

## Risk Factors Comparison 2025-03-17 to 2024-02-09 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 **have incurred substantial operating losses in the past year, and 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.
- ~~Our goal~~ **We are taking a multi-pronged approach to regaining** ~~grow revenue and be profitable~~ **profitability with a focus on continued innovation** ~~relies upon our ability to grow unit sales, and we~~ **new product introductions while effectively managing and implementing cost-saving measures where appropriate, which** ~~may not be successful~~ **effective to restore profitability** ~~in doing so~~ **our business**.
- We may not be able to acquire and retain subscribers at all or at historical rates, **and may decrease** which could adversely impact our results of operations and our ability to be profitable.
- ~~An economic downturn~~ **Our ability to be profitable relies, in part, on development of effective sales channels and marketing efforts. We depend upon maintaining and developing effective sales channels between** ~~or our retailers~~ **economic uncertainty in the United States and distributors** ~~international markets, as well as~~ **direct-to-** ~~inflation, market volatility, fluctuations in interest rates or currency exchange rates, may adversely affect consumer~~ **via GoPro.com** ~~spending and demand for our products,~~ **and to develop and implement effective marketing strategies** ~~which could impact our operating results or financial position.~~
- To remain competitive and stimulate consumer demand, we must effectively manage product introductions, product transitions, **and** ~~product pricing and marketing.~~
- **If 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 could result in a loss of our market share and a decrease in our revenue and profitability.**
- **Future growth depends on our ability to develop new products for new markets with the goal to expand our core community of customers, and we may not be successful in doing so.**
- **Due to seasonal consumer shopping patterns for our products, if sales fall short of projections** ~~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.~~
- ~~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 future growth depends, in part, on further penetrating our total addressable market, **and we may not be successful in doing so** **able to secure additional financing on favorable terms, or at all, to meet our future capital needs.**
- We depend **Due to the nature of our business, we are heavily reliant** ~~on sales~~ **third parties outside** ~~of our cameras, mounts,~~ **control both in terms of our suppliers** ~~and accessories for substantially all of our revenue, and any decrease in the sales or~~ **our operations** ~~change in sales mix of these products could harm our business.~~
- We face substantial risks related to inventory, purchase commitments, and long-lived assets, and we could incur material charges related to these items that adversely affect our operating results.
- **Adverse changes to trade agreements, trade policies, tariffs and import / export regulations may have a negative effect on our business and results of operations.**
- Security **and,** data breaches and 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.
- Our international operations account for a significant portion of our revenue and operating expenses and are subject to challenges and risks. 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.
- ~~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.~~
- Our gross margin can vary significantly depending on multiple factors, which can result in unanticipated fluctuations in our operating results.
- **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.
- If we fail to manage our operating expenses effectively, our financial performance may suffer.
- 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 **use artificial intelligence in** our business ~~in part through acquisitions, joint ventures, investments, and partnerships,~~ **which its improper use or unintended consequences** could require significant management attention, disrupt our business, dilute stockholder value, and adversely affect our **operating reputation and our** ~~results of operations~~.
- Catastrophic events or political instability could disrupt and cause harm to our business.
- Our aspirations **intellectual property** and **proprietary rights may not adequately**

