natural disasters, transportation and logistics cyber- attacks or other cybersecurity incidents, cost increases, pandemics, or other similar problems. If we do not successfully coordinate with our service providers, we may have insufficient supply of products to meet customer demand or face increased or additional costs, and as a result, we could lose sales, incur additional costs, and our financial performance may be adversely affected. The effect of seasonal demand fluctuations on supply chains, transportation costs, fuel costs, labor unrest, natural disasters, global conflicts, regional or global pandemics, and other adverse effects on our ability, timing and cost of delivering products can increase our inventory, decrease our margins, adversely affect our relations with distributors and other customers and otherwise adversely affect our results of operations and financial condition. Environmental regulations or changes in the supply, demand or available sources of natural resources may affect the availability and cost of goods and services necessary to run our business. We require our contract manufacturers and suppliers to comply with our formal supplier code of conduct and relevant standards and have ongoing audit programs in place to assess our suppliers' compliance with our requirements. We periodically conduct audits of our contract manufacturers' and suppliers' compliance with our code of conduct, applicable laws and good industry practices. However, these audits may not be frequent or thorough enough to detect non-compliance. Deliberate violations of labor, environmental or other laws by our contract manufacturers or suppliers, or a failure of these parties to follow ethical business practices, could lead to negative publicity and harm our reputation or brand. As a company engaged in manufacturing and distribution, we are subject to the risks inherent in such activities, including disruptions or delays in supply chain. For example, During during the course of the ongoing COVID- 19 pandemic and as a result of governmental responses to the COVID- 19 pandemic among other macroeconomic factors, certain of our suppliers and manufacturers have experienced disruptions, resulting in supply shortages and costs increases, staffing shortages, manufacturing facility closures, and similar disruptions could occur in the future. Any increases in the costs of goods and services for our business may also adversely affect our profit margins particularly if we are unable to achieve higher price increases or otherwise increase cost or operational efficiencies to offset the higher costs. Historically, the majority of our growth has been fueled by the adoption of our products by people looking to self- capture images of themselves participating in exciting physical activities and our subscription products to help those people create compelling edits to share with friends, family and followers. We believe that our future growth depends on continuing to reach and expand our core community of customers of our products and services, followers, and fans, and then utilizing that energized community as brand ambassadors to an extended community. We may not be able to expand our software subscription and services- service offerings and cannot be certain that these efforts will be successful, and as a result, we may not be able to increase our total addressable market, revenue, or operating profit. We may not be able to expand our market, revenue and gross margin through this strategy on a timely basis, or at all, or recognize the benefits of our investments in this strategy, and we may not be successful in providing tools that our users adopt or believe are easy to use, which will negatively affect our future growth. Our growth also depends on expanding the market with new capture perspectives with our 360- degree camera, MAX, our FPV (first person view) lightweight camera HERO10 Black Bones, and our all- in- one vlogging and filmmaking offering offerings, HERO12 Black Creator Edition and HERO11 Black Creator Edition, which are initiatives in highly competitive markets, and by adding versatility to our products with expansion mods for HERO12 Black, HERO11 Black, HERO10 Black, and HERO9 Black. We cannot be assured that we will be successful in expanding the market with new capture perspectives or by adding new versatility to our products. If we are not successful in penetrating additional markets, we might not be able to grow our revenue and we may not recognize benefits from our investment in new areas. We believe that we must continually

develop and..... condition and results of operations. We expect to derive the majority of our revenue from sales of cameras, mounts and accessories for the foreseeable future and an increasing amount of revenue attributable from our ~~software subscription~~ and ~~services~~ ~~service~~. A decline in the price or unit demand for these products, whether due to a ~~strategic~~ shift in our sales channel strategy and, or macroeconomic conditions, including variable tariff rates, competition or otherwise, or our inability to increase sales of higher price point products, would harm our business and operating results more seriously than it would if we derived significant revenue from a variety of product lines and services. In particular, a decline in the price or unit demand of our HERO camera line or MAX camera, or our inability to increase sales of these products, could materially harm our business and operating results. Further, any delays or issues with our new product launches could have a material adverse effect on our business, financial condition, and results of operations. To ensure adequate inventory supply and meet the demands of our retailers and distributors, we must forecast inventory needs and place orders with our contract manufacturers and component suppliers based on our estimates of future demand for particular products as well as accurately track the level of product inventory in the channel to ensure we are not in an over or under supply situation. To the extent we discontinue the manufacturing and sales of any products or services, we must manage the inventory liquidation, supplier commitments and customer expectations. No assurance can be given that we will not incur additional charges in future periods related to our inventory management or that we will ~~accurately not underestimate or overestimate forecasted~~ ~~forecast~~ sales in a future period. Our ability to accurately forecast demand for our products is affected by many factors, including product introductions by us and our competitors, channel inventory levels, unanticipated changes in general market demand, macroeconomic conditions, including inflation or recession, and consumer confidence. If we do not accurately forecast customer demand for our products, we may in future periods be unable to meet consumer, retailer, or distributor demand for our products, or may be required to incur higher costs to secure the necessary production capacity and components, and our business and operating results could be adversely affected. We are ~~increasingly~~ dependent on information systems to ~~develop our products and services~~, process transactions, manage our supply chain and inventory, ship goods on a timely basis, maintain cost-efficient operations, complete timely and accurate financial reporting, operate GoPro.com, and respond to customer inquiries. Cyberattacks may threaten our information systems and are increasing in their frequency, sophistication, and intensity ~~maleficence~~, and have become increasingly difficult to detect. ~~As artificial intelligence capabilities improve and are increasingly adopted, we may see cyber- attacks utilizing or exploiting artificial intelligence~~. Despite the implementation of security measures designed to protect against such threats, our information technology systems, and those of our strategic partners and third parties on whom we rely, are vulnerable to cyber- attacks, security breaches, computer viruses damage, unauthorized access, natural disasters, terrorism, ~~theft or exposure of confidential data~~, war, and ~~other acts of foreign governments, and failures of~~ telecommunication and, ~~electrical failures and other critical systems~~. Our products, services and operating systems may contain unknown security vulnerabilities. For example, the firmware and software that are installed on our products may be susceptible to hacking or misuse, or we may experience disruptions to our GoPro.com platform. In addition, we offer a comprehensive online cloud management service through our GoPro subscription offerings. If malicious actors compromise our products and services, including without limitation hacking or breach of such products and services, our business and our reputation will be harmed. In the ordinary course of our business, we electronically ~~maintain~~ ~~collect, use and store~~ sensitive data, including our intellectual property, our proprietary business information and that of our customers and suppliers, and personally identifiable information of our customers and employees. We ~~collect, use and store~~ and ~~collect~~ user data uploaded by users through the GoPro cloud, mobile and desktop apps and through certain marketing activities. For all of the foregoing, we collect, use and store that information in our or our third-party providers' systems. These systems may be targets of attacks, malware, viruses or phishing attempts by cyber criminals or other wrongdoers seeking to steal our users' content or data, or our ~~customer~~ ~~customers'~~ s-information for financial gain or to harm our business operations or reputation. Any security breach, unauthorized access or usage, or similar breach or disruption of our systems, or the systems of third parties on which we rely including web hosting services, billing and payment processing, or software could result in a disruption to our business or the loss of confidential information, costly investigations, remediation efforts and costly notification to affected consumers. If such content were accessed by unauthorized third parties or deleted inadvertently by us or third parties, our brand and reputation could be adversely affected. ~~Cyberattacks~~ ~~Cyber- attacks~~ could also adversely affect our operating results, consume internal resources and result in litigation or potential liability for us and otherwise harm our business and our reputation. While we maintain industry standard cybersecurity insurance, our insurance may be insufficient for a particular incident or may not cover all liabilities incurred by any such attacks. We also cannot be certain that our insurance coverage will be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, litigation to pursue claims under our insurance policies or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, or denials of coverage, could have a material adverse effect on our business, reputation, operating results and financial condition. ~~The increase in~~ ~~Moreover, many of our employees, service providers and third parties work more frequently on a~~ remote ~~working~~ or hybrid arrangement basis, which may also result in heightened risks related to consumer privacy, network security and fraud. System disruptions, failures, and slowdowns, whether caused by ~~cyberattacks~~ ~~cyber- attacks~~, update failures or other causes, could affect our financial systems and operations. This could cause delays in our supply chain or cause information, including data related to customer orders, to be lost or delayed which could result in delays in the delivery of merchandise to our stores and to customers, or lost sales, especially if the disruption or slowdown occurred during our quarters of peak demand. ~~Further, on July 26, 2023, the SEC adopted new cybersecurity disclosure rules for public companies that require disclosure regarding cybersecurity risk management (including our board of director's role in overseeing cybersecurity risks, management's role and expertise in assessing~~

