As confidentially submitted to the Securities and Exchange Commission on March 22, 2021.
This draft registration statement has not been filed publicly with the Securities and Exchange Commission and all information herein remains strictly confidential.
Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Robinhood Markets, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	7372	46-4364776
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

85 Willow Road, Menlo Park, California 94025
(844) 428-5411
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Vladimir Tenev
Co-Founder, Chief Executive Officer and President
Robinhood Markets, Inc.
85 Willow Road, Menlo Park, California 94025
(844) 428-5411
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

John W. White **Andrew J. Pitts** **D. Scott Bennett** **Claudia J. Ricciardi** **Cravath, Swaine & Moore LLP** **825 Eighth Avenue** **New York, New York 10019** **(212) 474-1000**	**Daniel Gallagher** **Christina Y. Lai** **Weilyn Wood** **Robinhood Markets, Inc.** **85 Willow Road** **Menlo Park, California 94025** **(844) 428-5411**	**Byron B. Rooney** **Emily Roberts** **Davis Polk & Wardwell LLP** **450 Lexington Avenue** **New York, New York 10017** **(212) 450-4000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price [1][2]	Amount of Registration Fee
Common Stock, $0.0001 par value per share		

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes offering price of any additional shares that the underwriters have the option to purchase.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We and the selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated , 2021

Preliminary Prospectus

Shares

Robinhood

Robinhood Markets, Inc.

Common Stock

This is an initial public offering of common stock by Robinhood Markets, Inc. We are offering shares of our common stock to be sold in the offering. The selling stockholders identified in this prospectus are offering an additional shares of our common stock. We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders.

Prior to this offering, there has been no public market for our common stock. We currently anticipate that the initial public offering price per share of our common stock will be between $ and $.

We intend to apply to list our common stock on the Nasdaq Stock Market (the "Nasdaq") under the symbol " ."

We are an "emerging growth company," as that term is used in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and, under applicable Securities and Exchange Commission ("SEC") rules, we have elected to take advantage of certain reduced public company reporting requirements for this prospectus and future filings.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 23.

Neither the SEC nor any state securities commission or other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds to us, before expenses	$	$
Proceeds to selling stockholders, before expenses	$	$

(1) See the section titled "Underwriting" for a description of the compensation payable to the underwriters.

We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to an additional shares of our common stock.

The underwriters expect to deliver the shares against payment in New York, New York on , 2021.

Goldman Sachs & Co. LLC **J.P. Morgan**

Barclays **Citigroup** **Morgan Stanley** **Wells Fargo Securities**

Prospectus dated , 2021

Robinhood 

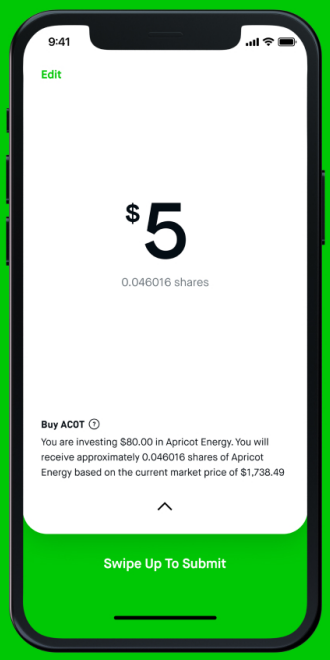
Our mission
is to democratize
finance for all.


9:41
ROAR
Tiger Corp
$11.54
$0.82 (7.65%) Today
1D
1W
1M
3M
1Y
5Y
Stats
Today's Volume
1,731,091
Trade

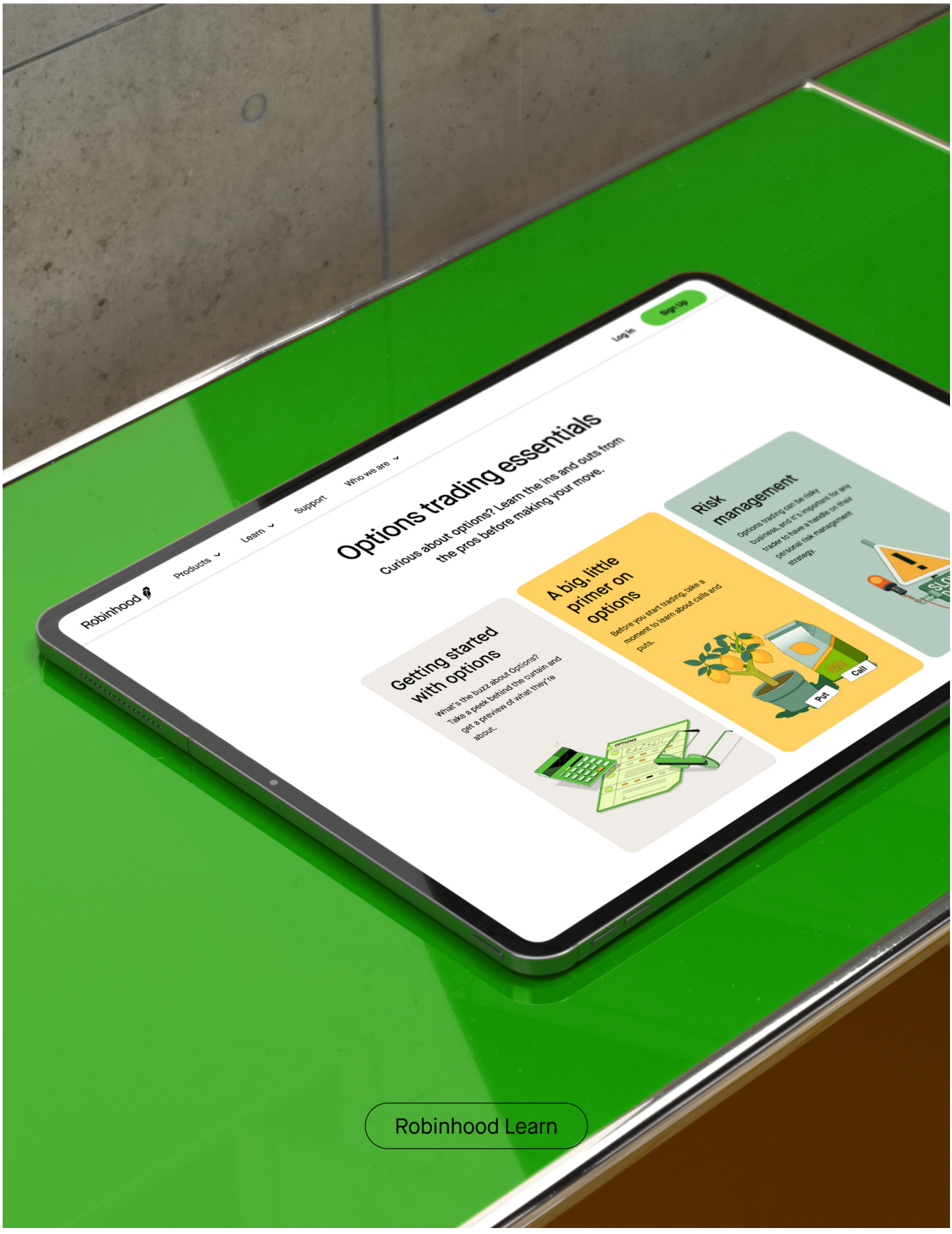
The Robinhood Platform

Cash Management

Gold



Fractional Shares


Robinhood
Products
Learn
Support
Who we are
Log In
Sign Up
Options trading essentials
Curious about options? Learn the ins and outs from the pros before making your move.
Risk management
Options trading can be risky business, and it's important for any trader to have a handle on their personal risk management strategy.
A big, little primer on options
Before you start trading, take a moment to learn about calls and puts.
Call
Put
Getting started with options
What's the buzz about Options? Take a peek behind the curtain and get a preview of what they're about.
OPTIONS
Robinhood Learn


9:41
BTC · Offered by Robinhood Crypto
Bitcoin
$43,511.54
$0.82 (7.65%) Today
1D
1W
1M
3M
1Y
5Y
Stats
Buy
Sell
Crypto

We are all investors.

OUR CUSTOMERS

"The investor in my head was someone who wore a suit and a tie. Robinhood changed that for me."

Angelina 25

"I'm able to make financial decisions that grow my money and to help me buy a home."

Charles 32

"In a male-dominated world, it's really important for women to invest. I feel good when I can chime in—it gives me a confidence boost."

Jenna 22

OUR CUSTOMERS

"I'm making learning a habit. I feel way more confident about the choices I make."

Jun 26

"For once, I feel like I'm in control of my earnings—and I'm in control of the decisions I make."

Kathyria 33

"I love finding companies that are doing things I care about. It makes me feel like I'm part of their cause."

David 60

Key Numbers[1]

→ Net Cumulative Funded Accounts

12.5M

→ Monthly Active Users (MAU)

11.7M

→ Assets Under Custody (AUC)

$63B

→ Robinhood users who are first time investors

>50%

→ Organic or referred new customers

>80%

[1]Data as of, or for the month or year ended, December 31, 2020.

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Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

We have not, and the selling stockholders and the underwriters have not, authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus or in any free writing prospectus we have prepared and filed with the SEC. We, the selling stockholders and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under the circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of our common stock.

For investors outside of the United States: Neither we, the selling stockholders nor the underwriters have done anything that would permit our initial public offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our common stock and the distribution of this prospectus outside of the United States.

MARKET, INDUSTRY AND OTHER DATA

This prospectus includes estimates regarding market and industry data. Unless otherwise indicated, information concerning our industry and the markets in which we operate, including our general expectations, market position, market opportunity and market size, are based on our management's knowledge and experience in the markets in which we operate, together with currently available information obtained from various sources, including publicly available information, industry reports and publications, surveys, our customers, trade and business organizations and other contacts in the markets in which we operate. Certain information is based on management estimates, which have been derived from third-party sources, as well as data from our internal research, and are based on certain assumptions that we believe to be reasonable. Among others, we refer to information and estimates from the following third-party sources:

- PwC, *Future of Customer Experience Survey,* 2017/2018;
- Pew Research Center, *Most Americans Say the Current Economy Is Helping the Rich, Hurting the Poor and Middle Class*, December 2019;
- Gallup, *What Percentage of Americans Owns Stock?*, September 2020;
- The Harris Poll, on behalf of Ondot Systems, April 2020;
- IBISWorld, *Securities Brokering Industry in the U.S. - Market Research Report,* July 2020;
- Federal Deposit Insurance Corporation, *How America Banks: Household Use of Banking and Financial Services*, 2019 FIDC Survey, October 2020;
- HSN Consultants Inc., Nilson Report, May 2020;
- Credit Suisse Research Institute, Global Wealth Databook, October 2019;
- Hardman & Co., *How Big Is the Potential Investment Platform Market in the UK?*, May 2020;
- App Annie;
- Federal Reserve, *Distribution of Household Wealth in the U.S. since 1989*, December 2020;
- Deloitte, *The Future of Wealth in the United States*, November 2015;
- National Bureau of Economic Research, *The Wisdom of the Robinhood Crowd*, September 2020;
- FINRA Investor Education Foundation, *New Research: Global Pandemic Brings Surge of New and Experienced Retail Investors Into the Stock Market*, February 2021; and
- Experian PLC.

In presenting this information, we have made certain assumptions that we believe to be reasonable based on such data and other similar sources and on our knowledge of, and our experience to date in, the markets in which we operate. While we believe the estimated market and industry data included in this prospectus are generally reliable, such information, which includes information derived in part from management's estimates and beliefs, is inherently uncertain and imprecise. Market and industry data are subject to change and may be limited by the availability of raw data, the voluntary nature of the data-gathering process and other limitations inherent in any statistical survey of such data. In addition, forecasts, assumptions and estimates of the future performance of the markets and industries in which we operate are necessarily subject to uncertainty and risk due to a variety of factors, including those

described in “Risk Factors” and “Special Note Regarding Forward-Looking Statements.” These and other factors could cause results to differ materially from those expressed in the estimates made by third parties and by us. Accordingly, you are cautioned not to place undue reliance on such market and industry data or any other such estimates. Neither we nor the underwriters can guarantee the accuracy or completeness of this information, and neither we nor the underwriters have independently verified any third-party information and data from our internal research has not been verified by any independent source.

“I feel like Robinhood opened the door to the stock trading world for me, and that’s something that will last, and I’m just going to keep using Robinhood throughout my entire stock trading life.”

Robinhood Customer

Prospectus Summary

PROSPECTUS SUMMARY

This summary highlights information appearing elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes appearing at the end of this prospectus, before making any investment decision. Our fiscal year ends on December 31. Unless the context otherwise requires, we use the terms “Robinhood,” the “Company,” “we,” “us” and “our” in this prospectus to refer to Robinhood Markets, Inc. and our consolidated subsidiaries, and we use the term “RHM” to refer only to Robinhood Markets, Inc. (and not its subsidiaries). We refer to our “users” and our “customers” interchangeably.

Overview

Our mission is to **democratize finance for all**.

Robinhood was founded on the belief that everyone should be welcome to participate in our financial system. We are creating a modern financial services platform for everyone, regardless of their wealth, income or background.

The stock market is widely recognized as one of the greatest wealth creators of the last century. But systemic barriers to investing, like expensive commissions, minimum balance requirements and complicated, jargon-filled paperwork, have dissuaded millions of people from feeling welcome or able to participate.

Robinhood has set out to change this. We use technology to deliver a new way for people to interact with the financial system. We believe investing should be familiar and welcoming, with simple design and intuitive interface, so that customers are empowered to achieve their goals. We started with a revolutionary, bold brand and design, and the Robinhood app now makes investing approachable for millions.

Cultural Impact. We pioneered commission-free stock trading with no account minimums that the rest of the industry emulated, and we have continued to build relationships with our customers by introducing new products that further expand access to the financial system. We believe we have made investing culturally relevant and understandable, and that our platform is enabling our customers to become long-term investors and take greater control of their finances.

Built for People. Customer feedback is at the heart of product development at Robinhood. In the early days, our founders would walk the campus of Stanford sharing product and design ideas and gathering real time feedback. Today, we continue this tradition in a programmatic way, seeking customer perspectives to inform our priorities and inspire our innovation. We want to understand our customers and their expectations, ambitions, fears and challenges. Their insights help us focus on what is important and this approach enables us to expand our offering centered on their needs. Many of our customers are new to investing, and we are encouraged to see them taking their first steps toward wealth creation. We have replaced confusing jargon with simplicity and slang. And our tools are delightful and engaging.

As of December 31, 2020, we had 12.5 million Net Cumulative Funded Accounts on our platform, and from January 1, 2015 to December 31, 2020, over half of the customers funding accounts on our platform told us that Robinhood was their first brokerage account. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Metrics” for a definition of “Net Cumulative Funded Accounts.”

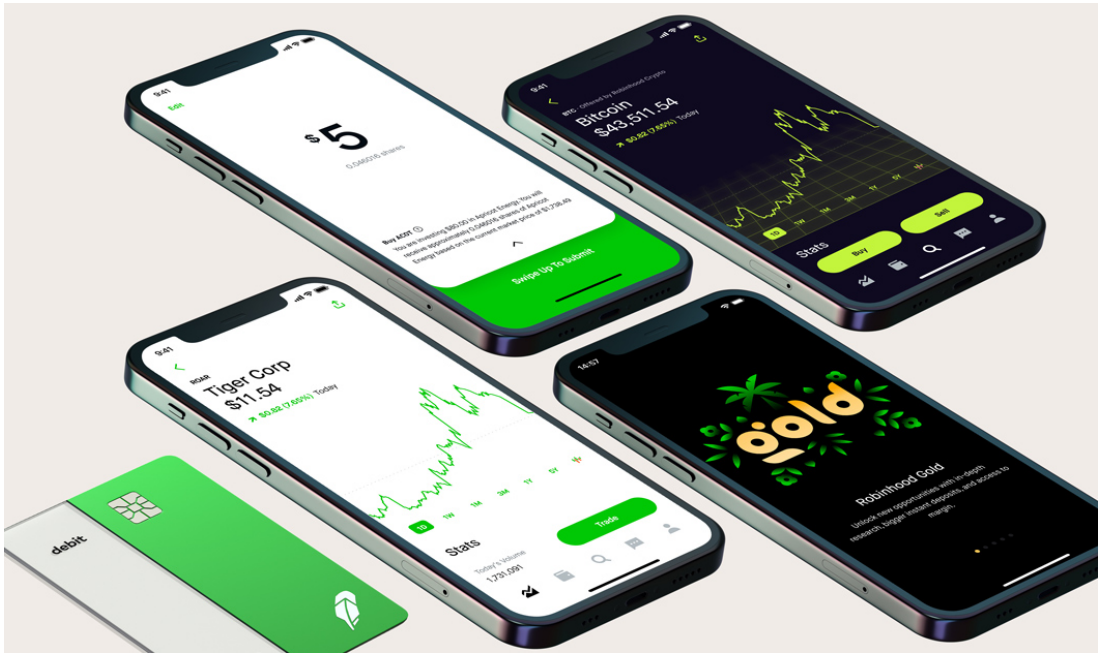
Technological Innovation. We have built a foundation for future development. With a focused team and appropriate regulatory approvals, we created our own clearing platform. Our platform is entirely

cloud-based and built on proprietary, API-driven services to meet the needs of a fast-growing, mobile-first, modern financial institution. Our platform also enables a vertically integrated, end-to-end approach to product development, which helps us move faster from idea to creation, empowers us to better scale with the growth of our business and affords us better unit economics that we can share with our customers. Our approach also provides increased internal visibility over clearing and settlement. We anticipate that our self-clearing platform will continue to position us well to further innovate for customers.

Engagement through Education. Education is core to accomplishing our mission. We believe access to easy-to-understand investment information and education is fundamental to expanding participation in the U.S. financial system. This is why we have created educational content for everyone, no matter where they are on their investing journey. That means jargon-free financial literacy resources and digestible financial news direct to customers. As of December 31, 2020, our Robinhood Snacks newsletter and podcast had more than 23 million subscribers, and the daily podcast was downloaded nearly 40 million times in 2020. Our library of financial literacy resources, Robinhood Learn, had more than 3.4 million page views in 2020, and unique visits to Robinhood Learn rose 310% from January to December in 2020.

The Robinhood Platform. Our platform, which began as a U.S. stock focused retail brokerage, currently offers:

- trading in U.S. listed stocks and Exchange Traded Funds (“ETFs”), as well as related options and American Depositary Receipts (“ADRs”);
- cryptocurrency trading through our subsidiary, Robinhood Crypto, LLC (“RHC”);
- fractional trading, which enables all of our customers—regardless of budget—to build a diversified portfolio and access stocks previously out of reach;
- recurring investments, which help customers make investing routine and employ dollar-cost averaging;
- Cash Management, which includes Robinhood-branded debit cards and enables customers to save and spend by paying bills, writing checks, earning interest, withdrawing funds via ATMs and receiving Federal Deposit Insurance Corporation (“FDIC”) pass-through insurance on cash swept from their brokerage account; and
- Robinhood Gold, our monthly paid subscription service that provides customers with premium features, such as enhanced instant access to deposits, professional research, Nasdaq Level II market data and, upon approval, access to margin investing.



Financial Tool to Financial Network. We have seen an enthusiastic response from customers and are humbled by how often they share Robinhood with their families, friends and colleagues. This powerful word of mouth referral network has helped to rapidly grow our customer base. In 2020, our Net Cumulative Funded Accounts grew 143% to 12.5 million, with over 80% of new Funded Accounts in 2020 joining our platform organically or through our referral program, which credits referring and referred customers with a stock reward typically ranging from $2.50 to $10.00 in value, up to $500 annually per referring customer (the "Robinhood Referral Program"). For the monthly cohorts in the year ended December 31, 2019, our average revenue payback period was approximately 13 months, and for the monthly cohorts in the nine month period ended September 30, 2020, our average revenue payback period improved to less than six months. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Metrics" for definitions of "Funded Accounts" and "revenue payback period."

For the year ended December 31, 2020, as compared to the year ended December 31, 2019:

- our total revenue grew 245% to $959 million, up from $278 million;
- we recorded net income of $7 million, compared to a net loss of $107 million; and
- our Adjusted EBITDA was $155 million, compared to negative $74 million.

Adjusted EBITDA is a non-GAAP financial measure. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures" for more information about Adjusted EBITDA, including the definition and limitations of such measure, and a reconciliation of net income (loss) to Adjusted EBITDA.

Future Vision. We innovate at the epicenter of finance, technology and access for all. As we look to the future, we want to help Robinhood customers manage all aspects of their financial lives in one place. We envision them moving seamlessly between investing, saving and spending all on the Robinhood platform. When we check our email, there is a go-to app. When we need a map, there is a go-to app. We

envision a world in which Robinhood is that go-to app for money. We believe people want to build financial independence and have the tools and ability to own their financial well-being. We look forward to being our customers' single money app that enables them to achieve those goals.

Trends in Our Favor

Technology is Transforming Customer Expectations

Across industries, we have witnessed a movement toward products and brands that redefine the customer experience through technology. Today, people can get dinner delivered to their door with two taps on a smartphone, purchase groceries without ever setting foot in a store and conduct morning meetings with hundreds of colleagues from their homes. Innovative technology-based companies are challenging traditional norms and engaging people in new ways.

The nature of these experiences has rapidly advanced customer expectations and demands for intuitive, engaging and easy-to-use products. Brands that empower customers through these types of products are often propelled to cultural relevance. According to PwC, 73% of consumers worldwide point to customer experience as an important factor in their purchasing decisions, and 65% of U.S. consumers find a positive experience with a brand to be more influential than great advertising.

At the same time, smartphone usage has skyrocketed. Not only are smartphones essentially ubiquitous nationwide, they are a dominating force in consumers’ lives. Companies that have been able to leverage mobile technology to deliver market-leading customer experiences continue to reshape legacy industry growth trends and create significant shareholder value.

Increasing Participation in the Financial Markets and the Rise of FinTech Companies

The U.S. stock market is one of the greatest sources of wealth creation in the world. Average historical returns on the S&P 500 amount to approximately 9% annually over the past 50 years. But this great wealth creator has remained out of reach for many individuals and families, while others have had better access, more useful tools and a clearer invitation to participate. That is beginning to change as more and more people are taking their financial lives into their own hands. There are many people still unserved, and we believe we are well placed to help build this momentum toward increased participation.

Since 2010, the S&P 500 has produced an average annual return of approximately 13%. That has coincided with a substantial increase in participation among retail investors seeking to improve their financial health. Retail investing now comprises roughly 20% of U.S. equity trading volume, doubling in the decade from 2010 to 2020. Yet, we believe there is still significant room for growth: according to a 2019 Pew Research survey, approximately 60% of all Americans still do not have investments outside of their retirement accounts, and, according to a 2020 Gallup poll, an even greater percentage of young adults aged 18 to 29—68%—have no money invested in the stock market at all.

FinTech companies offer customer experiences powered by modern and nimble infrastructure as well as intuitive customer interfaces, making these companies well-positioned to rapidly build and deploy innovative products that meet the expectations of the growing generation of digital consumers. This rapid product cycle has led to innovation across the FinTech landscape, with consumers increasingly looking to technology companies for financial products. Nearly two-thirds of Americans, according to a Harris Poll conducted in 2020, would consider purchasing or applying for financial products through a technology company’s platform instead of a traditional financial services provider, and that figure increases to 81% for Americans aged 18 to 34.

Our Opportunity

Financial services underpin our daily lives. Activities such as investing, saving and spending are core financial activities that offer avenues for Robinhood to grow with our customers throughout their financial journey.

Our current retail brokerage, cryptocurrency trading and Cash Management offerings are the first step toward a comprehensive financial services platform.

- Our retail investing platform is currently our core product offering, one we have continued to expand since its launch in 2015. IBISWorld estimates the securities brokerage market in the United States to be greater than $150 billion in revenue, with approximately 54% of that attributed to our core customer base—retail investors. Additionally, from January 1, 2015 to December 31, 2020, over half of the customers funding accounts on our platform told us that Robinhood was their first brokerage account. Given that dynamic, we believe we are meaningfully expanding the size of the defined market—bringing in participants who would otherwise not be involved in the financial system. Expanding the universe of investors has been, and we expect will continue to be, a significant driver of our market-leading growth.

- Our cryptocurrency trading platform offers commission-free buying and selling of cryptocurrency through our subsidiary, RHC. From February 21, 2018, the day before we introduced cryptocurrency trading on our platform, to December 31, 2020, the total market capitalization of the cryptocurrency market has grown from approximately $450 billion to approximately $775 billion, driven by increased adoption of cryptocurrency trading by both retail and institutional investors, as well as continued growth of various non-investing use cases for crypto-assets. In addition, the worldwide daily average market volume of Bitcoin, which was the most traded cryptocurrency on our platform for the year ended December 31, 2020, was over $39 billion in December 2020, as compared to approximately $8 billion in February 2018. While future market size estimates for the cryptocurrency market are highly varied, the historical trend has been strongly supportive. We believe that growing interest and adoption of cryptocurrency will drive increased customer interest in our platform and that we have significant room to grow even within our current customer base.

- Our Cash Management product, which places uninvested customer cash with FDIC-insured banks and offers a competitive interest rate, is highly complementary to our brokerage offering and enhances our overall ecosystem. Cash Management also includes Robinhood-branded debit cards. The FDIC reports that there are over $1 trillion in brokered deposits in the U.S. banking system as of June 30, 2020. Debit interchange also represents an opportunity; the Nilson Report estimates that merchants paid total fees of nearly $24 billion to process debit and prepaid card transactions in 2019, the majority of which are interchange fees. While still a small proportion of our overall revenue, we believe continued adoption of our Cash Management product by existing customers, as well as increased adoption through the expansion of our customer base, will result in meaningful opportunities in the future.

We believe these current product offerings represent only the beginning. Our customers already trust us with their hard-earned cash and assets, positioning us as the first financial services relationship for many new investors and younger generations of investors. We see a significant opportunity to introduce innovative products to address our customers' future needs—including investing, saving, spending and borrowing—allowing us to grow with new and existing customers from our single money app.

We currently only operate in the United States and offer services only to U.S. citizens and permanent residents with a legal address within the United States or Puerto Rico. Total global wealth outside of the United States, as of mid-2019, has been estimated at over $250 trillion, according to the Credit Suisse Research Institute. Opportunities like this give us confidence that we can have a meaningful impact at

driving increased access and market participation outside of the United States, and that the global opportunity for us to democratize finance for all is significant.

What Sets Us Apart

We have built a market-leading financial technology platform with an intuitive customer interface that has changed the landscape of retail investing. While we have already achieved significant growth, we believe we are well positioned to serve an increasing portion of the population and the broader financial services ecosystem.

Creative Product Design

We believe archaic, cumbersome digital platforms reinforce legacy barriers to participation in the financial system. We put design at the center of our product with the goal of building long-term relationships with customers. We involve our talented product designers early and often throughout our product development process to create intuitive and elegant experiences that efficiently address our customers' needs. Our customer-centric approach has made our platform easy-to-use, informative and familiar in look and feel for a generation of mobile-first customers. For example, to make our customer experience both delightful and informative, we seamlessly integrate information into our platform through Robinhood Learn and our newsfeed, which offers free news from trusted sources including *Barron's*, *Reuters* and *The Wall Street Journa*l.

Our products are designed mobile-first, allowing us to offer attractive investing, spending and saving experiences as more people shift their daily financial services activities to the palm of their hands. This simplicity and ease of use has made Robinhood the go-to mobile investing experience, and in 2020 we garnered over half of all new app downloads among mobile investing and trading platforms in the United States (a group comprised of us, Etrade, Fidelity Investments, IBKR, M1 Finance, Schwab, TD Ameritrade, Thinkorswim, Vanguard and Webull) according to mobile data and analytics provider App Annie.

Category-Defining Brand

We believe Robinhood today is a symbol of retail investing and finance in America. By taking a fresh, people-centric approach and creating a delightful, engaging customer experience, we believe we have built a trusted, category-defining brand that has made investing socially relevant for the next generation.

The relationship we have built with our customers has led many to want to talk about Robinhood and share their experience with their friends and family. From Robinhood's inception, a vast majority of our growth has come directly from customers joining our platform organically or through the Robinhood Referral Program. This virality of Robinhood has continued—and even accelerated—since other major brokerages adopted our commission-free model beginning in October 2019. In 2020, over 80% of new Funded Accounts joined our platform organically or through the Robinhood Referral Program. The excitement around Robinhood demonstrates how our innovative approach to financial products has built deep, loyal customer relationships and positioned us well to continue attracting new people to our platform, and sharing new product experiences with our customers.

Financial Services at Internet Scale

Our people-centric approach has driven customer enthusiasm and engagement, resulting in rapid adoption of our products. We designed our platform to provide our customers with relevant, accessible information when they need it most. Being an investor involves following a regular cycle of events—news releases, earnings announcements, transaction executions—that create a regular cadence of content and information.

We use our platform, from push notifications to widgets, to provide seamless customized updates to our customers. This engenders trust, creates enduring long-term relationships and has resonated with our customers. During 2020, our daily customers (who made up over 40% of our MAUs each month on average) visited our app nearly seven times a day on average and engaged with us for a variety of reasons—to read the news, check their watch lists, manage their cash balances, make investments, and monitor their portfolios. That figure is approximately two to four times higher than other leading FinTech companies during the same time period. We have sustained this level of engagement at scale, with 12.5 million Net Cumulative Funded Accounts as of December 31, 2020. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—What Sets Us Apart—Financial Services at Internet Scale” for a definition of “daily customers” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Metrics” for a definition of “MAUs.”

Vertically Integrated Platform

We design our own products and services and deliver them through a single, app-based platform supported by proprietary technology that has been cloud-based from the start. Our subsidiary, RHF, is a licensed introducing broker-dealer, and our other broker-dealer subsidiary, RHS, is a licensed clearing broker-dealer. Our digitally-native technology stack also gives us control over our product development from end-to-end, enabling faster development times, better customer experiences, stronger unit economics, greater flexibility and a robust and dynamic risk management framework. Our vertically integrated platform has enabled us to rapidly introduce new products and services such as cryptocurrency trading, dividend reinvestment, fractional shares and recurring investments, while also supporting our ability to quickly scale, including onboarding millions of new customers during 2020.

Innovative and Compelling Business Model

We shattered paradigms of traditional financial services by building mobile-first products and services that our customers love to use, with no commission fees or account minimums, resulting in rapid growth and strong unit economics. Our strong brand and platform accessibility has created a network that has enabled us to onboard millions of customers with minimal marketing. For the monthly cohorts in the year ended December 31, 2019, our average revenue payback period was approximately 13 months, and for the monthly cohorts in the nine month period ended September 30, 2020, our average revenue payback period improved to less than six months. Over time, our customers deepen their engagement and relationship with our platform, and our ability to grow with them results in attractive cohort economics, including a nearly three-fold increase in average revenues per user in the first 24 months for both our 2017 and 2018 annual cohorts. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Metrics” for definitions of “revenue payback period” and “cohort.”

Founder-Led, Passionate and Experienced Team

Robinhood was founded in 2013 by Vladimir Tenev and Baiju Bhatt. Our founders deeply believe that everyone should have access to the financial system. To execute on this mission, we have assembled a world-class executive leadership team that includes Chief Operating Officer Gretchen Howard, previously a Partner at CapitalG, Chief Financial Officer Jason Warnick, who was most recently VP of Finance and Chief of Staff to the Chief Financial Officer at Amazon, Chief Marketing and Communications Officer Christina Smedley, previously a VP of Marketing at Facebook, and Chief Legal Officer Daniel Gallagher, previously Chief Legal Officer at Mylan N.V. and SEC Commissioner from 2011 to 2015. See “Management” for more information on our executive leadership team.

Our Growth Strategies

We aim to serve our customers with existing product offerings, grow with our customers over time as they build their wealth and create new and innovative products that are relevant to new and existing

customers. By doing so, we believe we will be able to continue to rapidly scale our customer base and maintain our market-leading customer engagement.

Key elements of our growth strategy include:

- **Continuing to Add New Customers to Our Platform.** We believe there remains a significant opportunity for us to continue growing our customer base as we attract new investors to financial markets. Historically, the majority of our customers have joined organically or through the Robinhood Referral Program, and we expect that planned increases in marketing in the future will drive higher brand awareness that can further accelerate our growth.
- **Growing With Our Customers.** Many of our customers are just beginning their financial journeys. As our customers grow their wealth, we believe they will continue to expand their relationship with our platform, providing an increased opportunity to meet their growing financial needs.
- **Continuing Product and Technology Innovation.** We intend to continue to invest in our platform through four key areas: product innovation, educational content, technology and infrastructure improvements and customer support.
- **Expanding Internationally.** We believe there is a significant opportunity for Robinhood to grow internationally. Over time, we intend to pursue a disciplined approach to international expansion, including into Europe and Asia.

Our Commitments and Responsibilities

We understand that millions of our customers are using Robinhood to enter the financial markets for the first time, and we take our responsibility to them seriously. We pursue strong, close working relationships with our regulators, and we believe the goals of our regulators and customers are aligned. We are passionate about operating Robinhood in a way that aligns with customer interests, applicable regulations, and with our own mission to democratize finance for all.

Our commitments to our customers include:

- **No Commission Fees**. We believe that everyone should have equal access to financial markets. We pioneered commission-free stock trading with no account minimums.
- **Quality Execution**. We perform regular and rigorous reviews of the execution quality our customers receive from our securities market makers, including the execution price, speed and price improvement.
- **High Security Standards**. We are committed to keeping our customers' accounts safe. We offer security tools and a promise to reimburse direct losses that happen due to unauthorized activity that is not the fault of our customer.
- **Extra Protection**. RHF and RHS are members of Securities Investor Protection Corporation ("SIPC") and we provide our brokerage customers with additional "excess of SIPC" coverage. In addition, our Cash Management product places customer cash with FDIC-insured banks.
- **Dedicated Support**. We aim to respond to our customers as quickly as possible to resolve issues swiftly and will continue to invest in expanding our customer support functions.
- **Transparency**. We aim to operate a transparent business model. We currently dedicate a portion of our website to describing how we make money and we will continue to keep our customers informed about how we generate revenue.

Summary of Risk Factors

You should consider carefully the risks described under the “Risk Factors” section beginning on page 23 and elsewhere in this prospectus. These risks could materially and adversely affect our business, financial condition, results of operations and prospects, which could cause the trading price of our common stock to decline and could result in a partial or total loss of your investment. These risks include, but are not limited to, that:

- We have a limited operating history, which makes it difficult to evaluate our business and prospects and increases the risks associated with an investment in our common stock.
- We have grown rapidly in recent years and we have limited operating experience at our current scale of operations; if we are unable to manage our growth effectively, our financial performance may suffer and our brand and company culture may be harmed.
- We may not continue to grow on pace with historical rates.
- We have incurred operating losses in the past and may not maintain profitability in the future.
- Because a majority of our revenue is derived from payment for order flow (“PFOF”), reduced spreads in securities pricing, reduced levels of trading activity generally and any new regulation of, or any bans on, PFOF practices may result in reduced profitability, increased compliance costs and expanded potential for negative publicity.
- We may require additional capital to satisfy our liquidity needs and support business growth and objectives, and this capital might not be available to use on reasonable terms, if at all, may result in stockholder dilution, and may be delayed or prohibited by applicable regulations.
- If we do not maintain the capital levels required by regulators and self-regulatory organizations (“SROs”), including the SEC and the Financial Industry Regulatory Authority (“FINRA”), or do not satisfy the cash deposit and collateral requirements imposed by certain other SROs such as the Depository Trust Company (the “DTC”), National Securities Clearing Corporation (the “NSCC”) and the Options Clearing Corporation (the “OCC”), our broker-dealer business may be restricted and we may be fined or exposed to significant losses or subject to other disciplinary or corrective actions. In a worst case scenario, failure to maintain these requirements could lead to our broker-dealer business being liquidated or wound down.
- Harm to our brand and reputation could adversely affect our business.
- Our business and reputation may be harmed by changes in business, economic or political conditions that impact global financial markets, or by a systemic market event.
- Our future success depends on the continuing efforts of our key employees and our ability to attract and retain highly skilled personnel and senior management.
- We may expand into international markets, which will expose us to significant new risks, and our international expansion efforts may not be successful.
- Our business is subject to extensive, complex and changing laws and regulations, and related regulatory proceedings and investigations; changes in these laws and regulations, or our failure to comply with these laws and regulations, could harm our business.
- We have been subject to regulatory investigations, actions and settlements and we expect to continue to be subject to such proceedings in the future, which could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business.

- We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could harm our reputation, business, financial condition or results of operations.
- We operate in highly competitive markets, and many of our competitors have greater resources than we do and may have products and services that may be more appealing than ours to our current or potential customers.
- If we fail to retain existing customers or attract new customers, or if our customers decrease their use of our products and services, our growth could be slower than we expect and our business may be harmed.
- Our introduction of new products and services, or changes to existing products and services, could fail to attract or retain customers or generate growth and revenue.
- If we do not keep pace with industry and technological changes and continue to provide new and innovative products and services, our business may become less competitive and our business may be adversely impacted.
- Our platform has been, and may in the future be, subject to interruption and instability due to operational and technological failures, whether internal or external.
- We rely on third parties to perform certain key functions, and their failure to perform those functions could adversely affect our business, financial condition and results of operations.
- Our business could be materially and adversely affected by a cybersecurity breach or other attack involving our computer systems or data or those of our customers or third-party service providers.
- We collect, store, share, disclose, transfer, use and otherwise process customer information and other data, including personal data, and an actual or perceived failure by us or our third-party service providers to protect such information and data or respect customers' privacy could damage our reputation and brand, negatively affect our ability to retain customers and harm our business, financial condition, operating results, cash flows and prospects.
- Our compliance and risk management policies and procedures as a regulated financial services company may not be fully effective in identifying or mitigating compliance and risk exposure in all market environments or against all types of risk.
- Any failure to obtain, maintain, protect and enforce our intellectual property rights could adversely affect our business, financial condition and results of operations.
- Our failure to properly handle cash, securities and cryptocurrencies held on behalf of customers could harm our business and reputation.
- Concentration of ownership of our common stock among our existing executive officers, directors and principal stockholders may prevent new investors from influencing significant corporate decisions, including mergers, consolidations, or the sale of us or all or substantially all of our assets.

Corporate Information

We were incorporated in the State of Delaware on November 22, 2013. Our principal executive offices are located at 85 Willow Road in Menlo Park, California 94025, and our telephone number at that address is (844) 428-5411. Our website address is www.robinhood.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider it to be part of this prospectus.

"Robinhood Markets, Inc.," our logo, and other trademarks or trade names of Robinhood appearing in this prospectus are our property. This prospectus also contains trademarks and trade names of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies, including:

- presenting only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in this prospectus;
- reduced disclosure about our executive compensation arrangements;
- exemption from the requirements to hold non-binding advisory votes on executive compensation and golden parachute payments;
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting; and
- exemption from compliance with any requirement that the Public Company Accounting Oversight Board may adopt regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements.

We may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company earlier if we have more than $1.07 billion in annual revenue, we have more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K) or we issue more than $1 billion of non-convertible debt securities over a three-year period. We may choose to take advantage of some, but not all, of the available exemptions. We have taken advantage of certain reduced reporting obligations in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

“I’ve gotten older and my priorities have shifted, it’s now become an ally in enabling me to be more financially secure on a much bigger scope.”

Robinhood Customer

THE OFFERING

Common stock offered by us	shares.
Common stock offered by the selling stockholders	shares.
Underwriters' option to purchase additional shares of common stock from us	shares.
Common stock to be outstanding after this offering	shares (or shares if the underwriters exercise in full their option to purchase an additional shares from us).
Offering price	$ per share.
Use of proceeds	We estimate that our net proceeds from the sale of our common stock in this offering will be approximately $, assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares by the selling stockholders. We intend to use the net proceeds from the sale of shares in this offering for working capital, capital expenditures and general corporate purposes. See "Use of Proceeds."
Dividend policy	We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate declaring or paying any cash dividends in the foreseeable future. See "Dividend Policy."
Risk factors	You should read the "Risk Factors" section beginning on page 23 and the other information included in this prospectus for a discussion of factors to consider before deciding to invest in shares of our common stock.
Listing	We intend to apply to list our common stock on the Nasdaq under the trading symbol " ."

The number of shares of our common stock to be outstanding after this offering is based on shares of common stock outstanding as of December 31, 2020, which gives effect to the Assumed Share Events (as defined below) and excludes:

- 21,543,828 shares of our common stock issuable upon exercise of options to purchase shares of our common stock outstanding as of December 31, 2020, with a weighted-average exercise price of $2.19 per share;
- shares of our common stock issuable upon exercise of warrants to purchase shares of our equity securities, $ aggregate maximum purchase amount of which was outstanding as of , 2021, assuming an exercise price of $ (which is the lower of (i) 70% of the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and (ii) $38.29);

- 37,170,402 shares of our common stock subject to outstanding restricted stock units ("RSUs") that are issuable upon satisfaction of time-based and liquidity-based vesting conditions ("Time-Based RSUs") as of December 31, 2020, but for which the time-based vesting condition was not satisfied as of December 31, 2020;

- shares of our common stock subject to outstanding RSUs that are issuable upon satisfaction of market-based vesting conditions (which market-based vesting conditions are based on our initial public offering price) ("Market-Based RSUs") and quarterly time-based vesting conditions, but for which the quarterly time-based vesting condition was not satisfied as of December 31, 2020, assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus; and

- 14,022,717 shares of our common stock reserved for future issuance under our 2020 Equity Incentive Plan (our "2020 Plan") as of December 31, 2020.

Except as otherwise noted, all information in this prospectus assumes and reflects (the "Assumed Share Events"):

- the filing and effectiveness of our newly amended and restated certificate of incorporation (the "Charter") and the adoption of our amended and restated bylaws (the "Bylaws"), each of which will occur immediately prior to the completion of this offering;

- the automatic conversion, on a one-to-one basis, of all of our outstanding redeemable convertible preferred stock, of which 412,742,897 shares were outstanding as of December 31, 2020, into 412,742,897 shares of our common stock immediately prior to the completion of this offering, as if such conversion had occurred on December 31, 2020 (the "Preferred Share Conversion");

- the automatic conversion of all of our outstanding Tranche I convertible notes, $ aggregate principal amount of which was outstanding as of , 2021, into shares of our common stock upon the completion of this offering, assuming a conversion price of $ (which is the lower of (i) 70% of the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and (ii) $38.29), as if such conversion had occurred on December 31, 2020 (the "Tranche I Note Conversion");

- the automatic conversion of all of our outstanding Tranche II convertible notes, $ aggregate principal amount of which was outstanding as of , 2021, into shares of our common stock upon the completion of this offering, assuming a conversion price of $ (which is the lower of (i) 70% of the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and (ii) $42.12), as if such conversion had occurred on December 31, 2020 (the "Tranche II Note Conversion" and, together with the Tranche I Note Conversion, the "Convertible Note Conversion");

- the issuance of shares of our common stock upon the vesting and settlement of outstanding Time-Based RSUs for which both the time-based and the liquidity-based vesting conditions will be met upon the effectiveness of this offering ("IPO-Vesting Time-Based RSUs"), based on the number of IPO-Vesting Time-Based RSUs for which the time-based vesting condition was satisfied as of December 31, 2020, after withholding an aggregate of approximately shares to satisfy the associated estimated income tax obligations (based on an assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and an assumed % tax withholding rate) (the "IPO-Vesting Time-Based RSU Settlement");

- the issuance of shares of our common stock upon the vesting and settlement of outstanding Market-Based RSUs, assuming the effectiveness of this offering on December 31, 2020 for purposes of any applicable time-based vesting conditions and, for purposes of determining the satisfaction of the market-based vesting condition, an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after withholding an aggregate of approximately shares to satisfy the associated estimated income tax obligations (based on an assumed % tax withholding rate) (the "Market-Based RSU Settlement");

- no exercise of outstanding options or warrants or settlement of outstanding RSUs except as described above; and

- no exercise of the underwriters' option to purchase an additional shares of common stock from us.

For more information about our convertible notes and warrants, see "Certain Relationships and Related Person Transactions—Convertible Note and Warrant Financings." For more information about our Market-Based RSUs, see "Executive Compensation—Narrative Description of Executive Compensation Arrangements—Market-Based RSUs."

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables present summary historical consolidated financial and operating data for our business as of the dates and for the periods indicated. The summary consolidated statements of operations data presented below for the fiscal years ended December 31, 2019 and December 31, 2020 and the summary consolidated balance sheet data as of December 31, 2020 have been derived from our audited consolidated financial statements appearing at the end of this prospectus.

The summary consolidated historical financial and operating data is not necessarily indicative of the results to be expected in any future period. You should read the following summary historical financial and operating data in conjunction with the section of this prospectus entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and related notes appearing at the end of this prospectus. The summary consolidated financial and other data in this section are not intended to replace, and are qualified in their entirety by, our consolidated financial statements and related notes thereto included elsewhere in this prospectus.

(in thousands)	Year Ended December 31, 2019	Year Ended December 31, 2020
Consolidated Statements of Operations Data:		
Revenues:		
Transaction-based revenues	$ 170,831	$ 720,133
Net interest revenues	70,639	177,437
Other revenues	36,063	61,263
Total net revenues	277,533	958,833
Operating Expenses:		
Brokerage and transaction	45,459	111,083
Technology and development	94,932	215,630
Operations	33,869	137,905
Marketing	124,699	185,741
General and administrative	85,504	294,694
Total operating expenses	384,463	945,053
Other expense (income), net	657	(50)
Income (loss) before income tax	(107,587)	13,830
Provision for (benefit from) income taxes	(1,018)	6,381
Net income (loss)	$ (106,569)	$ 7,449

(in thousands)	As of December 31, 2020		
	Actual	Pro Forma[1]	Pro Forma As Adjusted[2][3][4]
Consolidated Balance Sheet Data (at period end):			
Cash and cash equivalents	$ 1,402,629	$	$
Cash and securities segregated under federal and other regulations	4,914,660		
Receivables from users, net	3,354,142		
Working capital[4]	2,056,539		
Total assets	10,988,474		
Long-term debt[5]	—		
Warrants to purchase common stock[6]	—		
Payables to users	5,897,242		
Redeemable convertible preferred stock	2,179,739		
Total stockholders' (deficit) equity	$ (55,322)	$	$

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(1) The pro forma consolidated balance sheet data gives effect to (i) the Preferred Share Conversion, (ii) the Convertible Note Conversion, (iii) the IPO-Vesting Time-Based RSU Settlement, (iv) the Market-Based RSU Settlement, (v) the related increase in liabilities and corresponding decrease in additional paid-in capital for the associated tax liabilities related to the IPO-Vesting Time-Based RSU Settlement and the Market-Based RSU Settlement, (vi) stock-based compensation expense of $ related to IPO-Vesting Time-Based RSUs for which the time-based vesting condition was satisfied or partially satisfied as of December 31, 2020 and Market-Based RSUs, assuming the effectiveness of this offering on December 31, 2020 for purposes of any applicable time-based vesting conditions and, for purposes of determining the satisfaction of the market-based vesting condition, an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, reflected as an increase to additional paid-in capital and accumulated deficit, and (vii) the filing and effectiveness of our Charter in Delaware, which will occur immediately prior to the completion of this offering.

(2) The pro forma as adjusted column in the consolidated balance sheet data table above gives effect to (i) the pro forma adjustments set forth above and (ii) our issuance and sale of shares of common stock in this offering, assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions, estimated offering expenses payable by us and giving effect to the use of proceeds specified in "Use of Proceeds."

(3) The pro forma as adjusted information discussed above is illustrative only and will depend on the actual initial public offering price, the number of shares of common stock sold by us in this offering and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of cash and cash equivalents, cash and securities segregated under federal and other regulations, working capital, total assets and total stockholders' (deficit) equity on a pro forma as adjusted basis by approximately $, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each 1,000,000 share increase or decrease in the number of shares of common stock offered by us in this offering would increase or decrease, as applicable, each of cash and cash equivalents, cash and securities segregated under federal and other regulations, working capital, total assets and total stockholders' (deficit) equity on a pro forma as adjusted basis by approximately $, assuming no change in the assumed initial public offering price per share of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(4) Working capital is defined as current assets less current liabilities.

(5) In February 2021, we issued two tranches of convertible notes, consisting of $2,532.0 million aggregate principal amount of Tranche I convertible notes and $1,020.0 million aggregate principal amount of Tranche II convertible notes. Unless earlier converted, upon the closing of this offering, the convertible notes will automatically convert into shares of our common stock at a conversion price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii) $38.29 (in the case of the Tranche I convertible notes) or $42.12 (in the case of the Tranche II convertible notes). Interest on the convertible notes accrues at 6% per annum and is payable in kind. For more information about our convertible notes and warrant financings, see "Certain Relationships and Related Person Transactions—Convertible Note and Warrant Financings."

(6) In connection with our February 2021 convertible note offering, we granted to each purchaser of the Tranche I convertible notes a warrant to purchase a number of shares of equity securities equal to 15% of the aggregate proceeds invested by such purchaser in the Tranche I convertible notes (i.e., $379.8 million in aggregate maximum purchase amount). Following this offering and until the tenth anniversary of their issue date, outstanding warrants will be exercisable for shares of our common stock at an exercise price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii)

$38.29. For more information about our convertible notes and warrant financing, see “Certain Relationships and Related Person Transactions—Convertible Note and Warrant Financings.”

Key Performance Metrics

In addition to the measures presented in our consolidated financial statements, we use the following key business metrics to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions:

	Year or Month Ended December 31,	
(in millions)	**2019**	**2020**
Net Cumulative Funded Accounts[(1)]	5.1	12.5
Monthly Average Users (MAU)[(2)]	4.3	11.7
Assets Under Custody (AUC)[(3)]	$ 14,135.6	$ 62,977.8

(1) Net Cumulative Funded Accounts. We define Net Cumulative Funded Accounts as the total of Net Funded Accounts from inception to a stated date or period end. “Net Funded Accounts” is the total number of Funded Accounts for a stated period, excluding “churned users” and including “resurrected users” as of the end of that period. A “Funded Account” is a Robinhood account into which the account user makes an initial deposit or money transfer, of any amount, during the relevant period. Users are considered “churned” if their accounts were previously Funded Accounts and their account balance drops to or below zero dollars for 45 consecutive calendar days. Users are considered “resurrected” if they were considered churned users during and as of the end of the immediately preceding period, and had their account balance increase above zero (and are not considered churned users) in the current period.

(2) Monthly Average Users (“MAU”). We define MAU as the number of Monthly Active Users during a specified calendar month. A “Monthly Active User” is a unique user who makes a debit card transaction, transitions between two different screens on a mobile device or who loads a page in a web browser, at any point during the relevant month. A user need not have a Funded Account to be included in MAU. Figures in the table reflect MAU for December of each year presented.

(3) 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 customer margin balances, as of a stated date or period end.

Non-GAAP Financial Measures

Adjusted EBITDA

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 revenue, net income (loss) and other results under U.S. generally accepted accounting principles (“GAAP”), we utilize non-GAAP calculations of adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”). Adjusted EBITDA is defined as net income (loss), excluding (i) provision for (benefit from) income taxes, (ii) interest expense on credit facilities, (iii) depreciation and amortization, (iv) share-based compensation expense and (v) certain legal and tax settlements, reserves and expenses.

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 is unpredictable, is not driven by core results of operations and renders 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, we have included Adjusted EBITDA in this prospectus because it 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. However, 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. The following table presents a reconciliation of net income (loss), the most directly comparable GAAP measure, to Adjusted EBITDA:

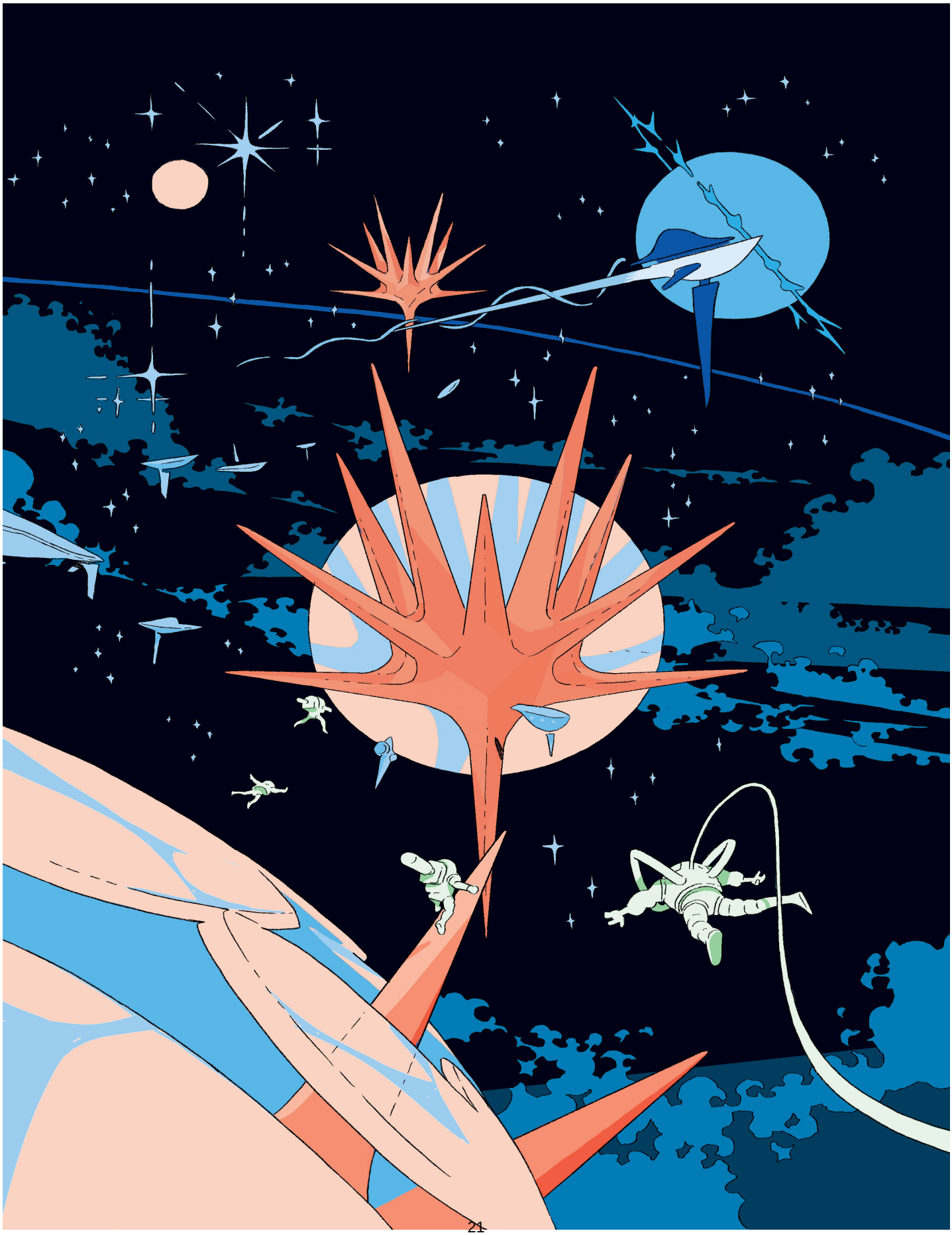
(in thousands)	Year Ended December 31, 2019	2020
Net income (loss)	$ (106,569)	$ 7,449
Add:		
Interest expenses related to credit facilities	991	4,882
Provision for (benefit from) income taxes	(1,018)	6,381
Depreciation and amortization	5,444	9,938
EBITDA (non-GAAP)	(101,152)	28,650
Share-based compensation	26,667	24,330
Certain legal and tax settlements, reserves and expenses[(1)]	—	101,600
Adjusted EBITDA (non-GAAP)	$ (74,485)	$ 154,580

(1) Certain legal and tax settlements, reserves and expenses for the year ended December 31, 2020 includes (i) the payment of $65 million made by RHF to the SEC in connection with the settlement we entered into with the SEC, on a neither admit nor deny basis, following the investigation by the SEC's Division of Enforcement into RHF's best execution and PFOF practices, as well as statements concerning its source of revenue, (ii) the charge of $26.6 million for potential resolution of certain FINRA matters, including the March 2020 Outages and options trading and related customer communications and displays, and (iii) the charge of $10 million for potential resolution of an NYDFS matter focused primarily on anti-money laundering and cybersecurity-related issues. For more information about these matters, see "Business—Legal Proceedings."

See "—Key Performance Metrics" and "—Non-GAAP Financial Measures" under the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information.

"I feel good about investing in a company that's got a commitment to fixing their contribution to climate change, for example, or innovation in an area of technology that I care about and think is important."

Robinhood Customer



Risk Factors

RISK FACTORS

Investing in our common stock involves risks. You should carefully consider the risks and uncertainties described below, together with all of the other information included in this prospectus, including our consolidated financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our common stock. Our business, financial condition, results of operations and prospects could be materially and adversely affected by any of these risks or uncertainties. In that case, the trading price of our common stock could decline, and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of or that we currently see as immaterial may also adversely affect our business. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to "Special Note Regarding Forward-Looking Statements."

Risks Related to Our Business

We have a limited operating history, which makes it difficult to evaluate our business and prospects and increases the risks associated with an investment in our common stock.

We began operations in 2013, publicly launched our first product in 2015, and have since continued to introduce new products and services to our platform, such as buying and selling of select cryptocurrencies in 2018, our cash management services (which we refer to as our "Cash Management" product) in 2019 and our fractional shares program in 2020. As a result, our business model has not been fully proven and we have limited financial data that can be used to evaluate our current business and future prospects, which subjects us to a number of uncertainties, including our ability to plan for, model and manage future growth and risks. Our historical revenue growth should not be considered indicative of our future performance. For example, our operating history has coincided with an eight-year period of general macroeconomic growth in the United States, particularly in U.S. equity markets, as well as growth in the financial services and technology industries in which we operate. We therefore have not experienced any prolonged downturn or slowdown in macroeconomic or industry growth or any significant downturn in U.S. equity markets and cannot assure that we will be able to respond effectively to any such downturn or slowdown in the future. We have also encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing and heavily regulated industries, including achieving market acceptance of our products and services, attracting and retaining customers, complying with laws and regulations that are subject to evolving interpretations and application and increasing competition and expenses as we expand our business. We cannot be sure that we will be successful in addressing these and other challenges we may face, and our business may be adversely affected if we do not manage these risks successfully. In addition, we may not achieve sufficient revenue to maintain positive cash flows from operations or profitability in any given period, or at all.