**protect our products** disclosures related to Corporate Social Responsibility (CSR) matters, as well as increased scrutiny and expectations services, and our business may suffer if third parties infringe our rights. • We have been, and in the future may be, subject to intellectual property and proprietary rights claims from investors third parties and may be sued by third parties for alleged infringement. • If we are unable to maintain, license, or acquire rights to include intellectual property owned by others regarding Environmental in the products, Social services or content distributed by us, our marketing and Governance (ESG), sales or future business strategy could be result in additional costs and / or risks, which may adversely affect affected, our or business, financial condition and results we could be subject to lawsuits relating to our use of this content 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 cameras, mounts and accessories, lifestyle gear, applications, and subscription and services. See Products for additional information. 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 cameras, accessories, and subscription and services, the they following: 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 cameras, accessories, and subscription and services. 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 Additionally, we believe new or our enhanced camera features drive investments in hardware, cloud, and mobile software solutions have yielded a replacement cycle among existing users and attract new users solid foundational experience for consumers that we will continue to build upon in 2025. Consumers can choose between numerous channels to purchase our hardware products, which are sold through a global network of retailers and GoPro.com. In addition, consumers may purchase our subscriptions through GoPro.com or via the Quik mobile and desktop apps app. Cameras → HERO12 HERO13 Black is our flagship waterproof camera launched in September 2023 2024, featuring our GP2 processor, HyperSmooth 6.0 image stabilization, hybrid-log gamma (HLG) high dynamic 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 a higher capacity battery resulting in longer runtimes and other Bluetooth devices improved thermal performance. 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 HERO13 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, SuperView, and Horizon Leveling. The HERO13 Black also includes a front-facing and rear touch display, TimeWarp 3.0, a Timecode Sync feature, and a Night Effects Time Lapse feature. Additionally, we offer our HERO13 Black Creator Edition, which combines the HERO13 Black, Volta, Enduro Battery, Media Mod, and Light Mod to create professional-quality videos. We also offer two new Mods for the HERO13 Black to allow users to transform their HERO13 Black into a production powerhouse. The Ultra Wide Lens Mod is an ultra wide-angle digital lens for 4K video at 60 FPS, the Macro Lens Mod allows the HERO13 Black to focus on objects 4x closer than prior generation cameras. We expect the Anamorphic Lens Mod to be available in the first quarter of 2025, which captures ultra wide-angle footage with reduced distortion and lets anyone tell their stories using the 21:9 aspect ratio used in feature films. • HERO12 Black features our GP2 processor, HyperSmooth 6.0 image stabilization, high dynamic range (HDR) photos and videos in 5.3K at 60 FPS and 4K at 60 FPS, and wireless audio support for Apple AirPods and other Bluetooth devices. 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. Our 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. • We also offer prior generation flagship cameras such as the HERO11 Black and HERO10 Black cameras. • HERO launched in 2022 2024, and is our smallest and lightest version of a HERO camera featuring our GP2 processor, a larger sensor one-button design and touch display HyperSmooth 5.0 image stabilization. The HERO camera can shoot larger sensor provides 10-bit color video videos at up to 5.3K 4K at 30 FPS and in 4:3 aspect ratio for a wider, more immersive video, captures photos with 12-megapixel resolution, and has a slow-motion setting of up to 2.7K at 60 FPS. The HERO camera captures content with 27-megapixel (MP) photo resolution, 8:7 aspect ratio video for a wide larger vertical field of view lens so that, and 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 be applied automatically upload recently captured footage and generate a highlight video to the user's GoPro subscription cloud account. We also offer our HERO11 Black Creator Edition which combines the HERO11 Black, Volta, Enduro Battery, Media Mod, and Light Mod to create professional-quality videos. • HERO11 Black Mini launched in 2022, and has all the Quik app 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. • MAX is our **waterproof** 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 **high** the highest performance video stabilization ~~yet~~, while MAX SuperView provides ~~the a widest~~ **wide** 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 ~~;~~ **and** directional audio for vlogging, **and includes a MAX Enduro battery which increases recording time and improves cold-weather performance. The Quik app also includes editing tools for our MAX camera such as subject tracking and keyframe-based reframing. 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 cameras, and enable consumers to capture the their best stereo sound ever-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 HERO13 Black, HERO12 Black, and HERO11 Black cameras into a production powerhouse. The Ultra Wide Lens Mod for the HERO13 Black is an ultra wide-angle digital lens for 4K video at 60 FPS, the Macro Lens Mod allows the HERO13 Black to focus on objects 4x closer than prior generation cameras and the ND Filter 4-Pack allows the HERO13 Black to create motion blur. We expect the Anamorphic Lens Mod for the HERO13 Black to be available in the first quarter of 2025, which captures ultra wide-angle footage with reduced distortion and lets anyone tell their stories using the 21:9 aspect ratio used in feature films. The Media Mod provides an integrated directional microphone, the Light Mod illuminates a scene and the Display Mod allows users to frame themselves during self-capture. These three Mods are compatible with the HERO13 Black, HERO12 Black and HERO11 Black cameras. In addition, we offer Max Lens Mod 2.0 that brings Max HyperSmooth video stabilization and an ultra-wide-angle digital lens for photos and videos to the HERO13 Black and HERO12 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 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, 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. Subscriptions** • Premium subscription is 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, damaged camera replacement and damage protection, cloud storage up to 25 gigabytes (GB) of non-GoPro content, the delivery of highlight videos automatically via our mobile app when GoPro camera footage from compatible cameras is uploaded to the user's GoPro cloud account using Auto Upload,** 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 **our** 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-offering** in expanding our total addressable market (**TAM**) 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 Applications. We offer mobile and web applications, and desktop app launched in February 2024, plugins that provide a complete media workflow for both Premium archiving, editing, multi-clip story creation, and Premium subscribers for macOS sharing content on the fly.** 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 Premium,** Premium and Quik subscriptions and is an 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. **Our GoPro Reframe plugin** We also offer a full ecosystem of mountable and wearable accessories. See Products for **Adobe Premier Pro** 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 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 and Adobe After Effects provides users easy, seamless experience for consumers to capture, create, and share engaging personal content with a focus on creative control over footage and enabling reframing capture beyond the phone. animated targeting markets where GoPro can add value..... during a variety of activities or moments movements from different viewpoints. We also produce and sell camera attachments called Mods, motion blur transitions which allow users to transform their HERO12, HERO11, HERO10, or HERO9 cameras into a production powerhouse. The Media Mod provides an and adjustments integrated directional microphone, the Light Mod illuminates a scene and the Display Mod allows users to frame themselves during self-capture. In**

addition, we offer Max Lens **lens curvature** 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.

