



Robinhood Markets, Inc.

Earnings Presentation First Quarter 2024

May 8, 2024

Disclaimers

This Presentation Relates to Robinhood's Broader Earnings Announcement Disclosures

This presentation accompanies the first quarter 2024 earnings announcement webcast of Robinhood Markets, Inc. (including its consolidated subsidiaries, "we," "Robinhood," or the "Company") and should be read together with Robinhood's earnings announcement press release. Hyperlinks to our first quarter 2024 webcast, and press release can be found together with these slides on Robinhood's investor relations website at investors.robinhood.com.

Key Performance Metrics

This presentation includes key performance metrics that our management uses to help evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions. Our key performance metrics include Funded Customers, Assets Under Custody ("AUC"), Net Deposits, Average Revenue Per User ("ARPU"), and Gold Subscribers. Definitions of performance metrics can be found in the appendix to this presentation (the "Appendix"). For information on changes to our key performance metrics, see "Key Performance Metrics" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operation" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (our "Q1 2024 10-Q").

Non-GAAP Financial Measures and Where to Find Reconciliations to GAAP

This presentation includes financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Our non-GAAP financial measures include adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA"), Adjusted EBITDA Margin, Adjusted Operating Expenses, Adjust Operating Expenses and SBC, Adjusted Operating Expenses and SBC excluding the 2021 Founders Award Cancellation, and SBC excluding the 2021 Founders Award Cancellation. Definitions, explanations, and reconciliations to the most comparable GAAP financial measures can be found in the Appendix.

Cautionary Note Regarding Forward-Looking Statements

This presentation and the related webcast contain forward-looking statements regarding our expected financial performance and our strategic and operational plans, including (among others) statements regarding our 2024 product roadmap; that average cumulative Net Deposits tend to grow over time across our Funded Customer Cohorts; all statements regarding our 2024 expense outlook and related reconciliations; that with over \$5B in corporate cash and investments, we are well positioned to continue deploying capital; that we believe the strength of our balance sheet gives us the flexibility to run our business while investing for future growth; that we will continue to drive growth and shareholder value by allocating capital across organic growth, M&A, and shareholder returns; that we are focused on winning the active trader market, increasing wallet share with our customers, and expanding internationally and that we believe this strategy is working; that we continue to deliver amazing value to customers; that we are focused on driving another year of profitable growth in 2024; that we aim to continue delivering profitable growth in 2024; that looking ahead, while the year is off to a strong start, we know it's important to stay disciplined on expenses; that we have opportunity to drive profitable growth in 2024 and the years to come by growing revenues and expanding margins; that we believe we can continue our multi-year track record of delivering 20% plus Net Deposit growth rates; that as customer assets grow over time, we believe this will drive strong revenue growth as well; that we believe we can drive significant margin expansion and free cash flow; that we have a lot of momentum to start the year; and that we will work to maximize EPS and free cash flow in 2024 and the years to come; that we plan on growing Robinhood Gold subscriptions; that our 1% unlimited deposit boost for Gold customers will be launching soon; that we believe we can substantially grow Gold adoption as we roll out the Robinhood Gold card; that we love seeing the progress we're making attracting, retaining, and expanding Gold customer relationships; and that we are on the journey to be the most trusted, lowest cost, and most culturally relevant money app worldwide, as well as other statements about our FY 2024 financial outlook. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "believe," "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "estimate," "predict," "potential," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Our forward-looking statements are subject to a number of known and unknown risks, uncertainties, assumptions, and other factors that may cause our actual future results, performance, or achievements to differ materially from any future results expressed or implied in this presentation and the related webcast. Reported results should not be considered an indication of future performance. Factors that contribute to the uncertain nature of our forward-looking statements include, among others: our limited operating experience at our current scale; the difficulty of managing our business effectively, including the size of our workforce, and the risk of continued declining or negative growth; the fluctuations in our financial results and key metrics from quarter to quarter; our reliance on transaction-based revenue, including payment for order flow ("PFOF"), and the risk of new regulation or bans on PFOF and similar practices; our exposure to fluctuations in interest rates and rapidly changing interest rate environments; the difficulty of raising additional capital (to provide liquidity needs and support business growth and objectives) on reasonable terms, if at all; the need to maintain capital levels required by regulators and self-regulatory organizations; the risk that we might mishandle the cash, securities, and cryptocurrencies we hold on behalf of customers, and our exposure to liability for processing, operational, or technical errors in clearing functions; the impact of negative publicity on our brand and reputation; the risk that changes in business, economic, or political conditions that impact the global financial markets, or a systemic market event, might harm our business; our dependence on key employees and a skilled workforce; the difficulty of complying with an extensive, complex, and changing regulatory environment and the need to adjust our business model in response to new or modified laws and regulations; the possibility of adverse developments in pending litigation and regulatory investigations; the effects of competition; our need to innovate and invest in new products, services, technologies and geographies in order to attract and retain customers and deepen their engagement with us in order to maintain growth; our reliance on third parties to perform some key functions and the risk that processing, operational or technological failures could impair the availability or stability of our platform; the risk of cybersecurity incidents, theft, data breaches, and other online attacks; the difficulty of processing customer data in compliance with privacy laws; our need as a regulated financial services company to develop and maintain effective compliance and risk management infrastructures; the risks associated with incorporating artificial intelligence technologies into some of our products and processes; the volatility of cryptocurrency prices and trading volumes; the risk that our platforms and services could be exploited to facilitate illegal payments; and the risk that substantial future sales of Class A common stock in the public market, or the perception that they may occur, could cause the price of our stock to fall. Because some of these risks and uncertainties cannot be predicted or quantified and some are beyond our control, you should not rely on our forward-looking statements as predictions of future events. More information about potential risks and uncertainties that could affect our business and financial results can be found in Part II, Item 1A of our Q1 2024 10-Q, as well as in our other filings with the U.S. Securities and Exchange Commission ("SEC"), all of which are available on the SEC's web site at www.sec.gov. Moreover, we operate in a very competitive and rapidly changing environment; new risks and uncertainties may emerge from time to time, and it is not possible for us to predict all risks nor identify all uncertainties. The events and circumstances reflected in our forward-looking statements might not be achieved and actual results could differ materially from those projected in the forward-looking statements. Except as otherwise noted, all forward-looking statements in this presentation and the related webcast are made as of the date of this presentation and the related webcast, May 8, 2024, and are based on information and estimates available to us at this time. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Except as required by law, Robinhood assumes no obligation to update any of the statements in this presentation and the related webcast whether as a result of any new information, future events, changed circumstances, or otherwise. You should view this presentation and the related webcast with the understanding that our actual future results, performance, events, and circumstances might be materially different from what we expect.

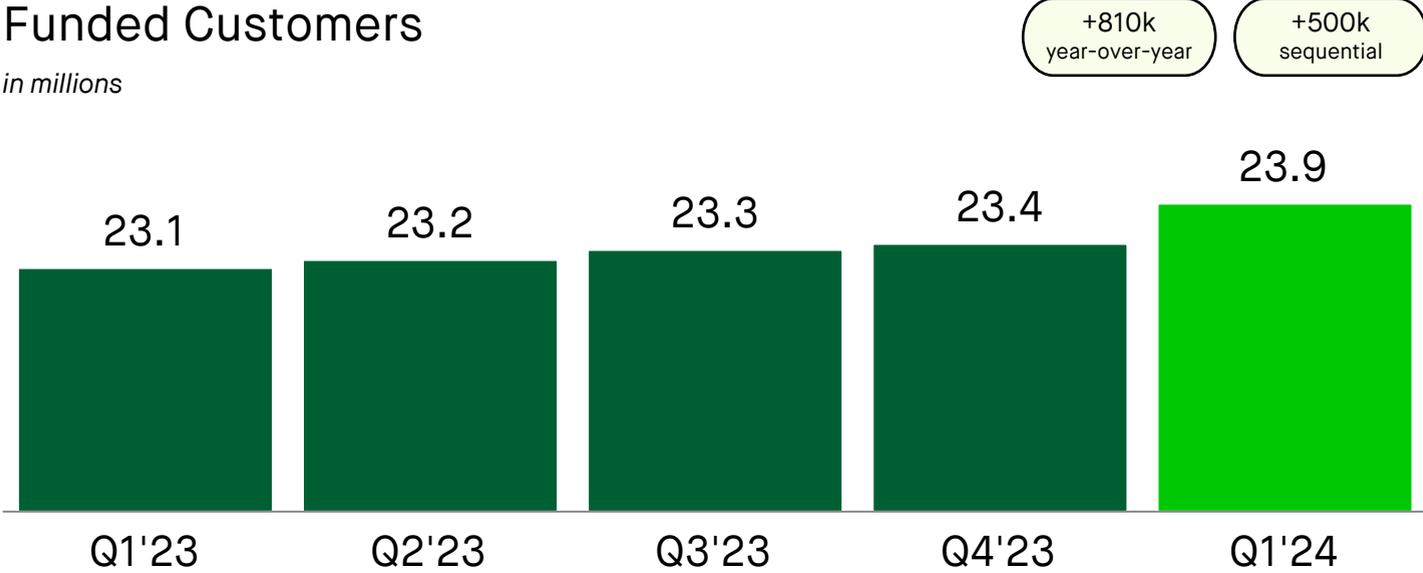
Trademarks

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Q1 2024 Business Results Highlights

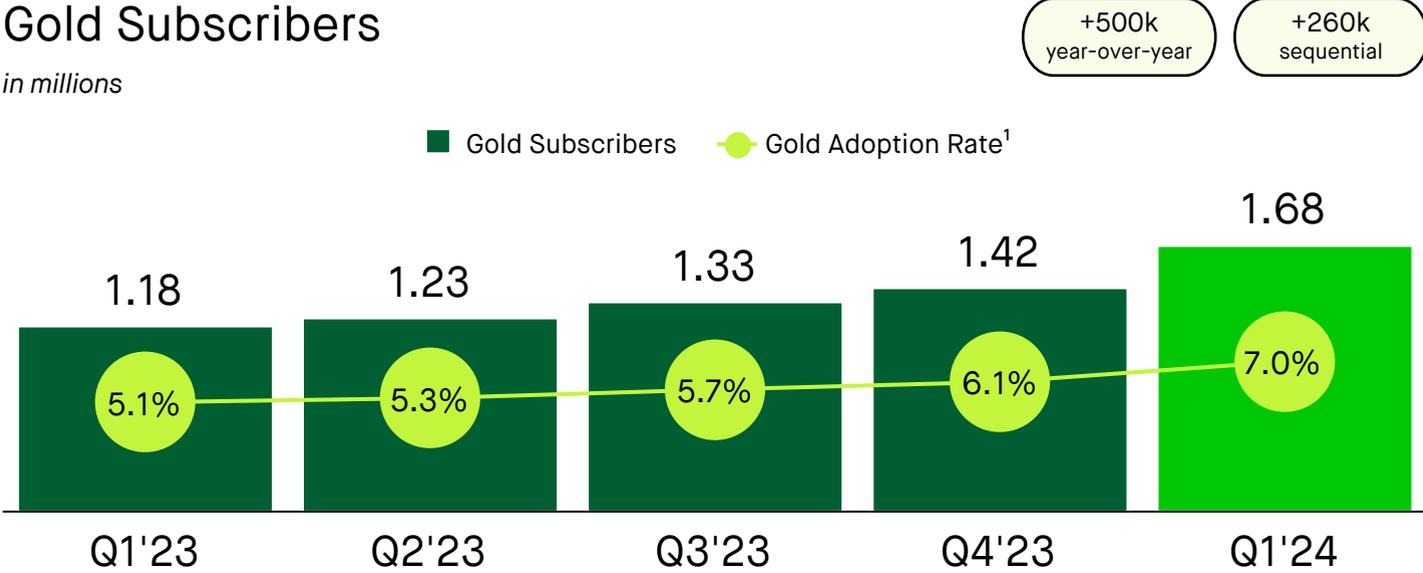
Funded Customers

in millions



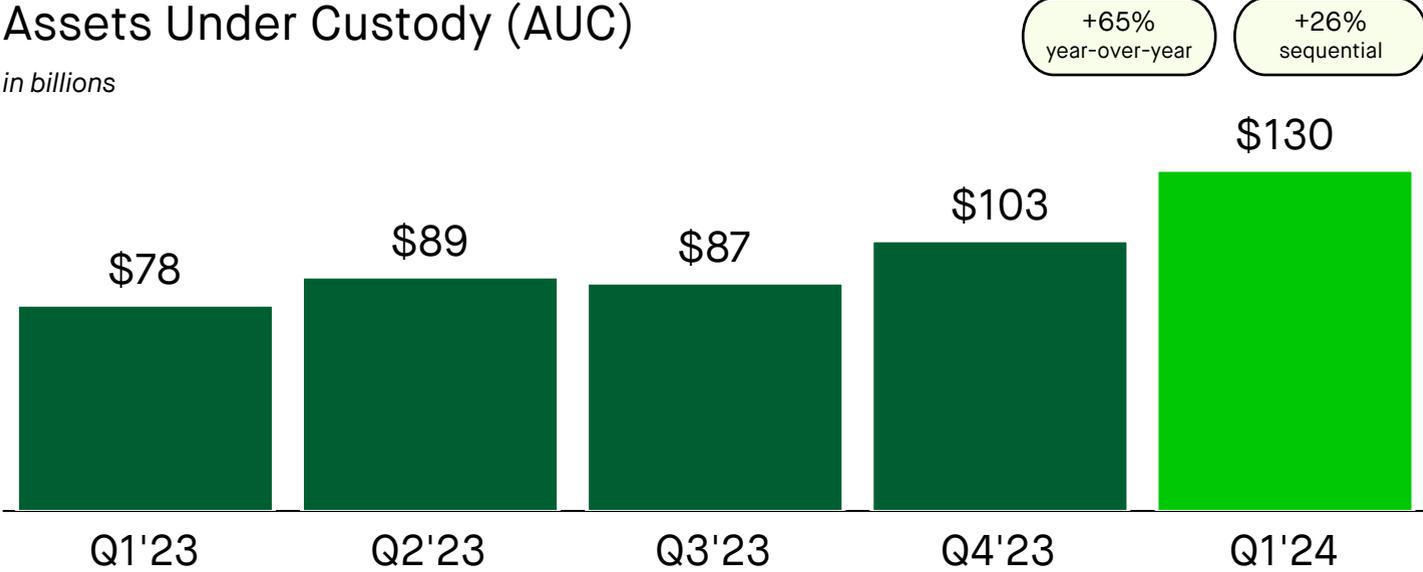
Gold Subscribers

in millions



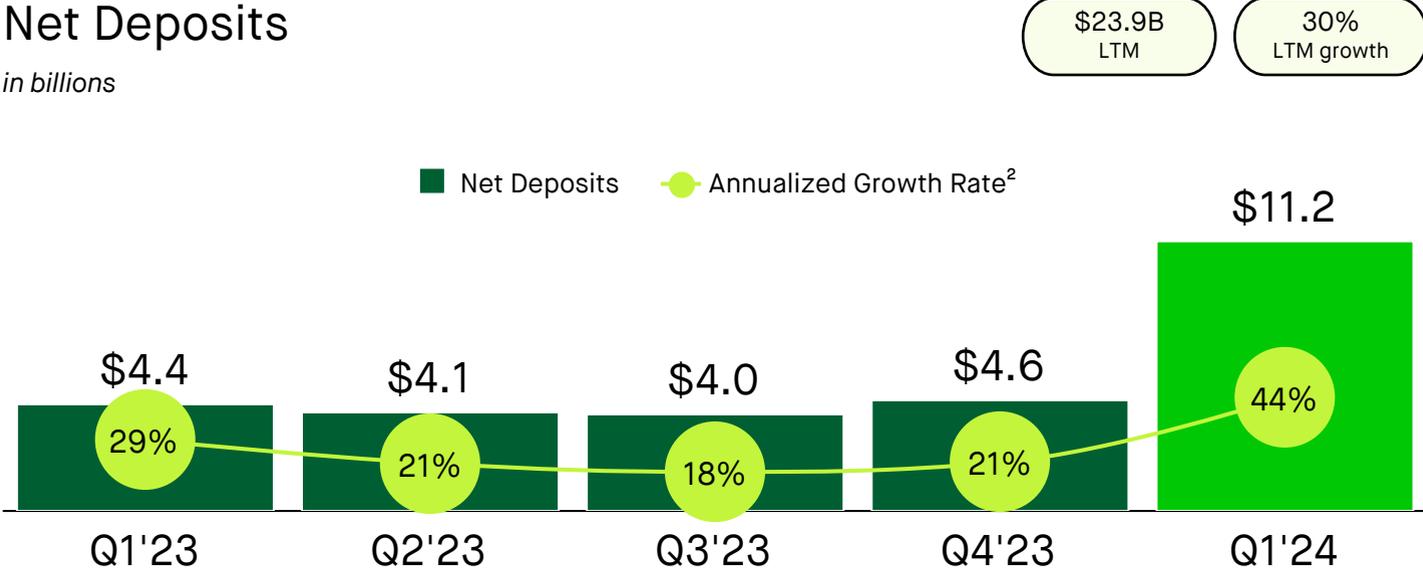
Assets Under Custody (AUC)