We have grown rapidly in recent years and we have limited operating experience at our current scale of operations. If we are unable to manage our growth effectively, our financial performance may suffer and our brand and company culture may be harmed.

We have expanded our operations rapidly and have limited operating experience at our current size and scale. Between December 31, 2018 and December 31, 2020, our employee headcount increased from 289 to approximately 1,600, and we expect rapid headcount growth to continue for the foreseeable future. Further, our continued growth could strain our existing resources, and we could experience ongoing operating difficulties in managing our business across numerous jurisdictions, including difficulties in hiring, training and managing a dispersed and growing employee base. Competition for skilled personnel in our industry is intense, especially in the San Francisco Bay Area, where our headquarters is located and where we have a substantial presence and need for highly skilled personnel,

and if we are unable to recruit and retain enough suitable personnel to support our growth as we seek to expand our operations, we may be unable to successfully expand or maintain our operations or achieve our corporate objectives.

We believe that a critical component of our success has been our corporate culture. We have invested substantial time and resources in building our team. As we continue to grow, including geographically expanding our presence, expanding through acquisitions of other businesses or talent and through developing our infrastructure, we will need to maintain our corporate culture among a larger number of employees dispersed in various geographic regions. Failure to scale and preserve our company culture as we grow could also harm our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives. The ongoing effects of the COVID-19 pandemic, including our transition to having a more dispersed, remote-working employee base, may exacerbate these challenges. Any failure to preserve our culture could negatively affect our future success, including our ability to retain, integrate and recruit personnel and to effectively focus on and pursue our corporate objectives.

Our growth strategy contemplates a significant increase in marketing spend, investing in customer support, expansion into new countries and markets, enhancements to our current offerings and development of new products and services, and we cannot guarantee that we will be successful in these efforts. In addition, our business is highly dependent on our technology platform, and we also rely on certain third-party service providers and computer systems. Any failure to maintain or upgrade our technology or network infrastructure effectively to support our growth, or any interruption in the third-party services or deterioration in the quality of their service or performance, could result in unanticipated system disruptions, platform outages or other performance problems which have in the past and may in the future result in costly litigation, regulatory and U.S. Congressional inquiries, examinations and investigations, customer dissatisfaction, arbitration and complaints and reputational harm and may have an adverse effect on our business. See also “Risks Related to Our Platform, Systems and Technology—*Our platform has been, and may in the future be, subject to interruption and instability due to operational and technological failures, whether internal or external*” and “Risks Related to Our Platform, Systems and Technology—*We rely on third parties to perform certain key functions, and their failure to perform those functions could adversely affect our business, financial condition and results of operations*.” Further, any growth must be accomplished in a manner that is consistent with regulatory requirements that apply to our business. If we do not adapt to meet these evolving challenges and requirements, or if our management team does not effectively scale with our growth, we may experience erosion to our brand, the quality of our products and services may suffer, we may face regulatory obstacles, including adverse enforcement actions, other regulatory restrictions or limitations or failure to obtain regulatory approvals required for certain types of growth, and our company culture may be harmed. We may also experience difficulties in providing adequate customer support to our growing customer base. Failure to improve, maintain or increase customer support now or in the future may inhibit our growth.

Because we have limited experience operating our business at its current scale, it is difficult to evaluate our current business and future prospects, including our ability to plan for and model future growth. Our limited operating experience at this scale, combined with the rapidly evolving nature of the market for our products and services, substantial uncertainty concerning how these markets may develop, the complex regulatory regimes applicable to different aspects of our business and other factors beyond our control, reduces our ability to accurately forecast quarterly or annual revenue and to predict the risks and challenges we may encounter. Failure to manage our future growth effectively could have an adverse effect on our business, financial condition and results of operations.

We may not continue to grow on pace with historical rates.

We have grown rapidly over the last few years, and therefore our recent revenue growth rate and financial performance should not be considered indicative of our future performance. In particular, since March 2020, we have experienced a significant increase in revenue, MAUs, AUC and Net Cumulative Funded Accounts. For example, for the years ended 2019 and 2020, our revenue was $277.5 million and

$958.8 million, respectively, representing a 245% growth rate. The circumstances that have accelerated the growth of our business may not continue in the future, and we expect the growth rates in revenue, MAUs, AUC and Net Cumulative Funded Accounts to decline in future periods, and such declines could be significant. You should not rely on our revenue or key business metrics for any previous quarterly or annual period as any indication of our revenue, revenue growth, key business metrics or key business metrics growth in future periods. In particular, our revenue growth rate has fluctuated in prior periods. Our revenue growth rate is likely to decline in future periods as the size of our business grows and as we achieve higher market adoption rates. We may also experience declines in our revenue growth rate as a result of a number of factors, including slowing demand for our platform, insufficient growth in the number of customers that utilize our platform, increasing competition, a decrease in the growth of our overall market, our failure to continue to capitalize on growth opportunities, including as a result of our inability to scale to meet such growth, an insufficient number of market makers or the unwillingness or inability of our existing market makers to execute our customers' trade orders as order volumes increase, increasing regulatory costs, increasing capital requirements imposed by regulators and SROs, as well as cash deposit and collateral requirements under the rules of the DTC, NSCC and OCC, economic conditions that reduce financial activity and the maturation of our business, among others. If our revenue growth rate declines, investors' perceptions of our business and the trading price of our common stock could be adversely affected.

Our results of operations and other operating metrics may fluctuate from quarter to quarter, which makes these metrics difficult to predict.

Our results of operations are heavily reliant on the level of trading activity on our platform and net deposits. In the past, our results of operations and other operating metrics have fluctuated from quarter to quarter, including due to movements and trends in the underlying markets, changes in general economic conditions and fluctuations in trading levels, each of which is outside our control and will continue to be outside of our control. Additionally, our limited operating history makes it difficult to forecast our future results. As a result, period-to-period comparisons of our results of operations may not be meaningful, and our past results of operations should not be relied on as indicators of future performance. Further, we are subject to additional risks and uncertainties that are frequently encountered by companies in rapidly evolving markets. Our financial condition and results of operations in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, which could include:

- the continued market acceptance of our products and services;
- our ability to retain existing customers and attract new customers;
- our continued development and improvement of our products and services, including our intellectual property, proprietary technology and customer support functions;
- the timing and success of new product and service introductions by us or our competitors, or other changes in the competitive landscape of our market;
- increases in marketing, sales and other operating expenses that we may incur to grow and expand our operations and to remain competitive;
- the timing and amount of non-cash expenses, such as stock-based compensation and asset impairment;
- the success of our expansion into new markets, products and services, such as cryptocurrency trading, fractional shares trading or our Cash Management product;
- decreased trading in global markets or decreased demand for financial services products generally;

- continued growth in the adoption and use of cryptocurrencies and the public perception thereof;
- system disruptions, outages and other performance problems or interruptions on our platform, or breaches of security or privacy;
- disputes with our customers, adverse litigation and regulatory judgments, enforcement actions, settlements or other related costs and the public perception thereof;
- fraudulent, unlawful or otherwise inappropriate customer behavior, such as when customers initiate deposits into their accounts, make trades on our platform 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 (which we refer to as "Fraudulent Deposit Transactions");
- changes in the legislative or regulatory environment, scope or focus of regulatory investigations and inquiries, or interpretations of regulatory requirements;
- our development of any unique features or services that may be the subject of regulatory criticism or form the basis for regulatory enforcement action, including regulatory actions to prohibit certain practices or features;
- the overall tax rate for our business, which may be affected by any changes to our valuation allowance, domestic deferred tax assets, and the effects of changes in our business;
- changes in tax laws or judicial or regulatory interpretations of tax laws, which are recorded in the period such laws are enacted or interpretations are issued, and may significantly affect the effective tax rate of that period;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in requirements imposed on us by regulators or by our counterparties, including net capital requirements imposed by the SEC and FINRA and cash deposit and collateral requirements imposed by the DTC, NSCC and OCC;
- volatility in the overall market which could, among other things, impact demand for our services, the magnitude of our cash deposit and collateral requirements and our growth strategy and business more generally; and
- general economic conditions in either domestic or international markets, including the impact of the ongoing COVID-19 pandemic.

Any one of the factors above or the cumulative effect of some of the factors above may result in significant fluctuations in our results of operations.

We have incurred operating losses in the past and may not maintain profitability in the future.

We incurred operating losses each year since our inception in 2013 through 2019, including net losses of $6.1 million, $57.5 million and $106.6 million for fiscal 2017, 2018 and 2019, respectively. We expect our operating expenses to continue to increase in the future as we increase our sales and marketing efforts, continue to invest in research and development, further develop our products and services, improve and expand our customer support functions and expand into new geographies. These efforts and additional expenses may be more costly than we expect, and we cannot guarantee that we will be able to increase our revenue by an amount sufficient to offset our increased operating expenses or to become profitable. Our revenue growth may slow or our revenue may decline for a number of other reasons, which could include slowing demand for our platform, insufficient growth in the number of customers that utilize our platform, increasing competition, a decrease in the growth of our overall market, our failure to continue to capitalize on growth opportunities, including as a result of our inability to scale to

meet such growth, an insufficient number of market makers or the unwillingness or inability of our existing market makers to execute our customers' trade orders as order volumes increase, increasing regulatory costs, increasing capital requirements imposed by regulators and SROs, as well as cash deposit and collateral requirements under the rules of the DTC, NSCC and OCC, economic conditions that reduce financial activity and the maturation of our business, among others. If we are unable to successfully address these risks and challenges as we encounter them, our business, financial condition and results of operations could be adversely affected. If we are unable to generate adequate revenue growth and offset our operating expenses, we may continue to incur significant losses and may not be able to maintain profitability in the future.

Because a majority of our revenue is derived from PFOF, reduced spreads in securities pricing, reduced levels of trading activity generally and any new regulation of, or any bans on, PFOF practices may result in reduced profitability, increased compliance costs and expanded potential for negative publicity.

A majority of our revenue is derived from PFOF, in which we receive cash payments in exchange for routing our users' trade orders to market makers for execution. In the case of equities, these cash payments are typically based on the size of the publicly quoted bid-ask spread for the security being traded; that is, we receive a fixed percentage of the difference between the publicly quoted bid and ask at the time the trade is executed. For options, our fee is on a per contract basis based on the underlying security. In the case of cryptocurrencies, our fee is a fixed percentage of the notional order value.

For the year ended December 31, 2020, revenue derived from PFOF represented 75% of our total revenues. Computer-generated buy/sell programs and other technological advances and regulatory changes in the marketplace may continue to tighten spreads on transactions, which could lead to a decrease in our transaction-based revenue earned from market makers. Our transaction-based revenue could also be harmed by decreased levels of trading generally or any unwillingness on behalf of market makers to continue to receive orders from us or to pay us for those orders, including as a result of unusually high volatility, particularly if such market makers were to stop taking orders from us with no or little notice. Any decrease in transaction-based revenue from market makers could have an adverse effect on our business, financial condition and results of operations.

PFOF practices have drawn heightened scrutiny from the U.S. Congress, the SEC and other regulatory and legislative authorities. For example, in November 2018, the SEC amended its rules relating to broker-dealer disclosure of order handling and routing to require that, among other things, such public disclosures must now describe any terms of PFOF arrangements and profit-sharing relationships that may influence a broker-dealer's routing decision. Additionally, our PFOF practices were the subject of a line of critical questioning during a February 18, 2021 U.S. Congressional hearing related to the Early 2021 Trading Restrictions (defined below under "—*We may require additional capital to satisfy our liquidity needs and support business growth and objectives, and this capital might not be available to use on reasonable terms, if at all, may result in stockholder dilution, and may be delayed or prohibited by applicable regulations"*), in which our Co-Founder and CEO, Vladimir Tenev, provided testimony. There is no guarantee that the SEC, other regulatory authorities or legislative bodies will not adopt additional regulation or legislation relating to PFOF practices as a result of such heightened scrutiny or otherwise, including regulation that could substantially limit or ban such practices, or pursue additional inquiries or investigations relating to PFOF practices. For example, in May 2019, the SEC's Division of Enforcement commenced an investigation into our best execution and PFOF practices, alleging that we did not conduct a regular and rigorous review of our execution quality, resulting in certain customers experiencing lower execution quality, and that we made certain materially misleading misstatements regarding our sources of revenue, which may have misled investors about the extent of our PFOF practices. The investigation resulted in a settlement (in connection with which we neither admitted nor denied those allegations) and payment by our subsidiary, Robinhood Financial, LLC ("RHF"), of a $65 million fine in December 2020 and a requirement to retain an independent consultant. Also in December 2020 and in January 2021, putative class actions were filed against us in a federal district court

generally relating to the same factual allegations as the SEC matter that settled in December 2020, as described under “Risks Related to Regulation and Litigation—*We have been subject to regulatory investigations, actions and settlements and we expect to continue to be subject to such proceedings in the future, which could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business*.” See “Business—Legal Proceedings.” Any new or heightened PFOF regulation may result in increased compliance costs and otherwise may materially decrease our transaction-based revenue. Because certain of our competitors either do not engage in PFOF or derive a lower percentage of their revenues from PFOF than we do, any such heightened regulation or ban of PFOF could have an outsize impact on our results of operations. Furthermore, heightened regulation increases our risk of potential regulatory violations, which could result in fines or other penalties, as well as negative publicity, which could have an adverse effect on our business, financial condition and results of operations. For more information about the regulation of our PFOF practices, see “Business—Regulation—Best Execution.”

Additionally, any negative publicity surrounding PFOF practices generally, or our implementation of PFOF practices, could harm our brand and reputation. If our customers begin to disfavor PFOF practices due to negative media attention, they may have an adverse view of our business model and decide to limit or cease the use of our platform. Additionally, some customers may prefer to invest through our competitors that do not engage in PFOF or have different PFOF practices, and utilize their trading platforms instead. Any such loss of customer engagement as a result of any negative publicity associated with PFOF practices could have an adverse effect on our business, financial condition and results of operations.

Proposed legislation that would impose taxes on certain financial transactions could have a material adverse effect on our business, financial condition and results of operations.

Certain members of the U.S. Congress and individual state legislatures have proposed the imposition of new taxes on a broad range of financial transactions, including transactions that occur on our platform, such as the buying and selling of stocks and derivative transactions. For example, the Wall Street Tax Act of 2021, H.R. 328, which was introduced into the U.S. Congress in January 2021, would impose a 0.1% excise tax on certain covered transactions. If enacted, such financial transaction taxes could increase the cost to customers of investing or trading on our platform and reduce or adversely affect U.S. market conditions and liquidity, general levels of interest in investing and the volume of trades and other transactions from which we derive transaction revenues. While it is difficult to assess the impact the proposed taxes could have on us, if a financial transaction tax is implemented in any jurisdiction in which we operate, our business, financial condition or results of operations could suffer a material adverse effect, and we could be impacted to a greater degree than other market participants.

We may require additional capital to satisfy our liquidity needs and support business growth and objectives, and this capital might not be available to use on reasonable terms, if at all, may result in stockholder dilution, and may be delayed or prohibited by applicable regulations.

Maintaining adequate liquidity is crucial to our securities brokerage and our money services business operations, including key functions such as transaction settlement, custody requirements and margin lending. We meet our liquidity needs primarily from working capital and cash generated by customer activity, as well as from external debt and equity financing. Increases in the number of customers, fluctuations in customer cash or deposit balances, as well as market conditions or changes in regulatory treatment of customer deposits, may affect our ability to meet our liquidity needs. Our broker-dealer subsidiaries, RHF and Robinhood Securities, LLC (“RHS”), are each subject to Rule 15c3-1 under the Exchange Act (the “Uniform Net Capital Rule”), which specifies minimum capital requirements intended to ensure the general financial soundness and liquidity of broker-dealers, and RHS is subject to Rule 15c3-3 under the Exchange Act, which requires broker-dealers to maintain certain liquidity reserves. In addition, as a clearing and carrying broker-dealer, RHS is subject to cash deposit and collateral requirements under the rules of the DTC, NSCC and OCC, which may fluctuate significantly from time to time based upon the nature and volume of customers’ trading activity and volatility in the market or individual

securities. Because stock trades generally settle at the clearinghouse two days after execution (a settlement cycle referred to as “T+2”), clearinghouses require RHS to deposit funds to ensure that RHS can meet its settlement obligations. These deposit requirements are designed to mitigate risk to the clearinghouse and its participants and can be large, especially if positions are concentrated in particular stocks, are predominantly in the same direction (i.e., predominantly buys or predominantly sells) or if the stock market is volatile. The funds deposited are RHS funds and, under SEC rules, customer funds are not available to be used to satisfy clearinghouse deposit requirements. If we fail to meet any such deposit requirements, our ability to settle trades through the clearinghouse may be suspended or we may be forced to restrict trading in certain stocks in order to limit clearinghouse deposit requirements. For example, from January 28 to February 5, 2021, due to increased deposit requirements imposed on RHS by NSCC in response to unprecedented market volatility, particularly in certain securities, we temporarily prevented our customers from purchasing certain specified securities, including GameStop Corp. and AMC Entertainment Holdings, Inc., on our trading platform (the “Early 2021 Trading Restrictions”). This resulted in negative media attention, customer dissatisfaction, litigation and regulatory and U.S. Congressional inquiries and investigations, capital raising by us in order to lift the trading restrictions while remaining in compliance with our net capital and deposit requirements and reputational harm. We cannot assure that similar events will not occur in the future. See “Business—Legal Proceedings—Early 2021 Trading Restrictions Matters” and “—Risks Related to Regulation and Litigation—*We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could harm our reputation, business, financial condition or results of operations*” for more information about the Early 2021 Trading Restrictions, and see “Business—Regulation—Brokerage Regulation and Regulatory Capital and Deposit Requirements” for more information about the regulation of our broker-dealer entities, as well as our net capital and deposit requirements.

A reduction in our liquidity position could reduce our customers’ confidence in us, which could result in the withdrawal of customer assets and loss of customers, or could cause us to fail to satisfy broker-dealer or other regulatory capital guidelines, which may result in immediate suspension of securities activities, regulatory prohibitions against certain business practices, increased regulatory inquiries and reporting requirements, increased costs, fines, penalties or other sanctions, including suspension or expulsion by the SEC, FINRA or other SROs or state regulators, and could ultimately lead to the liquidation of our broker-dealers or other regulated entities. Factors which may adversely affect our liquidity positions include temporary liquidity demands due to timing differences between brokerage transaction settlements and the availability of segregated cash balances, timing differences between cryptocurrency transaction settlements between us and our cryptocurrency market makers and between us and our cryptocurrency customers, fluctuations in cash held in customer accounts, a significant increase in our margin lending activities, increased regulatory capital requirements, changes in regulatory guidance or interpretations, other regulatory changes or a loss of market or customer confidence resulting in unanticipated withdrawals of customer assets. See “—Risks Related to Our Brokerage Products and Services—*Any inability to maintain adequate banking relationships with respect to our Cash Management product may adversely affect our business*” for more information.

In addition to requiring liquidity for our securities brokerage business, cryptocurrency business and our other regulated businesses, we may also require additional capital to continue to support the growth of our business and respond to competitive challenges, including the need to promote our products and services, develop new products and services, enhance our existing products, services and operating infrastructure, and acquire and invest in complementary businesses and technologies.

When available cash is not sufficient for our liquidity and growth needs, we may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such additional funding will be available on terms attractive to us, or at all, and our inability to obtain additional funding when needed could have an adverse effect on our business, financial condition and results of operations. If additional funds are raised through the issuance of equity or convertible debt securities, our stockholders could suffer significant dilution, and any new shares we issue in connection therewith could have rights, preferences and privileges superior to those of our current stockholders. Any debt financing

secured by us in the future could involve 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 future business opportunities.

Our clearing operations expose us to liability for errors in clearing functions.

Our broker-dealer subsidiary, RHS, provides clearing and execution services, which include the confirmation, receipt, settlement and delivery functions involved in securities transactions. Clearing brokers also assume direct responsibility for the possession and control of customer securities and other assets and the clearance of customer securities transactions. Self-clearing securities firms are subject to substantially more regulatory control and examination than introducing brokers that rely on others to perform clearing functions. Errors in performing clearing functions, including clerical and other errors related to the handling of funds and securities held by us on behalf of customers, could lead to (i) civil penalties, as well as losses and liability as a result of related lawsuits brought by customers and others and any out-of-pocket costs associated with remediating customers for any losses incurred in connection therewith, and (ii) the risk of fines or other regulatory actions by regulators.

Harm to our brand and reputation could adversely affect our business.

Our brand and our reputation are two of our most important assets. Our reputation, brand and ability to build trust with existing and new customers may be adversely affected by complaints and negative publicity about us, our platform and customers that utilize our platform or our competitors' platforms, even if factually incorrect or based on isolated incidents. Our ability to attract and retain customers is highly dependent upon external perceptions of our company, and damage to our brand and reputation may be caused by:

- actual or perceived system disruptions, outages, interruptions or other performance problems of our platform or similar incidents, cybersecurity attacks or other security incidents, payment disruptions or other incidents that impact the reliability of our platform;
- privacy or data security breaches or other security incidents;
- complaints or negative publicity about us, our platform, our management team, our other employees or contractors, our customers or third-party service providers;
- actual or alleged illegal, negligent, reckless, fraudulent or otherwise inappropriate behavior by our management team, our other employees or contractors, our customers or third-party service providers;
- litigation involving, or regulatory actions or investigations into, our platform or our business, including litigation or arbitration and regulatory and U.S. Congressional inquiries related to the Early 2021 Trading Restrictions;
- a failure to comply with legal, tax and regulatory requirements;
- any perceived or actual weakness in our financial strength or liquidity;
- a failure by RHS to meet any capital requirements imposed by regulators and SROs, such as the SEC and FINRA, or any cash deposit and collateral requirements imposed by certain other SROs such as the DTC, NSCC and OCC, especially in the event of high volatility in market conditions or individual securities, unusually high trading volume or account sign-ups or a high concentration of net buying in a particular stock, which could lead to our temporarily restricting trading in stocks in order to limit clearinghouse deposit requirements (as in the case of the Early 2021 Trading Restrictions);

- any regulatory action that results in changes to, or prohibits us from offering, certain features or services;
- changes to our policies, features or services that customers or others perceive as overly restrictive, unclear, inconsistent with our values or mission, or not clearly articulated;
- a failure to operate our business in a way that is consistent with our values and mission;
- inadequate or unsatisfactory customer support experiences, including as a result of our inability to successfully and timely improve, maintain or increase our customer support capabilities. For example, we do not currently provide customer support by telephone other than for certain limited options-related queries, which may limit potential or existing customers' access to support;
- negative responses by customers or regulators to our business model;
- negative responses by customers or regulators to new features or services, or changes to existing features or services, on our platform;
- a failure to adapt to new or changing customer preferences;
- a sustained downturn in U.S. equity markets or in general economic conditions, which could cause our existing customers to incur losses and, as a result, affect our existing and potential new customers' interest in our products and services; and
- any of the foregoing with respect to our competitors, to the extent the resulting negative perception affects the public's perception of us or our industry as a whole.

These and other events that may harm our brand and reputation could diminish customer confidence in, and use of, our products and services and could have an adverse effect on our business, financial condition and results of operations. Such events could also cause our stockholders to sell or otherwise dispose of a significant number of shares of our common stock, which may have a significant adverse effect on the trading price of our common stock.

Our business and reputation may be harmed by changes in business, economic or political conditions that impact global financial markets, or by a systemic market event.

As a financial services company, our business, results of operations and reputation are directly affected by elements beyond our control, such as economic and political conditions, changes in the volatility in financial markets (including volatility as a result of the COVID-19 pandemic), significant increases in the volatility or trading volume of particular securities, broad trends in business and finance, changes in volume of securities trading generally, changes in the markets in which such transactions occur and changes in how such transactions are processed. These elements can arise suddenly and the full impact of such conditions can remain uncertain. A prolonged weakness in equity markets, such as a slowdown causing reduction in trading volume in securities, derivatives or cryptocurrency markets, may result in reduced revenues and would have an adverse effect on our business, financial condition and results of operations. Significant downturns in the securities markets or in general economic and political conditions may also cause individuals to be reluctant to make their own investment decisions and thus decrease the demand for our products and services and could also result in our customers reducing their engagement with our platform. Conversely, significant upturns in the securities markets or in general economic and political conditions may cause individuals to be less proactive in seeking ways to improve the returns on their trading or investment decisions and, thus, decrease the demand for our products and services. Any of these changes could cause our future performance to be uncertain or unpredictable, and could have an adverse effect on our business, financial condition and results of operations.

In addition, some market participants could be overleveraged. In case of sudden, large price movements, such market participants may not be able to meet their obligations to their respective brokers

who, in turn, may not be able to meet their obligations to their counterparties. As a result, the financial system or a portion thereof could suffer, and the impact of such an event could have an adverse effect on our business, financial condition and results of operations.

In addition, a prolonged weakness in the U.S. equity markets or a general economic downturn could cause our customers to incur losses, which in turn could cause our brand and reputation to suffer. If our reputation is harmed, the willingness of our existing customers, and potential new customers, to do business with us could be negatively impacted, which would adversely affect our business, financial condition and results of operations.

We are also monitoring developments related to the decision by the U.K. to leave the European Union (EU) on January 31, 2020 ("Brexit") following the end of the transition period on December 31, 2020. On December 24, 2020, the U.K. and the EU agreed to enter into the EU-U.K. Trade and Cooperation Agreement, which negotiated some of the key aspects of the U.K. and EU post-Brexit relationship. Brexit and the EU-U.K. Trade and Cooperation Agreement could have implications for our U.K. subsidiary and could lead to economic and legal uncertainty, including significant volatility in global stock markets and currency exchange rates, and increasingly divergent laws, regulations and licensing requirements for any operations we conduct or may conduct in the U.K. or EU in the future as the U.K. determines which EU laws to replace or replicate. Any of these effects of Brexit, among others, could adversely affect our operations and financial results.

The long-term impact of the COVID-19 pandemic on our business, financial condition and results of operations is uncertain.

Since the onset of the COVID-19 pandemic in March 2020, we have seen substantial growth in our customer base, retention, engagement and trading activity metrics, as well as continued gains and periodic all-time highs achieved by the equity markets generally. During this period, market volatility, stay-at-home orders and increased interest in investing and personal finance helped foster an environment that encouraged an unprecedented number of first-time retail investors to become Robinhood customers and begin trading on the Robinhood platform. It is uncertain whether these trends and behavioral shifts will continue as reopening measures continue, and we may not be able to maintain the customer base we gained, or the rate of growth in our customer base that we experienced, throughout the COVID-19 pandemic. Additionally, to the extent that government stimulus measures enacted in response to the pandemic have contributed to this increase in customer engagement, there could be a negative impact on future customer engagement if no additional stimulus measures are taken. Further, if the financial markets experience a downturn from recent highs, we may have difficulty retaining customers, particularly any first-time retail investors, who elect not to continue to invest in the financial markets by trading on our platform or at all as a result of any such downturn, a lack of access to additional stimulus funds, the ability to resume pre-COVID-19 activities or otherwise. To the extent that customer preferences revert to pre-COVID-19 behaviors and these metrics do not continue to improve, or if their growth is slowed as mitigation measures to limit the spread of COVID-19 are lifted or the financial markets experience additional or reduced volatility or decline, there could be an adverse effect on our business, financial condition and results of operations.

Notwithstanding the foregoing, the COVID-19 pandemic and the various measures instituted by governments and businesses to mitigate its spread, including travel restrictions, stay-at-home orders and quarantine restrictions, could adversely impact our customers, employees and business partners, and continue to disrupt our operations, including as the pandemic contributes to a general slowdown in the global economy. The COVID-19 pandemic has resulted, in part, in inefficiencies or delays in our business, operational challenges, additional costs related to business continuity initiatives as our workforce has fully transitioned to remote working and increased vulnerability to cybersecurity attacks or other privacy or data security incidents. The extent of the impact of COVID-19 on our business, financial condition and results of operations will depend largely on future developments, including the duration of the pandemic, actions taken to contain COVID-19 or address its impact, the ability to reintegrate our workforce or of our workforce to adapt to the long-term distributed workforce model (with some employees part- or full-time

remote, and others not) we expect to adopt, the impact on capital and financial markets and the related impact on the financial circumstances of our customers, all of which are highly uncertain and cannot be predicted. Even after the COVID-19 outbreak has subsided, we may continue to experience adverse impacts to our business as a result of the global economic impact, including the availability of credit, adverse impacts on our liquidity and any recession that has occurred or may occur in the future. A sustained or prolonged COVID-19 pandemic or a resurgence could exacerbate the factors described above and intensify the impact on our business, financial condition and results of operations.

Our future success depends on the continuing efforts of our key employees and our ability to attract and retain highly skilled personnel and senior management.

Our future success depends, in part, on our ability to continue to identify, attract, develop, integrate and retain qualified and highly skilled personnel. In particular, our Co-Founder and Chief Executive Officer ("CEO"), Vladimir Tenev, and our Co-Founder and Chief Creative Officer, Baiju Bhatt, have been critical to the development of our business, vision and strategic direction. In addition, we have heavily relied, and expect we will continue to heavily rely, on the services and performance of Mr. Tenev and our senior management team, which provides leadership, contributes to the core areas of our business and helps us to efficiently execute our business. If the senior management team, including any new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis then our business and future growth prospects could be harmed.

Additionally, the loss of any key personnel could make it more difficult to manage our operations and research and development activities, reduce our employee retention and impair our ability to compete. Although we have entered into employment offer letters with our key personnel, these agreements have no specific duration and constitute at-will employment. We do not maintain key person life insurance policies on any of our employees.

Competition for highly skilled personnel is often intense, especially in the San Francisco Bay Area, where our headquarters is located and where we have a substantial presence and need for highly skilled personnel, and where there is particularly high competition for software engineers, computer scientists and other technical personnel. We may not be successful in attracting, integrating or retaining qualified personnel to fulfill our current or future needs. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. If we are unable to attract qualified personnel to fulfill our needs as we expand our operations, our business and growth prospects could be harmed. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our common stock declines, it may adversely affect our ability to hire or retain highly skilled employees. Further, we may periodically change our equity compensation practices, which may include reducing the number of employees eligible for equity awards or reducing the size of equity awards granted per employee. The future of remote work and our physical office build-out strategy have been challenged by the COVID-19 pandemic and may be further impacted by local gathering and safety laws and regulations, which may adversely affect successful cross-functional collaboration, product development velocity and our company culture. If we are unable to attract, integrate or retain the qualified and highly skilled personnel required to fulfill our current or future needs, our business and future growth prospects could be harmed.

We conduct our brokerage and other business operations through subsidiaries and may in the future rely on dividends from our subsidiaries for a substantial amount of our cash flows.

We may in the future depend on dividends, distributions and other payments from our subsidiaries to fund payments on our obligations, including any debt obligations we may incur. Regulatory and other legal restrictions may limit our ability to transfer funds to or from certain subsidiaries, including RHF, Robinhood Crypto, LLC ("RHC") and RHS. In addition, certain of our subsidiaries are subject to laws and regulations that authorize regulatory bodies to block or reduce the flow of funds to us, or that prohibit such transfers altogether in certain circumstances. These laws and regulations may hinder our ability to access

funds that we may need to make payments on our obligations, including any debt obligations we may incur and otherwise conduct our business by, among other things, reducing our liquidity in the form of corporate cash. In addition to negatively affecting our business, a significant decrease in our liquidity could also reduce investor confidence in us. Certain rules and regulations of the SEC and FINRA may limit the extent to which our broker-dealer subsidiaries may distribute capital to us. For example, under FINRA rules applicable to RHS, a dividend in excess of 10% of a member firm's excess net capital may not be paid without FINRA's prior written approval. Compliance with these rules may impede our ability to receive dividends, distributions and other payments from RHF, RHC and RHS. See also "Business—Regulation."

Future acquisitions of, or investments in, as applicable, other companies, products, technologies or specialized employees could require significant management attention, disrupt our business, dilute stockholder value and adversely affect our results of operations.

As part of our business strategy, we may make acquisitions of, or investments in, as applicable, specialized employees or other compatible companies, products or technologies. We also may enter into relationships with other businesses in order to expand our products and services. Negotiating these transactions can be time-consuming, difficult and expensive and our ability to close these transactions may be subject to third-party approvals, such as government and other regulatory approvals, which are beyond our control. Further, we may not be able to find suitable acquisition or investment candidates and we may not be able to complete acquisitions on favorable terms, if at all. Moreover, these kinds of acquisitions or investments may result in unforeseen operating difficulties and expenditures, including disrupting our ongoing operations, diverting management from their primary responsibilities, subjecting us to additional liabilities, increasing our expenses and adversely impacting our business, financial condition and results of operations. If we acquire businesses or technologies, we may not be able to integrate the acquired personnel, operations and technologies successfully, or effectively manage the combined business following the acquisition. Moreover, we cannot assure that the anticipated benefits of any acquisition or investment would be realized or that we would not be exposed to unknown liabilities.

In connection with these types of transactions, we may issue additional equity securities that would dilute our stockholders, use cash that we may need in the future to operate our business, incur debt on terms unfavorable to us or that we are unable to repay, incur large charges or substantial liabilities, encounter difficulties integrating diverse business cultures and become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges. These challenges related to acquisitions or investments could have an adverse effect on our business, financial condition and results of operations.

We may expand into international markets, which will expose us to significant new risks, and our international expansion efforts may not be successful.

We may further expand our operations to other countries outside of the United States, which will require significant resources and management attention and will subject us to regulatory, economic and political risks in addition to those we already face in the United States. There are significant risks and costs inherent in doing business in international markets, including:

- difficulty establishing and managing international operations and the increased operations, travel, infrastructure and legal and compliance costs associated with locations in different countries or regions;

- the need to understand and comply with local laws, regulations and customs in multiple jurisdictions, including laws and regulations governing broker-dealer practices, some of which may be different from, or conflict with, those of other jurisdictions, and which might not permit us to operate our business or collect revenues in the same manner as we do in such other jurisdictions;

- our interpretations of local laws and regulations, which may be subject to challenge by local regulators;
- difficulties or delays in obtaining and/or maintaining the regulatory permissions, authorizations, licenses or consents that may be required to offer certain products in one or more international markets;
- difficulties in managing multiple regulatory relationships across different jurisdictions on complex legal and regulatory matters;
- if we were to engage in any merger or acquisition activity internationally, this is complex and would be new for us and subject to additional regulatory scrutiny;
- the need to vary products, pricing and margins to effectively compete in international markets;
- the need to adapt and localize products for specific countries, including obtaining rights to third-party intellectual property used in each country;
- increased competition from local providers of similar products and services;
- the ability to offer products and services that meet a demand in the local market ("product-market fit");
- the ability to obtain, maintain, protect, defend and enforce intellectual property rights abroad;
- the need to offer customer support and other aspects of our offering (including websites, articles blog posts and customer support documentation) in various languages;
- compliance with anti-bribery laws, such as the Foreign Corrupt Practices Act (the "FCPA") and equivalent anti-bribery and anti-corruption requirements in local markets, by us, our employees and our business partners, and the potential for increased complexity due to the requirements on us as a group to follow multiple rule sets;
- complexity and other risks associated with current and future legal requirements in other countries, including laws, rules, regulations and other legal requirements related to cybersecurity and data privacy frameworks and labor and employment laws;
- the need to enter into new business partnerships with third-party service providers in order to provide products and services in the local market, which we may rely upon to be able to provide such products and services or to meet certain regulatory obligations;
- varying levels of internet technology adoption and infrastructure, and increased or varying network and hosting service provider costs and differences in technology service delivery in different countries;
- fluctuations in currency exchange rates and the requirements of currency control regulations, which might restrict or prohibit conversion of other currencies into U.S. dollars;
- taxation of our international earnings and potentially adverse tax consequences due to requirements of or changes in the income and other tax laws of the United States or the international jurisdictions in which we operate; and
- political or social unrest or economic instability in a specific country or region in which we operate.

We have limited experience with international regulatory environments and market practices, and we may not be able to penetrate or successfully operate in the markets we choose to enter. In addition, we may incur significant expenses as a result of our international expansion, and we may not be successful.

We may launch products that lack local product-market fit, face local competition from pre-existing companies offering similar products and/or face limited brand recognition in certain parts of the world, any of which could lead to non-acceptance or delayed acceptance of our products and services by customers in new markets. Product adoption and growth rates may vary significantly across different markets. We are subject to income taxes and other taxes in the United States and other countries in which we transact or conduct business, and such laws and tax rates vary by jurisdiction. We are subject to review and audit by U.S. federal, state, local and foreign tax authorities. Such tax authorities may disagree with tax positions we take, and if any such tax authority were to successfully challenge any such position, our financial condition or results of operations could be materially and adversely affected. Our failure to successfully manage these risks could harm our international operations in the markets we choose to enter and have an adverse effect on our business, financial condition and results of operations.

Unfavorable media coverage could harm our business, financial condition and results of operations.

We receive a high volume of media coverage, which has increased as our company has grown. We have also received and may continue to receive negative media coverage regarding our products and services and the risk of our customers' misuse or misunderstanding of our products and services, inappropriate or otherwise unauthorized behavior by our customers and litigation or regulatory activity. In addition, given our public profile, any unanticipated system disruptions, outages, technical or security-related incidents or other performance problems relating to our platform, such as the two service outages that occurred on our platform from March 2-3, 2020 and on March 9, 2020 caused by stress placed on our infrastructure due to highly volatile and historic market conditions, record trading volume and record account sign-ups (the "March 2020 Outages"), are likely to receive extensive media attention. Furthermore, any negative experiences our customers have in connection with their use of our products and services, including as a result of any such performance problems, could diminish customer confidence in us and our products and services, which could result in unfavorable media coverage or publicity. For example, we received customer complaints and significant media attention as a result of the Early 2021 Trading Restrictions. See "Business—Legal Proceedings—Early 2021 Trading Restrictions Matters" and "Risk Factors—Risks Related to Regulation and Litigation—*We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could harm our reputation, business, financial condition or results of operations*" for more information about the Early 2021 Trading Restrictions and the March 2020 Outages.

Unfavorable publicity has in the past adversely affected, and could in the future adversely affect, our reputation. As our platform continues to scale and public awareness of our brand increases, any future issues that draw adverse media coverage could have an amplified negative effect on our reputation and brand. Any such negative publicity could have an adverse effect on our growth rate or the size, engagement and loyalty of our customer base, as well as on our ability to recruit and retain personnel, and result in decreased revenue or revenue growth rates, which could have an adverse effect on our business, financial condition and results of operations.

Risks Related to Regulation and Litigation

Our business is subject to extensive, complex and changing laws and regulations, and related regulatory proceedings and investigations. Changes in these laws and regulations, or our failure to comply with these laws and regulations, could harm our business.

The securities industry is subject to extensive regulation by federal, state and non-U.S. regulators and SROs, and broker-dealers and financial services companies are subject to laws and regulations covering all aspects of the securities industry. The substantial costs and uncertainties related to complying with these regulations continue to increase, and our introduction of new products or services, expansion of our business in certain jurisdictions or subindustries, acquisitions of other businesses that operate in similar regulated spaces or other actions that we may take may subject us to additional laws, regulations or other

government or regulatory scrutiny. Regulations are intended to ensure the integrity of financial markets, appropriate capitalization of broker-dealers and other financial services companies and the protection of customers and their assets. These regulations may serve to limit our business activities through capital, customer protection and market conduct requirements, as well as restrictions on the activities that we are authorized to conduct.

Federal, state and non-U.S. regulators and SROs, including the SEC and FINRA, among other things, can investigate, censure or fine us, issue cease-and-desist orders or otherwise restrict our operations, require changes to our business practices, products or services, limit our acquisition activities or suspend or expel a broker-dealer or any of its officers or employees. Similarly, state attorneys general and other state regulators, including state securities and financial services regulators, can bring legal actions on behalf of the citizens of their states to assure compliance with state laws. In addition, criminal authorities such as state attorneys general or the U.S. Department of Justice may institute civil or criminal proceedings against us for violating applicable laws, rules, or regulations. We operate in a highly regulated industry and, despite our efforts to comply with applicable legal requirements, like all companies in our industry, we must adapt to frequent changes in laws and regulations, and face complexity in interpreting and applying evolving laws and regulations to our business, heightened scrutiny of the conduct of financial services firms and increasing penalties for violations of applicable laws and regulations. We may fail to establish and enforce procedures that comply with applicable legal requirements and regulations. We may be adversely affected by new laws or regulations, changes in the interpretation of existing laws or regulations or more rigorous enforcement. For example, the practice of PFOF may be limited substantially by regulators, which would materially decrease our transaction-based revenue, or banned entirely, which could require us to make significant changes to our revenue model, and such changes may not be successful. We also may be adversely affected by other regulatory changes related to our obligations with regard to suitability of financial products, supervision, sales practices, application of fiduciary or best interest standards (including the interpretation of what constitutes an "investment recommendation" for the purposes of the SEC's "Regulation Best Interest" and state securities laws) and best execution in the context of our business and market structure, any of which could limit our business, increase our costs and damage our reputation.

We are also subject to laws, rules, regulations, policies, industry standards and contractual obligations regarding data privacy and security, and we may be subject to litigation, regulatory proceedings or other investigations regarding any actual or perceived non-compliance with such obligations. For more information, see "—Risks Related to Cybersecurity and Data Privacy—*We are subject to stringent laws, rules, regulations, policies, industry standards and contractual obligations regarding data privacy and security and may be subject to additional related laws and regulations in jurisdictions into which we expand. Many of these laws and regulations are subject to change and reinterpretation and could result in claims, changes to our business practices, monetary penalties, increased cost of operations or other harm to our business.*"

We have been subject to regulatory investigations, actions and settlements and we expect to continue to be subject to such proceedings in the future, which could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business.

From time to time, we have been, and expect to continue to be, subject to legal and regulatory proceedings arising out of our business practices and operations, including lawsuits, arbitration claims, governmental subpoenas, and regulatory, governmental and SRO inquiries, examinations, investigations and enforcement proceedings, as well as other actions and claims. For example, in May 2019, the SEC's Division of Enforcement commenced an investigation into best execution and PFOF practices of our subsidiary, RHF, as well as statements concerning its sources of revenue. On December 17, 2020, RHF, on a neither admit nor deny basis, consented to the entry of an SEC order (i) requiring RHF to cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 17(a) of the Exchange Act and Rule 17a-4 thereunder; (ii)

censuring RHF; and (iii) requiring RHF to pay a $65 million civil penalty in December 2020. RHF paid the $65 million penalty in cash and also agreed to engage an independent compliance consultant to, among other things, perform a comprehensive review of RHF's supervisory, compliance and other policies and procedures related to its retail communications and PFOF and make recommendations for improvements. As a result of the cease-and-desist order, we are now considered an "ineligible issuer" as defined under Rule 405 of the Securities Act. See also "—*As a result of our recent settlement with the SEC, we are currently considered an 'ineligible issuer,' which limits our ability to use certain free writing prospectuses in securities offerings and will delay our ability to qualify as a 'well-known seasoned issuer' in the future*" below. Additionally, in December 2019, FINRA brought a disciplinary action against RHF in connection with alleged noncompliance with best execution rules during the 2016 to 2017 timeframe, which resulted in a settlement and payment by RHF of a $1.25 million fine. We have also recorded charges as general and administrative expenses in our consolidated statements of operations for the year ended December 31, 2020 of (i) $26.6 million representing the bottom of the range of our probable losses in connection with other FINRA investigations and enforcement matters, including those related to the March 2020 Outages and options trading and related customer communications and displays, and (ii) $10 million representing the bottom range of our probable losses in connection with the resolution of a New York State Department of Financial Services ("NYDFS") matter focused primarily on anti-money laundering and cybersecurity-related issues. See "Business—Legal Proceedings" and Note 13 to our consolidated financial statements for the year ended December 31, 2020, included elsewhere in this prospectus for more information about these matters.

In addition, we have been subject, and, given the highly regulated nature of the industries in which we operate, expect that we will be subject in the future, to a number of SEC and FINRA examinations and investigations, including examinations and investigations related to broker-dealer and financial services rules and regulations, including our trading and supervisory policies and procedures, our clearing practices, our public communications, our compliance with anti-money laundering and other financial crimes regulations, cybersecurity matters and our business continuity plans. We have also been subject, and may be subject in the future, to inquiries, investigations and examinations by other federal agencies such as the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") and state regulatory agencies, such as the Massachusetts Securities Division (the "MSD") and the NYDFS. For example, in December 2020, the Enforcement Section of the MSD filed a complaint against us, alleging three counts of Massachusetts state securities law violations regarding unethical and dishonest conduct or practices, failure to supervise, and failure to act in accordance with the fiduciary duty standard required by Massachusetts, which became effective on March 6, 2020 and had an effective enforcement date beginning September 1, 2020. Among other things, the MSD alleges that our product features and marketing strategies, outages, and options trading approval process constitute violations of Massachusetts securities laws. RHM, RHF, RHS and our Co-Founder and CEO, Vladimir Tenev, have received requests for information, and in some cases, subpoenas and requests for testimony, related to investigations and examinations of the Early 2021 Trading Restrictions from the United States Attorney's Office for the Northern District of California ("USAO"), the SEC staff, FINRA, the New York Attorney General's Office, other state attorneys general offices and a number of state securities regulators. Also, a related search warrant was executed by the USAO to obtain Mr. Tenev's cell phone. There have also been several inquiries based on specific customer complaints. In addition, we have received information and testimony requests from certain committees and members of the U.S. Congress and Mr. Tenev has provided testimony with respect to the Early 2021 Trading Restrictions. See "Business—Legal Proceedings" and "Business—Regulation."

These proceedings, inquiries, examinations, investigations and other regulatory matters may subject us to fines, penalties and monetary settlements, result in additional compliance requirements, result in certain of our subsidiaries, including RHC, losing their regulatory licenses in certain jurisdictions, increase regulatory scrutiny of our business, restrict our operations or require us to change our business practices, require changes to our products and services, require changes in personnel or management, delay planned product or service launches or development, limit our ability to acquire other complementary businesses and technologies or lead to the suspension or expulsion of our broker-dealer or other

regulated subsidiaries or their officers or employees. Any of the foregoing could, individually or in the aggregate, harm our reputation and brand, require substantial management attention and have an adverse effect on our business, results of operations and financial condition.

As a result of our recent settlement with the SEC, we are currently considered an "ineligible issuer," which limits our ability to use certain free writing prospectuses in securities offerings and will delay our ability to qualify as a "well-known seasoned issuer" in the future.

As a result of a cease-and-desist order issued by the SEC on December 17, 2020 and our related settlement in connection with the SEC's investigation of our best execution and PFOF practices, we are currently an "ineligible issuer," as the term is defined under Rule 405 of the Securities Act, and will remain an ineligible issuer until December 17, 2023. As long as we are an ineligible issuer, as a public company, we will be prevented from using free writing prospectuses in securities offerings, other than in certain limited circumstances, such as those free writing prospectuses that contain only a description of the terms of the offered securities or the offering itself. In particular, in connection with this initial public offering or any subsequent registered offering of our securities, we may only be able to engage in "live" roadshows that are not considered free writing prospectuses and are precluded from making broadly available to investors a recorded version of any roadshow, which would generally constitute a free writing prospectus. This could have the effect of limiting potential investor access to any roadshow we may conduct in connection with this or any other registered offering if investors are not able to attend any "live" virtual or in-person presentations, calls or webcasts that we may host.

Additionally, following such time as we would otherwise be able to satisfy all other requirements for "well-known seasoned issuer" ("WKSI") status under Rule 405, we will be unable to take advantage of the following benefits associated with WKSI status, including the ability to:

- file Form S-3 shelf registration statements that are automatically effective to register a range of different types of securities for an indeterminate number or amount of securities and without the need to identify a detailed plan of distribution or specified selling stockholders;
- offer or register additional securities by amending any existing shelf registration statement rather than filing a new registration statement that would not be automatically effective; and
- take advantage of the "pay as you go" filing fee payment process and pay filing fees at the time of each takedown off a shelf registration statement, rather than at the time the registration statement is filed.

Notwithstanding our "ineligible issuer" status, assuming that the worldwide market value of our outstanding common stock held by non-affiliates will be at least $700 million, we would otherwise be eligible for WKSI status within 12 months of the consummation of this initial public offering. As a public company, we will face changing regulatory requirements and market conditions and be subject to other uncertainties which, among other things, could make it necessary or advisable for us to raise additional capital in an expeditious manner. Without the ability to utilize an automatic shelf registration statement once we would otherwise be eligible to do so if we had WKSI status, we may be unable to react quickly to such changing requirements and conditions and could be delayed in our ability to raise additional capital.

We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could harm our reputation, business, financial condition or results of operations.

In addition to regulatory oversight, investigations and other proceedings, we are also involved in numerous other litigation matters, including putative class action lawsuits, and we anticipate that we will continue to be a target for litigation in the future. These litigation matters include commercial litigation matters, insurance matters, privacy and cybersecurity disputes, intellectual property disputes, contract disputes, consumer protection matters and employment matters. In addition, during market downturns,

the volume of legal claims and amount of damages sought in litigation and regulatory proceedings against financial services companies have historically increased.

For example, beginning on March 4, 2020, 15 putative class actions and one individual action were filed against us in state and federal district courts relating to the March 2020 Outages. One of the putative class actions and the individual action were voluntarily dismissed following settlements between the parties. Thirteen of the remaining putative class actions have been consolidated as *In re Robinhood Outage Litigation* in the United States District Court for the Northern District of California. The one remaining putative class action, *Withouski v. Robinhood Financial LLC et al.,* pending in the Superior Court of the State of California, County of San Mateo, has been stayed by agreement of the parties. The lawsuits generally allege that putative class members or the plaintiff were unable to execute trades during the March 2020 Outages because our platform was inadequately designed to handle customer demand and we failed to implement appropriate backup systems. The lawsuits include, among other things, claims for breach of contract, negligence, gross negligence, breach of fiduciary duty, unjust enrichment and violations of certain California consumer protection statutes. The lawsuits generally seek damages, restitution or disgorgement, as well as declaratory and injunctive relief. On October 5, 2020, we filed a motion to dismiss the consolidated amended complaint and to strike the class allegations. On February 18, 2021, the court dismissed RHM from the case with leave to amend, but otherwise denied the motion, and ordered the parties to select a mediator within 14 days.

Additionally, in December 2020 and in January 2021, four putative class actions were filed against us in federal district courts relating to our PFOF practices. The lawsuits generally relate to the same factual allegations as the SEC matter that settled in December 2020, as described above under "*—We have been subject to regulatory investigations, actions and settlements and we expect to continue to be subject to such proceedings in the future, which could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business*." The consolidated lawsuits include, among other things, claims for breach of Section 10(b) and Rule 10b-5 of the Exchange Act, breach of the implied covenant of good faith and fair dealing, breach of fiduciary duty and violations of certain California consumer protection statutes.

In addition, as of March 22, 2021, we have become aware of approximately 49 putative class actions (three of which complaints have been voluntarily dismissed with prejudice) and three individual actions that have been filed against one or more of RHM, RHF and RHS in various federal and state courts relating to the Early 2021 Trading Restrictions. The complaints generally allege breach of contract, breach of the implied covenant of good faith and fair dealing, negligence, breach of fiduciary duty and other common law claims. Several complaints further allege federal securities claims, federal and state antitrust claims and certain state consumer protection claims based on similar factual allegations. RHM, RHF, RHS and our Co-Founder and CEO, Vladimir Tenev, have received requests for information, and in some cases, subpoenas and requests for testimony, related to investigations and examinations of the Early 2021 Trading Restrictions from the United States Attorney's Office for the Northern District of California ("USAO"), the SEC staff, FINRA, the New York Attorney General's Office, other state attorneys general offices and a number of state securities regulators. Also, a related search warrant was executed by the USAO to obtain Mr. Tenev's cell phone. There have also been several inquiries based on specific customer complaints. In addition, we have received information and testimony requests from certain committees and members of the U.S. Congress and Mr. Tenev has provided testimony with respect to the Early 2021 Trading Restrictions. In addition, we have also received a high degree of media coverage, including negative media coverage, as well as complaints from our customers about us and our platform in connection with the Early 2021 Trading Restrictions. Given our brand and our reputation are two of our most important assets, any damage to our brand and reputation as a result of such negative media coverage could have an adverse effect on our business, financial condition and results of operations.

Further, on January 8, 2021, a putative class action was filed in California Superior Court (Santa Clara County) against RHF and RHS by Siddharth Mehta, purportedly on behalf of approximately 2,000 Robinhood customers whose accounts were allegedly accessed by unauthorized users from January 1,

2020 to October 16, 2020. On February 9, 2021, RHF and RHS removed this action to the United States District Court for the Northern District of California. An amended complaint, filed on February 26, 2021, added two named class members and expanded the putative class period to the present. Plaintiffs generally allege that RHF and RHS breached commitments made and duties owed to customers to safeguard customer data and assets. Plaintiffs assert eight causes of action for purported violations of common law, a right to privacy, and certain California statutes, including the California Consumer Privacy Act (the "CCPA"). On March 12, 2021, RHF and RHS filed a motion to dismiss the amended complaint.

For more information about litigation matters and other regulatory and legal proceedings in which we are involved, see "Business—Legal Proceedings."

Litigation matters brought against us may require substantial management attention and may result in settlements, awards, injunctions, fines, penalties and other adverse results. A substantial judgment, settlement, fine or penalty or injunctive relief could be material to our results of operations or cash flows for a particular period, or could cause us significant reputational harm or have an adverse effect on our business, financial condition and results of operations.

We are subject to governmental laws and requirements regarding economic and trade sanctions, anti-money laundering and counter-terror financing that could impair our ability to compete in international markets or subject us to criminal or civil liability if we violate them.

Although our operations are currently concentrated in the United States (with the limited exception of our U.K. and Dutch subsidiaries which have U.K.- and Netherlands-based employees and contractors), in the future we may seek to expand internationally and will become subject to additional laws and regulations, and will need to implement new regulatory controls to comply with applicable laws. We are currently required to comply with U.S. economic and trade sanctions administered by OFAC and we have processes in place to comply with the OFAC regulations as well as similar requirements in other jurisdictions. As part of our compliance efforts, we review customer applications to determine if any potential customers appear on OFAC or other watchlists. While we currently only offer services to U.S. citizens and permanent residents with a legal address within the United States or Puerto Rico, and while our application includes features designed to block access to our services from sanctioned countries, our application could potentially be illegitimately accessed from anywhere in the world. If our services are accessed from a sanctioned country in violation of the trade and economic sanctions, with our knowledge or otherwise, we could be subject to enforcement actions. Additionally, to the extent a customer accesses our application or services from outside the United States, we could also become subject to regulations in that local jurisdiction, including requirements that we become licensed, registered or authorized in such jurisdiction. A regulator's conclusion that we are servicing customers in their jurisdiction without being appropriately licensed, registered or authorized could result in fines or other enforcement actions. Our broker-dealer subsidiaries are registered in the United States but are not licensed, authorized or registered in any other jurisdiction.

We are also subject to various anti-money laundering and counter-terrorist financing laws and regulations around the world that prohibit, among other things, our involvement in transferring the proceeds of criminal activities. In the United States, most of our services are subject to anti-money laundering laws and regulations, including the Bank Secrecy Act, as amended ("BSA"), and similar laws and regulations. The BSA, among other things, requires money services businesses to develop and implement risk-based anti-money laundering programs, to report large cash transactions and suspicious activity, and in some cases, to collect and maintain information about customers who use their services and maintain other transaction records. Regulators in the United States and globally continue to increase their scrutiny of compliance with these obligations. For example, in July 2020, the NYDFS issued a report of its examination of RHC citing a number of "matters requiring attention" focused primarily on anti-money laundering and cybersecurity-related issues. Following subsequent investigation by the NYDFS's Consumer Protection and Financial Enforcement Division, in March 2021, NYDFS informed RHC of certain alleged violations of anti-money laundering and New York Banking Law requirements (Part 417, Part 504 and Banking Law § 44), including the failure to maintain and certify a compliant anti-money

laundering program. RHC is cooperating with the NYDFS with respect to these allegations. See “Business—Legal Proceedings—RHC Anti-Money Laundering and Other Cybersecurity-Related Issues” for more information. As a result of this or other regulatory attention, we may be required to further revise or expand our compliance program, including the procedures we use to verify the identity of our customers and to monitor transactions on our system, including payments to persons outside of the United States. Regulators regularly re-examine the transaction volume thresholds at which we must obtain and keep applicable records or verify identities of customers, and any change in such thresholds could result in greater costs for compliance.

We are subject to anti-corruption, anti-bribery and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business.

We are subject to the FCPA, U.S. domestic bribery laws and other U.S. and foreign anti-corruption laws. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees and their third-party intermediaries from authorizing, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public sector. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. Although we currently only maintain operations in the United States (with the limited exception of our U.K. and Dutch subsidiaries which have U.K. and Netherlands-based employees and contractors), as we increase our international cross-border business and expand operations abroad, we have engaged and may further engage with business partners and third-party intermediaries to market our services and to obtain necessary permits, licenses and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. The failure to comply with any such laws could subject us to criminal or civil liability, cause us significant reputational harm and have an adverse effect on our business, financial condition and results of operations.

We cannot assure that all of our employees and agents will comply with our internal policies and applicable law, including anti-corruption, anti-bribery and similar laws. We may be ultimately held responsible for any such non-compliance. As we increase our international business, our compliance risks may increase.

Detecting, investigating and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources, and attention from senior management. In addition, noncompliance with anti-corruption or anti-bribery laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties, injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage and other collateral consequences. If any subpoenas are received or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our business, results of operations and financial condition could be materially harmed. In addition, responding to any action will likely result in a materially significant diversion of management’s attention and resources and significant defense costs and other professional fees.