**Subscriptions.** Our Premium and Premium subscription 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 Premium and Premium subscriptions also 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 2.5 million subscribers as of December 31, 2023, representing 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. 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 Quik desktop app offers the speed and convenience of the Quik mobile app to desktop users, but with an expanded list of features and capabilities. Quik desktop and Quik mobile apps sync with one another to allow users to transition projects from one app to the other. 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 **typically** experienced **our the** highest levels of **total** revenue **and channel inventory sell-through** in the fourth quarter of the year, coinciding with the holiday shopping season, particularly in the United States and Europe. **However, total revenue in the fourth quarter of 2024 did not continue this trend due to a number of factors, including macroeconomic conditions, competition, and a delay in an expected hardware product release. In the fourth quarter of 2024, channel inventory sell-through continued the historical trend.** While we **have implemented operational changes aim aimed to reduce at reducing** 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, **and forecasting**, 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 **10-11** 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 **hardware** products, **and subscription and services** 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 **hardware** products, **and subscription and services**. We strive to **remain be** a market leader by consistently introducing innovative **hardware** products, software, and services that offer optimal performance. We have a user experience-driven approach to **hardware and software** product development and our CEO leads **hardware and software** 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 **hardware and software** 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 **hardware and software** products. We believe leveraging this input will help refine our existing **hardware and software** 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 **hardware and software** products and facilitate the management, editing, sharing, and viewing of content. These applications are being developed for mobile, **desktop, and** web-based platforms **and plugins**. 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 **hardware** 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 **and Vietnam**. 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 cameras and accessories**. These finished **products cameras and accessories** are shipped to outsourced fulfillment centers in the United States, as well as Hong Kong, Japan, and Netherlands, and Singapore that deliver our **hardware** products to our customers. Sales channels and customers We offer our **hardware** 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 **2024 and 2023 and 2022**, GoPro.com revenue, which includes subscription and service revenue, represented **25 % and 30 % and 38 %** of our net revenue, respectively, and retail accounted for **75 % and 70 % and 62 %** 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 **through GoPro.com** to consumers worldwide **through GoPro.com**. Independent specialty retailers. We use a network of location-based independent manufacturer representatives to sell our **hardware** 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 **hardware** 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 **hardware and software** products to consumers worldwide through our online store at GoPro.com, which we market through online and offline advertising. GoPro.com revenue, which includes subscription and service revenue, represented **25 %, 30 %, and 38 %, and 34 %** of net revenue for **2024, 2023, and 2022, and 2021**, respectively. Distribution We sell to approximately **60-65** distributors who resell our **hardware** 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 **hardware** product mix planning, channel marketing and in-store merchandising, development of marketing materials, order assistance and educating the distributors' sales personnel about GoPro **hardware** 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 **hardware** products are sold. These displays showcase GoPro videos and present our **hardware and software** product ecosystem in a customer-friendly manner. Our larger retailers help us represent a broader range of GoPro **hardware** products due to their in-store deployment of our larger and custom POP displays. As of December 31, **2024 and 2023 and 2022**, we had approximately **30,000 and 28,000 and 26,000** 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, and web and desktop applications) and content management. We believe this approach enhances our brand while demonstrating the performance, durability, and versatility of our **hardware and software** 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 GoPro content on social media platforms including Facebook, Instagram, **TikTok X (formerly known as Twitter)**, and YouTube. ~~To date~~ **As of December 31, 2024, we earned content tagged #GoPro on TikTok has reached over 26 a total of 53.6 million followers across all social media platforms and we reached a total of 4.7 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 **hardware and software** 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 **hardware and software** product introductions and rapid technological advances. We believe the principal competitive factors impacting the market for our **hardware and software** 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., Arashi Vision Inc. (Insta360), and SZ DJI Technology Co., Ltd. We believe we compete favorably with these companies' products. Our

durable and versatile **hardware** 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, **many of which are patented**, within our camera and 360-degree camera product offerings at attractive consumer price points, including our HyperSmooth 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 a widest wide** 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- application** that **enhance enhances** 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 **hardware and software** 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 apps- app**, and 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. **GoPro is a leading innovator that holds a comprehensive portfolio of intellectual property rights.** 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 **reflects our leadership** in the high-tech and electronics industry. **Our As of December 31, 2024, we had approximately 1,465 issued patents, including utility and design 366 patent applications pending in the United States, and 873 corresponding issued patents, cover innovations that help our customers capture, create, and 66 patent applications pending in foreign jurisdictions 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, 2023, we had approximately 1,427 issued patents and 401 patent applications pending in the United States, and 770 corresponding issued patents and 87 patent applications pending in foreign jurisdictions.** Our patents expire at various times, 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 **current** 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, 2023-2024, we employed 930-696 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 believe focus on current events, trending topics, and cultural context to provide opportunities for learning and community building. Our goal is to help increase safe spaces and visibility for people with identities that have been historically 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 training, we also include modules related to supporting neurodiverse team members, building psychological safety, and helping employees recognize and address unconscious bias. We host virtual discussions on a variety of diversity, equity, and inclusion topics to foster understanding and empathy, champion diverse leadership, and celebrate the contributions that diverse groups bring to us and our community. When when our people thrive, our business thrives. GoPro invests in safe spaces employee engagement** through