in billions



Net Deposits

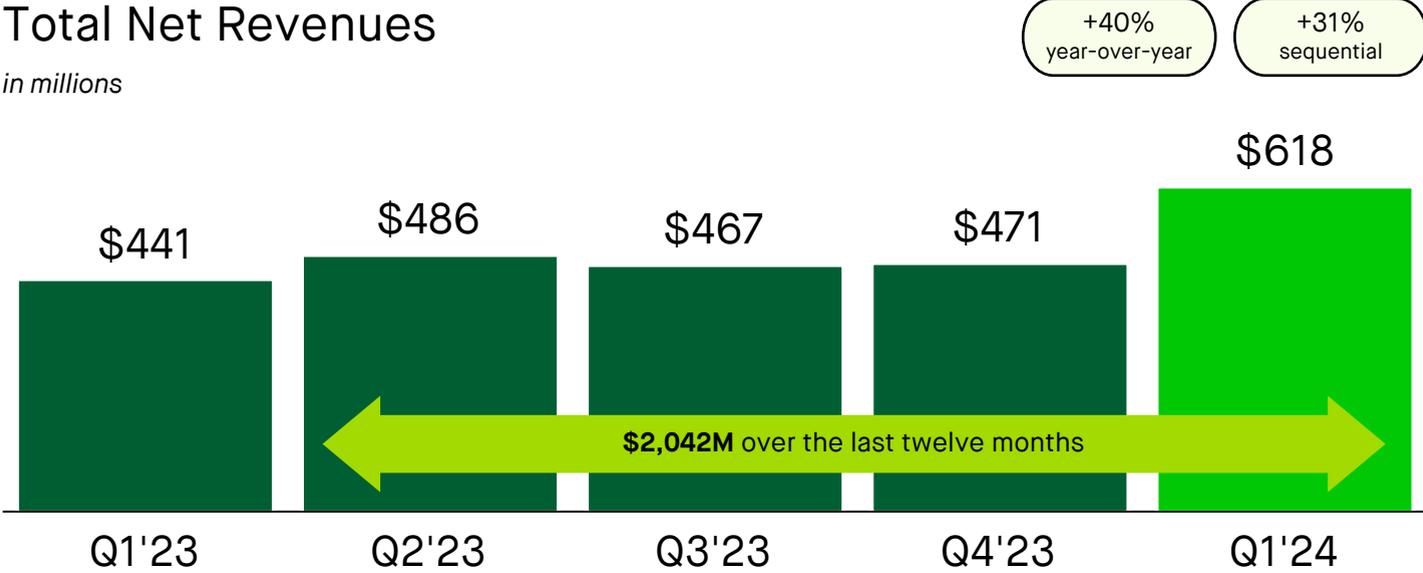
in billions



Q1 2024 Financial Results Highlights

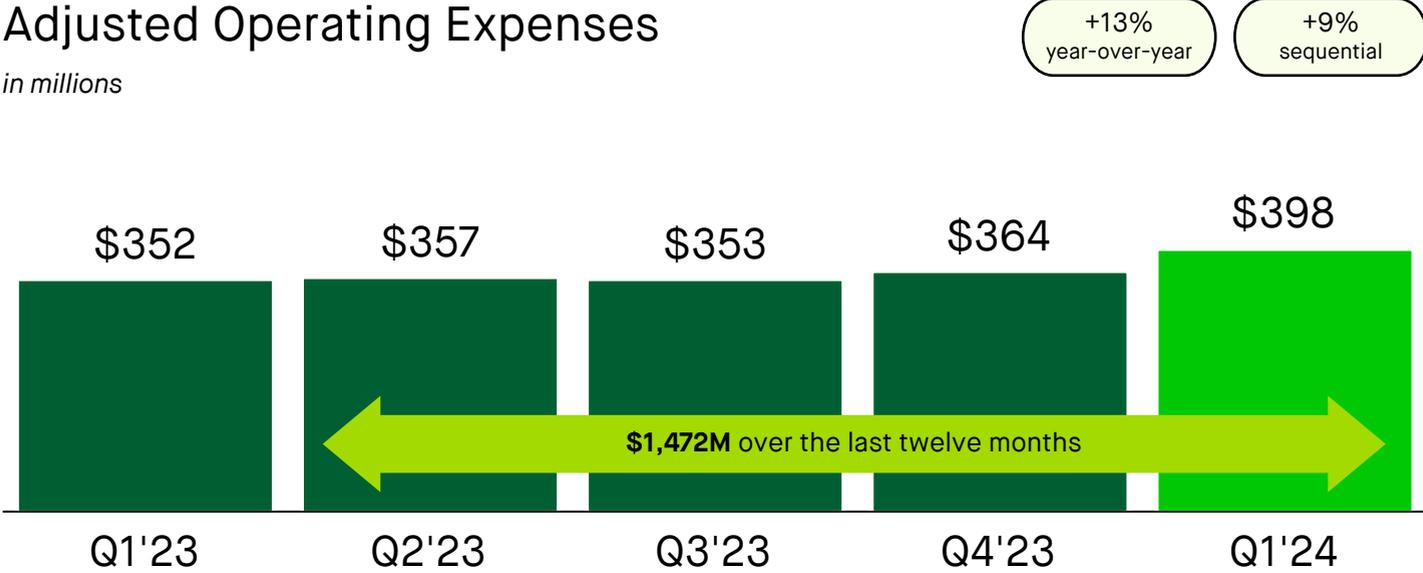
Total Net Revenues

in millions



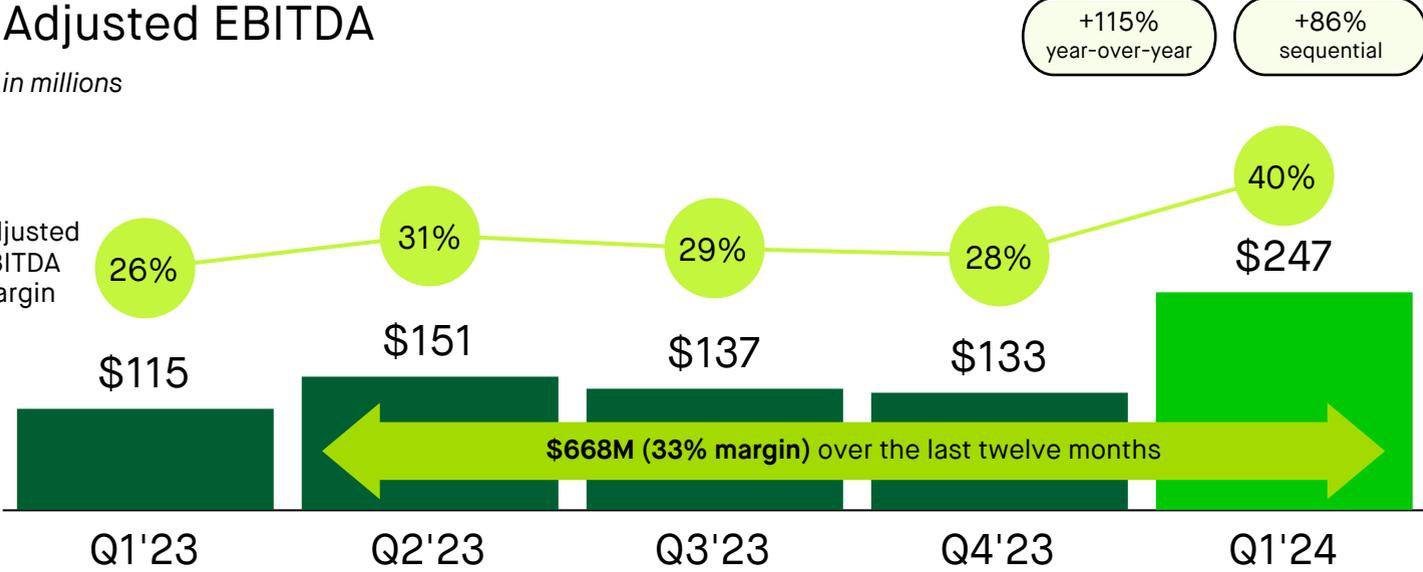
Adjusted Operating Expenses

in millions



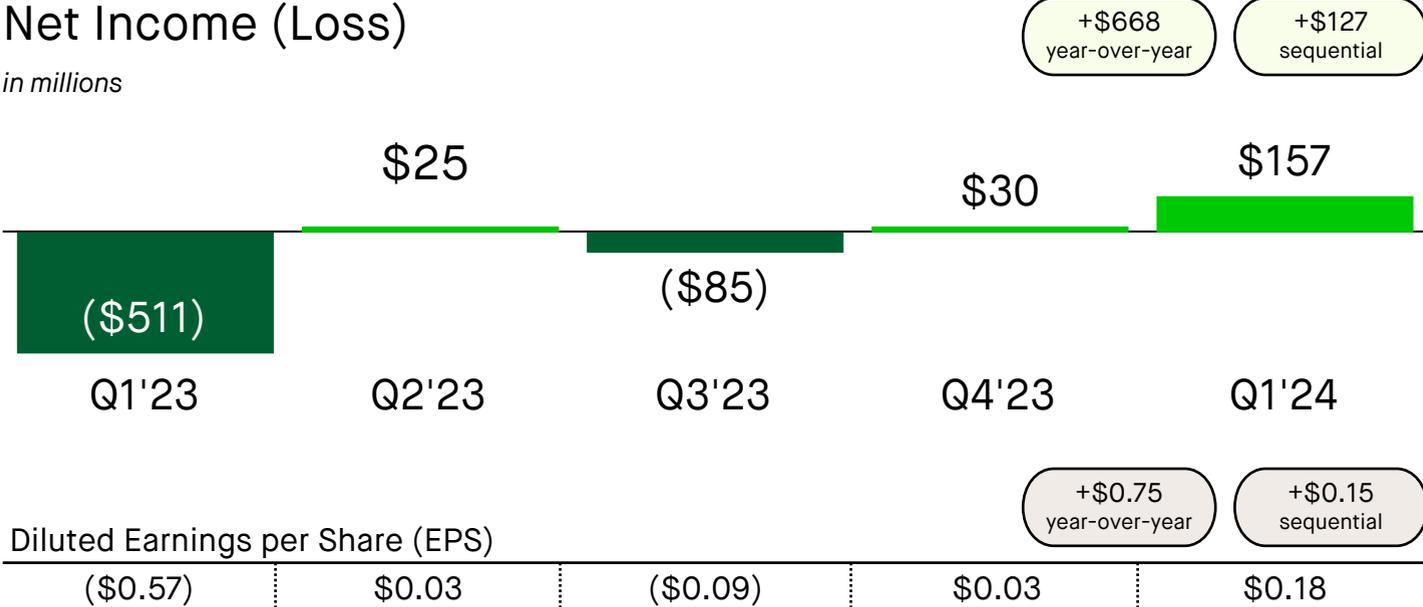
Adjusted EBITDA

in millions



Net Income (Loss)

in millions



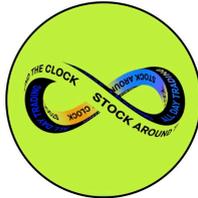
Strong product velocity to start the year

- Brokerage
- Crypto
- Money
- Corporate Events



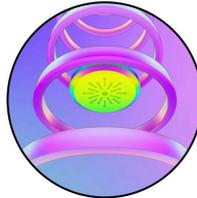
Robinhood Adds New Spot Bitcoin ETFs

January



New Symbols on the Robinhood 24 Hour Market¹

February



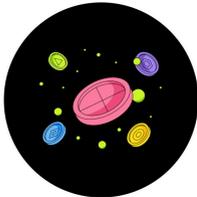
Robinhood Wallet and Arbitrum Expand Access to Layer 2s

February



Robinhood Wallet Is Now Available to Android Users Globally

March



MetaMask and Robinhood Connect Make It Easier to Access Web3

February



Introducing Robinhood Retirement for Independent Workers

February



Robinhood Is Now Available to All Customers in the UK²

March



The New Gold Standard: Gold Card, App Redesign, and Unlimited Deposit Boost Announced³

March

Q1 2024

(1) More than tripled the number of symbols available to trade on 24 Hour Market in February 2024, bringing total to over 900 as of the end of Q1 2024.

(2) Rolled all eligible customers off our waitlist and made Robinhood officially available throughout the United Kingdom.

(3) Announced new benefits for Gold Subscribers including the Robinhood Gold Card (currently rolling out via a waitlist) and an unlimited 1% deposit boost on all incoming brokerage deposits (upcoming), as well as a redesign of the Robinhood app (upcoming).

2024 Product Roadmap

Winning the **Active Trader** market

Products

- Advanced web
- Index options
- Futures

Measures

- Equity market share
- Options market share
- Crypto market share

Increasing **Wallet Share**

- Gold and Retirement enhancements
- Credit card
- Additional account types

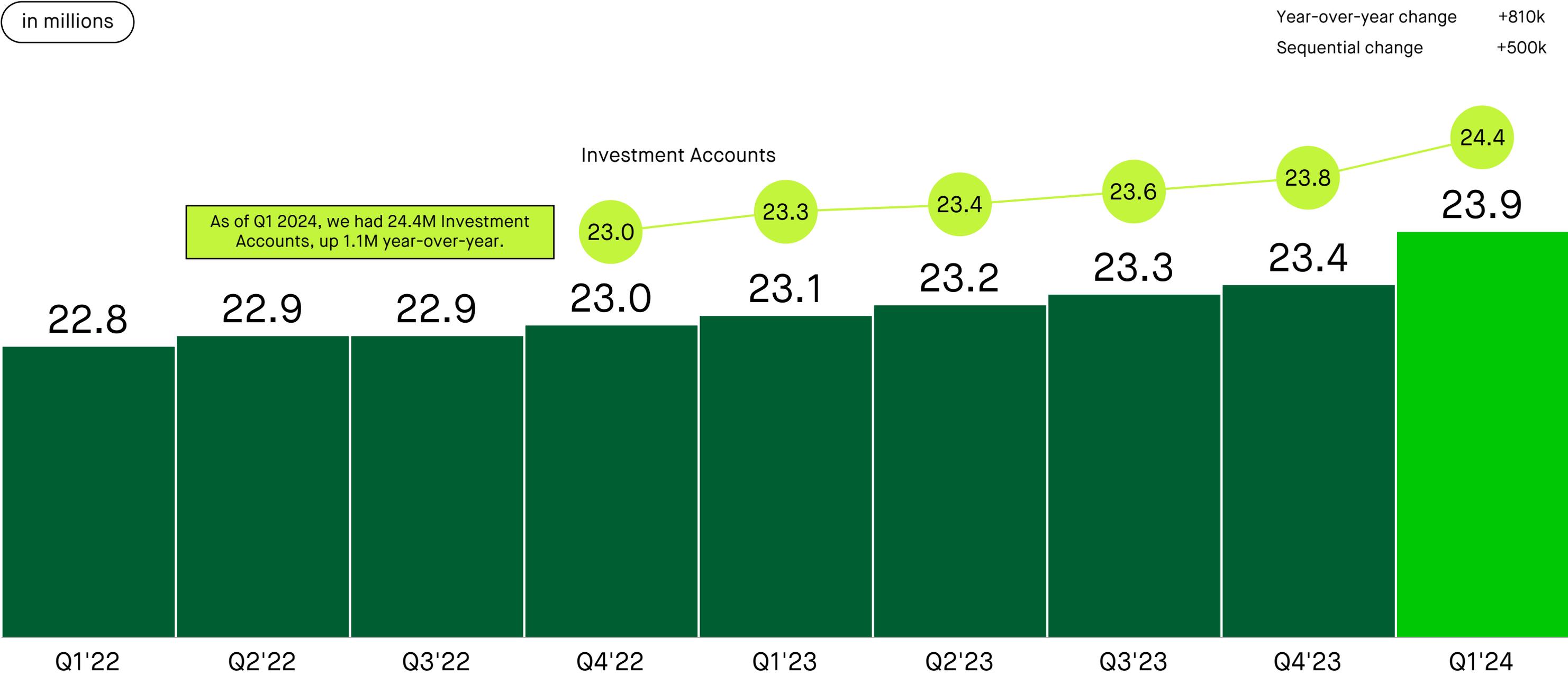
- Net Deposits
- Gold Subscribers

Expanding **Internationally**

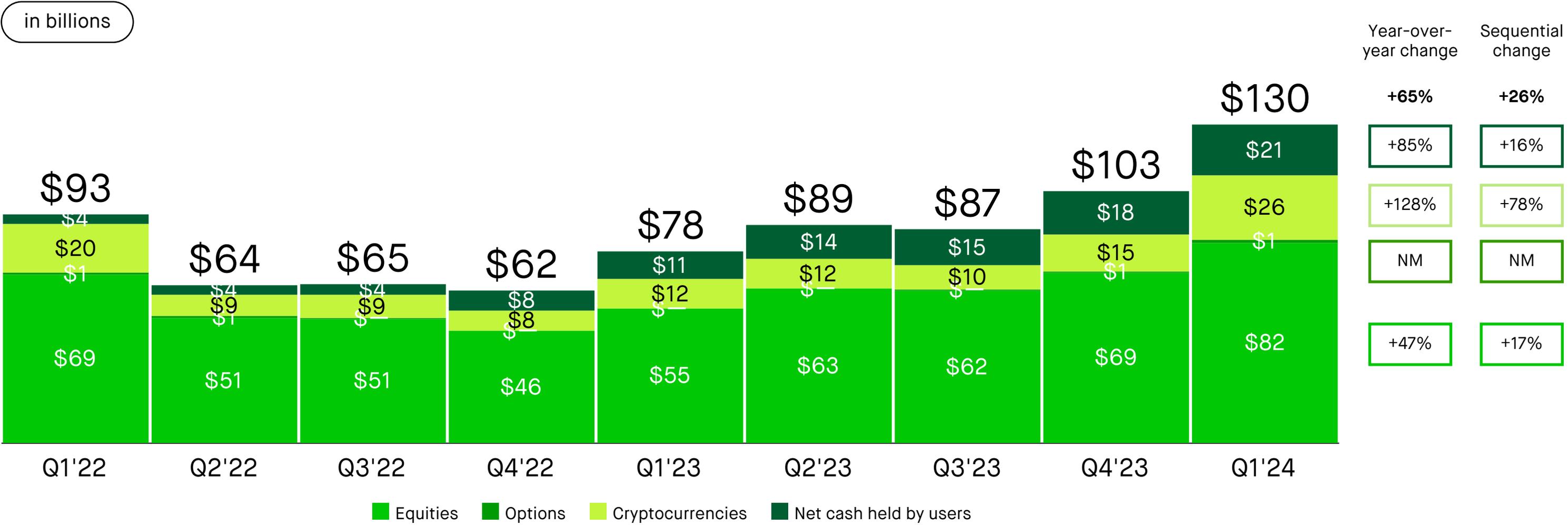
- UK brokerage
- EU crypto
- Expanded product suite

- International as a % of New Funded Customers
- International as a % of total Funded Customers

Funded Customers increased by ~810 thousand year-over-year to 23.9 million in Q1



Assets Under Custody (AUC) increased 65% year-over-year to a record \$130 billion in Q1, primarily due to higher equity and crypto valuations and continued Net Deposits