Risks Related to Our Industry, Customers, Products and Services

We operate in highly competitive markets, and many of our competitors have greater resources than we do and may have products and services that may be more appealing than ours to our current or potential customers.

The markets in which we compete are evolving and highly competitive, with multiple participants competing for the same customers. Our current and potential future competition principally comes from incumbent discount brokerages, established financial technology companies, venture-backed financial technology firms, banks, cryptocurrency exchanges, asset management firms and technology platforms. Since the 2019 launch of our Cash Management product, which enables existing brokerage account holders to earn interest on uninvested cash in their Cash Management accounts, we have also faced competition with respect to those services from traditional consumer banking institutions.

The majority of our competitors have longer operating histories and greater capital resources than we have and offer a wider range of products and services. The impact of competitors with superior name recognition, greater market acceptance, larger customer bases or stronger capital positions could adversely affect our results of operations and customer acquisition and retention. Our competitors may also be able to respond more quickly to new or changing opportunities and demands and withstand changing market conditions better than we can, especially larger competitors that may benefit from more diversified product and customer bases. For example, some of our competitors have quickly adopted, or are seeking to adopt, some of our key offerings and services, including commission-free trading, fractional share trading and no account minimums, since their introduction on our platform to compete with us. In addition, competitors may conduct extensive promotional activities, offer better terms or offer differentiating products and services that could attract our current and prospective customers and potentially result in intensified competition within our markets. We continue to experience aggressive price competition in our markets and we may not be able to match the marketing efforts or prices of our competitors. In addition, our competitors may choose to forego PFOF practices, which could create downward pressure on PFOF and make it more difficult for us to continue engaging in and generating revenue through PFOF, which is a significant source of our revenue. See "—Risks Related to Our Business—*Because a majority of our revenue is derived from PFOF, reduced spreads in securities pricing, reduced levels of trading activity generally and any new regulation of, or any bans on, PFOF practices may result in reduced profitability, increased compliance costs and expanded potential for negative publicity*" for more information. We may also be subject to increased competition as our competitors enter into business combinations or partnerships, or established companies in other market segments expand to become competitive with our business.

In addition, we compete in a technology-intensive market characterized by rapid innovation. Some of our competitors in this market, including new and emerging competitors, are not subject to the same regulatory requirements or scrutiny to which we are subject, which could place us at a competitive disadvantage, in particular in the development of new technology platforms or the ability to rapidly innovate. We may be unable to effectively use new technologies, adapt our products and services to emerging market standards or develop or introduce and market enhanced or new products and services. If we are not able to update or adapt our products and services to take advantage of the latest technologies and standards, or are otherwise unable to tailor the delivery of our services to the latest personal and mobile computing devices preferred by our customers or to provide products or services that are of a quality preferred by our customers, it could have an adverse effect on our business, financial position and results of operations.

Our ability to compete successfully in the financial services and cryptocurrency markets depends on a number of factors, including, among other things:

- providing easy-to-use, innovative and attractive products and services, as well as effective customer support;

- maintaining and expanding our market position;
- attracting and retaining customers;
- our reputation and the market perception of our brand and overall value;
- maintaining our relationships with our counterparties;
- maintaining competitive pricing;
- competing in a competitive landscape, including in the provision of products and services that have until recently been available only from our bank competitors;
- the effectiveness, reliability and stability of our technology (including the success of our outage prevention efforts and our cybersecurity measures and defenses), products and services;
- innovating effectively in launching new or enhanced products and services;
- adjusting to a dynamic regulatory environment;
- the differences in regulatory oversight regimes to which we and our competitors are subject; and
- general economic and market trends, including customer demand for financial products and services.

Our competitive position within our markets could be adversely affected if we are unable to adequately address these factors, which could have an adverse effect on our business, financial condition and results of operations.

If we fail to retain existing customers or attract new customers, or if our customers decrease their use of our products and services, our growth could be slower than we expect and our business may be harmed.

We have experienced significant customer growth over the past several years. Our continued business and revenue growth is dependent on our ability to attract new customers, retain existing customers, increase the amount that our customers use our products and services and sell our premium services, such as Robinhood Gold, and we cannot be sure that we will be successful in these efforts. There are a number of factors that could lead to a decline in our number of customers or their usage of our products and services, or that could prevent us from increasing our number of customers, including:

- our failure to introduce new products or services, or our introduction of new products or services, or changes in our existing products or services, that are not favorably received;
- pricing for our products and services;
- harm to our brand and reputation, or decreases in the perceived quality, reliability or usefulness of our products and services;
- our customers engaging with competitive products and services;
- our customers having difficulty installing, updating or otherwise accessing the Robinhood app on mobile devices as a result of actions by us or third parties that we rely on to distribute our app;
- our customers experiencing security breaches, account intrusions or other unauthorized access as a result of actions by us or our business partners, including third parties that we rely on to distribute the Robinhood application;

- our failure to provide adequate customer service to our customers;
- resistance to and non-acceptance of cryptocurrencies;
- a cybersecurity attack, data breach or other security incident resulting in loss in customer confidence;
- our inability to manage network or service outages, interruptions and internet disruptions, including during times of high trading activity, or other performance or technical problems that prevent our customers from accessing and managing their accounts or assets in a rapid and reliable manner;
- changes in our customers' investment strategies or level of interest in investing;
- regulatory changes that have the effect of limiting or prohibiting our existing business practices, including PFOF;
- the enactment of proposed legislation that would impose taxes on certain financial transactions;
- changes mandated by legislation, regulatory authorities or litigation that adversely affect our products and services, or our ability to provide them to our customers;
- any restrictions on trading that we impose on our platform as a result of the capital requirements and cash deposit and collateral requirements to which RHS is subject as a clearing and carrying broker-dealer; and
- deteriorating general economic conditions, including as a result of the COVID-19 pandemic or a general downturn in the U.S. equity markets.

As we expand our business operations and enter new markets, new challenges in attracting and retaining customers will arise that we may not successfully address. Our success, and our ability to increase revenues and operate profitably, depends in part on our ability to cost-effectively acquire new customers, to retain existing customers and to keep existing customers engaged so that they continue to use our products and services. We have historically relied significantly on our customers joining organically or through the Robinhood Referral Program, which accounted for over 80% of the customers that joined our platform in fiscal year 2020. If such channels of customer growth decline, our marketing efforts prove to be ineffective or we are unable to predict customer demands, retain current customers or attract new customers, our revenue may grow more slowly than expected, may not grow at all or may decline and have an adverse effect on our business, financial condition and results of operations.

Many of our customers are first-time investors and our trading volumes and revenues could be reduced if these customers stop trading altogether or stop using our platform for their investing activities.

Our business model focuses on making the financial markets accessible to a broad demographic of retail investors. As of December 31, 2020, we had 12.5 million Net Cumulative Funded Accounts, and from January 1, 2015 to December 31, 2020, over half of the customers funding accounts on our platform told us that Robinhood was their first brokerage account. In addition, in the first half of 2020, we saw a significant increase in the number of new accounts opened by first-time investors. Our success, and our ability to increase revenues and operate profitably, depends in part on such customers continuing to utilize our platform, even as global social and economic conditions shift. However, our customers do not have long-term contractual arrangements with us and can utilize our platform on a transaction-by-transaction basis and may also cease to use our platforms at any time. We may face particular challenges in retaining these investors as customers, for example as a result of a return to pre-COVID-19 behaviors, increased volatility in the financial markets or increasing availability of competing products that seek to target the same demographic. In particular, a broad decline in the equity or other financial markets could

result in some of these investors exiting the markets and leaving our platform. Any significant loss of customers or a significant reduction in their use of our platform could have a material impact on our trading volumes and revenues, and materially adversely affect our business, financial condition and results of operations.

Our introduction of new products and services, or changes to existing products and services, could fail to attract or retain customers or generate growth and revenue.

Our ability to attract, engage and retain our customers and to increase our revenue depends heavily on our ability to continue to maintain and evolve our existing products and services and to create successful new products and services. We may introduce significant changes to our existing products and services or acquire or introduce new and unproven products and services, including using technologies with which we have little or no prior development or operating experience. We continue to incur substantial costs, and we may not be successful in continuing to generate profits, in connection with these efforts. In addition, the introduction of new products and services, or changes to existing products and services, may result in new or enhanced governmental or regulatory scrutiny or other complications that could adversely affect our business and results of operations. If our new or enhanced products and services fail to attract customers, or if our business plans are unsuccessful, we may fail to attract or retain customers or to generate sufficient revenue, operating margin or other value to justify our investments, and our business may be adversely affected.

If we do not keep pace with industry and technological changes and continue to provide new and innovative products and services, our business may become less competitive and our business may be adversely impacted.

Rapid and significant technological changes continue to confront the financial services industry, including developments in the methods in which securities are traded and developments in cryptocurrencies. If we fail to innovate and deliver products and services with market fit and differentiation, or fail to do so quickly enough as compared to our competitors, we may not be able to keep pace with industry and technological changes in our industry and we may face difficulty in competing within our market, which could harm our business.

We expect new technologies, products, services and industry norms to continue to emerge and evolve, and we cannot predict the effects of technological changes or industry practices on our business. Further, new technologies introduced in our markets may be superior to, or render obsolete, the technologies we currently use in our products and services. Incorporating new technologies into our products and services may require substantial expenditures and take considerable time, and we may not be successful in realizing a return on these development efforts in a timely manner or at all. Our ability to successfully adopt new products and services and to develop and incorporate new technologies may be inhibited by industry-wide standards, changes to laws and regulations, changing customer expectations, demands and preferences or third-party intellectual property rights. If we are unable to enhance our products and services or to innovate or to develop new products and services that achieve market acceptance or that keep pace with rapid technological developments and evolving industry standards or practices, our business could be adversely affected.

Because our products and services are designed to operate on a variety of systems, we will need to continuously modify, enhance and improve our products and services to keep pace with changes in internet-related hardware, mobile operating systems such as iOS and Android and other software, communication, browser and database technologies. We may not be successful in either developing these modifications, enhancements and improvements or in bringing them to market quickly or cost-effectively in response to market demands. Furthermore, uncertainties about the timing and nature of new network platforms or technologies, or modifications to existing platforms or technologies, could increase our research and development expenses. Any failure of our products and services to keep pace with technological changes or to innovate or to operate effectively with future network platforms and technologies, or to do so in a timely and cost-effective manner, could reduce the demand for our products

and services, result in customer dissatisfaction, negative publicity, reduce our competitive advantage and harm our business and reputation.

If we are unable to successfully monetize our products and services, our financial condition and results of operations may be adversely affected.

We are continuously striving to deliver innovative products and features to customers at low prices. As we expand into new business lines and markets, we may find that it is more difficult for us to monetize products and features delivered at low prices due to economic, political, competitive or market-structure considerations. If we are not successful in our monetization efforts or if we expend significant resources to launch new products and services that we are unable to monetize, our financial condition and results of operations may be adversely affected.

Risks Related to Our Platform, Systems and Technology

Our platform has been, and may in the future be, subject to interruption and instability due to operational and technological failures, whether internal or external.

We rely on technology, including the internet and mobile services, to conduct much of our business activity and allow our customers to conduct financial transactions on our platform. Our systems and operations, including our primary and disaster recovery data center operations, as well as those of the third parties on which we rely to conduct certain key functions, are vulnerable to disruptions from natural disasters, power and service outages, interruptions or losses, computer and telecommunications failures, software bugs, cybersecurity attacks, computer viruses, malware, distributed denial of service attacks, spam attacks, phishing or other social engineering, ransomware, security breaches, credential stuffing, technological failure, human error, terrorism, improper operation, unauthorized entry, data loss, intentional bad actions and other similar events and we have experienced such disruptions in the past. Further, we may be particularly vulnerable to any such internal technology failures because we rely heavily on our own self-clearing platform, proprietary order routing system, data platform and other back-end infrastructure for our operations, and any such failures could have an adverse effect on our reputation, business, financial condition and results of operations. For example, in December 2018, we experienced a failure of our order routing technology caused by code being inadvertently pushed to the production environment that led to option trades being incorrectly routed. We temporarily halted options trading while the technology failure was repaired and remediated customers impacted by the outage through a combination of Amazon gift cards, Robinhood Gold subscription fees and cash, resulting in estimated out-of-pocket losses to us of approximately $0.9 million.

In addition, surges in trading volume on our platform have in the past and may in the future cause our systems to operate at diminished speed or even fail, temporarily or for a more prolonged period of time, which would affect our ability to process transactions and potentially result in some customers' orders being executed at prices they did not anticipate or executed incorrectly, or not executed at all. For example, the March 2020 Outages resulted in certain of our customers being unable to buy and sell securities and other financial products on our platform for a period of time, and our platform has in the past and may in the future experience additional outages from time to time. Disruptions caused by the March 2020 Outages resulted in putative class action lawsuits being filed against us (and certain of our subsidiaries) by our customers in both state and federal courts as well as regulatory examinations and investigations. We provided remediation to many of our customers impacted by the March 2020 Outages through cash payments, resulting in estimated out-of-pocket losses to us of approximately $3.6 million. See "—Risks Related to Regulation and Litigation—*We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could harm our reputation, business, financial condition or results of operations*", "—Risks Related to Regulation and Litigation—*We have been subject to regulatory investigations, actions and settlements and we expect to continue to be subject to such proceedings in the future, which could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business*" and "Business—Legal

Proceedings." Disruptions to, destruction of, improper access to, breach of, instability of or failure to effectively maintain our information technology systems (including our data processing systems, self-clearing platform and order routing system) or external technology of third parties with whom we do business that allow our customers to use our products and services could result in customer attrition, costly litigation and regulatory and U.S. Congressional inquiries, negative publicity and reputational harm, and may have an adverse effect on our business. Frequent or persistent interruptions in our products and services could cause customers to believe that our products and services are unreliable, leading them to switch to our competitors or to otherwise avoid our products and services. Additionally, our insurance policies may be insufficient to cover a claim made against us by any such customers affected by any disruptions, outages, or other performance or infrastructure problems. See also "—Risks Related to Finance, Accounting and Tax Matters—*Our insurance coverage may be inadequate or expensive."*

While we have made, and continue to make, significant investments designed to enhance the reliability and scalability of our platform and operations as well as our customer support functions, we do not have fully redundant systems and we cannot assure that these investments will be successful or that we will be able to maintain, expand and upgrade our systems and infrastructure to meet future requirements and mitigate future risks on a timely basis. It may become increasingly difficult to maintain and improve the availability of our platform, especially as our platform and product offerings become more complex, our customer base grows and we experience surges in trading volume on our platform. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, or continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our reputation, business, financial condition and results of operations could be adversely affected.

Our products and internal systems rely on software that is highly technical, and if these systems contain errors, bugs or vulnerabilities, or if we are unsuccessful in addressing or mitigating technical limitations or vulnerabilities in our systems, our business could be adversely affected.

Our products and internal systems rely on software, including software developed or maintained internally and by third parties, that is highly technical and complex. In addition, our platform and our internal systems depend on the ability of such software, which includes machine learning models, to collect, store, retrieve, transmit, manage and otherwise process immense amounts of data. The software on which we rely may contain errors, bugs or vulnerabilities, and our systems are subject to certain technical limitations that may compromise our ability to meet our objectives. Some errors, bugs or vulnerabilities inherently may be difficult to detect and may only be discovered after code has been released for external or internal use. Errors, bugs, vulnerabilities, design defects or technical limitations within the software on which we rely may lead to negative customer experiences (including the communication of inaccurate information to customers), compromised ability of our products to perform in a manner consistent with customer expectations, delayed product introductions, compromised ability to protect the data (including personal data) of our customers and our intellectual property or an inability to provide some or all of our services. Such errors, bugs, vulnerabilities or defects could also be exploited by malicious actors and result in exposure of data of customers on our platform, or otherwise result in a security breach or other security incident. We may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, bugs, vulnerabilities or defects in the software on which we rely, and any associated degradations or interruptions of service could result in damage to our reputation, loss of customers, loss of revenue, regulatory or governmental inquiries or liability for damages, any of which could have an adverse effect on our business, financial condition and results of operations.

Our success depends in part upon effective operation with mobile operating systems, networks, technologies, products, hardware and standards that we do not control.

A substantial majority of our customers' activity on our platform occurs on mobile devices. There is no guarantee that popular mobile devices will continue to feature the Robinhood app, or that mobile device

customers will continue to use our products and services rather than those of our competitors. We are dependent on the interoperability of our app with popular mobile operating systems, networks, technologies, products, hardware and standards that we do not control, such as the Android and iOS operating systems. Any changes, bugs or technical issues in such systems or changes in our relationships with mobile operating system partners, device manufacturers or mobile carriers, or in their terms of service or policies that degrade the functionality of our app, reduce or eliminate our ability to distribute applications, give preferential treatment to competitive products, limit our ability to target or measure the effectiveness of applications, or impose fees or other charges related to our delivery of our application could adversely affect customer usage of the Robinhood app. Further, we are subject to the standard policies and terms of service of these operating systems, as well as policies and terms of service of the various application stores that make our application and experiences available to our developers, creators and customers. These policies and terms of service govern the availability, promotion, distribution, content and operation generally of applications and experiences on such operating systems and stores. Each provider of these operating systems and stores has broad discretion to change and interpret its terms of service and policies with respect to our platform and those changes may be unfavorable to us and our developers', creators' and customers' use of our platform. If we were to violate, or an operating system provider or application store believes that we have violated, its terms of service or policies, that operating system provider or application store could limit or discontinue our access to its operating system or store. In some cases these requirements may not be clear or our interpretation of the requirements may not align with the interpretation of the operating system provider or application store, which could lead to inconsistent enforcement of these terms of service or policies against us, and could also result in the operating system provider or application store limiting or discontinuing access to its operating system or store. Any limitation or discontinuation of our access to any third-party platform or application store could adversely affect our business, financial condition or results of operations.

Additionally, in order to deliver a high-quality mobile experience for our customers, it is important that our products and services work well with a range of mobile technologies, products, systems, networks, hardware and standards that we do not control, and that we have good relationships with mobile operating system partners, device manufacturers and mobile carriers. We may not be successful in maintaining or developing relationships with key participants in the mobile ecosystem or in developing products that operate effectively with these technologies, products, systems, networks or standards. In the event that it is more difficult for our customers to access and use our app, or if our customers choose not to access or use our app on their mobile devices or use mobile products that do not offer access to our app, our customer growth and engagement could be harmed. In the event that our customers are adversely affected by these actions or if our relationships with such third parties deteriorate, our customer growth and engagement could be adversely affected and our business could be harmed.

We rely on third parties to perform certain key functions, and their failure to perform those functions could adversely affect our business, financial condition and results of operations.

We rely on certain third-party computer systems or third-party service providers, including cloud technology providers such as Amazon Web Services, internet service providers, payment services providers, market and third-party data providers, regulatory services providers, clearing systems, market makers, exchange systems, banking systems, co-location facilities, communications facilities and other facilities to run our platform, facilitate trades by our customers and support or carry out certain regulatory obligations. In addition, external content providers provide us with financial information, market news, charts, option and stock quotes, cryptocurrency quotes, research reports and other fundamental data that we provide to our customers. These providers are susceptible to operational, technological and security vulnerabilities, including security breaches, which may impact our business, and our ability to monitor our third-party service providers' data security is limited. In addition, these third-party service providers may rely on subcontractors to provide services to us that face similar risks. Any interruption in these third-party services, or deterioration in the quality of their service or performance, could be disruptive to our business. See also "Risks Related to Our Platform, Systems and Technology—*We primarily rely on*

Amazon Web Services to deliver our services to customers on our platform, and any disruption of or interference with our use of Amazon Web Services could adversely affect our business, financial condition and results of operations."

Any failure or security breaches by or of our third-party service providers or their subcontractors that result in an interruption in service, unauthorized access, misuse, loss or destruction of data or other similar occurrences could interrupt our business, cause us to incur losses, result in decreased customer satisfaction and increase customer attrition, subject us to customer complaints, significant fines, litigation, disputes, claims, regulatory investigations or other inquiries and harm our reputation. See also "Risks Related to Our Platform, Systems and Technology—*Our platform has been, and may in the future be, subject to interruption and instability due to operational and technological failures, whether internal or external."* Through contractual provisions and third-party risk management processes, we take steps to require that our providers, and their subcontractors, protect our data and information, including personal data. However, due to the size and complexity of our technology platform and services, the amount of data that we store and the number of customers, employees and third-party service providers with access to personal data, we, our third-party service providers and their subcontractors are potentially vulnerable to a variety of intentional and inadvertent cybersecurity breaches and other security-related incidents and threats, which could result in a material adverse effect on our business, financial condition and results of operation. Any contractual protections we may have from our third-party service providers may not be sufficient to adequately protect us against such consequences, and we may be unable to enforce any such contractual protections.

In addition, there is no assurance that our third-party service providers or their subcontractors will be able to continue to provide these services to meet our current needs in an efficient, cost-effective manner or that they will be able to adequately expand their services to meet our needs in the future. An interruption in or the cessation of service by our third-party service providers or their subcontractors, coupled with our possible inability to make alternative arrangements in a smooth, cost-effective and timely manner, could have adverse effects on our business, financial condition and results of operations.

Further, if there were deficiencies in the oversight and control of our third-party relationships, and if our regulators held us responsible for those deficiencies, it could have an adverse effect on our business, reputation and results of operations.

We primarily rely on Amazon Web Services to deliver our services to customers on our platform, and any disruption of or interference with our use of Amazon Web Services could adversely affect our business, financial condition and results of operations.

We currently host our platform and support our operations on datacenters provided by Amazon Web Services, or AWS, a third-party provider of cloud infrastructure services. Our operations depend on protecting the virtual cloud infrastructure hosted in AWS by maintaining its configuration, architecture and interconnection specifications, as well as the information stored in these virtual data centers and which third-party internet service providers transmit. Furthermore, we do not have physical access to or control over the operations of the facilities of AWS that we use. AWS' facilities are vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages, and similar events or acts of misconduct. See also "Risks Related to Our Platform, Systems and Technology—*Our platform has been, and may in the future be, subject to interruption and instability due to operational and technological failures, whether internal or external*." Our platform's continuing and uninterrupted performance is critical to our success. We have experienced, and expect that in the future we will experience, disruptions, interruptions, delays, and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints. Although we carry business interruption insurance, it may not be sufficient to compensate us for the potentially significant losses, including the potential harm to the future growth of our business that may result from interruptions in our services or products.

In addition, any changes in AWS' service levels may adversely affect our ability to meet the requirements of customers on our platform. Since our platform's continuing and uninterrupted performance is critical to our success, sustained or repeated system failures would reduce the attractiveness of our platform. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times, as we expand and the usage of our platform increases. Any of the above circumstances or events or any negative publicity arising from such disruptions may harm our reputation and brand, reduce the availability or usage of our platform, lead to a significant short-term loss of revenue, increase our costs, and impair our ability to attract new customers, any of which could adversely affect our business, financial condition and results of operations.

Our commercial agreement with AWS will remain in effect until terminated by AWS or us pursuant to such agreement. AWS may terminate the agreement for convenience by providing us at least two years' prior written notice. AWS may also terminate the agreement for cause upon a material breach of the agreement, subject to AWS providing prior written notice and a 30-day cure period. If AWS reasonably determines that our or any end users' use of its services poses a security risk or threat to the function of their service offerings, AWS may also terminate the agreement for cause upon 90 days' prior written notice and a 90-day cure period. AWS may also terminate the agreement upon 30 days' prior written notice in order to comply with applicable law or requirements of governmental entities. Even though our platform is entirely in the cloud, we believe that we could transition to one or more alternative cloud infrastructure providers on commercially reasonable terms. In the event that our agreement with AWS is terminated or we add additional cloud infrastructure service providers, we may experience significant costs, interruptions in access to our website or online app or downtime in connection with the transfer to, or the addition of, new cloud infrastructure service providers.

Risks Related to Cybersecurity and Data Privacy

Our business could be materially and adversely affected by a cybersecurity breach or other attack involving our computer systems or data or those of our customers or third-party service providers.

Our systems and those of our customers and third-party service providers have been and may in the future be vulnerable to hardware and cybersecurity issues. We, like other financial technology organizations, routinely are subject to cybersecurity threats and our technologies, systems and networks have been and may in the future be subject to attempted cybersecurity attacks. Such issues are increasing in frequency and evolving in nature. See also "Risks Related to Our Platform, Systems and Technology—*Our platform has been, and may in the future be, subject to interruption and instability due to operational and technological failures, whether internal or external.*"

Concerns about security increase when we transmit information (including personal data) electronically. Electronic transmissions can be subject to attack, interception, loss or corruption. In addition, computer viruses and malware can be distributed and spread rapidly over the internet and could infiltrate our systems or those of our customers or third-party service providers. Infiltration of our systems or those of our customers or third-party service providers could in the future lead to disruptions in systems, accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of confidential, sensitive or otherwise protected information (including personal data) and the corruption of data.

Cybersecurity attacks and other malicious internet-based activity continue to increase and financial technology platform providers have been and are expected to continue to be targeted. In light of media attention concerning increases in our number of customers and amount of customer assets, including since the onset of the COVID-19 pandemic, we may be a particularly attractive target of malicious attacks seeking to access customer data or assets. In addition to traditional computer "hackers," malicious code (such as viruses and worms), employee theft or misuse and denial-of-service attacks, sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). Further, advances in computer capabilities, new discoveries in the field of cryptography,

inadequate facility security or other developments may result in a compromise or breach of the technology we use to protect customer data. As the breadth and complexity of the technologies we use and the software and platforms we develop continue to grow, including as a result of the use of mobile devices, cloud services, open source software, social media and the increased reliance on devices connected to the internet (known as the "Internet of Things"), the potential risk of security breaches and cybersecurity attacks also increases. Despite ongoing efforts to improve our ability to protect data from compromise, we may not be able to protect all of our data across our diverse systems. Our efforts to improve security and protect data from compromise may also identify previously undiscovered instances of security breaches or other cyber incidents. Our policies, employee training (including phishing prevention training), procedures and technical safeguards may also be insufficient to prevent or detect improper access to confidential, proprietary or sensitive data, including personal data.

Additionally, due to the current COVID-19 pandemic, there is an increased risk that we may experience cybersecurity-related incidents as a result of our employees, service providers and other third parties working remotely on less secure systems and environments. Controls employed by our information technology department and our customers and third-party service providers, including cloud vendors, could prove inadequate.

Information security risks for financial service providers are increasing, in part because of the use of the internet and mobile technologies to conduct financial transactions and, in the case of cryptocurrencies, the use of digital wallets. In addition, the highly automated nature of our products and services, as well as the liquidity offered by products and services such as our Cash Management product, make us and our customers a target for illegal or improper uses, including fraudulent transactions. Those committing fraud using stolen or fabricated debit cards or account numbers, or other deceptive or malicious practices, potentially can steal significant amounts of money from businesses and customers like ours. In providing products and services to customers, we rely on our ability to manage, use, store, disclose, transfer and otherwise process a large volume of customer data, including personal information and other sensitive information.

While we take efforts to protect our systems and data, including establishing internal processes and implementing technological measures designed to provide multiple layers of security, and contract with third-party service providers to take similar steps, we have experienced cybersecurity breaches in the past, and there can be no assurance that our safety and security measures (and those of our third-party service providers) will prevent damage to, or interruption or breach of, our information systems, data (including personal data) and operations. We have recently taken steps to expand and enhance our cybersecurity controls and practices and, as cybersecurity-related threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. In addition, our remediation efforts may not be successful. Certain measures that could increase the security of our systems take significant time and resources to deploy broadly, and such measures may not be deployed in a timely manner or be effective against an attack. The inability to implement, maintain and upgrade adequate safeguards could have a material and adverse impact on our business, financial condition and results of operations.

Moreover, there could be public announcements regarding any cybersecurity-related incidents and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could, among other things, have a substantial adverse effect on the price of our common stock. Further, any publicized security problems affecting our businesses or those of third parties with whom we are affiliated or otherwise conduct business may discourage consumers from doing business with us, which could have a material and adverse effect on our business, financial condition and results of operations.

It is difficult or impossible to defend against every risk being posed by changing technologies, as well as criminals' intent to commit cyber-crime, and these efforts may not be successful in anticipating, preventing, detecting or stopping attacks, or reacting in a timely manner. The increasing sophistication

and resources of cyber criminals and other non-state threat actors and increased actions by nation-state actors make it difficult to keep up with new threats and could result in a breach of security. Additionally, we cannot guarantee that our insurance coverage would be sufficient to cover all losses. See "—Risks Related to Finance, Accounting and Tax Matters—*Our insurance coverage may be inadequate or expensive*."

To the extent the operation of our systems relies on our third-party service providers, through either a connection to, or an integration with, third-parties' systems, the risk of cybersecurity attacks and loss, corruption, or unauthorized access to or publication of our information or the confidential information and personal data of customers and employees may increase. Third-party risks may include insufficient security measures, data location uncertainty, and the possibility of data storage in inappropriate jurisdictions where laws or security measures may be inadequate, and our ability to monitor our third-party service providers' data security practices are limited. Although we generally have agreements relating to cybersecurity and data privacy in place with our third-party service providers, they are limited in nature and we cannot guarantee that such agreements will prevent the accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data (including personal data) or enable us to obtain adequate or any reimbursement from our third-party service providers in the event we should suffer any such incidents. Due to applicable laws and regulations or contractual obligations, we may be held responsible for any information security failure or cybersecurity attack attributed to our vendors as they relate to the information we share with them. A vulnerability in a third-party service provider's software or systems, a failure of our third-party service providers' safeguards, policies or procedures, or a breach of a third-party service provider's software or systems could result in the compromise of the confidentiality, integrity or availability of our systems or the data housed in our third-party solutions.

We collect, store, share, disclose, transfer, use and otherwise process customer information and other data, including personal data, and an actual or perceived failure by us or our third-party service providers to protect such information and data or respect customers' privacy could damage our reputation and brand, negatively affect our ability to retain customers and harm our business, financial condition, operating results, cash flows and prospects.

The operation of our platform involves the use, collection, storage, sharing, disclosure, transfer and other processing of customer information, including personal data, and security breaches and other security incidents could expose us to a risk of loss or exposure of this information, which could result in potential liability, investigations, regulatory fines, penalties for violation of applicable laws or regulations, litigation, and remediation costs, as well as reputational harm. Any or all of the issues above could adversely affect our ability to attract new customers and continue our relationship with existing customers, cause our customers to stop using our products and services, result in negative publicity or subject us to governmental, regulatory or third-party lawsuits, disputes, investigations, orders, regulatory fines, penalties for violation of applicable laws or regulations or other actions or liability, thereby harming our business, financial condition, operating results, cash flows, and prospects. Any accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data, including personal data, cybersecurity breach or other security incident that we, our customers or our third-party service providers experience or the perception that one has occurred or may occur, could harm our reputation, reduce the demand for our products and services and disrupt normal business operations. In addition, it may require us to expend significant financial and operational resources in response to a security breach, including repairing system damage, increasing security protection costs by deploying additional personnel and modifying or enhancing our protection technologies, investigating, remediating or correcting the breach and any security vulnerabilities, defending against and resolving legal and regulatory claims, and preventing future security breaches and incidents, all of which could expose us to uninsured liability, increase our risk of regulatory scrutiny, expose us to legal liabilities, including litigation, regulatory enforcement, indemnity obligations or damages for contract breach, divert resources and the attention of our management and key personnel away from our business operations, and cause us to incur significant costs, any of which could materially adversely affect our business,

financial condition, and results of operations. Moreover, there could be public announcements regarding any such incidents and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could have an adverse effect on the trading price of our common stock.

Security incidents have occurred in the past, and future incidents may result in unauthorized access to, loss of or unauthorized disclosure of this data, regulatory enforcement actions, litigation, indemnity obligations and other possible liabilities, as well as negative publicity. For example, from January 1, 2020 to October 16, 2020, approximately 2,000 Robinhood customer accounts were allegedly accessed by unauthorized users. Although this incident was not the result of an unauthorized breach of our systems, we experienced negative publicity in connection with this incident and may in the future experience similar adverse effects relating to security incidents we experience, whether or not related to the security of our platform or systems. On January 8, 2021, a putative class action was filed against us in the Superior Court of the State of California in connection with this incident. Plaintiffs generally allege that RHF and RHS breached commitments made and duties owed to customers to safeguard customer data and assets. Plaintiffs assert eight causes of action for purported violations of common law, a right to privacy, and certain California statutes, including the CCPA. We have also received customer complaints, regulatory inquiries, examinations, enforcement actions and investigations by various state and federal regulatory bodies, including the SEC, FINRA and certain state regulators, including the NYDFS and the New York Attorney General, related to this incident. For more information, see “Business—Legal Proceedings—Account Takeovers.” A breach of our security that results in unauthorized access to our data could expose us to a disruption or challenges relating to our daily operations, as well as to data loss, litigation, disputes, regulatory investigations, orders, damages, fines and penalties, indemnity obligations, damages for contract breach, penalties for violation of applicable laws and regulations, significant increases in compliance costs and reputational damage, any of which could have a material and adverse effect on our business, financial condition, operating results, cash flows and prospects.

We are subject to stringent laws, rules, regulations, policies, industry standards and contractual obligations regarding data privacy and security and may be subject to additional related laws and regulations in jurisdictions into which we expand. Many of these laws and regulations are subject to change and reinterpretation and could result in claims, changes to our business practices, monetary penalties, increased cost of operations or other harm to our business.

We are subject to a variety of federal, state, local, and non-U.S. laws, directives, rules, policies, industry standards and regulations, as well as contractual obligations, relating to privacy and the collection, protection, use, retention, security, disclosure, transfer and other processing of personal data and other data, including the Gramm-Leach-Bliley Act of 1999 (“GLBA”), Section 5(c) of the Federal Trade Commission Act and the CCPA. The regulatory framework for data privacy and security worldwide is continuously evolving and developing and, as a result, interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. New laws, amendments to or reinterpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations, and may require us to change how we use, collect, store, transfer or otherwise process certain types of personal data and to implement new processes to comply with those laws and our customers’ exercise of their rights thereunder.

In the U.S., federal law, such as the GLBA and its implementing regulations, restricts certain collection, processing, storage, use and disclosure of personal data, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal data through the issuance of data security standards or guidelines. The U.S. government, including Congress, the Federal Trade Commission and the Department of Commerce, has announced that it is reviewing the need for greater regulation for the collection, use and other processing of information concerning consumer behavior on the internet, including regulation aimed at restricting certain targeted advertising practices. There is also a risk of

enforcement actions in response to rules and regulations promulgated under the authority of federal agencies and state attorneys general and legislatures and consumer protection agencies. In addition, privacy advocates and industry groups have proposed and may propose new and different self-regulatory standards that either legally or contractually apply to us. If we fail to follow these security standards, even if no customer information is compromised, we may incur significant fines or experience a significant increase in costs.

Numerous states have enacted or are in the process of enacting state-level data privacy laws and regulations governing the collection, use, and other processing of state residents' personal data. For example, the CCPA, which took effect on January 1, 2020, established a new privacy framework for covered businesses such as ours, and may require us to modify our data processing practices and policies and incur compliance related costs and expenses. The CCPA provides new and enhanced data privacy rights to California residents, such as affording California residents the right to access and delete their information and to opt out of certain sharing and sales of personal information. The law also prohibits covered businesses from discriminating against California residents (for example, charging more for services) for exercising any of their CCPA rights. The CCPA imposes severe civil penalties and statutory damages as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action is expected to increase the likelihood of, and risks associated with, data breach litigation. However, it remains unclear how various provisions of the CCPA will be interpreted and enforced. In November 2020, California voters passed the California Privacy Rights Act of 2020 ("CPRA"). Effective in most material respects starting on January 1, 2023, the CPRA will impose additional obligations on companies covered by the legislation and will significantly modify the CCPA, including by expanding the CCPA with additional data privacy compliance requirements that may impact our business. The CPRA also establishes a regulatory agency dedicated to enforcing the CCPA and the CPRA. The effects of the CPRA, the CCPA, other similar state or federal laws and other future changes in laws or regulations relating to privacy, data protection and information security, particularly any new or modified laws or regulations that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer or disclosure, are significant and may require us to modify our data processing practices and policies and could greatly increase the cost of providing our offerings, require significant changes to our operations or even prevent us from providing certain offerings in jurisdictions in which we currently operate and in which we may operate in the future or incur potential liability in an effort to comply with such legislation.

The CPRA and the CCPA may lead other states to pass comparable legislation, with potentially greater penalties and more rigorous compliance requirements relevant to our business. For example, many state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, data breaches and the protection of sensitive and personal information. Laws in all 50 states require businesses to provide notice to customers whose personally identifiable information has been disclosed as a result of a data breach. The laws are not consistent, as certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. Compliance in the event of a widespread data breach may be costly.

The NYDFS also issued Cybersecurity Requirements for Financial Services Companies, which took effect in 2017, and which require banks, insurance companies and other financial services institutions regulated by the NYDFS, including RHC, to establish and maintain a cybersecurity program designed to protect consumers and ensure the safety and soundness of New York State's financial services industry. The cybersecurity regulation adds specific requirements for these institutions' cybersecurity compliance programs and imposes an obligation to conduct ongoing, comprehensive risk assessments. Further, on an annual basis, each institution is required to submit a certification of compliance with these requirements. We have in the past and may in the future be subject to investigations and examinations by the NYDFS regarding, among other things, our cybersecurity practices. In particular, in July 2020, the NYDFS issued a report of its examination of RHC citing certain of our cybersecurity practices as "matters

requiring attention." Following subsequent investigation by the NYDFS's Consumer Protection and Financial Enforcement Division, in March 2021, NYDFS informed RHC of certain alleged violations of, among other things, cybersecurity and virtual currency (Part 500 and Part 200) requirements, including certain deficiencies in our policies and procedures regarding risk assessment, lack of an adequate incident response and business continuity plan, and deficiencies in our application development security. RHC is cooperating with the NYDFS with respect to these allegations. See "Business—Legal Proceedings—RHC Anti-Money Laundering and Other Cybersecurity-Related Issues" for more information.

We make public statements about our use, collection, disclosure and other processing of personal data through our privacy policies, information provided on our website and press statements. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. Any failure or perceived failure by us or our third-party service providers to comply with our posted privacy policies or with any applicable federal, state or similar foreign laws, rules, regulations, industry standards, policies, certifications or orders relating to data privacy and security, or any compromise of security that results in the theft, unauthorized access, acquisition, use, disclosure, or misappropriation of personal data or other customer data, could result in significant awards, fines, civil and/or criminal penalties or judgments, proceedings or litigation by governmental agencies or customers, including class action privacy litigation in certain jurisdictions and negative publicity and reputational harm, one or all of which could have an adverse effect on our reputation, business, financial condition and results of operations.

We may face particular privacy, data security, and data protection risks as we continue to expand into the U.K. and the EU in connection with the GDPR and other data protection regulations.

International expansion into the U.K. and the EU in the future, as well as the fact that our U.K.-based subsidiary has a limited number of U.K.- and EU-based employees and contractors, subjects us or may subject us to the EU General Data Protection Regulation ("GDPR"), supplemented by national laws and further implemented through binding guidance from the European Data Protection Board, which regulates the collection, control, sharing, disclosure, use and other processing of personal data and imposes stringent data protection requirements with significant penalties, and the risk of civil litigation, for noncompliance. As described further below, following Brexit, we also are subject to the U.K. General Data Protection Regulation ("U.K. GDPR") (i.e., a version of the GDPR as implemented into U.K. law). Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the U.S. While we have taken steps to mitigate the impact on us with respect to transfers of data, such as implementing standard contractual clauses, the efficacy and longevity of these transfer mechanisms remains uncertain. The enactment of the GDPR also introduced numerous privacy-related changes for companies operating in the EU, including greater control for data subjects (including, for example, the "right to be forgotten"), increased data portability for EU consumers, data breach notification requirements, and increased fines. In particular, under the GDPR, fines of up to €20 million or up to 4% of the annual global revenue of the non-compliant company, whichever is greater, could be imposed for violations of certain of the GDPR's requirements. Such penalties are in addition to any civil litigation claims by customers and data subjects. The GDPR requirements will likely apply not only to third-party transactions, but also to transfers of information between us and our subsidiaries, including employee information.

As of January 2021 (when the transitional period following Brexit expired), we have been required to comply with both the GDPR and the U.K. GDPR to the extent of our operations in the U.K. (given the conduct of activities falling under each law), exposing us to two parallel regimes with potentially divergent interpretations and enforcement actions for certain violations. The relationship between the U.K. and the EU in relation to certain aspects of data protection law remains unclear, for example, with how data transfers between EU member states and the U.K. will be treated and the role of the U.K.'s Information

Commissioner's Office with respect to the EU following the end of the transitional period. Following the expiration of such period, there will be increasing scope for divergence in application, interpretation and enforcement of the data protection law as between the U.K. and EEA.

Other countries have also passed or are considering passing laws requiring local data residency or restricting the international transfer of data. These changes may lead to additional costs and increase our overall risk exposure. Any inability to adequately address data privacy or security-related concerns, even if unfounded, or to comply with applicable laws, regulations, standards and other obligations relating to data privacy and security, could result in litigation, breach notification obligations, regulatory or administrative sanctions, additional cost and liability to us, harm to our reputation and brand, damage to our relationships with customers and have an adverse effect on our business, financial condition and results of operations.

Risks Related to Our Brokerage Products and Services

If we do not maintain the capital levels required by regulators and SROs, or do not satisfy the cash deposit and collateral requirements imposed by certain other SROs such as the DTC, NSCC and OCC, our broker-dealer business may be restricted and we may be fined or subject to other disciplinary or corrective actions, which could harm our business, financial condition, operating results, cash flows and prospects. In a worst-case scenario, failure to maintain these requirements could lead to our broker-dealer business being liquidated or wound down.

The SEC, FINRA and various other SROs have stringent rules with respect to the maintenance of specific levels of net capital and clearinghouse deposits by securities broker-dealers. Our failure to maintain the required net capital levels could result in immediate suspension of securities activities, suspension or expulsion by the SEC or FINRA, restrictions on our ability to expand our existing business or to commence new businesses and could ultimately lead to the liquidation of our broker-dealer entities and winding down of our broker-dealer business. If such net capital rules are changed or expanded, if there is an unusually large charge against net capital, or if we make changes in our business operations that increase our capital requirements, operations that require an intensive use of capital could be limited. A large operating loss or charge against net capital could have adverse effects on our ability to maintain or expand our business. See "Business—Regulation—Brokerage Regulation and Regulatory Capital and Deposit Requirements—Net Capital and Deposit Requirements" for more information about our net capital requirements.

In addition to SEC and FINRA net capital requirements, as a clearing and carrying broker-dealer, RHS is subject to cash deposit and collateral requirements under the rules of the DTC, NSCC and OCC, which may fluctuate significantly from time to time based upon the nature and size of customers' trading activity and market volatility. Because stock trades generally settle at the clearinghouse two days after execution, RHS is required to deposit funds, the amount of which can be significant, to ensure that RHS can meet its settlement obligations. The funds deposited are RHS funds and, under SEC rules, customer funds are not available to be used to satisfy clearinghouse deposit requirements. If RHS fails to meet any such deposit requirements, its ability to settle trades through the clearinghouse may be suspended or RHS may restrict trading in certain stocks in order to limit clearinghouse deposit requirements. In either event, RHS may be exposed to significant losses or disruptions in customers' ability to trade. For example, the Early 2021 Trading Restrictions were implemented by RHS due to increased deposit requirements imposed on RHS by the NSCC in response to the unprecedented market volatility. In a worst case scenario, if RHS is unable to satisfy its deposit requirements, the NSCC may cease to act for RHS and liquidate its unsettled clearing portfolio. See "Business—Legal Proceedings—Early 2021 Trading Restrictions Matters" and "—Risks Related to Regulation and Litigation—*We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could harm our reputation, business, financial condition or results of operations*" for more information about the Early 2021 Trading Restrictions, and see "Business—Regulation—Brokerage Regulation and Regulatory

Capital and Deposit Requirements—Net Capital and Deposit Requirements" for more information about RHS's deposit requirements.

Where we have subsidiaries that are or will be licensed and regulated in certain U.S. states or non-U.S. jurisdictions, those entities are or will be subject to their own regulatory capital rules and requirements that they, and we as a group, need to or will need to comply with to avoid censure or other adverse consequences. Changes in those rules, or changes in our business operations, may result in changes to the amount of capital that is needed by those entities, which could have an adverse effect on the operational costs of running those businesses or to the viability of those businesses.

Our compliance and risk management policies and procedures as a regulated financial services company may not be fully effective in identifying or mitigating compliance and risk exposure in all market environments or against all types of risk.

As a financial services company operating in the securities industry, among others, our business exposes us to a number of heightened risks. We have devoted significant resources to develop our compliance and risk management policies and procedures and will continue to do so, but there can be no assurance these are sufficient, especially as our business is rapidly growing and evolving. Nonetheless, our limited operating history, evolving business and rapid growth make it difficult to predict all of the risks and challenges we may encounter and may increase the risk that our policies and procedures to identify, monitor and manage compliance risks may not be fully effective in mitigating our exposure in all market environments or against all types of risk. Further, some controls are manual and are subject to inherent limitations and errors in oversight. This could cause our compliance and other risk management strategies to be ineffective. Other compliance and risk management methods depend upon the evaluation of information regarding markets, customers, catastrophe occurrence or other matters that are publicly available or otherwise accessible to us, which may not always be accurate, complete, up-to-date or properly evaluated. Insurance and other traditional risk-shifting tools may be held by or available to us in order to manage certain exposures, but they are subject to terms such as deductibles, coinsurance, limits and policy exclusions, as well as risk of counterparty denial of coverage, default or insolvency. Any failure to maintain effective compliance and other risk management strategies could have an adverse effect on our business, financial condition and results of operations. We are also exposed to heightened regulatory risk because our business is subject to extensive regulation and oversight in a variety of areas, and such regulations are subject to evolving interpretations and application and it can be difficult to predict how they may be applied to our business, particularly as we introduce new products and services and expand into new jurisdictions. Any perceived or actual breach of laws and regulations could negatively impact our business, financial condition or results of operations. It is possible that these laws and regulations could be interpreted or applied in a manner that would prohibit, alter, or impair our existing or planned products and services.

We are subject to potential losses as a result of our clearing and execution activities.

RHS provides clearing and execution services for our securities brokerage business. Clearing and execution services include the confirmation, receipt, settlement and delivery functions involved in securities transactions. Clearing brokers also assume direct responsibility for the possession or control of customer securities and other assets, the clearing of customer securities transactions and lending money to customers on margin. Our clearing operations require a commitment of our capital and, despite safeguards implemented by our software, involve risks of losses due to the potential failure of our customers to perform their obligations under these transactions and margin loans. If our customers default on their obligations, including failing to pay for securities purchased, deliver securities sold or meet margin calls, we remain financially liable for such obligations, and although these obligations are collateralized, we are subject to market risk in the liquidation of customer collateral to satisfy those obligations. While we have established systems and processes to manage risks related to our clearing and execution services, there can be no assurance that such systems and processes will be adequate. Any liability arising from clearing and margin operations could have an adverse effect on our business, financial condition and results of operations.

In addition, as a clearing member firm of securities and derivatives clearinghouses in the United States, we are also exposed to clearing member credit risk. Securities and derivatives clearinghouses require member firms to deposit cash, stock and/or government securities for margin requirements and to clearing funds. If a clearing member defaults in its obligations to the clearinghouse in an amount larger than its own margin and clearing fund deposits, the shortfall is absorbed pro rata from the deposits of the other clearing members. Many clearinghouses of which we are members also have the authority to assess their members for additional funds if the clearing fund is depleted. A large clearing member default could result in a substantial cost to us if we are required to pay such assessments.

When our customers purchase securities on margin or trade options, we are subject to the risk that our customers may default on their obligations when the value of the securities and cash in their accounts falls below the amount of the customers' indebtedness. Abrupt changes in securities valuations, which are subject to fluctuations and subjectivity, and the failure of customers to meet margin calls could result in substantial losses.

Further, in addition to SEC and FINRA net capital requirements, as a clearing and carrying broker-dealer, RHS is subject to cash deposit and collateral requirements under the rules of the DTC, NSCC and OCC. Stock trades generally settle at the clearinghouse two days after execution and clearinghouses may require a broker-dealer participant to deposit funds to ensure that the broker-dealer can meet its settlement obligations. These deposit requirements are designed to mitigate risk to the clearinghouse and its participants and can be large, especially if positions are concentrated in particular stocks, are predominantly in the same direction (i.e., predominantly buys or predominantly sells) or if the stock prices are volatile. The funds deposited are RHS funds and, under SEC rules, customer funds are not available to be used to satisfy clearinghouse deposit requirements. If RHS fails to meet any such deposit requirements, its ability to settle trades through the clearinghouse may be suspended or it may restrict trading in certain stocks in order to limit clearinghouse deposit requirements (as in the case of the Early 2021 Trading Restrictions), which could result in our customers leaving our platform or subject us to litigation or regulatory or U.S. Congressional investigations and inquiries. In such case, RHS may be exposed to significant losses or disruptions in customers' ability to trade. Furthermore, in the event that a significant amount of customers' open trades fail to settle, RHS may be exposed to potential loss of the deposits and capital expended to meet its deposit requirements. Any liability arising in connection with any such events could have an adverse effect on our business, financial condition and results of operations. In a worst-case scenario, if RHS is unable to satisfy its deposit requirements, the NSCC may cease to act for RHS and liquidate its unsettled clearing portfolio. See "Business—Legal Proceedings" and "—Risks Related to Regulation and Litigation—*We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could harm our reputation, business, financial condition or results of operations*" for more information about the Early 2021 Trading Restrictions, and see "Business—Regulation—Brokerage Regulation and Regulatory Capital and Deposit Requirements—Net Capital and Deposit Requirements" for more information about RHS's net capital and deposit requirements.

Any inability to maintain adequate banking relationships with respect to our Cash Management product may adversely affect our business.

In 2019, we launched our Cash Management product, under which we offer customers the ability to spend and earn interest on funds in their brokerage account that are not otherwise invested. Our customers who opt in to our Cash Management product have their uninvested cash automatically moved into deposits at a network of program banks. In connection with this service, we rely heavily on our relationships with partner banks to ensure the continued effectiveness of our Cash Management product. There can be no assurance that we will be able to maintain or establish adequate banking relationships. If we are unable to maintain and adequately grow our network of bank partners, our Cash Management product may be adversely impacted. In addition, if we cannot maintain sufficient relationships with the appropriate banks that provide these services, we would be required to implement alternative cash management procedures, which may result in increased costs.

Our exposure to credit risk with customers and counterparties could result in losses.

We extend margin credit and leverage to customers, which are collateralized by customer cash and securities. We also borrow and lend securities in connection with our broker-dealer business. By permitting customers to purchase securities on margin, we are subject to risks inherent in extending credit, especially during periods of rapidly declining markets (including rapid declines in the trading price of individual securities) in which the value of the collateral held by us could fall below the amount of a customer's indebtedness. In addition, in accordance with regulatory guidelines, we collateralize borrowings of securities by depositing cash or securities with lenders. Sharp changes in market values of substantial amounts of securities in a short period of time and the failure by parties to the borrowing transactions to honor their commitments could have adverse effects on our financial condition and results of operations. Such changes could also adversely impact our capital because our clearing operations require a commitment of our capital and, despite safeguards implemented by our software, involve risks of losses due to the potential failure of our customers to perform their obligations under these transactions and margin loans. We have policies and procedures designed to manage credit risk, but we cannot guarantee that such policies and procedures will be fully effective.

Providing investment education tools could subject us to additional risks if such tools are construed to be investment advice or recommendations.

We provide a variety of investment education and tools and financial news to our customers that we do not consider investment advice or an investment recommendation, but we cannot guarantee that such services could not be construed as constituting investment advice or recommendations by customers or regulatory agencies. Additionally, Robinhood Gold members have access to stock research reports prepared by our third-party partner, Morningstar, Inc. Risks associated with providing investment advice include those arising from how we disclose and address possible conflicts of interest, inadequate due diligence, inadequate disclosure, human error and fraud. New regulations, such as the SEC's Regulation Best Interest and certain state broker-dealer regulations, will impose heightened conduct standards and requirements if we are deemed to provide recommendations to retail investors. In addition, various states are considering potential regulations or have already adopted certain regulations that could impose additional standards of conduct or other obligations on us if we provide investment advice or recommendations to our customers. Furthermore, we could be subject to investigations by regulatory agencies if our services are construed as constituting investment advice or recommendations. For example, in 2020, the MSD issued certain amendments to the Massachusetts securities law, which, among other things, apply a fiduciary conduct standard to broker-dealers and agents when dealing with their customers. In December 2020, the Enforcement Section of MSD filed a complaint against us stipulating that the fiduciary conduct standard applies to us by alleging that our product features and marketing strategies amount to investment recommendations. See "Business—Legal Proceedings" for more information. To the extent that the services we provide are construed or alleged to constitute investment advice or recommendations and we fail to satisfy regulatory requirements, fail to know our customers, improperly advise our customers, or risks associated with advisory services otherwise materialize, we could be found liable for losses suffered by such customers, or could be subject to regulatory fines, penalties and other actions such as business limitations, any of which could harm our reputation and business.

Risks Related to Our Cryptocurrency Products and Services

The loss, destruction or unauthorized use or access of a private key required to access any of our cryptocurrencies may result in irreversible loss of such cryptocurrencies. If we are unable to access our private keys or if we experience a hack or other data loss relating to the

cryptocurrencies we hold on behalf of customers, our customers may be unable to trade their cryptocurrency and our reputation and business could be harmed.

Cryptocurrencies are controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet in which such currency is held. While blockchain ledgers require a public key relating to a digital wallet to be published when used in a transaction, private keys must be safeguarded and stored securely in order to prevent an unauthorized third party from accessing the assets held in such wallet. RHC manages two types of wallets: (i) hot wallets, which are managed online and (ii) cold wallets, which are managed entirely offline on a computer stored in one or more secure data facilities. To the extent any of our private keys are lost, destroyed, unable to be accessed by us or otherwise compromised and no backup of such private key is accessible, we will be unable to access the assets held in the related hot or cold wallet. Further, we cannot provide assurance that any or all of our wallets will not be hacked or compromised such that cryptocurrencies are sent to one or more private addresses that we do not control, which could result in the loss of some or all of the cryptocurrencies that RHC holds in custody on behalf of customers. Any such losses may be significant, and we may not be able to obtain insurance coverage for some or all of those losses. Cryptocurrencies and blockchain technologies, have been, and may in the future be, subject to security breaches, hacking or other malicious activities. Any loss of private keys relating to, or hack or other compromise of, hot wallets or cold wallets used to store our customers' cryptocurrencies could result in total loss of customers' cryptocurrencies (given our insurance coverage does not cover all customers' cryptocurrency balances and cryptocurrency investments through RHC are not protected by the Securities Investor Protection Corporation (the "SIPC")) or adversely affect our customers' ability to sell their assets and could harm customer trust in us and our products. For more information about our insurance coverage and its limitations, see "—Risks Related to Finance, Accounting and Tax Matters—*Our insurance coverage may be inadequate or expensive*." Additionally, any such security compromises or any business continuity issues affecting our cryptocurrency market makers may affect the ability of our customers to trade or hold in cryptocurrencies on our platform and could harm customer trust in us and our products.

The prices of cryptocurrencies are extremely volatile. Fluctuations in the price of various cryptocurrencies may cause uncertainty in the market and could negatively impact trading volumes of cryptocurrencies, which would adversely affect the success of RHC's business, financial condition and results of operations.

The value of cryptocurrencies is based in part on market adoption and future expectations, which may or may not be realized. As a result, the prices of cryptocurrencies are highly speculative. The prices of cryptocurrencies have been subject to dramatic fluctuations to date. Several factors may affect price, including, but not limited to:

- Global cryptocurrency supply, including various alternative currencies which exist, and global cryptocurrency demand, which can be influenced by the growth or decline of retail merchants' and commercial businesses' acceptance of cryptocurrencies as payment for goods and services, the security of online cryptocurrency exchanges and digital wallets that hold cryptocurrencies, the perception that the use and holding of digital currencies is safe and secure and regulatory restrictions on their use.

- Changes in the software, software requirements or hardware requirements underlying a blockchain network, such as a fork. Forks in the future are likely to occur and there is no assurance that such a fork would not result in a sustained decline in the market price of cryptocurrencies.

- Changes in the rights, obligations, incentives or rewards for the various participants in a blockchain network.

- The maintenance and development of the software protocol of cryptocurrencies.

- Cryptocurrency exchanges deposit and withdrawal policies and practices, liquidity on such exchanges and interruptions in service from or failures of such exchanges.
- Regulatory measures, if any, that affect the use and value of crypto-assets.
- Competition for and among various cryptocurrencies that exist and market preferences and expectations with respect to adoption of individual currencies.
- Actual or perceived manipulation of the markets for cryptocurrencies.
- Actual or perceived threats that cryptocurrencies and related activities such as mining have adverse effects on the environment or are tied to illegal activities.
- Social media posts and other public communications by high-profile individuals relating to specific cryptocurrencies, or listing or other business decisions by cryptocurrency companies relating to specific cryptocurrencies.
- Expectations with respect to the rate of inflation in the economy, monetary policies of governments, trade restrictions and currency devaluations and revaluations.

The cryptocurrency markets are volatile, and changes in the prices and/or trading volume of cryptocurrencies may adversely impact RHC's growth strategy and business. In addition, while we have observed a positive trend in the total market capitalization of cryptocurrency assets historically, driven by increased adoption of cryptocurrency trading by both retail and institutional investors as well as continued growth of various non-investing use cases, historical trends are not indicative of future adoption, and it is possible that the adoption of cryptocurrencies may slow, take longer to develop or never be broadly adopted, which would negatively impact our business, financial condition and results of operations. Volatility in the values of cryptocurrencies caused by the factors described above or other factors may impact our regulatory net worth requirements as well as the demand for our services and therefore have an adverse effect on our business, financial condition and results of operations.