our Employee Resource Groups (ERGs). ERGs enhance the employee experience and help drive the DEIB strategy by building community and connection **amongst employees**, 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, 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,~~ **intercultural communication 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**. We believe that employee development is a shared responsibility of employee and manager, through both formal **feedback programs including goal-setting**, and informal methods (e. g., stretch assignments and peer-to-peer learning). Through our 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~~ **neither** 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~~ **In 2024, we incurred an operating loss of \$ 135.0 million due to three-- the years may not combination of delayed product launches, competition, foreign exchange and the effect of macroeconomic conditions on our business. While we have taken and will continue to take actions to reduce our operating expenses, we cannot be certain that we will sustainable in future periods. We may not be able to achieve our forecast, sustain return to profitability through a combination of** revenue growth or profitability, and **gross margin improvement** our operating results may fluctuate unpredictably. For example, our annual revenue decreased slightly from \$ 1.09 billion in 2022-2023 to \$ ~~1.01801.5 billion-million~~ **1.01801.5 billion-million** in 2023-2024. In addition, we incurred ~~a net an operating~~ **loss of \$ 53-75.25 million in** for the full year of 2023 and earned net income of \$ 28.8 million for the full year of 2022. In future periods, sales 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 lower levels of revenue, **or** lower product **gross margins-- margin** or higher levels of operating expenses for a variety of reasons, including, among other factors: ineffective **or untimely** investments in product innovation and development; **any delays or issues with our new product launches, such as the delayed launch of our next generation 360- camera from 2024 to 2025; increased advertising and marketing costs and / or ineffectiveness thereof**; increasing freight rates; shipping delays; increased supply chain costs; **increased costs impact of currency exchange rates; lower failure to maintain higher** average sales pricing for our cameras; or a recession or other sustained adverse market events **such as tariffs** that materially impacts consumer purchases of discretionary items, such as our products. **Currency exchange rate fluctuations may also negatively impact revenue and gross margin**. For example, in 2023, our margins were negatively impacted by price protection charges, an increase in the **proportionate** volume of sales of our **low margin** entry-level price point cameras, and a decrease **to of** sales from GoPro.com. Additionally, we previously implemented company-wide restructurings of our business resulting in a reduction in our global workforce and the elimination **significant effect of** **foreign currency fluctuations that also worsened** certain open positions;

consolidation of certain leased office facilities, as well as the elimination of several high-cost initiatives, in 2024 order to focus our resources on cameras, accessories, and subscription and service. We may continue to experience fluctuating revenue, expenses, and profitability for a number of reasons, including other risks described in this Annual Report, and we may encounter unforeseen expenses, difficulties, complications, delays, and other unknown factors that impact our revenue growth or profitability. In order to become profitable, and manage our margin, we must continue to innovate, develop and introduce new products on schedule, enhance our current product offerings, grow our customer base, and stimulate customer demand for new and next-generation products and services. Our product ability to grow revenue and be service offerings are at the core of our business model. In order to manage our profitable profitability relies on increasing unit sales, we may also have to continue to reduce costs. We previously implemented company depend upon maintaining and developing effective sales channels between our retailers, distributors, and direct-wide restructurings of to-consumer via GoPro.com. Our future growth relies, in part, on increasing sales through our current retail partners business, including in March 2024, August 2024 and distributors October 2024, resulting in a reduction in our global workforce, the elimination of certain open positions and reduction of certain office space, as well as expanding the elimination of several high-cost initiatives, in order to optimize our cost structure and focus our resources on cameras, accessories, subscription and service, and tech-enabled helmets. These reductions in force may result in unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond the intended number of employees, decreased morale among our remaining employees, difficulty in recruiting employees in the future, and the risk that we may not achieve the anticipated benefits of the reduction in force. In addition, while positions have been eliminated, certain functions necessary to our operations remain, and we may be unsuccessful in distributing the responsibilities of departed employees among our remaining employees. Furthermore, 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. If key employees leave, we may not be able to fully integrate new personnel or replicate the prior working retail footprint, and building and maintaining strong relationships, and our operations could suffer as a result. 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 retail partners and distributors to promote our employees. For example, since 2023, our closing stock price ranged from a high of \$ 6.46 in the first quarter of 2023 to a low of \$ 1.09 in the fourth quarter of 2024. If we are unable to attract brand-- and 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. The reduction in workforce could also market-- make and sell it difficult for us to pursue, our-- or prevent us from pursuing, new opportunities and initiatives due to insufficient personnel, or require us to incur additional and unanticipated costs to hire new personnel to pursue such opportunities or initiatives. If we are unable to realize the anticipated benefits from the reductions in force, or if we experience significant adverse consequences from the reductions in force, our business, financial condition, and results of operations may be materially adversely affected. We may undertake further similar cost-saving initiatives, which may include additional restructuring or workforce reductions. We have experienced high subscriber growth over the past several years, but we may not be able to sustain such growth in the future. For example, our subscriber growth slowed to 1 % from 12 % when comparing subscriber count for the twelve months ending on December 31, 2024 and 2023, respectively. Our subscription service is the highest gross margin product we offer. 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. Slower If the attach rate is less than what we forecasted, this could have a negative impact on our overall subscriber growth or plans. A decline in subscribers could have any-- an adverse effect on our business, financial condition, and operating results. 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 point-of-purchase (POP) displays in their stores and acquiesce to our policies. Due to Some retailers have carried and displayed less inventory, as a result of macroeconomic factors, and risk of theft, or lack of available some retailers carry and display less inventory at certain price points or in certain product categories, 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 expect continue continued investing investment 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 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 %, 44-41 % and 41-46 % of our revenue in 2024, 2023, and 2022, and 2021 respectively. One retailer accounted for 9-10 %, 8-9.98 % and