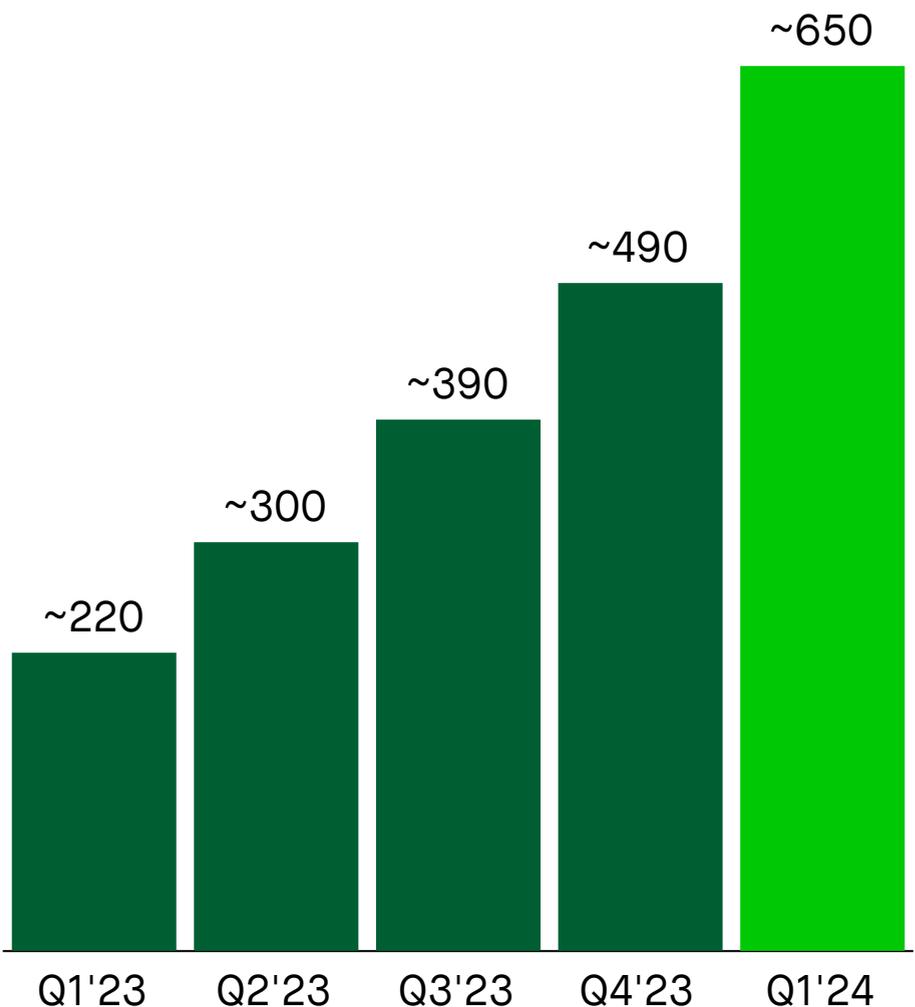
Average AUC per Funded Customer (in thousands)¹



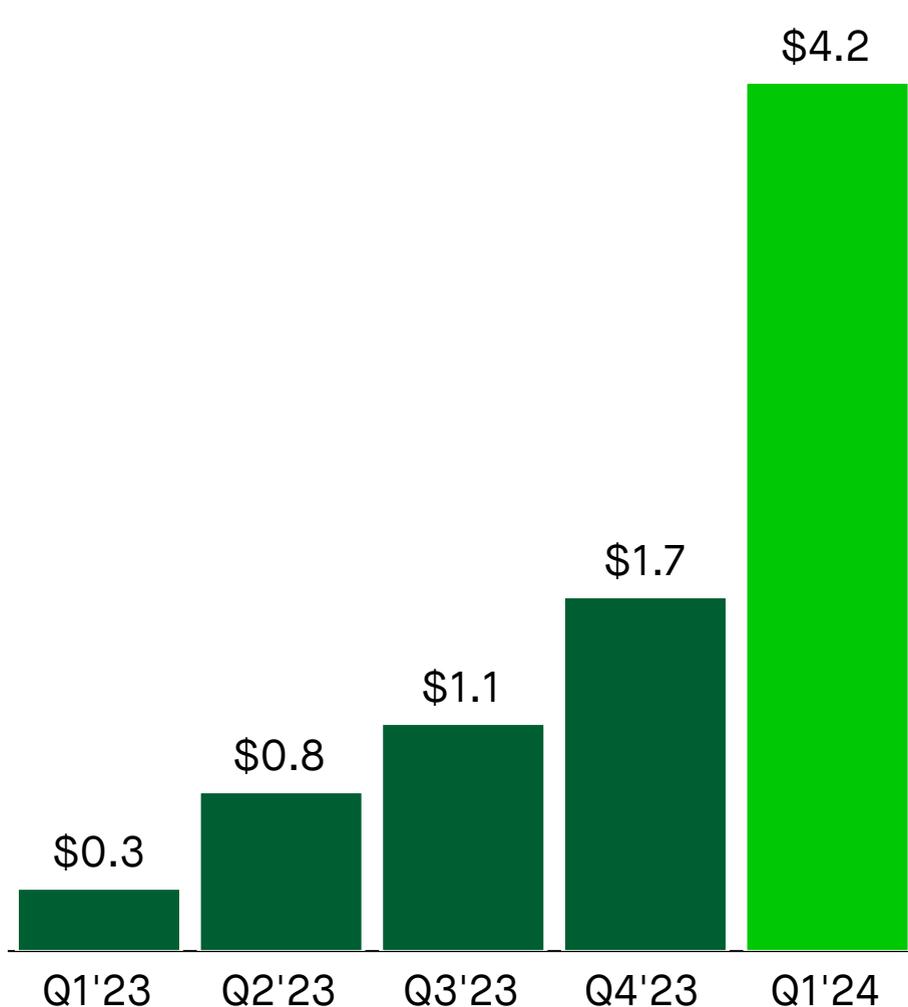
Refer to the Appendix for changes in AUC and details of net cash held by users. Q1 2024 ETF balances totaled ~\$19B. This represents 23% of total Q1 2024 equities under custody, up from 19% in Q1 2023. (1) Defined as end of period AUC divided by end of period Funded Customers.

Retirement growth accelerated in Q1, with Retirement AUC more than doubling sequentially to over \$4 billion

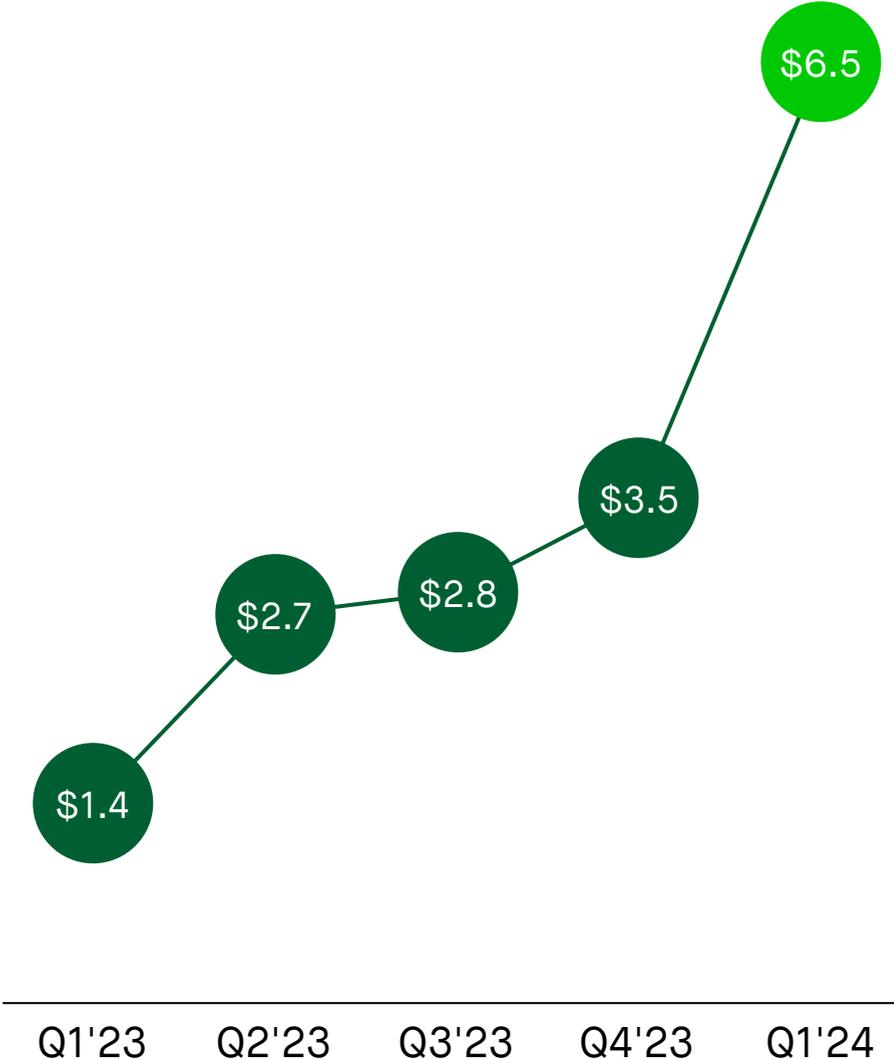
Retirement Accounts¹
End of period, in thousands



Retirement AUC
End of period, in billions



Retirement AUC per Account²
End of period, in thousands



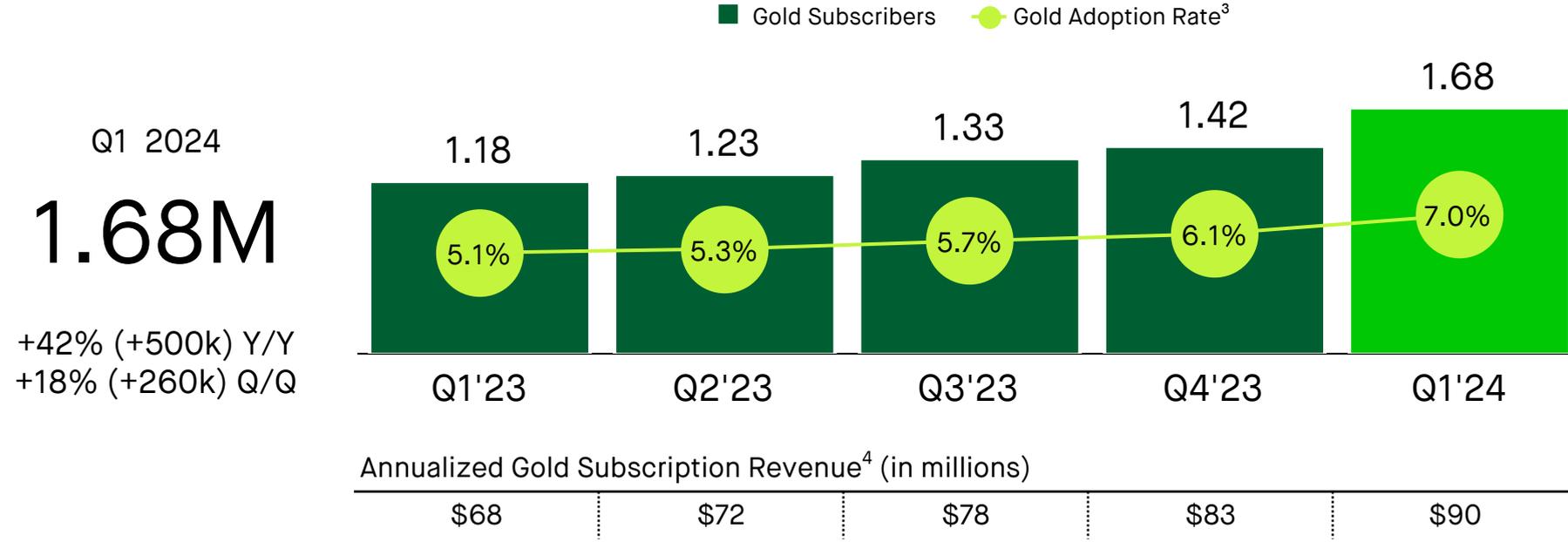
(1) As of Q1 2024, the split between Roth and traditional individual retirement accounts ("IRAs") was ~75% / ~25%.
 (2) Defined as end of period Retirement AUC divided by the total number of traditional IRAs and Roth IRAs at the end of the period.

We continue to add value to Robinhood Gold, and Q1 2024 subscriber growth was the highest in three years

Gold Subscribers receive meaningful value for \$5 per month¹

- Cash Sweep** 5% APY on uninvested cash
\$2.25M FDIC insurance
- Retirement** 3% IRA match
- Trading** Better margin rates
Enhanced market data
Professional research
- Gold Card²** 3% cash back across the board
- Unlimited Deposit Boost²** Unlimited 1% match on deposits

Gold Subscribers
in millions



Compared to our average Funded Customer, our average Gold Subscriber has...

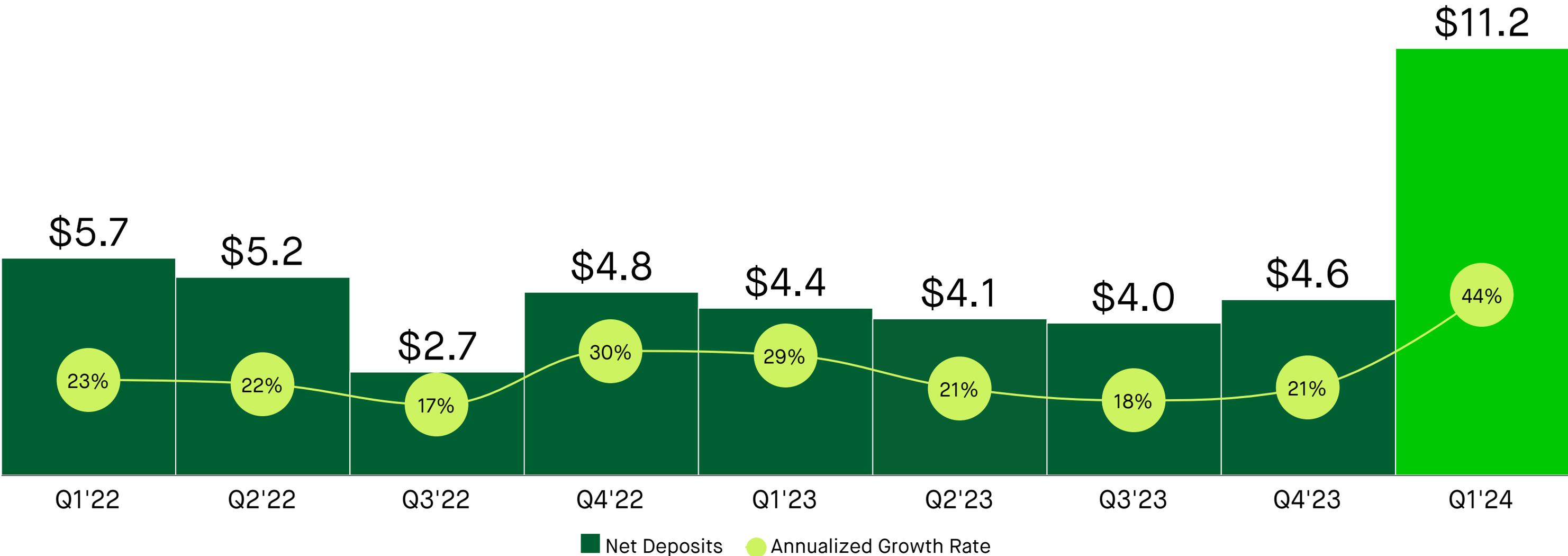
- ~8x** Assets Under Custody⁵
- ~2x** Net Deposit Growth Rate⁵
- ~5x** Retirement Adoption Rate⁵

(1) Gold offering and pricing as of 5/8/2024, with the exception of Unlimited Deposit Boost (upcoming).
 (2) The Robinhood Gold Card is currently rolling out via a waitlist. Unlimited Deposit Boost is upcoming.
 (3) Defined as end of period Gold Subscribers divided by end of period Funded Customers.
 (4) Defined as Gold subscription revenue in a given quarter times four.
 (5) Assets Under Custody and Retirement Adoption Rate figures as of 3/31/2024. Net Deposit growth rate over the LTM ending 3/31/2024. Refer to definitions in the Appendix for growth rate calculations.