Regulation of the cryptocurrency industry continues to evolve and is subject to change. Moreover, securities and commodities laws and regulations and other bodies of laws can apply to certain cryptocurrency businesses. These laws and regulations are complex, were frequently not designed or crafted with cryptocurrency technology in mind or with a sufficient understanding of cryptocurrency use cases and our interpretations of them may be subject to challenge by the relevant regulators. Future regulatory developments are impossible to predict with certainty. Changes in laws and regulations, or our failure to comply with them, may negatively impact our ability to allow customers to buy, hold and sell cryptocurrencies with us in the future and may significantly and adversely affect our business.

RHC provides users with the ability to buy, hold and sell a limited number of cryptocurrencies, such as Bitcoin and Ethereum. Cryptocurrencies have experienced significant price volatility, technological glitches and various law enforcement and regulatory interventions. Both domestic and foreign regulators and governments are increasingly focused on the regulation of cryptocurrencies. In the United States, cryptocurrencies are regulated by both federal and state authorities, depending on the context of their usage. Regulation of cryptocurrencies continues to evolve. Cryptocurrency market disruptions and resulting governmental interventions are unpredictable, and may make cryptocurrencies, or certain cryptocurrency business activities, illegal altogether. There is a substantial risk of inconsistent regulatory guidance among federal and state agencies and among state governments which, along with potential accounting and tax issues or other requirements relating to cryptocurrencies, could impede the growth and operations of RHC.

RHC currently provides a trading platform for a limited number of cryptocurrencies that we have analyzed under applicable internal policies and procedures and do not believe are securities under the

U.S. securities laws. However, our policies and procedures do not constitute a legal standard, and, regardless of our conclusions, we could be subject to legal or regulatory action in the event the SEC or a court were to determine that a cryptocurrency currently traded on our platform is a "security" under U.S. law. Although the SEC has not asserted that all cryptocurrencies are securities, the SEC Staff has indicated that the determination of whether or not a cryptocurrency is a security depends on the characteristics and use of that particular asset. In addition, the SEC has previously determined that certain cryptocurrencies traded on other platforms are securities, subject to federal securities laws. The classification of a cryptocurrency as a security under applicable law has wide-ranging implications for the regulatory obligations associated with the offer, sale, trading and clearing of such assets. For example, in the United States, securities (and therefore any cryptocurrencies deemed to be securities) may generally only be offered or sold in the United States pursuant to a registration statement filed with the SEC or in an offering that qualifies for an exemption from registration, and persons that effect transactions in cryptocurrencies that are securities in the United States may be subject to registration with the SEC as a broker or dealer. Any such determination that a cryptocurrency available for trading on our platform is a security could result in significant market dislocations, trading suspensions and lawsuits from customers. To the extent that the SEC or a court determines that any cryptocurrencies that are available for trading on the RHC platform are securities, that determination could prevent us from continuing to support trading of those cryptocurrencies. It may also result in regulatory enforcement penalties and financial losses to RHC in the event that RHC has liability to its customers and may need to compensate them for any losses or damages. A determination by a the SEC or a court that a cryptocurrency that we currently make available for trading on our platform constitutes a security may also result in us determining that it is advisable to remove other cryptocurrencies from our platform that have similar characteristics to the cryptocurrency that was determined to be a security.

In addition, the growth of RHC may be adversely affected if we are not able to expand RHC's platform to include additional cryptocurrencies that the SEC has determined to be securities or that we believe are likely to be determined to be securities. Our business could be adversely affected by the listing and delisting of cryptocurrencies on our trading platform and general trends concerning cryptocurrencies. In addition, to the extent that future regulatory actions or policies limit or restrict cryptocurrency usage, custody or trading, or the ability to convert cryptocurrencies to fiat currencies, the demand for cryptocurrency trading may be reduced and it could have an adverse effect on our business, financial condition and results of operations.

If in the future we were to allow customers to deposit and withdraw cryptocurrencies into and from our platform, such deposits and withdrawals could result in loss of customer assets, customer disputes and other liabilities, which could adversely impact our business, financial condition and results of operations.

We currently do not allow customers to deposit or withdraw cryptocurrencies into or from our platform, but we may offer this feature in the future. As noted above, cryptocurrencies are controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet in which such cryptocurrency is held. In order to deposit cryptocurrencies held by a customer into our platform, a customer would need to "sign" a transaction that consists of the private key of the wallet from which the customer is transferring cryptocurrency, direct the deposit using the public key of a wallet that we would control and which we would provide to the customer, and we would broadcast the deposit transaction onto the underlying blockchain network. Similarly, to withdraw cryptocurrencies from our platform, the customer would need to provide us with the public key of the wallet that the cryptocurrencies are to be transferred to, and a party with access to the private keys of wallet holding the cryptocurrency to be withdrawn would be required to "sign" a transaction authorizing the transfer. In addition, some crypto networks might require additional information to be provided in connection with any transfer of cryptocurrencies into or from our platform and wallets. A number of errors could occur in the process of depositing or withdrawing cryptocurrencies into or from our platform, such as typos, mistakes, or the failure to include the information required by the blockchain network. For instance, a user could incorrectly enter our wallet's public key or the desired recipient's public key when depositing and withdrawing from

our platforms, respectively. Alternatively, a user could transfer cryptocurrencies to a wallet address that he or she does not own, control or hold the private keys to. In addition, each wallet address is only compatible with the underlying blockchain network on which it is created. For instance, a Bitcoin wallet address can only be used to send and receive Bitcoins. If any Ethereum or other cryptocurrency is sent to a Bitcoin wallet address, or if any of the foregoing errors occur, such cryptocurrencies could be permanently and irretrievably lost with no means of recovery. Such incidents could result in customer disputes, damage to our brand and reputation, legal claims against us, and financial liabilities, any of which could adversely affect our business, financial condition and results of operations.

Additionally, allowing customers to deposit and withdraw cryptocurrencies into and from our platform could expose us to heightened risks related to potential violations of trade sanctions, including OFAC regulations, and anti-money laundering and counter-terrorist financing laws if individuals specifically exploit this feature to conduct fraudulent transfers, illegal activity or money laundering. Such fraudulent transactions may be difficult or impossible for us to detect and void such transactions in certain circumstances. The use of our platform for illegal or improper purposes could subject us to claims, individual and class action lawsuits, and government and regulatory investigations, prosecutions, enforcement actions, inquiries, or requests that could result in liability and reputational harm for us. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume, or increased costs could harm our business, financial condition or results of operations. See "—Risks Related to Regulation and Litigation—*We are subject to governmental laws and requirements regarding economic and trade sanctions, anti-money laundering and counter-terror financing that could impair our ability to compete in international markets or subject us to criminal or civil liability if we violate them."*

A temporary or permanent blockchain "fork" could adversely affect our business.

Blockchain protocols, including the Bitcoin and Ethereum software and protocols, are open source. Any user can download the software, modify it and then propose that Bitcoin or Ethereum users and miners adopt the modification. When a modification is introduced and a substantial majority of users and miners consent to the modification, the change is implemented and the Bitcoin or Ethereum network, as applicable, remains uninterrupted. However, if less than a substantial majority of users and miners consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "fork" (i.e., "split") of the Bitcoin or Ethereum network, as applicable (and the blockchain), with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the Bitcoin or Ethereum network, as applicable, running in parallel, but with each version's currency (the asset) lacking interchangeability. Both Bitcoin and Ethereum have experienced "forks" relatively recently. A fork can lead to a disruption of networks and our information technology systems, which can further lead to temporary or even permanent loss of customer assets. Such disruption and loss could cause our company to be exposed to liability. Moreover, we may not wish to or be able to support an asset resulting from the fork of a network which may cause our customers to lose confidence in us or reduce their engagement on our platform.

Any inability to maintain adequate relationships with affiliates, third-party banks and trading venues with respect to, and any inability to settle customer trades related to, RHC's cryptocurrency offerings, may adversely affect our business, financial condition and results of operations.

RHC relies on its affiliates (including its affiliate clearing broker), third-party banks and trading venues to provide its cryptocurrency products and services to its customers. The cryptocurrency market operates 24 hours a day, seven days a week. The cryptocurrency market does not have a centralized clearinghouse, and the transactions in cryptocurrencies on our platform rely on direct settlements between RHC and its customers and direct settlements between RHC and RHC's trading venues after customer trades are executed. Accordingly, RHC relies on its affiliate clearing brokerage and third-party banks to facilitate cash settlements between customers' brokerage accounts and RHC and relies on the ability of its trading venues to complete cryptocurrency settlements with RHC to obtain cryptocurrency for

customer accounts. In addition, RHC must maintain cash assets in its bank accounts sufficient to meet the working capital needs of its business, which includes deploying available working capital to facilitate cash settlements between RHC and its customers or RHC and its trading venues. If RHC's affiliate clearing broker, third-party banks or trading venues have operational failures and cannot perform and facilitate RHC's routine cash and cryptocurrency settlement transactions, RHC will be unable to support normal trading operations on its cryptocurrency trading platform and these disruptions could have an adverse impact on our business, financial condition and results of operations. Similarly, if RHC fails to maintain cash assets in its bank accounts sufficient to meet the working capital needs of its business and necessary to complete routine cash settlements related to customer trading activity, such failure could impair RHC's ability to support normal trading operations on our cryptocurrency platform and these disruptions could have an adverse impact on our business, financial condition and results of operations.

We may also be harmed by the loss of any of RHC's banking partners and trading venues. As a result of the many regulations applicable to cryptocurrencies or the risks of crypto assets generally, many financial institutions have decided, and other financials may in the future decide, to not provide bank accounts (or access to bank accounts), payments services or other financial services to companies providing cryptocurrency products, including us. Consequently, if we or our trading venues cannot maintain sufficient relationships with the banks that provide these services, banking regulators restrict or prohibit banking of cryptocurrency businesses, or if these banks impose significant operational restrictions, it may be difficult for us to find alternative business partners for our cryptocurrency offerings, which may result in a disruption of our business and could have an adverse impact on our reputation, business, financial condition and results of operations.

From time to time, we may encounter technical issues in connection with changes and upgrades to the underlying networks of supported cryptocurrencies, which could adversely affect the success of RHC's business, financial condition and results of operations.

Any number of technical changes, software upgrades, soft or hard forks, cybersecurity incidents or other changes to the underlying blockchain network may occur from time to time, causing incompatibility, technical issues, disruptions or security weaknesses to our platform. If we are unable to identify, troubleshoot and resolve any such issues successfully, we may no longer be able to support such cryptocurrency, our customers' assets may be frozen or lost, the security of our hot or cold wallets may be compromised and our platform and technical infrastructure may be affected, all of which could adversely impact the success of RHC's business, financial condition and results of operations.

Risks Related to Our Intellectual Property

Any failure to obtain, maintain, protect, defend or enforce our intellectual property rights could adversely affect our business, financial condition and results of operations.

Our success and ability to compete depend in part upon our ability to obtain, maintain, protect, defend and enforce our intellectual property rights and technology. Unauthorized use of our intellectual property or a violation of our intellectual property rights by third parties may damage our brand and our reputation. We rely on a combination of trademark, patent, copyright, and trade secret laws in the U.S. and internationally, our terms and conditions, other contractual provisions and technological measures to protect our intellectual property rights from infringement, misappropriation or other violation to maintain our brand and competitive position. Various factors outside our control pose a threat to our intellectual property rights, as well as to our products, services and technologies.

The steps we take to protect our intellectual property rights may not be sufficient to effectively prevent third parties from infringing, misappropriating, diluting or otherwise violating our intellectual property rights or to prevent unauthorized disclosure or unauthorized use of our trade secrets or other confidential information. We make business decisions about when to seek patent protection for a particular technology and when to rely upon trade secret protection, and the approach we select may ultimately

prove to be inadequate. There can be no assurance our intellectual property rights will be sufficient to protect against unauthorized parties offering products or services that are substantially similar to ours and compete with our business or attempting to copy aspects of our technology and use information that we consider proprietary.

In addition, to registered intellectual property rights, we rely on non-registered proprietary information and technology, such as trade secrets, confidential information and know-how. We attempt to protect our intellectual property, technology, and confidential information by requiring our employees, contractors, consultants, corporate collaborators, advisors and other third parties who develop intellectual property on our behalf to enter into confidentiality and invention assignment agreements, and third parties we share information with to enter into nondisclosure and confidentiality agreements. We cannot guarantee that we have entered into such agreements with each party who has developed intellectual property on our behalf and each party that has or may have had access to our confidential information, know-how and trade secrets. These agreements may be insufficient or breached, or may not effectively prevent unauthorized access to or unauthorized use, disclosure, misappropriation or reverse engineering of our confidential information, intellectual property, or technology. Moreover, these agreements may not provide an adequate remedy for breaches or in the event of unauthorized use or disclosure of our confidential information or technology, or infringement of our intellectual property. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret or know-how is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, trade secrets and know-how can be difficult to protect and some courts inside and outside the United States are less willing or unwilling to protect trade secrets and know-how. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us, and our competitive position would be materially and adversely harmed.

The loss of trade secret protection could make it easier for third parties to compete with our products and services by copying functionality. Additionally, individuals not subject to invention assignment agreements may make adverse ownership claims to our current and future intellectual property, and, to the extent that our employees, independent contractors or other third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

We will not be able to protect our intellectual property rights if we do not detect unauthorized use of our intellectual property rights. We also may fail to maintain or be unable to obtain adequate protections for certain of our intellectual property rights in the United States and certain non-U.S. countries, and our intellectual property rights may not receive the same degree of protection in non-U.S. countries as they would in the United States because of the differences in non-U.S. patent, trademark, copyright, and other laws concerning intellectual property and proprietary rights. Any of our intellectual property rights may be successfully challenged, opposed, diluted, misappropriated or circumvented by others or invalidated, narrowed in scope or held unenforceable through administrative process or litigation in the United States or in non-U.S. jurisdictions. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain and any changes in, or unexpected interpretations of, intellectual property laws may compromise our ability to enforce our trade secrets and intellectual property rights.

In order to protect our intellectual property rights, we may be required to expend significant resources to apply for, maintain, monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Accordingly, we

may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse outcome in such litigation or proceedings may therefore expose us to a loss of our competitive position, expose us to significant liabilities or require us to seek licenses that may not be available on commercially acceptable terms, if at all. Our failure to secure, protect and enforce our intellectual property rights could seriously damage our brand and have an adverse effect on our business, financial condition and results of operations.

We have been, and may in the future be, subject to claims that we violated certain third-party intellectual property rights, which, even where meritless, can be costly to defend and could materially adversely affect our business, results of operations, and financial condition.

Our success depends, in part, on our ability to develop and commercialize our products and services without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our products or services are infringing, misappropriating or otherwise violating third-party intellectual property rights and such third parties may bring claims alleging such infringement, misappropriation or violation. Additionally, companies in the technology industry own large numbers of patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. As we face increasing competition and become increasingly high profile, the possibility of receiving a larger number of intellectual property claims against us grows. In addition, various “non-practicing entities,” and other intellectual property rights holders have in the past and may in the future attempt to assert intellectual property claims against us or seek to monetize the intellectual property rights they own to extract value through licensing or other settlements.

Our use of third-party software and other intellectual property rights may be subject to claims of infringement or misappropriation. The vendors who provide us with technology that we incorporate in our product offerings also could become subject to various infringement claims. We cannot guarantee that our internally developed or acquired technologies and content do not or will not infringe, misappropriate or otherwise violate the intellectual property rights of others.

From time to time, our competitors or other third parties may claim, and have in the past claimed, that we are infringing upon, misappropriating or otherwise violating their intellectual property rights. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition, results of operations, cash flows or prospects. Any claims or litigation, even those without merit and regardless of the outcome, could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial costs or damages, obtain a license, which may not be available on commercially reasonable terms or at all, pay significant ongoing royalty payments, settlements or licensing fees, satisfy indemnification obligations, prevent us from offering our products or services or using certain technologies, force us to implement expensive and time-consuming work-arounds or re-designs, distract management from our business or impose other unfavorable terms.

We expect that the occurrence of infringement claims is likely to grow as the market for financial services grows and as we introduce new and updated products and services, and the outcome of any allegation is often uncertain. Accordingly, our exposure to damages resulting from infringement claims could increase and this could further exhaust our financial and management resources. Even if intellectual property claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and require significant expenditures. Any of the foregoing could prevent us from competing effectively and could have an adverse effect on our business, financial condition and results of operations.

We may not be able to obtain, maintain, protect, defend and enforce our trademarks and trade names, or build name recognition in our markets of interest, thereby harming our competitive position.

We believe that the protection of our trademark rights is an important factor in product recognition, protecting our brand and maintaining goodwill. We may be unable to obtain trademark protection for our technologies, logos, slogans and brands, and our existing trademark registrations and applications, and any trademarks that may be used in the future, may not provide us with competitive advantages or distinguish our products and services from those of our competitors. Further, we may not timely or successfully register our trademarks.

If we do not adequately protect our rights in our trademarks from infringement and unauthorized use, any goodwill that we have developed in those trademarks could be lost or impaired, which could harm our brand and our business. We have registered, among other trademarks, the term “Robinhood” and our feature logo in the United States and certain other jurisdictions. Competitors have and may continue to adopt service names similar to ours, thereby harming our ability to build brand identity and possibly leading to customer confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. Furthermore, our trademarks may be opposed, contested, circumvented or found to be unenforceable, weak or invalid, and we may not be able to prevent third parties from infringing or otherwise violating them or using similar marks in a manner that causes confusion or dilutes the value or strength of our brand. Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our trademark rights and to determine the validity and scope of the trademark rights of others. Our efforts to obtain, maintain, protect, defend and enforce our trademarks may be ineffective and could result in substantial costs and diversion of resources, which could adversely affect our business, financial condition, and results of operations.

We may be unable to continue to use the domain names that we use in our business or prevent third parties from acquiring and using domain names that infringe, misappropriate or otherwise violate, are similar to, or otherwise decrease the value of our brand, trademarks, or service marks.

We have registered domain names that we use in, or are related to, our business, most importantly www.robinhood.com and www.robinhood.net. If we lose the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration, or any other cause, we may be forced to market our offerings under a new domain name, which could cause us substantial harm or cause us to incur significant expense in order to purchase rights to the domain name in question. We may not be able to obtain preferred domain names outside the United States due to a variety of reasons. In addition, our competitors and other third parties could attempt to capitalize on our brand recognition by using domain names similar to ours. We may be unable to prevent our competitors and other third parties from acquiring and using domain names that infringe, misappropriate, or otherwise violate, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. Obtaining, maintaining, protecting, defending and enforcing our rights in our domain names may require litigation, which could result in substantial costs and diversion of resources, which could in turn adversely affect our business, financial condition, and results of operations.

Some of our products and services contain open source software, which may pose particular risks to our proprietary software, products and services in a manner that could harm our business.

We use open source software in our products and services and anticipate using open source software in the future. Some open source software licenses require those who distribute open source software as part of their own software product to publicly disclose all or part of the source code to such software product or to make available any derivative works of the open source code on unfavorable terms or at no cost, and we may be subject to such terms. The terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that open source

software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. We could face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement, which may be a costly and time-consuming process. 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 our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, or could be claimed to have occurred, in part because open source license terms are often ambiguous. Any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of contract could harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours.

Additionally, the use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. There is typically no support available for open source software, and we cannot ensure that the authors of such open source software will implement or push updates to address security risks or will not abandon further development and maintenance. Many of the risks associated with the use of open source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business. Any of these risks could be difficult to eliminate or manage and, if not addressed, could have an adverse effect on our business, financial condition and results of operations.

We may be unable to halt the operations of third-party websites that aggregate or misappropriate our data.

Third parties may misappropriate our data through website scraping, robots, or other means and aggregate this data on their websites with data from other companies. In addition, copycat websites may misappropriate data from our platform and attempt to imitate our brand or the functionality of our website. If we become aware of such websites, we intend to employ technological or legal measures in an attempt to halt their operations. However, we may be unable to detect all such websites in a timely manner and, even if we are successful in detecting such websites, technological and legal measures may be insufficient to halt their operations. In some cases, particularly in the case of websites operating outside of the U.S., our available remedies may not be adequate to protect us against the effect of the operation of such websites. Regardless of whether we can successfully enforce our rights against the operators of these websites, any measures that we may take could require us to expend significant financial or other resources, which could harm our business, financial condition, operating results, cash flows, and prospects. In addition, to the extent that such activity creates confusion among customers, our brand and business could be harmed.

If we fail to comply with our obligations under license or technology agreements with third parties or are unable to license rights to use technologies on reasonable terms, we may be required to pay damages and could potentially lose license rights that are critical to our business.

We license certain intellectual property, including technologies, data, content and software from third parties, that is important to our business, and in the future we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. If we fail to comply with any of the obligations under our license agreements, we may be required to pay damages and the licensor may have the right to terminate the license. Termination by the licensor would cause us to lose valuable rights, and could prevent us from selling our products and services, or inhibit our ability to commercialize future products and services. Our business would suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensed intellectual property rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms.

Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights.

In the future, we may identify additional third-party intellectual property we may need to license in order to engage in our business. However, such licenses may not be available on acceptable terms or at all. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more-established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Even if such licenses are available, we may be required to pay the licensor substantial royalties based on sales of our products and services. Such royalties are a component of the cost of our products or services and may affect the margins on our products and services. In addition, such licenses may be non-exclusive, which could give our competitors access to the same intellectual property licensed to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition and results of operations.

Risks Related to Finance, Accounting and Tax Matters

Our failure to properly handle cash, securities and cryptocurrencies held on behalf of customers could harm our business and reputation.

Our ability to hold, handle and account accurately for the cash, securities and cryptocurrencies in our customers' accounts requires a high level of internal controls, and our success requires significant customer confidence in our ability to do so. As our business continues to grow and we expand our products and services, we must continue to strengthen our associated internal controls. Any failure to maintain the necessary controls or to manage our customers' funds and securities accurately could result in reputational harm, lead customers to discontinue or reduce their use of our products and services and result in regulatory actions, including significant penalties and fines, which could harm our business.

Covenants in our credit agreements may restrict our operations and if we do not effectively manage our business to comply with these covenants, our financial condition could be adversely impacted.

We have entered into two credit agreements and may enter into additional agreements for other borrowing in the future. These agreements contain various restrictive covenants, including, among other things, minimum liquidity and revenue requirements, restrictions on our ability to dispose of assets, make acquisitions or investments, incur debt or liens, make distributions to our stockholders or enter into certain types of related person transactions. These agreements also contain financial covenants, including obligations to maintain certain capitalization amounts and other financial ratios. These restrictions may restrict our current and future operations, particularly our ability to respond to certain changes in our business or industry or take future actions, including our ability to incur debt to increase our liquidity position.

Our ability to meet these restrictive covenants can be impacted by events beyond our control and we may be unable to do so. The credit agreements provide that our breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, our lenders could elect to declare all amounts outstanding under our debt agreements to be immediately due and payable. In addition, our lenders may have the right to proceed against the assets we provided as collateral pursuant to the agreements. If the debt under the credit agreements were to be accelerated, and if we did not have sufficient cash on hand or be able to sell sufficient collateral to repay it, it would have an immediate adverse effect on our business, financial condition and results of operations.

Our insurance coverage may be inadequate or expensive.

We are subject to claims in the ordinary course of business. These claims may involve substantial amounts of money and involve significant defense costs. It is not possible to prevent or detect all activities giving rise to claims and the precautions we take may not be effective in all cases. We maintain voluntary and required insurance coverage, including, among others, general liability, property, director and officer, excess-SIPC, business interruption, cyber and data breach, errors and omissions, crime and fidelity bond insurance. Our insurance coverage is expensive and maintaining or expanding our insurance coverage may have an adverse effect on our results of operations and financial condition.

Our insurance coverage may be insufficient to protect us against all losses and costs stemming from operational and technological failures and we cannot be certain that such insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. For example, we offer a guarantee to our customers to fully reimburse direct losses that occur due to unauthorized activity that is not the fault of the customer, and any such losses we incur in satisfaction of this guarantee may not be fully or partially covered by insurance. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our business, financial condition and results of operations.

Changes in U.S. tax laws and policies could adversely impact our financial condition and results of operations.

We are subject to complex and evolving U.S. tax laws and regulations, which may in the future make changes to corporate income tax rates, the treatment of foreign earnings or other income tax laws that could affect our future income tax provision and reduce our earnings while increasing the complexity, burden and cost of tax compliance.

Our determination of our tax liability is subject to review by applicable tax authorities. Any adverse outcome of such a review could harm our results of operations and financial condition. The determination of our tax liabilities requires significant judgment and, in the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is complex and uncertain. In addition, our future effective tax rates could be favorably or unfavorably affected by changes in tax rates, changes in the valuation of our deferred tax assets or liabilities, the effectiveness of our tax planning strategies or changes in tax laws or their interpretation. Such changes could have an adverse effect on our financial condition.

Although we believe our estimates are reasonable, as a result of these and other factors, the ultimate amount of our tax obligations owed may differ from the amounts recorded in our consolidated financial statements and any such difference may harm our results of operations in future periods in which we change our estimates of our tax obligations or in which the ultimate tax outcome is determined.

In addition, certain members of the U.S. Congress and individual state legislatures have proposed the imposition of new taxes on a broad range of financial transactions, including transactions that occur on our platform, such as the buying and selling of stocks and derivative transactions. If enacted, such proposed financial transaction taxes could increase the cost to customers of investing or trading on our platform and reduce or adversely affect U.S. market conditions and liquidity, our customers' investment performance, general levels of interest in investing and the volume of trades and other transactions from which we derive transaction revenues, as well as on our business, financial condition and results of operations. See "Risks Related to our Business—*Proposed legislation that would impose taxes on certain financial transactions could have an adverse effect on our business, financial condition and results of operations*."

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

During 2020, we utilized substantially all of our U.S. federal and state net operating loss ("NOL") carryforwards, excluding California due to the recently enacted Assembly Bill No. 85 (as further described in Note 6 to our consolidated financial statements included elsewhere in this prospectus). As a result, as of December 31, 2020, we had U.S. state NOL carryforwards of $32.3 million that will begin to expire in 2034 if not utilized, and non-U.S. NOL carryforwards of $4.7 million that do not expire. Under Sections 382 and 383 of the United States Internal Revenue Code of 1986, as amended (the "Code"), a corporation that undergoes an "ownership change" (as defined by the Code) may be subject to limitations on its ability to utilize its pre-change NOLs and other tax attributes such as research tax credits to offset future taxable income. If it is determined that we have in the past experienced an ownership change, or if we undergo one or more ownership changes as a result of future transactions in our stock, then our ability to utilize NOLs and other pre-change tax attributes could be limited by Sections 382 and 383 of the Code, and similar state provisions. Future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Section 382 or 383 of the Code. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. For these reasons, we may not be able to utilize our NOLs, even if we maintain profitability.

A large number of RSUs will vest in connection with this offering, and we may expend substantial funds in connection with the tax withholding and remittance obligations related to the settlement of RSUs and/or the exercise of outstanding stock options depending on the manner in which we fund these liabilities, which may have an adverse effect on our financial condition and results of operations.

Up to shares of our common stock will be issuable after this offering upon the settlement of IPO-Vesting Time-Based RSUs (based on the number of IPO-Vesting Time-Based RSUs for which the time-based vesting condition was satisfied as of December 31, 2020), up to shares of our common stock will be issuable after this offering upon the settlement of Market-Based RSUs (assuming the effectiveness of this offering on December 31, 2020 for purposes of any applicable time-based vesting conditions and, for purposes of determining the satisfaction of the market-based vesting condition, an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus), and up to shares of our common stock will be issuable after this offering upon the exercise of outstanding vested stock options (based on vested stock options outstanding as of December 31, 2020). On the settlement dates for the IPO-Vesting Time-Based RSUs and Market-Based RSUs granted prior to the date of this prospectus and upon exercise of stock options, holders may be allowed to sell a portion of the resulting shares of our common stock in the public market to satisfy the resulting tax withholding and remittance obligations related to the settlement or exercise of awards, which we refer to as "selling to cover," or we may withhold shares and remit tax liabilities to the relevant tax authorities on behalf of the holders, which we refer to as a "net settlement." We would withhold for tax obligations at the applicable statutory rates and currently expect that the average of these withholding rates will be approximately % and the income taxes due would be based on the then-current value of the underlying shares of our common stock and the taxable amounts resulting from the exercise of stock options.

IPO-Vesting Time-Based RSUs vest upon the satisfaction of both a time-based vesting condition and a liquidity-based vesting condition. The time-based vesting condition for a majority of such RSUs is satisfied over a period of four years. The liquidity-based vesting condition of such RSUs will be satisfied upon the completion of this offering. We are obligated to settle the IPO-Vesting Time-Based RSUs either immediately following the completion of this offering or within six months following the completion of this offering. Based on the number of IPO-Vesting Time-Based RSUs for which the time-based vesting condition was satisfied as of December 31, 2020, and assuming (i) the satisfaction of the liquidity-based vesting condition on that date and (ii) that the price of our common stock at the time of settlement was equal to $ per share, which is the midpoint of the estimated offering price range set forth on the

cover page of this prospectus, we estimate that the tax withholding and remittance obligations would be approximately $ in the aggregate. The amount of these obligations could be higher or lower, depending on the price of shares of our common stock and the actual numbers of IPO-Vesting Time-Based RSUs on the applicable settlement date. Assuming an approximate % tax withholding rate, we may undertake a net settlement of the awards by delivering an aggregate of approximately shares of common stock to IPO-Vesting Time-Based RSU holders and withholding an aggregate of approximately shares of common stock, based on the number of IPO-Vesting Time-Based RSUs outstanding as of December 31, 2020. If IPO-Vesting Time-Based RSU holders are allowed to "sell to cover" to satisfy their tax withholding and remittance obligations rather than undertaking a net settlement of the awards, an aggregate of approximately shares of our common stock would be sold in the public market and an aggregate of approximately shares of our common stock would be delivered to the IPO-Vesting Time-Based RSU holders.

Market-Based RSUs vest upon the satisfaction of both a time-based vesting condition and a market-based vesting condition. The time-based vesting condition that is applicable to a portion of the outstanding Market-Based RSUs is satisfied over a period of six years. The market-based vesting condition that is applicable to all Market-Based RSUs is based on our initial public offering price. Based on the number of Market-Based RSUs, assuming the effectiveness of this offering on December 31, 2020 for purposes of any applicable time-based vesting conditions and, for purposes of determining the satisfaction of the market-based vesting condition, an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, we estimate that the tax withholding and remittance obligations would be approximately $ in the aggregate. The amount of these obligations could be higher or lower, depending on the initial public offering price. Assuming an approximate % tax withholding rate, we may undertake a net settlement of the awards by delivering an aggregate of approximately shares of common stock to Market-Based RSU holders (which consist of our Co-Founder, CEO and director, Mr. Tenev, and our Co-Founder, Chief Creative Officer and director, Mr. Bhatt) and withholding an aggregate of approximately shares of common stock. If Market-Based RSU holders are allowed to "sell to cover" to satisfy their tax withholding and remittance obligations rather than undertaking a net settlement of the awards, an aggregate of approximately shares of our common stock would be sold in the public market and an aggregate of approximately shares of our common stock would be delivered to the Market-Based RSU holders.

We cannot predict when holders will exercise their stock options. However, if all stock options vested as of December 31, 2020 were exercised and the price of our common stock at the time of exercise were equal to $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, we estimate that the aggregate resulting tax withholding and remittance obligations would be approximately $. If holders are allowed to sell shares of our common stock in the public market to satisfy these tax withholding and remittance obligations, an aggregate of approximately shares of our common stock would be sold in the public market and an aggregate of approximately shares of our common stock would be delivered to option holders. If we choose to undertake a net settlement of these options to satisfy these tax withholding obligations, we would expect to deliver an aggregate of approximately shares of our common stock to option holders and withholding an aggregate of approximately shares of our common stock.

Given the large number of IPO-Vesting Time-Based RSUs that will be settled either immediately following this offering or within six months following this offering, the number of Market-Based RSUs that could settle either immediately following this offering or within six months following this offering and the number of outstanding stock options, if we choose to net settle all or a portion of these awards we may expend substantial funds to satisfy the related tax withholding and remittance obligations the year in which this offering is completed. To fund those tax withholding and remittance obligations, we may choose to borrow funds under our revolving credit facility, use a substantial portion of our existing cash, including funds raised in this offering, or rely on a combination of these alternatives. In the event that we elect to satisfy our tax withholding and remittance obligations in whole or in part by drawing on our

revolving credit facility, our interest expense and principal repayment requirements could increase significantly, which could have an adverse effect on our financial results.

Sales of a large number of shares of our common stock if holders "sell to cover" upon the settlement of RSUs and/or exercise of stock options may impact the market price of our common stock. See "—Risks Related to Our Common Stock and this Offering—*Substantial future sales of shares of our common stock in the public market could cause the trading price of our common stock to fall*."

We track certain operational metrics, which are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and materially adversely affect our stock price, business, results of operations, and financial condition.

We track certain operational metrics using internal company data gathered on an analytics platform that we developed and operate, including metrics such as MAU, AUC and Net Cumulative Funded Accounts, as well as cohorts of our customers, which have not been validated by an independent third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies or the assumptions on which we rely. Our internal systems and tools are subject to a number of limitations and our methodologies for tracking these metrics have changed in the past and may change further over time, which could result in unexpected changes to our metrics or otherwise cause the comparability of such metrics from period to period to suffer, including the metrics we publicly disclose. For example, prior to our becoming self-clearing in November 2018, we relied on a third-party provider for our clearing operations, and used data collected by that third-party to compute certain metrics, such as Net Cumulative Funded Accounts, that, since November 2018, we have calculated based on data sourced and processed internally. In addition, if the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platform is used across large populations globally. You should not place undue reliance on such operational metrics when evaluating an investment in our common stock. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Metrics" for definitions of our key operational metrics.

If our operational metrics are not accurate representations of our business, or if investors do not perceive these metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, the trading price of our common stock could decline and we may be subject to stockholder litigation, which could have an adverse effect on our business, financial condition and results of operations.

We are exposed to fluctuations in interest rates.

Fluctuations in interest rates may adversely impact our customers' general spending levels and ability and willingness to invest through our platform. Additionally, some of our products, such as our Cash Management product and margin lending programs, are affected by interest rate changes. Higher interest rates often lead to higher payment obligations by our customers to us and to their creditors under mortgage, credit card, and other consumer and merchant loans, which may reduce our customers' ability to satisfy their obligations to us, including failing to pay for securities purchased, deliver securities sold or meet margin calls, and therefore lead to increased delinquencies, charge-offs, and allowances for loan and interest receivables, which could have an adverse effect on our net income. See "Risks Related to Our Brokerage Products and Services—*Our exposure to credit risk with customers and counterparties could result in losses*" above. Fluctuations in interest rates may also adversely impact our Cash Management customers' returns on their cash deposits. We are also exposed to interest rate risk from our investment portfolio and from interest-rate sensitive assets, including assets underlying the customer balances we hold on our balance sheet as customer accounts. A low or negative interest rate environment or reductions in interest rates may negatively impact our net income.

Risks Related to Our Common Stock and this Offering

An active trading market for our common stock may not develop or be sustained following this offering.

Prior to this offering, there has been no public market for shares of our common stock. We cannot predict the extent to which investor interest in us will lead to the development of a trading market on the Nasdaq or otherwise or how liquid that market might become. If an active market does not develop, you may have difficulty selling any shares of our common stock that you purchase in this offering. The initial public offering price for the shares of our common stock has been determined by negotiations between us and the representatives of the underwriters, and may not be indicative of prices that will prevail in the open market following this offering. An inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to acquire or make investments in companies, products or technologies for which we may issue equity securities to pay for such acquisition or investment.

The trading price for our common stock may be volatile and you could lose all or part of your investment.

The initial public offering price of our common stock was determined through negotiation between the underwriters and us. This price does not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our common stock following this offering. In addition, the trading price of our common stock may be highly volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our common stock since you may be unable to sell your shares at or above the price you paid in this offering. Some specific factors that may have a significant effect on the trading price of our common stock include:

- price and volume fluctuations in the overall stock market from time to time, including as a result of trends in the economy as a whole, such as the effect of the ongoing COVID-19 pandemic;
- actual or anticipated fluctuations in our results of operations or those of our competitors;
- actual or anticipated changes in the growth rate of the market in which we operate or the growth rate of our businesses or those of companies that investors deem comparable to us;
- sales of shares of our common stock by us or our stockholders;
- actions by institutional stockholders;
- changes in economic or business conditions;
- changes in governmental or other relevant regulation;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any ineffectiveness of our internal controls;
- publication of research reports about us, our competitors, or our industry, or changes in, or failure to meet, estimates made by securities analysts or ratings agencies of our financial and operating performance, or lack of research reports by industry analysts or ceasing of analyst coverage;
- announcements by us or our competitors of new offerings or platform features;
- the public’s perception of the quality and accuracy of our key metrics on our customer base and engagement;

- the public's reaction to our media statements, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- harm to our brand and reputation;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- any significant change in our management;
- the extent to which retail and other individual investors (as distinguished from institutional investors), including our customers, invest in our common stock, which may result in increased volatility; and
- other events or factors, many of which are beyond our control.

In addition, in the past, following periods of volatility in the overall market and the trading price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Further, high levels of initial interest in our stock at the time of this offering may result in an unsustainable trading price, in which case the price of our common stock may decline over time. In addition, if the public price of our common stock is above the level that investors determine is reasonable for our common stock, some investors may attempt to short our common stock after trading begins, which would create additional downward pressure on the trading price of our common stock.

We will be required to issue additional shares of common stock upon the automatic conversion of our convertible notes upon the completion of this offering, as well as upon the exercise of our outstanding warrants and options. These and other additional issuances of our capital stock could result in significant dilution to our stockholders.

Future issuances of shares of our common stock could depress the market price of our common stock and result in a significant dilution for holders of our capital stock. We have authorized more capital stock in recent years to provide additional stock options to our employees and to permit for the consummation of equity and equity-linked financings and may continue to do so in the future.

Further, in February 2021, we issued two tranches of convertible notes, consisting of $2,532.0 million aggregate principal amount of "Tranche I" convertible notes and $1,020.0 million aggregate principal amount of "Tranche II" convertible notes. Unless earlier converted, upon the closing of this offering, the convertible notes will automatically convert into shares of our common stock at a conversion price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii) $38.29 (in the case of the Tranche I convertible notes) or $42.12 (in the case of the Tranche II convertible notes). Assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, if all the convertible notes remain outstanding at the time of the offering, they will automatically convert into shares of common stock upon the closing of this offering, resulting in immediate dilution to our stockholders.

In addition, we granted to each purchaser of the Tranche I convertible notes a warrant to purchase a number of shares of equity securities equal to 15% of the aggregate proceeds invested by such purchaser in the Tranche I convertible notes (i.e., $379.8 million in aggregate maximum purchase amount). Following this offering and until the tenth anniversary of their issue date, outstanding warrants

will be exercisable for shares of our common stock at an exercise price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii) $38.29. Assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, the warrants will be exercisable for an aggregate of shares of common stock, and such exercises would result in additional dilution. For more information about the convertible notes and warrants, see "Certain Relationships and Related Person Transactions—Convertible Note and Warrant Financings."

Moreover, as of December 31, 2020, options to purchase 21,543,828 shares of our common stock with a weighted-average exercise price of approximately $2.19 per share were outstanding, as well as 75,375,307 shares of our common stock subject to RSUs. The exercise of any of these options and settlement of any of these RSUs would result in additional dilution. To the extent that we issue shares of our capital stock to acquire other companies or outstanding options and warrants to purchase capital stock are exercised, there will be further dilution. Our employee headcount has increased significantly in the past few years and we expect this rapid growth to continue. We rely on equity-based compensation as an important tool in recruiting and retaining employees. The amount of dilution due to equity-based compensation of our employees or other additional issuances could be substantial depending upon the size of the issuances and exercises.

Substantial future sales of shares of our common stock in the public market could cause the trading price of our common stock to fall.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could significantly reduce the trading price of our common stock. If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after the lock-up and legal restrictions on resale discussed in this prospectus lapse, the trading price of our common stock could substantially decline. Furthermore, approximately % of our outstanding common stock is beneficially owned by our executive officers and directors. If one or more of them were to sell a substantial portion of the shares they hold, it could cause the trading price of our common stock to decline.

Based on shares outstanding as of December 31, 2020, at the completion of this offering (after giving effect to the Assumed Share Events described under "The Offering"), we will have outstanding a total of shares of common stock. This includes the shares of common stock that we are selling in this offering, which may be resold in the public market immediately. Of the remaining shares, shares of our common stock, which together represent % of our outstanding shares after this offering, are currently, and will be following the completion of this offering, restricted as a result of securities laws or lock-up agreements. We, and all of our directors, executive officers, the selling stockholders and certain other record holders that together represent approximately % of our outstanding common stock and securities directly or indirectly convertible into or exchangeable or exercisable for our common stock have entered into lock-up agreements with the underwriters under which the holders of such securities have agreed that, subject to certain exceptions, without the prior written consent of Goldman Sachs & Co LLC, as representative of the underwriters, during the -day period beginning on the date of this prospectus, we and they will not (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant to purchase, or otherwise transfer or dispose of (directly or indirectly) any shares of our common stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for our common stock, (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to effect a sale or disposition, or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of any shares of our common stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for our common stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of our common stock or other securities, in cash, or

otherwise or (iii) publicly disclose the intention to take any of the actions restricted by clause (i) or (ii) above. In addition, holders of the shares of our common stock to be issued upon the conversion of our Tranche I convertible notes in this offering have agreed that, during the 30-day period beginning on the date of this prospectus, such holders will not take any of the actions described in the foregoing clauses (i)-(iii) with respect to 50% of such shares (it being understood that the remaining 50% of such shares shall not be subject to any such lock-up agreement). Upon each release of the foregoing restrictions, our securityholders subject to a lock-up agreement will be able to sell our shares in the public market. In addition, Goldman Sachs & Co LLC may, in its sole discretion as representative of the underwriters, release all or some portion of the shares subject to lock-up agreements prior to a release of the foregoing restrictions. For a description of the lock-up agreements, see the "Shares Eligible for Future Sale" and "Underwriting" sections of this prospectus.

In addition, as of December 31, 2020, there were 21,543,828 shares of common stock subject to outstanding options, 237,686 restricted shares of common stock, an additional 75,375,307 shares subject to outstanding RSUs and an additional 14,022,717 shares of common stock reserved for issuance under our equity incentive plans that will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements discussed above and Rules 144 and 701 under the Securities Act. Moreover, we intend to register all shares of common stock that we may in the future issue under our employee benefit plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to the lock-up agreements and the restrictions imposed on our affiliates under Rule 144. Any sales of our common stock as lock-up restrictions end, as stock options are exercised or as RSUs are settled may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales could also cause the trading price of our common stock to fall and make it more difficult for you to sell shares of our common stock.

You will experience immediate and substantial dilution in the book value of the shares you purchase in this offering, and you will suffer additional dilution if the underwriters exercise their option to purchase additional shares.

The initial public offering price is substantially higher than the pro forma as adjusted net tangible book value per share of our outstanding common stock of $ per share as of December 31, 2020. Investors purchasing shares of our common stock in this offering will pay a price per share that substantially exceeds the book value of our tangible assets after subtracting our liabilities. As a result, investors purchasing common stock in this offering will incur immediate and substantial dilution of $ per share, representing the difference between the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and our pro forma as adjusted net tangible book value per share after giving effect to our sale of shares in this offering. See the section titled "Dilution" for additional information.

We do not intend to pay dividends in the foreseeable future.

We have never declared or paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. The declaration and amount of any future dividends to holders of our common stock will be at the discretion of our board of directors in accordance with applicable law and after taking into account various factors, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that our board of directors currently deems relevant. Our board of directors intends to retain future earnings to fund the development and expansion of our business. Additionally, certain of our existing credit agreements include restrictions on our ability to pay cash dividends. Accordingly, we do not expect to pay dividends on our common stock in the foreseeable future. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

We have broad discretion in the use of the net proceeds from this offering and our use of those proceeds may not yield a favorable return on your investment.

We cannot specify with any certainty the particular uses of the net proceeds that we will receive from this offering. Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. We have not established a timetable for the effective deployment of the proceeds and we cannot predict how long it will take to deploy the proceeds. We expect to use our net proceeds from this offering for working capital, capital expenditures and general corporate purposes. See "Use of Proceeds." The failure by our management to apply these proceeds effectively or in a manner that increases our fair value or enhances our profitability could harm our business, results of operations and financial condition and may negatively impact the trading price of our common stock.

Concentration of ownership of our common stock among our existing executive officers, directors and principal stockholders may prevent new investors from influencing significant corporate decisions, including mergers, consolidations, or the sale of us or all or substantially all of our assets.

Upon the completion of this offering, our executive officers, directors and current beneficial owners of 5% or more of our common stock will in the aggregate, beneficially own approximately % of our outstanding shares of common stock, assuming no exercise of the underwriters' option to purchase additional shares. These persons, acting together, will be able to significantly influence all matters requiring stockholder approval, including the election of directors and the approval of significant corporate transactions, such as mergers, consolidations or the sale of our company or all or substantially all of our assets. This concentration of ownership may have the effect of delaying or preventing a change of control, including a merger, consolidation, or other business combination involving our company, or discouraging a potential acquirer from otherwise attempting to obtain control, even if that change of control would benefit our other stockholders. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests.

Certain provisions in our Charter and our Bylaws and of Delaware law as well as certain FINRA rules may prevent or delay an acquisition of Robinhood, which could decrease the trading price of our common stock.

Our Charter and our Bylaws will contain, and Delaware law contains, provisions that may have the effect of deterring takeovers by making such takeovers more expensive to the bidder and by encouraging prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. Our Charter and our Bylaws include, among others, the following provisions:

- providing that only our board of directors may fill any vacancies created by the expansion of our board of directors or the resignation, death or removal of a director;
- prohibiting cumulative voting in the election of directors;
- providing that our board of directors may adopt, amend, alter or repeal our Bylaws without obtaining stockholder approval;
- requiring approval of at least a majority of the voting power of the then-outstanding shares of capital stock to adopt, amend, alter or repeal certain provisions in our Charter and to amend our Bylaws;
- not requiring stockholder approval for future issuances of the authorized but unissued shares of our common stock;

- permitting our board of directors to authorize the issuances of shares of preferred stock and to determine the price and other terms of those shares, including voting or other rights and preferences, without obtaining stockholder approval;
- only permitting the chair of our board of directors, the lead independent director, if any, and our board of directors pursuant to a resolution adopted by a majority of the total number of directors that we would have if all vacancies or unfilled directorships were filled to convene a special meeting of our stockholders;
- requiring stockholders to comply with advance notice procedures in order to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders; and
- only permitting the stockholders to take action at a meeting of our stockholders and not by written consent.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporate Law ("DGCL"), which prohibits us from engaging in a business combination, including a merger, with a person who owns 15% or more of our outstanding voting stock (an "interested stockholder") for a period of three years after the date of the transaction in which such person became an interested stockholder, unless (with certain exceptions) the business combination is approved in a prescribed manner.

We believe these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make Robinhood immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is not in the best interests of Robinhood and our stockholders. Accordingly, if our board of directors determines that a potential acquisition is not in the best interests of Robinhood and our stockholders, but certain stockholders believe that such a transaction would be beneficial to Robinhood and our stockholders, such stockholders may elect to sell their shares in Robinhood and the trading price of our common stock could decrease. In addition, a third party attempting to acquire us or a substantial position in our common stock may be delayed or ultimately prevented from doing so by change in ownership or control regulations to which certain of our regulated subsidiaries are subject. Specifically, FINRA Rule 1017 generally provides that FINRA approval must be obtained in connection with any transaction resulting in a single person or entity owning, directly or indirectly, 25% or more of a FINRA member firm's equity and would include a change in control of a parent company. These and other provisions of our Charter, our Bylaws and the DGCL could have the effect of delaying or deterring a change in control, which may limit the opportunity for our stockholders to receive a premium for their shares of our common stock and may also affect the price that some investors are willing to pay for our common stock.

Our Charter will designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, and the federal district courts of the United States as the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.

Our Charter, which will become effective immediately prior to the completion of this offering, will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action or proceeding arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the DGCL, our Charter or our Bylaws, (iv) any action or proceeding seeking to interpret, apply, enforce or determine the

validity of our Charter or our Bylaws, (v) any action or proceeding asserting a claim that is governed by the internal affairs doctrine or (vi) any action or proceeding as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have subject matter jurisdiction, another state court sitting in the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. Our Charter will also provide that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action under the Securities Act. Nothing in our Charter precludes stockholders that assert claims under the Exchange Act from bringing such claims in any court, subject to applicable law.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to these provisions. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. The enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. For example, in December 2018, the Court of Chancery of the State of Delaware determined that a provision stating that federal district courts of the United States are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. Although this decision was reversed by the Delaware Supreme Court in March 2020, courts in other states may still find these provisions to be inapplicable or unenforceable. If a court were to find the exclusive forum provisions in our Charter to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could adversely affect our results of operations.

General Risk Factors

The obligations associated with being a public company may strain our resources, result in more litigation and divert management's attention from operating our business.

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq, and other applicable securities rules and regulations. Complying with these rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on our personnel, systems and resources. The need to establish the corporate infrastructure demanded of a public company may divert management's attention from implementing our growth strategy, which could prevent us from successfully implementing our strategic initiatives and improving our business, results of operations, financial condition and prospects. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees to assist us in complying with these requirements. Additionally, we expect these rules and regulations to make it expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to maintain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to

comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Furthermore, as a result of disclosure of information in this prospectus and in filings required of a public company, our business and financial condition will become more visible. Such increased disclosure and visibility could result in adverse changes to our reputation and to the way our customers perceive our brand and overall value, as well as shareholder activism or threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and could adversely affect our business, results of operations and financial condition.

If we fail to maintain effective internal control over financial reporting, as well as required disclosure controls and procedures, our ability to produce timely and accurate consolidated financial statements or comply with applicable regulations could be impaired.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to develop and refine our internal control over financial reporting. Some members of our management team have limited or no experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies, and we have limited accounting and financial reporting personnel and other resources with which to address our internal controls and related procedures. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems and controls to accommodate such changes. We have limited experience with implementing the systems and controls that will be necessary to operate as a public company, as well as adopting changes in accounting principles or interpretations mandated by the relevant regulatory bodies. Additionally, if these new systems, controls or standards and the associated process changes do not give rise to the benefits that we expect or do not operate as intended, it could adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports or the effectiveness of our internal control over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise.

Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our business or cause us to fail to meet our reporting obligations and may result in a restatement of our consolidated financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial

reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures or internal control over financial reporting could also cause investors to lose confidence in the accuracy and completeness of our reported financial and other information, which would likely have a negative effect on the trading price of our common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the Nasdaq. As a private company, we are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. As a public company, we will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second Annual Report on Form 10-K.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until the later of (1) our second Annual Report on Form 10-K or (2) the Annual Report on Form 10-K for the first year we no longer qualify as an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could harm our business and could cause a decline in the trading price of our common stock. In addition, we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources. These events could have a material and adverse effect on our business, results of operations, financial condition and prospects.

We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act. We could continue to be considered an emerging growth company for up to five years, although we would lose that status sooner if our gross revenues exceed $1.07 billion, if we issue more than $1.0 billion in nonconvertible debt in a three-year period or if the fair value of our common stock held by non-affiliates exceeds $700.0 million (and we have been a public company for at least 12 months and have filed at least one Annual Report on Form 10-K). For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. It is unclear whether investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the trading price of our common stock may be more volatile.

If our estimates, assumptions and/or judgments relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our results of operations could be adversely affected.

The preparation of consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, and other assumptions we believe to be reasonable under the circumstances, which together form the basis for making judgments about the carrying values of assets and liabilities. We regularly assess these estimates; however, actual amounts could differ from those estimates. Significant assumptions and estimates used in preparing our consolidated financial statements include revenue recognition, share-based compensation, common stock valuations, loss contingencies and income taxes. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of

operations to fall below the expectations of industry or financial analysts and investors, resulting in a decline in the value of our common stock.

Our financial results may be negatively impacted by changes in generally accepted accounting principles in the United States.

GAAP are subject to interpretation by the Financial Accounting Standards Board 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. New accounting pronouncements and varying interpretations of accounting pronouncements have occurred in the past and may occur in the future. Changes to existing rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business.

If securities or industry analysts issue an adverse or unfavorable opinion regarding our business or do not publish research or publish unfavorable research about our business, the trading price and trading volume of our common stock could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts does not initiate coverage over us, ceases coverage of our company or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause the trading price or trading volume of our common stock or trading volume to decline. Moreover, if any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model or our stock performance, or if our results of operations fail to meet the expectations of the investor community, one or more of the analysts who cover our company may change their recommendations regarding our company, and the trading price of our common stock could decline.

We may be adversely affected by natural disasters and other catastrophic events, pandemics or epidemics and by man-made problems such as terrorism, that could disrupt our business operations and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Natural disasters or other catastrophic events, including health pandemics or epidemics, such as the COVID-19 pandemic, have caused, and may in the future cause, damage or disruption to our operations, international commerce and the global economy and could have an adverse effect on our business, results of operations and financial condition. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics or epidemics and other events beyond our control. In addition, acts of terrorism and other geopolitical unrest could cause disruptions in our business or the businesses of our partners or the economy as a whole. In the event of a natural disaster, including a major earthquake or other catastrophic event such as a fire, power loss or telecommunications failure, we may be unable to continue our operations and may endure system interruptions, reputational harm, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could have an adverse effect on our future results of operations.

“I am learning the real value of saving and building a better future is possible.”

Robinhood Customer

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. 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 “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “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. Forward-looking statements contained in this prospectus include statements about:

- our estimates of the size of our market opportunities;
- our ability to effectively manage our growth;
- our ability to successfully enter new markets, including any expansion into international markets, and comply with any applicable laws and regulations;
- our ability to invest in and develop our products and services to operate with changing technology;
- the expected benefits of our products to our customers and the impact of our products on our business;
- the effects of increased competition from our market competitors;
- the success of our marketing efforts and the ability to grow brand awareness and maintain, protect and enhance our brand;
- the impact of negative publicity on our brand and reputation;
- our ability to attract and retain our customers;
- our ability to maintain the security and availability of our platform;
- our ability to attract and retain key personnel and highly qualified personnel;
- our expectations regarding the impacts of accounting guidance;
- our expectations regarding litigation and regulatory proceedings;
- our expectations regarding share-based compensation;
- our ability to collect, store, share, disclose, transfer, receive, use and otherwise process customer information and other data, and compliance with laws, rules and regulations related to data privacy, protection and security;
- our ability to comply with modified or new laws and regulations applying to our business, and potential harm to our business as a result of those laws and regulations;
- the impact of adverse economic conditions;
- our expectations regarding the continuing impact of COVID-19 on our business;

- the increased expenses associated with being a public company; and
- our anticipated uses of net proceeds from this offering.

The forward-looking statements in this prospectus are only predictions and are based largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements speak only as of the date of this prospectus and are subject to a number of known and unknown risks, uncertainties and assumptions, including those described in the section titled “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely upon these forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance or achievements. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this prospectus or to conform these statements to actual results or revised expectations, except as required by law. The forward-looking statements contained in the prospectus are excluded from the safe harbor protection provided by the Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, performance, and events and circumstances may be materially different from what we expect.

"I believe investing in your future and leaving a legacy for your family is vital. In Black families, this is not often done. I am Black. My son suggested both me and my other son invest. We did. I have also invited others to begin putting their money to good use. I've had a couple of 'takers.' One investor at a time–I'm okay with that."

Robinhood Customer

USE OF PROCEEDS

We estimate that our net proceeds from the sale of our common stock by us in this offering will be approximately $, assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the range listed on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders.

A $1.00 increase or decrease in the assumed initial public offering price of our common stock of $ per share would increase or decrease, as applicable, the net proceeds to us from this offering by approximately $, assuming that the number of shares offered, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase or decrease of 1,000,000 shares in the number of shares of common stock offered by us in this offering, as set forth on the cover page of this prospectus, would increase or decrease, as applicable, the net proceeds to us from this offering by approximately $, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from the sale of shares in this offering for working capital, capital expenditures and general corporate purposes. We may use a portion of the net proceeds of this offering to fund the tax remittance obligations of Robinhood related to the settlement of the IPO-Vesting Time-Based RSUs, Market-Based RSUs or outstanding stock options. If we decide to undertake a net settlement of the IPO-Vesting Time-Based RSUs, Market-Based RSUs or outstanding stock options rather than allowing holders to sell to cover, we may use an additional portion of the net proceeds to satisfy all or a portion of the anticipated tax withholding and remittance obligations related to the settlement or exercise of such awards.

Our management will have broad discretion in the application of the net proceeds we receive from this offering, and investors will be relying on the judgment of our management regarding the application of our net proceeds. While we expect to use the net proceeds for the purposes described above, the timing and amount of our actual expenditures will be based on many factors, including cash flows from operations, the anticipated growth of our business, and the availability and terms of alternative financing sources to fund our growth.

“I get excited to get up and check what the stock market is doing. I’ve been more focused on my financial future.”

Robinhood Customer

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate declaring or paying any cash dividends in the foreseeable future. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant. In addition, the terms of our current credit facilities contain restrictions on our ability to pay cash dividends.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2020:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the Preferred Share Conversion, (ii) the Convertible Note Conversion, (iii) the IPO-Vesting Time-Based RSU Settlement, (iv) the Market-Based RSU Settlement, (v) the related increase in liabilities and corresponding decrease in additional paid-in capital for the associated tax liabilities related to the IPO-Vesting Time-Based RSU Settlement and the Market-Based RSU Settlement, (vi) stock-based compensation expense of $ related to IPO-Vesting Time-Based RSUs for which the time-based vesting condition was satisfied or partially satisfied as of December 31, 2020 and Market-Based RSUs, assuming the effectiveness of this offering on December 31, 2020 for purposes of any applicable time-based vesting conditions and, for purposes of determining the satisfaction of the market-based vesting condition, an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, reflected as an increase to additional paid-in capital and accumulated deficit, and (vii) the filing and effectiveness of our Charter in Delaware, which will occur immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis to give further effect to (i) the pro forma adjustments set out above and (ii) our issuance and sale of shares of common stock in this offering, assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions, estimated offering expenses payable by us and giving effect to the use of proceeds specified in “Use of Proceeds.”