and managing cybersecurity risks, and processes for assessing, identifying and managing cybersecurity risks) in annual reports on Form 10-K. The new cybersecurity disclosure rules also require the disclosure of material cybersecurity incidents by Form 8-K within four business days of determining that an incident is material. We are subject to such annual report disclosure requirements starting with this Annual Report and we have been subject to such Form 8-K disclosure requirements since December 18, 2023. Complying with these new cybersecurity disclosure obligations, or any additional new disclosure requirements that may apply to us in the future, could cause us to incur substantial costs and could increase negative publicity surrounding any incident that we are required to disclose. Revenue from outside the United States comprised 61 %, 59 %, and 55 % and 52 % of our revenue in 2023, 2022, and 2021 and 2020, respectively, and we expect international revenue to continue to be significant in the future. Further, we currently have foreign operations in Australia, China, France, Germany, Hong Kong, Japan, Netherlands, Philippines, Romania, the United Kingdom (U. K.) and a number of other countries in Europe and Asia. Operating in foreign countries requires significant resources and considerable management attention, and we may enter new geographic markets where we have limited or no experience in marketing, selling, and deploying our products. International expansion has required and will continue to require us to invest significant funds and other resources and we cannot be assured our efforts will be successful. International sales and operations may be subject to risks such as:

- difficulties in staffing and managing foreign operations;
- burdens of complying with a wide variety of laws and regulations, including environmental, packaging and labeling laws or regulations, which can change based on new political conditions;
- delays or disruptions in our supply chain;
- adverse tax effects and foreign exchange controls making it difficult to repatriate earnings and cash;
- changes to the taxation of undistributed foreign earnings;
- the effect of foreign currency exchange rates and interest rates, including any fluctuations caused by, inflation, recessionary concerns, or the strengthening of the U. S. dollar relative to the foreign currencies in which we conduct business;
- political conditions, economic instability, geopolitical turmoil, civil disturbances, or social unrest in a specific country or region in which we operate, including, for example, the effects of Brexit, which could have an adverse impact on our operations in that location, for example, the effects of China-Taiwan relations or conflict in the Middle East;
- organized crime activity;
- terrorist activities, acts of war, natural disasters, and pandemics, including the COVID-19 pandemic;
- wars and global conflicts, including the war in Ukraine and ongoing conflicts around the world;
- quarantines or other disruptions to our operations resulting from pandemics or other widespread public health problems;
- trade restrictions;
- the effects of climate change;
- differing employment practices and laws and labor disruptions;
- the imposition of government controls;
- lesser degrees of intellectual property protection;
- tariffs and customs duties and the classifications of our goods by applicable governmental bodies;
- political instability, including the occurrence of a temporary federal government shutdown;
- a legal system subject to undue influence or corruption; and
- a business culture in which illegal sales practices may be prevalent.

The occurrence of any of these risks could negatively affect our international business and consequently our business, operating results, and financial condition. We believe that our future success is highly dependent on the contributions of our CEO and our executive officers, as well as our ability to attract and retain highly skilled and experienced research and development and other personnel in the United States and abroad. All of our employees, including our executive officers, are free to terminate their employment relationship with us at any time, and their knowledge of our business and industry may be difficult to replace. We have previously implemented global reductions-in-force and restructuring actions to reduce our operating expenses. Our past restructuring actions and any future restructuring actions could have an adverse effect on our business as a result of decreases in employee morale and the failure to meet operational targets due to the loss of employees. If key employees leave, we may not be able to fully integrate new personnel or replicate the prior working relationships, and our operations could suffer as a result. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them, including circumstances beyond our control, including such as increased wages due to inflation, increasing competition among employers in the prevailing labor market, and labor market constraints. We have limited control over these factors. Competition for qualified personnel globally is challenging intense generally and particularly in the San Francisco Bay Area, where our headquarters are located. In particular, we compete with many other companies for skilled positions, and we may not be successful in attracting and retaining the professionals we need. While we utilize competitive salary, bonus, and long-term incentive packages to recruit new employees, many of the companies with which we compete for experienced personnel also have greater resources to do so. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Additionally, the shift to a work from home environment may impact our ability to attract and retain our highly skilled employees. Further, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Fluctuations in the price of our Class A common stock may make it more difficult or costly to use equity compensation to motivate, incentivize and retain our employees. For example, during the year of 2022 2023, our closing stock price ranged from a high of \$ 10.6, 9.1-46 in the first quarter to a low of \$ 4.2, 7.6-43 in the fourth quarter. If we are unable to attract and retain highly skilled personnel, we may not be able to achieve our strategic objectives, and our business, financial condition and operating results could be adversely affected. Our gross margin can vary due to consumer demand, competition, product pricing, product lifecycle, product mix, new product introductions, GoPro.com sales mix, subscription activation, renewals, and cancellations, commodity costs, supply chain, logistics costs and shipping costs, currency exchange rates, trade policy and tariffs, and the complexity and functionality of new product innovations and other factors. For example, our gross margin was 37.32. 2 %, 37.2 %, and 41. 1 % and 35.3 % for 2023, 2022, and 2021 and 2020, respectively. In particular, if we are not able to introduce new products in a timely manner at the product cost we expect, or if consumer demand for our products is less than we anticipate, or if cancellation rates for GoPro our subscriptions- subscription offerings are higher than expected or if there are product pricing, marketing and other initiatives by our competitors to which we need to react or that are initiated by us to drive sales that lower our margins, then our overall gross margin will be less than we project. As we innovate with new products, we may have lower gross margins that do not deliver a sufficient return on