8-11% of our revenue for 2024, 2023, and 2022, and 2021 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. 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 driving 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 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 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. dollar). An increase or decrease in the value of the U. S. dollar against the Euro and other foreign currencies could 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 the past, certain foreign currencies such as the Euro, Japanese yen and British pound 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 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 on schedule, 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 and services are subject to changing consumer preferences that cannot be 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 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, timely and successful research and development of next generation systems, pricing, market and consumer acceptance, the ability to successfully identify and originate product trends, effective forecasting and management of product demand, purchase commitments and inventory levels, availability of products in appropriate quantities to 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 tech-enabled helmets, software applications, and other products and services. In particular, our flagship camera

**designs incorporate custom system-on-chip (SoC), image sensors, lens, batteries, and memory solutions that critically impact the performance of our products.** Our research and development expenses were \$ **185.9 million**, \$ 165.7 million, and \$ 139.9 million, and \$ **141.5 million** for **2024**, 2023, and 2022, and 2021, respectively and, **While** we expect that our research and development **expenses to reduce in 2025 from 2024, we still expect these** expenses will continue to be substantial in **2024-2025** 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. We have, and may in the future, reduce prices to stimulate demand. 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, our future results of operations could be materially and 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 affect our ability to 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..... 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., Arashi Vision Inc. (Insta360), 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 and mobile apps- app**, and subscription offerings may not be as compelling as those offered by other companies, such as Apple, Adobe, or Google, although the 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- app**. 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 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 **HERO and 360- camera products, extensive mount and accessory ecosystem, and subscription** products by people looking to self-capture images of themselves **participating in exciting physical activities and helping** our subscription products help those people create **and share** compelling edits to **share and meaningful content** with friends, family and followers. We believe that our future growth depends on continuing to **add versatility to our products, develop new capture perspectives and** 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 **and- an extended community. Despite this, we may not be successful in further penetrating or expanding our existing market. We may not be able to expand our subscription and 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 into new markets with new capture perspectives, including with tech-enabled helmets currently in development. We cannot be assured that we will be successful in expanding into markets with new capture perspectives. New markets that we attempt to enter may be highly competitive, and we may have limited experience in those emerging markets. If we are not successful in expanding into additional markets, and enabling new capture perspectives, we might not be able to grow our revenue and we may not recognize benefits from our investment in new areas. 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, greater demand associated with the launch of new products heading into the holiday season. Fourth quarter revenue comprised 25 %, 29 %, and 29 % of our 2024, 2023 and 2022 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 or delays, declines in the effectiveness of our promotional activities, changes in 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 countries 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 and Cyber Monday events in combination with the U. S. consumer share of wallet shifting away from consumer electronic products in the month of December which impacted our products are produced or sold internationally results of operations. Generally, we have imposed experienced 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 43 %, 41 %, and 43 % of our annual 2024, 2023, and 2022 revenue, respectively. In the future, we may impose require additional quotas capital to respond to business opportunities, duties challenges, tariffs, or unforeseen circumstances and may determine to engage in equity or debt financings or enter into credit facilities or for other reasons. We restrictions or regulations, or may adversely adjust prevailing quota not be able to timely secure additional financing on favorable terms, duty, tariff levels, or export or at all, due to among other things licensing requirements. Countries impose, modify general macroeconomic conditions, including changes in interest rates, market volatility, and remove tariffs inflation. Additionally, our current credit facilities contain restrictive covenants relating to our capital raising activities and other trade financial and operational matters, and any debt financing obtained by us in the future could involve further restrictions restrictive covenants in response to a diverse array of factors, including global and national economic and political conditions, which may make it impossible more difficult for us to obtain additional capital predict future developments regarding tariffs 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 trade restrictions. Trade restrictions, our existing stockholders including tariffs, quotas, embargoes, safeguards, and customs restrictions, could increase the cost suffer significant dilution. If we are unable to obtain adequate financing under or our credit facility reduce the supply of products, including components and materials, available to us or may alternative sources, when we require it, us to modify our supply chain organization or our other current ability to grow or support our business and to respond to practices, any of which could harm our business challenges, 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 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. Our ability to meet customer demand depends, in part, on our ability to obtain timely and adversely affected 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 hardware products 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 from a supplier that could potentially become a competitor. 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. 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, including any escalations or expansions of those conflicts, or other factors. 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 or submit orders directly through supplier's vendors 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. 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 with certainty 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. Any re-engineering and component substitution could result in additional costs to us or disrupt our operations or logistics. Additionally, we rely on third parties such as Amazon Web Services to provide software and enterprise services. Our business requires us to coordinate the manufacture and distribution of our products, including