The as adjusted information set forth in the table below is illustrative only and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price, the number of common shares sold in this offering and other terms of this offering determined at pricing. You should read the following table in conjunction with our consolidated financial statements and related notes appearing at the end of this prospectus and the sections of the prospectus titled “Management’s

Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Capital Stock."

	As of December 31, 2020		
	Actual	Pro Forma	Pro Forma As Adjusted[1]
	(unaudited)		
	(in thousands, except share and per share data)		
Cash and cash equivalents	$ 1,402,629	$	$
Long-term debt[2]	—		
Warrants to purchase common stock[3]	—		
Redeemable convertible preferred stock, $0.0001 par value; 414,033,220 shares authorized, 412,742,897 shares issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma; shares authorized, no shares issued and outstanding, pro forma as adjusted	2,179,739		
Stockholders' equity (deficit):			
Common stock, $0.0001 par value; 777,354,000 shares authorized, 229,031,546 shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	1		
Additional paid-in capital	134,307		
Accumulated other comprehensive income	473		
Accumulated deficit	(190,103)		
Total stockholders' equity (deficit)	(55,322)		
Total capitalization	$ 2,124,417	$	$

(1) Each $1.00 increase or decrease in the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization on a pro forma as adjusted basis by approximately $, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each 1,000,000 share increase or decrease in the number of shares of common stock offered by us in this offering would increase or decrease, as applicable, each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization on a pro forma as adjusted basis by approximately $, assuming no change in the assumed initial public offering price per share of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) In February 2021, we issued two tranches of convertible notes, consisting of $2,532.0 million aggregate principal amount of Tranche I convertible notes and $1,020.0 million aggregate principal amount of Tranche II convertible notes. Unless earlier converted, upon the closing of this offering, the convertible notes will automatically convert into shares of our common stock at a conversion price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii) $38.29 (in the case of the Tranche I convertible notes) or $42.12 (in the case of the Tranche II convertible notes). Interest on the convertible notes accrues at 6% per annum and is payable in kind. For more information about our convertible notes and warrant financings, see "Certain Relationships and Related Person Transactions—Convertible Note and Warrant Financings."

(3) In connection with our February 2021 convertible note offering, we granted to each purchaser of the Tranche I convertible notes a warrant to purchase a number of shares of equity securities equal to 15% of the aggregate proceeds invested by such purchaser in the Tranche I convertible notes (i.e., $379.8 million in aggregate maximum purchase amount). Following this offering and until the tenth anniversary of their issue date, outstanding warrants will be exercisable for shares of our common stock at an exercise price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii) $38.29. For more information about our convertible notes and warrant financing, see "Certain Relationships and Related Person Transactions—Convertible Note and Warrant Financings."

The pro forma and pro forma as adjusted columns in the table above are based on the number of shares of our common stock to be outstanding after this offering, which in turn is based on shares of common stock issued and outstanding as of December 31, 2020, which gives effect to the Assumed Share Events set forth under the section titled “The Offering” and excludes:

- 21,543,828 shares of our common stock issuable upon exercise of options to purchase shares of our common stock outstanding as of December 31, 2020 with a weighted-average exercise price of $2.19 per share;
- shares of our common stock issuable upon exercise of warrants to purchase shares of our equity securities, $ aggregate maximum purchase amount of which was outstanding as of , 2021, assuming an exercise price of $ (which is the lower of (i) 70% of the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and (ii) $38.29);
- 37,170,402 shares of our common stock subject to Time-Based RSUs outstanding as of December 31, 2020, but for which the time-based vesting condition was not satisfied as of December 31, 2020;
- shares of our common stock subject to Market-Based RSUs outstanding as of December 31, 2020, but for which the quarterly time-based vesting condition was not satisfied as of December 31, 2020, assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus; and
- 14,022,717 shares of our common stock reserved for future issuance under our 2020 Plan as of December 31, 2020.

"I feel like I'm investing in my future which is a nice consolation during these stressful COVID times. I know there will be ups and downs but figured I should start investing sooner rather than later."

Robinhood Customer

DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share immediately after this offering.

Our historical net tangible book value as of December 31, 2020 was $(55.5) million, or $(0.24) per share of common stock. Our historical net tangible book value represents our total tangible assets less our total liabilities, which is not included within our stockholders' equity. Historical net tangible book value per share represents historical net tangible book value divided by the 229,031,546 shares of common stock outstanding as of December 31, 2020.

Our pro forma net tangible book value as of December 31, 2020 was $, or $ per share of common stock. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities. Pro forma net tangible book value per share represents our pro forma net tangible book value divided by , the total number of shares of common stock outstanding as of December 31, 2020, after giving effect to (i) the Preferred Share Conversion, (ii) the Convertible Note Conversion, (iii) the IPO-Vesting Time-Based RSU Settlement, (iv) the Market-Based RSU Settlement, (v) the related increase in liabilities and corresponding decrease in additional paid-in capital for the associated tax liabilities related to the IPO-Vesting Time-Based RSU Settlement and the Market-Based RSU Settlement, (vi) stock-based compensation expense of $ related to IPO-Vesting Time-Based RSUs for which the time-based vesting condition was satisfied or partially satisfied as of December 31, 2020 and Market-Based RSUs, assuming the effectiveness of this offering on December 31, 2020 for purposes of any applicable time-based vesting conditions and, for purposes of determining the satisfaction of the market-based vesting condition, an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, reflected as an increase to additional paid-in capital and accumulated deficit, and (vii) the filing and effectiveness of our Charter in Delaware, which will occur immediately prior to the completion of this offering.

After giving further effect to our issuance and sale of shares of common stock in this offering at an assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2020 would have been $, or approximately $ per share. This amount represents an immediate increase in the pro forma as adjusted net tangible book value of $ per share to our existing stockholders and immediate dilution of $ per share to new investors purchasing our shares of common stock in this offering.

Dilution per share to new investors is determined by subtracting the pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share of our common stock paid by new investors. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share	$
Historical net tangible book value per share as of December 31, 2020	
Increase per share attributable to the pro forma adjustments described above	
Pro forma net tangible book value per share as of December 31, 2020	
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares of common stock in this offering	
Pro forma as adjusted net tangible book value per share immediately after this offering	
Dilution in pro forma as adjusted net tangible book value per share to new investors in this offering	$

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price, the number of shares of common stock sold by us in this offering and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the as adjusted net tangible book value per share after this offering by approximately $ and the dilution per share to new investors by $, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase of 1,000,000 shares in the number of shares of common stock offered by us would increase our as adjusted net tangible book value per share after this offering by $ and decrease the dilution per share to new investors by $, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions. Each decrease of 1,000,000 shares in the number of shares of common stock offered by us would decrease our as adjusted net tangible book value per share after this offering by $ and increase the dilution per share to new investors by $, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise in full their option to purchase additional shares of common stock from us in this offering, our as pro forma adjusted net tangible book value per share after the offering would be $, and the dilution per share to new investors would be $, in each case assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions.

The following table summarizes, as of December 31, 2020, on the pro forma as adjusted basis as described above, the total number of shares of common stock purchased from us, the total consideration paid and the average price per share paid or to be paid by existing stockholders and new investors acquiring shares of common stock in this offering, assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated price range set forth on the cover

page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		
	Number	Percent	Amount (in thousands)	Percent	Weighted Average Price Per Share
Existing stockholders		%	$	%	$
New investors					
Total		100 %	$	100 %	$

The table above assumes no exercise of the underwriters' option to purchase additional shares of our common stock. If the underwriters exercise in full their option to purchase additional shares of common stock, the percentage of shares of our common stock held by existing stockholders would be decreased to % of the total number of our common stock outstanding after this offering, and the number of shares held by new investors participating in this offering would be increased to % of the total number of shares of our common stock outstanding after this offering.

The number of shares of our common stock to be outstanding after this offering is based on shares of common stock outstanding as of December 31, 2020, which gives effect to the Assumed Share Events set forth under the section titled "The Offering" and excludes:

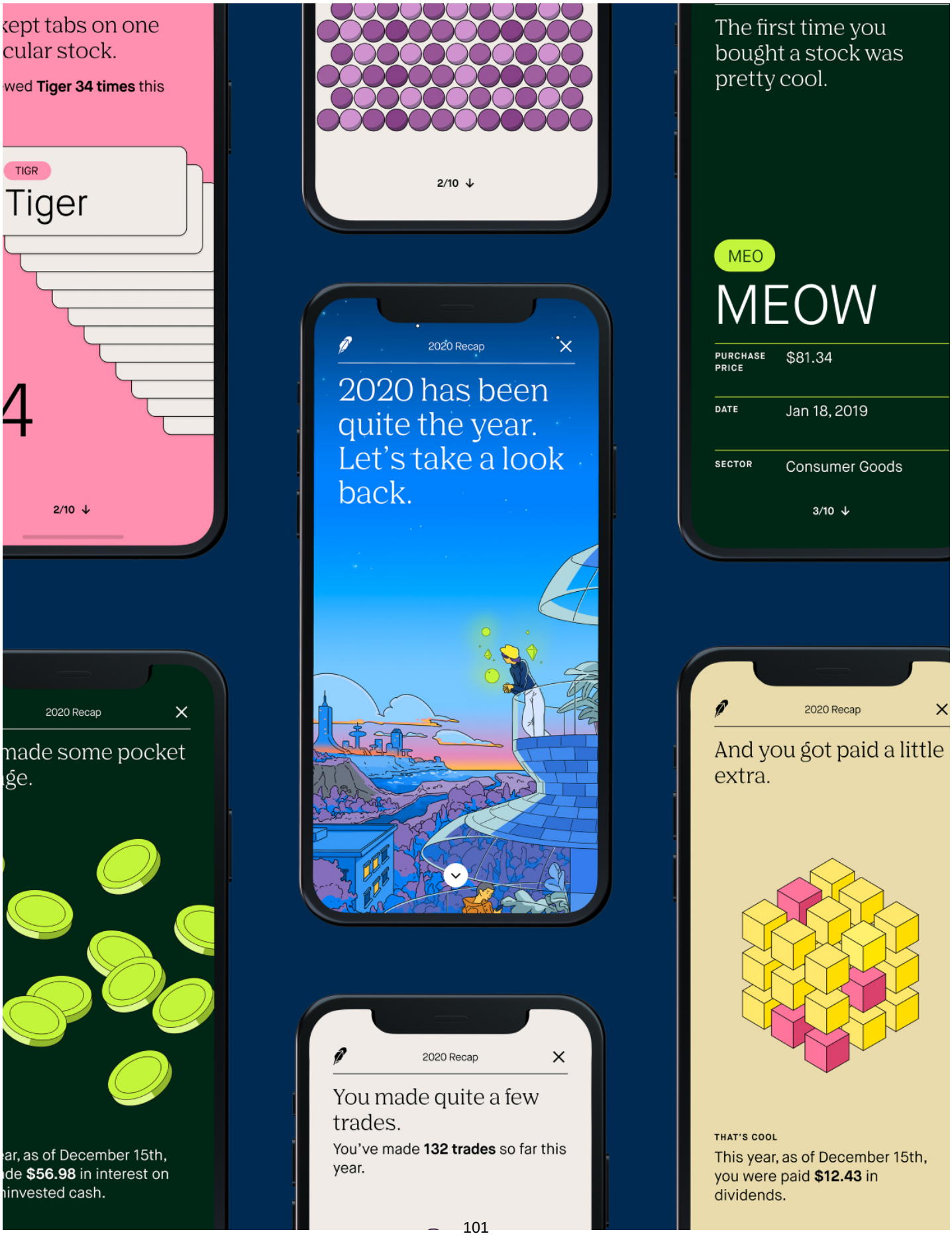
- 21,543,828 shares of our common stock issuable upon exercise of options to purchase shares of our common stock outstanding as of December 31, 2020 with a weighted-average exercise price of $2.19 per share;
- shares of our common stock issuable upon exercise of warrants to purchase shares of our equity securities, $ aggregate maximum purchase amount of which was outstanding as of , 2021, assuming an exercise price of $ (which is the lower of (i) 70% of the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and (ii) $38.29);
- 37,170,402 shares of our common stock subject to Time-Based RSUs outstanding as of December 31, 2020, but for which the time-based vesting condition was not satisfied as of December 31, 2020;
- shares of our common stock subject to Market-Based RSUs outstanding as of December 31, 2020, but for which the quarterly time-based vesting condition was not satisfied as of December 31, 2020, assuming an initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus; and
- 14,022,717 shares of our common stock reserved for future issuance under our 2020 Plan as of December 31, 2020.

Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section presents management's perspective on our financial condition and results of operations. The following discussion and analysis is intended to highlight and supplement data and information presented elsewhere in this prospectus, and should be read in conjunction with the sections "Prospectus Summary—Summary Historical Consolidated Financial and Operating Data" and our consolidated financial statements and notes thereto appearing at the end of this prospectus. It is also intended to provide you with information that will assist you in understanding our consolidated financial statements, the changes in key items in those consolidated financial statements from year to year, and the primary factors that accounted for those changes. To the extent that this discussion describes prior performance, the descriptions relate only to the periods listed, which may not be indicative of our future financial outcomes. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause results to differ materially from management's expectations. Factors that could cause such differences are discussed in the sections titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors."

Data as of and for the years ended December 31, 2019 and 2020 has been derived from our audited consolidated financial statements appearing at the end of this prospectus.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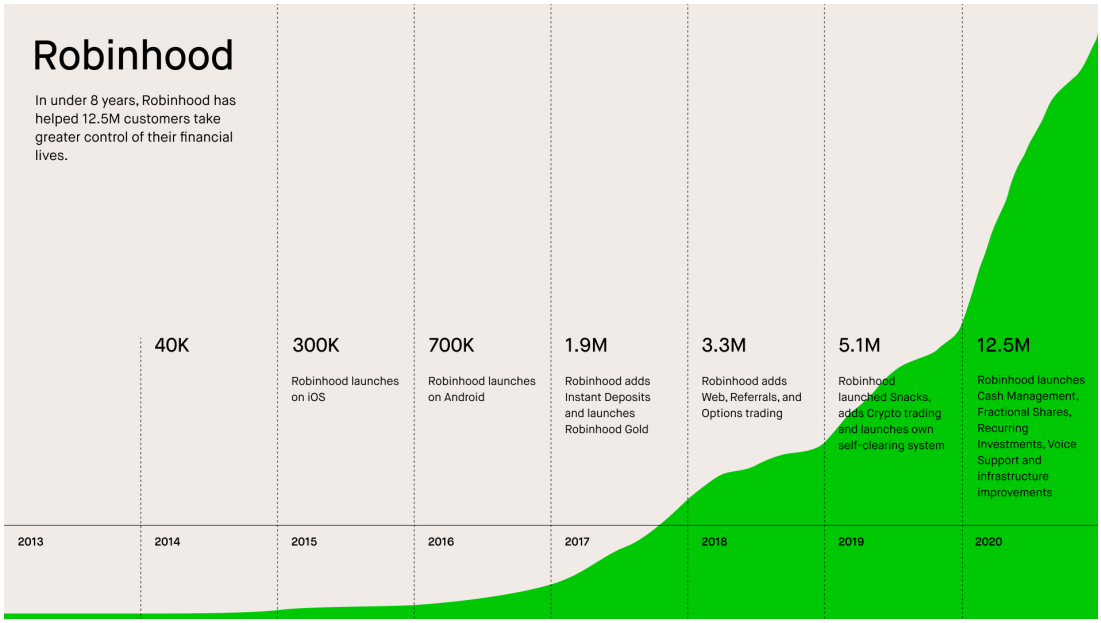
4
2/10
2/10
The first time you bought a stock was pretty cool.
MEO
MEOW
PURCHASE PRICE
$81.34
DATE
Jan 18, 2019
SECTOR
Consumer Goods
3/10
2020 Recap
2020 has been quite the year. Let's take a look back.
2020 Recap
made some pocket
ge.
ar, as of December 15th,
de $56.98 in interest on
invested cash.
2020 Recap
You made quite a few trades.
You've made 132 trades so far this year.
2020 Recap
And you got paid a little extra.
THAT'S COOL
This year, as of December 15th, you were paid $12.43 in dividends.

Overview

Robinhood was founded on the belief that everyone should be welcome to participate in our financial system. We are creating a modern financial services platform for everyone, regardless of their wealth, income or background.

We have continually built relationships with our customers by introducing new products with compelling value propositions that further expand access to the financial system. As we have expanded our platform, we have experienced significant growth in customers:



Our mission to democratize finance for all drives our revenue model. We pioneered commission-free trading with no account minimums, giving smaller investors access to the financial markets. Many of our customers are getting started with less, which often means they're trading a smaller number of shares. Rather than earning revenue from fixed trading commissions which, before Robinhood introduced commission free trading, had often ranged from $8 to $10 per trade, the majority of our revenue is earned through payment for order flow.

We also earn net interest revenues, primarily from our securities lending program and interest earned on margin lending and cash deposits, net of borrowing costs related to our revolving lines of credit. We also earn subscription revenue from our Robinhood Gold product.

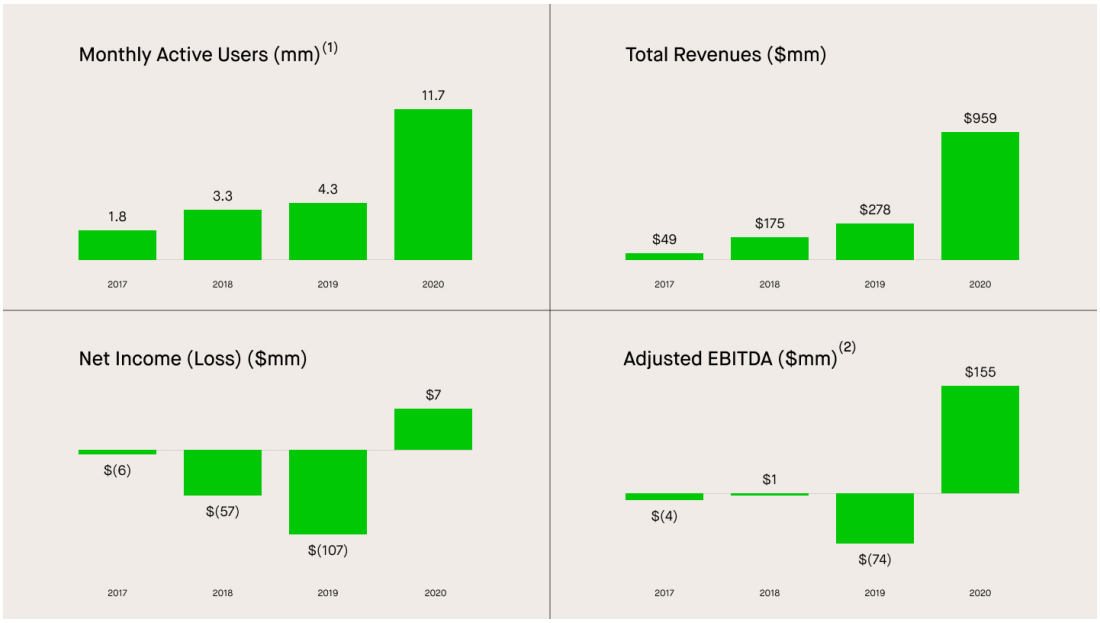
With respect to certain of our financial and operating results as of or for the years ended December 31, 2020 and 2019:

- we generated total revenues of $959 million and $278 million, for year-over-year growth of 245%;
- we had Net Cumulative Funded Accounts of 12.5 million and 5.1 million, for year-over-year growth of 143%;
- we had Monthly Active Users of 11.7 million and 4.3 million in December of the relevant year, for period-over-period growth of 172%;

- we generated net income of $7 million and incurred a net loss of $107 million; and
- our Adjusted EBITDA was positive $155 million and negative $74 million.

For definitions of “Net Cumulative Funded Accounts” and “Monthly Active Users,” please see “—Key Performance Metrics.” For more information about Adjusted EBITDA, including the definition and limitations of such measure, and a reconciliation of net income (loss) to Adjusted EBITDA, please see “—Non-GAAP Financial Metrics.”

We have grown rapidly and achieved significant scale in recent periods. The charts below further illustrate our financial and operating results for the periods presented:



(1) Reflects MAUs for December of each year presented. See “—Key Performance Metrics” below for a definition of “Monthly Active Users” or “MAU.”
(2) Adjusted EBITDA is a non-GAAP measure. See “—Non-GAAP Financial Measures” below for more information about Adjusted EBITDA, including the definition and limitations of such measure, and a reconciliation of net income (loss) to Adjusted EBITDA.

Our Business Model

Our business model is characterized by efficient new customer growth and strong expansion within our customer base.

New Customer Growth

A majority of our new customers join our platform organically or through the Robinhood Referral Program. These channels were responsible for over 80% of the new Funded Accounts that joined our platform in 2020 and generally have lower direct expense rates as compared to other marketing methods such as paid digital and broad-scale advertising, helping to maintain low average customer acquisition costs and rapid payback. Our ability to achieve high customer growth is supported by our platform’s high engagement, as potential customers see and hear those around them using our platform and services and then join Robinhood on their own or after being referred by their family, friends or colleagues. We also supplement these channels with paid digital and broad-scale advertising to widen the reach of our

marketing efforts. While such paid marketing channels have historically driven a smaller portion of our new customer growth, in-market testing has helped us determine the most effective paid channels, and we believe paid digital marketing is, and will be in the future, a powerful complement to our other customer acquisition channels. See "—Key Performance Metrics" below for a definition of "Funded Accounts."

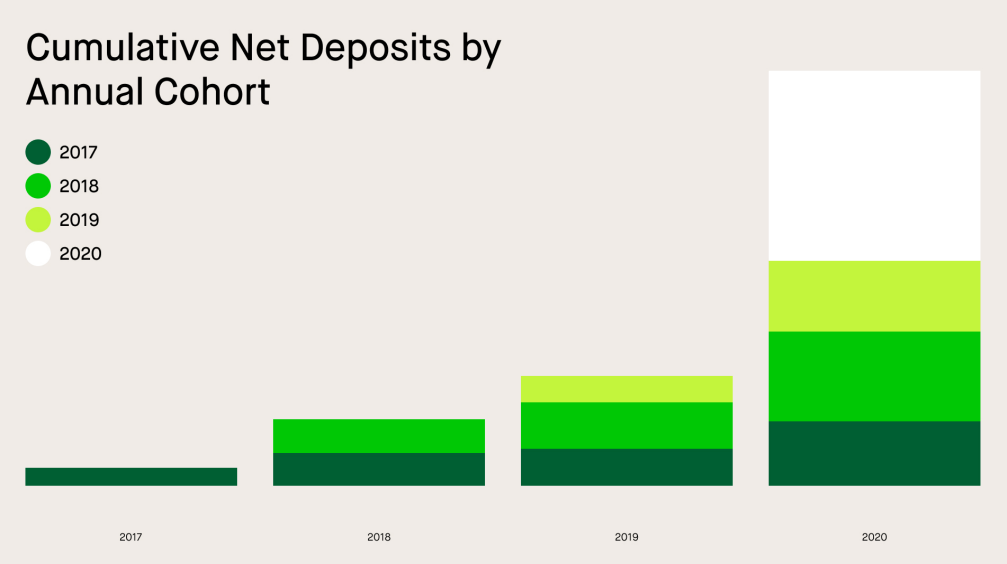
We measure the efficiency of our new customer growth by evaluating our "revenue payback period." For the monthly cohorts in the year ended December 31, 2019, our average revenue payback period was approximately 13 months, and for the monthly cohorts in the nine month period ended September 30, 2020, our average revenue payback period improved to less than six months. This improvement was driven primarily by improved efficiencies in marketing expenses, including as a result of a greater proportion of our new customers joining our platform organically or through the Robinhood Referral Program. See "—Key Performance Metrics" for definitions of "cohort" and "revenue payback period."

Customer Relationship Expansion

We believe many of our customers are still in the early stages of building a relationship with a financial services provider. From January 1, 2015 to December 31, 2020, over half of the customers funding accounts on our platform told us that Robinhood was their first brokerage account. As we work to enable Robinhood customers to manage all aspects of their financial lives in one place, we have seen customers deepen their relationship with our platform. We monitor this expansion by tracking the Cumulative Net Deposits and total revenue earned through existing customers' activity over time.

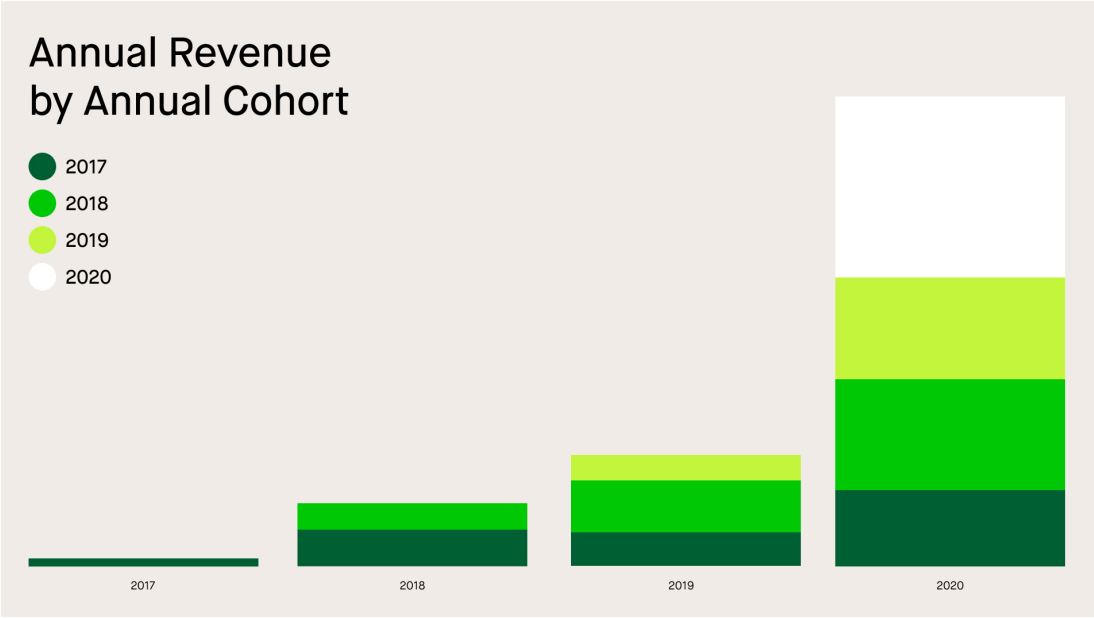
- **Cumulative Net Deposits.** We track the average balance of Cumulative Net Deposits for existing customers in any given quarter over time. We believe Cumulative Net Deposits is an important indicator of our customers' trust and relationship with our platform. From January 1, 2017 through December 31, 2020, average Cumulative Net Deposits across our monthly cohorts increased 3.3x after 12 months of initial deposit and 4.1x after 24 months of initial deposit. See "—Key Performance Metrics" below for definitions of "Cumulative Net Deposits" and "cohort." The chart below shows the trajectory and growth of Cumulative Net Deposits by annual cohort.

Cumulative Net Deposits by Annual Cohort



- **Revenue.** Revenue by cohort is an important indicator of customer usage of our platform. We categorize our customers on a cohort basis based on the month, quarter or year they first funded their accounts. We track the annual revenue from those cohorts over subsequent one-year periods. On average, revenues per user increased nearly three-fold in the first 24 months for both our 2017 and 2018 annual cohorts. The chart below illustrates our revenue by annual cohort, reflecting our customers' increasing activity on our platform.

Annual Revenue by Annual Cohort



Key Performance Metrics

In addition to the measures presented in our consolidated financial statements, we use the following key business metrics to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions:

	Year or Month Ended December 31,			
(in millions)	**2017**	**2018**	**2019**	**2020**
Net Cumulative Funded Accounts[1]	1.9	3.3	5.1	12.5
Monthly Average Users (MAU)[2]	1.8	3.3	4.3	11.7
Assets Under Custody (AUC)[3]	$ 4,505.7	$ 8,144.0	$ 14,135.6	$ 62,977.8

(1) Net Cumulative Funded Accounts. We define Net Cumulative Funded Accounts as the total of Net Funded Accounts from inception to a stated date or period end. "Net Funded Accounts" is the total number of Funded Accounts for a stated period, excluding "churned users" and including "resurrected users" as of the end of that period. A "Funded Account" is a Robinhood account into which the account user makes an initial deposit or money transfer, of any amount, during the relevant period. Users are considered "churned" if their accounts were previously Funded Accounts and their account balance drops to or below zero dollars for 45 consecutive calendar days. Users are considered "resurrected" if they were considered churned users during and as of the end of the immediately preceding period, and had their account balance increase above zero (and are not considered churned users) in the current period.

(2) Monthly Average Users ("MAU"). We define MAU as the number of Monthly Active Users during a specified calendar month. A "Monthly Active User" is a unique user who makes a debit card transaction, transitions between two different screens on a mobile device or who loads a page in a web browser, at any point during the relevant month. A user need not have a Funded Account to be included in MAU. Figures in the table reflect MAU for December of each year presented.

(3) 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 customer margin balances, as of a stated date or period end.

- *Cohort:* We define "cohort" as a group of customers who funded their accounts for the first time on our platform during a specified calendar month, quarter or year. Cohort metrics vary depending on activity on our platform and may fluctuate periodically based on levels of customer usage.

- *Cumulative Net Deposits:* We define "Cumulative Net Deposits" as the total of Net Deposits from inception to a stated date or period end. We define "Net Deposits" as all cash deposits received from customers net of reversals, customer cash withdrawals and other equity and cash amounts transferred out of our platform (including in connection with debit card transactions and account transfers out of our platform through the Automated Customer Account Transfer Service ("ACATS")) for a stated period. Cumulative Net Deposits includes, for periods prior to the adoption of our self-clearing platform in November 2018, account transfers into our platform made through ACATS.

- *Revenue Payback Period*: With respect to a given monthly cohort, we define "revenue payback period" as the number of months it takes for total revenues generated by that monthly cohort to equal or exceed the marketing expense incurred in the month the cohort was formed. For purposes of this calculation, marketing expense excludes customer goodwill, gain/loss on stock referral inventory and headcount, occupancy and depreciation attributed to the marketing team. In this prospectus, we also present "average revenue payback period" for a stated period, which represents the average of the revenue payback periods for all monthly cohorts within such period.

Non-GAAP Financial Measures

Adjusted EBITDA

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 revenue, net income (loss) and other results under GAAP, we utilize non-GAAP calculations of adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Adjusted EBITDA is defined as net income (loss), excluding (i) provision for (benefit from) income taxes, (ii) interest expense on credit facilities, (iii) depreciation and amortization, (iv) share-based compensation expenses and (v) certain legal and tax settlements, reserves and expenses.

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 is unpredictable, is not driven by core results of operations and renders 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, we have included Adjusted EBITDA in this prospectus because it 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. However, 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. The following table presents a reconciliation of net income (loss), the most directly comparable GAAP measure, to Adjusted EBITDA:

	Year Ended December 31,			
(in thousands)	**2017**	**2018**	**2019**	**2020**
Net income (loss)	$ (6,133)	$ (57,460)	$ (106,569)	$ 7,449
Add:				
Interest expenses related to credit facilities	—	5	991	4,882
Provision for (benefit from) income taxes	15	860	(1,018)	6,381
Depreciation and amortization	773	2,194	5,444	9,938
EBITDA (non-GAAP)	(5,345)	(54,401)	(101,152)	28,650
Share-based compensation	929	54,971	26,667	24,330
Certain legal and tax settlements, reserves and expenses[(1)]	—	—	—	101,600
Adjusted EBITDA (non-GAAP)	$ (4,416)	$ 570	$ (74,485)	$ 154,580

(1) Certain legal and tax settlements, reserves and expenses for the year ended December 31, 2020 includes (i) the payment of $65 million made by RHF to the SEC in connection with the settlement we entered into with the SEC, on a neither admit nor deny basis, following the investigation by the SEC's Division of Enforcement into RHF's best execution and PFOF practices, as well as statements concerning its source of revenue, (ii) the charge of $26.6 million for potential resolution of certain FINRA matters, including the March 2020 Outages and options trading and related customer communications and displays, and (iii) the charge of $10 million for potential resolution of an NYDFS matter focused primarily on anti-money laundering and cybersecurity-related issues. For more information about these matters, see "Business—Legal Proceedings."

Key Factors Driving Our Performance

Growing our Customer Base

Sustaining our growth requires continued adoption of our platform by new customers. We will continue to introduce products and features to attract new customers and we will seek to increase brand awareness and customer adoption of our platform through the Robinhood Referral Program and digital and broad-scale advertising. See "—Our Business Model—New Customer Growth" above for more information.

Expanding Our Relationship with Existing Customers

Our revenue has continued to grow as we have introduced new products and features to our customers and as our customers have increased their usage of our platform. We aim to grow with our customers over time and to grow our relationship with our customers as they build and manage their wealth. Our ability to expand our relationship with our customers will be an important contributor to our long-term growth. See "—Our Business Model—Customer Relationship Expansion" above for more information.

Investing in Our Platform

We intend to continue to invest in our platform capabilities and regulatory and compliance functions to support new and existing customers and products that we believe will drive our growth. As our customer base and platform functionalities expand, areas of investment priority include product innovation, educational content, technology and infrastructure improvements and customer support. We believe these investments will contribute to our long-term growth.

Customer Interest in Investing and Saving

Our results of operations are impacted by the overall health of the economy and retail investing and saving behaviors, which include the following key drivers:

- *Seasonality*. We believe investment activity will vary throughout a calendar year. Given traditional consumer behavior, we expect to see more new customers in the first calendar quarter.

- *Consumer Behavior*. Consumer behavior varies over time and is affected by numerous conditions. For example, behavior may be impacted by social or economic factors such as changes in disposable income levels, general interest in investing and stock market volatility. There may also be high profile initial public offerings, or idiosyncratic events impacting single companies, that impact consumer behavior. These shifts in consumer behavior may influence interest in our products over time.

- *Market Trends*. As financial markets grow and contract, our customers' investing, saving, and spending behaviors are affected. Although our operating history has coincided with a period of general macroeconomic growth in the United States, particularly in the U.S. equity markets, stimulating growth in overall investment activity on our platform, we may be impacted by any slowdowns in growth or downturns in the U.S. equity markets.

- *Macroeconomic Events*. Customer behavior is impacted by the overall macroeconomic environment, which is influenced by events such as the ongoing COVID-19 pandemic (including COVID-19 vaccine development and responsive measures taken by the U.S. government) as well as its effects on both global business and individuals' behavior. Other macroeconomic conditions that could impact customer behavior include employment rates, natural disasters and other political or economic events.

For more information about how market trends and macroeconomic events can adversely impact our results of operations, see "Risk Factors —Risks Related to our Business."

Key Components of our Results of Operations

Revenues

Transaction-based revenues

Transaction-based revenues consist of amount earned from routing customer orders for equities, options, and cryptocurrencies to executing brokers. When customers place orders for equities, options or cryptocurrencies on our platform, we route these orders to executing brokers and we earn transaction fees from those brokers (also known as “payment for order flow” or “PFOF”). In the case of equities, these cash payments are typically based on the size of the publicly quoted bid-ask spread for the security being traded; that is, we receive a fixed percentage of the difference between the publicly quoted bid and ask at the time the trade is executed. For options, our fee is on a per contract basis based on the underlying security. In the case of cryptocurrencies, our fee is a fixed percentage of the notional order value. For each asset class, whether equities, options or cryptocurrencies, the transaction fees we earn are identical among all executing brokers. We route orders to participating market makers that are most likely to give our customers the best execution, based on historical performance, and do not consider such transaction fees when routing orders.

Net interest revenues

Net interest revenues consist of interest revenues less interest expenses.

We earn interest revenues and incur interest expenses on securities lending transactions. We also earn interest revenues on margin loans to users, as well as on our segregated cash, cash and cash equivalents, and deposits with clearing organizations. We also incur interest expenses in connection with our revolving credit facilities.

Other revenues

Other revenues primarily consist of Robinhood Gold, a monthly paid subscription service that provides users with premium features such as enhanced instant deposits, professional research, Nasdaq Level II market data and, upon approval, access to margin investing. Other revenues also include proxy rebate revenues.

Operating Expenses

Brokerage and transaction

Brokerage and transaction costs primarily consist of fees paid to centralized clearinghouses, regulatory fees, market data expenses, compensation and benefits, including share-based compensation, for employees engaged in clearing and brokerage functions and allocated overhead. A large portion of our brokerage and transaction costs are variable and tied to trading and transaction volumes on our platform.

Technology and development

Technology and development costs primarily consist of compensation and benefits, including share-based compensation, for engineering, data science and design personnel, costs incurred to support and improve our platform and develop new products, costs associated with computer hardware and software, including amortization of internally developed software, and allocated overhead. We intend to continue to invest in technology and development for the foreseeable future as we focus on developing new features and enhancements on our platform, while also developing new products to serve the needs of our customers.

Operations

Operations costs primarily consist of customer service related expenses, including compensation and benefits, which includes share-based compensation, for employees engaged in customer support, third-party customer service vendors, customer onboarding and account verification. Operations costs also include our provision for credit losses primarily in connection with unrecoverable receivables due to Fraudulent Deposit Transactions and, to a lesser extent, losses on margin borrowings, as well as allocated overhead. We plan to continue to invest in customer service related expenses to support the significant growth in our user base.

Marketing

Marketing costs primarily consist of expenses associated with the Robinhood Referral Program, production and placement of advertisements in various media outlets, including online and on television, and customer goodwill, which primarily relates to costs to remediate losses experienced by our customers due to service interruptions on our platform and reimbursement of direct losses that happen due to unauthorized activity that is not the fault of our customer. Marketing costs also include compensation and benefits, including share-based compensation, for employees engaged in the marketing function and allocated overhead. We plan to continue to invest in marketing efforts through the Robinhood Referral Program and other media outlets to support growing our user base. See "—Our Business Model—New Customer Growth" above for more information.

General and administrative

General and administrative costs primarily consist of compensation and benefits, including share-based compensation, for certain executives as well as employees engaged in legal, finance, human resources, risk, and compliance. General and administrative costs also include certain legal settlements and professional fees, such as, but not limited to, legal, audit and accounting fees, as well as allocated overhead.

Results of Operations

The following table summarizes our consolidated statements of operations data:

	Year Ended December 31,	
(in thousands)	**2019**	**2020**
Revenues:		
Transaction-based revenues	$ 170,831	$ 720,133
Net interest revenues	70,639	177,437
Other revenues	36,063	61,263
Total net revenues	277,533	958,833
Operating expenses:[(1)]		
Brokerage and transaction	45,459	111,083
Technology and development	94,932	215,630
Operations	33,869	137,905
Marketing	124,699	185,741
General and administrative	85,504	294,694
Total operating expenses	384,463	945,053
Other expense (income), net	657	(50)
Income (loss) before income tax	(107,587)	13,830
Provision for (benefit from) income taxes	(1,018)	6,381
Net income (loss)	$ (106,569)	$ 7,449

(1) Includes share-based compensation expense as follows:

(in thousands)	Year Ended December 31, 2019	2020
Brokerage and transaction	$ 427	$ 227
Technology and development	9,499	18,024
Operations	139	61
Marketing	85	613
General and administrative	16,517	5,405
Total share-based compensation expense	$ 26,667	$ 24,330

Comparison of the Years Ended December 31, 2019 and 2020

Revenues

(in thousands, except for percentages)	Year Ended December 31, 2019	2020	% Change
Revenues:			
Transaction-based revenues	$ 170,831	$ 720,133	322 %
Net interest revenues	70,639	177,437	151 %
Other revenues	36,063	61,263	70 %
Total net revenues	277,533	958,833	245 %
Net revenues mix:			
Transaction-based revenues	62 %	75 %	
Net interest revenues	25 %	19 %	
Other revenues	13 %	6 %	
Total net revenues	100 %	100 %	

Transaction-based revenues

Transaction-based revenues increased by $549.3 million, or 322%, for the year ended December 31, 2020, compared to the year prior. The increase was driven by a 143% increase in Net Cumulative Funded Accounts, which resulted in higher trading volume in options, equities and cryptocurrencies. Increased interest in personal finance and investing, low interest rates and a positive market environment, especially in the U.S. equities markets, encouraged an unprecedented number of first-time retail investors to become our users and begin trading on our platform. We have seen substantial growth in our user base, retention, engagement and trading activity metrics, as well as continued gains and periodic all-time highs achieved by the equity markets.

Net interest revenues

Net interest revenues increased by $106.8 million, or 151%, for the year ended December 31, 2020, compared to the year prior. The increase was primarily due to higher interest revenues earned through securities lending activities and on margin loans to users, offset by lower interest revenue earned on segregated cash and securities, and increased interest expense related to our revolving credit facilities.

Net interest revenues earned from securities lending transactions increased $91.8 million as we grew our securities lending program, which benefited from higher returns on hard-to-borrow securities. Securities loaned increased 185%, to $1.9 billion, while securities borrowed remained flat at $0.4 million. Interest revenue earned on margin borrowings increased by $47.7 million due to an increase in both the number of margin borrowers and average per-user margin balance. Interest revenue earned on segregated cash and securities balances decreased $22.9 million due to the decrease in the Federal Reserve's benchmark target rate to near zero.

Other revenues

Other revenues increased by $25.2 million, or 70%, for the year ended December 31, 2020, compared to the year prior. The increase was primarily due to an increase in subscribers to Robinhood Gold and higher proxy rebate revenue resulting from the growth in our user base.

Operating Expenses

(in thousands, except for percentages)	Year Ended December 31, 2019	2020	% Change
Operating expenses:			
Brokerage and transaction	$ 45,459	$ 111,083	144 %
Technology and development	94,932	215,630	127 %
Operations	33,869	137,905	307 %
Marketing	124,699	185,741	49 %
General and administrative	85,504	294,694	245 %
Total operating expenses	$ 384,463	$ 945,053	146 %
Percent of net revenues:			
Brokerage and transaction	16 %	12 %	
Technology and development	34 %	22 %	
Operations	12 %	14 %	
Marketing	45 %	19 %	
General and administrative	31 %	31 %	
Total operating expenses	139 %	99 %	

Brokerage and transaction

Brokerage and transaction costs increased by $65.6 million, or 144%, for the year ended December 31, 2020, compared to the year prior. The increase was primarily due to an increase of $31.6 million in clearing fees, an increase of $10.5 million in regulatory fees, and an increase of $9.6 million in market data fees. The increases were in line with the growth in our user base and higher trading volumes on a per user basis.

Technology and development

Technology and development costs increased by $120.7 million, or 127%, for the year ended December 31, 2020, compared to the year prior. The increase was primarily due to an increase of $55.1 million in employee compensation and benefits, including share-based compensation, net of capitalized costs for internally developed software, as we continued to grow our engineering, data science, and design teams to support the growth of our user base and develop new products. We also experienced an increase of $54.0 million in costs for cloud infrastructure and other software services utilized in delivering our products.

Operations

Operations costs increased by $104.0 million, or 307%, for the year ended December 31, 2020, compared to the year prior. The increase was primarily due to an increase in provision for credit losses of $47.1 million, mainly driven by Fraudulent Deposit Transactions and, to a lesser extent, losses on margin borrowings, which have both increased with the growth of our user base. We also incurred additional compensation and benefits expense of $21.7 million for customer support and other operations employees as we more than tripled the number of our dedicated customer support professionals from the year prior. Costs related to third-party customer support vendors increased $21.3 million.

Marketing

Marketing costs increased by $61.0 million, or 49%, for the year ended December 31, 2020, compared to the year prior. Expenses associated with our Robinhood Referral Program increased $52.1 million and customer goodwill related to costs to remediate losses experienced by our users due to service interruptions and unauthorized activity on our platform increased $12.4 million.

General and administrative

General and administrative costs increased by $209.2 million, or 245%, for the year ended December 31, 2020, compared to the year prior. The increase was primarily due to a total of $101.6 million in certain legal settlements or reserves as discussed in Note 13 to our consolidated financial statements and elsewhere in this prospectus, an increase of $67.5 million in professional fees and an increase of $40.9 million in compensation and benefits, excluding share-based compensation, for general and administrative personnel. The increase was partially offset by lower share-based compensation of $11.1 million related to the 2020 Tender Offer as compared to the 2019 Tender Offer.

Provision for (Benefit from) Income Taxes

	Year Ended December 31,		
(in thousands, except for percentages)	2019	2020	% Change
Provision for (benefit from) income taxes	$ (1,018)	$ 6,381	NM

Provision for income taxes increased by $7.4 million, for the year ended December 31, 2020, compared to the year ended December 31, 2019. The increase was primarily due to the growth of the business and the accrual of non-deductible regulatory settlements in 2020.

Quarterly Results of Operations

The following table sets forth our unaudited quarterly consolidated statements of operations data for each of the quarterly periods for the years ended December 31, 2019 and 2020. The unaudited quarterly statements of operations data have been prepared on the same basis as our audited consolidated financial statements included elsewhere in this prospectus and include all adjustments and reflect, in our opinion, all adjustments of a normal, recurring nature that are necessary for the fair statement of the results of operations for these periods. Our historical results are not necessarily indicative of the results that may be expected in the future. The results of a particular quarter or other interim period are not necessarily indicative of the results for a full fiscal year or any other period. The following unaudited quarterly consolidated results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus.

Quarterly Consolidated Statements of Operations

(in thousands)	Three Months Ended							
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020
Revenues:								
Transaction-based revenues	$ 33,851	$ 44,800	$ 48,841	$ 43,339	$ 95,631	$ 187,413	$ 201,807	$ 235,282
Net interest revenues	11,533	15,618	21,946	21,542	24,016	39,998	50,406	63,017
Other revenues	10,772	11,314	6,693	7,284	7,903	16,800	17,317	19,243
Total net revenues	56,156	71,732	77,480	72,165	127,550	244,211	269,530	317,542
Operating expenses:[1]								
Brokerage and transaction	8,225	11,142	12,713	13,379	20,404	28,612	31,444	30,623
Technology and development	16,304	18,239	29,580	30,809	33,205	44,971	55,491	81,963
Operations	6,058	8,984	7,436	11,391	21,813	30,464	40,962	44,666
Marketing	27,672	28,211	27,825	40,991	69,922	43,510	39,088	33,221
General and administrative	9,944	16,498	38,127	20,935	34,651	38,636	113,494	107,913
Total operating expenses	68,203	83,074	115,681	117,505	179,995	186,193	280,479	298,386
Other expense (income), net	107	115	280	155	143	(100)	45	(138)
Income (loss) before income tax	(12,154)	(11,457)	(38,481)	(45,495)	(52,588)	58,118	(10,994)	19,294
Provision for (benefit from) income taxes	(55)	(55)	(55)	(853)	(86)	534	(333)	6,266
Net income (loss)	$ (12,099)	$ (11,402)	$ (38,426)	$ (44,642)	$ (52,502)	$ 57,584	$ (10,661)	$ 13,028

(1) Includes share-based compensation expense as follows:

	Three Months Ended							
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020
Brokerage and transaction	$ 24	$ 15	$ 375	$ 13	$ 6	$ 6	$ 6	$ 209
Technology and development	991	1,002	5,971	1,535	1,716	824	992	14,492
Operations	24	21	80	14	10	8	5	38
Marketing	9	8	59	9	8	7	40	558
General and administrative	402	431	13,682	2,002	672	520	528	3,685
Total share-based compensation expense	$ 1,450	$ 1,477	$ 20,167	$ 3,573	$ 2,412	$ 1,365	$ 1,571	$ 18,982

Quarterly Consolidated Statements of Operations, as a percentage of revenue

	Three Months Ended							
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020
Revenues:								
Transaction-based revenues	60 %	62 %	63 %	60 %	75 %	77 %	75 %	74 %
Net interest revenues	21 %	22 %	28 %	30 %	19 %	16 %	19 %	20 %
Other revenues	19 %	16 %	9 %	10 %	6 %	7 %	6 %	6 %
Total net revenues	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Operating expenses:								
Brokerage and transaction	15 %	16 %	16 %	19 %	16 %	12 %	12 %	10 %
Technology and development	29 %	25 %	38 %	43 %	26 %	18 %	21 %	26 %
Operations	11 %	13 %	10 %	16 %	17 %	12 %	15 %	14 %
Marketing	49 %	39 %	36 %	57 %	55 %	18 %	15 %	10 %
General and administrative	17 %	23 %	49 %	28 %	27 %	16 %	41 %	34 %
Total operating expenses	121 %	116 %	149 %	163 %	141 %	76 %	104 %	94 %
Other expense (income), net	1 %	— %	1 %	— %	— %	— %	— %	— %
Income (loss) before income tax	(22)%	(16)%	(50)%	(63)%	(41)%	24 %	(4)%	6 %
Provision for (benefit from) income taxes	— %	— %	— %	(1)%	— %	— %	— %	2 %
Net income (loss)	(22)%	(16)%	(50)%	(62)%	(41)%	24 %	(4)%	4 %

Quarterly Trends

Transaction-based revenues

Transaction-based revenues have generally increased sequentially in each of the periods presented, other than the fourth quarter of 2019, due to growth in our user base which resulted in higher trading volume on a per-user basis. In the first half of 2020, we saw a significant increase in the number of new accounts opened by first-time investors, as a result of increased interest in personal finance and investing, low interest rates and a positive market environment, especially in the U.S. equity markets. Throughout the remainder of 2020, we maintained substantial growth in our user base, retention, engagement and trading activity metrics, as well as gains and periodic all-time highs achieved by the equity markets.

Net interest revenues

Net interest revenues have generally increased sequentially in each of the periods presented, other than the fourth quarter of 2019, due to continued growth of our securities lending activities and increases in both the number of margin borrowers and average per-user margin balance.

Other revenues

On a quarterly basis, other revenues generally increased in 2020 compared to the corresponding quarterly periods of 2019 primarily due to an increase in subscribers to Robinhood Gold and higher proxy rebate revenue as a result of the growth in our user base. The decrease in other revenues in the second half of 2019 was primarily due a change in the subscription fee structure for Robinhood Gold, from a tiered pricing model to a lower, flat-rate pricing model, effective as of the second quarter of 2019. Proxy rebate revenue is impacted by seasonality, with the second quarter historically the strongest as that coincides with a large number of shareholder meetings.

Brokerage and transactions

Brokerage and transaction costs have generally increased sequentially in each of the periods presented, other than the fourth quarter of 2020, which benefited from decreases in certain regulatory fee rates. The increases were primarily driven by higher clearing fees, regulatory fees and market data fees due to growth in our user base and higher trading volumes.

Technology and development

Technology and development costs increased sequentially in each of the periods presented. The increases were primarily driven by higher employee compensation and benefits as we continued to grow our engineering, data science and design teams. We also experienced increases in costs for cloud infrastructure and other software services utilized in delivering our products. The third quarter of 2019 and the fourth quarter of 2020 included share-based compensation related to the 2019 and 2020 Tender Offers.

Operations

Operations costs have generally increased sequentially in each of the periods presented, other than the third quarter of 2019. The increases were primarily due to increases in provision for credit losses, mainly driven by Fraudulent Deposit Transactions and to a lesser extent, losses on margin borrowings, both of which have generally increased every quarter due to the growth of our user base. Additionally, operations costs increased due to our increased investments in enhancing the support experience for our users.

Marketing

Marketing costs increased sequentially through the first quarter of 2020, which was followed by sequential decreases through the fourth quarter of 2020. The increases were primarily driven by expenses associated with the Robinhood Referral Program and paid digital and broad-scale advertising. Marketing costs trended downward after the first quarter of 2020 as we strategically focused our marketing efforts through the Robinhood Referral Program, which generally has lower direct expense rates as compared to other marketing methods.

General and administrative

General and administrative costs have generally increased sequentially in each of the periods presented, other than the fourth quarter of 2019, primarily due to higher professional fees and compensation and benefits for general and administrative personnel to support the growth of our business. The third quarter of 2020 included a $65.0 million legal settlement and the fourth quarter of 2020 included a $36.6 million legal reserve as discussed in Note 13 to our consolidated financial statements and elsewhere in this prospectus.

Liquidity and Capital Resources

Since inception, we have financed operations primarily through issuances of preferred stock, borrowings from credit facilities and cash flow from operating activities.

As of December 31, 2020, our primary sources of liquidity were our cash and cash equivalents of $1.4 billion and our revolving credit facilities. In February 2021, we issued two tranches of convertible notes, consisting of $2.53 billion aggregate principal amount of Tranche I convertible notes, as well as related warrants to purchase our equity securities with an aggregate maximum purchase price of $379.8 million, and $1.02 billion aggregate principal amount of Tranche II convertible notes. Unless earlier converted, upon the closing of this offering, the convertible notes will automatically convert into shares of our common stock at a conversion price equal to the lower of (i) 70% of the cash price per share paid by

investors in this offering and (ii) $38.29 (in the case of the Tranche I convertible notes) or $42.12 (in the case of the Tranche II convertible notes). Interest on the convertible notes accrues at 6% per annum and is payable in kind. For more information about our convertible notes and our warrants, see “Certain Relationships and Related Person Transactions—Convertible Note and Warrant Financings.” Based on our current level of operations, we believe our available cash, available borrowings, and cash provided by operations will be adequate to meet our future liquidity needs for more than the next 12 months. Our future capital requirements will depend on many factors, including but not limited to, our growth rate, headcount, sales and marketing activities, research and development efforts, capital expenditures, the introduction of new products and offerings, and potential merger and acquisition activity, other strategic initiatives, volatility in the market or in certain securities and trading volume of our customers. We may be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, results of operations, and financial condition. See “Risk Factors—Risks Related to Our Business—*We may require additional capital to satisfy our liquidity needs and support business growth and objectives, and this capital might not be available to use on reasonable terms, if at all, may result in stockholder dilution, and may be delayed or prohibited by applicable regulations.”*

Credit Facilities

In October 2019, we entered into a $200.0 million committed and unsecured revolving line of credit with a syndicate of banks (the “October 2019 Credit Facility”) maturing in October 2023. In October 2020, we amended the October 2019 Credit Facility and, among other things, increased the aggregate committed and unsecured revolving line of credit amount to $600.0 million with a maturity date of October 29, 2024. Loans under the October 2019 Credit Facility bear interest, at our option, at a per annum rate of either (a) the Eurodollar Rate plus 1.00% or (b) the Alternative Base Rate. The Eurodollar Rate is equal to the Eurodollar Base Rate, which is derived from London Interbank Offered Rate (“LIBOR”), multiplied by the Statutory Reserve Rate at the applicable time. The Alternative Base Rate is the greatest of (i) the prime rate then in effect, (ii) the Federal Reserve Bank of New York rate then in effect plus 0.50% and (iii) the Eurodollar Rate at such time for a one month interest period plus 1.00%. If LIBOR is unavailable or if we and the administrative agent elect, the Eurodollar Rate will be replaced by a rate calculated with reference to the Secured Overnight Financing Rate as set forth in the October 2019 Credit Facility agreement or an alternate benchmark rate selected by us and the administrative agent. There were no outstanding borrowings under the October 2019 Credit Facility at December 31, 2020 and 2019. Additionally, we are obligated to pay a commitment fee calculated as a per annum rate equal to 0.10% on any unused amount of the October 2019 Credit Facility.

In September 2019, we entered into a $400.0 million committed and secured line of credit with a maturity date of September 25, 2020 (the “September 2019 Credit Facility”). In June 2020, we amended the September 2019 Credit Facility and increased the aggregate committed and secured revolving line of credit amount to $550.0 million with a maturity date of June 5, 2021. This line of credit is primarily collateralized by users’ securities held as collateral for users’ margin loans. Interest for this line of credit is determined at the time a loan is initiated and the applicable interest rate under this line of credit is calculated as a per annum rate equal to 1.25% plus the federal funds rate at the applicable time. There were no outstanding borrowings under the September 2019 Credit Facility at December 31, 2020 and 2019. Additionally, we are obligated to pay a commitment fee calculated as a per annum rate equal to 0.35% on any unused amount of the credit facility.

In June 2019, we entered into a $250.0 million committed and secured line of credit with a maturity date of June 12, 2020 (the “June 2019 Credit Facility”). This line of credit was primarily collateralized by users’ securities held as collateral for users’ margin loans. Interest for this line of credit was determined at the time a loan was initiated and the applicable interest rate was calculated as a per annum rate equal to 1.25% plus the federal funds rate at the applicable time. Additionally, we were obligated to pay a

commitment fee calculated as a per annum rate equal to 0.35% on any unused amount of the credit facility. The June 2019 Credit Facility was terminated in September 2019.

The agreements for the October 2019 Credit Facility and the September 2019 Credit Facility contain customary covenants restricting our ability to incur debt, incur liens and undergo certain fundamental changes. We were in compliance with all covenants under these facilities as of December 31, 2020 and 2019.

Cash Flows

The following table summarizes our cash flow activities:

	Year Ended December 31,	
(in thousands)	**2019**	**2020**
Cash provided by (used in):		
Operating activities	$ 1,260,085	$ 1,876,254
Investing activities	(12,312)	(32,330)
Financing activities	375,350	1,275,883

For the years ended December 31, 2020 and 2019, cash flows provided by operating activities were $1,876.3 million and $1,260.1 million. Our net income of $7.4 million and net loss of $106.6 million were adjusted for non-cash charges, primarily consisting of share-based compensation expenses of $24.3 million and $26.7 million and provision for credit losses of $59.1 million and $11.1 million. The net changes in operating assets and liabilities were primarily the result of increases of $3,532.1 million and $802.8 million in payable to users and increases of $1,247.1 million and $674.0 million in securities loaned, offset by increases of $2,772.0 million and $64.7 million in receivable from users, net and increases of $103.0 million and $85.5 million in deposits with clearing organizations. The net change in operating assets and liabilities for the year ended December 31, 2020 was also due to an increase of $135.0 million in segregated securities under federal and other regulations.