investment. In addition, depending on competition or consumer preferences, we may face higher up-front investments in development to compete or market our products, and increased inventory write-offs. If we are unable to offset these potentially lower margins by enhancing the margins in our product categories, our profitability may be adversely affected. The impact of these factors on gross margin can create unanticipated fluctuations in our operating results, which may cause volatility in the price of our shares. The digital imaging market is highly competitive. Further, competition has intensified in digital imaging as new market entrants and existing competitors have introduced new products and more competitive offerings into our markets. Increased competition, tariffs, and changing consumer preferences may result in pricing pressures, reduced profit margins and may impede our ability to continue to increase the sales of our products or cause us to lose market share, any of which could substantially harm our business and results of operations. We compete against established, well-known camera manufacturers such as Canon Inc. and Nikon Corporation, as well as large, diversified electronics companies such as Samsung Electronics Co. and Sony Corporation, and specialty companies such as Garmin Ltd., the Ricoh Company, Ltd., Shenzhen Arashi Vision Co., Inc. (Insta360), Ltd. and SZ DJI Technology Co., Ltd. Many of our competitors have substantial market share, diversified product lines, well-established supply and distribution systems, strong worldwide brand recognition and greater financial, marketing, research and development and other resources than we do. Additionally, many of our existing and potential competitors enjoy substantial competitive advantages, such as longer operating histories; the capacity to leverage their sales efforts and marketing expenditures across a broader portfolio of products; broader distribution and established relationships with channel partners or vertically integrated business units; access to larger established customer bases; greater resources to make acquisitions; larger intellectual property portfolios; and the ability to bundle competitive offerings with other products and services. Further, new companies may emerge and offer competitive products directly in our category. Certain companies have developed cameras designed and packaged to appear similar to our products, which may confuse consumers or distract consumers from purchasing GoPro products. Moreover, smartphones and tablets with photo and video functionality have significantly displaced the market for traditional cameras, and the makers of those devices also have mobile and other content editing applications and storage for content captured with those devices. Our desktop software application, and GoPro mobile apps, and Quik subscription products offerings may not be as compelling as those offered by other companies, such as Apple, Adobe, or Google, although the Quik mobile application supports content from other platforms including content from iOS and Android. Manufacturers of smartphones and tablets, such as Apple, Google, and Samsung, may continue to design their products for use in a range of conditions similar to our products, including in challenging physical environments and with waterproof capabilities, or develop products with features similar to ours. We rely in part on application marketplaces, such as the Apple App Store and Google Play, to distribute our mobile and desktop apps. Apple and Google may raise commissions, change or modify rules or functionality for apps on the marketplaces, or make access to our apps more difficult, which could adversely impact our business and results of operations. The United States and other countries in which our products are produced or sold internationally have imposed and may impose additional quotas, duties, tariffs, or other restrictions or regulations, or may adversely adjust prevailing quota, duty, tariff levels, or export or other licensing requirements. Countries impose, modify and remove tariffs and other trade restrictions in response to a diverse array of factors, including global and national economic and political conditions, which make it impossible for us to predict future developments regarding tariffs and other trade restrictions. Trade restrictions, including tariffs, quotas, embargoes, safeguards, and customs restrictions, could increase the cost or reduce the supply of products, including components and materials, available to us or may require us to modify our supply chain organization or other current business practices, any of which could harm our business, financial condition and results of operations. We are dependent on international trade agreements and regulations. If the United States were to withdraw from or materially modify certain international trade agreements, our business and operating results could be materially and adversely affected. We do not have internal manufacturing capabilities and rely on several contract manufacturers, including component vendors, located in China, Thailand and in other countries to manufacture our products. Our contract manufacturer locations expose us to risks associated with doing business globally, including risks related to changes in tariffs or other export and import restrictions, and increased security costs. Additionally, the current United States administration continues to signal that it may continue to alter global trade agreements and terms. For example, the United States imposed additional tariffs on imports from China and continues to potentially impose other restrictions on exports from China to the United States. Any announcement by the United States Trade Representative (USTR) to impose tariffs on GoPro cameras products could have a material adverse effect on our United States bound production, business, and results of our United States operations. If these duties are imposed on our cameras products, we may be required to raise our prices, which may result in the loss of customers and harm our business and results of operations, or we may choose to pay for these tariffs without raising prices which may negatively impact our results of operations and profitability. Sales of our products in China are material to our business and represent a significant portion of our revenue. This revenue stream from China is at risk in the event China imposes retaliatory tariffs impacting in-bound sales of our products or imposes any other export restrictions on our products. We continue to monitor manufacturing capabilities outside of China and currently manufacture certain cameras in Thailand to mitigate risks of additional tariffs, duties or other restrictions on our products destined for the United States and may choose to transition more manufacturing outside of China. Our success will depend in part upon our ability to effectively manage our operating expenses, including but not limited to our cash management, effectively. We incurred an operating loss in 2023, and we generated positive operating income for the full year of 2022 and 2021, though we incurred significant operating losses in 2020. As of December 31, 2022 2023, we had an accumulated deficit of \$ 196.249.43 million. We have implemented global reductions-in-force and other restructuring actions to reduce our operating expenses. We However, we may not realize the cost savings expected from our cost reduction actions. We will need to continue to maintain and improve our operational, financial and management controls, reporting processes and procedures, and financial and business information systems. We are also investing in areas we believe will grow revenue and our operating expenses might increase as a result of these investments. If we are unable to operate

efficiently and manage our costs, we may continue to incur significant losses in the future and may not be able to maintain or achieve profitability. Our ten largest third- party customers, measured by the revenue we derive from them, accounted for **44 %**, **41 %**, **and 46 %** and **44 %** of our revenue in **2023**, **2022**, **and 2021** and **2020**, respectively. One retailer accounted for **10 %**, **8 %**, **and 11 %** and **10 %** of our revenue for **2023**, **2022**, **and 2021** and **2020**, respectively. The loss of a small number of our large customers, or the reduction in business with one or more of our large customers, could have a significant adverse effect on our operating results. In addition, we may choose to temporarily or permanently stop shipping product to customers who do not follow the policies and guidelines in our sales agreements, which could have a material negative effect on our revenues and operating results. Our sales agreements with these large customers do not require them to purchase any meaningful amount of our products annually and we grant limited rights to return product to some of these large customers. Our success depends on the value and reputation of our brand, including our primary trademarks “GOPRO,” “HERO,” and the GoPro logos. The GoPro brand is integral to the growth of our business and expansion into new markets. Maintaining, promoting and positioning our brand will largely depend on the success of our marketing and merchandising efforts, including through establishing relationships with high profile sporting and entertainment events, venues, sports leagues and sports associations, athletes and celebrity personalities, our ability to provide consistent, high quality products and services, and our consumers’ satisfaction with the technical support and software updates we provide, each of which requires significant expenditures. Failure to grow and maintain our brand, launch new products on schedule and free of defects or negative publicity related to our products, our consumers’ user- generated content, the athletes we sponsor, the celebrities we are associated with, or the labor policies of any of our suppliers or manufacturers could adversely affect our brand, business and operating results. Maintaining and enhancing our brand also requires substantial financial investments, although there is no guarantee that these investments will increase sales of our products or positively affect our operating results. Consumers use our cameras, and their associated mounts and accessories to self- capture their participation in a wide variety of physical activities, including extreme sports, which in many cases carry the risk of significant injury or death. We may be subject to claims that users have been injured or harmed ~~by or~~ while using our products, including false claims or erroneous reports relating to safety, security, or privacy issues. Although we maintain insurance to help protect us from the risk of such claims, such insurance may not be sufficient or may not apply to all situations. Similarly, proprietors of establishments at which consumers engage in challenging physical activities could seek to ban the use of our products in their facilities to limit their own liability. In addition, if lawmakers or governmental agencies were to determine that the use of our products increased the risk of injury or harm to all or a subset of our users or should otherwise be restricted to protect consumers, they may pass laws or adopt regulations that limit the use of our products or increase our liability associated with the use of our products. Any of these events could adversely affect our brand, operating results, and financial condition. We generally provide a 12- month warranty on all of our cameras, except in the European Union **(the EU)**, where we provide a two- year warranty. For certain mounts and accessories, where permitted, we provide a lifetime or limited lifetime warranty. The occurrence of any material defects in our products could make us liable for damages and warranty claims in excess of our current reserves. In addition, we could incur significant costs to correct any defects, warranty claims or other problems, including costs related to product recalls. Any negative publicity related to the perceived quality and safety of our products could affect our brand image, decrease retailer, distributor and consumer confidence and demand, and adversely affect our operating results and financial condition. Additionally, if defects are not discovered until after consumers purchase our products, they could lose confidence in the technical attributes of our products and our business could be harmed. Also, while our warranty is limited to repairs or returns and replacement, warranty claims may result in litigation, the occurrence of which could adversely affect our business and operating results. Based on our historical experience with our camera products, we have an established methodology for estimating warranty liabilities with respect to cameras and accessories; however, this methodology may not accurately predict future rates of warranty claims. We have completed several acquisitions, **and recently announced our intent to acquire and an Australian based company that is expected to close in Q1 of 2024, subject to customary closing conditions. We** may evaluate additional acquisitions ~~of, partnerships, or joint ventures with~~, or strategic investments in, other companies, products or technologies that we believe are complementary to our business. Negotiating these transactions can be time- consuming, difficult, and expensive, and our ability to close these transactions may be subject to third- party or government approvals, which are beyond our control. Consequently, we can make no assurance that these transactions, once undertaken and announced, will close. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by users or investors. In addition, if we encounter difficulties assimilating or integrating the businesses, technologies, products, personnel, or operations of acquired companies, particularly if the key personnel of the acquired business choose not to work for us, or we have difficulty retaining the customers of any acquired business, the revenue and operating results of the combined company could be adversely affected. Acquisitions may disrupt our ongoing operations, divert management from their primary responsibilities, subject us to additional liabilities, increase our expenses and adversely affect our business, financial condition, operating results, and cash flows. In addition, our original estimates and assumptions used in assessing any transaction may be inaccurate, including estimates of accounting charges. We have recorded significant goodwill and intangible assets in connection with our acquisitions, and in the future, if our acquisitions do not yield expected revenue, **or if other factors negatively impact the fair value of our recorded goodwill or intangible assets**, we may be required to take material **non- cash** impairment charges that could adversely affect our results of operations. We may have to pay cash, incur debt, or issue equity securities to enter into any such acquisition, joint venture, strategic alliances or partnership, which could affect our financial condition or the value of our capital stock. Furthermore, acquisitions may require large one- time charges and can result in increased debt or contingent liabilities, adverse tax consequences, additional stock- based compensation expense and the recording and subsequent amortization or impairments of amounts related to certain purchased intangible assets, any of which could negatively affect our future results of operations. We cannot assure investors that the anticipated benefits of any acquisition or investment will be realized. **We review goodwill**

