

GoPro, Inc.
Consolidated Balance Sheets

(in thousands, except par values)	December 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 152,095	\$ 202,504
Marketable securities	45,417	44,886
Accounts receivable, net	129,216	112,935
Inventory	116,458	150,551
Prepaid expenses and other current assets	30,887	62,811
Total current assets	474,073	573,687
Property and equipment, net	46,567	68,587
Intangible assets, net	13,065	24,499
Goodwill	146,459	146,459
Other long-term assets	18,195	37,014
Total assets	\$ 698,359	\$ 850,246
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 148,478	\$ 138,257
Accrued liabilities	135,892	213,030
Deferred revenue	15,129	19,244
Total current liabilities	299,499	370,531
Long-term taxes payable	19,553	21,188
Long-term debt	138,992	130,048
Other long-term liabilities	28,203	29,774
Total liabilities	486,247	551,541
Commitments, contingencies and guarantees (Note 11)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value, 5,000 shares authorized; none issued	—	—
Common stock and additional paid-in capital, \$0.0001 par value, 500,000 Class A shares authorized, 105,170 and 101,034 shares issued and outstanding, respectively; 150,000 Class B shares authorized, 35,897 and 35,966 shares issued and outstanding, respectively	894,755	854,452
Treasury stock, at cost, 10,710 and 10,710 shares, respectively	(113,613)	(113,613)
Accumulated deficit	(569,030)	(442,134)
Total stockholders' equity	212,112	298,705
Total liabilities and stockholders' equity	\$ 698,359	\$ 850,246

The accompanying notes are an integral part of these consolidated financial statements.

GoPro, Inc.
Consolidated Statements of Operations

(in thousands, except per share data)	Year ended December 31,		
	2018	2017	2016
Revenue	\$ 1,148,337	\$ 1,179,741	\$ 1,185,481
Cost of revenue	786,903	795,211	723,561
Gross profit	361,434	384,530	461,920
Operating expenses:			
Research and development	167,296	229,265	358,902
Sales and marketing	222,096	236,581	368,620
General and administrative	66,004	82,144	107,367
Total operating expenses	455,396	547,990	834,889
Operating loss	(93,962)	(163,460)	(372,969)
Other income (expense):			
Interest expense	(18,683)	(13,660)	(2,992)
Other income, net	4,970	733	787
Total other expense, net	(13,713)	(12,927)	(2,205)
Loss before income taxes	(107,675)	(176,387)	(375,174)
Income tax expense	1,359	6,486	43,829
Net loss	\$ (109,034)	\$ (182,873)	\$ (419,003)
Basic and diluted net loss per share	\$ (0.78)	\$ (1.32)	\$ (3.01)
Weighted average number of shares outstanding, basic and diluted	139,495	138,056	139,425

The accompanying notes are an integral part of these consolidated financial statements.

GoPro, Inc.
Consolidated Statements of Cash Flows

(in thousands)	Year ended December 31,		
	2018	2017	2016
Operating activities:			
Net loss	\$ (109,034)	\$ (182,873)	\$ (419,003)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	35,063	41,478	41,640
Stock-based compensation	40,887	51,255	69,527
Excess tax benefit from stock-based compensation ⁽¹⁾	—	—	(3,463)
Deferred income taxes	(389)	(2,527)	38,568
Non-cash restructuring charges	6,282	7,315	17,601
Non-cash interest expense	8,112	5,345	—
Impairment of intangible assets	—	—	7,088
Gain on sale and license of intellectual property	(5,000)	—	—
Other	1,696	4,094	7,574
Changes in operating assets and liabilities:			
Accounts receivable, net	(16,460)	52,278	(18,816)
Inventory	34,093	16,641	21,040
Prepaid expenses and other assets	35,390	9,303	(14,618)
Accounts payable and other liabilities	(70,400)	(44,411)	142,941
Deferred revenue	(2,674)	5,249	2,168
Net cash used in operating activities	(42,434)	(36,853)	(107,753)
Investing activities:			
Purchases of property and equipment, net	(11,004)	(24,061)	(43,627)
Purchases of marketable securities	(57,731)	(52,318)	—
Maturities of marketable securities	57,500	21,659	119,918
Sale of marketable securities	—	11,623	47,348
Proceeds from the sale and license of intellectual property	5,000	—	—
Acquisitions, net of cash acquired	—	—	(104,353)
Net cash provided by (used in) investing activities	(6,235)	(43,097)	19,286
Financing activities:			
Proceeds from issuance of common stock	5,169	9,751	9,664
Taxes paid related to net share settlement of equity awards	(6,650)	(12,118)	(6,889)
Proceeds from issuance of convertible senior notes	—	175,000	—
Prepayment of forward stock repurchase transaction	—	(78,000)	—
Excess tax benefit from stock-based compensation ⁽¹⁾	—	—	3,463
Payment of deferred acquisition-related consideration	—	(75)	(950)
Payment of debt issuance costs	—	(5,964)	(3,333)
Net cash provided by (used in) financing activities	(1,481)	88,594	1,955
Effect of exchange rate changes on cash and cash equivalents	(259)	1,746	(1,046)
Net increase (decrease) in cash and cash equivalents	(50,409)	10,390	(87,558)
Cash and cash equivalents at beginning of period	202,504	192,114	279,672
Cash and cash equivalents at end of period	\$ 152,095	\$ 202,504	\$ 192,114