For the years ended December 31, 2020 and 2019, cash flows used in investing activities were $32.3 million and $12.3 million, which primarily consisted of $24.4 million and $7.3 million in purchases of property, software and equipment and $7.9 million and $5.2 million in capitalization of internally developed software.

For the years ended December 31, 2020 and 2019, cash flows provided by financing activities were $1,275.9 million and $375.4 million, which primarily consisted of $1,267.3 million and $372.7 million in proceeds from issuance of redeemable convertible preferred stock, net of issuance costs. We also drew and repaid $937.7 million and $137.0 million on our credit facilities.

Regulatory Capital Requirements

Our broker-dealer subsidiaries are subject to the SEC Uniform Net Capital Rule (Rule 15c3-1 under the Exchange Act), administered by the SEC and the FINRA, which requires the maintenance of minimum net capital, as defined. Net capital and the related net capital requirements may fluctuate on a daily basis. RHS and RHF compute net capital under the alternative method as permitted by SEC Rule 15c3-1.

The table below summarizes the net capital, capital requirements and excess net capital of RHS and RHF as of December 31, 2020:

(in thousands)	Net Capital	Required Net Capital	Net Capital in Excess of Required Net Capital
RHS	$ 554,391	$ 67,575	$ 486,816
RHF	154,168	250	153,918

Additionally, in January and February 2021, we received gross proceeds of $3.55 billion from the issuance of two tranches of convertible notes and related warrants, of which an aggregate of $2.0 billion was contributed to RHS in the first quarter of 2021. Pursuant to Rule 15c3-1 of the Exchange Act, capital contributed to RHS and included in RHS's net capital calculation may generally not be withdrawn from RHS for one year from the time of contribution. For more information about the convertible note and warrant financing, see "Certain Relationships and Related Person Transactions—Convertible Note and Warrant Financings." For more information about regulation of our broker-dealer entities, see "Business—Regulation—Brokerage Regulation and Regulatory Capital and Deposit Requirements."

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2020. The amount of the obligations presented in the table summarizes our commitments to settle contractual obligations in cash as of the dates presented.

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in thousands)				
Operating lease commitments	$ 72,872	$ 12,159	$ 30,369	$ 20,620	$ 9,724
Non-cancelable purchase commitments	135,591	79,350	55,574	667	—
Total contractual obligations	$ 208,463	$ 91,509	$ 85,943	$ 21,287	$ 9,724

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet financing arrangements, as defined in Regulation S-K, that have or are reasonably likely to have a current or future material effect on our financial condition, changes in our financial condition, revenue, or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Recent Accounting Pronouncements

For a discussion of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted, see Note 2 to our consolidated financial statements included elsewhere in this prospectus.

Quantitative and Qualitative Disclosures About Market Risk

Market risk generally represents the risk of loss that may result from the potential change in the value of a financial instrument as a result of fluctuations in interest rates and market prices. Information relating to quantitative and qualitative disclosures about these market risks is described below.

Interest Rate Risk

We had no outstanding debt as of December 31, 2020.

Our exposure to changes in interest rates relates primarily to interest earned on our cash and cash equivalents and segregated cash under federal and other regulations. We use a net interest sensitivity analysis to evaluate the effect that changes in interest rates might have on pre-tax income. The analysis assumes that the asset and liability structure of our consolidated balance sheet would not be changed as a result of a simulated change in interest rates. The results of the analysis based on our financial position as of December 31, 2020, indicate that a hypothetical 100 basis point increase or decrease in interest rates would not have a material effect on our financial results. Our measurement of interest rate risk involves assumptions that are inherently uncertain and, as a result, cannot precisely estimate the impact of changes in interest rates on net interest revenues. Actual results may differ from simulated results due to balance growth or decline and the timing, magnitude, and frequency of interest rate changes, as well as changes in market conditions and management strategies, including changes in asset and liability mix.

Market-related Credit Risk

We are indirectly exposed to equity securities risk in connection with securities collateralizing margin receivables, as well as risk related to our securities lending activities. We manage risk on margin and securities-based lending by requiring customers to maintain collateral in compliance with internal and, as applicable, regulatory guidelines. We monitor required margin levels daily and require our customers to deposit additional collateral, or to reduce positions, when necessary. We continuously monitor customer accounts to detect excessive concentration, large orders or positions, and other activities that indicate increased risk to us. We manage risks associated with our securities lending activities by requiring credit approvals for counterparties, by monitoring the market value of securities loaned and collateral values for securities borrowed on a daily basis and requiring additional cash as collateral for securities loaned or return of collateral for securities borrowed when necessary, and by participating in a risk-sharing program offered through the OCC.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, and other assumptions we believe to be reasonable under the circumstances, which together form the basis for making judgments about the carrying values of assets and liabilities. We regularly assess these estimates; however, actual amounts could differ from those estimates.

An accounting policy is considered to be critical if the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the effect of the estimates and assumptions on financial condition or operating performance. The accounting policies we believe to reflect our more significant estimates, judgments and assumptions that are most critical to understanding and evaluating our reported financial results are described below. For further information, see Note 1 to our consolidated financial statements included elsewhere in this prospectus.

Revenue Recognition

We earn our revenues primarily from transaction-based revenues from routing user orders for options, equities and cryptocurrencies to executing brokers when the performance obligation is satisfied, which is at the point in time when a routed order is executed by the executing broker. The transaction price for options is on a per contract basis, while for equities it is primarily based on the bid-ask spread of the underlying trading activity. For cryptocurrencies, the transaction price is a fixed percentage of the notional order value. For each trade type, all executing brokers pay the same transaction price. Payments are collected monthly in arrears from each executing broker.

Share-based Compensation

Stock Options

We estimate the fair value of stock options granted to employees and directors using the Black-Scholes option-pricing model. The fair value of stock options is recognized as compensation on a straight-line basis over the requisite service period. Forfeitures are accounted for when they occur.

The Black-Scholes option-pricing model incorporates various assumptions in estimating the fair value of stock-based awards. These variables include:

Fair value of our common stock—Because our common stock is not yet publicly traded, we must estimate the fair value of our common stock. Our board of directors considers numerous objective and subjective factors to determine the fair value of our common stock as discussed in "—Common Stock Valuations" below.

Expected volatility—Expected volatility is a measure of the amount by which the stock price is expected to fluctuate. Since we do not have sufficient trading history of our common stock, we estimate the volatility of our common stock on the date of grant based on the weighted-average historical stock price volatility of comparable publicly-traded companies over a period equal to the expected term of the award.

Expected term—We determine the expected term based on the average period the stock options are expected to remain outstanding using the simplified method, generally calculated as the midpoint of the stock options' vesting term and contractual expiration period, as we do not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

Risk-free interest rate—Based on the U.S. Treasury yield curve that corresponds with the expected term at the time of grant.

Expected dividend yield—We utilize a dividend yield of 0% as we have not paid, and do not anticipate paying, dividends on our common stock.

Assumptions used in valuing non-employee stock options are generally consistent with those used for employee stock options with the exception that the expected term is over the contractual life.

Performance-based RSUs

We have granted RSUs that vest upon the satisfaction of both time-based service and performance-based conditions. The fair value of these RSUs is estimated based on the fair value of our common stock on the date of grant. The time-based service condition for these awards is generally satisfied over four years. The performance-based conditions are satisfied upon the occurrence of a qualifying event, defined as the earlier of (i) the closing of certain, specific liquidation or change in control transactions, or (ii) an initial public offering ("IPO"). We record share-based compensation expense for performance-

based equity awards on an accelerated attribution method over the requisite service period, and only if performance-based conditions are considered probable to be satisfied. As of December 31, 2019 and 2020, we had not recognized share-based compensation for awards with performance-based conditions because the qualifying event described above had not occurred and, therefore, could not be considered probable. In the period in which our qualifying event is probable, we will record a cumulative one-time share-based compensation expense determined using the grant-date fair values. Share-based compensation related to remaining time-based service after the qualifying event will be recorded over the remaining requisite service period.

Market-Based RSUs

We have granted RSUs that vest upon the satisfaction of all the following conditions: time-based service conditions, performance-based conditions, and market-based conditions. The time-based service condition for these awards generally is satisfied over six years. The performance-based conditions are satisfied upon the occurrence of a qualifying event, as described above. The market-based conditions are satisfied upon our achievement of specified initial public offering prices. See “Executive Compensation—Narrative Description of Executive Compensation Arrangements” for more information about the vesting conditions of our outstanding RSUs.

For market-based awards, we determine the grant-date fair value utilizing a Monte Carlo valuation model, which incorporates various assumptions including expected stock price volatility, expected term, risk-free interest rates, expected date of a qualifying event, and expected capital raise percentage. We estimate the expected term based on various exercise scenarios, as these awards are not considered “plain vanilla.” We estimate the expected date of a qualifying event based on our expectation at the time of measurement of the award’s value.

We record share-based compensation expense for market-based equity awards on an accelerated attribution method over the requisite service period, and only if performance-based conditions are considered probable to be satisfied. We determine the requisite service period by comparing the derived service period to achieve the market-based condition and the explicit time-based service period, using the longer of the two service periods as the requisite service period. As of December 31, 2019 and 2020, we had not recognized share-based compensation expense for awards with performance-based conditions because the qualifying event described above had not occurred and, therefore, could not be considered probable. In the period in which our qualifying event is probable, we will record a cumulative one-time share-based compensation expense determined using the grant-date fair values.

Common Stock Valuations

Prior to this offering, given the absence of a public trading market for our common stock and in accordance with the American Institute of Certified Public Accountants Accounting and Valuation Guide, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, our board of directors exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of fair value of our common stock. These factors included:

- independent third-party valuations of our common stock;
- the prices paid for common or convertible preferred stock sold to third-party investors by us and prices paid in secondary transactions, including any tender offers;
- the rights, preferences and privileges of our redeemable convertible preferred stock relative to those of our common stock;
- our financial condition, results of operations, and capital resources;
- the industry outlook;

- the valuation of comparable companies;
- the lack of marketability of our common stock;
- the likelihood of achieving a liquidity event, such as an IPO or a sale of our company, given prevailing market conditions;
- the history and nature of our business, industry trends, and competitive environment; and
- general economic outlook including economic growth, inflation, unemployment, interest rate environment, and global economic trends.

Our board of directors determined the fair value of our common stock by first determining the enterprise value of our business, and then allocating the value among the various classes of our equity securities to derive a per share value of our common stock. The enterprise value of our business was primarily estimated by reference to the closest round of equity financing or tender transaction preceding the date of the valuation. In a few cases, we also utilized the income or market approaches.

The income approach estimates enterprise value based on the estimated present value of future cash flows the business is expected to generate over its remaining life. The estimated present value is calculated using a discount rate reflective of the risks associated with an investment in a similar company in a similar industry or having a similar history of revenue growth. The market approach estimates value based on a comparison of the subject company to comparable public companies. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial forecasts to estimate the value of the subject company.

In allocating the enterprise value of our business among the various classes of stock prior, we primarily used the option pricing method ("OPM"), which models each class of stock as a call option with a unique claim on our assets. After the allocation to the various classes of stock, a discount for lack of marketability ("DLOM"), is applied to arrive at a fair value of the common stock. A DLOM is meant to account for the lack of marketability of a stock that is not traded on public exchanges.

In addition, we also considered any secondary transactions involving our capital stock. In our evaluation of those transactions, we considered the facts and circumstances of each transaction to determine the extent to which they represented a fair value exchange and assigned the transactions an appropriate weighting in the valuation of our common stock. Factors considered include the number of different buyers and sellers, transaction volume, timing relative to the valuation date, whether the transactions occurred between willing and unrelated parties, and whether the transactions involved investors with access to our financial information.

Application of these approaches involves the use of estimates, judgments, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses and future cash flows, discount rates, market multiples, the selection of comparable companies, and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

Following this offering, it will not be necessary to determine the fair value of our common stock, as our shares will be traded in the public market.

Loss Contingencies

We are subject to claims and lawsuits in the ordinary course of business, including arbitration, class actions and other litigation, some of which include claims for substantial or unspecified damages. We are also the subject of inquiries, investigations, and proceedings by regulatory and other governmental agencies. We review our lawsuits, regulatory inquiries and other legal proceedings on an ongoing basis and provide disclosures and record loss contingencies in accordance with the loss contingencies accounting guidance. We establish an accrual for losses at management's best estimate when we assess that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. We monitor these matters for developments that would affect the likelihood of a loss and the accrued amount, if any, and adjust the amount as appropriate.

Income Taxes

Income tax expense is an estimate of current income taxes payable in the current fiscal year based on reported income before income taxes. Deferred income taxes reflect the effect of temporary differences and carryforwards that we recognize for financial reporting and income tax purposes at enacted tax rates expected to be in effect when taxes are actually paid or recovered.

We account for income taxes under the liability approach for deferred income taxes, which requires recognition of deferred income tax assets and liabilities for the expected future tax consequences of events that have been recognized in our consolidated financial statements, but have not been reflected in our taxable income. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent we believe that they will not be realized. We consider many factors when assessing the likelihood of future realization of our deferred tax assets including, but not limited to, historical cumulative loss experience and expectations of future earnings, tax planning strategies, and the carry-forward periods available for tax reporting purposes. Our judgment regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute business plans and/or tax planning strategies. Should there be a change in the ability to recover deferred tax assets, our tax provision would increase or decrease in the period in which the assessment is changed.

We recognize a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized. We account for uncertain tax positions, including net interest and penalties, as a component of income tax expense or benefit. We make adjustments to these uncertain tax positions in accordance with applicable income tax guidance and based on changes in facts and circumstances. To the extent that the final tax outcome of these matters is different from the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact to our consolidated financial statements and operating results.

“It is an interesting thing for me to add the dimension of Robinhood, which is a finger on the pulse of the very important part of how this country works.”

Robinhood Customer

Business

BUSINESS

Our Mission

Our mission is to **democratize finance for all**.

Who We Are

Robinhood was founded on the belief that everyone should be welcome to participate in our financial system. We are creating a modern financial services platform for everyone, regardless of their wealth, income or background.

The stock market is widely recognized as one of the greatest wealth creators of the last century. But systemic barriers to investing have dissuaded millions of people from feeling welcome or taking part. Investing has long required expensive commissions to place trades, making it impractical for people with smaller balances to participate. In addition, many were unable to satisfy minimum account balance requirements, or were otherwise uncomfortable walking into a financial institution to complete paperwork or answer jargon-filled questions they did not understand. Investing can also seem unfamiliar, complex and confusing. Even when traditional brokerages moved their offerings online, we believe their product experiences were intimidating. Robinhood has set out to change this.

Robinhood is democratizing finance for all. We use technology to deliver a new way for people to interact with the financial system. We believe investing should be familiar and welcoming, with simple design and intuitive interface, so that customers are empowered to achieve their goals. We started with a revolutionary, bold brand and design, and the Robinhood app now makes investing approachable for millions. We pioneered commission-free stock trading with no account minimums that the rest of the industry emulated, and we have continued to build relationships with our customers by introducing new products that further expand access to the financial system. Through these efforts, we believe we have made investing culturally relevant and understandable, and that our platform is enabling our customers to become long-term investors and take greater control of their finances.

Customer feedback is at the heart of product development at Robinhood. In the early days, our founders would walk the campus of Stanford sharing product and design ideas and gathering real time feedback. Today, we continue this tradition in a programmatic way, seeking customer perspectives to inform our priorities and inspire our innovation. We want to understand our customers and their expectations, ambitions, fears and challenges. Their insights help us focus on what is important and this approach enables us to expand our offering centered on their needs. Many of our customers are new to investing, and we are encouraged to see them taking their first steps toward wealth creation. We have replaced confusing jargon with simplicity and slang. And our tools are delightful and engaging.

As of December 31, 2020, we had 12.5 million Net Cumulative Funded Accounts on our platform, and from January 1, 2015 to December 31, 2020, over half of the customers funding accounts on our platform told us that Robinhood was their first brokerage account. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Metrics” for a definition of “Net Cumulative Funded Accounts.”

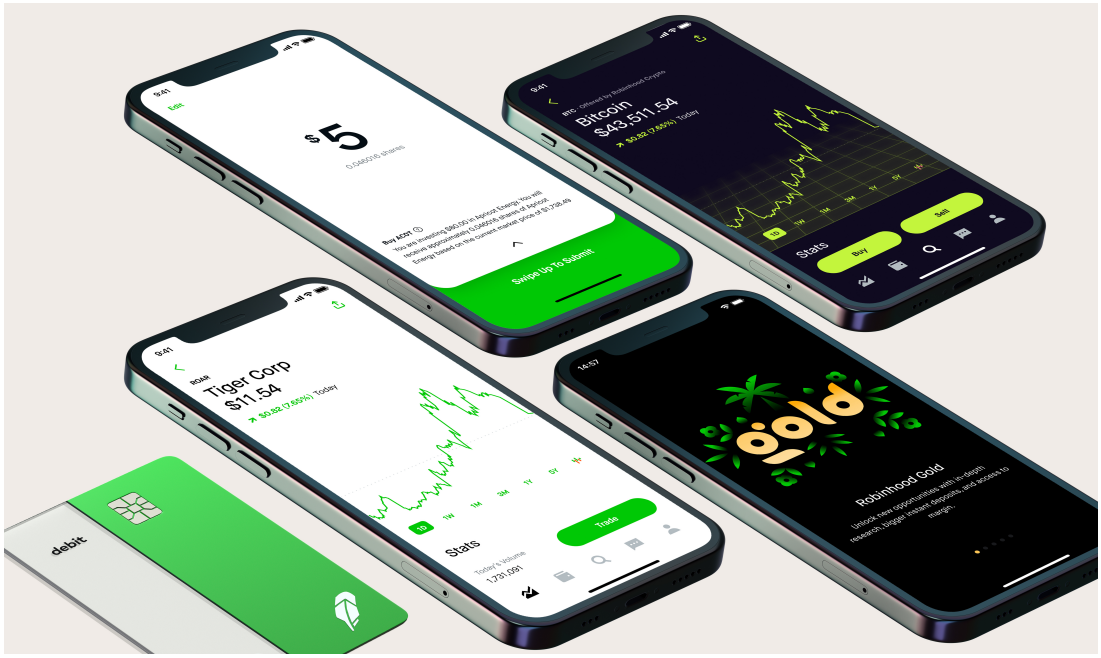
We have built a foundation for future development. With a focused team and appropriate regulatory approvals, we created our own clearing platform. Our platform is entirely cloud-based and built on proprietary, API-driven services to meet the needs of a fast-growing, mobile-first, modern financial institution. Our platform also enables a vertically integrated, end-to-end approach to product development, which helps us move faster from idea to creation, empowers us to better scale with the growth of our business and affords us better unit economics that we can share with our customers. Our

approach also provides increased internal visibility over clearing and settlement. We anticipate that our self-clearing platform will continue to position us well to further innovate for customers.

Education is core to accomplishing our mission. We believe access to easy-to-understand investment information and education is fundamental to expanding participation in the U.S. financial system. This is why we have created educational content for everyone, no matter where they are on their investing journey. That means jargon-free financial literacy resources and digestible financial news direct to customers. As of December 31, 2020, our Robinhood Snacks newsletter and podcast had more than 23 million subscribers, and the daily podcast was downloaded nearly 40 million times in 2020. Our library of financial literacy resources, Robinhood Learn, had more than 3.4 million page views in 2020, and unique visits to Robinhood Learn rose 310% from January to December in 2020.

Our platform, which began as a U.S. stock focused retail brokerage, currently offers:

- trading in U.S. listed stocks and ETFs, as well as related options and ADRs;
- cryptocurrency trading through our subsidiary, RHC, with seven different cryptocurrencies available for trading as of December 31, 2020;
- fractional trading, which enables all of our customers—regardless of budget—to build a diversified portfolio and access stocks previously out of reach;
- recurring investments, which help customers make investing routine and employ dollar-cost averaging;
- Cash Management, which includes Robinhood-branded debit cards and enables customers to save and spend by paying bills, writing checks, earning interest, withdrawing funds via ATMs and receiving FDIC pass-through insurance on cash swept from their brokerage account; and
- Robinhood Gold, our monthly paid subscription service that provides customers with premium features, such as enhanced instant access to deposits, professional research, Nasdaq Level II market data and, upon approval, access to margin investing.



We have seen an enthusiastic response from customers and are humbled by how often they share Robinhood with their families, friends and colleagues. This powerful word of mouth referral network has helped to rapidly grow our customer base. In 2020, our Net Cumulative Funded Accounts grew 143% to 12.5 million, with over 80% of new Funded Accounts in 2020 joining our platform organically or through the Robinhood Referral Program. For the monthly cohorts in the year ended December 31, 2019, our average revenue payback period was approximately 13 months, and for the monthly cohorts in the nine month period ended September 30, 2020, our average revenue payback period improved to less than six months. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Metrics” for definitions of “Funded Accounts” and “revenue payback period.”

For the year ended December 31, 2020, as compared to the year ended December 31, 2019:

- our total revenue grew 245% to $959 million, up from $278 million;
- we recorded net income of $7 million, compared to a net loss of $107 million; and
- our Adjusted EBITDA was $155 million, compared to negative $74 million.

Adjusted EBITDA is a non-GAAP financial measure. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for more information about Adjusted EBITDA, including the definition and limitations of such measure, and a reconciliation of net income (loss) to Adjusted EBITDA.

We innovate at the epicenter of finance, technology and access for all. As we look to the future, we want to help Robinhood customers manage all aspects of their financial lives in one place. We envision them moving seamlessly between investing, saving and spending all on the Robinhood platform. When we check our email, there is a go-to app. When we need a map, there is a go-to app. We envision a world in which Robinhood is that go-to app for money. We believe people want to build financial independence and have the tools and ability to own their financial well-being. We look forward to being our customers' single money app that enables them to achieve those goals.

Trends in Our Favor

Technology is Transforming Customer Expectations

Across industries, we have witnessed a movement toward products and brands that redefine the customer experience through technology. Today, people can get dinner delivered to their door with two taps on a smartphone, purchase groceries without ever setting foot in a store and conduct morning meetings with hundreds of colleagues from their homes. Innovative technology-based companies are challenging traditional norms and engaging people in new ways.

The nature of these experiences has rapidly advanced customer expectations and demands for intuitive, engaging and easy-to-use products. Brands that empower customers through these types of products are often propelled to cultural relevance. According to PwC, 73% of consumers worldwide point to customer experience as an important factor in their purchasing decisions, and 65% of U.S. consumers find a positive experience with a brand to be more influential than great advertising.

At the same time, smartphone usage has skyrocketed. Not only are smartphones essentially ubiquitous nationwide, they are a dominating force in consumers' lives. Companies that have been able to leverage mobile technology to deliver market-leading customer experiences continue to reshape legacy industry growth trends and create significant shareholder value.

Increasing Participation in the Financial Markets and the Rise of FinTech Companies

The U.S. stock market is one of the greatest sources of wealth creation in the world. Average historical returns on the S&P 500 amount to approximately 9% annually over the past 50 years. But this great wealth creator has remained out of reach for many individuals and families, while others have had better access, more useful tools and a clearer invitation to participate. That is beginning to change as more and more people are taking their financial lives into their own hands. There are many people still unserved, and we believe we are well placed to help build this momentum toward increased participation.

Since 2010, the S&P 500 has produced an average annual return of approximately 13%. That has coincided with a substantial increase in participation among retail investors seeking to improve their financial health. Retail investing now comprises roughly 20% of U.S. equity trading volume, doubling in the decade from 2010 to 2020. Yet, we believe there is still significant room for growth: according to a 2019 Pew Research survey, approximately 60% of all Americans still do not have investments outside of their retirement accounts, and, according to a 2020 Gallup poll, an even greater percentage of young adults aged 18 to 29—68%—have no money invested in the stock market at all.

FinTech companies offer customer experiences powered by modern and nimble infrastructure as well as intuitive customer interfaces, making these companies well-positioned to rapidly build and deploy innovative products that meet the expectations of the growing generation of digital consumers. This rapid product cycle has led to innovation across the FinTech landscape, with consumers increasingly looking to technology companies for financial products. Nearly two-thirds of Americans, according to a Harris Poll conducted in 2020, would consider purchasing or applying for financial products through a technology company's platform instead of a traditional financial services provider, and that figure increases to 81% for Americans aged 18 to 34.

Our Opportunity

Financial services underpin our daily lives. Activities such as investing, saving and spending are core financial activities that offer avenues for Robinhood to grow with our customers throughout their financial journey.

Our current retail brokerage, cryptocurrency trading and Cash Management offerings are the first step toward a comprehensive financial services platform.

- Our retail investing platform is currently our core product offering, one we have continued to expand since its launch in 2015. IBISWorld estimates the securities brokerage market in the United States to be greater than $150 billion in revenue, with approximately 54% of that attributed to our core customer base—retail investors. Additionally, from January 1, 2015 to December 31, 2020, over half of the customers funding accounts on our platform told us that Robinhood was their first brokerage account. Given that dynamic, we believe we are meaningfully expanding the size of the defined market—bringing in participants who would otherwise not be involved in the financial system. Expanding the universe of investors has been, and we expect will continue to be, a significant driver of our market-leading growth.

- Our cryptocurrency trading platform offers commission-free buying and selling of cryptocurrency through our subsidiary, RHC. From February 21, 2018, the day before we introduced cryptocurrency trading on our platform, to December 31, 2020, the total market capitalization of the cryptocurrency market has grown from approximately $450 billion to approximately $775 billion, driven by increased adoption of cryptocurrency trading by both retail and institutional investors, as well as continued growth of various non-investing use cases for crypto-assets. In addition, the worldwide daily average market volume of Bitcoin, which was the most traded cryptocurrency on our platform for the year ended December 31, 2020, was over $39 billion in December 2020, as compared to approximately $8 billion in February 2018. While future market size estimates for the cryptocurrency market are highly varied, the historical trend has been strongly supportive. We believe that growing interest and adoption of cryptocurrency will drive increased customer interest in our platform and that we have significant room to grow even within our current customer base.

- Our Cash Management product, which places uninvested customer cash with FDIC-insured banks and offers a competitive interest rate, is highly complementary to our brokerage offering and enhances our overall ecosystem. Cash Management also includes Robinhood-branded debit cards. The FDIC reports that there are over $1 trillion in brokered deposits in the U.S. banking system as of June 30, 2020. Debit interchange also represents an opportunity; the Nilson Report estimates that merchants paid total fees of nearly $24 billion to process debit and prepaid card transactions in 2019, the majority of which are interchange fees. While still a small proportion of our overall revenue, we believe continued adoption of our Cash Management product by existing customers, as well as increased adoption through the expansion of our customer base, will result in meaningful opportunities in the future.

We believe these current product offerings represent only the beginning. Our customers already trust us with their hard-earned cash and assets, positioning us as the first financial services relationship for many new investors and younger generations of investors. We see a significant opportunity to introduce innovative products to address our customers' future needs—including investing, saving, spending and borrowing—allowing us to grow with new and existing customers from our single money app.

Although we currently only operate in the United States and offer services only to U.S. citizens and permanent residents with a legal address within the United States or Puerto Rico, we believe there is also an important opportunity to democratize retail investing outside of the United States. Total global wealth outside of the United States, as of mid-2019, has been estimated at over $250 trillion, according to the Credit Suisse Research Institute. Even in brokerage alone, we believe our international market opportunity is very significant; as an example, based on Hardman & Co. research, as of early 2018, there were more than £2.5 trillion total assets in the United Kingdom addressable by investing platforms, but less than 30% of such assets were then served. Opportunities like this give us confidence that we can have a meaningful impact at driving increased access and market participation outside of the United States, and that the global opportunity for us to democratize finance for all is significant.

What Sets Us Apart

We have built a market-leading financial technology platform with an intuitive customer interface that has changed the landscape of retail investing. While we have already achieved significant growth, we believe we are well positioned to serve an increasing portion of the population and the broader financial services ecosystem.

Creative Product Design

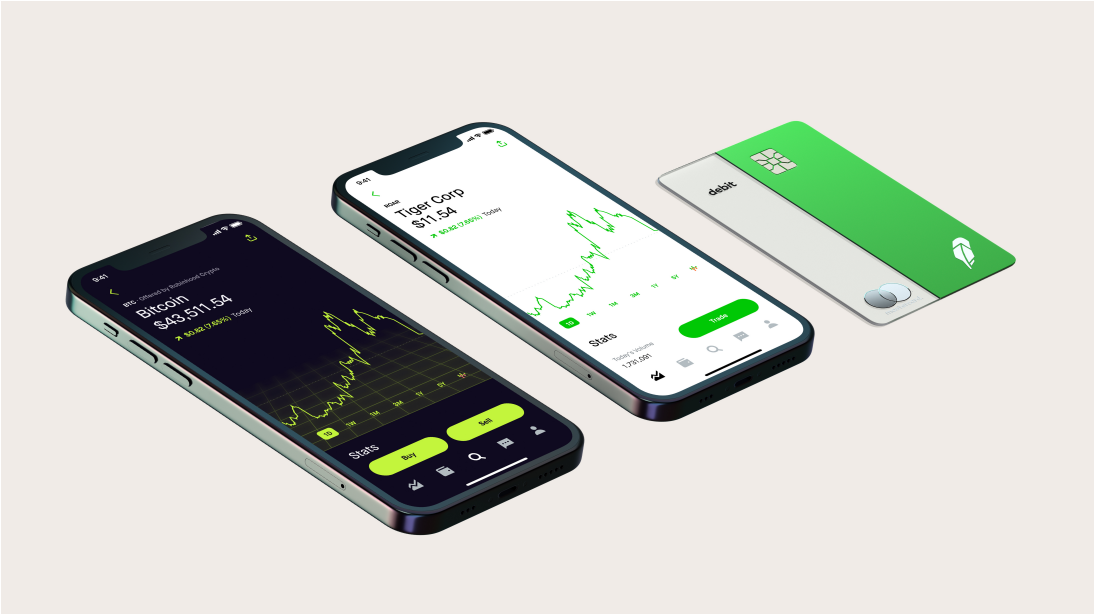
We believe archaic, cumbersome digital platforms reinforce legacy barriers to participation in the financial system. We put design at the center of our product with the goal of building long-term relationships with customers. We involve our talented product designers early and often throughout our product development process to create intuitive and elegant experiences that efficiently address our customers' needs. Our customer-centric approach has made our platform easy-to-use, informative and familiar in look and feel for a generation of mobile-first customers. For example, to make our customer experience both delightful and informative, we seamlessly integrate information into our platform through Robinhood Learn and our newsfeed, which offers free news from trusted sources including *Barron's*, *Reuters* and *The Wall Street Journa*l.

Our products are designed mobile-first, allowing us to offer attractive investing, spending and saving experiences as more people shift their daily financial services activities to the palm of their hands. This simplicity and ease of use has made Robinhood the go-to mobile investing experience, and in 2020 we garnered over half of all new app downloads among mobile investing and trading platforms in the United States (a group comprised of us, Etrade, Fidelity Investments, IBKR, M1 Finance, Schwab, TD Ameritrade, Thinkorswim, Vanguard and Webull) according to mobile data and analytics provider App Annie.

Category-Defining Brand

We believe Robinhood today is a symbol of retail investing and finance in America. By taking a fresh, people-centric approach and creating a delightful, engaging customer experience, we believe we have built a trusted, category-defining brand that has made investing socially relevant for the next generation.

The relationship we have built with our customers has led many to want to talk about Robinhood and share their experience with their friends and family. From Robinhood's inception, a vast majority of our growth has come directly from customers joining our platform organically or through the Robinhood Referral Program. This virality of Robinhood has continued—and even accelerated—since other major brokerages adopted our commission-free model beginning in October 2019. In 2020, over 80% of new Funded Accounts joined our platform organically or through the Robinhood Referral Program. The excitement around Robinhood demonstrates how our innovative approach to financial products has built deep, loyal customer relationships and positioned us well to continue attracting new people to our platform, and sharing new product experiences with our customers.



Financial Services at Internet Scale

Our people-centric approach has driven customer enthusiasm and engagement, resulting in rapid adoption of our products. We designed our platform to provide our customers with relevant, accessible information when they need it most. Being an investor involves following a regular cycle of events—news releases, earnings announcements, transaction executions—that create a regular cadence of content and information. We use our platform, from push notifications to widgets, to provide seamless customized updates to our customers. This engenders trust, creates enduring long-term relationships and has resonated with our customers.

During 2020, our daily customers (who made up over 40% of our MAUs each month on average) visited our app nearly seven times a day on average and engaged with us for a variety of reasons—to read the news, check their watch lists, manage their cash balances, make investments, and monitor their portfolios. That figure is approximately two to four times higher than other leading FinTech companies during the same time period. We have sustained this level of engagement at scale, with 12.5 million Net

Cumulative Funded Accounts as of December 31, 2020. We define our “daily customers” as our customers who make a debit card transaction, transition between two different screens on a mobile device or who load a page in a web browser, at any point during a given day. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Metrics” for a definition of “MAUs.”

What’s more, Robinhood customers are highly engaged with our platform across multiple products and services; by the end of 2020, a little over a year after it was introduced in 2019, two million of our customers adopted our Cash Management offering and more than three million of our customers have used our platform to trade fractional shares during 2020. Additionally, as of December 31, 2020, over 23 million people subscribe to Robinhood Snacks, our daily podcast was downloaded nearly 40 million times in 2020, and we had more than 3.4 million page views of our educational articles on Robinhood Learn in 2020. We believe our deep levels of customer trust and engagement, along with the 12.5 million Net Cumulative Funded Accounts on our platform as of December 31, 2020, position us well to continue to grow with our customers over time as we introduce new products and services.

Vertically Integrated Platform

We design our own products and services and deliver them through a single, app-based platform supported by proprietary technology that has been cloud-based from the start. Our subsidiary, RHF, is a licensed introducing broker-dealer, and our other broker-dealer subsidiary, RHS, is a licensed clearing broker-dealer. Our digitally-native technology stack also gives us control over our product development from end-to-end, enabling faster development times, better customer experiences, stronger unit economics, greater flexibility and a robust and dynamic risk management framework. Our vertically integrated platform has enabled us to rapidly introduce new products and services such as cryptocurrency trading, dividend reinvestment, fractional shares and recurring investments, while also supporting our ability to quickly scale, including onboarding millions of new customers during 2020.

Innovative and Compelling Business Model

We shattered paradigms of traditional financial services by building mobile-first products and services that our customers love to use, with no commission fees or account minimums, resulting in rapid growth and strong unit economics. Our strong brand and platform accessibility has created a network that has enabled us to onboard millions of customers with minimal marketing. For the monthly cohorts in the year ended December 31, 2019, our average revenue payback period was approximately 13 months, and for the monthly cohorts in the nine month period ended September 30, 2020, our average revenue payback period improved to less than six months. Over time, our customers deepen their engagement and relationship with our platform, and our ability to grow with them results in attractive cohort economics, including a nearly three-fold increase in average revenues per user in the first 24 months for both our 2017 and 2018 annual cohorts. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Metrics” for definitions of “revenue payback period” and “cohort.”

Founder-Led, Passionate and Experienced Team

Robinhood was founded in 2013 by Vladimir Tenev and Baiju Bhatt. Our founders deeply believe that everyone should have access to the financial system. To execute on this mission, we have assembled a world-class executive leadership team that includes Chief Operating Officer Gretchen Howard, previously a Partner at CapitalG, Chief Financial Officer Jason Warnick, who was most recently VP of Finance and Chief of Staff to the Chief Financial Officer at Amazon, Chief Marketing and Communications Officer Christina Smedley, previously a VP of Marketing at Facebook, and Chief Legal Officer Daniel Gallagher, previously Chief Legal Officer at Mylan N.V. and SEC Commissioner from 2011 to 2015. See “Management” for more information on our executive leadership team.

Our Growth Strategies

We aim to serve our customers with existing product offerings, grow with our customers over time as they build their wealth and create new and innovative products that are relevant to new and existing customers. By doing so, we believe we will be able to continue to rapidly scale our customer base and maintain our market-leading customer engagement.

Continue Adding New Customers to Our Platform

We are simplifying how people interact with financial products, allowing new customers from all walks of life and generations to participate in the financial system. While we have established a strong brand and achieved significant growth to date, we believe we are still in the early stages of growth in our existing markets. For example, according to a 2019 Pew Research survey, approximately 60% of all Americans still do not have investments outside of their retirement accounts, and, according to a 2020 Gallup poll, an even greater percentage of young adults aged 18 to 29—68%—have no money invested in the stock market at all. Accordingly, we believe there remains a significant opportunity for us to continue growing our customer base as we attract new investors to financial markets.

Historically, the majority of our customers have joined organically or through the Robinhood Referral Program, with over 80% of our customers with new Funded Accounts in 2020 coming to us through these channels. We have achieved our growth with relatively little investment in traditional sales and marketing efforts, although we have done substantial in-market testing to determine how to most efficiently utilize paid channels. We plan to increase our marketing in the future and anticipate that our digital and paid marketing efforts will drive higher brand awareness that can further accelerate our growth.

Growing With Our Customers

Many of our customers are just beginning their financial journeys. As our customers grow their wealth, we believe they will continue to expand their relationship with our platform, providing an increased opportunity to meet their growing financial needs. The 25- to 40-year old population has experienced a rapid rise in net worth over the last decade (with average annual growth of approximately 30% since 2010), but today collectively comprises just 5% of total wealth within the United States, according to the Federal Reserve. This younger generation is poised to see its wealth expand in the coming years—Deloitte has projected that they will account for 16% of U.S. wealth by 2030—and participation in the markets will provide a critical opportunity as younger Americans grow their assets and build financial security for themselves and their families.

Continuing Product and Technology Innovation

We intend to continue to invest in our platform through four key areas: product innovation, educational content, technology and infrastructure improvements, and customer support. We seek to improve our existing products and introduce new products over time as we continue to solicit feedback from our customers on how best to address their financial needs. Importantly, we will continue to improve our educational offerings to equip our customers with the knowledge they need to participate in the financial system. As we scale and grow, we plan to further build upon our technology infrastructure to meet the increased activity on our platform. Finally, we will continue to improve our customer support functions as we scale, including continuing to scale phone-based support to more use cases as we grow.

Expanding Internationally

Although we currently only operate in the United States and offer services to only U.S. citizens and permanent residents with a legal address within the continental United States or Puerto Rico, we believe there is a significant opportunity for Robinhood to grow internationally. Over time, we intend to pursue a disciplined approach to international expansion, including into Europe and Asia.

Our Customers

We are empowering a new generation of financial consumers. Robinhood was built to make the financial system more friendly, approachable, and understandable to newcomers and experts alike. We have reached customers across the United States from a wide variety of social and economic backgrounds and, from January 1, 2015 to December 31, 2020, over half of the customers funding accounts on our platform told us that Robinhood was their first brokerage account. We see evidence that most of our customers are primarily buy-and-hold investors, and the vast majority of our customers are not considered to be “pattern day traders” as defined under FINRA rules. According to a paper published by the National Bureau of Economic Research, as market volatility increased in March 2020, Robinhood customers acted as a small but active market-stabilizing force, and their collective portfolios performed on par with standard academic benchmark models.

We take pride in the fact that we are expanding the market by welcoming new investors into the financial system and helping the next generation of investors build sound long-term investing, saving and spending habits. For example, as of December 31, 2020, approximately 70% of our AUC came from customers on our platform aged 18 to 39, and the median age of customers on our platform was 32. We continue to welcome an increasing proportion of women to our platform, having tripled the number of women on our platform at the end of 2020 as compared to 2019. Surveys also indicate that our customers are more racially diverse than customers at incumbent brokerages. Based on a representative sampling between September 2019 and December 2020, African-American investors represented 9% of Robinhood’s customer base, compared with just 2% at incumbent firms. Over the same period, Hispanic investors accounted for 19% of Robinhood’s customers, compared with 8% at incumbent firms. Meanwhile, stock ownership across the board is more diverse than it was a few years ago, according to Federal Reserve data. This is a promising trend that’s continued into the past year. Most new investors in 2020 were more likely to be racially and ethnically diverse than the investors who came before them, per research by the FINRA foundation and NORC at the University of Chicago.

We believe our customers have healthy financial habits beyond investing as well. According to data from Experian based on a sampling of approximately two million Funded Accounts in November 2020, approximately 65% of our customers with Funded Accounts have credit scores of prime or higher, and over 65% have debt to income ratios under 20%. Moreover, more than half of our customers who participated in a 2020 survey said that Robinhood helped motivate them to save money.

We regularly communicate with our customers—not just to provide support, but also to learn more about their experiences and insights, and to respond to their feedback about our products. This keeps us connected with customers and enables us to understand their expectations and the problems and opportunities they face financially. Listening to their stories, our customers tell us how Robinhood has changed their views about investing and has given them confidence to participate in the financial system.

Our Commitments and Responsibilities

We understand that millions of our customers are using Robinhood to enter the financial markets for the first time, and we take our responsibility to them seriously. We pursue strong, close working relationships with our regulators, and we believe the goals of our regulators and customers are aligned. We are passionate about operating Robinhood in a way that aligns with customer interests, applicable regulations, and with our own mission to democratize finance for all.

Our commitments to our customers include:

No Commission Fees. We believe that everyone should have equal access to financial markets. Regardless of how much money our customers intend to invest, they will not be subject to

account minimums or charged commissions to buy or sell stocks, ETFs, options or cryptocurrencies on Robinhood.

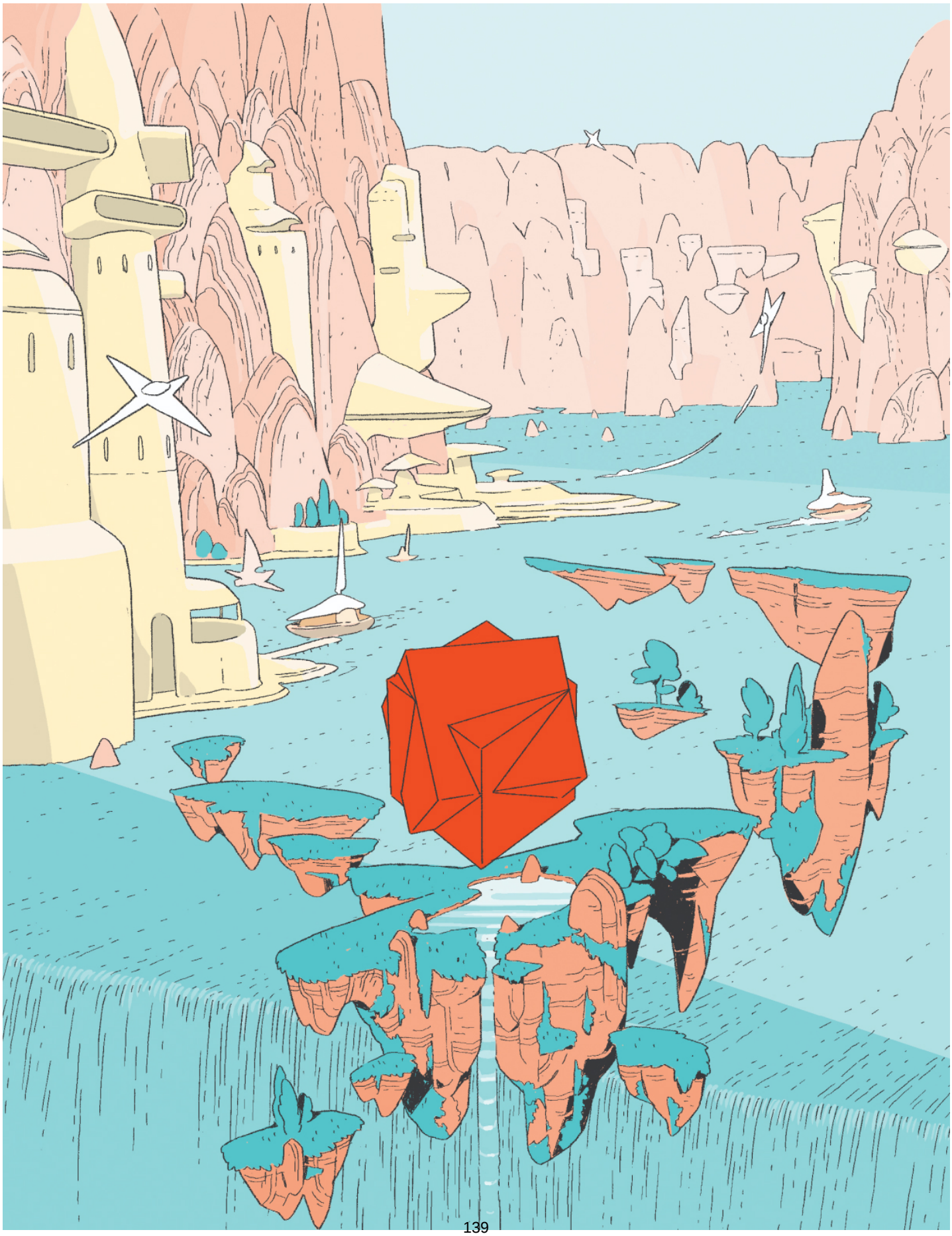

Quality Execution. We perform regular and rigorous reviews of the execution quality our customers receive from our securities market makers, including the execution price, speed and price improvement.


High Security Standards. We are committed to keeping our customers' accounts safe. We offer security tools, including two-factor authorization, and a promise to reimburse direct losses that happen due to unauthorized activity that is not the fault of our customer.


Extra Protection. RHF and RHS are members of Securities Investor Protection Corporation ("SIPC"), which protects against the loss of cash and securities of its members up to $500,000 (including $250,000 for claims for cash). In addition to SIPC protection, Robinhood provides its brokerage customers with additional "excess of SIPC" coverage, which provides an aggregate of $100 million of coverage—up to $1.5 million for cash and $10.0 million for securities per customer. Further, our Cash Management product places customer cash with FDIC-insured banks.


Dedicated Support. We aim to respond to our customers as quickly as possible to resolve issues swiftly and will continue to invest in expanding our customer support functions. We have a growing team of hundreds of registered financial representatives across the United States who are focused on one thing: our customers.


Transparency. We aim to operate a transparent business model. We currently dedicate a portion of our website to describing how we make money and we will continue to keep our customers informed about how we generate revenue.



Our Products

We believe our products can transform the relationship people have with the financial system. We began by offering our customers the ability to buy and sell equities on a mobile-first platform and have since continued to expand our offerings to add products and features that our customers try and love. Each capability we have added has been the result of a continuous focus on our customers' needs and feedback, which has guided our product development decisions throughout our history.

The core tenet of the Robinhood offering—expanding access to our financial system through products that empower people to learn, participate, and grow—underpins each of our offerings. We remain focused on building the best products, and ultimately aim to be the single money app to serve all of our customers' financial needs.

Investing Solutions

Our platform allows our customers to invest commission-free in stocks, ETFs and options—all from their smartphone. We believe we have designed an elegant, intuitive investing interface that provides our customers with trading functionality and market information such as historical prices, valuation multiples, recent news, analyst ratings, and more. Stock and ETF trading is immediately available following our simple account onboarding process and funding. Through Robinhood Gold, our monthly paid subscription service, our customers can access premium features such as enhanced instant access to deposits, professional research, Nasdaq Level II market data and, upon approval, access to margin investing. Buying and selling of select cryptocurrencies is also available through RHC, as further described under "—Robinhood Crypto" below.

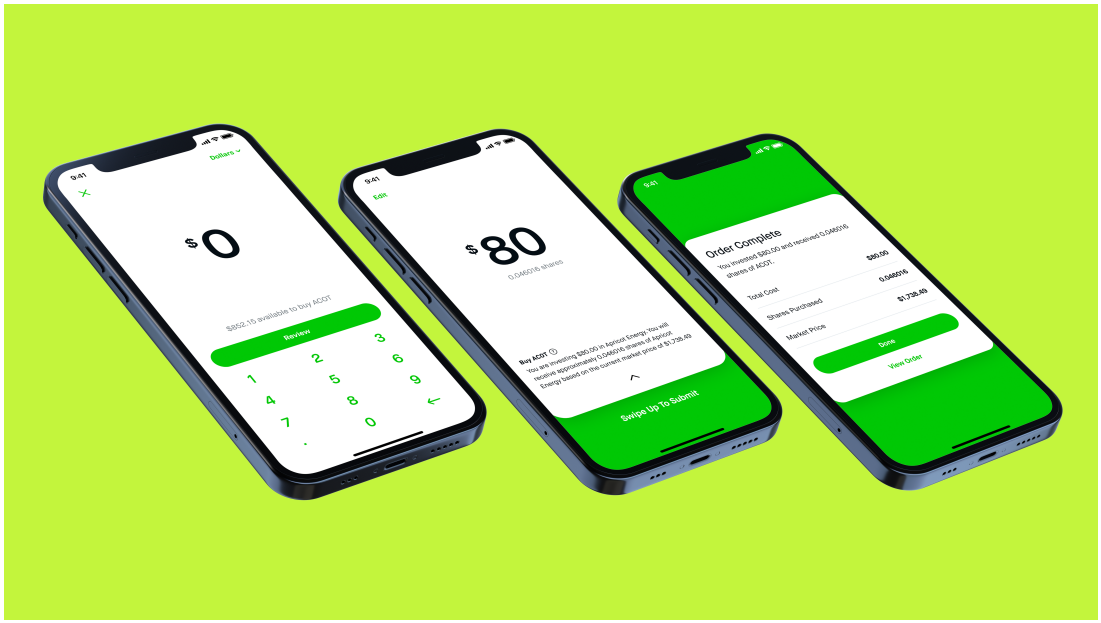
We review eligibility for our customers who wish to trade options, including disclosure of investment experience and knowledge, investment objectives and financial information. Subject to approval from Robinhood, customers can access basic options strategies (Level 2), which permits buying calls and puts and selling covered calls and puts, or more advanced options strategies (Level 3), which permits fixed-risk spreads (such as credit spreads and iron condors) and other advanced trading strategies, depending on their individually disclosed preparedness. We conduct regular reviews of our customers' eligibility and take action to revoke access to trading options as appropriate, to ensure our customers are accessing the level of options strategies that are appropriate for them based on information such as their trading experience, investment objectives and financial situation.

As we have built out our offerings, we have also added fractional shares and recurring investments to help our customers diversify their investments regardless of their portfolio size:

- *Fractional shares*. Fractional share trading allows customers to invest in fractions of a share of stock, rather than requiring them to buy and sell whole shares. This service enables customers to build a diversified portfolio regardless of their budget and removes a barrier to investing in higher-priced stocks, thereby providing access to a much greater selection of equities with as little as $1.

- *Recurring investments.* Our recurring investment feature enables our customers to automatically buy shares of equities and certain ETFs on a set schedule, allowing them to build positions over time and establish regular investing habits, even with small contributions. Our customers can also elect to automatically reinvest dividend income back into the underlying respective shares.

Investing with Robinhood: How it Works



Robinhood Crypto

We offer commission-free cryptocurrency trading through our subsidiary, RHC, using the same intuitive, mobile interface as our broader Investing Solutions platform. We launched our crypto trading product in February 2018 in five states and supported trading in two cryptocurrencies. As of December 31, 2020, we have expanded our coverage to 47 states, and support trading in seven different cryptocurrencies: Bitcoin, Bitcoin Cash, Bitcoin SV, Dogecoin, Ethereum, Ethereum Classic and Litecoin. In addition, we support real-time market data for 10 cryptocurrencies, which is available to all customers.

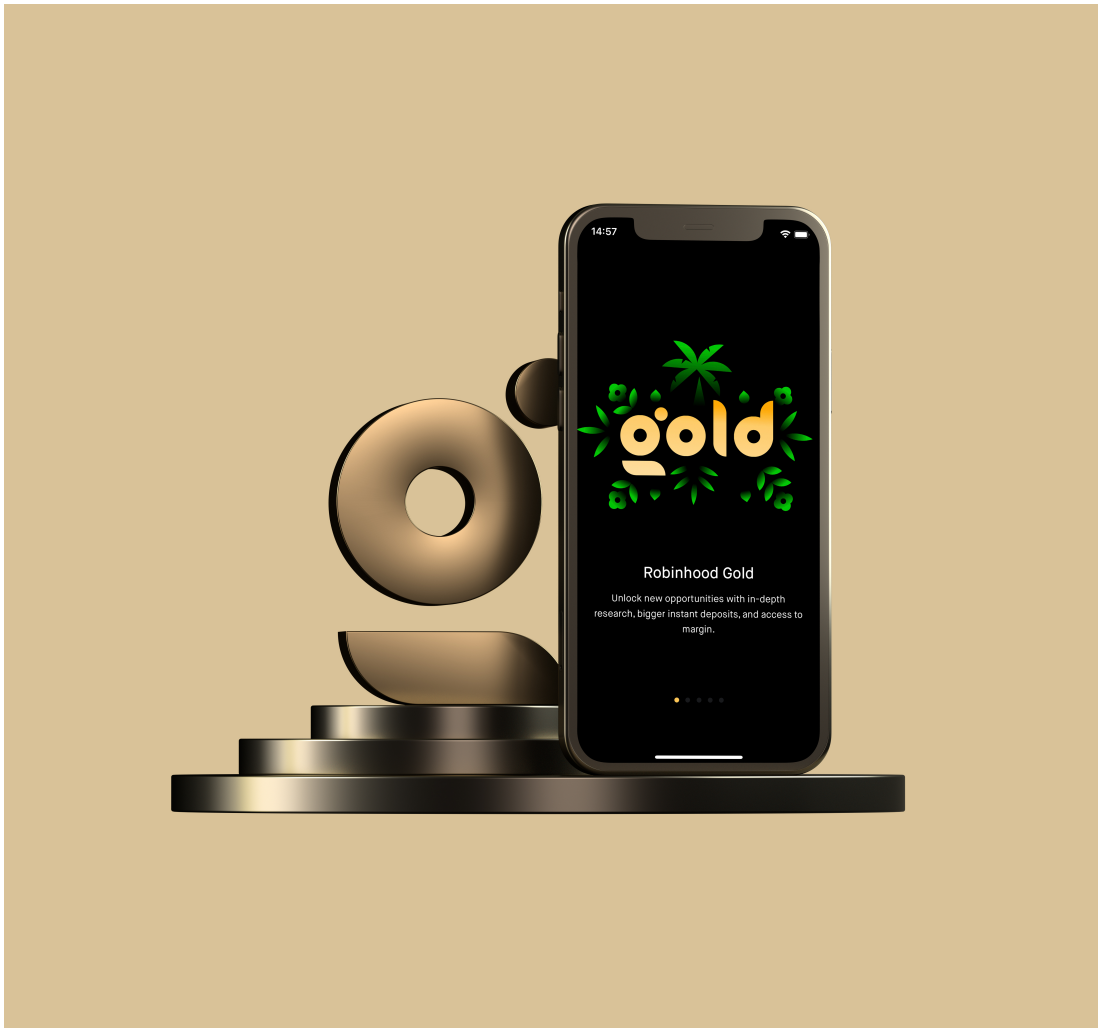
We continue to invest in our cryptocurrency trading offering, evaluating new features and product capabilities as the cryptocurrency landscape develops. For example, we intend to provide our customers with the ability to deposit or withdraw our seven traded cryptocurrencies into or from our platform in the future. We believe our status as one of the largest retail cryptocurrency platforms, as well as our customer-centric approach to new product development, positions us well to further build out our suite of features and capabilities.

Robinhood Gold

Robinhood Gold is a monthly paid subscription service that grants our customers access to a number of premium features, including:

- *Enhanced instant access to deposits.* Subscribers can instantly access $5,000 to $50,000 upon making a deposit, depending on their portfolio value.
- *Professional research.* Subscribers have unlimited access to in-depth stock research reports on approximately 1,000 stocks through Morningstar.
- *Nasdaq Level II market data.* Subscribers have the ability to see greater depth of orders for any given stock or option. The ability to see multiple buy and sell requests helps subscribers understand the availability or desire for a stock at a certain price.
- *Access to investing on margin.* Subject to approval from Robinhood, subscribers can invest on margin at highly competitive interest rates. This allows eligible subscribers to borrow a limited amount of funds, depending on account size, to use as additional investing capital. Using information on customer activity and investing experience reported by the customer, Robinhood decides whether to extend margin to each customer who applies for access to such privileges.

Robinhood Gold



Cash Management

Our Cash Management product is available on our platform for customers with a Robinhood brokerage account. It provides additional value to our brokerage customers by allowing them to earn interest on idle cash swept to our partner banks and spend cash through an optional Robinhood-branded Mastercard debit card (available in either physical or virtual form). There are no hidden fees—no maintenance fees or minimum balances, no overdraft fees, no transfer fees, no foreign transaction fees, and no monthly fees. Our customers are able to fund their accounts through either a bank transfer or direct deposit and have free access to their funds from over 75,000 ATMs. Our customers who opt in to Cash Management elect to participate in a deposit sweep program—the IntraFi Network Deposit Sweep Service—and will have their uninvested cash automatically swept, or moved, into deposits at a network of program banks. Through Cash Management, cash deposited at these banks is eligible for FDIC insurance

up to a total maximum of $1.25 million (up to $250,000 per program bank, inclusive of any deposits a customer may already hold at the bank in the same ownership capacity).