for impairment at least annually or more frequently if indicators of impairment arise, and should market conditions or macroeconomic conditions continue to deteriorate, including a rise in inflationary pressures and interest rates, a sustained decline in our share price, or a decline in our results of operations, the result of such review may indicate a decline in the fair value of goodwill resulting in an impairment charge. In March 2020, the event we are required to record a non-cash impairment charge to our goodwill, other intangibles, and / or long-lived assets, such non-cash charge could have a material adverse effect on our business, financial condition, and new government regulations is uncertain. The global COVID-19 pandemic continues to evolve and the impact of new variants, increase in cases, or our business, financial condition, and new government regulations is uncertain. As a result, we accelerated a shift in our sales channel strategy to focus more on direct-to-consumer sales through GoPro.com, and implemented the 2020 Restructuring Plan to realign our workforce to areas of growth combined with certain cost saving measures which reduced our operating expenses in 2020 as a result of a 20% reduction of our global workforce and the consolidation of certain leased office facilities. The pandemic may adversely affect our customers, our employees and our employee productivity. It may also impact the ability of our contract manufacturers, vendors and suppliers to operate and fulfill their contractual obligations, and result in an increase in costs, tariffs, delays or disruptions in performance. These supply chain effects, the direct effect of the virus and the disruption on our employees and operations, may negatively impact both our ability to meet customer demand and our revenue and profit margins. We might experience changes in consumer demand due to travel restrictions or economic instability and uncertainty. Additionally, the pandemic's impact on local and global economies could materially impact consumer purchases of discretionary items, such as our products, which tend to decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty and may slow our growth more than we anticipate. Both the health and economic aspects of the continued COVID-19 pandemic are highly fluid, and the future course of each is uncertain and subject to change. Our headquarters are located in the San Francisco Bay Area of California, an area susceptible to earthquakes. A major earthquake or other natural disaster, fire, threat of fire, act of terrorism, public health issues or other catastrophic event in California or elsewhere that results in the destruction or disruption of any of our critical business operations or information technology systems could severely affect our ability to conduct normal business operations and, as a result, our future operating results could be harmed. Our key manufacturing, supply and distribution partners have global operations including in, among other countries, China, Thailand, Hong Kong, Japan, Mexico, Netherlands, Singapore, Taiwan, and the United States. Political instability, global conflicts, public health issues, crises, pandemics, or other catastrophic events in any of those countries, including as a result of climate change, could adversely affect our business in the future, our financial condition and operating results. We have also been increasing allegations of greenwashing against companies making significant ESG claims due to a variety of perceived deficiencies in performance. As stakeholder perceptions of sustainability continue to evolve, we may face reputational damage and potential stakeholder engagement and / or litigation in the event that we do not meet the ESG standards set by various constituencies. In addition, there exists certain "anti-ESG" sentiment among some individuals and government institutions, and we may also face scrutiny, reputational risk, lawsuits, or market access restrictions from these parties regarding our ESG initiatives. In July 2022, we published our inaugural Sustainability Snapshot Report which highlights our ongoing efforts to reduce address the environmental impact on the use of materials in our consumer packaging carbon footprint in our US locations, our commitment to focus on strategic recruiting practices to serve as the foundation for our diverse workforce, and to continue continuing to maintain create a more inclusive, representative, and equitable organization, and our commitment to legal and ethical business practices. In July 2023, we published our 2023 Sustainability Snapshot, sharing our progress on these initiatives. These statements reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Our ability to achieve any ESG objective is subject to numerous risks, many of which are outside of our control. Examples of such risks include the availability and cost of renewable energy sources, evolving consumer protection and other regulatory laws applicable to ESG-CSR matters and, the availability of materials and suppliers that can meet our sustainability and other CSR goals, and the availability of funds to invest in ESG initiatives in times where we are seeking to reduce costs. As a result, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope, target and timelines of previously announced ESG initiatives or goals. If we fail to satisfy the expectations of investors, regulators, customers, employees, and other stakeholders, if our initiatives are not executed as planned, or if we fail to implement sufficient oversight or accurately capture and disclose ESG matters, our reputation and business, operating results and financial condition could be adversely impacted. Standards for tracking and reporting ESG-CSR matters continue to evolve. Our selection of voluntary disclosure frameworks and standards, and the interpretation or application of those frameworks and standards, may change from time to time or differ from those of others. Methodologies for reporting ESG-CSR data may be updated and previously reported ESG data may be adjusted to reflect improvement in availability and quality of third-party data, changing assumptions, changes in the nature and scope of our operations and other changes in circumstances. Our

processes and controls for reporting ESG-CSR matters across our operations and supply chain are evolving along with multiple disparate standards for identifying, measuring, and reporting ESG metrics, including ESG-CSR related disclosures pursuant to new voluntary disclosure standards and those that may be required by the SEC and other regulators, and such standards, or interpretation and guidance thereof, may change over time, which could result in significant revisions to our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future. Risks related to our Intellectual Property and technology licenses Our intellectual property and proprietary rights may not adequately protect our products and services, and our business may suffer if third parties infringe our rights. We own patents, trademarks, copyrights, trade secrets, and other intellectual property (collectively “intellectual property”) related to aspects of our products, software, services, and designs. Our commercial success may depend in part on our ability to obtain, maintain and protect these rights in the United States and abroad. We regularly file patent applications to protect innovations arising from our research, development, and design as we deem appropriate. We may fail to apply for patents on important products, services, technologies, or designs in a timely fashion, or at all. We may not have sufficient intellectual property rights in all countries where unauthorized third-party copying or use of our proprietary technology occurs, and the scope of our intellectual property might be more limited in certain countries. Our existing and future patents may not be sufficient to protect our products, services, technologies, or designs and / or may not prevent others from developing competing products, services, technologies or designs. We cannot predict the validity and enforceability of our patents and other intellectual property with certainty. We have registered, applied to register, and / or used certain of our trademarks in several jurisdictions worldwide. In some of those jurisdictions, third-party registrations, filings, or common law use exist for the same, similar or otherwise related products or services, which could block the registration of or ability to use our marks. Even if we are able to register our marks, competitors may adopt or file similar marks to ours, seek to cancel our trademark registrations, register domain names that mimic or incorporate our marks, or otherwise infringe upon or harm our trademark rights. Although we police our trademark rights carefully, there can be no assurance that we are aware of all third-party uses or that we will prevail in enforcing our rights in all such instances. Any of these negative outcomes could affect the strength, value and effectiveness of our brand, as well as our ability to market our products. We have also registered domain names for websites, or URLs, that we use in our business, such as GoPro.com, as well as social media handles. If we are unable to protect our domain names or social media handles, our brand, business, and operating results could be adversely affected. Domain names or social media handles similar to ours have already been registered in the United States and elsewhere, and we may not be able to prevent third parties from acquiring and using domain names or social media handles that infringe, are similar to, or otherwise decrease the value of, our trademarks. In addition, we might not be able to, or may choose not to, acquire, or maintain trademark registrations, domain names, social media handles or other related rights in certain jurisdictions. Unauthorized third parties may try to copy or reverse engineer our products, infringe upon or misappropriate our intellectual property, or otherwise gain access to our technology. We may discover unauthorized products in the marketplace that are knock-offs, infringements, or counterfeit reproductions of our products. If we are unable to stop producers or sellers of infringing or counterfeit products, sales of these products could adversely impact our brand and business. Litigation may be necessary to enforce our intellectual property rights. Initiating infringement proceedings against third parties can be expensive, may take significant time, and may divert management’s attention from other business concerns. We may not prevail in litigation to enforce our intellectual property rights against unauthorized use. We have been, and in the future may be, subject to intellectual property and proprietary rights claims from third parties, and may be sued by third parties for alleged infringement. Third parties, including competitors and non-practicing entities, have made allegations of and brought intellectual property infringement, misappropriation, and other intellectual property rights claims against us, including the matter described in Note 9 Commitments, contingencies, and guarantees in the Notes to Consolidated Financial Statements of this Annual Report on Form 10-K. While we will defend ourselves vigorously against any such existing and future legal proceedings, the effort and expense to support such disputes and litigation is considerable and we may not prevail or obtain favorable outcomes against all such allegations, including in the matter described in Note 9 Commitments, contingencies, and guarantees in the Notes to Consolidated Financial Statements of this Annual Report on Form 10-K. We may seek licenses from third parties where appropriate, but they could refuse to grant us a license or demand commercially unreasonable terms. Further, an adverse ruling in an infringement proceeding could force us to suspend or permanently cease the production or sale of products / services, face a temporary or permanent injunction, redesign our products / services, rebrand our products / services, pay significant settlement costs, pay third-party license fees or damage awards or give up some of our intellectual property. The occurrence of any of these events may materially and adversely affect our business, financial condition, operating results, or cash flows. If we are unable to maintain, license, or acquire rights to include intellectual property owned by others in the products, services or content distributed by us, our marketing, sales or future business strategy could be affected, or we could be subject to lawsuits relating to our use of this content. The distribution of GoPro content helps to market our brand, products, and subscription and services service, and software. If we cannot continue to acquire rights to distribute user-generated content or to use and distribute music, athlete and celebrity names and likenesses or other content for our original productions or third-party entertainment distribution channels or for our software products mobile app, our marketing efforts could be diminished, our sales could be harmed and our future content strategy could be adversely affected. In addition, third-party content providers or owners may allege that we have violated their intellectual property rights. If we are unable to obtain sufficient rights, successfully defend our use of or otherwise alter our business practices on a timely basis in response to claims of infringement, misappropriation, misuse or other violation of third-party intellectual property rights, our business may be adversely affected. As a user and distributor of content, we face potential liability for rights of publicity and privacy, as well as copyright, or trademark infringement or other claims based on the nature and content of materials that we distribute. If we are found to violate such third-party rights, then our business may suffer. We use open source software in our platform that may subject our technology to general release or require us to re-engineer our solutions, which may harm our business. We use open source