Net Deposits were a record \$11.2 billion in Q1, translating to a 44% annualized growth rate and contributing to a 30% growth rate over the last twelve months

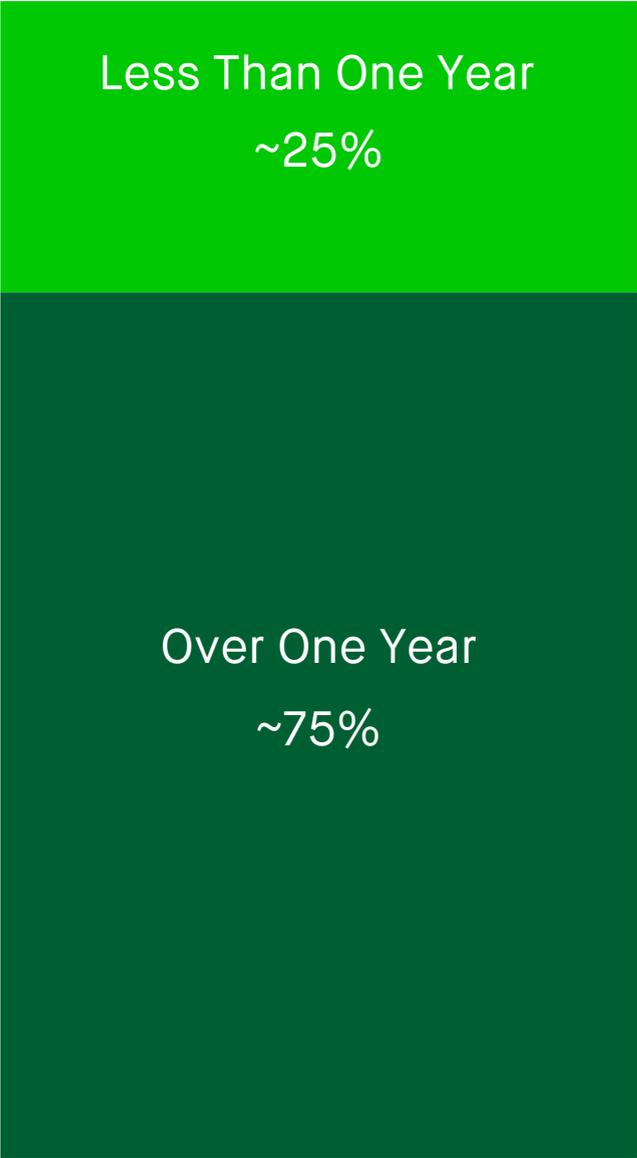
in billions

Last twelve months Net Deposits \$23.9
 Last twelve months growth rate 30%

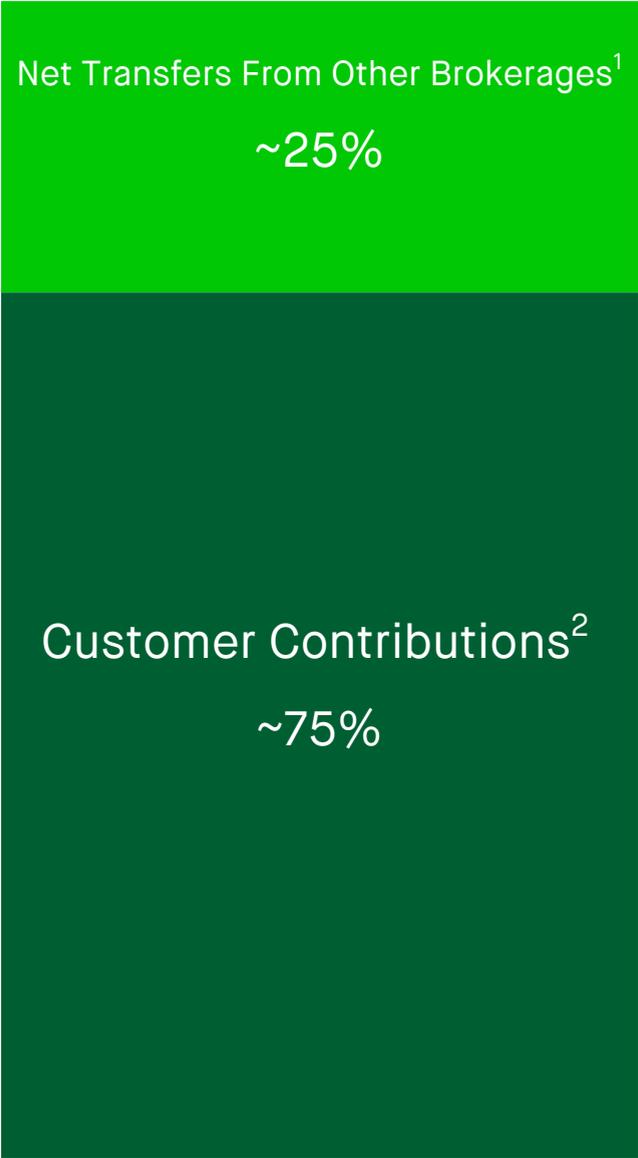


Our Net Deposits were broad and diversified in Q1

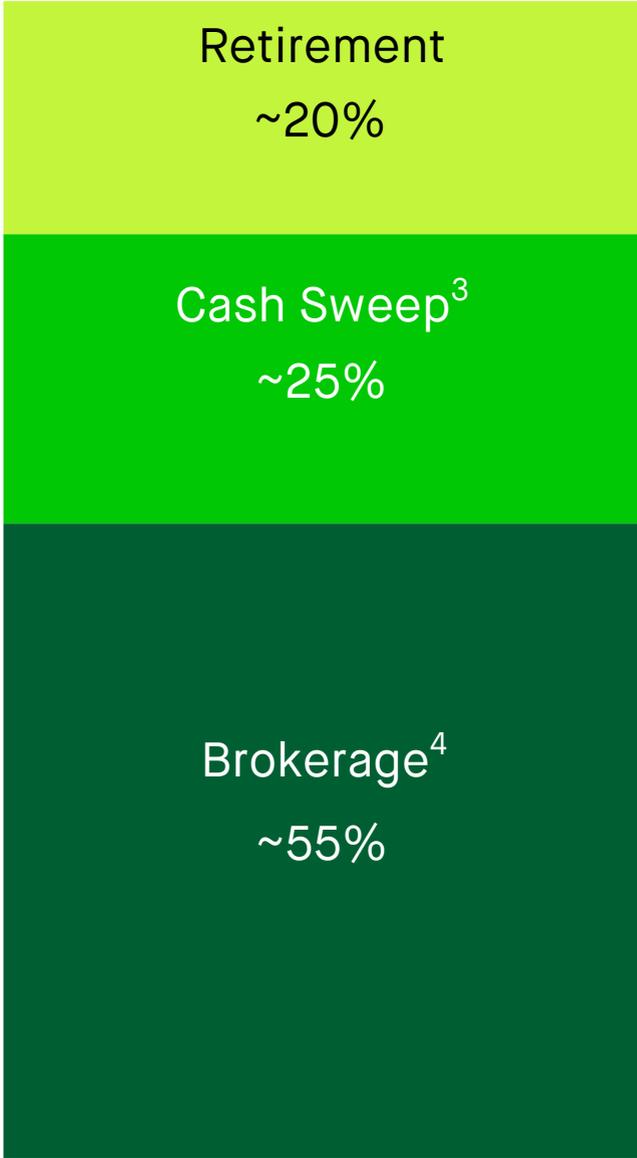
Length of Customer Relationship



Sources

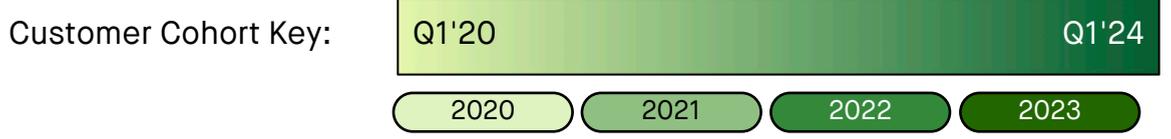
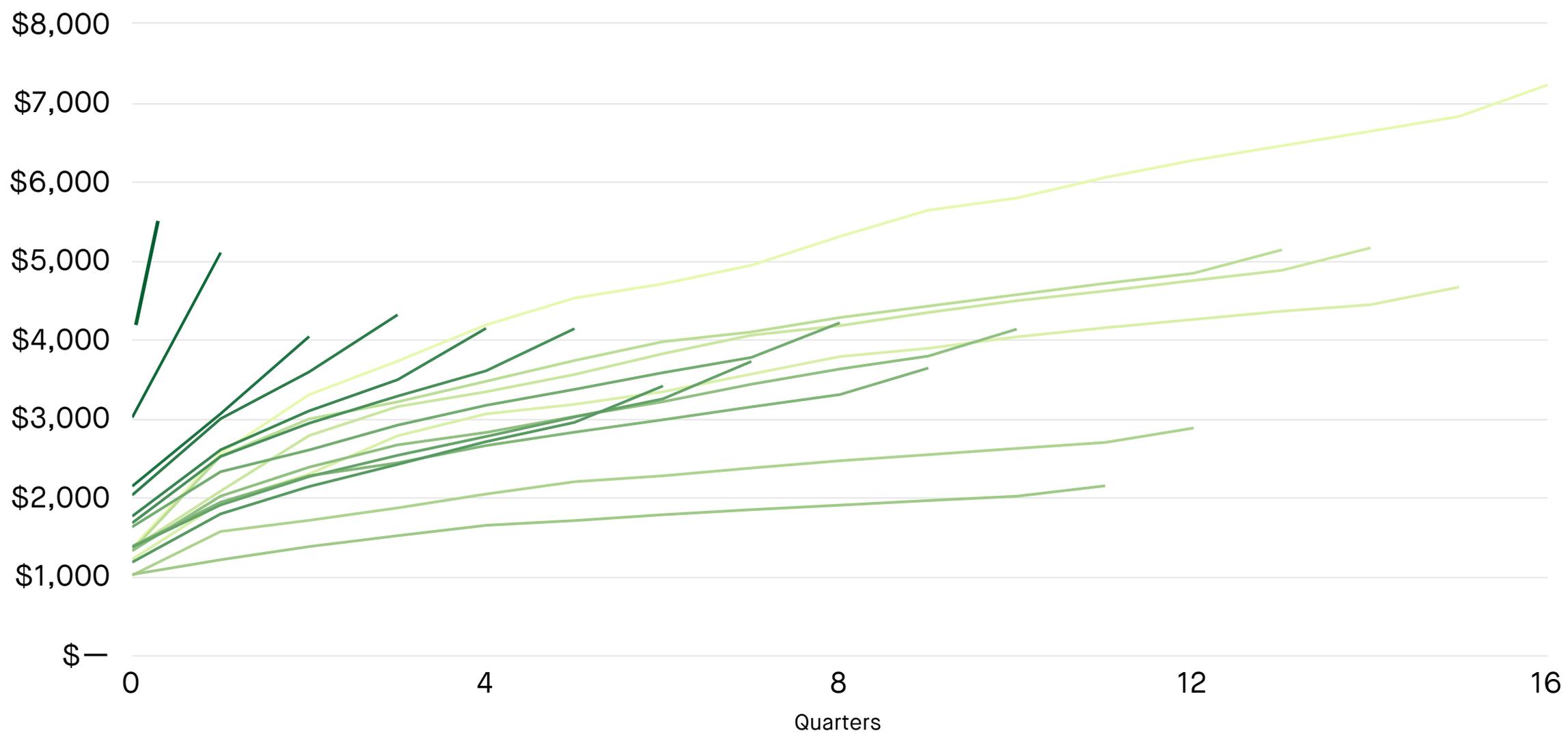


Uses



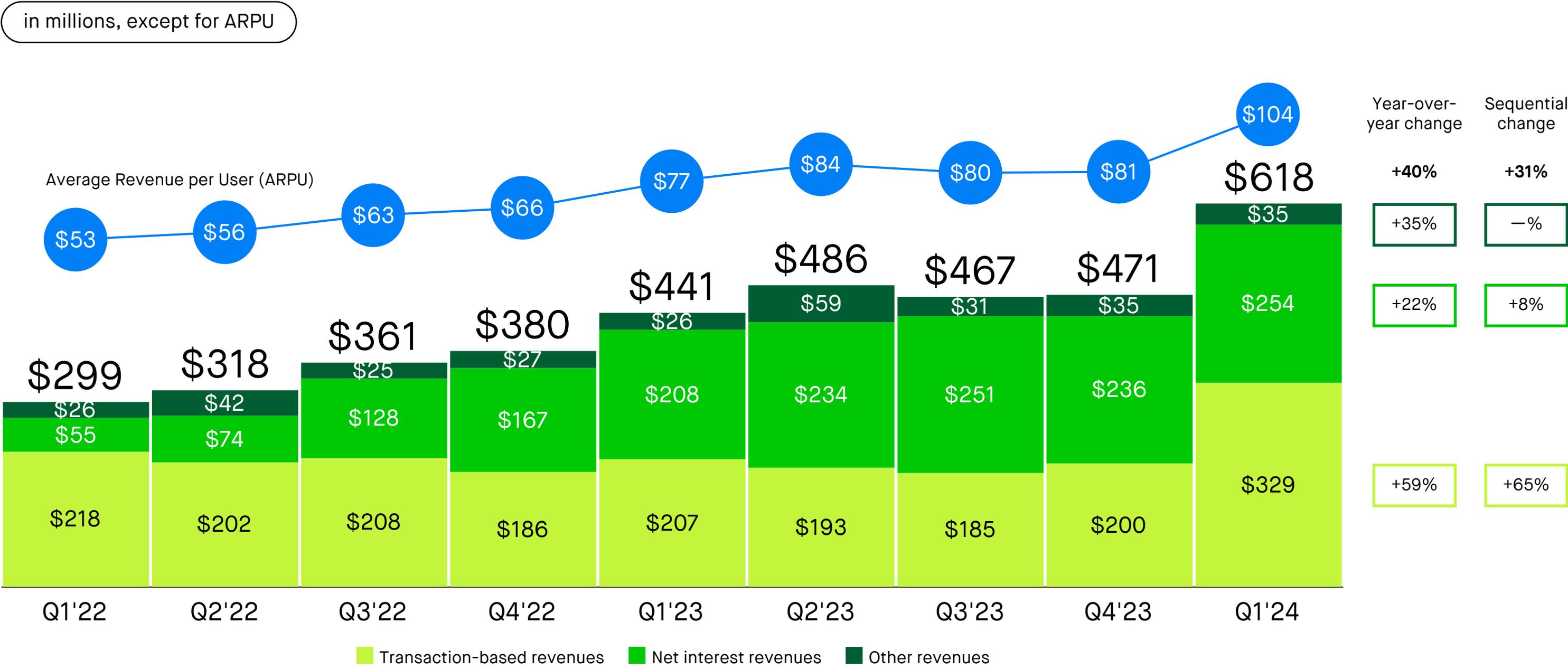
(1) Reflects net ACATs into Robinhood.
 (2) Primarily comprised of net ACH transfers into Robinhood. Automated Clearing House ("ACH") transfers are electronic fund transfers between financial institutions.
 (3) Primarily comprised of change in Cash Sweep.
 (4) Primarily comprised of Net Deposits not held in Cash Sweep or Retirement accounts.

Average cumulative Net Deposits¹ tend to grow over time across our Funded Customer Cohorts², and recent cohorts' initial Net Deposits are larger

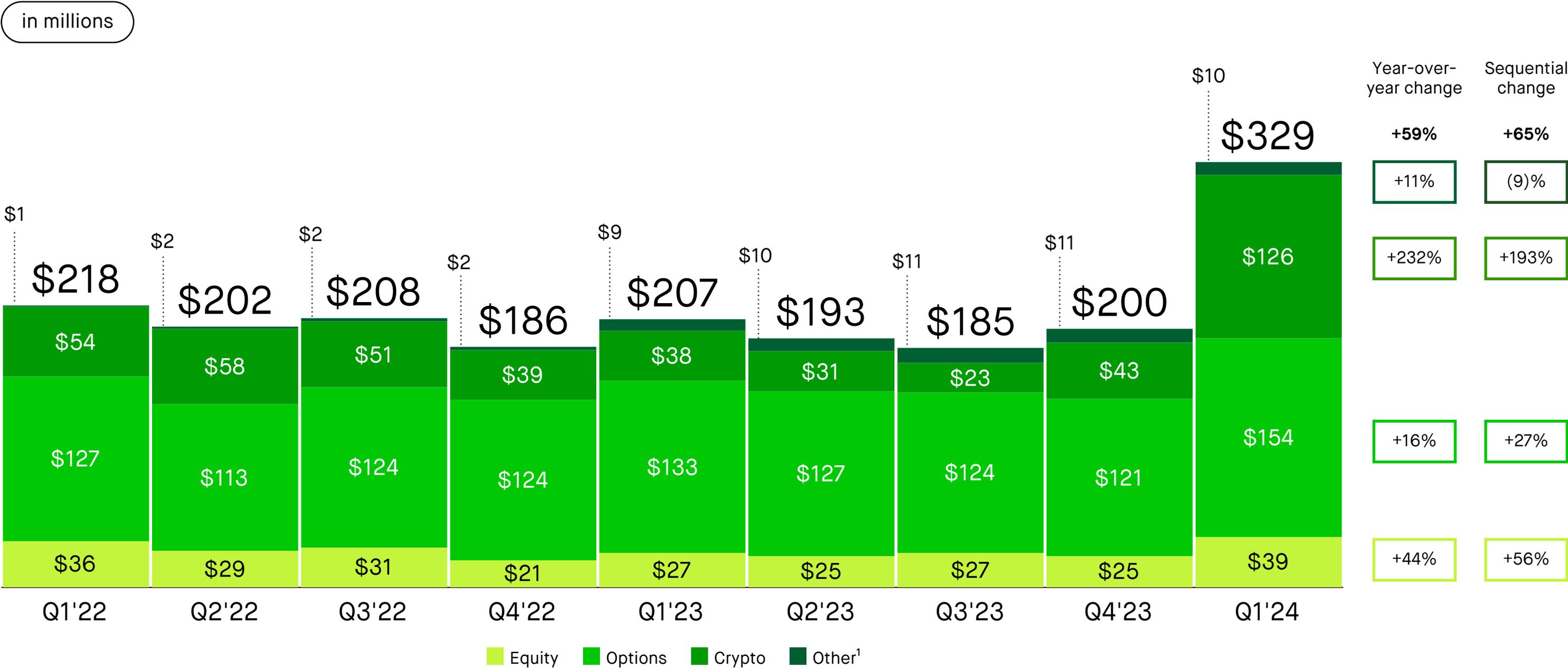


Funded Customer Cohorts reflect quarterly cohorts, from Q1 2020 through Q1 2024.
 (1) "Average cumulative Net Deposits" defined as total cumulative Net Deposits from a cohort divided by the cohort size.
 (2) A "Funded Customer Cohort" is comprised of end of period Funded Customers who were first considered a New Customer in a given quarter.