Cash Management

Learning & Education Solutions

Investing, while an opportunity to partake in the broader financial ecosystem, can also be complex and confusing for those who are new to it. While we do not provide investment advice or recommendations to our customers, we are committed to helping our customers build sustainable, long-term financial success and to offering a variety of educational tools and resources to help them achieve their goals and maximize their financial well-being, including:

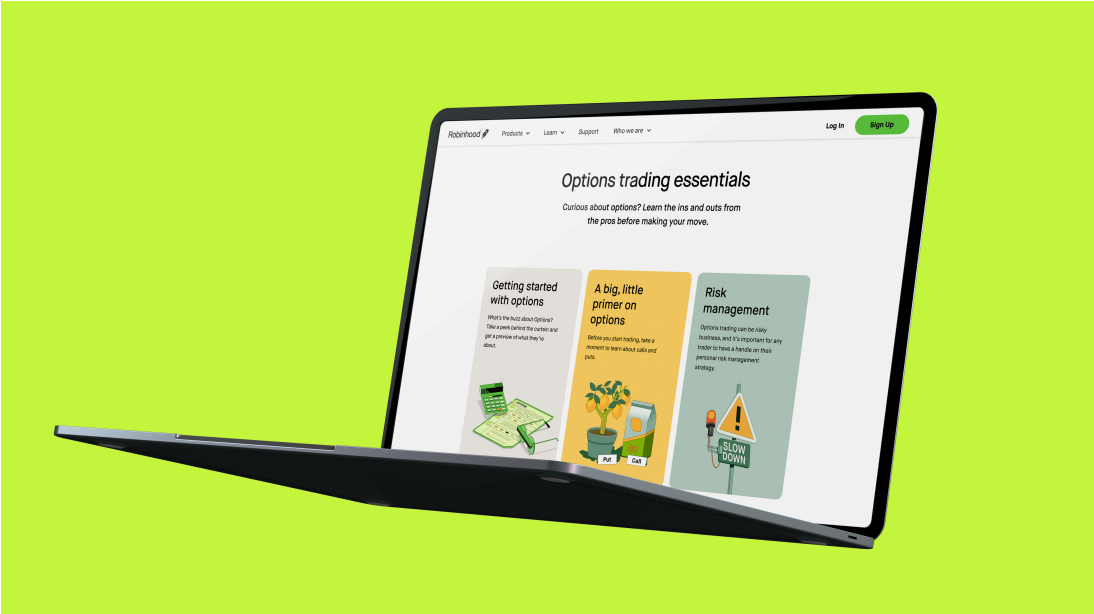
- *Robinhood Snacks (23.4 million subscribers as of December 31, 2020)*. “Snacks” is a curated digest of business news stories delivered both daily and weekly. Snacks can be accessed in written, audio or video formats, including via a podcast and newsletter, and allows subscribers to start their days with the top business news of the day in an accessible, digestible format.

- *Robinhood Learn (3.4 million page views in 2020)*. We aim to make finance not only more accessible, but more understandable as well. Robinhood Learn is a collection of guides, feature tutorials, and an extensive financial dictionary available to anyone. It is designed to provide everyone with access to a breadth of financial education, and is continually updated to provide relevant information for our customers to learn and grow.

- *Newsfeeds (6.4 million users in 2020)*. Within our newsfeeds, we provide access to free premium news from sites such as *Barron’s*, *Reuters* and *The Wall Street Journa*l to keep our customers informed of the latest news and events.

- *Robinhood lists (9.5 million users in 2020)*. Our customers are able to create custom watchlists to monitor securities, ETFs or cryptocurrencies they are interested in following.

Robinhood Learn



Our Technology

Our technology and underlying design principles are critical to our success. The Robinhood mobile app is the core front-end pathway through which our customers engage with us. Our self-clearing platform, order routing system, data platform, and other back-end infrastructure deliver the capabilities that allow our customers to focus on investing, saving and spending, while also enabling us to rapidly develop products that our customers love to use. We believe our technology is a key differentiator that has enabled our growth, and positions us well to continue on that path in the years to come.

Our core priority in product development is to build offerings that customers love. We begin by continuously taking in substantial amounts of customer input and developing technological solutions that we believe will improve their experience. These developments are done in conjunction with broad, cross-functional teams across engineering, design and legal and compliance to ensure that our products will delight our customers, while simultaneously incorporating any appropriate safeguards. Where possible, we prioritize maintaining total control over our product, which helps ensure that we can provide an experience that our customers will love and can institute rapid development cycles. Our products are built on a continuous cycle of iteration, feedback and refinement, with each new development backed by customer research.

All of our technology is built with the long-term in mind and our core infrastructure is designed to support meaningful operational scale. We are also focused on implementing advanced automation techniques, which allows us to minimize manual or labor-intensive processes. Other practices, such as frequent software deployments and an emphasis on real-time capabilities (where possible), have also contributed to our success.

Some of our most critical technologies include:

- *Core infrastructure and data platform*. Robinhood has built an infrastructure platform for resilient, scalable microservices. Our mobile app and data infrastructure are all built on Amazon Web Services, and our platform enables application developers to define their microservices in a simple, standardized manner while also providing built-in scalability and resiliency. Our systems handle inbound traffic of nearly 2 million queries per second (QPS), process tens of terabytes of data per day and store and query more than 16 petabytes of data in our data lake. Our infrastructure is cost-effective and scalable as we grow.

- *Self-clearing system*. Our self-clearing services are administered through our clearing broker, RHS. This allows us to clear and settle trades across stocks, ETFs and options without relying on a third party clearing firm, an approach that provides increased internal visibility over clearing and settlement. We anticipate that our self-clearing platform will position us well to further innovate for customers. While the up-front build process was highly onerous—taking over two years and requiring regulatory approvals from FINRA, the DTC and the OCC—our strategic foresight to invest our resources at an early stage in our life cycle has positioned us for continued growth without relying on third-party clearing.

- *Order routing system.* We built a proprietary order routing system that uses statistical models to evaluate past orders and execution quality data, and automatically routes customer orders to the market makers that have historically given customers the best prices. This competition-based system creates an incentive for market makers to provide better prices for our customers, in order to receive more orders in the future. We are committed to seeking a quality execution on every order, and our routing protocols are designed with this in mind. For each asset class, whether equities, options or cryptocurrencies, the transaction fees we earn are identical among all executing brokers. We route orders to participating market makers that are most likely to give our customers the best execution, based on historical performance, and do not consider such transaction fees when routing orders.

- *Machine learning platform.* Our machine learning models are highly advanced and contribute to multiple capabilities across our business. For example, we use machine learning as part of our fraud detection systems and customer support workflows, and even to improve the customer experience in our newsfeed by expanding the number of sources we can pull from, parsing and categorizing these articles, and delivering highly relevant and varied news to our customers for companies, stocks or cryptocurrencies.

- *Experiments infrastructure.* To enable our rapid product cycle, we've built a proprietary experiments infrastructure that enables us to test product changes through the build process and validate research hypotheses. The iterative, customer-centric product development approach that is so core to our success is enabled by this robust internal technology.

We continue to invest across our entire technology stack, and our over 400 engineers work closely with customers, product teams, support, legal and compliance personnel to ensure we maintain our high standard of building market-leading technology that customers love to use in their financial lives.

Harnessing Our Platform

Marketing

We have built a strong brand and grown our customer base primarily through customers joining organically or through the Robinhood Referral Program, and we have achieved significant scale with relatively little investment in sales and marketing. We have historically grown awareness of our platform by delivering products and features that our customers love, which has led our customers to share Robinhood with their friends and family. As a result, historically, the majority of our customers have joined

organically or through the Robinhood Referral Program, with over 80% of our customers with new Funded Accounts in 2020 coming to us through these channels. In the future, we plan to increase our marketing efforts to drive further brand awareness, but expect that these historical channels will continue to be a primary driver for us over the near to medium term.

Customer Support

We are investing heavily in customer support in an effort to deliver the best possible experience to our customers and we are committed to continuously improving our support functions as we scale. We have implemented a number of technology solutions to further improve support tools and outcomes, including building new channels to connect with our customers.

We currently primarily rely on providing customer support through email. We outsource some of our support functions to third parties and rely on licensed customer support representatives. In 2020, we began a roll-out of our live, phone-based support option to serve customers with their most immediate needs with respect to certain time-sensitive options trading issues. We expect to continue to expand phone-based support to more use cases, including account security matters, as we grow. Additionally, we have made product enhancements in order to deliver an advanced, personalized customer service experience in-app, as well as product automations for options exercise and account activations and deactivations.

We have also been focused on expanding Robinhood's overall support resources. From December 31, 2019 to December 31, 2020, we more than tripled the number of our dedicated customer support professionals. Additionally, in 2020, we expanded our locations for better support coverage by adding hundreds of registered financial representatives at new or existing dedicated customer experience sites in Colorado, Florida, Texas and Arizona.

Our Employees and Culture

Robinhood employees are key to achieving our company mission. We offer a wide range of benefits designed to attract the best talent and to ensure Robinhood employees are taken care of both at and outside of work. We provide tools, opportunities and support for career and personal growth, as well as ongoing company initiatives to maintain high employee engagement.

We seek to champion a culture that is open and honest. We hold weekly all hands meetings, during which any employee has the opportunity to ask a question of our senior leadership. We use a company-wide surveying tool to facilitate regular check-ins with employees and to provide critical input for company decisions on how to best improve productivity, happiness and retention. Inclusivity is core to our culture and we seek to create an environment where all viewpoints, including opposing ones, are welcomed.

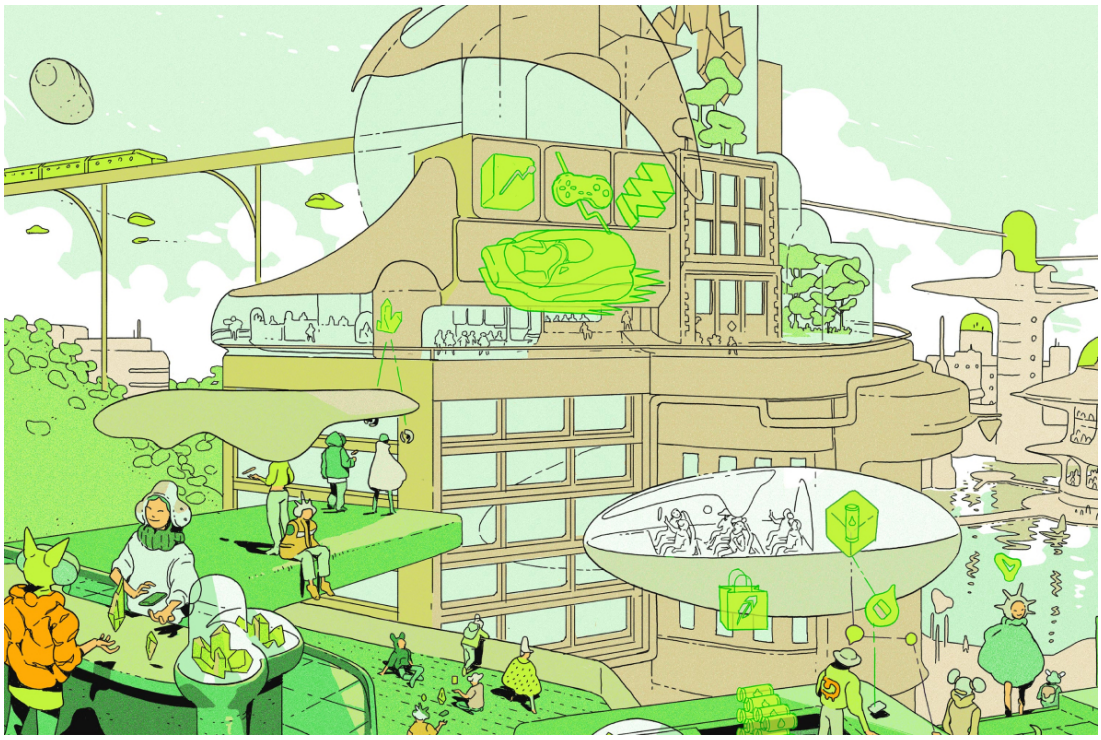
The professional growth of our people is essential to the growth of our business and we aim to empower every Robinhood employee to reach their full potential. We support job-specific capabilities and training to help develop behavioral and leadership capabilities for all employees. All full-time employees are offered an ongoing education stipend to support skill building both in current and for future roles, and we offer a variety of formal and informal development and skills building opportunities to our managers. For example, Robinhood's Leader Labs, hosted by internal and external experts, supports the continuous growth of managers in areas such as mentorship, career conversations, and effective performance reviews.

We're proud to share that we received the following recognitions in 2020:

- We are certified as a Great Place to Work in the United States
- We are #3 on LinkedIn's Top Startups list for 2020, the fourth year in a row that Robinhood was recognized as a Top Startup by LinkedIn and the third consecutive year placing in the top 10.

- We are number 46 on CNBC's 2020 Disruptor 50 list.

As of December 31, 2020, we had approximately 1,600 full-time employees.



Diversity and Belonging

Our mission is to democratize finance for all, and that starts with building a diverse and inclusive environment internally. We have made this a priority at Robinhood and we continue to invest in recruiting and fostering diverse talent, supporting our employees and speaking out for our community.

To build a talented and diverse workforce, we have a dedicated University Program with a mission to attract and retain exceptional interns and new graduate talent to fuel the growth of our most strategic business areas. We utilize the Code Signal assessment tool to conduct unbiased automated engineering screens, whereby applicants who achieve a specific score automatically qualify for a technical phone screen. In 2020, we used a third party to review all job descriptions to remove any gender bias language. We have also built partnerships with a number of historically black colleges and universities and we actively participate in recruiting across a number of core campuses by investing in marketing the Robinhood brand, and building relationships with professors and career center teams.

A large number of Robinhood employees participate in our Employee Resource Groups ("ERGs"), which are voluntary, identity or experienced based groups led by members and allies who join together to support the creation of an inclusive workplace. In addition to providing a supportive, safe space for many team members, a number of Robinhood ERGs support specific business objectives that can include recruiting, employee engagement, career support, and more. We also utilize ERGs to create a welcoming environment for new employees by designating Robinhood Ambassadors, leaders within our ERGs who are available to candidates and new employees who want to learn more about working at Robinhood.

Robinhood Employee Resource Groups include:

- Asianhood;
- Black Excellence;
- Latinhood;
- Parenthood;
- Rainbowhood;
- Sisterhood; and
- Robinhood Veterans.

Our Competitive Landscape

We believe that we are changing the consumption patterns for financial products and services and growing the market, but will continue to face competition from other firms including large legacy financial institutions, large technology companies, and smaller, new financial technology entrants.

We believe that the key competitive factors in our market include:

- product features, quality and functionality;
- operating efficiency;
- engineering talent;
- brand recognition;
- security and trust;
- cloud-based architecture;
- regulatory licenses; and
- vertical integration.

We seek to differentiate ourselves from competitors primarily through our vertically integrated, mobile-first platform and focus on accessibility, customer experience and trust. We believe that our ability to innovate quickly further differentiates our platform from our competition. We believe we compete favorably across all key competitive factors and that we have developed a business model that is difficult to replicate.

Our Facilities and Environmental Impact

Our principal executive offices are located in Menlo Park, California. In addition to our Menlo Park office, we operate from offices located in Denver, Colorado; Lake Mary, Florida; Southlake, Texas; Westlake, Texas; Tempe, Arizona; Washington, D.C.; and London, the U.K. We lease or rent each of our offices.

We are committed to reducing the environmental footprint of our business, particularly our use of energy and related emissions, and thereby playing our part in managing climate change risk.

Most of our energy sources are managed by third parties. We lease all of our office space and our platform runs on third-party cloud infrastructure. Therefore, our biggest opportunity is to understand and manage the energy use and emissions in our office locations and to partner with environmentally responsible third-party providers. For example, our cloud provider currently sources over 50% renewable energy and publicly committed to powering operations with 100% renewable energy and has stated that it is on pace to meet that commitment by 2025.

In 2020, we began to develop our first greenhouse gas emissions baseline, based on an initial emissions study, reflecting our 2019 fiscal year. We follow the Sustainability Accounting Standards Board ("SASB") and Greenhouse Gas ("GHG") Protocol in preparing our footprint and disclosure. As we build on this initial assessment, it is our intention to develop an emissions reduction strategy and set goals, to take action to address our impact, and to continue reporting our progress.

Intellectual Property

Our success and ability to compete are significantly dependent on our core technology and intellectual property. We rely on trademarks, patents, copyrights, trade secrets, know-how and expertise, registered domain names, license agreements, intellectual property assignment agreements, confidentiality procedures and non-disclosure agreements to establish and protect our intellectual property and proprietary rights. We seek to protect our intellectual property and proprietary rights, including our proprietary technology, software, know-how and brand, by relying on a combination of federal, state, and common law rights in the United States and other countries, as well as on contractual measures. However, these laws, agreements, and procedures provide only limited protection. It is our practice to enter into confidentiality, non-disclosure, and invention assignment agreements with our employees, consultants, contractors and other third parties, and into confidentiality and non-disclosure agreements with other third parties, in order to limit access to, and disclosure and use of, our confidential information, trade secrets, know-how and proprietary technology. Though we rely in part upon these legal and contractual protections, we believe that factors such as the skills and ingenuity of our employees and the functionality and frequent enhancements to our solutions are larger contributors to our success in the marketplace.

As of December 31, 2020, we owned in total approximately 52 issued design patents and 4 pending design patents across the United States and certain other jurisdictions related to our platform's graphic user interface, as well as our Cash Management product card designs.

As of December 31, 2020, we owned in total 45 issued trademarks and 20 pending trademark applications across the United States and certain other jurisdictions. We have an ongoing trademark and service mark registration program pursuant to which we register our brand names and solution names, taglines and logos in the United States and certain other jurisdictions to the extent we determine appropriate and cost-effective. We are the registered holder of a variety of U.S. and international trademarks and domain names that include the primary brand "Robinhood", including variations thereof, as well as brands for other Robinhood products and services, such as our Snacks podcast and newsletter. We also have common law rights in certain unregistered trademarks that were established over years of use. We are the authorized user of a variety of social media handles, pages and profiles that reflect our primary brand. In addition, we have a suite of defensively registered domains.

Despite our efforts to protect our intellectual property rights, we cannot be certain that the steps we have taken will be sufficient or effective to prevent the unauthorized access, use, copying, or the reverse engineering of our technology and other proprietary information, including by third parties who may use our technology or other proprietary information to develop services that compete with ours, and our intellectual property rights may not be respected in the future or may be invalidated, circumvented or challenged. We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost-effective. In addition, we intend to expand our international operations, and effective patent, copyright, trademark, and trade secret protection may not be available or may be limited

in foreign countries. We believe that competitors will try to develop products that are similar to ours and that may infringe, misappropriate or otherwise violate our intellectual property rights. Our competitors or other third parties may also claim that our platform and other solutions infringe, misappropriate or otherwise violate their intellectual property rights. Policing the unauthorized use of our intellectual property and proprietary rights can be difficult. The enforcement of our intellectual property and proprietary rights also depends on any legal actions we may bring against any such parties being successful, but these actions are costly, time-consuming, and may not be successful, even when our rights have been infringed, misappropriated, or otherwise violated.

Third parties have in the past and may in the future assert claims of infringement, misappropriation and other violations of intellectual property rights against us or our customers, and our agreements with such customers may obligate us to indemnify them against these claims. Successful claims of infringement by a third party could prevent us from offering certain products or features, require us to develop alternate, non-infringing technology, which could require significant time and during which we could be unable to continue to offer our affected products or solutions, require us to obtain a license, which may not be available on reasonable terms or at all, or force us to pay substantial damages, royalties or other fees. Additionally, we use open source software in our products and services and anticipate using open source software in the future. The terms of various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our services. See “Risk Factors—Risks Related to Our Intellectual Property” for a more comprehensive description of risks related to our intellectual property and proprietary rights.

Regulation

U.S. and non-U.S. laws and regulations apply to many key aspects of our current business operations and future business plans. Failure to comply with these requirements may result in, among other things, revocation of required licenses or registrations, loss of approved status, private litigation, administrative enforcement actions, sanctions, civil and criminal liability, and constraints on our ability to continue to operate. For additional information relating to regulation and regulatory actions, see “Risk Factors—Risks Related to Regulation and Litigation” and “Business—Legal Proceedings.”

Cybersecurity and Data Privacy

Our business collects, stores, shares, discloses, transfers, uses and otherwise processes the personal data of individuals across the U.S., in every state. As a result, compliance with data protection, privacy and security laws, rules, regulations, policies, industry standards and other legal obligations regulating the collection, storage, sharing, disclosure, transfer, use, protection and other processing of personal data is core to our strategy and integral to the creation of trust in our platform. We take a variety of technical and organizational security measures and other procedures and protocols to protect our data and information, including personal data and other data pertaining to customers, employees and other users. Despite measures we put in place, we may be unable to anticipate or prevent unauthorized access to such data, including personal data.

In the United States, the Federal Trade Commission and the Department of Commerce continue to call for greater regulation of the collection of personal data, as well as restrictions for certain targeted advertising practices. Additionally, RHS and RHF are each subject to SEC Regulation S-P, which requires registered broker-dealers to, among other things, adopt written policies and procedures that address administrative, technical, and physical safeguards for the protection of customer records and information. Numerous states have enacted or are in the process of enacting state level data privacy laws and regulations governing the collection, use and processing of state residents’ personal data. For example, the CCPA, which went into effect in California on January 1, 2020 established a new privacy framework for covered businesses such as ours. Among other things, the CCPA requires companies covered by the legislation to provide new disclosures to California residents and afford such residents new rights,

including the right to access and delete certain personal information, as well as the right to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. In November 2020, California voters passed the CPRA, which will become effective in most material respects beginning on January 1, 2023. The CPRA further expands the CCPA with additional data privacy compliance requirements and obligations and establishes a regulatory agency dedicated to enforcing the CCPA and CPRA. In addition, the NYDFS issued Cybersecurity Requirements for Financial Services Companies, which took effect in 2017, and which require banks, insurance companies and other financial services institutions regulated by the NYDFS, including RHC, to establish and maintain a cybersecurity program designed to protect consumers and ensure the safety and soundness of New York State's financial services industry. The cybersecurity regulation adds specific requirements for these institutions' cybersecurity compliance programs and imposes an obligation to conduct ongoing, comprehensive risk assessments. Further, on an annual basis, each institution is required to submit a certification of compliance with these requirements. We have in the past and may in the future be subject to investigations and examinations by the NYDFS regarding, among other things, our cybersecurity practices. For more information, see "—Legal Proceedings—RHC Anti-Money Laundering and Cybersecurity-Related Issues."

Certain other state laws impose similar privacy obligations and all 50 states have laws, including obligations to provide notification of security breaches of computer databases that contain personal information to affected individuals, state officers and others. The CCPA has prompted the enactment of several new state laws or amendments of existing state laws, such as in New York and Nevada. The CCPA has also prompted a number of proposals for new federal and state-level privacy legislation, such as in Washington, Maryland, New York, Illinois and Nebraska. This legislation may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and changes in business practices and policies. We may be required to modify our data processing practices and policies and incur substantial compliance related costs and expenses in connection with these and any other future data privacy, protection or security related laws, rules or regulations, and they may also increase our potential exposure to regulatory enforcement and litigation.

Regulators around the world continue to propose more stringent data protection, security and privacy laws, rules and regulations, and these laws, rules and regulations are rapidly increasing in number, complexity, enforcement, fines and penalties. For example, the GDPR became effective on May 25, 2018 and has resulted and will continue to result in significantly greater compliance burdens and costs for companies with users and operations in the EU and European Economic Area. The GDPR regulates a broad array of personal data that can directly or indirectly identify an individual and imposes stringent data protection requirements with significant penalties for noncompliance. Furthermore, as of January 2021, we are required to comply with the GDPR as well as the U.K. equivalent to the extent of our operations in the U.K. The relationship between the U.K. and the EU in relation to certain aspects of data protection law remains unclear, for example, how data transfers between EU member states and the U.K. will be treated and the role of the U.K.'s Information Commissioner's Office with respect to the EU following the end of the transitional period. These changes may lead to additional costs and increase our overall risk exposure.

These and other data protection, security and privacy laws, rules and regulations and their interpretations continue to develop and may be inconsistent from jurisdiction to jurisdiction. Non-compliance with these laws could result in significant penalties or legal liability. Although we take steps to comply with applicable laws, rules and regulations, we have been and may in the future become subject to regulatory or private actions, investigations, disputes and litigation, which may include substantial fines or other legal liability for non-compliance of data protection, security and privacy laws, rules and regulations, including in the event of an outage, cybersecurity breach or other security incident. We could

be adversely affected if legislation or regulations are expanded to require changes in our or our third-party service providers' business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our or our third-party service providers' business, results of operations or financial condition. See "Risk Factors—Risks Related to Cybersecurity and Data Privacy" for more information.

Brokerage Regulation and Regulatory Capital and Deposit Requirements

Registrations and Licenses

We operate two broker-dealers, Robinhood Financial LLC ("RHF") and Robinhood Securities, LLC ("RHS"). RHF is an introducing broker and introduces its customer accounts to RHS on a fully disclosed basis. RHS is a clearing and carrying broker which currently carries customer accounts only for RHF. RHF and RHS are each registered as broker-dealers with the SEC, each is a member of FINRA, and each is licensed as a securities broker-dealer in all 50 U.S. states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Neither RHF nor RHS is licensed or authorized to conduct business in any other country. Neither RHF nor RHS is currently a member of any U.S. national securities exchange. RHS, in addition to its membership in FINRA, is a member of the OCC, DTC and the NSCC. RHF and RHS are both subject to regulation by the SEC, FINRA, other SROs of which they are or may become members, and the U.S. states and territories in which they operate.

Scope of Regulation

The principal purpose of regulating broker-dealers is the protection of clients and securities markets. The regulations cover all aspects of the broker-dealer business and operations, including, among other things, sales and trading practices, client onboarding, advertising and marketing, publication or distribution of research, margin lending, uses and safekeeping of clients' funds and securities, capital adequacy, recordkeeping, reporting, fee arrangements, disclosures to clients, suitability, acting in client's best interests when making recommendations to retail customers, customer privacy, data protection, information security and cybersecurity, the safeguarding of customer information, the sharing of customer information, best execution of customer orders, public offerings, customer qualifications for margin and options transactions, registration of personnel, business continuity planning, transactions with affiliates, conflicts, and the conduct of directors, officers and employees.

Net Capital and Deposit Requirements

RHS and RHF are each subject to Rule 15c3-1 under the Exchange Act (the "Uniform Net Capital Rule") and related SRO requirements. The Uniform Net Capital Rule specifies minimum capital requirements intended to ensure the general financial soundness and liquidity of broker-dealers. Generally, a broker-dealer's net capital is its net worth plus qualified subordinated debt less deductions for certain types of assets. The Uniform Net Capital Rule effectively requires that most of a broker-dealers' assets be maintained in a relatively liquid form. The SEC and FINRA rules require notification when net capital falls below certain defined criteria, or when withdrawals of capital exceed certain thresholds. These rules also dictate the ratio of debt to equity in the regulatory capital composition of a broker-dealer. If either RHS or RHF fails to maintain specified levels of net capital, we could be subject to immediate suspension or revocation of registration, and suspension or expulsion could ultimately lead to the liquidation of either entity or to our broker-dealer business being wound down. In addition, the SEC and FINRA may place restrictions on our ability to expand our existing business or to commence new businesses in the event of such failure. Such failure could also constitute a default by us of certain debt covenants under our credit agreements. The Uniform Net Capital Rule and FINRA requirements prohibit RHS and RHF from paying cash dividends, making unsecured advances or loans to affiliates or repaying subordinated loans if such payment would result in a net capital amount of less than 5% of aggregate debit balances or less than 120% of its applicable minimum dollar requirement. The minimum dollar requirement for RHS is $250,000; the minimum dollar requirement for RHF varies based on the total amount of customer debits, in each case as of December 31, 2020.

In addition to SEC and FINRA net capital requirements, as a clearing and carrying broker-dealer, RHS is subject to cash deposit and collateral requirements under the rules of the DTC, NSCC and OCC, which may fluctuate significantly from time to time based upon the nature and size of customers' trading activity and market volatility. Stock trades generally settle at the clearinghouse two days after execution and clearinghouses may require a broker-dealer participant to deposit funds to ensure that the broker-dealer can meet its settlement obligations. These deposit requirements are designed to mitigate risk to the clearinghouse and its participants and can be large, especially if positions are concentrated in particular stocks, are predominantly in the same direction (i.e., predominantly buys or predominantly sells) or if the stock is volatile. RHS, as a clearing and carrying broker, must meet these deposit requirements to support customer trades and, if it fails to meet any such deposit requirements, its ability to settle trades through the clearinghouse may be suspended or the broker-dealer may restrict trading in certain stocks in order to limit clearinghouse deposit requirements. In such case, RHS may be exposed to significant losses or disruptions in customers' ability to trade. For example, in January 2021, in response to highly volatile market conditions, unusually high trading volume and a high concentration of net buying in particular stocks, such deposit requirements increased significantly in a short period of time. As a result, RHS temporarily limited customer purchases for certain volatile securities from January 28 to February 5, 2021 in order to comply with its deposit requirements. Furthermore, in the event that a significant amount of customers' open trades fail to settle, RHS may be exposed to potential loss of the deposits and capital expended to meet its deposit requirements. In a worst-case scenario, if RHS is unable to satisfy its deposit requirements, the NSCC may cease to act for RHS and liquidate its unsettled clearing portfolio. See "Business—Legal Proceedings—Early 2021 Trading Restrictions Matters" and "Risk Factors—Risks Related to Regulation and Litigation—*We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could harm our reputation, business, financial condition or results of operations*" for more information about the Early 2021 Trading Restrictions, and see "Risk Factors—Risks Related to Regulation and Litigation—*If we do not maintain the capital levels required by regulators and SROs, or do not satisfy the cash deposit and collateral requirements imposed by certain other SROs such as the DTC, NSCC and OCC, our broker-dealer business may be restricted and we may be fined or subject to other disciplinary or corrective actions, which could harm our business, financial condition, operating results, cash flows and prospects. In a worst-case scenario, failure to maintain these requirements could ultimately lead to our broker-dealer business being wound down*" for more information about the risks associated with our capital and deposit requirements.

Rule 15c3-3 Reserve and Custody Requirements

RHS is subject to Rule 15c3-3 under the Exchange Act ("Rule 15c3-3"), which includes cash and securities segregation protection requirements. Pursuant to Rule 15c3-3, RHS is required to maintain on deposit, based on weekly computations completed in a manner specified by the rule, an amount that is generally the difference between the amount of money RHS owes customers and the amount of money RHS customers owe it. RHS is also required daily to determine the amount of customer fully-paid securities and excess margin securities over which it is required to maintain possession or control and, in the event of deficits, RHS must take action specified by regulation. RHF operates pursuant to an exemption from Rule 15c3-3 because it introduces all of its customer accounts to RHS. Pursuant to this exemption, RHF does not maintain custody of customer cash or securities.

Margin Requirements

RHS's margin lending activities are subject to limitations imposed by the rules and regulations of the Board of Governors of the Federal Reserve and FINRA. In general, these rules and regulations provide for initial margin requirements and that, in the event of a significant decline in the value of securities collateralizing a margin account, broker-dealers are required to obtain additional collateral from the borrower or liquidate the borrower's security positions. In addition, broker-dealers are limited in the amount they may lend in connection with certain purchases and short sales of securities and are also required to impose certain maintenance requirements on the amount of securities and cash held in

margin accounts. FINRA rules specify additional rules for customers who are “pattern day traders” as defined under FINRA rules.

Best Execution

As registered broker-dealers, RHS and RHF are also subject to “best execution” requirements under SEC guidelines and FINRA rules, which require RHF and RHS to obtain the best reasonably available terms for customer orders. In part, this requires broker-dealers to use reasonable diligence so that the price to the customer is as favorable as possible under prevailing market conditions, taking into account, among other things, account price, order size, trading characteristics of the security and the potential for price improvement. Although a broker-dealer is not required to examine every customer order individually for compliance with its duty of best execution, it must undertake regular and rigorous reviews of the quality of its customer order executions.

RHF routes its customers’ orders to RHS, which routes orders to certain market makers for execution based on our order routing system, which uses an algorithm to determine which market maker is most likely to provide the best price for each customer’s order based on the market maker’s historical performance. RHF and RHS review the quality of execution they receive from the market makers and choose which market maker to which to route orders, in each case based on a number of factors that are more fully discussed in the Supplemental Materials of FINRA Rule 5310, including, where applicable, but not necessarily limited to, speed of execution, price improvement opportunities, differences in price disimprovement (i.e., situations in which a customer receives a worse price at execution than the best quotes prevailing at the time the order is received by the market), likelihood of executions, the marketability of the order, size guarantees, service levels and support, the reliability of order handling systems, client needs and expectations, transaction costs and whether the firm will receive remuneration for routing order flow to such market makers. Price improvement is available under certain market conditions and for certain order types, and RHS regularly monitors executions to test for whether such improvement, if available, was provided.

In addition, RHS routes orders to market makers that pay it for the order flow (known as “payment for order flow” or “PFOF”). As of December 31, 2020, RHS had relationships with five equity market makers and four option market makers. For the year ended December 31, 2020, revenue derived from PFOF represented 75% of our total revenues. The transaction fees RHS earns through these PFOF practices are identical among all market makers. RHS routes orders to participating market makers that are most likely to give our customers the best execution, based on historical performance, and does not consider such transaction fees when routing orders. Market-makers can frequently provide retail orders with some degree of price improvement, meaning they can execute the orders inside the spread of the national best bid and national best offer quoted on national securities exchanges. Market-makers may also be able to provide retail orders with size improvement (i.e., more shares at a single price point than may be available at the national best bid or national best offer quoted on national securities exchanges). These PFOF arrangements are permitted under SEC guidelines and FINRA rules, provided that best execution principles are met and, in the case of the SEC, we make certain disclosures regarding our PFOF arrangements. However, PFOF practices have drawn heightened scrutiny from the U.S. Congress, the SEC and other regulatory and legislative authorities and there is no guarantee that they will not adopt additional regulation relating to PFOF practices as a result of such heightened scrutiny or otherwise or pursue additional inquiries or investigations relating to PFOF practices. For example, in May 2019 and in December 2019, the SEC’s Division of Enforcement commenced an investigation into our best execution and PFOF practices, which resulted in a settlement and payment by RHF of a $65.0 million fine and a requirement to retain an independent consultant. See “Risk Factors—Risks Related to Our Business—*Because a majority of our revenue is derived from PFOF, reduced spreads in securities pricing, reduced levels of trading activity generally and any new regulation of, or any bans on, PFOF practices may result in reduced profitability, increased compliance costs and expanded potential for negative publicity*” for more information.

Cryptocurrency

Our subsidiary, RHC, provides users with the ability to buy, hold and sell a limited number of cryptocurrencies on our platform. Both U.S. and non-U.S. regulators and governments are increasingly focused on the regulation of cryptocurrencies. In the United States, cryptocurrencies are regulated by both federal and state authorities, depending on the context of their usage. Regulation of cryptocurrencies continues to evolve. RHC is registered as a money services business with FinCEN and is licensed to operate as a money transmitter or its equivalent in states where such requirements are applicable, and has also obtained a license under the NYDFS's Virtual Currency Business Activity regime, commonly referred to as a BitLicense.

Although RHC currently permits trading of a limited number of cryptocurrencies that we have analyzed under applicable internal policies and procedures and do not believe are securities under the U.S. securities laws, our policies and procedures do not constitute a legal standard, and, regardless of our conclusions, we could be subject to legal or regulatory action in the event the SEC or a court were to determine that a cryptocurrency currently traded on our platform is a "security" under U.S. law. The SEC has not asserted that all cryptocurrencies are securities, but the SEC Staff has indicated that the determination of whether or not a cryptocurrency is a security depends on the characteristics and use of that particular asset. In addition, the SEC has previously determined that certain cryptocurrencies traded on other platforms are securities, subject to federal securities laws. The classification of a cryptocurrency as a security under applicable law has wide-ranging implications for the regulatory obligations associated with the offer, sale, trading and clearing of such assets. To the extent that the SEC or a court determines that any cryptocurrencies that are available for trading on the RHC platform are securities, that determination could prevent us from continuing to support trading of those cryptocurrencies. It may also result in regulatory enforcement penalties and financial losses to RHC in the event that RHC has liability to its customers and may need to compensate them for any losses or damages. It may further result in us determining that it is advisable to remove other cryptocurrencies from our platform that have similar characteristics to the cryptocurrency the SEC or a court determined was a security. In addition, state laws and regulations impose various compliance requirements including operational limitations related to the manner and extent to which customer crypto assets can be held under our custody, net worth requirements, anti-money laundering program requirements, notice and reporting requirements, and generally require compliance with all applicable federal and state laws, rules and regulations, including The Bank Secrecy Act, as amended by the USA PATRIOT ACT of 2001.

These laws, rules, and regulations evolve frequently and may be modified, interpreted, and applied in an inconsistent manner by a particular jurisdiction as well as from one jurisdiction to another, and may conflict with one another. Moreover, the complexity and evolving nature of RHC's business and the significant uncertainty surrounding the regulation of the cryptoeconomy, requires us to exercise our judgment as to whether certain laws, rules, and regulations apply to us. It is possible that regulators may disagree with our conclusions. See "Risk Factors—Risks Related to Our Cryptocurrency Products and Services—*Regulation of the cryptocurrency industry continues to evolve and is subject to change. Moreover, securities and commodities laws and regulations and other bodies of laws can apply to certain cryptocurrency businesses. These laws and regulations are complex, were frequently not designed or crafted with cryptocurrency technology in mind or with a sufficient understanding of cryptocurrency use cases and our interpretations of them may be subject to challenge by the relevant regulators. Future regulatory developments are impossible to predict with certainty. Changes in laws and regulations, or our failure to comply with them, may negatively impact our ability to allow customers to buy, hold and sell cryptocurrencies with us in the future and may significantly and adversely affect our business.*"

Consumer Financial Protection

The Consumer Financial Protection Bureau and other federal, local, state (such as the NYDFS) and foreign regulatory agencies regulate financial products, including credit, deposit, and payments services,

and other similar services. These agencies have broad consumer protection mandates, and they promulgate, interpret and enforce rules and regulations that affect our business.

Anti-Money Laundering

The Bank Secrecy Act, as amended by the USA PATRIOT ACT of 2001 (the "BSA/USA PATRIOT Act"), applies to RHF and RHS and requires them to develop anti-money laundering ("AML") programs to assist in the prevention and detection of money laundering and combating terrorism. The AML program includes policies and procedures, employee training, customer identity requirements, the designation of an AML compliance officer and periodic independent audits. To comply with the BSA/USA PATRIOT Act and related FINRA rules, we have an AML department that is responsible for developing and implementing our enterprise-wide programs for compliance with the various AML and counter-terrorist financing laws and regulations. RHF and RHS are also subject to U.S. sanctions laws administered by the Office of Foreign Assets Control and we have policies and procedures in place to comply with these laws.

See "Risk Factors—Risks Related to Regulation and Litigation," "Risk Factors—Risks Related to Cybersecurity and Data Privacy" and "Risk Factors—Risks Related to Our Brokerage Products and Services."

Legal Proceedings

We are subject to claims and lawsuits in the ordinary course of business, including arbitrations, class actions and other litigation, some of which include claims for substantial or unspecified damages. In addition, we operate in a highly regulated industry and many aspects of our business involve substantial risk of liability, and we are regularly the subject of actions, inquiries, investigations, examinations and proceedings by regulatory and other governmental agencies. The outcomes of the legal and regulatory matters discussed in this section are inherently uncertain and some of these matters may result in adverse judgments or awards, including penalties, injunctions or other relief, and we may also determine to settle a matter because of the uncertainty and risks of litigation. Described below are certain historic matters as well as certain pending matters in which there is at least a reasonable possibility that a material loss could be incurred. We intend to continue to vigorously defend the pending matters. Litigation is inherently uncertain, and any judgment entered against us, or any adverse settlement, could materially and adversely impact our business, financial condition, operating results and cash flows. Unless otherwise noted below with respect to a specific matter, we are unable to provide a reasonable estimate of any potential liability given the uncertain nature of litigation and the stage of proceedings in these matters. With respect to all other pending matters not disclosed below, based on current information, we do not believe that such matters, individually or in the aggregate, would have a material adverse impact on our business, financial condition, operating results or cash flows. See Note 13 to our consolidated financial statements included elsewhere in this prospectus for more information on legal proceedings that we are subject to from time to time.

Early 2021 Trading Restrictions Matters

From January 28 to February 5, 2021, due to increased deposit requirements imposed on RHS by the NSCC in response to unprecedented market volatility, particularly in certain securities, RHS temporarily restricted or limited its customers' purchase of certain securities, including GameStop Corp. and AMC Entertainment Holdings, Inc., on our platform (the "Early 2021 Trading Restrictions").

As of March 22, 2021, we have become aware of approximately 49 putative class actions (three of which complaints have been voluntarily dismissed with prejudice) and three individual actions that have been filed against one or more of RHM, RHF and RHS in various federal and state courts relating to the Early 2021 Trading Restrictions. The complaints generally allege breach of contract, breach of the implied covenant of good faith and fair dealing, negligence, breach of fiduciary duty and other common law claims. Several complaints further allege federal securities claims, federal and state antitrust claims and

certain state consumer protection claims based on similar factual allegations. Approximately 18 of the putative class actions also name other broker-dealers or market makers as defendants. On February 5, 2021, certain plaintiffs filed a motion before the Judicial Panel on Multidistrict Litigation to transfer and coordinate or consolidate the actions filed in connection with the Early 2021 Trading Restrictions into a multidistrict litigation in the Northern District of California (the "Transfer Motion"). On March 1, 2021, we filed a response to the Transfer Motion, in which we supported transfer and coordination or consolidation of the actions into a multidistrict litigation in either the Northern District of California, or in the alternative, the Middle District of Florida.

RHM, RHF, RHS and our Co-Founder and CEO, Vladimir Tenev, have received requests for information, and in some cases, subpoenas and requests for testimony, related to investigations and examinations of the Early 2021 Trading Restrictions from the United States Attorney's Office for the Northern District of California ("USAO"), the SEC staff, FINRA, the New York Attorney General's Office, other state attorneys general offices and a number of state securities regulators. Also, a related search warrant was executed by the USAO to obtain Mr. Tenev's cell phone. There have also been several inquiries based on specific customer complaints. In addition, we have received information and testimony requests from certain committees and members of the U.S. Congress and Mr. Tenev has provided testimony with respect to the Early 2021 Trading Restrictions. We are cooperating with these investigations and examinations.

Due to the very preliminary nature of all of these proceedings, we are unable at this time to estimate the likelihood or magnitude of any possible losses related to these matters.

Massachusetts Securities Division Matter

On December 16, 2020, the Enforcement Section of the MSD filed an administrative complaint against RHF, which stems from an investigation initiated by the MSD on or around July 21, 2020. The complaint alleges three counts of Massachusetts securities law violations regarding unethical and dishonest conduct or practices, failure to supervise, and failure to act in accordance with the Massachusetts fiduciary duty standard, which became effective on March 6, 2020 and had an effective enforcement date beginning September 1, 2020. Among other things, MSD alleges that RHF's product features and marketing strategies, outages and options trading approval process constitute violations of Massachusetts securities laws. The complaint seeks, among other things, injunctive relief (seeking a permanent cease and desist order), censure, unspecified restitution, unspecified disgorgement, the appointment of an independent consultant and an unspecified administrative fine. On January 29, 2021, RHF filed an answer to this complaint denying each of the alleged securities law violations, and we are currently engaging in discussions regarding a potential negotiated resolution.

RHC Anti-Money Laundering and Cybersecurity-Related Issues

On July 24, 2020, the NYDFS issued a report of its examination of RHC citing a number of "matters requiring attention" focused primarily on anti-money laundering and cybersecurity-related issues. The matter was subsequently referred to the NYDFS's Consumer Protection and Financial Enforcement Division for investigation. In March 2021, NYDFS informed RHC of certain alleged violations of applicable (i) anti-money laundering and New York Banking Law requirements (Part 417, Part 504 and Banking Law § 44), including the failure to maintain and certify a compliant anti-money laundering program, (ii) notification provisions under RHC's Supervisory Agreement with NYDFS, and (iii) cybersecurity and virtual currency (Part 500 and Part 200) requirements, including certain deficiencies in our policies and procedures regarding risk assessment, lack of an adequate incident response and business continuity plan, and deficiencies in our application development security. In connection with these allegations, NYDFS has indicated that it plans to seek a monetary penalty, as well as the appointment of an independent consultant. RHC is cooperating with the NYDFS, and we anticipate that any potential resolution would include a monetary penalty component of at least $10 million, which is our best estimate of the bottom of the range for our probable loss in this matter. We have recorded a charge for such

amount under general and administrative expenses in our consolidated statements of operations for the year ended December 31, 2020. We cannot predict, however, whether these discussions will result in a resolution of this matter.

Account Takeovers

In November 2020, FINRA Enforcement commenced an investigation into RHF concerning account takeovers, or circumstances under which an unauthorized actor successfully logs into a customer account, as well as anti-money laundering and cybersecurity issues. On February 1, 2021, RHF received a document request from the SEC's Division of Enforcement in connection with its investigation into account takeovers at certain online brokers. Additionally, state regulators, including the NYDFS and the New York Attorney General's Office, have opened inquiries into RHM, RHF and RHC related to account takeovers. RHM, RHF and RHC are cooperating with these investigations and inquiries.

On January 8, 2021, a putative class action was filed in California Superior Court (Santa Clara County) against RHF and RHS by Siddharth Mehta, purportedly on behalf of approximately 2,000 Robinhood customers whose accounts were allegedly accessed by unauthorized users from January 1, 2020 to October 16, 2020. On February 9, 2021, RHF and RHS removed this action to the United States District Court for the Northern District of California. An amended complaint, filed on February 26, 2021, added two named class members and expanded the putative class period to the present. Plaintiffs generally allege that RHF and RHS breached commitments made and duties owed to customers to safeguard customer data and assets. Plaintiffs assert eight causes of action for purported violations of common law, a right to privacy, and certain California statutes, including the CCPA. On March 12, 2021, RHF and RHS filed a motion to dismiss the amended complaint.

March 2020 Outages

Beginning on March 4, 2020, 15 putative class actions and one individual action were filed against RHM, RHF and RHS in state and federal district courts relating to the March 2020 Outages. One of the putative class actions and the individual action were voluntarily dismissed following settlements between the parties. Thirteen of the remaining putative class actions have been consolidated as *In re Robinhood Outage Litigation* in the United States District Court for the Northern District of California. The one remaining putative class action, *Withouski v. Robinhood Financial LLC, et al.*, pending in the Superior Court of the State of California, County of San Mateo, has been stayed by agreement of the parties. The lawsuits generally allege that putative class members were unable to execute trades during the March 2020 Outages because our platform was inadequately designed to handle customer demand and RHM, RHF and RHS failed to implement appropriate backup systems. The lawsuits include, among other things, claims for breach of contract, negligence, gross negligence, breach of fiduciary duty, unjust enrichment and violations of certain California consumer protection statutes. The lawsuits generally seek damages, restitution, and/or disgorgement, as well as declaratory and injunctive relief. On February 18, 2021, the court denied our motion to dismiss RHF and RHS but dismissed RHM from the case with leave to amend. The court also denied our motion to strike the class allegations, and ordered the parties to select a mediator within 14 days. A mediation is scheduled for June 22, 2021. Meanwhile, fact discovery is underway and is scheduled to be completed by April 7, 2021.

In addition, the SEC staff is conducting an examination, and FINRA and certain state regulatory authorities are conducting investigations, regarding the March 2020 Outages and related procedures. RHF and RHS are cooperating with the requests from these regulators.

FINRA Matters

RHF and RHS are subject to FINRA investigations and enforcement matters, including those described elsewhere in this section as well as investigations regarding certain other matters, such as RHF's margin call procedures, customer support procedures, processing of corporate actions and

displays of historical performance data. RHF and RHS are currently engaged in discussions with FINRA staff regarding a possible negotiated resolution of certain of these FINRA matters, including the March 2020 Outages and options trading and related customer communications and displays noted elsewhere in this section. While these discussions are ongoing, RHF and RHS anticipate that any resolution, if reached, would involve charges of violations of FINRA rules, a fine, customer restitution, a censure and a compliance consultant. We have recorded a charge as general and administrative expenses in our consolidated statements of operations for the year ended December 31, 2020 of $26.6 million, representing the bottom of the range of our probable losses. We cannot predict, however, whether these discussions will result in a resolution of these matters.

Best Execution, Payment for Order Flow and Sources of Revenue Matters

In May 2019, the SEC's Division of Enforcement ("Enforcement Division") commenced an investigation into RHF's best execution and PFOF practices, as well as statements concerning its sources of revenue. On December 17, 2020, RHF, on a neither admit nor deny basis, consented to the entry of an SEC order (i) requiring RHF to cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 17(a) of the Exchange Act and Rule 17a-4 thereunder; (ii) censuring RHF; and (iii) requiring RHF to pay a $65 million civil penalty in December 2020. RHF paid the $65 million penalty in cash and also agreed to engage an independent compliance consultant to, among other things, perform a comprehensive review of RHF's supervisory, compliance and other policies and procedures related to its retail communications and PFOF and make recommendations for improvements. As a result of the cease-and-desist order, we are now considered an "ineligible issuer" as defined under Rule 405 of the Securities Act. See "Risks Related to Regulation and Litigation—*As a result of our recent settlement with the SEC, we are currently considered an 'ineligible issuer,' which limits our ability to use certain free writing prospectuses in securities offerings and will delay our ability to qualify as a 'well-known seasoned issuer' in the future*" for more information about the impact of our "ineligible issuer" status.

Beginning on December 23, 2020, four putative securities fraud class action lawsuits were filed against RHM, RHF and/or RHS. Three were filed in the United States District Court for the Northern District of California: *Kwon v. Robinhood Financial LLC, et al*., *Luparello v. Robinhood Financial LLC, et al.*, and *Nabi v. Robinhood Financial LLC, et al*. One was filed in the United States District Court for the Southern District of California, but has since been transferred to the Northern District: *Ghebrehiwet v. Robinhood Financial LLC, et al*. The lawsuits generally allege that we violated the duty of best execution and misled putative class members by publishing misleading statements and omissions in customer communications relating to the execution of trades and revenue sources (including payment for order flow). The three complaints originally filed in the Northern District of California assert claims for violations of Sections 10(b) of the Exchange Act. All four complaints assert state law claims under California law, and seek damages, restitution, disgorgement and other relief.

FINRA Best Execution Matter

On December 19, 2019, without admitting or denying the findings, RHF consented to sanctions and the entry of findings by FINRA relating to RHF's consideration of alternative markets for order routing, internal written procedures, and the need for additional review of certain order types executed from 2016 to 2017. The settlement censured RHF and required it to pay a $1.25 million fine and to retain an independent consultant. RHF paid the $1.25 million fine in cash, which was recorded as general and administrative expenses in our consolidated statements of operations for the year ended December 31, 2019.

Options Trading and Related Customer Communications and Displays

The SEC staff is conducting an examination, and FINRA and certain state regulatory authorities are conducting investigations, regarding RHF's options trading and related customer communications and

displays. The SEC staff, FINRA staff and staff of such state regulatory authorities are reviewing, among other things, how RHF displays cash and buying power to customers and its options trading approval processes. RHF is cooperating with the regulators' requests. See "—FINRA Matters" above.

On February 8, 2021, the family of Alexander Kearns, a Robinhood customer who traded options, filed a lawsuit in the Superior Court of the State of California, County of Santa Clara, against RHF, RHS and RHM in connection with Mr. Kearns's death by suicide in June 2020. The lawsuit asserts claims for wrongful death, negligent infliction of emotional distress and unfair business practices under a California statute, and seeks damages and other relief.

Pinchasov v. Robinhood Financial LLC

On November 5, 2020, plaintiff Shterna Pinchasov filed a putative class action in the Circuit Court of the 11th Judicial Circuit of Florida in and for Miami-Dade County asserting claims of negligence and breach of fiduciary duty based on allegations that RHF failed to prevent customers from using its interface for stocks that were subject to a "T1 Halt," and seeking damages. Securities exchanges, such as the New York Stock Exchange and the Nasdaq Stock Market, have the authority to halt and delay trading in a security, and a "T1 Halt" (or regulatory halt) may occur pending the release of material news about a company.

On November 30, 2020, RHF removed this action to the U.S. District Court for the Southern District of Florida pursuant to the Class Action Fairness Act of 2005. On December 21, 2020, RHF filed a motion to dismiss the complaint.

Gordon v. Robinhood Financial LLC

On October 29, 2019, a putative class action was filed against RHF and RHM in the Superior Court for the State of Washington, County of Spokane. The complaint alleges that RHF and RHM initiated or assisted in the transmission of commercial electronic text messages to Washington State residents without their consent in violation of Washington State law. The action has been removed to the Eastern District of Washington, pursuant to the Class Action Fairness Act of 2005, and the court granted RHM's motion to dismiss for lack of personal jurisdiction. On January 7, 2020, we filed a motion to dismiss the complaint, which was denied. On January 25, 2021, the court granted the plaintiff's motion for class certification. A trial date has not been set yet.

Management

MANAGEMENT

Executive Officers and Non-Employee Directors Upon Completion of the Offering

The following table sets forth information as of , 2021 regarding individuals who are expected to serve as our executive officers and directors following the completion of this offering:

Name	Age	Position	Committees	Date of Appointment
Executive Officers				
Vladimir Tenev	34	Co-Founder, Chief Executive Officer, President and Director		November 2013
Baiju Bhatt	36	Co-Founder, Chief Creative Officer and Director		November 2013
Daniel Gallagher	48	Chief Legal Officer		May 2020
Gretchen Howard	47	Chief Operating Officer		July 2019
Christina Smedley	53	Chief Marketing and Communications Officer		September 2020
Jason Warnick	49	Chief Financial Officer		December 2018
Non-Employee Directors				
Jan Hammer (I)	44	Director		August 2014
Scott Sandell (I)	56	Director		June 2016

(I) = Considered by our board of directors to be independent under Nasdaq listing rules
A = Member of the Audit Committee
C = Member of the Compensation Committee
N = Member of the Nominating and Governance Committee
* = Chairperson of the applicable committee

Executive Officers and Employee Directors

Vladimir Tenev is a Co-Founder of Robinhood and, since November 2020, has served as Chief Executive Officer (“CEO”) and President of Robinhood. Mr. Tenev has also served as a member of our board of directors since our founding. In 2013, Mr. Tenev co-founded Robinhood with Mr. Bhatt to democratize finance. From 2013 to November 2020, Mr. Tenev served alongside Baiju Bhatt as our co-CEO and co-President. Before Robinhood, Mr. Tenev started two finance companies in New York City. Mr. Tenev holds a B.S. in Mathematics from Stanford University and an M.S. in Mathematics from UCLA.

We believe that Mr. Tenev is qualified to serve as a member of our board of directors based on the perspective and experience he brings as our Co-Founder and CEO.

Baiju Bhatt is a Co-Founder of Robinhood and, in March 2021, was named our Chief Creative Officer. Mr. Bhatt has also served as a member of our board of directors since our founding. In 2013, Mr. Bhatt co-founded Robinhood with Mr. Tenev to democratize finance. From 2013 to November 2020, Baiju served alongside Vlad as our co-CEO and co-President. Before Robinhood, Mr. Bhatt started two finance companies in New York City. Mr. Bhatt holds a B.S. in Physics and an M.S. in Mathematics from Stanford University.

We believe that Mr. Bhatt is qualified to serve as a member of our board of directors based on the perspective and experience he brings as our Co-Founder and Chief Creative Officer.

Daniel Gallagher has served as our Chief Legal Officer since May 2020. Before joining Robinhood, Mr. Gallagher was a Partner and the Deputy Chair of the Securities Department at Wilmer Cutler Pickering Hale and Dorr LLP from 2019 to 2020. Mr. Gallagher's previous experience includes serving as the Chief Legal Officer at Mylan N.V., a leading global pharmaceutical company, from 2017 to 2019, and as a President of a financial services consulting firm from 2016 to 2017. Mr. Gallagher served as a Commissioner of the SEC from 2011 to 2015, and held several other positions on the SEC staff prior to being appointed Commissioner. Mr. Gallagher holds a J.D. from The Catholic University of America, Columbus School of Law and a B.A. from Georgetown University.

Gretchen Howard has served as our Chief Operating Officer since July 2019 and as our Vice President of Operations from January 2019 to July 2019. Before joining Robinhood, Ms. Howard was a Partner with CapitalG, Alphabet's Growth Equity fund from 2014 to 2019. Prior to CapitalG, Ms. Howard held various positions at Google, including the co-site lead of the Google San Francisco office and a Managing Director in Sales & Business Operations. Prior to joining Google in 2006, Ms. Howard served as Vice President of Market Development and Field Sales for Fidelity Investments. She started her career working in consulting, helping companies implement new technology strategies. Ms. Howard holds an M.B.A. from Harvard Business School and a B.A. from Williams College.

Christina Smedley has served as our Chief Marketing and Communications Officer since September 2020. Before joining Robinhood, Ms. Smedley held various positions, most recently as a Vice President at Facebook from 2015 to 2020, where she worked with the Messenger, Diem (previously known as Libra) and Novi teams. Ms. Smedley joined Facebook from PayPal where she was Vice President of Brand and Communications from 2012 to 2015. In past roles, she led Edelman's global consumer practice and Amazon's worldwide communications team. She holds a B.A. from the University of Kent, Canterbury, United Kingdom.

Jason Warnick has served as our Chief Financial Officer since December 2018. Prior to joining Robinhood, Mr. Warnick held a variety of finance, strategy and compliance leadership positions at Amazon.com, where he most recently served as Vice President, Finance from 2011 to 2018. Mr. Warnick holds a B.A. in Accounting from Western Washington University.

Non-Employee Directors

Jan Hammer has served as a member of our board of directors since August 2014. Mr. Hammer is a Partner at Index Ventures, a venture capital firm, which he joined in 2010. At Index, he focuses on financial, information/data services and software as a service across all stages. Prior joining Index, Mr. Hammer worked at General Atlantic in London. Mr. Hammer started his career working in mergers and acquisitions and capital markets at Morgan Stanley. Mr. Hammer holds an M.B.A. from INSEAD and an M.A. from Oxford University.

We believe that Mr. Hammer is qualified to serve as a member of our board of directors based on the perspective and extensive experience he brings as an investor in technology companies.

Scott Sandell has served as a member of our board of directors since June 2016. He has served as Managing General Partner of New Enterprise Associates ("NEA"), a venture capital firm, since 2017, Co-Managing General Partner from 2015 to 2017, and as a General Partner since September 2000. Mr. Sandell joined NEA in 1996. Mr. Sandell is currently the lead independent director of Cloudflare and is a director of Bloom Energy and Tuya. Mr. Sandell previously served on the board of directors of Fusion-io, Tableau Software, Workday and Spreadtrum Communications. Mr. Sandell holds an M.B.A. from Stanford University and an A.B. in Engineering Sciences from Dartmouth College.