software in connection with our products and services. From time to time, companies that incorporate open source software into their products or services have faced claims challenging the ownership of open source software and / or compliance with open source license terms. Therefore, we could be subject to suits by parties claiming ownership of what we believe to be open source software or noncompliance with open source licensing terms. Some open source software licenses require users who distribute or make available open source software as part of their software to publicly disclose all or part of the source code to such software or make available any derivative works of the open source code on unfavorable terms or at no cost. While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose the source code or that would otherwise breach the terms of an open source agreement, such use could nevertheless occur **despite policies and controls that we have in place**, and we may be required to publicly release our proprietary source code, pay damages for breach of contract, re-engineer our applications, discontinue sales in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our development efforts, any of which could adversely affect our business, financial condition or operating results. **In addition to risks related to license requirements, use of open- source software can involve greater risks than those associated with use of third- party commercial software, as open- source licensors generally do not provide warranties, assurances of title, performance, non- infringement, or controls on the origin of the software. There is typically no support available for open- source software, and we cannot assure you that the authors of such open- source software will not abandon further development and maintenance. Open- source software may contain security vulnerabilities, and we may be subject to additional security risk by using open- source software. Many of the risks associated with the use of open- source software cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have established processes to help alleviate these risks, including a review process for screening requests from our development organizations for the use of open- source software, but we cannot be sure that all open- source software is identified or submitted for approval prior to use in our solution.** Risks related to regulatory compliance We are subject to governmental regulation and other legal obligations, particularly related to privacy, data protection and information security, and our actual or perceived failure to comply with such obligations could adversely affect our business and operating results. Personal privacy, data protection and information security are significant issues in the United States and the other jurisdictions where we offer our products and services. The regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Our handling of data is subject to a variety of laws and regulations, including regulation by various government agencies, including the United States Federal Trade Commission (FTC) and various state, local and foreign regulators and agencies. Our agreements with certain customers and business partners may also subject us to certain requirements related to our processing of personal information, including obligations to use industry- standard or reasonable security measures to safeguard personal information. The United States and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use and storage of personal information of individuals, including end- customers and employees. In the United States, the FTC and many state attorneys general are applying federal and state consumer protection laws to the online collection, use, processing, storage, deletion, and dissemination of personal information. Further, all states have enacted laws requiring companies to notify individuals, regulatory authorities and others of security breaches involving personal information. We also expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, the **EU European Union** and other jurisdictions, and we cannot yet determine **always predict** the impact of such future laws, regulations, and standards may have on our business. We expect that existing laws, regulations, and standards may even be interpreted differently **or inconsistently relative to each other** in the future. **For example, California implemented initiated the first wave of state consumer privacy laws by enacting the California Consumer Privacy Act (the CCPA), as amended by the California Privacy Rights Act (, or the "CPRA 2"), with amended requirements taking effect in 2023 to be followed by additional regulations promulgated by the newly created California Privacy Protection Agency, which is charged with developing new privacy regulations under the CCPA as will well as enforcing be effective on July 1, 2023 and will amend the existing CCPA / CPRA. Following California 's lead Consumer Privacy Act. Additionally, comparable consumer several other states enacted privacy laws are set to which took effect in 2023, and additional state privacy laws will take effect in 2023-2024 in other several states.** Failure to comply with these new state regulations may result in significant civil penalties, injunctive relief, or statutory or actual damages. Complying with this new privacy legislation may result in additional costs and expenses. Additionally, many foreign countries and governmental bodies, including Australia, the **European Union (EU), the U. K.**, India, Japan, and numerous other jurisdictions in which we operate or conduct our business, have laws and regulations concerning the collection, use, processing, storage, and deletion of personal information obtained from their residents or by businesses operating within their jurisdiction. These laws and regulations often are more restrictive than those in the United States. For example, in the EU, **and the U. K., the respective EU or U. K.** General Data Protection Regulation (GDPR) imposes more stringent **EU**-data protection requirements, provides an enforcement authority, and imposes large penalties for noncompliance. If we fail to comply with the **respective** GDPR or if regulators assert that we have failed to comply with the GDPR, we may be subject to fines of up to 4 % of our worldwide annual revenue **under EU GDPR requirements and up to 4 % of our worldwide annual turnover under the UK 's implementation of GDPR**. Among other requirements, **both the EU and U. K.** GDPR regulates transfers of personal data outside of the EU to countries that have not been found to provide adequate protection to personal data, including the United States, requiring that certain steps are taken to legitimize those transfers. We have undertaken certain efforts to conform transfers of personal data from the EU to the United States and other jurisdictions based on our understanding of current regulatory obligations and the guidance of **regulators and** data protection authorities. Despite this, we may be unsuccessful in establishing or maintaining conforming means of transferring such data from the European Economic Area, **or EEA, the U. K.** particularly as a result of continued legal and legislative activity within