our ability to properly stock inventory adequate for our demand. 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, and our financial performance may be adversely affected. 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 charges in future periods related to our inventory management or that we will accurately 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. 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. 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 changes in U. S. administration administrative continues to signal that it policy from the recent U. S. presidential and congressional elections may continue lead to significant changes in alter global trade agreements and terms. For example, the United States imposed additional tariffs on for imports imported goods among from China and continues to potentially impose other possible changes restrictions on exports from China to the United States. Any announcement by the United States Trade Representative (USTR) to impose additional or increased tariffs on GoPro 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 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. We continue to explore 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. 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. While we have proactively moved our U. S. bound camera production outside of China, the risk that tariffs are imposed on other countries could have an impact on our U. S. bound production costs. We continue are dependent on information systems to monitor manufacturing 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. In the ordinary course of our business, we electronically 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. Moreover, many of our employees, service providers and third parties work more frequently on a remote or hybrid arrangement basis, which may also result in heightened risks related to consumer privacy, network security and fraud. Cyber- attacks may threaten our information systems and are increasing in their frequency, sophistication, and maleficence, and have become increasingly difficult to detect. As artificial intelligence capabilities sophistication, and 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, electrical and other critical systems. If malicious actors compromise Our products, services and operating systems may contain unknown security vulnerabilities. For example, the firmware and software that are installed on our products and services, including without limitation hacking or breach of such products and services, our business and our reputation will be harmed. While we maintain industry standard cybersecurity insurance, our insurance may be susceptible to hacking insufficient for a particular incident or misuse, or we may experience disruptions to our GoPro. com Revenue from 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 comprised 64 %, 61 %, and 59 % of our revenue in 2024, 2023, and 2022, respectively, and we expect international revenue to continue to be significant in the future. As a result, we may choose to transition more manufacturing outside of be negatively impacted by foreign currency exchange rate fluctuations, which could have a material negative effect on our future operating results.

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. Our focus on international success will depend in part upon our ability to effectively manage our operating operations expenses may expose us to a number of risks in addition to domestic operations, including but not limited to:

- burdens of complying with a wide variety of laws and regulations or risk of non-compliance, 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 management. We incurred;
- the effect of foreign currency exchange rates and interest rates operating loss in 2023, including and we generated operating income for the full year of 2022 and 2021. As of December 31, 2023, we had an any fluctuations caused by, inflation, recessionary concerns, accumulated deficit of \$ 249.3 million. We have implemented global reductions in force and other restructuring actions to reduce our operating expenses. However, we may not realize the strengthening of the U cost savings expected from our cost reduction actions. We will need S. dollar relative to the foreign currencies in which we conduct 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 including relative to the Eurozone;
- political conditions, economic instability, geopolitical turmoil, civil disturbances, or social unrest in operating expenses might increase as a result of these investments. If specific country or region in which we are unable to operate efficiently and manage our costs, we..... policies and guidelines in our sales agreements, which could have an adverse impact a material negative effect on our revenues operations in that location, for example, the effects of China- Taiwan relations or conflict in the Middle East;
- pandemics; wars and global conflicts, including the ongoing conflicts around the world;
- trade restrictions;
- 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;
- 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. Our gross margin can vary due to consumer demand, competition, product pricing, promotional activities, product lifecycle, product mix, new product introductions, GoPro.com sales agreements 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 33.8 %, 32.2 %, and 37.2 % for 2024, 2023, and 41.1 % for 2023, 2022, and 2021, respectively. In particular, if we are not able to introduce new products in a timely manner at the product cost we expect, if consumer demand for our products is less than we anticipate, if cancellation rates for our 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 these large customers new products, we may have lower gross margins that do not require them 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 purchase any meaningful amount of our products annually, and increased inventory write-offs. If we are unable grant limited rights to return offset these potentially lower margins by enhancing the margins in our product to some categories, our profitability may be adversely affected. The impact of these large customers factors on gross margin can create unanticipated fluctuations in our operating results, which may cause volatility in the price of our shares and as a result, harm our liquidity, limit our ability to grow our business, pursue acquisitions, and restrict our ability to compete in our markets. 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 while using our products, including false claims or erroneous reports relating to safety, security, property damage 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, governing sports bodies or proprietors of establishments at which consumers engage in challenging physical activities could seek to ban the use of our products in their events or facilities to limit their own liability. In addition, if lawmakers or For example, in some jurisdictions governmental agencies were to determine that the use mounting of our products on helmets is banned during competitive motorcycle 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 **in the past** completed several acquisitions, and recently announced our intent to acquire an **and will** Australian-based company that is expected to close in Q1 of 2024 **the future integrate new and evolving technologies**, subject to customary closing conditions **such as artificial intelligence (AI), into our products, services and platforms**. We **also utilize general-purpose artificial intelligence tools in our business and these use cases may become important in** evaluate additional acquisitions, partnerships, or **our** joint ventures **operations over time. As** with **many new and emerging**, 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, **AI presents numerous risks and challenges** 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 **business. AI development, adoption, and use is in its early stages, and ineffective or inadequate AI or generative AI development or deployment practices by us or third parties could** results- **result** of operations **in unintended consequences**. We **Our competitors or other third parties** may **incorporate AI** have to pay cash, incur debt, or issue equity securities to enter into **their products more quickly** any such acquisition, joint venture, strategic alliances or partnership **more successfully than us**, which could **impair our ability to compete effectively and adversely** affect our **results** financial condition or the value of **operations** our capital stock. Furthermore **Moreover**, acquisitions **AI** may **give rise** 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 **litigation risk** certain purchased intangible assets, any of which could negatively affect **including potential intellectual property, privacy, our- or cybersecurity liability. AI also presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. Given the complex nature of AI, our use and future plans on implementing AI into** results of operations. We cannot assure investors that the anticipated benefits of any acquisition or **our investment will business may be subject** 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 **evolving regulatory landscape**. In the event we are required to record a non-cash impairment charge to our goodwill, other intangibles, and/or **For example** long-lived assets, such non-cash charge could have a material adverse effect on our business **October 30, 2023** financial condition, and results of operations in the **Biden administration issued** reporting period in which we record the charge. Our headquarters are located in the San Francisco Bay Area of California, an area susceptible **executive order** 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 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. There is an increasing focus from certain investors, regulators, employees, customers, and other stakeholders concerning ESG matters. Some investors may use these non-financial performance factors to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our ESG-related policies and actions are inadequate. The