Total net revenues were up 40% year-over-year to a record \$618 million in Q1; ARPU was \$104

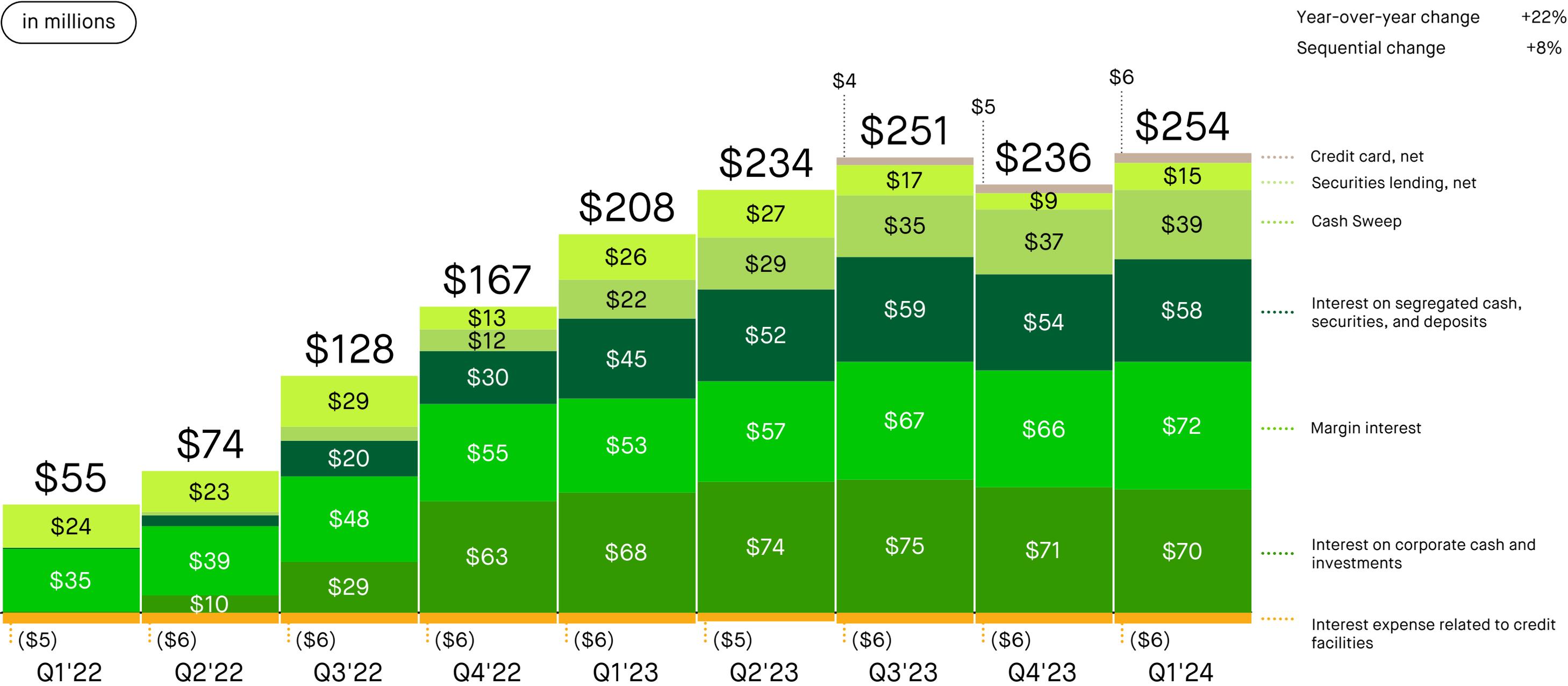


Transaction-based revenues were up 59% year-over-year to \$329 million in Q1



(1) Other transaction-based revenues are primarily comprised of revenues related to Instant Withdrawals and Cash Card. Instant Withdrawal annualized revenue (defined as revenue in a given quarter times four) were ~\$45M in Q4 2023 and ~\$60M in Q1 2024. Other transaction-based revenues also includes contra revenue associated with the matches we provide to customers on asset transfer promotions and retirement account contributions. Through Q1 2024, we have provided customers with ~\$110M in matches, including ~\$80M in Q1 2024, on balance transfers and contributions of ~\$7B, including ~\$4B in Q1 2024. We've amortized ~\$7M of these matches, including ~\$6M in Q1 2024. The remaining ~\$103M of matches have an average amortization period of over 4 years.

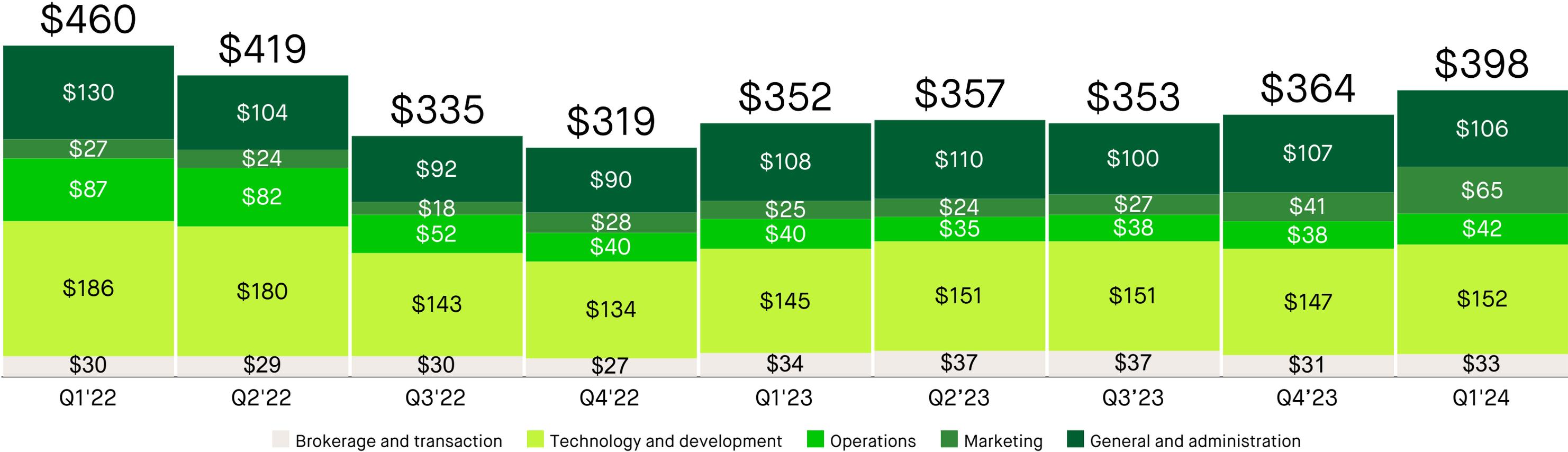
Net interest revenues were up 22% year-over-year to \$254 million in Q1



Adjusted Operating Expenses increased 13% year-over-year to \$398 million in Q1

in millions

Year-over-year change +13%
Sequential change +9%

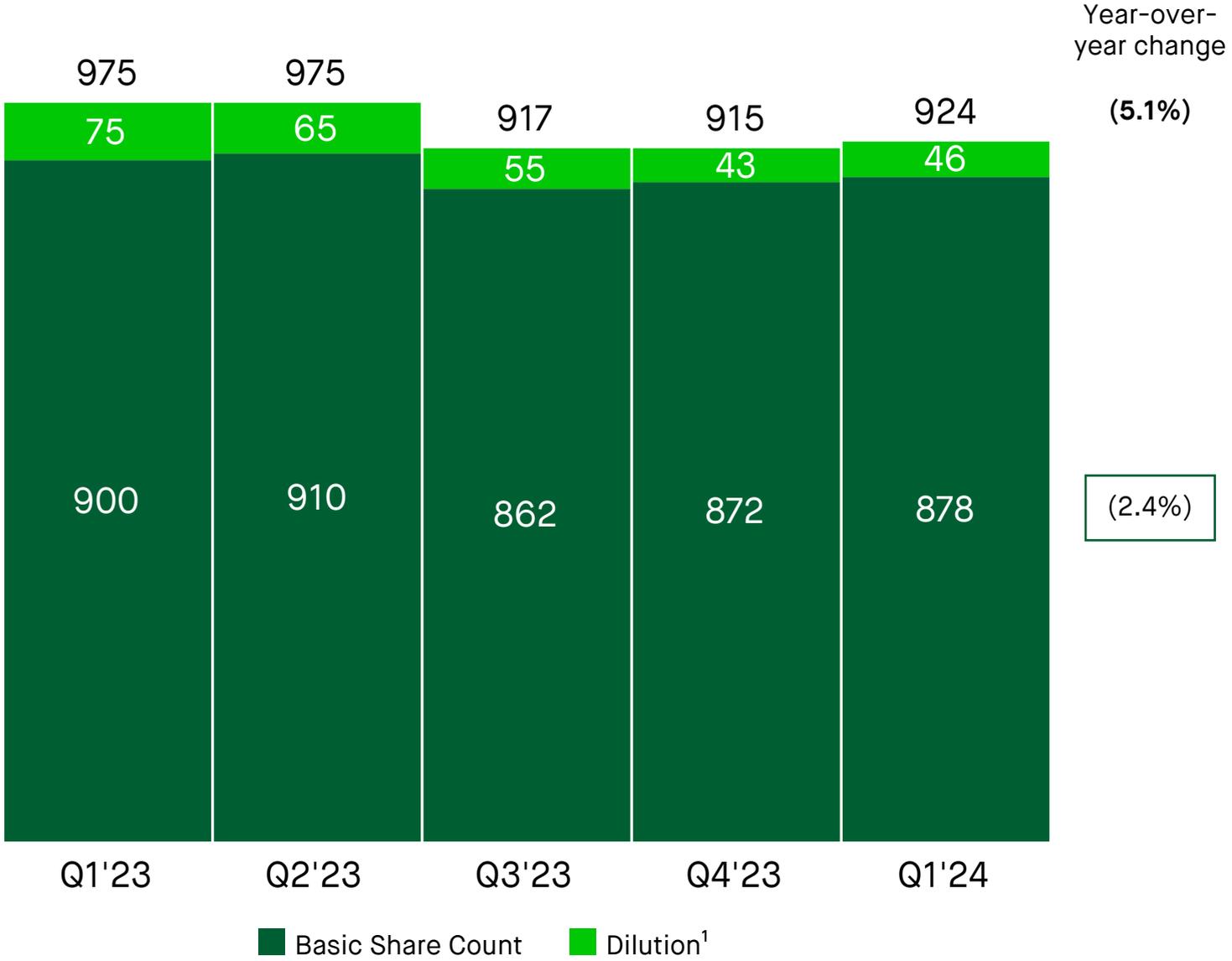


Share-Based Compensation¹

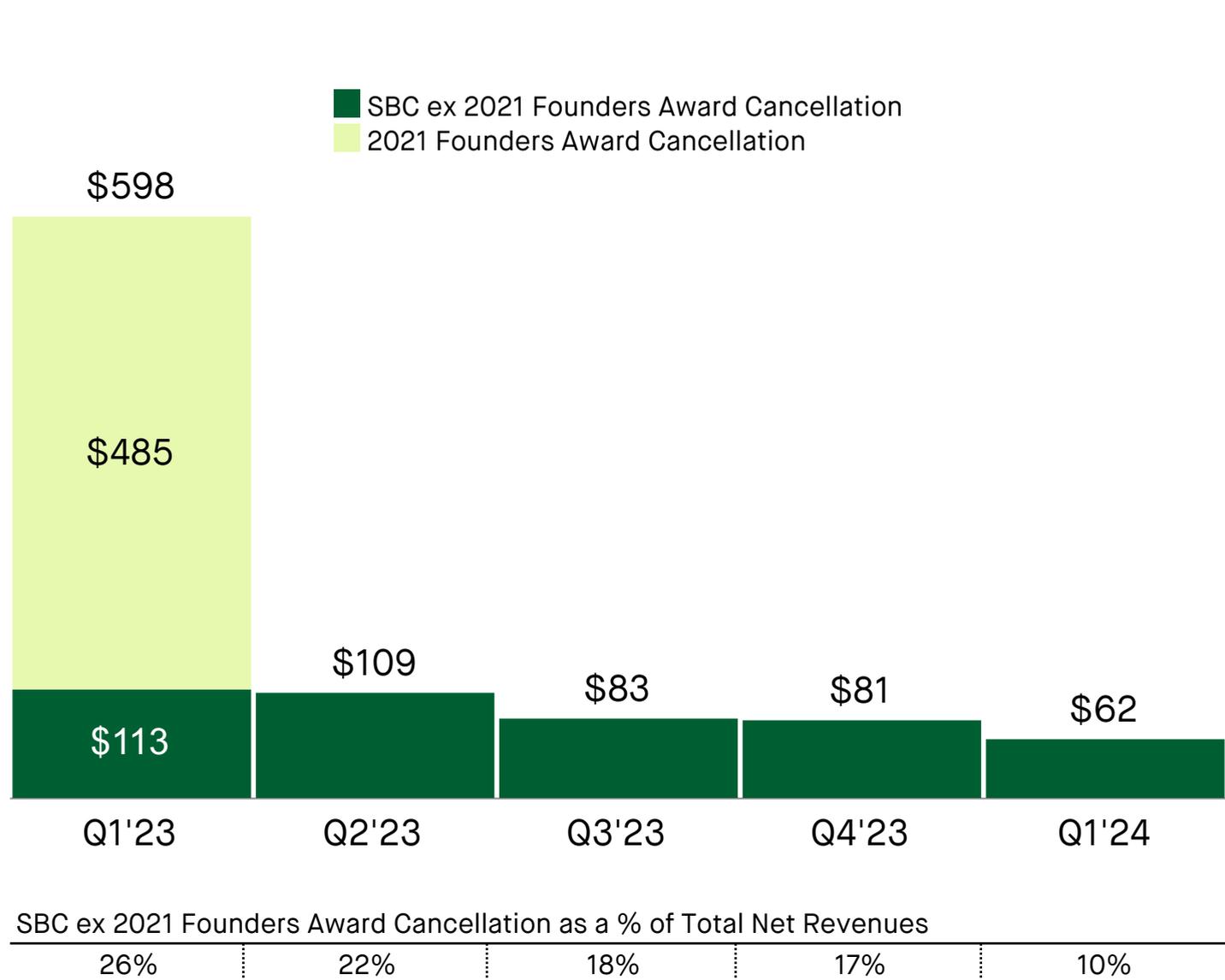
\$220 \$164 \$110 \$160 \$598 \$109 \$83 \$81 \$62

Diluted share count decreased by ~5% year-over-year in Q1; we continue to anticipate dilution of 2% or less in 2024