the EU that has challenged or called into question the legal basis for existing means of data transfers to countries that have not been found to provide adequate protection for personal data. ~~We~~ Further, the United Kingdom (U. K.) exited the EU on January 31, 2020 (also known as “Brexit”), which resulted in additional regulation of data protection in the U. K. that may continue to ~~monitor these~~ lead to further legislative and regulatory changes. In response to Brexit, the U. K. implemented the Data Protection Act that contains provisions that substantially implements the GDPR, including its own derogations for how GDPR is applied in the U. K., with penalties for noncompliance of up to the greater of £ 17. 5 million (€ 20 million) or four percent of worldwide revenues. These changes have and ~~legal developments~~ may continue to lead to additional costs as we try to ensure compliance with new privacy legislation and will increase our overall risk exposure. In addition to government regulation, privacy advocates and industry groups may propose new and different self- regulatory standards. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards. It is possible that if our practices are not consistent, or are viewed as not consistent, with legal and regulatory requirements, including changes in laws, regulations and standards or new interpretations or applications of existing laws, regulations and standards, we may become subject to audits, inquiries, whistleblower complaints, adverse media coverage, investigations, loss of export privileges, ~~fin~~, ~~awards, penalties, injunctions, judgments,~~ or severe criminal or civil sanctions, all of which may have a material adverse effect on our business, operating results, reputation, and financial condition. ~~One example of such a self- regulatory standard is the Payment Card Industry Data Security Standard, or PCI DSS, which relates to the processing of payment card information. In the event we are required to comply with the PCI DSS but fail to do so, fines and other penalties could result, and we may suffer reputational harm and damage to our business.~~ Future laws, regulations, standards and other obligations, as well as changes in the interpretation of existing laws, regulations, standards and other obligations could impair our ability to collect, use or disclose information relating to individuals, which could decrease demand for our products, require us to restrict our business operations, increase our costs, and impair our ability to maintain and grow our customer base and increase our revenue. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable laws, regulations, policies ~~(including ESG- related policies)~~, industry standards, contractual obligations or other legal obligations could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business and operating results. We could be adversely affected by violations of the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act or similar anti- bribery laws in other jurisdictions in which we operate. The global nature of our business and the significance of our international revenue create various domestic and local regulatory challenges and subject us to risks associated with our international operations. The United States Foreign Corrupt Practices Act ~~(, or FCPA)~~, the United Kingdom Bribery Act 2010 ~~(, or the U. K. Bribery Act)~~, and similar anti- bribery and anti- corruption laws in other jurisdictions generally prohibit United States based companies and their intermediaries from making improper payments to non- United States officials for the purpose of obtaining or retaining business, directing business to another, or securing ~~an a~~ ~~competitive~~ advantage. In addition, United States public companies are required to maintain records that accurately and fairly represent their transactions and have an adequate system of internal accounting controls. Under the FCPA, United States companies may be held liable for the corrupt actions taken by ~~their~~ directors, officers, employees, agents, or other strategic or local partners or representatives. As such, if we or our intermediaries fail to comply with the requirements of the FCPA or similar legislation, governmental authorities in the United States and elsewhere could seek to impose substantial civil and / or criminal fines and penalties, which could have a material adverse effect on our business, reputation, operating results, and financial condition. We operate in areas of the world that experience corruption by government officials to some degree and, in certain circumstances, compliance with anti- bribery and anti- corruption laws may conflict with local customs and practices. Our global operations require us to import and export to and from several countries, which geographically expands our compliance obligations. In addition, changes in such laws could result in increased regulatory requirements and compliance costs which could adversely affect our business, financial condition, and results of operations. We cannot be assured that our directors, officers, employees, agents or other strategic or local partners or representatives will not engage in prohibited conduct and render us responsible under the FCPA or the U. K. Bribery Act. While we have compliance programs ~~in place~~, they may not be effective to prevent violations from occurring and ~~our directors, officers,~~ employees, ~~or agents~~ may engage in prohibited conduct, nonetheless. If we are found to be in violation of the FCPA, the U. K. Bribery Act or other anti- bribery or anti- corruption laws (either due to ~~the~~ acts or inadvertence of our employees, or due to the acts or inadvertence of others), we could suffer criminal or civil penalties or other sanctions, which could have a material adverse effect on our business, reputation, operating results and financial ~~conditions- condition~~. If we fail to comply with ~~regulations relating to~~ environmental ~~regulations and social matters, including the SEC’ s~~ and conflict minerals ~~disclosures- disclosure rules~~, our business, financial condition, operating results, and reputation could be adversely affected. We are subject to various federal, state, local, and international environmental laws and regulations including laws regulating the manufacture, import, use, discharge, and disposal of hazardous materials, labeling and notice requirements relating to potential consumer exposure to certain chemicals, and laws relating to the collection of and recycling of electrical and electronic equipment and their packaging. We are also subject to the SEC’ s conflict minerals rule which requires disclosure by public companies of the origin, source, and chain of custody of specified minerals, known as “conflict minerals”, that are necessary to the functionality or production of products manufactured or contracted to be manufactured. We have and will continue to incur costs associated with complying with the rule, such as costs related to sourcing of certain minerals (or derivatives thereof), the determination of the origin, source and chain of custody of the minerals used in our products, the adoption of conflict minerals- related governance policies, processes and controls, and possible changes to products or sources of supply as a result of such activities. Within our supply chain, we may not be able to sufficiently verify the origins of the relevant minerals used in our products through the data collection and due diligence procedures that we implement, which may harm our reputation. Although we have policies and procedures in place requiring our contract manufacturers and major component suppliers to comply with applicable federal, state, local and

international requirements, we cannot confirm that our manufacturers and suppliers consistently comply with these requirements. In addition, if there are changes to these or other laws (or their interpretation) or if new similar laws are passed in other jurisdictions, we may be required to re-engineer our products to use components compatible with these regulations. This re-engineering and component substitution could result in additional costs to us or disrupt our operations or logistics. Changes in interpretation of any federal, state, local or international regulation may cause us to incur costs or have additional regulatory requirements to meet in the future in order to comply **with such regulations**, or with any similar laws adopted in other jurisdictions. Our failure to comply with past, present, and future similar laws could result in reduced sales of our products, substantial product inventory write-offs, reputational damage, penalties and other sanctions, which could harm our business and financial condition. We also expect that our products will be affected by new environmental laws and regulations, including but not limited to laws and regulations focused on climate change, on an ongoing basis. **Concerns about Climate-climate change has had have driven** significant legislative and regulatory ~~effects~~ **changes** on a global basis, and there are expected to be additional changes to the regulations in these areas. These changes could directly increase the cost of energy, which may have an impact on the way we manufacture products or utilize energy to produce our products. We may also become subject to regulations resulting in increased disclosure obligations with respect to **climate change, including with respect to** our greenhouse gas emissions. In addition, any new regulations or laws in the environmental area might increase the cost of raw materials we use in our products and the cost of compliance, or ~~could~~ cause disruptions in the manufacture of our products and result in increased procurement, production, and distribution costs. Our reputation and brand could be harmed if we fail, or are ~~seen~~ **perceived** as having failed, to respond responsibly and effectively to changes in legal and regulatory measures adopted to address climate change. **We face increasing complexity in our product design and procurement operations as we adjust to new and future requirements relating to the composition of our products, their safe use, the energy consumption associated with those products, climate change laws and regulations, and product repairability, reuse, recallability and take-back legislation.** Other regulations in the environmental area may require us to continue to monitor and ensure proper disposal or recycling of our products. Since we operate on a global basis, this is a complex process that requires continual monitoring. To date, our expenditures for environmental compliance have not had a material effect on our results of operations or cash flows and, although we cannot predict the future effect of such laws or regulations, they will likely result in additional costs and may increase penalties associated with violations or require us to change the content of our products or how they are manufactured, which could have a material adverse effect on our business and financial condition. **In addition, new disclosure standards and rules related to other ESG matters, including with respect to human rights, impact on affected communities, pollution, water stewardship, biodiversity and the circular economy, have been adopted and may continue to be introduced in various states and other jurisdictions. For example, the European Union Corporate Sustainability Reporting Directive became effective in 2023 and applies to both EU and non-EU entities. In October 2023, California adopted new carbon and climate-related reporting requirements for large public and private companies doing business in the state. Further, the SEC is expected to finalize a climate change disclosure proposal in 2024. As the nature, scope, and complexity of ESG reporting, diligence and disclosure requirements expand, significant effort and expenses could be required to comply with the evolving requirements. As our disclosure obligations increase, third parties may make claims or bring litigation relating to those disclosures which may be costly.** We are subject to governmental export and import controls and economic sanctions laws that could subject us to liability and impair our ability to compete in international markets. The United States and various foreign governments have imposed controls, export license requirements, and restrictions on the import or export of some technologies **and products. The U. S. Department of the Treasury's Office of Foreign Assets Control, the Department of Commerce's Bureau of Industry and Security, and U. S. Customs and Border Protection administer regulations that restrict U. S. persons in conducting certain export and import activities, as well as conducting business with or in certain countries, governments, entities, and individuals.** Our activities and products are **consequently** subject to United States **import, economic sanctions and** export ~~controls~~ **control laws**, and exports **and imports** of our products must be made in compliance with **such various economic and trade sanctions laws, which are complex and continuously changing.** Furthermore, United States export control laws and economic sanctions prohibit the provision of products and services to countries, governments, and persons, **and for specified end uses, that are** targeted by United States **economic sanctions and export control laws.** Even though we ~~take precautions~~ **have established procedures designed to prevent enable** our **compliance with** products from being provided to targets of United States **sanctions and export control laws, and it is our policy not to do business with any countries or customers located in countries targeted by comprehensive U. S. economic sanctions,** our products, including our firmware updates, **could inadvertently be provided to targets of U. S. economic sanctions and export control laws, or** could be provided **by our customers** to those targets ~~or provided by our customers~~. Any such provision, **as well as any other activity or transaction contrary to U. S. economic sanctions and export control laws,** could have negative consequences, including government investigations, **denial of export privileges,** penalties and reputational harm. Our failure to obtain required import or export approval for our products **or activities** could harm our international and domestic sales and adversely affect our **business, revenue and results of operations.** We could ~~be also become~~ subject to future enforcement action with respect to compliance with governmental export and import controls and economic sanctions laws that result in penalties, costs, and restrictions on export privileges that could have a material effect on our business and operating results. Risks related to our need for additional capital We may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs. In the future, we may require additional capital to respond to business opportunities, challenges, acquisitions, or unforeseen circumstances and may determine to engage in equity or debt financings or enter into credit facilities for other reasons. We may not be able to timely secure additional financing on favorable terms, or at all, due to among other things, general macroeconomic conditions, including **rising changes in** interest rates, **market volatility,** and inflation. Additionally, our current credit facilities contain restrictive covenants