growing investor demand for measurement of non-financial performance is addressed by third-party providers of sustainability assessment and ESG ratings— **things** on companies. The criteria by which our ESG practices are assessed may change due to the constant evolution of the sustainability landscape, **establish extensive** which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new **criteria**. If we elect not to..... **chain are evolving along with multiple** disparate standards for **AI safety** identifying, measuring, and **security. We continue** reporting metrics, including CSR-related disclosures pursuant to **monitor AI regulatory developments which** new voluntary disclosure standards and those that may **reduce the efficiencies we believe to be gained from AI or required— require further investment** 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 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. **We have initiated legal proceedings to protect our intellectual property rights, and we may file additional actions in the future. For example, on March 29, 2024, we filed a complaint with the U. S. International Trade Commission against Arashi Vision Inc., d / b / a Insta360 and Arashi Vision (U. S.) LLC, d / b / a Insta360 and a lawsuit in the U. S. District Court for the Central District of California against Arashi Vision Inc., d / b / a Insta360, and Arashi Vision (U. S.) LLC, d / b / a Insta360, alleging patent infringement of certain GoPro patents related to our cameras and digital imaging technology. Insta360 has filed IPR petitions seeking to challenge the validity of the GoPro patents asserted against Insta360.** Initiating infringement proceedings against third parties, **as well as defending against IPRs,** can be expensive, may take significant time, and may divert management's attention from other business concerns. **The cost of protecting** ~~We may not prevail in litigation to enforce our intellectual property rights~~ **has been and may in the future be substantial, and there is no assurance we will be successful. Our business could be adversely affected because of any such legal actions, or a finding that any patents- in-suit are invalid or unenforceable. These legal actions may in the future lead to additional counterclaims or countersuits against unauthorized use— us —We have been, which are expensive to defend against and in for which there can** ~~future may be no assurance of a favorable outcome. For example, subject to intellectual property Insta360 has filed three patent infringement actions against us in China (Jiangsu High Court, Changsha Intermediate Court IP Tribunal, and proprietary rights claims from third Shenzhen Intermediate People's Court).~~ **Further, parties and may be sued by third parties we bring legal action against could retaliate through non-litigious means, which could harm our business for— or operations** ~~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 9-10. 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 9-10. Commitments, contingencies, and guarantees in the Notes to Consolidated Financial Statements of this Annual Report on Form 10-K **of this content.** The distribution of GoPro content helps to market our brand, products, and subscription and service. 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 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 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 or 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..... 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 and other jurisdictions, and we cannot 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. California 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 (the CPRA) ,~~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 well as enforcing the CCPA / CPRA~~. Following California's lead, several other states **have** enacted privacy laws ~~which took effect in 2023, and additional state privacy laws will take effect in 2024~~. 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 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 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 the U. K. particularly as a result of continued legal and legislative activity 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 continue to monitor these regulatory and legal developments. 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, fines, awards, penalties, injunctions, judgments, or criminal or civil sanctions, all of which may have a material adverse effect on our business, operating results, reputation, and financial condition. 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 (FCPA), the United Kingdom Bribery Act 2010 (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 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 inadventure 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 condition. ~~If we fail to comply with regulations relating to environmental and social matters, including the SEC' s and conflict minerals 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 change have driven significant legislative and regulatory 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 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 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 reparability, 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 control laws, and exports and imports of our products must be made in compliance with such 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 have established procedures designed to enable our compliance with 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. 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 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 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 **2023** shares of our Class A common stock were sold in our initial public offering in July 2014 at a price of \$ 24.00 per share, our closing stock price has ranged from **a high of \$ 26.01-46 in the first quarter of 2023 to a low of \$ 93-1.09 in the fourth quarter of 85 per share through December 31, 2023-2024**. 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, **trade regulation**, 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 **as well as our ability to recruit and retain employees**. 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 **9-10** 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. **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 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 results of operations in the reporting period in which we record the charge. Our Class A common stock may cease to be listed on The Nasdaq Global Select Market. On February 7, 2025, our Class A common stock, par value \$ 0.0001 per share, closed below the \$ 1.00 per share minimum bid price requirement for continued inclusion on The Nasdaq Global Select Market pursuant to Nasdaq Listing Rule 5450 (a) (1) (the " Bid Price Requirement "). Should our Class A common stock trade below the minimum Bid Price Requirement for 30 consecutive business days, The Nasdaq Stock Market LLC (" Nasdaq ") will send a notice to us that, in accordance with Nasdaq Listing Rule 5810 (c) (3) (A), we will be provided an initial compliance period of 180 calendar days from receipt of such notice, to regain compliance with the Bid Price Requirement. To regain compliance, the closing bid price for the Class A common stock must be at least \$ 1.00 per share for a minimum of 10 consecutive business days prior to the end of the 180-day period. There can be no assurance that we will be able to regain compliance or that Nasdaq will extend the compliance period. If we do not regain compliance with the Bid Price Requirement by the end of the 180-day period, we may be eligible for an additional 180 calendar day compliance period, either by submitting an application to transfer the listing of the Class A common stock to The Nasdaq Capital Market, or we can apply directly to Nasdaq, without transferring to The Nasdaq Capital Market, for an additional 180-day extension, which we may not be successful at obtaining. In that case, we would also need to pay an application fee to Nasdaq and provide written notice of our intention to cure the deficiency during the additional compliance period. As part of its review process, Nasdaq will make a determination of whether it believes we will be able to cure this deficiency. If we do not regain compliance within the applicable compliance period (s), Nasdaq will provide written notification to us that the Class A common stock will be subject to delisting. At that time, we may appeal the delisting determination to a hearings panel. We intend to monitor the closing bid price of the Class A common stock and may, if appropriate, consider taking actions to regain compliance with the Bid Price Requirement, including, subject to approval of our Board of Directors and our Class A and Class B stockholders, implementing a reverse stock split. However, there can be no assurance that, if we were to engage in a reverse stock split, it would not create an additional deficiency with Nasdaq listing standards. There can be no assurance that we will be able to regain compliance with the Bid Price Requirement or will otherwise be in compliance with other applicable Nasdaq listing rules within the applicable compliance period (s), that we will be able to successfully implement a reverse stock split, or, if we receive a**