Basic and Diluted Share Count
in millions

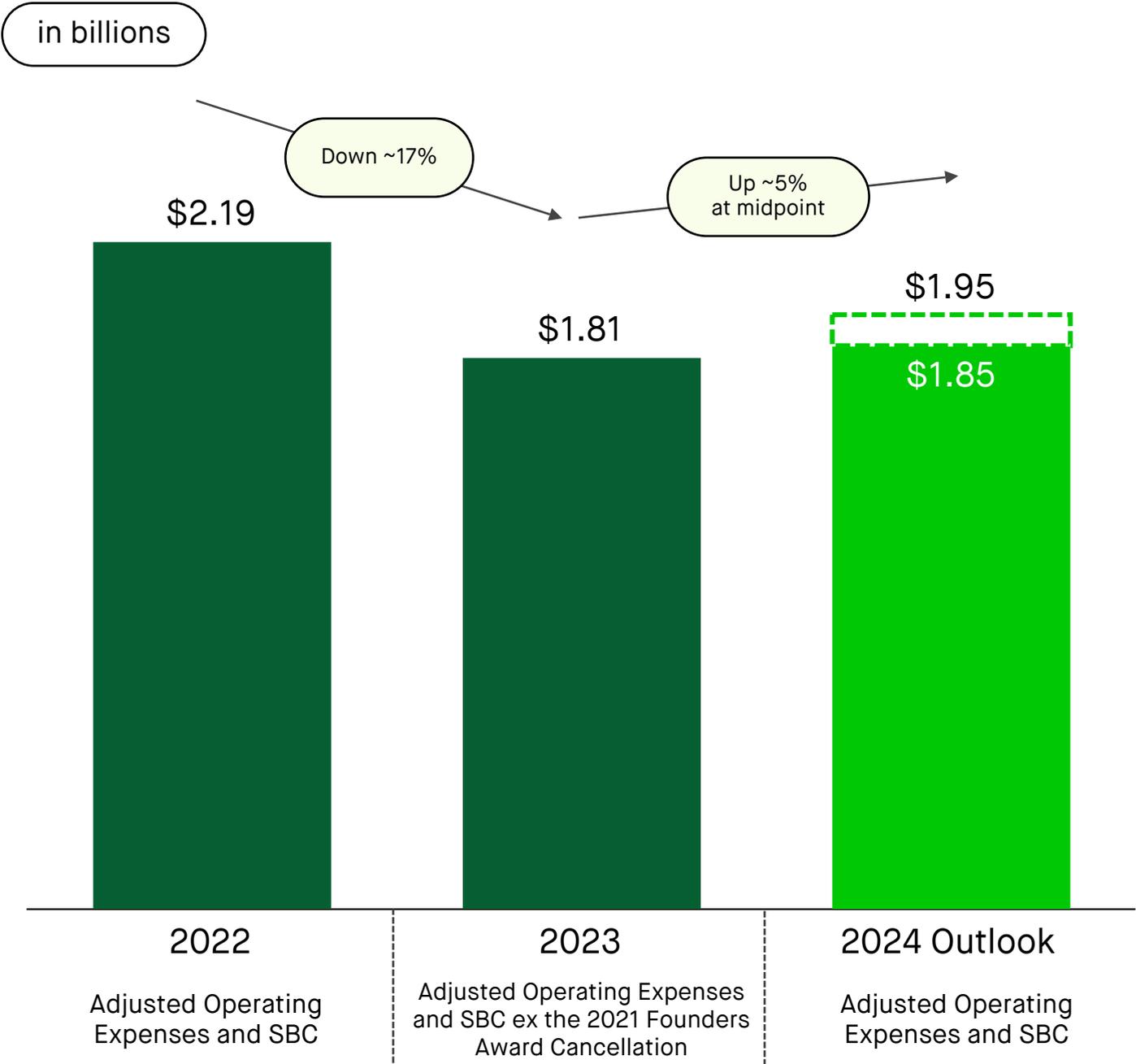


Share-Based Compensation Expense
in millions



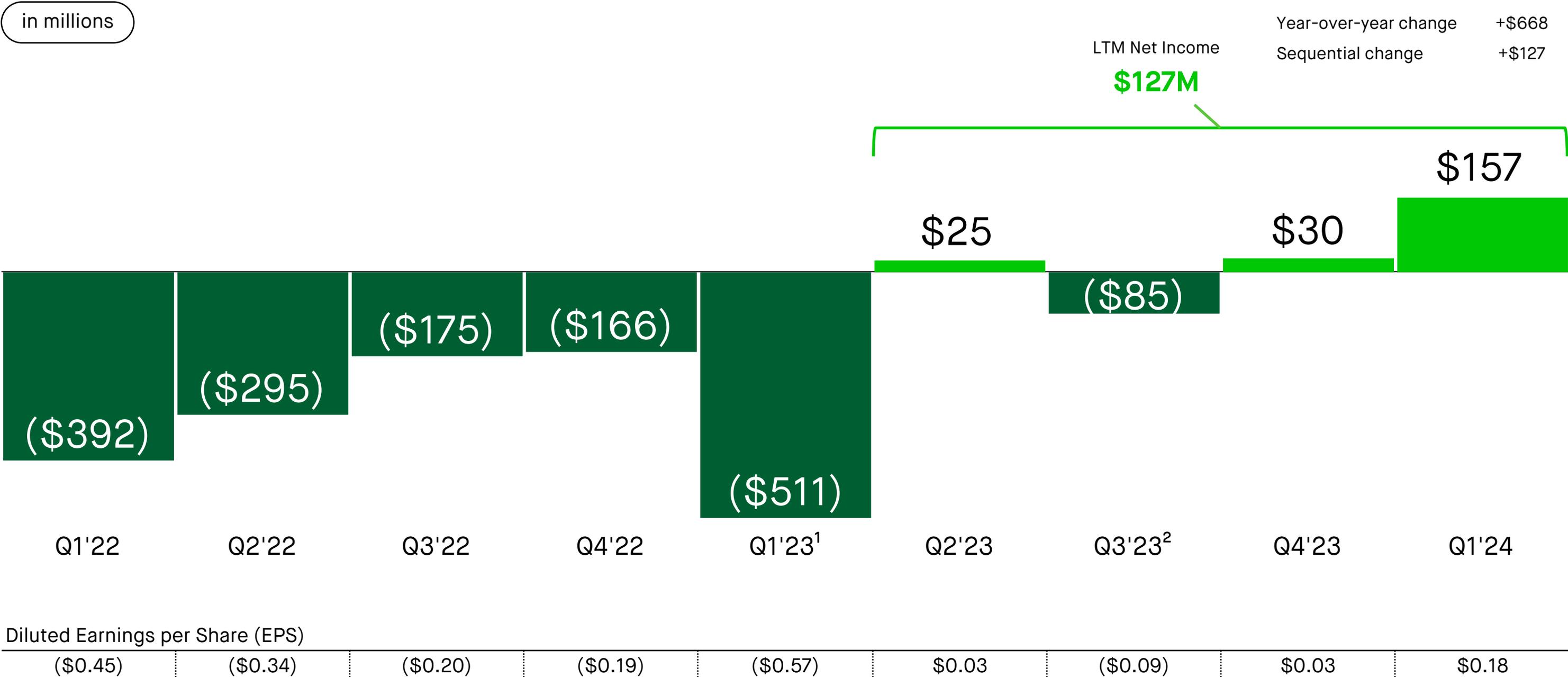
(1) Under GAAP, for any period with net income, diluted EPS is calculated using the treasury method for diluted shares, which may cause differences compared to diluted shares shown in this schedule dependent on Robinhood's share price. SBC excluding the 2021 Founders Award Cancellation is a non-GAAP financial measure. Refer to the Appendix for the full definition of SBC excluding the 2021 Founders Award Cancellation.

We are on track for our 2024 expense outlook of \$1.85 billion to \$1.95 billion of combined Adjusted Operating Expenses and SBC



- Our 2024 expense outlook of \$1.85B to \$1.95B of combined Adjusted Operating Expenses and SBC was built to drive another year of profitable growth, including:
 - Investing for growth across new products, features, and international expansion
 - Reducing costs in our existing business
- In Q1 2024, combined Adjusted Operating Expenses and SBC were \$460M, below the quarterly average of our outlook primarily due to a SBC reversal from an executive departure
- Our 2024 expense outlook is unchanged as we continue to invest in new growth opportunities while realizing efficiencies in our existing business
 - This outlook does not include potential significant regulatory matters or other significant expenses whose size or timing we are unable to predict

GAAP net income was a record \$157 million in Q1 and EPS was \$0.18

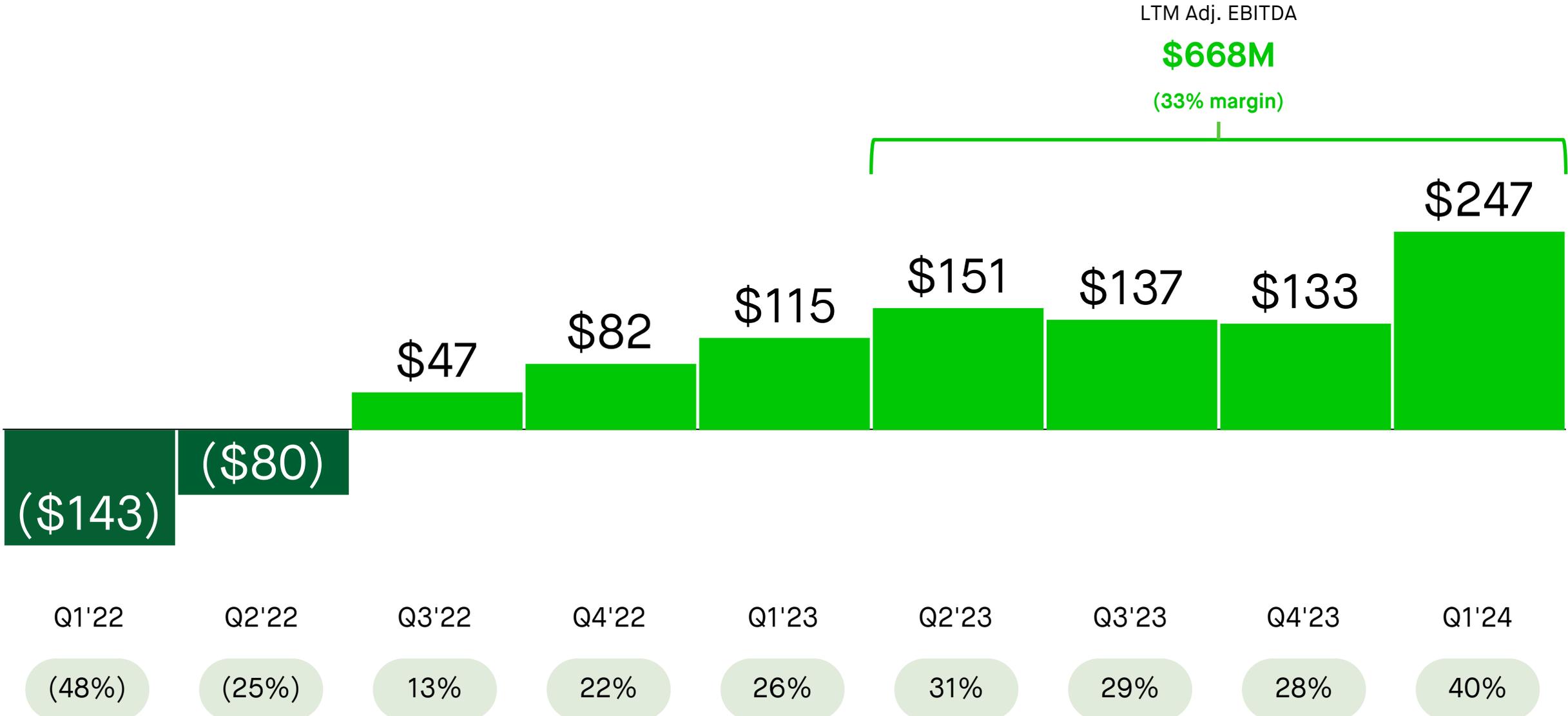


(1) Q1 2023 included a \$485 million charge related to the 2021 Founders Award Cancellation.
(2) Q3 2023 included the impact of a \$104M Regulatory Accrual recorded in the quarter.

Adjusted EBITDA was a record \$247 million in Q1 and Adjusted EBITDA Margin increased 14 points year-over-year to 40% in Q1

in millions

Year-over-year change +\$132
 Sequential change +\$114



With over \$5B in corporate cash and investments, we are well positioned to continue deploying capital

- Our balance sheet remains strong with over \$5 billion of corporate cash and investments¹ today, as well as \$3 billion in available lines of credit
- We believe the strength of our balance sheet gives us the flexibility to run our business while investing for future growth
- We will continue to look to drive growth and shareholder value by allocating capital across:
 - Organic growth
 - M&A
 - Shareholder returns

in billions

Year-over-year change (\$0.7)
 Sequential change (\$0.1)



(1) For more information on our investments, see Note - Investments and Fair Value Measurement, to our unaudited condensed consolidated financial statements in our Q1 2024 10-Q.
 (2) Q3 2023 reflects the impact of our purchase of over 55M shares of Robinhood stock for \$606M.

Appendix

March 2024 Monthly Metrics

Robinhood Markets, Inc. and Consolidated Subsidiaries
 Monthly Metrics Report for March 2024
 (Unaudited)



(M - in millions, B - in billions)

	2023												2024			Change	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	M/M	Y/Y	
Funded Customer Growth (M)																	
Funded Customers	23.1	23.1	23.1	23.1	23.2	23.2	23.2	23.3	23.3	23.3	23.4	23.5	23.6	23.9	1%	3%	
Assets Under Custody (AUC) (\$B)																	
Total AUC	\$74.7	\$78.4	\$77.4	\$81.8	\$88.8	\$94.5	\$89.7	\$86.5	\$84.6	\$94.4	\$102.6	\$102.4	\$118.7	\$129.6	9%	65%	
Net Deposits	\$1.5	\$1.5	\$1.4	\$1.6	\$1.1	\$1.4	\$1.6	\$1.0	\$1.0	\$1.4	\$2.2	\$3.8	\$3.6	\$3.8	NM	NM	
Trading																	
Trading Days (Equities and Options)	19	23	19	22	21	20	23	20	22	21	20	21	20	20	-	(13%)	
Total Trading Volumes																	
Equity (\$B)	\$57.3	\$56.8	\$38.9	\$49.4	\$66.9	\$69.2	\$59.8	\$44.2	\$50.8	\$52.9	\$63.2	\$59.3	\$80.9	\$84.7	5%	49%	
Options Contracts (M)	89.4	100.1	75.3	97.5	110.5	106.1	107.3	87.3	96.6	95.3	104.5	106.2	119.1	118.2	(1%)	18%	
Crypto (\$B)	\$3.5	\$3.9	\$3.7	\$2.1	\$3.3	\$3.4	\$2.2	\$1.2	\$2.3	\$4.0	\$6.5	\$5.9	\$6.5	\$23.6	263%	505%	
Daily Average Revenue Trades (DARTs) (M)																	
Equity	1.6	1.6	1.4	1.5	1.7	1.7	1.5	1.5	1.4	1.4	1.8	1.7	1.9	2.2	16%	38%	
Options	0.7	0.6	0.5	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.8	-	33%	
Crypto	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.3	0.3	0.3	0.7	133%	250%	
Customer Margin and Cash Sweep (\$B)																	
Margin Book	\$3.3	\$3.1	\$3.1	\$3.1	\$3.3	\$3.4	\$3.5	\$3.6	\$3.5	\$3.4	\$3.5	\$3.6	\$3.8	\$4.1	8%	32%	
Total Cash Sweep																	
Gold	\$7.0	\$8.0	\$8.8	\$10.4	\$11.1	\$11.9	\$12.6	\$12.9	\$13.2	\$14.5	\$15.7	\$16.1	\$17.4	\$18.2	5%	128%	
Non-Gold	\$1.0	\$0.9	\$0.8	\$0.8	\$0.8	\$0.8	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	\$0.8	14%	(11%)	
Total Securities Lending Revenue (\$M)	\$17	\$15	\$18	\$15	\$15	\$17	\$17	\$10	\$11	\$11	\$12	\$12	\$13	\$17	31%	13%	

See the Appendix for definitions.

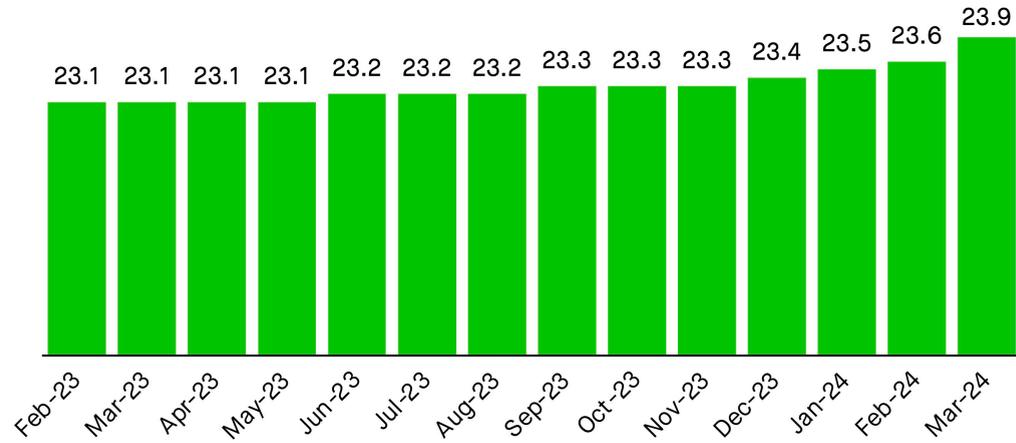
Monthly percentage change represents the most recent calendar month as compared to the immediately preceding calendar month. Yearly percentage change represents the most recent calendar month as compared to the same month of the prior year.

Total Securities Lending Revenue was added as a new monthly metric in December 2023. Total Securities Lending Revenue, which was \$42 million in Q1 2024, includes net rebates and interest on cash collateral for both margin based and fully paid securities lending.

March 2024 Monthly Metrics Dashboard

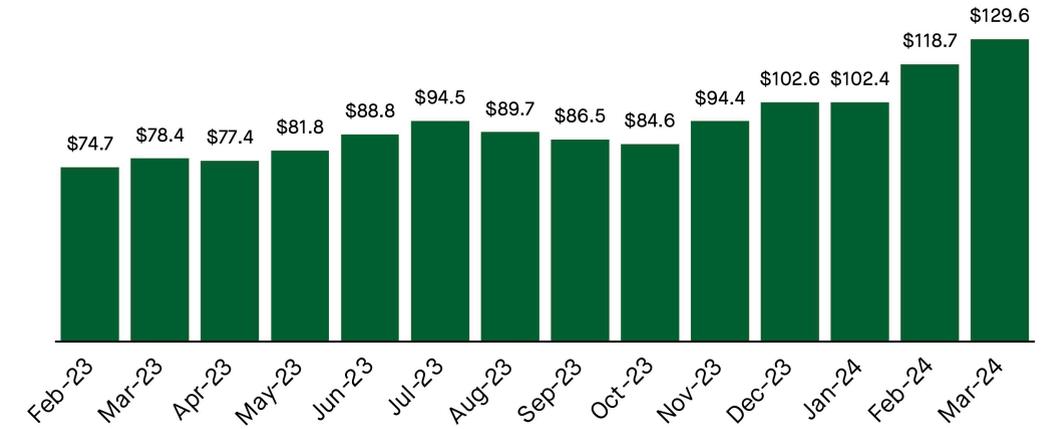
Funded Customers *in millions*

Mar-24
23.9M
+260K M/M
+810K Y/Y



Assets Under Custody (AUC) *in billions*

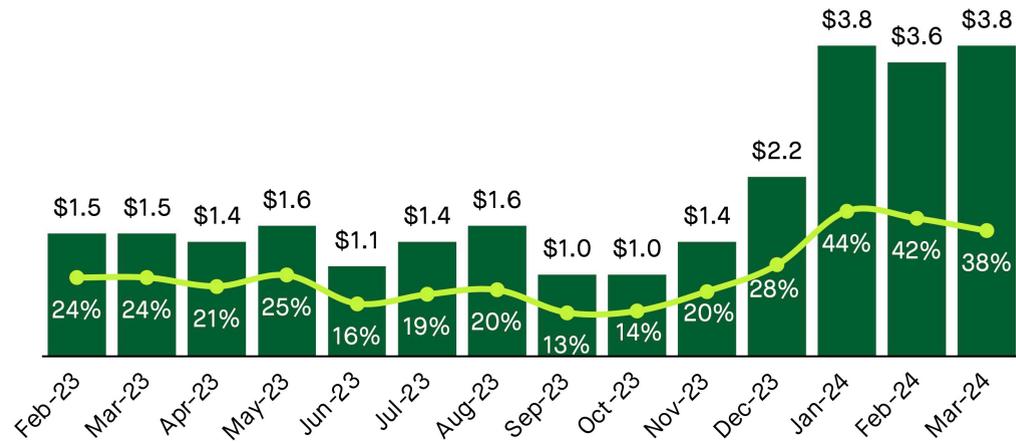
Mar-24
\$129.6B
+9% M/M
+65% Y/Y



Net Deposits *in billions*

Annualized Growth Rate

Mar-24
\$3.8B
38% Annualized Growth
\$23.9B LTM
30% LTM Growth



Cash Sweep *in billions*

Non-Gold Cash Sweep

Gold Cash Sweep

Mar-24
\$19.0B
+5% M/M
+113% Y/Y



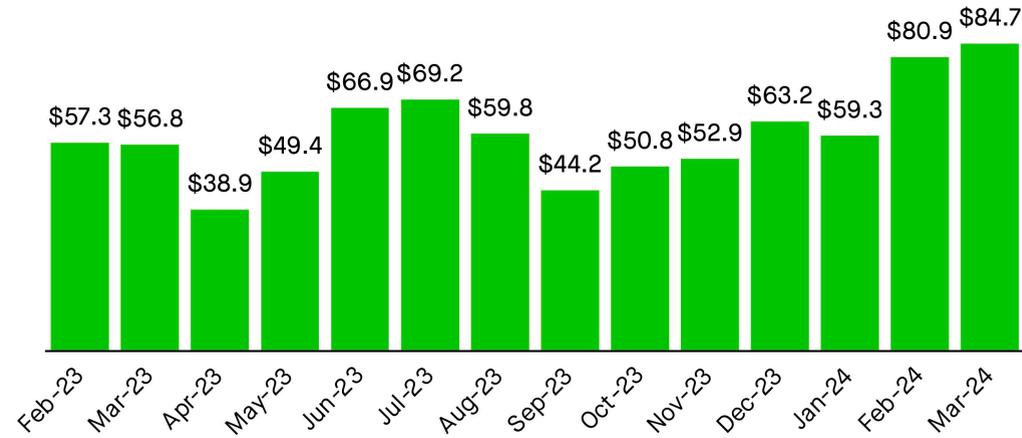
March 2024 Monthly Metrics Dashboard (Continued)