relating to our capital raising activities and other financial and operational matters, and any debt financing obtained by us in the future could involve further restrictive covenants, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. Further, even if we are able to obtain additional financing, we may be required to use such proceeds to repay a portion of our debt. If we raise additional funds through the issuance of equity or convertible debt or other equity-linked securities, our existing stockholders could suffer significant dilution. If we are unable to obtain adequate financing under our credit facility, or alternative sources, when we require it, our ability to grow or support our business and to respond to business challenges could be significantly limited. In the event additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. Risks related to ownership of our Class A common stock Our stock price has been and will likely continue to be volatile. Since shares of our Class A common stock were sold in our ~~IPO~~ **initial public offering** in July 2014 at a price of \$ 24. 00 per share, our closing stock price has ranged from \$ 2. 01 to \$ 93. 85 per share through December 31, ~~2022~~ **2023**. Our stock price may fluctuate in response to a number of events and factors, such as quarterly operating results ~~;~~, changes in our financial projections provided to the public or our failure to meet those projections ~~;~~, the public' s reaction to our press releases, other public announcements and filings with the SEC ~~;~~, significant transactions, or new features, products or services offered by us or our competitors ~~;~~, changes in our business lines and product lineup ~~;~~, changes in financial estimates and recommendations by securities analysts ~~;~~, media coverage of our business and financial performance ~~;~~, the operating and stock price performance of, or other developments involving, other companies that investors may deem comparable to us ~~;~~, trends in our industry ~~;~~, any significant change in our management ~~;~~, and general economic conditions. These factors, as well as the volatility of our Class A common stock, could also affect the price of our convertible senior notes. In addition, the stock market in general, and the market prices for companies in our industry, have experienced volatility that often has been unrelated to operating performance. These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance. Price volatility over a given period may cause the average price at which we repurchase our own stock to exceed the stock' s price at a given point in time. Volatility in our stock price also affects the value of our equity compensation, which affects our ability to recruit and retain employees. In addition, some companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We have been subject to past shareholder class action lawsuits as well as derivative lawsuits and may continue to be a target for such litigation in the future. Securities litigation against us could result in substantial costs and liability and divert our management' s attention from other business concerns, which could harm our business. See Note 9 Commitments, contingencies ~~;~~ and guarantees, in the Notes to Consolidated Financial Statements **of this Annual Report on Form 10- K** for a discussion on legal proceedings. If we fail to meet expectations related to future growth, profitability, or other market expectations, our stock price may decline significantly, which could have a material adverse effect on investor confidence and employee retention. A sustained decline in our stock price and market capitalization could lead to impairment charges. The dual class structure of our common stock has the effect of concentrating voting control with our CEO and we cannot predict the effect our dual class structure may have on our stock price or our business. Our Class B common stock has 10 votes per share, and our Class A common stock has one vote per share. Stockholders who hold shares of Class B common stock hold approximately ~~67-68~~ **10** % of the voting power of our outstanding capital stock as of December 31, ~~2022~~ **2023** with Mr. Woodman, our Chairman and CEO, holding approximately 64. ~~19~~ % of the outstanding voting power. Mr. Woodman is able to control all matters submitted to our stockholders, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our other stockholders support, or conversely this concentrated control could result in the consummation of such a transaction that our other stockholders do not support. This concentrated control could also discourage a potential investor from acquiring our Class A common stock due to the limited voting power of such stock relative to the Class B common stock and might harm the trading price of our Class A common stock. In addition, we cannot predict whether our dual class structure, combined with the concentrated control by Mr. Woodman, will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index providers, including FTSE Russell and S & P Dow Jones, ~~have previously~~ announced restrictions on including companies with multiple- class share structures in certain of their indexes **that were then reversed**. Because of our dual class structure, we may be excluded from these indexes **in the future if new restrictions are announced**, and we cannot assure you that other stock indexes will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indexes, exclusion from stock indexes would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected. Delaware law and provisions in our restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer ~~;~~, or proxy contest difficult, thereby depressing the trading price of our Class A common stock. Our status as a Delaware corporation and the anti- takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change in control would be beneficial to our existing stockholders. In addition, our restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult without the approval of our board of directors, **limit attempts by our stockholders to replace or remove our current management, limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees, limit the market price of our Class A common stock** or otherwise adversely affect the rights of the holders of our Class A and Class B common stock ~~.~~ **Our restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action**

asserting a claim against us arising pursuant to the Delaware General Corporation Law (DGCL), our restated certificate of incorporation, or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Risks related to our indebtedness and capped call transactions We have indebtedness in the form of convertible senior notes. In April 2017, we completed an offering of \$ 175.0 million aggregate principal amount of 3.50% convertible senior notes due 2022 (2022 Notes). We repurchased \$ 50.0 million aggregate principal amount of the 2022 Notes in November 2020, and we repaid the remaining principal amount of \$ 125.0 million at maturity in April 2022. In November 2020, we completed an offering of \$ 143.8 million aggregate principal amount of 1.25% convertible senior notes due 2025 (2025 Notes). **In November 2023, we repurchased \$ 50.0 million in aggregate principal amount of the 2025 Notes for \$ 46.3 million in cash.**

As a result of the 2025 Notes, we ~~now have~~ incurred an additional \$ 143.8 million **in aggregate** principal amount of indebtedness, the principal amount of which we may be required to pay at maturity in 2025. Holders of the **remaining** 2025 Notes will have the right to require us to repurchase their 2025 Notes upon the occurrence of a fundamental change at a purchase price equal to 100% of the principal amount of the 2025 Notes to be purchased, plus accrued and unpaid interest, if any. In addition, the indentures for the 2025 Notes ~~provides~~ **provide** that we are required to repay amounts due under such indenture in the event that there is an event of default for the 2025 Notes that results in the principal, premium, if any, and interest, if any, becoming due prior to ~~the~~ **the** maturity ~~of date for~~ of the 2025 Notes. There can be no assurance that we will be able to repay our indebtedness when due, or that we will be able to refinance our indebtedness, all or in part, on acceptable terms. In addition, our indebtedness could, among other things: • heighten our vulnerability to adverse general economic conditions and heightened competitive pressures; • require us to dedicate a larger portion of our cash flow from operations to interest payments, limiting the availability of cash for other purposes; • limit our flexibility in planning for, or reacting to, changes in our business and industry; and • impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes, **or** other purposes. In addition, our ability to purchase the **remaining** 2025 Notes or repay prior to maturity any accelerated amounts under the 2025 Notes upon an event of default or pay cash upon ~~conversions~~ **conversion** of the 2025 Notes may be limited by law, by regulatory authority or by agreements governing our indebtedness outstanding at the time, including our credit facility. Our credit facility restricts our ability to repurchase the 2025 Notes for cash or repay prior to maturity any accelerated amounts under the 2025 Notes upon an event of default or pay cash upon conversion of the 2025 Notes, to the extent that on the date of such repurchase, repayment or conversion, as the case may be, we do not meet certain financial criteria set forth in the credit facility. Any of our future indebtedness may contain similar restrictions. Our failure to repurchase the 2025 Notes at a time when the repurchase is required by the indentures (whether upon a fundamental change or otherwise under the indentures) or pay cash payable on future conversions of the 2025 Notes as required by the indentures would constitute a default under the indentures. A default under the indentures or the fundamental change itself could also lead to a default under agreements governing our existing or future indebtedness, including our credit facility. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness, repurchase the 2025 Notes or make cash payments upon conversions thereof. Our credit facility imposes restrictions on us that may adversely affect our ability to operate our business. Our credit facility contains restrictive covenants relating to our capital raising activities and other financial and operational matters which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, our credit facility contains, and the agreements governing the 2025 Notes will contain, a cross-default provision whereby a default under one agreement would likely result in cross defaults under agreements covering other borrowings. The occurrence of a default under any of these borrowing arrangements would permit the holders of the 2025 Notes or the lenders under our credit facility to declare all amounts outstanding under those borrowing arrangements to be immediately due and payable. If the 2025 Note holders or the trustee under the indentures governing the 2025 Notes or the lenders under our credit facility accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay those borrowings. Conversion of the 2025 Notes will, to the extent we deliver shares upon conversion of such 2025 Notes, dilute the ownership interest of existing stockholders, including holders who had previously converted their 2025 Notes, or may otherwise depress our stock price or may adversely affect our financial condition. The conversion of some or all of the **remaining** 2025 Notes will dilute the ownership interests of existing stockholders to the extent we deliver shares upon conversion of any of the 2025 Notes. Any sales in the public market of the **Class A** common stock issuable upon such conversion could adversely affect prevailing market prices of our **Class A** common stock. In addition, the existence of the 2025 Notes may encourage short selling by market participants because the conversion of the 2025 Notes could be used to satisfy short positions, or anticipated conversion of the 2025 Notes into shares of our **Class A** common stock could depress our stock price. In the event the conditional conversion feature of the 2025 Notes is triggered, holders of the 2025 Notes will be entitled to convert the 2025 Notes at any time during specified periods at their option. If one or more holders elect to convert their 2025 Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our **Class A** common stock (other than cash in lieu of any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders of the 2025 Notes do not elect to convert their 2025 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2025 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital. The accounting method for convertible debt securities that may be settled in cash, such as the 2025 Notes, may have a material effect on our reported financial results. Under current GAAP, effective January 1, 2022, the treasury stock method for convertible instruments has been eliminated and instead, the application of the “if-converted” method is required for the determination of diluted net income (loss) per share on a GAAP and non-GAAP basis. Under the if-converted method, diluted net income (loss) per share for GAAP and non-GAAP would generally be calculated assuming that all of the 2025 Notes were converted solely into shares of Class A common stock at the beginning of the reporting period,