**delisting determination and decide to appeal the delisting determination, that such appeal would be successful.** Currently, there is no immediate effect on the listing of the Class A common stock on The Nasdaq Global Select Market, and the Class A common stock will continue to trade on The Nasdaq Global Select Market under the symbol “ GPRO, ” subject to our compliance with the other continued listing requirements of The Nasdaq Global Select Market. If our Class A common stock were to be delisted from The Nasdaq Global Select Market, we might or might not be eligible to list our shares on another market. Such a delisting could negatively impact us by, among other things, reducing the liquidity and market price of our Class A common stock.

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 68-67.0 % of the voting power of our outstanding capital stock as of December 31, 2023-2024 with Mr. Woodman, our Chairman and CEO, holding approximately 64.9-1% 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, 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, **our restated certificate of incorporation and our amended and restated bylaws** 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~~ **could prevent** ~~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~~ **from receiving** ~~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~~ **takeover premium** ~~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 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, we now have \$ 93.8 million in aggregate principal amount of indebtedness, the principal amount of which we may be required to pay at maturity in **November** 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 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 maturity 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 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, **or otherwise impact our liquidity**. 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 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 (Capped Calls) with **certain 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~~ **a** 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 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 introduced, among other items, an excise tax that imposes a 1% surcharge on stock repurchases, net of stock issuances, 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. 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, 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 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 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 **may grow our business in part through acquisitions, joint ventures, investments, and partnerships, which could require significant deferred tax assets management attention, disrupt our business, dilute stockholder value, and adversely affect our operating results. We have completed several acquisitions in the past, and in February 2024 we acquired Forcite Helmet Systems, an Australian-based company that offers tech-enabled helmets. We may evaluate additional acquisitions, 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, and even if they close, we can make no assurances that our integration of any such acquired company will be successful. Our aspirations and disclosures related to net broader social and ethical initiatives, as well as increased scrutiny and expectations from investors and others regarding non-financial performance factors, could result in additional costs and / or risks, which may adversely affect our business, financial condition, results of operating operations losses, reputation temporary differences, and tax credits stock price performance. Some investors may use non-financial performance factors to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our related policies and actions are inadequate. The investor demand for measurement of non-financial performance is addressed by third-party providers of assessments and ratings on companies. The criteria by which. If we elect not to or our practices are unable assessed may change due to the constant evolution of the landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. If we elect not to or are unable to satisfy such new criteria**, investors and other stakeholders may conclude that our ESG-related policies and / or actions with respect to corporate social responsibility are inadequate. There have also been increasing allegations of greenwashing **misleading claims** against companies making significant ESG claims **non-financial commitments** due to a variety of perceived deficiencies in performance. As stakeholder perceptions of sustainability **these matters** 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 **opposition** "anti-ESG" sentiment among some individuals and government

institutions departments to use non-financial performance factors, 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 a summary of our Sustainability Snapshot Report to highlight our ongoing efforts to reduce our Scope 1 and Scope 2 carbon footprint emissions in our U.S. locations, our commitment to continuing to 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 CSR 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 CSR matters, the availability of materials and suppliers that can meet our sustainability and other CSR. Our ability to use these tax attributes achieve any objectives is subject to numerous risks, many of which are outside dependent upon having sufficient future taxable income in the relevant jurisdiction and, in the case of tax credits, how our control. Examples of such risks include credits are treated under current and potential future tax law. Changes to the Tax Act availability and cost of renewable energy sources, evolving consumer protection and other regulatory changes laws applicable to these matters, and changes the availability of funds to invest in related initiatives in times where we are seeking to reduce costs. As a result, we could fail, or forecasts 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 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 related matters, our reputation and business, operating results, and financial condition could be adversely impacted. Catastrophic events or political instability could disrupt and cause harm to our business. 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 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, 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 harmed. Our key manufacturing, supply and distribution partners have global operations in, among other countries, China, Thailand, Hong Kong, Japan, Netherlands, 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 affect. The preparation of our business in the future, our 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 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.