Equity Notional Volumes

in billions

Mar-24
\$84.7B

+5% M/M
+49% Y/Y

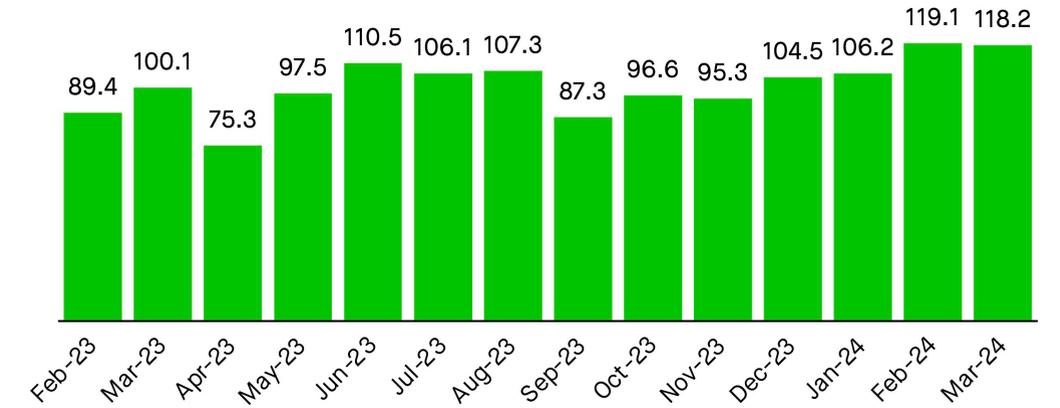


Options Contracts Traded

in millions of contracts

Mar-24
118.2M

(1%) M/M
+18% Y/Y



Crypto Notional Volumes

in billions

Mar-24
\$23.6B

+263% M/M
+505% Y/Y

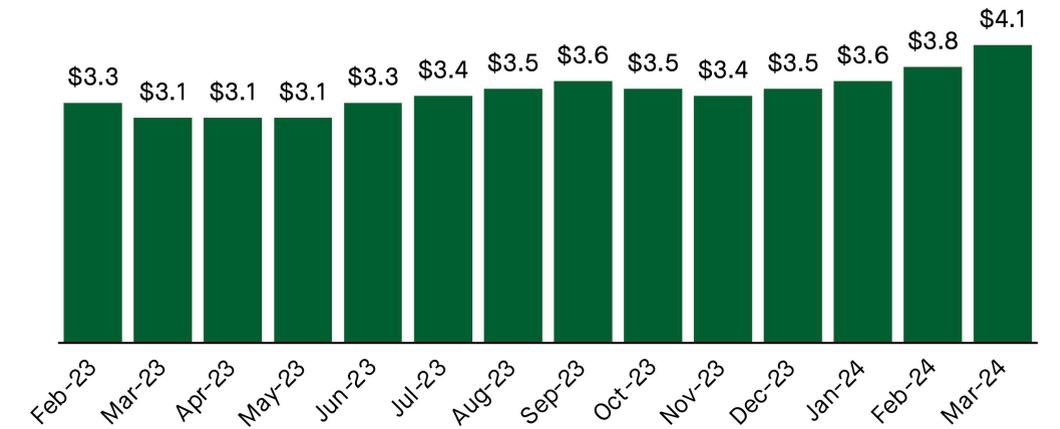


Margin Book

in billions

Mar-24
\$4.1B

+8% M/M
+32% Y/Y



Changes in Funded Customers and Assets Under Custody

Funded Customers

in millions

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Beginning Funded Customers	22.7	22.8	22.9	22.9	23.0	23.1	23.2	23.3	23.4
New Customers	0.5	0.4	0.3	0.2	0.3	0.2	0.3	0.3	0.5
Resurrected Customers	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Churned Customers	(0.5)	(0.4)	(0.4)	(0.2)	(0.3)	(0.2)	(0.3)	(0.3)	(0.2)
Ending Funded Customers	22.8	22.9	22.9	23.0	23.1	23.2	23.3	23.4	23.9

Assets Under Custody

in billions

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Beginning balance	\$98.0	\$93.1	\$64.2	\$64.6	\$62.2	\$78.4	\$88.8	\$86.5	\$102.6
Net deposits	5.7	5.2	2.7	4.8	4.4	4.1	4.0	4.6	11.2
Net market gains (losses)	(10.6)	(34.1)	(2.3)	(7.2)	11.8	6.3	(6.3)	11.5	15.8
Ending balance	\$93.1	\$64.2	\$64.6	\$62.2	\$78.4	\$88.8	\$86.5	\$102.6	\$129.6

Net Cash Held by Users Reconciliation

in billions

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Gold Cash Sweep	\$—	\$—	\$1.5	\$4.8	\$8.0	\$11.1	\$12.9	\$15.7	\$18.2
Non-Gold Cash Sweep	2.3	2.4	1.5	1.0	0.9	0.8	0.7	0.7	0.8
Total Cash Sweep	2.3	2.4	3.0	5.8	8.9	11.9	13.6	16.4	19.0
Free Credit Balances and Other	6.9	5.7	5.1	5.0	5.3	5.3	4.4	4.9	5.8
Total Cash held by Users	9.2	8.1	8.1	10.8	14.2	17.2	18.0	21.3	24.8
Receivables from Users	(5.4)	(4.2)	(4.0)	(3.1)	(3.0)	(3.2)	(3.5)	(3.4)	(4.1)
Net Cash Held by Users	\$3.8	\$3.9	\$4.1	\$7.7	\$11.2	\$14.0	\$14.5	\$17.9	\$20.7

Trading Volumes for Q1 2024

Equity Notional Volume up 35% Q/Q, driven by:

Customers placing trades
+18% Q/Q

Notional volume per trader
+15% Q/Q

Options Contracts Traded up 16% Q/Q, driven by:

Customers placing trades
+30% Q/Q

Contracts per trader
-9% Q/Q

Crypto Notional Volume up 183% Q/Q, driven by:

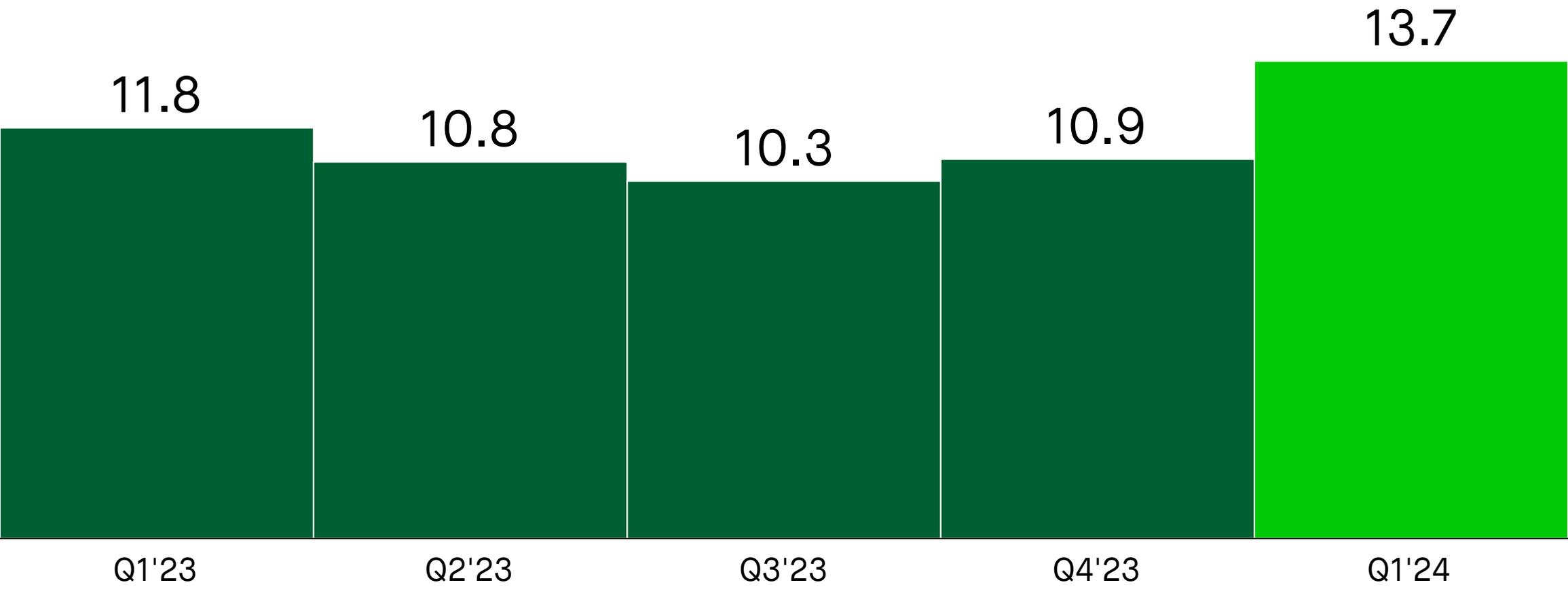
Customers placing trades
+77% Q/Q

Notional volume per trader
+51% Q/Q

Monthly Active Users (MAU) increased by 1.9 million year-over-year to 13.7 million in Q1

in millions

Year-over-year change +1.9
Sequential change +2.8



Annualized revenue per employee was \$1.1 million in Q1, up 47% year-over-year

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Year-over-year change	Sequential change
End of period Employee Count	2,327	2,320	2,145	2,157	2,189	2,228	(4%)	+2%
Total Net Revenues (in millions)	\$380	\$441	\$486	\$467	\$471	\$618	+40%	+31%
Average Employee Count	2,372	2,324	2,233	2,151	2,173	2,209	(5%)	+2%
Annualized revenue per employee (in thousands) ¹	\$641	\$759	\$871	\$868	\$867	\$1,119	+47%	+29%

Net interest revenues were \$254 million in Q1, up 22% year-over-year

in millions

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Year-over-year change	Sequential change
Interest on corporate cash and investments ¹	\$1	\$10	\$29	\$63	\$68	\$74	\$75	\$71	\$70	+3%	(1%)
Margin interest ²	35	39	48	55	53	57	67	66	72	+36%	+9%
Interest on segregated cash and securities, and deposits ³	1	6	20	30	45	52	59	54	58	+29%	+7%
Cash sweep ⁴	—	2	8	12	22	29	35	37	39	+77%	+5%
Securities lending, net ⁵	24	23	29	13	26	27	17	9	15	(42%)	+67%
Credit card, net ⁶	—	—	—	—	—	—	4	5	6	NM	+20%
Interest expenses related to credit facilities ⁷	(6)	(6)	(6)	(6)	(6)	(5)	(6)	(6)	(6)	—%	—%
Total net interest revenues	\$55	\$74	\$128	\$167	\$208	\$234	\$251	\$236	\$254	+22%	+8%

The following summarizes each revenue line item presented above and, where applicable, the types of assets generating the revenue.

(1) Interest on corporate cash and investments - Interest earned on corporate cash and cash equivalents and investments.

(2) Margin interest - Interest paid by customers on margin balances.

(3) Interest on segregated cash and securities, and deposits - Interest earned on cash and securities segregated under federal and other regulations, which includes cash collateral for Margin Securities Lending program, and deposits with clearing organizations.

(4) Cash sweep - Interest earned on off-balance sheet Cash Sweep balances.

(5) Securities lending, net - Revenue from the Margin Securities Lending program and the Fully-Paid Securities Lending program (net of Fully-Paid Securities Lending revenue shared with participating customers).

(6) Credit card, net - Primarily comprised of interest earned on customer credit card loan balances net of interest paid to financing partners.

(7) Interest expenses related to credit facilities - Interest payments related to Robinhood's credit facilities.

Total interest earning assets grew to ~\$34B in Q1, and average yield decreased by 24 bps sequentially, primarily due to an increased mix of cash sweep balances

in millions

	Margin book	Cash and deposits ⁽¹⁾	Cash sweep (off-balance sheet)	Credit card, net ⁽²⁾	Total interest earning assets	Securities lending, net	Interest expense related to credit facilities	Net interest revenues
March 31, 2024	\$4,115	\$10,328	\$19,049	\$197	\$33,689			
December 31, 2023	\$3,458	\$10,107	\$16,352	\$205	\$30,122			
Average ⁽³⁾	\$3,763	\$10,007	\$17,576	\$201	\$31,547			
Q1 2024 Revenue (Expense)	\$72	\$128	\$39	\$6	\$245	\$15	(\$6)	\$254
Q1 2024 Annualized Yield ⁽⁴⁾	7.65%	5.12%	0.89%	11.94%	3.11%			3.22%
December 31, 2023	\$3,458	\$10,107	\$16,352	\$205	\$30,122			
September 30, 2023	\$3,580	\$9,102	\$13,563	\$197	\$26,442			
Average ⁽³⁾	\$3,490	\$9,412	\$14,737	\$202	\$27,841			
Q4 2023 Revenue (Expense)	\$66	\$125	\$37	\$5	\$233	\$9	(\$6)	\$236
Q4 2023 Annualized Yield ⁽⁴⁾	7.56%	5.31%	1.00%	9.90%	3.35%			3.39%

(1) Includes cash and cash equivalents, cash and securities segregated under federal and other regulations, deposits with clearing organizations, and investments.

(2) Credit card, net consists of i) an off-balance sheet amount representing customer principal amounts funded by Coastal Community Bank under a program agreement. Under the Program Agreement, Robinhood Credit collects interest from customers that carry a balance and pays interest on the amount funded by Coastal Bank, with the difference between those amounts resulting in net interest revenue; ii) an on-balance sheet amount representing purchased credit card receivables by Credit Funding Trust that is included in receivables from users, net on the unaudited condensed consolidated balance sheets. Under the Program Agreement, Robinhood Credit has the ability to purchase credit card receivables originated and held for a period by Coastal Bank. Robinhood Credit collects interest from purchased credit card receivables. As of March 31, 2024, \$177 million was off-balance sheet and \$20 million was on-balance sheet.

(3) Average balance rows represent the simple average of month-end balances in a given period.

(4) Annualized yield is calculated by annualizing revenue/expense for the given period and dividing by the applicable average asset balance.

Total securities lending revenue decreased by 7% year-over-year to \$42 million in Q1, and fully paid securities lending grew to 38% of total securities lending

in millions

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Year-over-year change	Sequential change
<i>Total securities lending revenue, including interest on cash collateral</i>							
Securities lending, net (shown on p. 16)	\$26	\$27	\$17	\$9	\$15	(42%)	+67%
Interest on cash collateral for margin based securities lending (included in Interest on segregated cash, securities, and deposits on p. 16)	\$19	\$21	\$27	\$25	\$27	+42%	+8%
Total securities lending revenue	\$45	\$48	\$44	\$34	\$42	(7%)	+24%
<i>Breakdown of Total Securities Lending Revenue</i>							
Margin based securities lending*	\$34	\$34	\$30	\$22	\$26	(24%)	+18%
<i>Margin based as a percentage of total</i>	76%	71%	68%	65%	62%		
Fully paid securities lending, net*	\$11	\$14	\$14	\$12	\$16	+45%	+33%
<i>Fully paid as a percentage of total</i>	24%	29%	32%	35%	38%		
<i>Fully Paid Securities Lending Metrics</i>							
Funded Customers Enrolled (end of period, in millions)	1.1	1.3	1.6	2.0	2.5	+127%	+25%
Equity AUC Enrolled (end of period, in billions)	\$6.3	\$8.4	\$10.2	\$14.0	\$19.2	+205%	+37%

Fully diluted shares decreased by nearly 9% year-over-year as we continue to closely manage share-based compensation and purchased 55M+ shares in Q3 2023

	Price per Class A Share (End of period)						
	\$9.71	\$9.98	\$9.73	\$12.74	\$20.13		
(in millions, except prices and percentages)	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	March 31, 2024	Year-over-year growth
Class A shares outstanding	772.7	782.4	735.6	745.4	753.9		
Class B shares outstanding	127.5	127.3	127.0	126.8	124.5		
Basic shares	900.2	909.7	862.6	872.2	878.4		(2.4%)
Employee time-based RSUs outstanding	63.6	54.7	44.9	34.6	39.7		
Founders' pre-IPO market-based RSUs outstanding and eligible to vest	0.7	0.6	0.5	0.3	0.1		
Employee stock options outstanding (in-the-money) ¹	10.1	10.1	9.2	7.7	6.3		
Diluted shares²	974.6	975.1	917.2	914.8	924.5		(5.1%)
Founders' pre-IPO market-based RSUs outstanding but not eligible to vest ³	57.7	22.1	22.1	22.1	16.1		
Employee stock options (all at \$14.15/share) outstanding (out-of-the-money)	4.5	4.5	4.5	4.5	4.5		
Investor warrants (all at \$26.60/share) outstanding (out-of-the-money)	14.3	14.3	14.3	14.3	14.3		
Fully diluted shares²	1,051.1	1,016.0	958.1	955.7	959.4		(8.7%)

(1) In addition, employees hold purchase rights under the Employee Share Purchase Plan (ESPP). Historical issuances under the ESPP were 0.3M shares in November 2021, 1.5M shares in May 2022, 0.4M shares in November 2022, 1.2M shares in May 2023, and 0.8M shares in November 2023.

(2) Please note that under GAAP, for any period with a net loss, diluted EPS is calculated using basic shares; for any period with net income, diluted EPS is calculated using the treasury method for diluted shares, which may cause differences compared to diluted shares shown in this schedule dependent on Robinhood's share price.

(3) The Founders' pre-IPO market-based RSUs become eligible to vest if our trailing 60-trading-day average daily VWAP reaches the following price points by 12/31/2025: \$50.75 - 6.0M shares; \$101.50 - 10.1M shares.