unless the result would be anti-dilutive, which would negatively affect diluted net income (loss) per share. The impact from the “if converted” method added approximately ~~15~~**10** million shares to the diluted share count **after the partial repurchase of the 2025 Notes in November 2023**. Under the if-converted method, some of the incremental dilution is offset as we are able to add back the after tax effected interest expense from the 2025 Notes, to the extent the result would not be anti-dilutive. In addition, if the conditional conversion feature of the 2025 Notes is triggered, even if holders do not elect to convert their 2025 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2025 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital. The Capped Call transactions may affect the value of the 2025 Notes and our Class A Common Stock and we are subject to counterparty risk with respect to Capped Call transactions. In connection with the pricing of the 2025 Notes, we entered into privately negotiated capped call transactions (~~or Capped Calls~~) with one or more financial institutions. The Capped Calls are expected generally to reduce the potential economic dilution to holders of our Class A common stock upon any conversion of the 2025 Notes, with such reduction and / or offset subject to a cap. The capped call counterparties and / or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our Class A common stock and / or purchasing or selling our Class A common stock or other securities of ours in secondary market transactions prior to the maturity of the 2025 Notes (and are likely to do so during any observation period related to a conversion of the 2025 Notes or following an repurchase of the 2025 Notes by the Company on any fundamental change repurchase date or otherwise). This activity could also cause or avoid an increase or a decrease in the market price of our Class A common stock or the 2025 Notes. The potential effect, if any, of these transactions and activities on the trading price of our Class A common stock or the 2025 Notes will depend in part on market conditions. Any of these activities could adversely affect the trading price of our Class A common stock or the 2025 Notes. Additionally, we will be subject to the risk that the capped call counterparties might default under the Capped Calls. Our exposure to the credit risk of the capped call counterparties is not secured by any collateral. Global economic conditions have in the recent past resulted in, and may again result in, the actual or perceived failure or financial difficulties of many financial institutions. If the capped call counterparties become subject to insolvency proceedings, we will become an unsecured creditor in those proceedings, with a claim equal to our exposure at that time under our transactions with the capped call counterparties. Our exposure will depend on many factors, but, generally, an increase in our exposure will be correlated to an increase in the market price of our Class A common stock. In addition, upon a default by the capped call counterparties, we may suffer more dilution than we currently anticipate with respect to our Class A common stock. We can provide no assurances as to the financial stability or viability of the capped call counterparties to the Capped Calls.

General Risk Factors Our effective tax rate and the intended tax benefits of our corporate structure and intercompany arrangements depend on the application of the tax laws of various jurisdictions and on how we operate our business, and such tax rates and tax benefits may change in the future. We are subject to income taxes in the United States and various jurisdictions outside the United States. Our effective tax rate could be adversely affected by ~~a change in our effective tax rate as a result of~~ changes in, or our interpretation of, tax law changes and related new or revised guidance and regulations, changes in our geographical earnings mix, unfavorable government reviews of our tax returns, material differences between our forecasted and actual annual effective tax rates, or by evolving enforcement practices. In 2017, the Tax Cuts and Jobs Act (~~the~~ Tax Act) was enacted, which contained significant and impactful changes to the U. S. tax law, including, effective as of January 1, 2022, requiring the capitalization and amortization of research and development expenses, which accelerates the utilization of our net operating losses. There are various proposals in Congress to amend certain provisions of the Tax Act. The state of these proposals and other future legislation remains uncertain and, if enacted, may materially affect our financial position. On August 16, 2022, the United States enacted the Inflation Reduction Act (IRA), which ~~introduces~~**introduced**, among other items, an excise tax that ~~would impose~~**imposes** a 1 % surcharge on stock repurchases, net of stock issuances ~~beginning in~~, **that occur after December 31, 2022. We repurchase our Class A common stock on the open market pursuant to a repurchase program initially authorized by the Company’s board of directors on January 27, 2022 for the repurchase of up to \$ 100 million of our Class A common stock and supplemented by a subsequent authorization by the board of directors on February 9, 2023 for the repurchase of an additional \$ 40 million of our Class A common stock.** ~~We~~**As such, we** could be subject to this new excise tax, depending on various factors, including the amount and frequency of any future stock repurchases and any permitted reductions or exceptions to the amount subject to the tax. **We are continuing to evaluate the impact the IRA may have on our financial position and results of operations in connection with our repurchase program.** The United States, the European Commission, countries in the ~~EU European Union~~, Australia, and other countries where we do business have been considering changes in relevant tax, accounting and other laws, regulations and interpretations, including changes to tax laws applicable to corporate multinationals. Changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit shifting (~~BEPS~~) project that was undertaken by the Organization for Economic Co-operation and Development (OECD). The OECD, which represents a coalition of member countries, recommended changes to numerous long-standing tax principles related to transfer pricing and continues to develop new proposals including allocating greater taxing rights to countries where customers are located and establishing a minimum tax on global income. **A global consensus has been reached among approximately 138 countries, including the European Union and the OECD regarding a planned two-pillar approach to address tax challenges in the digital commerce era. The first pillar focuses on profit allocation and nexus, while the second pillar aims to establish a minimum global effective tax rate of 15 %.** The United States has **not implemented Pillar Two legislation, but other OECD members including the EU, plan to do so with Pillar Two taking effect in 2024, which would likely affect U. S. and non-U. S. multinational enterprises with annual revenue in excess of certain thresholds (generally, 750 million euros per year over a testing period).** These changes, as adopted by countries, may increase tax uncertainty and may adversely affect our provision for income taxes and cash flows. We are subject to the examination of our income tax returns by the United States Internal Revenue Service (~~IRS~~) and other domestic and foreign tax

authorities. We regularly assess the likelihood of outcomes resulting from these examinations to determine the adequacy of our provision for income taxes and other taxes and have reserved for adjustments that may result from the current examinations. The final determination of tax audits and any related legal proceedings could materially differ from amounts reflected in our income tax provisions and accruals. In such case, our income tax provision and cash flows in the period or periods in which that determination is made could be negatively affected. We maintain significant deferred tax assets related to net operating losses, temporary differences, and tax credits. Our ability to use these tax attributes are dependent upon having sufficient future taxable income in the relevant jurisdiction and, in the case of tax credits, how such credits are treated under current and potential future tax law. Changes to the Tax Act, other regulatory changes, and changes in our forecasts of future income could result in an adjustment to the deferred tax asset and a related charge to earnings that could materially affect our financial results. Our reported financial results may be negatively impacted by the changes in the accounting principles generally accepted in the United States. Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board (~~FASB~~), the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and may even affect the reporting of transactions completed before the announcement or effectiveness of a change. Other companies in our industry may apply these accounting principles differently than we do, which may affect the comparability of our consolidated financial statements. If our estimates or judgments relating to our critical accounting policies and estimates prove to be incorrect, our operating results could be adversely affected. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in this ~~2022~~ Annual Report in the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in our stock price. Significant estimates and assumptions made by management include those related to revenue recognition (including sales incentives, sales returns, and implied post contract support), inventory valuation, product warranty liabilities, the valuation, impairment and useful lives of long-lived assets (property and equipment, operating lease right-of-use assets, intangible assets and goodwill), the fair value of our convertible senior notes, and income taxes.