Financial Outlook for Adjusted Operating Expenses and SBC Reconciliation

	Year Ended December 31, 2022	Year Ended December 31, 2023	Current Financial Outlook for the Year Ending December 31, 2024
	(in millions)	(in millions)	(in millions)
Total operating expenses (GAAP)	\$2,369	\$2,401	\$1,850 - \$1,950
Less: SBC			
SBC Excluding 2021 Founders Award Cancellation ¹	654	386	<i>included in outlook</i>
2021 Founders Award Cancellation	—	485	—
Less: Significant legal and tax settlements and reserves	20	104	—
Less: Restructuring charges	105	—	—
Less: Q4 2022 Processing Error	57	—	—
Adjusted Operating Expenses (Non-GAAP)	\$1,533	\$1,426	included in outlook
Add: SBC Excluding 2021 Founders Award Cancellation ¹	654	386	included in outlook
Adjusted Operating Expenses and SBC (Non-GAAP)²	\$3,345	\$1,812	\$1,850 - \$1,950

(1) 2022 amounts include an aggregate benefit of \$77 million from share-based compensation net reversals in connection with the reductions in force announced on April 26, 2022 and on August 2, 2022.

(2) Actual results might differ materially from our outlook, see Appendix for more information. The above expense outlook does not include potential significant regulatory matters or other significant expenses (such as impairments, restructuring charges, and business acquisition- or disposition-related expenses) that may arise or accruals we may determine in the future are required, as we are unable to accurately predict the size or timing of such matters, expenses or accruals at this time. Refer to the Appendix for more information on Adjusted Operating Expenses and SBC and 2024 Outlook, including significant items that we believe are not indicative of our ongoing expenses that would be adjusted out of total operating expenses (GAAP) to get to Adjusted Operating Expenses and SBC should they occur.

Adjusted Operating Expenses and SBC Reconciliation

in millions

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Total operating expenses (GAAP)	\$690	\$610	\$535	\$534	\$950	\$466	\$540	\$445	\$460
Less: SBC									
SBC Excluding 2021 Founders Award Cancellation	220	164	110	160	113	109	83	81	62
2021 Founders Award Cancellation	—	—	—	—	485	—	—	—	—
Less: Significant legal and tax settlements and reserves	10	10	—	—	—	—	104	—	—
Less: Q4 2022 Processing Error	—	—	—	57	—	—	—	—	—
Less: Restructuring Charges	—	17	90	(2)	—	—	—	—	—
Adjusted Operating Expenses (Non-GAAP)	\$460	\$419	\$335	\$319	\$352	\$357	\$353	\$364	\$398
Add: SBC	220	164	110	160	598	109	83	81	62
Adjusted Operating Expenses and SBC (Non-GAAP)	\$680	\$583	\$445	\$479	\$950	\$466	\$436	\$445	\$460

Adjusted Operating Expenses Reconciliation

in millions

Operating expenses (GAAP)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Brokerage and transaction	\$31	\$30	\$33	\$85	\$36	\$39	\$39	\$32	\$35
Technology and development	268	245	185	180	199	207	202	197	196
Operations	91	86	65	43	42	36	41	40	44
Marketing	32	23	19	29	26	25	28	43	67
General and administration	268	226	233	197	647	159	230	133	118
Total operating expenses	\$690	\$610	\$535	\$534	\$950	\$466	\$540	\$445	\$460
SBC	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Brokerage and transaction	\$1	\$1	\$2	\$1	\$2	\$2	\$2	\$1	\$2
Technology and development	82	59	25	46	54	56	51	50	44
Operations	4	1	—	3	2	1	3	2	2
Marketing	5	(2)	—	1	1	1	1	2	2
General and administration	128	105	83	109	539	49	26	26	12
Total SBC	\$220	\$164	\$110	\$160	\$598	\$109	\$83	\$81	\$62
Significant legal and tax settlements and reserves	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
General and administration	\$10	\$10	\$—	\$—	\$—	\$—	\$104	\$—	\$—
Total significant legal and tax settlements and reserves	\$10	\$10	\$—	\$—	\$—	\$—	\$104	\$—	\$—
Q4 2022 Processing Error	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Brokerage and transaction	\$—	\$—	\$—	\$57	\$—	\$—	\$—	\$—	\$—
Total Q4 2022 Processing Error	\$—	\$—	\$—	\$57	\$—	\$—	\$—	\$—	\$—
Restructuring charges	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Brokerage and transaction	\$—	\$—	\$1	\$—	\$—	\$—	\$—	\$—	\$—
Technology and development	—	6	17	—	—	—	—	—	—
Operations	—	3	13	—	—	—	—	—	—
Marketing	—	1	1	—	—	—	—	—	—
General and administration	—	7	58	(2)	—	—	—	—	—
Total restructuring charges	\$—	\$17	\$90	(\$2)	\$—	\$—	\$—	\$—	\$—
Adjusted Operating Expenses (Non-GAAP)	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
Brokerage and transaction	\$30	\$29	\$30	\$27	\$34	\$37	\$37	\$31	\$33
Technology and development	186	180	143	134	145	151	151	147	152
Operations	87	82	52	40	40	35	38	38	42
Marketing	27	24	18	28	25	24	27	41	65
General and administration	130	104	92	90	108	110	100	107	106
Total Adjusted Operating Expenses	\$460	\$419	\$335	\$319	\$352	\$357	\$353	\$364	\$398

Adjusted EBITDA and Adjusted EBITDA Margin Reconciliations

in millions

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Net income (loss)	(\$392)	(\$295)	(\$175)	(\$166)	(\$511)	\$25	(\$85)	\$30	\$157
Net margin ¹	(131%)	(93%)	(48%)	(44%)	(116%)	5%	(18%)	6%	25%
Add: Interest expenses related to credit facilities	6	6	6	6	6	5	6	6	6
Add: Provision for (benefit from) income taxes	1	1	1	(2)	2	(3)	10	(1)	5
Add: Depreciation and amortization	12	17	15	17	20	15	19	17	17
EBITDA (Non-GAAP)	(\$373)	(\$271)	(\$153)	(\$145)	(\$483)	\$42	(\$50)	\$52	\$185
Add: SBC excluding 2021 Founders Award Cancellation	220	164	110	160	113	109	83	81	62
Add: 2021 Founders Award Cancellation	—	—	—	—	485	—	—	—	—
Add: Impairment of Ziglu equity securities	—	—	—	12	—	—	—	—	—
Add: Restructuring charges	—	17	90	(2)	—	—	—	—	—
Add: Significant legal and tax settlements and reserves	10	10	—	—	—	—	104	—	—
Add: Q4 2022 Processing Error	—	—	—	57	—	—	—	—	—
Adjusted EBITDA (Non-GAAP)	(\$143)	(\$80)	\$47	\$82	\$115	\$151	\$137	\$133	\$247
Adjusted EBITDA Margin (Non-GAAP) ²	(48%)	(25%)	13%	22%	26%	31%	29%	28%	40%

(1) Net margin is calculated as net income (loss) divided by total net revenues.

(2) Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by total net revenues.

Definitions

Performance Metrics

For information on changes to our key performance metrics, see "Key Performance Metrics" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operation" in our Q1 2024 10-Q.

Funded Customers

We define a Funded Customer as a unique person who has at least one account with a Robinhood entity and, within the past 45 calendar days (a) had an account balance that was greater than zero (excluding amounts that are deposited into a Funded Customer account by the Company with no action taken by the unique person) or (b) completed a transaction using any such account. We define an Investment Account as a funded individual brokerage account or a funded individual retirement account ("IRA"). As of March 31, 2024, a Funded Customer can have up to three Investment Accounts - individual brokerage account, traditional IRA, and Roth IRA.

New Funded Customers

We define a New Funded Customer as a unique individual who became a Funded Customer for the first time during the relevant period.

Resurrected Customers

A Funded Customer is considered "Resurrected" in a stated period if it was a Churned Customer as of the end of the immediately preceding period and its balance (excluding amounts that are deposited into a Funded Customer account by the Company with no action taken by the unique person) rises above zero or it completes a transaction using its account.

Churned Customers

A Funded Customer is considered "Churned" if it was ever a New Funded Customer whose account balance (measured as the fair value of assets in the account less any amount due from the user and excluding amounts that are deposited into a Funded Customer account by the Company with no action taken by the user) drops to or below zero and has not completed a transaction using any account with a Robinhood entity for at least 45 consecutive calendar days. Negative balances typically result from fraudulent deposit transactions (which occur when users initiate deposits into their accounts, make trades on our platforms using a short-term extension of credit from us, and then repatriate or reverse the deposits, resulting in a loss to us of the credited amount) and unauthorized debit card use, and less often, from margin loans.

Assets Under Custody ("AUC")

We define AUC as the sum of the fair value of all equities, options, cryptocurrency and cash held by users in their accounts, net of receivables from users, as of a stated date or period end on a trade date basis. Net Deposits and net market gains (losses) drive the change in AUC in any given period.

Retirement AUC

We define Retirement Assets Under Custody as the total AUC in traditional IRAs and Roth IRAs.

Net Deposits

We define Net Deposits as all cash deposits and asset transfers from, as well as dividends and interest received by customers, net of reversals, customer cash withdrawals, margin interest, Gold subscription fees, and other assets transferred out of our platforms (assets transferred in or out include debit card transactions, Automated Customer Account Transfer Service transfers, and custodial crypto wallet transfers) for a stated period. Prior to January 2024, Net Deposits did not include inflows from dividends and interest or outflows from Robinhood Gold subscription fees and margin interest, although we have not restated amounts in prior periods as the impact to those figures was immaterial.

Notional Trading Volume

We define Notional Trading Volume or Notional Volume for any specified asset class as the aggregate dollar value (purchase price or sale price as applicable) of trades executed in that asset class over a specified period of time.

Options Contracts Traded

We define Options Contracts Traded as the total number of options contracts bought or sold over a specified period of time. Each contract generally entitles the holder to trade 100 shares of the underlying stock.

Average Revenue Per User ("ARPU")

We define ARPU as total revenue for a given period divided by the average number of Funded Customers on the last day of that period and the last day of the immediately preceding period. Figures in this presentation represent ARPU annualized for each three-month period presented, as applicable.

Gold Subscribers

We define a Gold Subscriber as a unique person who has at least one account with a Robinhood entity and who, as of the end of the relevant period (a) is subscribed to Robinhood Gold and (b) has made at least one Robinhood Gold subscription fee payment.

Daily Average Revenue Trades ("DARTs")

We define DARTs for any asset class as the total number of revenue generating trades for such asset class executed during a given period divided by the number of trading days for such asset class in that period. The monthly metrics slide discloses each month's number of trading days for equities and options. For crypto, the number of trading days is equal to the number of calendar days in the month.

Growth Rate and Annualized Growth Rate with respect to Net Deposits

When used with respect to Net Deposits, "growth rate" and "annualized growth rate" provide information about Net Deposits relative to total AUC. "Growth rate" is calculated as aggregate Net Deposits over a specified 12 month period, divided by AUC for the fiscal quarter that immediately precedes such 12 month period. "Annualized growth rate" is calculated as Net Deposits for a specified quarter multiplied by 4 and divided by AUC for the immediately preceding quarter, or as Net Deposits for a specified month multiplied by 12 and divided by AUC for the immediately preceding month.

Margin Book

We define Margin Book as our period-end aggregate outstanding margin loan balances receivable (i.e., the period-end total amount we are owed by customers on loans made for the purchase of securities, supported by a pledge of assets in their margin-enabled brokerage accounts).

Cash Sweep

We define Cash Sweep as the period-end aggregate balances in our brokerage sweep program (i.e., the period-end total amount of participating users' uninvested brokerage cash that has been automatically "swept" or moved from their brokerage accounts into deposits for their benefit at a network of program banks). This is an off-balance-sheet amount. Robinhood earns a net interest spread on Cash Sweep balances based on the interest rate offered by the banks less the interest rate given to users as stated in our program terms.

Free Credit Balances and Other

We define Free Credit Balances and Other as the period-end total amount of users' uninvested cash in their accounts that is not participating in the "Cash Sweep" program.

Net Cash Held by Users

We Define Net Cash Held by Users as cash held by users in their accounts, net of receivables from users.

Revenue per Employee

Revenue per Employee is calculated by multiplying the quarterly total net revenues by four and dividing by average employee count for the quarter.

Monthly Active Users ("MAU")

We define MAUs as the number of unique persons who, using one or more accounts with a Robinhood entity, meet one of the following criteria at any point during a specified calendar month: a) executes a debit card or credit card transaction, b) transitions between two different screens on a mobile device while logged into their account or c) loads a page in a web browser while logged into their account. A person need not satisfy these conditions on a recurring monthly basis or be a Funded Customer to be included in MAU. MAU figures in this presentation reflect MAU for the last month of the relevant period presented. We utilize MAU to measure how many customers interact with our products and services during a given month. MAU does not measure the frequency or duration of the interaction, but we consider it a useful indicator for engagement. Additionally, MAUs are positively correlated with, but are not indicative of, the performance of revenue and other key performance indicators.

Definitions (continued)

Non-GAAP Financial Measures

We collect and analyze operating and financial data to evaluate the health of our business, allocate our resources and assess our performance. In addition to total net revenues, net income (loss) and other results under GAAP, we utilize Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Expenses, Adjusted Operating Expenses and SBC, Adjusted Operating Expenses and SBC excluding the 2021 Founders Award Cancellation, and SBC excluding the 2021 Founders Award Cancellation. This non-GAAP financial information is presented for supplemental informational purposes only, should not be considered a substitute for or superior to financial information presented in accordance with GAAP and may be different from similarly titled non-GAAP measures used by other companies. Reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are provided in this Appendix.

Adjusted EBITDA

Adjusted EBITDA is defined as net income (loss), excluding (i) interest expenses related to credit facilities, (ii) provision for (benefit from) income taxes, (iii) depreciation and amortization, (iv) SBC, (v) significant legal and tax settlements and reserves, and (vi) other significant gains, losses, and expenses (such as impairments, restructuring charges, and business acquisition- or disposition-related expenses) that we believe are not indicative of our ongoing results. The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature, or because the amount and timing of these items are unpredictable, are not driven by core results of operations, and render comparisons with prior periods and competitors less meaningful. We believe Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance. Moreover, Adjusted EBITDA is a key measurement used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting.

Adjusted EBITDA Margin

Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by total net revenues. The most directly comparable GAAP measure is net margin (calculated as net income (loss) divided by total net revenues). We believe Adjusted EBITDA Margin provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance. Adjusted EBITDA Margin is used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting.

Adjusted Operating Expenses

Adjusted Operating Expenses is defined as GAAP total operating expenses minus (i) share-based compensation (or SBC), (ii) significant legal and tax settlements and reserves, and (iii) other significant expenses (such as impairments, restructuring charges, and business acquisition- or disposition-related expenses) that we believe are not indicative of our ongoing expenses. The amount and timing of the excluded items are unpredictable, are not driven by core results, of operations, and render comparisons with prior periods less meaningful. We believe Adjusted Operating Expenses provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our cost structure. Adjusted Operating Expenses is used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting.

Adjusted Operating Expenses and SBC

We define Adjusted Operating Expenses and SBC as GAAP total operating expenses minus (i) significant legal and tax settlements and reserves, and (ii) other significant expenses (such as impairments, restructuring charges, and business acquisition- or disposition-related expenses) that we believe are not indicative of our ongoing expenses. The amount and timing of the excluded items are unpredictable, are not driven by core results, of operations, and render comparisons with prior periods less meaningful. Unlike Adjusted Operating Expenses, Adjusted Operating Expenses and SBC does not adjust for SBC. We believe Adjusted Operating Expense and SBC provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our cost structure. Adjusted Operating Expenses and SBC is used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting.

Adjusted Operating Expenses and SBC excluding the 2021 Founders Award Cancellation

We define Adjusted Operating Expenses and SBC excluding the 2021 Founders Award Cancellation as GAAP total operating expenses minus (i) significant legal and tax settlements and reserves, (ii) other significant expenses (such as impairments, restructuring charges, and business acquisition- or disposition-related expenses), and (iii) the 2021 Founders Award Cancellation, that we believe are not indicative of our ongoing expenses. The amount and timing of the excluded items are unpredictable, are not driven by core results of operations, and render comparisons with prior periods less meaningful. We believe Adjusted Operating Expense and SBC excluding the 2021 Founders Award Cancellation provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our cost structure. Adjusted Operating Expenses and SBC excluding the 2021 Founders Award Cancellation is used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting.

SBC excluding the 2021 Founders Award Cancellation

We define SBC excluding the 2021 Founders Award Cancellation as GAAP SBC minus the impact of the 2021 Founders Award Cancellation, which we do not believe is indicative of our ongoing expenses. The amount and timing of the 2021 Founders Award Cancellation not driven by core results of operations and renders comparisons with prior periods less meaningful. We believe SBC excluding the 2021 Founders Award Cancellation provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our cost structure. SBC excluding the Founders Award Cancellation is used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting.

Impairment of Ziglu equity securities: Partially as a result of the termination of the stock purchase agreement, which occurred in February 2023, the advances made to Ziglu Limited accounted for as non-marketable equity securities were impaired to a carrying value of zero.

Q4 2022 Processing Error: Delays in notification from third parties and process failures within Robinhood's brokerage systems and operations in connection with the handling of a 1-for-25 reverse stock split transaction of Cosmos Health, Inc. ("COSM"), a NASDAQ-listed company, on December 16, 2022, allowed customers, for a limited time, to execute trades selling more shares than they held in their accounts. This caused a temporary short position in that ticker symbol which Robinhood covered out of corporate cash within the same trading day. The resulting loss of \$57 million is recorded within brokerage and transaction in the consolidated statement of operations.

\$104M Regulatory Accrual Recorded in Q3 2023: We are working to resolve certain historical regulatory matters and as part of these efforts, we accrued an expense of \$104 million in the third quarter of 2023 related to these previously disclosed matters.

2024 Outlook

Actual results might differ materially from our outlook due to several factors, including the rate of growth in Funded Customers and our effectiveness to cross-sell products which affects variable marketing costs, the degree to which we are successful in managing credit losses and preventing fraud, and our ability to manage web-hosting expenses efficiently, among other factors. The above expense outlook does not include potential significant regulatory matters or other significant expenses (such as impairments, restructuring charges, and business acquisition- or disposition-related expenses) that may arise or accruals we may determine in the future are required, as we are unable to accurately predict the size or timing of such matters, expenses or accruals at this time. See "Non-GAAP Financial Measures" above for more information on Adjusted Operating Expenses and SBC, including significant items that we believe are not indicative of our ongoing expenses that would be adjusted out of total operating expenses (GAAP) to get to Adjusted Operating Expenses and SBC (non-GAAP) should they occur.