We believe that Mr. Sandell is qualified to serve as a member of our board of directors based on the perspective and extensive experience he brings as an investor in technology companies and his experience serving on private and public company boards.

Appointment of Officers

Our executive officers are appointed by, and serve at the discretion of, our board of directors. There are no family relationships among any of our directors or executive officers.

Board of Directors Composition

Our business and affairs are managed under the direction of our board of directors.

Current Board of Directors

The authorized number of members on our board of directors is currently four. Pursuant to our amended and restated certificate of incorporation, dated as of August 13, 2020, as amended and as in effect prior to the completion of this offering (our "Pre-IPO Charter"), and the Amended and Restated Voting Agreement, dated as of August 13, 2020, as amended (the "Voting Agreement"), by and among us and certain holders of our capital stock, Messrs. Bhatt, Hammer, Sandell and Tenev have been designated to serve as members of our board of directors. Pursuant to the Voting Agreement, (i) the seat occupied by Mr. Hammer is elected by the holders of a majority of our outstanding Series A redeemable convertible preferred stock; (ii) the seat occupied by Mr. Sandell is elected by the holders of a majority of our outstanding Series B redeemable convertible preferred stock; and (iii) the seats occupied by Mr. Bhatt and Mr. Tenev are elected by the holders of a majority of the outstanding shares of our common stock.

Pursuant to the Voting Agreement, (i) up to two additional directors may be elected by the holders of a majority of the outstanding shares of our common stock and may not be affiliates of us and must also be reasonably acceptable to either Mr. Hammer or Mr. Sandell (or their successors); and (ii) up to one director may be elected by the holders of a majority of our common stock, Series A redeemable convertible preferred stock and Series B redeemable convertible preferred stock, voting together as a single class on an as-converted basis, and also may not be an affiliate of us. Pursuant to our Pre-IPO Charter and the Voting Agreement, in the event such applicable holders elect a member to our board of directors as described in the immediately preceding sentence, the authorized number of members on our board of directors will be automatically increased to create a vacancy for such member prior to giving effect to such election, subject to a maximum authorized number of members on our board of directors of seven.

The provisions of our Pre-IPO Charter and the Voting Agreement by which the directors are currently elected will terminate in connection with this offering and we will not be party to any contractual obligations regarding the election of our directors following this offering.

After this offering, the authorized number of directors will be fixed by our board of directors, subject to the terms of our Charter and Bylaws, each of which will become effective immediately prior to the completion of this offering. Each of our current directors will continue to serve until his or her successor is duly elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal from office.

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that Mr. Hammer and Mr. Sandell do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under Nasdaq listing standards. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our

capital stock by each non-employee director, and the transactions involving them described in the section titled “Certain Relationships and Related Person Transactions.”

Lead Independent Director

Upon the completion of this offering, our corporate governance guidelines will provide that one of our independent directors will serve as the lead independent director at any time when the chair of our board of directors is a member of management or is otherwise not independent. Our board of directors has appointed to serve as our lead independent director. As lead independent director, will preside over all meetings of the board of directors at which the chair is not present, including any executive sessions of the independent directors, approve schedules and agendas for the meetings of our board of directors and act as liaison between the independent directors and our management and the chair of the board of directors.

Committees of the Board of Directors

Our board of directors will establish an audit committee, a compensation committee and a nominating and corporate governance committee, with each having the composition and responsibilities described below. Our board of directors may establish other committees to facilitate the management of our business. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

Audit Committee

Following the completion of this offering, our audit committee will consist of , and , with serving as Chairperson. Our board of directors has determined that all members are independent under the listing standards of the Nasdaq and SEC rules and regulations. Our board of directors has also determined that is an audit committee financial expert as such term is currently defined in Item 407(d)(5) of Regulation S-K. Each member of our audit committee can read and understand fundamental consolidated financial statements, in accordance with applicable requirements. Following the completion of this offering, our audit committee will, among other matters:

- appoint and oversee an independent registered public accounting firm to audit our consolidated financial statements, including determining the engagement, compensation and retention of the independent registered public accounting firm;
- evaluate the independent registered public accounting firm’s qualifications, independence and performance;
- review and discuss the scope and results of the audit with the independent registered public accounting firm, and review, with management and the independent registered public accounting firm, our interim and year-end results of operations;
- pre-approve all audit and all permissible non-audit services to be performed by the independent registered public accounting firm;
- oversee and monitor the design, implementation, adequacy and effectiveness of internal control over financial reporting with management and the independent registered public accounting firm;
- oversee the design, implementation and performance of our internal audit function;
- oversee our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- review our consolidated financial statements and our critical accounting policies and estimates;

- review and approve related persons transactions;
- establish procedures for the receipt, retention and treatment of any complaints received by us regarding accounting, internal accounting controls or auditing matters;
- discuss with management on a periodic basis, or as appropriate, procedures and controls with respect to risk assessment and risk management;
- review management's oversight of risks, including risks of security, data privacy and cybersecurity; and
- oversee our compliance with corporate policies and legal and regulatory requirements.

Our audit committee will operate under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the Nasdaq.

Compensation Committee

Following the completion of this offering, our compensation committee will consist of and , with serving as Chairperson. Our board of directors has determined that all members are independent under the listing standards of the Nasdaq and SEC rules and regulations. Each member of our compensation committee is a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act. Following the completion of this offering, our compensation committee will, among other matters:

- review, approve and determine or make recommendations to our board of directors regarding the compensation of our executive officers, including our CEO;
- evaluate the performance, or assist in the evaluation of the performance, of our CEO;
- review and make recommendations regarding non-employee director compensation to our full board of directors;
- administer our equity and non-equity incentive compensation plans;
- establish and review general policies and plans relating to compensation and benefits of our employees; and
- review and discuss annually with management the risks arising from our compensation philosophy and practices to determine whether they encourage excessive risk-taking.

Our compensation committee will operate under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the Nasdaq.

Nominating and Corporate Governance Committee

Following the completion of this offering, our nominating and corporate governance committee will consist of and , with serving as Chairperson. Our board of directors has determined that all members are independent under the listing standards of the Nasdaq and SEC rules and regulations. Following the completion of this offering, our nominating and corporate governance committee will, among other matters:

- identify, evaluate and select or make recommendations to our board of directors regarding nominees for election to our board of directors;

- review and make recommendations to our board of directors regarding director independence determinations;
- evaluate the performance of our board of directors and of individual directors;
- develop and evaluate the adequacy of our corporate governance guidelines and policies; and
- advise our board of directors on corporate governance matters and board of directors performance matters, including recommendations regarding the size, structure and composition of our board of directors and committees thereof.

Our nominating and corporate governance committee will operate under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the Nasdaq.

Board Diversity

Our nominating and corporate governance committee will be responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members. Our board will adopt diversity standards, to be reflected in our corporate governance guidelines with respect to the evaluation of director candidates. In its evaluation of director candidates, our nominating and corporate governance committee will consider factors including issues of character, integrity, judgment, potential conflicts of interest, other commitments and diversity, and with respect to diversity, such factors as gender, race, ethnicity and experience, area of expertise, as well as other individual qualities and attributes that contribute to the total diversity of viewpoints and experience represented on the board of directors. In addition, as a public company with our principal executive offices in California, we will be required by California law to immediately have at least one female director on our board of directors. By the end of 2021, we will be required by the same California law to have two female directors if our Board has five members or three female directors if our Board has six or more members. We will also be required by California law to have at least one director by the end of 2021 who is from an underrepresented community, defined as “an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender,” and two such directors by the end of 2022 (assuming our board size remains between five and eight directors). Fines for violating these provisions of California law range in the hundreds of thousands of dollars per year.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any entity that has one or more of its executive officers serving as a member of our board of directors or compensation committee.

Code of Conduct

Our board of directors has adopted a Code of Conduct that applies to all of our officers, directors, employees and contingent workers, including our CEO, Chief Financial Officer, and other executive and senior officers. The board has also adopted a Code of Ethics for Senior Financial Executives. The full text of both our Code of Conduct and our Code of Ethics for Senior Financial Executives will be posted on the investor relations page on our website. We intend to promptly disclose any future amendments to either the Code of Conduct or the Code of Ethics for Senior Financial Executives, as well as any waivers under either code, on our website or in a current or periodic report filed with the SEC within four days of the amendment or waiver.

EXECUTIVE COMPENSATION

As an emerging growth company, we have opted to comply with the executive compensation disclosure rules applicable to smaller reporting companies. This section provides an overview of the compensation awarded to, earned by, or paid to each individual who served as a principal executive officer during fiscal year 2020 and our next two most highly compensated executive officers in respect of their service to our company during fiscal year 2020. We refer to these individuals as our named executive officers ("NEOs"). Our NEOs for fiscal year 2020 were:

- Vladimir Tenev, Co-Founder, Chief Executive Officer and President;
- Baiju Bhatt, Co-Founder and Chief Creative Officer and, prior to November 2020, Co-Chief Executive Officer and co-President;
- Jason Warnick, Chief Financial Officer; and
- Daniel Gallagher, Chief Legal Officer.

Summary Compensation Table

The following table summarizes information regarding the compensation awarded to, earned by, or paid to our NEOs during fiscal year 2020.

Name and Principal Position	Year	Salary ($)	Bonus ($)[2]	Stock Awards ($)[3]	Option Awards ($)[4]	All Other Compensation ($)[5]	Total ($)
Vladimir Tenev *Co-Founder and Chief Executive Officer*	2020	400,015	—	—	—	526,333	926,348
Baiju Bhatt *Co-Founder, Chief Creative Officer and Former Co-Chief Executive Officer*	2020	400,015	—	—	—	368,200	768,215
Jason Warnick *Chief Financial Officer*	2020	400,015	450,000	17,166,078	—	50,247	18,066,340
Daniel Gallagher *Chief Legal Officer*[1]	2020	257,436	4,200,000	24,619,577	990,901	—	30,067,914

(1) Mr. Gallagher joined us as Chief Legal Officer on May 12, 2020.

(2) For Mr. Warnick, the bonus amount includes a retention bonus of $100,000 paid in December 2020 and a one-time discretionary bonus of $350,000 also paid in December 2020. For Mr. Gallagher, the bonus amount includes (i) a prepaid retention bonus of $2.1 million paid in connection with the commencement of his employment on May 12, 2020 and (ii) an additional prepaid retention bonus of $2.1 million paid in December 2020. The terms of Messrs. Warnick's and Gallagher's retention bonuses are further described in detail below under "—Narrative Description of Executive Compensation Arrangements—Offer Letters."

(3) In accordance with SEC rules, the amounts in this column represent the grant date fair value of RSUs calculated in accordance with FASB ASC Topic 718. For additional information, see Note 1 to our consolidated financial statements included elsewhere in this prospectus. The assumptions used in calculating the grant date fair value of the RSUs reported in this table are set forth in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Stock-Based Compensation."

(4) In accordance with SEC rules, the amounts in this column represent the grant date fair value of stock options calculated in accordance with FASB ASC Topic 718. For additional information, see Note 1 to our consolidated financial statements included elsewhere in this prospectus. The assumptions used in calculating the grant date fair value of the stock options reported in this table are set forth in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Stock-Based Compensation."

(5) For Mr. Tenev, the amount reflects executive medical plan premiums and $502,009 in personal security costs. For Mr. Bhatt, the amount reflects executive medical plan premiums and $345,057 in personal security costs. For Mr. Warnick, the amount reflects executive medical plan premiums, health reimbursements, including the reimbursement of taxes associated with such reimbursements, and $8,195 in company matching contributions to his 401(k) plan account.

Outstanding Equity Awards as of December 31, 2020

The following table presents information regarding outstanding equity awards held by our NEOs as of December 31, 2020.

	Option Awards						Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[1]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[1]
Vladimir Tenev	10/8/2019						2,904,024[2]	47,422,712	13,831,829[3]	225,873,768
Baiju Bhatt	10/8/2019						2,904,024[2]	47,422,712	13,831,829(3)	225,873,768
Jason Warnick	12/15/2018	350,000	350,000[4]		5.93	12/14/2028	700,000[5]	11,431,000		
	1/13/2020						699,432[6]	11,421,725		
	12/9/2020						645,160[7]	10,535,463		
Daniel Gallagher	10/8/2019						10,013[8]	163,512		
	6/16/2020						308,419[9]	5,036,482		
	7/6/2020		264,360[10]		10.24	7/5/2030				
	9/3/2020						1,332,014[9]	21,751,789		
	12/9/2020						270,968[11]	4,424,907		

(1) Amounts are calculated by multiplying the number of shares shown in the table by $16.33, the fair market value of our common stock as of December 31, 2020, as determined by our board of directors.
(2) One-fourth of these Time-Based RSUs vested on August 1, 2019 and an additional one-sixteenth vest on each quarterly anniversary thereafter, in each case, subject to continued service through the applicable vesting date and the occurrence of a Liquidity Event (as defined below).
(3) These Market-Based RSUs vest based upon achievement of specified prices for the shares of our common stock and multi-year service vesting requirements. The terms of these awards are further described below under "—Narrative Description of Executive Compensation Arrangements—Equity Awards—Market-Based RSUs."
(4) One forty-eighth of these stock options vest monthly on the fourth day of each month through December 4, 2022, in each case, subject to continued service through the applicable vesting date.
(5) One-fourth of these Time-Based RSUs vested on December 4, 2019 and an additional one forty-eighth vest monthly thereafter, in each case, subject to continued service through the applicable vesting date and the occurrence of a Liquidity Event (as defined below).
(6) One-fourth of these Time-Based RSUs vested on December 1, 2020 and an additional one-sixteenth vest quarterly thereafter, in each case, subject to continued service through the applicable vesting date and the occurrence of a Liquidity Event (as defined below).
(7) Half of these Time-Based RSUs vest one-sixteenth each quarter, commencing on January 1, 2021, and the remaining half vest one-eighth each quarter, commencing on January 1, 2023, subject to continued service through the applicable vesting date and the occurrence of a Liquidity Event (as defined below).
(8) These Time-Based RSUs were granted to Mr. Gallagher in connection with his prior service as a member of our board of directors. The time-based vesting conditions for these Time-Based RSUs have been satisfied, but they remain subject to the occurrence of a Liquidity Event (as defined below).
(9) One-fourth of these Time-Based RSUs vest on May 12, 2021 and an additional one-sixteenth vest on each quarterly anniversary thereafter, in each case, subject to continued service through the applicable vesting date and the occurrence of a Liquidity Event (as defined below).
(10) One-fourth of these stock options vest on May 12, 2021 and an additional one-sixteenth vest on each quarterly anniversary thereafter, in each case, subject to continued service through the applicable vesting date.
(11) One-twelfth of these Time-Based RSUs vested on January 1, 2021 and the remaining Time-Based RSUs vest in equal quarterly installments beginning on the first day of our second fiscal quarter in 2021 and then on each quarterly anniversary

thereafter, subject to continued service through the applicable vesting date and the occurrence of a Liquidity Event (as defined below).

Narrative Description of Executive Compensation Arrangements

Base Salaries

We use base salaries to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our NEOs. Base salaries are reviewed periodically and adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities, performance and experience.

Bonuses

We have historically utilized retention bonuses to retain and compensate certain employees, including certain of our NEOs. We have not historically maintained an annual bonus program for our NEOs.

Equity Awards

We believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture, and help to align the interests of our executives and our stockholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incentivizes our executive officers to remain in our employment during the vesting period. Accordingly, our board of directors periodically reviews the equity incentive compensation of our NEOs and from time to time may grant equity incentive awards to them. Our equity awards have been primarily in the form of RSUs that require continued employment over a multi-year vesting period and the occurrence of a liquidity event (the earlier of (i) the consummation of this initial public offering and (ii) an acquisition, including a change in ownership, effective control or sale of substantially all of our assets) (a “Liquidity Event”). The terms of the equity awards held by our NEOs are described under “—Outstanding Equity Awards as of December 31, 2020” above and further described below.

In addition to the terms described below, on March 10, 2021, our board of directors adopted a policy intended to provide our employees, including our NEOs, with additional financial security in the event of loss and hardship in recognition of the significant weight we place on equity incentive compensation. In the event that an employee’s (including any NEO’s) employment terminates due to death or permanent disability, a portion of such employee’s RSUs that are subject to time-based vesting conditions and would have otherwise vested within the two years following such termination will vest and become exercisable; provided, that the maximum value of RSUs that will vest and become exercisable may not exceed $10 million in the aggregate. Any RSUs that time vest in accordance with this policy will continue to be subject to any liquidity or performance-based vesting conditions, if applicable.

Market-Based RSUs

In 2019, each of our Co-Founders was granted an award of 13,831,829 Market-Based RSUs under our 2013 Stock Plan. This award was designed to incentivize the Co-Founders toward growing our share price and is subject to both challenging share price goals and multi-year service vesting requirements.

The following table sets forth the percentage of the Market-Based RSUs eligible to vest based on our share price (the “Share Price Condition”):

Share Price	Market-Based RSUs Eligible for Vesting
Less than $30.45	0%
$30.45 to less than $50.75	20%
$50.75 to less than $101.50	50%
$101.50 or more	100%

Once the number of Market-Based RSUs eligible to vest has been determined based on the satisfaction of the Share Price Condition (the “Eligible Market-Based RSUs”), half of the Eligible Market-Based RSUs will immediately vest and the remaining half vest according to a quarterly time-based vesting condition, which is satisfied based on three-month service periods from August 1, 2018 through August 1, 2024, subject to continued service on each such vesting date, and with the Eligible Market-Based RSUs for which these three-month service periods have been satisfied as of achievement of the Share Price Condition vesting immediately upon the completion of this offering.

We currently anticipate that of the Market-Based RSUs will become Eligible Market-Based RSUs upon completion of this offering (based on an assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus), with vesting immediately upon the completion of this offering and subject to vesting in equal installments on each August 1, November 1, February 1 and May 1 through August 1, 2024.

Offer Letters

As of December 31, 2020, we had not entered into offer letters or employment agreements with Mr. Tenev or Mr. Bhatt.

We have entered into offer letters with each of Mr. Warnick and Mr. Gallagher. These offer letters provide for at-will employment and generally include the NEO’s initial base salary, initial equity awards, eligibility to participate in our employee benefit plans generally and, for Mr. Gallagher, severance payments and other benefits in the event of termination of employment by us without “cause” or by the executive for “good reason” (each, as defined in the applicable offer letter or award agreement) (a “Qualifying Termination”).

Jason Warnick

We have entered into an offer letter with Mr. Warnick, dated November 8, 2019 (the “Warnick Offer Letter”). Pursuant to the Warnick Offer Letter, Mr. Warnick’s initial base salary was $300,000 and Mr. Warnick received a retention bonus opportunity of $300,000, the last installment of which was paid on the second anniversary following the commencement of his employment.

Pursuant to the Warnick Offer Letter, Mr. Warnick received an initial grant of 700,000 Time-Based RSUs and 700,000 stock options (the “Warnick Sign-On Grants”). One-fourth of the Warnick Sign-On Grants vested on December 4, 2019 and the remaining vest in equal monthly installments thereafter, subject to continued service though the applicable vesting date.

Daniel Gallagher

We have entered into an amended and restated offer letter with Mr. Gallagher, dated December 15, 2020 (the “Gallagher Offer Letter”). Pursuant to the Gallagher Offer Letter, Mr. Gallagher’s initial base salary was $400,000 and Mr. Gallagher received an initial prepaid retention bonus of $2.1 million, which was paid following the commencement of his employment (the “First Retention Bonus”), and an additional

prepaid retention bonus of $2.1 million, which was paid in December 2020 (the “Second Retention Bonus”). One-twelfth of the First Retention Bonus vests on each monthly anniversary of May 12, 2020 (his employment commencement date) and one-twelfth of the Second Retention Bonus vests on each monthly anniversary of May 12, 2021 (the first anniversary of his employment commencement date). In the event of Mr. Gallagher’s termination of employment, other than a Qualifying Termination, prior to May 12, 2022, Mr. Gallagher will be required to repay any then-unvested portion of the First Retention Bonus and Second Retention Bonus.

Pursuant to the Gallagher Offer Letter, Mr. Gallagher received two separate grants of Time-Based RSUs (308,419 Time-Based RSUs and 1,332,014 Time-Based RSUs, respectively) and 264,360 stock options (the “Gallagher Sign-On Grants”). One-fourth of the Gallagher Sign-On Grants vest on May 12, 2021 and an additional one-sixteenth vest on each quarterly anniversary thereafter, subject to continued service though the applicable vesting date and, in the case of Time-Based RSUs, the occurrence of a Liquidity Event (as defined below). In addition, pursuant to the Gallagher Offer Letter, Mr. Gallagher received an additional grant of 270,968 Time-Based RSUs (the “Gallagher Supplemental RSUs”), one-twelfth of which vested on January 1, 2021, with the remainder vesting in equal quarterly installments beginning on the first day of our second fiscal quarter in 2021 and on each quarterly anniversary thereafter, subject to continued service through the applicable vesting date and, in each case, the occurrence of a Liquidity Event (as defined above).

Potential Payments upon Termination and Change in Control

As of December 31, 2020, we did not have a formal plan with respect to severance payments and benefits payable to our NEOs. From time to time, we granted equity awards to our NEOs subject to accelerated vesting in the event of such NEO’s Qualifying Termination and entered into employment offer letters with certain key employees, including the Gallagher Offer Letter, that provide for certain severance payments and benefits in the event of a Qualifying Termination. In addition, as described in more detail above under “—Narrative Description under Executive Compensation Arrangements—Equity Awards,” in the event an NEO’s employment terminates due to death or permanent disability, the portion of the NEO’s outstanding RSUs that are subject to time-based vesting conditions and would have otherwise vested within the two years following such termination will vest and become exercisable, subject to an aggregate cap and certain other conditions.

Vladimir Tenev

Pursuant to the terms of outstanding Market-Based RSUs held by Mr. Tenev, in the event Mr. Tenev incurs a Qualifying Termination from the date that is 30 days prior to a “sale event” (as defined in the applicable award agreement) to the date that is 18 months following such sale event, all Eligible Market-Based RSUs will immediately vest (with achievement of the Share Price Condition determined based on the applicable transaction price).

Pursuant to the terms of outstanding Time-Based RSUs held by Mr. Tenev, in the event Mr. Tenev incurs a Qualifying Termination from the date that is 30 days prior to a sale event to the date that is 18 months following such sale event, all such Time-Based RSUs will immediately vest on the later of such termination and such sale event.

Baiju Bhatt

Pursuant to the terms of outstanding Market-Based RSUs held by Mr. Bhatt, in the event Mr. Bhatt incurs a Qualifying Termination from the date that is 30 days prior to a sale event to the date that is 18 months following such sale event, all Eligible Market-Based RSUs will immediately vest (with achievement of the Share Price Condition determined based on the applicable transaction price).

Pursuant to the terms of outstanding Time-Based RSUs held by Mr. Bhatt, in the event Mr. Bhatt incurs a Qualifying Termination from the date that is 30 days prior to a sale event to the date that is 18 months following such sale event, all such Time-Based RSUs will immediately vest on the later of such termination and such sale event.

Jason Warnick

Pursuant to the terms of outstanding Time-Based RSUs and stock options held by Mr. Warnick, (i) in the event of a "corporate transaction," in the case of stock options, or a "change in control" (as defined in the applicable award agreement), in the case of Time-Based RSUs, in which the acquirer does not assume, substitute or continue such awards, then all such awards will immediately vest, subject to Mr. Warnick's continued employment through such date, and (ii) in the event Mr. Warnick incurs a Qualifying Termination from the date that is three months prior to a "change in control" (as defined in the applicable award agreement) to the date that is 18 months following such change in control in which the acquirer assumes, substitutes or continues such awards, then all such awards will immediately vest on the later of such termination and such change in control.

Daniel Gallagher

Pursuant to the Gallagher Offer Letter, in the event Mr. Gallagher incurs a Qualifying Termination prior to the first anniversary of his employment commencement date, he will be entitled to the following severance payments and benefits, subject to his execution of a release of claims within 60 days following such termination:

- a lump-sum cash severance payment equal to his base salary (the "Gallagher Severance Amount");
- if Mr. Gallagher elects continued health coverage under the Consolidated Omnibus Reconciliation Act of 1985 as amended ("COBRA"), payment of COBRA premiums for Mr. Gallagher and his covered dependents until (i) 12 months following such termination and (ii) the date Mr. Gallagher and his covered dependent become eligible for coverage under another employer's plans; and
- accelerated vesting of the portion of the Gallagher Sign-On Grants that would have otherwise vested through and including May 12, 2021.

In addition, in the event Mr. Gallagher incurs a Qualifying Termination from the date that is three months prior to a "change in control" (as defined in the Gallagher Offer Letter) to the date that is 18 months following such change in control, he will be entitled to receive, subject to his execution of a release of claims within 60 days following such termination, (i) the Gallagher Severance Amount and (ii) accelerated vesting of the Gallagher Sign-On Grants and the Gallagher Supplemental RSUs.

Employee Benefits and Stock Plans

The principal features of certain other benefit plans are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans, which, other than our 401(k) plan, are or will be filed as exhibits to the registration statement of which this prospectus is a part.

2020 Equity Incentive Plan

Our 2020 Plan was adopted by our board of directors and our stockholders in April 2020, and was last amended on June 18, 2020. As of December 31, 2020, we had 14,022,717 shares of our common stock available for issuance under our 2020 Plan. As of December 31, 2020, we had outstanding under our 2020 Plan (i) options to purchase 264,360 shares of our common stock, with a weighted-average exercise price of $10.24 per share, and (ii) RSUs (all of which were Time-Based RSUs) representing the right to receive 23,173,603 shares of our common stock.

Awards Available for Grant and Eligibility

Our 2020 Plan provides for the grant of stock options, including incentive stock options ("ISOs") and nonqualified stock options ("NQSOs"), restricted stock, RSUs and SARs. ISOs may be granted only to our employees, including employees of any parent or subsidiary. All other awards may be granted to our employees, non-employee directors and consultants.

Authorized Shares

Shares issued under our 2020 Plan may be previously unissued shares, reacquired shares or canceled, forfeited or terminated shares.

Administration

Our 2020 Plan is currently administered by our board of directors. The administrator has the authority to construe and interpret our 2020 Plan and any agreement or document executed pursuant to the plan, grant awards and make all other determinations necessary or advisable for the administration of our 2020 Plan.

Changes in Capitalization

In the event of a stock dividend, recapitalization, stock split, subdivision, combination, reclassification or other change in our corporate structure affecting our common stock, appropriate adjustments will be made to (i) the number and/or class of shares reserved for issuance under our 2020 Plan, (ii) the exercise price or purchase price of, if applicable, outstanding stock options and SARs and (iii) the purchase price of and/or number of class of shares subject to other outstanding awards under our 2020 Plan.

Acquisition or Other Combination

In the event of an "acquisition" or "other combination" (each, as defined in our 2020 Plan), our 2020 Plan provides that awards may be continued, assumed, substituted, settled by payment (in cash or securities of the surviving corporation or its parent) of the full value of the award, accelerated (in full or in part), or canceled without consideration, and awards would terminate upon the consummation of the acquisition or other combination unless they are continued, assumed or substituted. Our board of directors, in its sole discretion, may provide for the accelerated vesting of awards.

Nontransferability

Awards granted under our 2020 Plan generally may not be transferred or assignable in any manner other than by will, by the laws of descent and distribution or by beneficiary designation, unless otherwise permitted by the administrator.

Term and Amendment

Our 2020 Plan will have a term of ten years, unless it is terminated earlier by our board of directors. Our board of directors may amend or terminate our 2020 Plan at any time, but any amendment that applies to ISOs will require a stockholder approval. Otherwise, stockholder approval of the amendment will not be required unless required by applicable law.

Amended and Restated 2013 Stock Plan

Our Amended and Restated 2013 Plan (our "2013 Plan") was adopted by our board of directors and our stockholders in December 2013, and was last amended and restated on December 15, 2018. Our 2013 Plan was terminated in connection with adoption of our 2020 Plan. As of December 31, 2020, we had outstanding under our 2013 Plan (i) options to purchase 21,279,468 shares of our common stock, with a weighted-average exercise price of $2.09 per share, (ii) 237,686 restricted shares of common stock

and (iii) RSUs (comprised of 24,538,046 Time-Based RSUs and 27,663,658 Market-Based RSUs) representing the right to receive 52,201,704 shares of our common stock. Awards granted under our 2013 Stock Plan are generally subject to the terms similar to those described above with respect to awards granted under our 2020 Plan. No new awards may be granted under our 2013 Plan.

Awards Available for Grant and Eligibility

Our 2013 Plan provided for the grant of stock options, including ISOs and NQSOs, restricted stock and RSUs. ISOs may be granted only to our employees, including employees of any parent or subsidiary. All other awards may be granted to our employees, non-employee directors and consultants.

Administration

Our 2013 Plan is currently administered by our compensation committee or by our board of directors acting in place of the committees. The administrator has full authority and discretion to take any actions it deems necessary or advisable for the administration of our 2013 Plan and with respect to awards granted to participants outside of the U.S. and the administrator may take actions that vary from our 2013 Plan terms if it deems necessary and appropriate, provided that such actions may not vary from the plan terms requiring stockholder approval.

Corporate Transaction

In the event of a “corporate transaction” (as defined in our 2013 Plan), our 2013 Plan provides that awards may be continued, assumed or substituted, terminated without consideration (provided that a participant is given an opportunity to exercise vested stock options prior to the consummation of the transaction) or settled by payment (in cash, securities or other property) for a payment equal to the per-share value in the transaction, multiplied by the number of vested shares subject to the stock option minus the aggregate exercise price. Our board of directors, in its sole discretion, may provide for the accelerated vesting and exercisability, in whole or in part, of awards in connection with a corporate transaction.

Nontransferability

Stock options granted under our 2013 Plan generally may not be transferred or assignable in any manner other than by will, by the laws of descent and distribution or by beneficiary designation, or, if the applicable stock option award agreement so provides, an NQSO may not be transferred or assignable in any manner other than by gift or domestic relations order to a “family member” (as defined in our 2013 Plan).

401(k) Plan

We maintain a 401(k) plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax-advantaged basis. Eligible employees are able to defer eligible compensation up to certain Code limits, which are updated annually. We match 100% of the first 3% of employee contributions. Contributions are allocated to each participant’s individual account and are then invested in selected investment alternatives according to the participants’ directions. Employees are immediately and fully vested in their own contributions. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made, and contributions and earnings on those amounts are not taxable to the employees until withdrawn or distributed from the 401(k) plan.

DIRECTOR COMPENSATION

None of our non-employee directors were awarded or paid any compensation from us for the year ended December 31, 2020 for their service as directors.

Prior to this offering, we did not have a formal policy with respect to compensation payable to our non-employee directors for service as directors. From time to time, we have granted equity awards to new non-employee directors to induce them to join our board of directors. We also reimbursed our non-employee directors for necessary and reasonable expenses associated with attending meetings of our board of directors or its committees.

In February 2021, in connection with this offering, we adopted our Director Compensation Policy. The Director Compensation Policy will govern compensation paid to our non-employee directors beginning on the effective date of the registration statement of which this prospectus forms a part and is intended to attract and retain, on a long-term basis, exceptional directors. As we transition to become a publicly traded company, we intend to periodically evaluate our Director Compensation Policy as part of our regular reviews of our overall compensation strategy.

Under our Director Compensation Policy, following this offering, each non-employee director will receive cash and equity compensation for services on our board of directors. We will also continue to reimburse our non-employee directors for reasonable out-of-pocket and documented expenses incurred in attending meetings of the board of directors or any committee thereof. Each non-employee director will be entitled to receive an annual retainer fee of $50,000, payable quarterly in arrears. In addition, the non-executive chair of our board of directors, lead independent director, committee chairs and committee members will be entitled to receive the following annual retainers, payable quarterly in arrears:

- $50,000 for the non-executive chair of our board of directors;
- $30,000 for the lead independent director;
- $25,000 for the chair of our audit committee;
- $20,000 for the chair of our compensation committee;
- $12,000 for the chairperson of our nominating governance committee;
- $10,000 for each other member of our audit committee;
- $8,500 for each other member of our compensation committee; and
- $5,000 for each other member of our nominating governance committee.

Each person who becomes a non-employee director following the effective date of the registration statement of which this prospectus forms a part will receive an initial award of RSUs with a grant date fair value of $225,000. This initial award will vest in equal quarterly installments over three years. Each non-employee director will automatically receive, on the date of each annual meeting of our stockholders following the effective date of the Director Compensation Policy, an annual award of RSUs with a grant date fair value of $225,000. Any non-employee director who joins our board of directors mid-year will receive a prorated annual award of RSUs during the first year of service. Annual grants will vest in equal quarterly installments over one year.

In addition, no later than December 31, each non-employee director may elect to defer the receipt or settlement of certain compensation payable to such non-employee director in respect of services to be provided in the following year by completing and filing a deferral election form. Any such deferred compensation will be paid or settled, as applicable at the time specified in the director’s deferral election form.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our voting securities (which, after this offering, will consist of our common stock) as of December 31, 2020 (i) on an actual basis and (ii) as adjusted to reflect the sale of our common stock in this offering, assuming no exercise of the underwriters' option to purchase additional shares of our common stock, for:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding common stock;
- each of our directors;
- each of our named executive officers;
- all of our executive officers and directors as a group; and
- each selling stockholder.

The number of shares beneficially owned by each stockholder is determined under rules of the SEC and includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, warrants or other rights held by such person that are currently exercisable or will become exercisable within 60 days of December 31, 2020 (including our outstanding convertible notes, which will automatically convert upon this offering, and our outstanding warrants to purchase shares of our common stock or other equity securities, which will become exercisable following this offering), as well as RSUs that are subject to vesting conditions expected to occur within 60 days of December 31, 2020 (for which the liquidity-based vesting condition will be satisfied upon the effectiveness of this offering), are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

We have based our calculation of the applicable percentage of beneficial ownership prior to this offering on shares of common stock outstanding as of December 31, 2020, assuming (i) the Preferred Share Conversion, (ii) the Convertible Note Conversion, (iii) the IPO-Vesting Time-Based RSU Settlement, (iv) the Market-Based RSU Settlement and (v) the exercise of all outstanding warrants to purchase shares of our equity securities, $ aggregate maximum purchase amount of which was outstanding as of , 2021, by the holders thereof, for an aggregate of shares of our common stock, assuming an exercise price of $ (which is the lower of (i) 70% of the assumed initial public offering price of our common stock of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and (ii) $38.29), as if such exercise had occurred on December 31, 2020. We have based our calculation of the applicable percentage of beneficial ownership after this offering on shares of common stock outstanding immediately after the completion of this offering, giving effect to the foregoing assumptions (i) through (v) and assuming that the underwriters will not exercise their option to purchase additional shares of our common stock from us.

Unless otherwise indicated, the address of all listed stockholders is c/o Robinhood Markets, Inc., 85 Willow Road in Menlo Park, California 94025. Each of the stockholders listed has sole voting and

investment power with respect to the shares beneficially owned by the stockholder unless noted otherwise, subject to community property laws where applicable.

	Number of Shares Beneficially Owned	Number of Shares Sold in the Offering	Percentage of Shares Beneficially Owned	
			Before the Offering	After the Offering
Name of Beneficial Owner				
Named Executive Officers and directors:				
Vladimir Tenev			%	%
Baiju Bhatt			%	%
Daniel Gallagher			%	%
Jason Warnick			%	%
Jan Hammer			%	%
Scott Sandell			%	%
All executive officers and directors as a group:			%	%
>5% stockholders:				
Entities affiliated with DST Global[1]		-	%	%
Entities affiliated with Index Ventures[2]		-	%	%
Entities affiliated with New Enterprise Associates[3]		-	%	%
Entities affiliated with Ribbit Capital[4]		-	%	%

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(1) Consists of . The address of the entities mentioned in this footnote is c/o Tulloch & Co., 4 Hill Street, London WIJ 5NE, United Kingdom.
(2) Consists of . The address of the entities mentioned in this footnote is 44 Esplanade, 5th Floor, St. Helier, Jersey JEI 3FG, Channel Islands.
(3) Consists of . The address of the entities mentioned in this footnote is 1954 Greenspring Drive, Suite 600 Timonium, MD 21093.
(4) Consists of . The address of the entities mentioned in this footnote is 364 University Avenue, Palo Alto, CA 94301.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Other than compensation arrangements for our executive officers and directors which are described elsewhere in this prospectus, below we describe transactions since January 1, 2018 to which we were or will be a participant and in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our outstanding voting securities, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

Preferred Stock Financings

Series D Redeemable Convertible Preferred Stock Financing

In April 2018, we sold an aggregate of 35,774,761 shares of our Series D redeemable convertible preferred stock at a purchase price of $10.145 per share, for an aggregate purchase price of $362.9 million, pursuant to our Series D redeemable convertible preferred stock financing. The following table summarizes purchases of our Series D redeemable convertible preferred stock by holders of more than 5% of our capital stock and their affiliated entities. None of our executive officers purchased shares of Series D redeemable convertible preferred stock.

Stockholder	Shares of Series D Redeemable Convertible Preferred Stock	Total Purchase Price (millions)
Entities affiliated with DST Global[(1)]	13,307,047	$ 135.0
Entities affiliated with New Enterprise Associates[(2)]	492,853	$ 5.0
Entities affiliated with Ribbit Capital[(3)]	2,556,431	$ 25.9

(1) Consists of DST Global V Co-Invest, L.P., DST Global V L.P. and DST Investments XIX, L.P.
(2) Consists of New Enterprise Associates 15, L.P.
(3) Consists of RH-D Ribbit Opportunity II, LLC.

Series E Redeemable Convertible Preferred Stock Financing

From August 2019 through October 2019, we sold an aggregate of 29,887,357 shares of our Series E redeemable convertible preferred stock at a purchase price of $12.4827 per share, for an aggregate purchase price of $373.1 million, pursuant to our Series E redeemable convertible preferred stock financing. The following table summarizes purchases of our Series E redeemable convertible preferred

stock by holders of more than 5% of our capital stock and their affiliated entities. None of our executive officers purchased shares of Series E redeemable convertible preferred stock.

Stockholder	Shares of Series E Redeemable Convertible Preferred Stock	Total Purchase Price (millions)
Entities affiliated with DST Global[1]	12,016,630	$ 150.0
Entities affiliated with New Enterprise Associates[2]	6,007,513	$ 75.0
Entities affiliated with Ribbit Capital[3]	2,403,325	$ 30.0

(1) Consists of DST Global VI, L.P. and DST Global VII, L.P.
(2) Consists of New Enterprise Associates 15, L.P. and New Enterprise Associates 17, L.P.
(3) Consists of RH-E Ribbit Opportunity II, LLC and Ribbit Capital II, L.P.

Series F Redeemable Convertible Preferred Stock Financing

From May 2020 through July 2020, we sold an aggregate of 48,000,000 shares of our Series F redeemable convertible preferred stock at a purchase price of $12.50 per share, for an aggregate purchase price of $600.0 million, pursuant to our Series F redeemable convertible preferred stock financing. The following table summarizes purchases of our Series F convertible preferred stock by holders of more than 5% of our capital stock and their affiliated entities. None of our executive officers purchased shares of Series F redeemable convertible preferred stock.

Stockholder	Shares of Series F Redeemable Convertible Preferred Stock	Total Purchase Price (millions)
Entities affiliated with DST Global[1]	2,800,000	$ 35.0
Entities affiliated with New Enterprise Associates[2]	1,600,000	$ 20.0
Entities affiliated with Ribbit Capital[3]	160,000	$ 2.0

(1) Consists of DST Global VII, L.P.
(2) Consists of New Enterprise Associates 17, L.P.
(3) Consists of Ribbit Capital II, L.P.

Series G Redeemable Convertible Preferred Stock Financing

From August 2020 through September 2020, we sold an aggregate of 43,116,119 shares of our Series G redeemable convertible preferred stock at a purchase price of $15.50 per share, for an aggregate purchase price of $668.3 million, pursuant to our Series G redeemable convertible preferred stock financing. The following table summarizes purchases of our Series G redeemable convertible preferred stock by holders of more than 5% of our capital stock and their affiliated entities. None of our executive officers purchased shares of Series G redeemable convertible preferred stock.

Stockholder	Shares of Series G Redeemable Convertible Preferred Stock	Total Purchase Price (millions)
Entities affiliated with DST Global[1]	4,193,548	$ 65.0
Entities affiliated with Ribbit Capital[2]	3,225,806	$ 50.0

(1) Consists of DST Global VII, L.P.
(2) Consists of Bullfrog Capital L.P.

Convertible Note and Warrant Financings

In February 2021, we issued two tranches of convertible notes, consisting of $2,532.0 million aggregate principal amount of “Tranche I” convertible notes and $1,020.0 million aggregate principal amount of “Tranche II” convertible notes. Unless earlier converted, upon the closing of this offering, the convertible notes will automatically convert into shares of our common stock at a conversion price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii) $38.29 (in the case of the Tranche I convertible notes) or $42.12 (in the case of the Tranche II convertible notes). Interest on the convertible notes accrues at 6% per annum and is payable in kind. As of , 2021, all of the convertible notes remain outstanding. In addition, we granted to each purchaser of the Tranche I convertible notes a warrant to purchase a number of shares of equity securities equal to 15% of the aggregate proceeds invested by such purchaser in the Tranche I convertible notes (i.e. $379.8 million in aggregate maximum purchase amount). Following this offering and until the tenth anniversary of their issue date, outstanding warrants will be exercisable for shares of our common stock at an exercise price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii) $38.29. The following table summarizes purchases of our convertible notes by holders of more than 5% of our capital stock and their affiliated entities. None of our executive officers purchased our convertible notes or related warrants.

Stockholder	Tranche I Convertible Notes (Principal Amount, millions)	Tranche II Convertible Notes (Principal Amount, millions)
Entities affiliated with Index Ventures[1]	$ 50.0	$ —
Entities affiliated with New Enterprise Associates[2]	$ 75.0	$ —
Entities affiliated with Ribbit Capital[33]	$ 501.6	$ —

(1) Consists of Index Ventures Growth V (Jersey), L.P. and Yucca (Jersey) SLP.
(2) Consists of New Enterprise Associates 15, L.P. and New Enterprise Associates 17, L.P.
(3) Consists of Bullfrog Capital L.P. and RH-N Bullfrog Opportunity I, L.P.

In connection with the convertible note and warrant financings, we entered into a tranche I convertible note and warrant purchase agreement (the “Tranche I Purchase Agreement”) and a tranche II convertible note purchase agreement (the “Tranche II Purchase Agreement”), each dated as of February 12, 2021. Pursuant to the Tranche I Purchase Agreement, the holders of our Tranche I convertible notes have the right to request that we file a registration statement, and/or request that the common shares issued be covered by a registration statement that we are otherwise filing, subject to certain exceptions. See the section titled “Description of Capital Stock—Registration Rights” for additional information regarding these registration rights. In addition, the purchasers of our convertible notes and warrants entered into market standoff agreements with us for the benefit of the underwriters, pursuant to which the holders of our convertible notes and warrants have entered into lockup agreements in connection with this offering. See “Shares Eligible for Future Sale—Lock-up and Market Standoff Agreements.”

Third-Party Tender Offers and Secondary Sales

2019 Tender Offer

In August 2019, we entered into a letter agreement with certain holders of our capital stock, pursuant to which we agreed to waive certain transfer restrictions in connection with, and assist in the administration of, a tender offer that such holders proposed to commence. From August 2019 through September 2019, these holders commenced a tender offer to purchase shares of our capital stock from certain of our employee stockholders, including our Co-Founder and CEO, Vladimir Tenev, and Co-Founder and Chief Creative Officer and then-co-CEO Baiju Bhatt. An aggregate of 5.4 million shares of

our capital stock were tendered pursuant to the tender offer for an aggregate purchase price of $67.6 million, or $12.4827 per share.

2018 Secondary Sales

On April 3, 2018, our Co-Founder and CEO, Vladimir Tenev, our Co-Founder and Chief Creative Officer and then-co-CEO, Baiju Bhatt, our then-Chief Operating Officer, Nathan Rodland, and one other employee, each individually entered into common stock purchase agreements with certain other holders of our capital stock, including entities affiliated with DST Global, pursuant to which they sold shares of our common stock to the purchasing stockholders at a purchase price of $10.145 per share. In total, Mr. Bhatt sold 5,421,389 shares of common stock for an aggregate purchase price of $55.0 million; Mr. Rodland sold 295,712 shares of common stock for an aggregate purchase price of $3.0 million; and Mr. Tenev sold 5,421,389 shares of common stock for an aggregate purchase price of $55.0 million. As part of these sales, each of Mr. Bhatt and Mr. Tenev sold 739,280 shares of our common stock to entities affiliated with DST Global.

Voting Agreements

Amended and Restated Voting Agreement

We are party to the Voting Agreement, pursuant to which certain holders of our capital stock, including entities affiliated with Index Ventures, New Enterprise Associates, DST Global and Ribbit Capital, have agreed to the manner in which they will vote their shares on certain matters, including the election of directors. For more information about the Voting Agreement, see “Management—Board of Directors Composition—Current Board of Directors.” In connection with this offering, the Voting Agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors, the voting of our capital stock or restrictions on transfer of our capital stock pursuant to the Voting Agreement.

Holder Voting Agreements

Our Co-Founder and CEO, Vladimir Tenev, and our Co-Founder and Chief Creative Officer, Baiju Bhatt, have individually entered into holder voting agreements with entities affiliated with DST Global, which agreements were effective as of May 1, 2017 and as of January 1, 2021 (each, a “Holder Voting Agreement”), which entitled each of Mr. Tenev and Mr. Bhatt individually to vote 50% of the redeemable convertible preferred stock owned by the DST Global entities at their own discretion, whether at a meeting of stockholders or through the solicitation of a written consent of stockholders, in respect of certain matters regarding liquidations, dividends, transfers of intellectual property, acquisitions and indebtedness, among other things. Each Holder Voting Agreement terminates in its entirety upon the earliest of (i) the completion of this offering, (ii) the event of a liquidation, dissolution or winding up of Robinhood, (iii) the death or permanent and substantial incapacity of Mr. Tenev or Mr. Bhatt, as applicable, (iv) in the case of Mr. Tenev’s Holder Voting Agreements, the date on which Mr. Tenev is no longer serving as President or CEO of Robinhood or, in the case of Mr. Bhatt’s Holder Voting Agreements, the date on which Mr. Bhatt is no longer serving as an officer or director of Robinhood or (v) the date on which Mr. Tenev or Mr. Bhatt, as applicable, beneficially or indirectly transfers to any third party (individually or in the aggregate) more than 15% of capital stock of Robinhood owned by Mr. Tenev or Mr. Bhatt, respectively, as of April 17, 2017 or January 1, 2021, as applicable. All Holder Voting Agreements are expected to terminate on the completion of this offering.

Investors’ Rights Agreement

We are party to an Amended and Restated Investors’ Rights Agreement, dated as of August 13, 2020 (“Investors’ Rights Agreement”), with certain holders of our capital stock, including entities affiliated with Index Ventures, New Enterprise Associates, DST Global and Ribbit Capital. This agreement provides,

among other things, that certain holders of our capital stock and warrants have the right to request that we file a registration statement, and/or request that their shares be covered by a registration statement that we are otherwise filing, subject to certain exceptions. See the section titled “Description of Capital Stock—Registration Rights” for additional information regarding these registration rights. Also under the Investors’ Rights Agreement, our stockholders party thereto have entered into market standoff agreements with us for the benefit of the underwriters, pursuant to which such stockholders have entered into lockup agreements in connection with this offering. See “Shares Eligible for Future Sale—Lock-up and Market Standoff Agreements.”

Right of First Refusal and Co-Sale Agreement

Pursuant to certain of our equity compensation plans and certain agreements with our stockholders, including an Amended and Restated Right of First Refusal and Co-Sale Agreement, dated as of August 13, 2020 (“Right of First Refusal and Co-Sale Agreement”), among us, Mr. Tenev and Mr. Bhatt and certain of their respective affiliates and certain of our other stockholders, including entities affiliated with Index Ventures, New Enterprise Associates, DST Global and Ribbit Capital, as well as two Stock Restriction Agreements, each dated December 4, 2013 (the “Stock Restriction Agreements”), one between us and Mr. Tenev, and one between us and Mr. Bhatt, we or our assignees have a right of first refusal to purchase shares of our common stock which certain of our stockholders, including Mr. Tenev and Mr. and Bhatt, propose to sell to other parties. The Right of First Refusal and Co-Sale Agreement also provides our stockholder investors party thereto with rights of first refusal and co-sale relating to shares of our common stock held and proposed to be transferred by either of Mr. Tenev or Mr. Bhatt or certain of their respective affiliates or permitted transferees. The Right of First Refusal and Co-Sale Agreement will terminate in connection with this offering, as will the Stock Restriction Agreements. Since January 1, 2018, we have waived our rights of first refusal in connection with the transfer or sale of certain shares of our capital stock, including the tender offer and secondary sale transactions described under “—Third-Party Tender Offers and Secondary Sales” above and other transfers by certain of our Co-Founders and other executive officers. See the section titled “Principal and Selling Stockholders” for additional information regarding beneficial ownership of our capital stock.

Indemnification Agreements

We are currently party to and, in connection with this offering, we intend to enter into, an indemnification agreement with each of our directors and officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under the DGCL against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. See “Description of Capital Stock—Limitations on Liability and Indemnification of Officers and Directors.”

Each of Mr. Tenev and Mr. Bhatt, two of our executive officers and members of our board of directors, is party to an indemnification agreement with us. In 2020, pursuant to such indemnification agreements, we made aggregate payments to counsel to Mr. Bhatt and Mr. Tenev of approximately $1,152,775 in connection with the SEC Enforcement Division’s investigation into RHF’s best execution and PFOF practices, as well as statements concerning its source of revenue. In December 2020, RHF, on a neither admit nor deny basis, consented to the entry of an SEC order, concluding the investigation. See “Business—Regulation—Best Execution, Payment for Order Flow and Sources of Revenue Matters” for more information about this investigation. We do not anticipate making additional payments to counsel for Mr. Bhatt or Mr. Tenev in connection with this matter.

Policies and Procedures for Related Person Transactions

Our board of directors has adopted a written related person transaction policy, to be effective upon the completion of this offering, setting forth the policies and procedures for the identification, review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set

forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds $120,000 and a related person had or will have a direct or indirect interest. In reviewing and approving or disproving any such transactions, our audit committee considers all relevant facts and circumstances as appropriate, including, but not limited to, the purpose of the transaction, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction with an unrelated third party under the same or similar circumstances and the extent of the related person's interest in the transaction. All such approved transactions must be ratified by the audit committee, taking into account the foregoing considerations. All of the transactions described in this section occurred prior to the adoption of this policy.

DESCRIPTION OF CAPITAL STOCK

The following summary describes the material terms of our capital stock and provisions of our Charter and our Bylaws as they will be in effect upon the consummation of this offering. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of our Charter and our Bylaws, the forms of which are filed as exhibits to the registration statement of which this prospectus is a part, as well as the applicable provisions of the DGCL.

Our Capital Stock

General

Upon the filing of our Charter and the completion of this offering, our authorized capital stock will consist of shares of our common stock, par value $0.0001 per share, and shares of preferred stock, par value $0.0001 per share. Our board of directors may establish the rights and preferences of the preferred stock from time to time as set forth in our Charter. Our Charter does not authorize any other classes of capital stock.

Assuming (i) the Preferred Share Conversion, (ii) the Convertible Note Conversion, (iii) the IPO-Vesting Time-Based RSU Settlement and (iv) the Market-Based RSU Settlement, as of December 31, 2020 there would have been shares of common stock outstanding held by stockholders of record and no shares of preferred stock outstanding. Pursuant to our Charter, our board of directors will have the authority, without stockholder approval except as required by the listing standards of the Nasdaq, to issue additional shares of our common stock.

Common Stock

As of December 31, 2020, we had outstanding 229,031,546 shares of common stock held by 250 stockholders of record. Holders of our common stock will be entitled to one vote per share on all matters to be voted upon by our stockholders. Unless a different vote is required by applicable law or specifically required by our Charter or our Bylaws, if a quorum exists at any meeting of stockholders, stockholders shall have approved any matter (other than the election of directors, which is described below) if a majority of votes cast on such matter by stockholders present in person or represented by proxy at the meeting and entitled to vote on such matter are in favor of such matter. Subject to the rights of the holders of any series of our preferred stock to elect directors under specified circumstances, if a quorum exists at any meeting of stockholders, stockholders shall have approved the election of a director if a plurality of the votes cast at any meeting for the election of such director are in favor of such election.

Subject to the rights of any holders of our preferred stock, the holders of our common stock will be entitled to receive ratably dividends, if any, as may be declared from time to time by our board of directors out of funds legally available for the payment of dividends. If we liquidate, dissolve or wind up, after all liabilities and, if applicable, the holders of each series of our preferred stock have been paid in full, the holders of our common stock will be entitled to share ratably in all remaining assets. Our common stock will have no preemptive or conversion rights or other subscription rights. No redemption or sinking fund provisions will be applicable to our common stock. The rights, preferences and privileges of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Preferred Stock

As of December 31, 2020, we had 412,742,897 shares of redeemable convertible preferred stock outstanding held by 100 stockholders of record, all of which will, immediately prior to the completion of

this offering, automatically convert into shares of our common stock on a one-to-one basis. After the completion of this offering, no shares of our redeemable convertible preferred stock will be outstanding.

Pursuant to our Charter, our board of directors may issue shares of our preferred stock in one or more series and, subject to the applicable law of the State of Delaware, our board of directors may set the powers, rights, preferences, qualifications, limitations and restrictions of such preferred stock.

Our board of directors will have the power to issue our preferred stock with voting, conversion and exchange rights that could negatively affect the voting power or other rights of our common stockholders, and our board of directors could take that action without stockholder approval. The issuance of our preferred stock could delay or prevent a change in control of Robinhood. Upon the completion of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Stock Options

As of December 31, 2020, options to purchase 21,543,828 shares of our common stock were outstanding with a weighted-average exercise price of $2.19 per share, of which options to purchase 17,886,762 shares were vested and exercisable with a weighted-average exercise price of $1.56 per share.

Restricted Stock Units

As of December 31, 2020, RSUs representing the right to receive 75,375,307 shares of our common stock were outstanding, none of which were fully vested.

Warrants

As of December 31, 2020, there were no outstanding warrants to purchase shares of our equity securities. In February 2021, we granted to each purchaser of our Tranche I convertible notes (of which we issued an aggregate principal amount of $2,532.0 million) a warrant to purchase a number of shares of equity securities equal to 15% of the aggregate proceeds invested by such purchaser in the Tranche I convertible notes (i.e., $379.8 million in aggregate maximum purchase amount). Following this offering and until the tenth anniversary of their issue date, outstanding warrants will be exercisable for shares of our common stock at an exercise price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii) $38.29. Unless earlier exercised, the warrants will expire on February 12, 2031.

Registration Rights

After the completion of this offering, certain holders of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act. These registration rights, which are described below, are contained in the Investors' Rights Agreement and in the Tranche I Purchase Agreement.

We, along with our founders and certain holders of our redeemable convertible preferred stock, are parties to the Investors' Rights Agreement. The registration rights set forth in the Investors' Rights Agreement terminate upon the earlier of (i) a deemed liquidation event (such as (a) a merger or consolidation of us, (b) the sale, lease, transfer, exclusive license or other disposition by us or any of our subsidiaries of all or substantially all of our assets or intellectual property or (c) the sale, lease, transfer or other disposition of at least 50% of the then outstanding shares of our capital stock, subject to certain exceptions) where such stockholders receive proceeds solely in the form of cash and/or marketable securities, (ii) such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such stockholders' shares without limitation during a three-month period without registration and (iii) the fifth anniversary of our initial public offering or direct listing (whichever occurs

first). We will pay the registration expenses (other than any underwriting discounts and selling commissions) of the holders of the shares registered for sale pursuant to the registrations under the Investors' Rights Agreement described below, including the reasonable fees of one counsel for such selling stockholders not to exceed $50,000. However, we will not be required to bear the expenses in connection with the exercise of the demand registration rights of a registration if the request is subsequently withdrawn at the request of the selling stockholders holding a majority of the securities to be registered (in which case all selling stockholders shall bear such expenses pro rata based upon the number of shares that were to be included in the withdrawn registration), subject to certain conditions.For more information about the Investors' Rights Agreement, see "Certain Relationships and Related Person Transactions—Investors' Rights Agreement."

We, along with the purchasers of our Tranche I convertible notes, are also party to the Tranche I Purchase Agreement. The registration rights set forth in the Tranche I Purchase Agreement will terminate upon the earlier of (i) such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such stockholders' shares without limitation during a three-month period without registration and (ii) the later to occur of (a) the 12-month anniversary of our initial public offering, de-SPAC or direct listing (whichever occurs first) or (b) if applicable, the 12-month anniversary of certain financing events giving rise to a mandatory conversion of the Tranche I convertible notes (subject to a delay of up to 30 days in the event a suspension or deferral of registration was in effect during the 30-day period immediately prior to such later date). We will pay the registration expenses (other than any underwriting discounts and selling commissions) of the registrations under the Tranche I Purchase Agreement, but not the fees of counsel to the holders of the shares registered for sale pursuant to such registrations. For more information about the Tranche I Purchase Agreement and related convertible notes issuance, see "Certain Relationships and Related Person Transactions—Convertible Notes and Warrants Financings."

S-1 Demand Registration Rights

After the completion of this offering, the holders of up to shares of our common stock will be entitled to certain Form S-1 demand registration rights pursuant to the Investors' Rights Agreement. At a time beginning on the earlier of (i) August 13, 2025 or (ii) 180 days after the registration statement of which this prospectus forms a part is declared effective, the holders of at least a majority of these shares outstanding can request that we register the offer and sale of their shares on a registration statement on Form S-1, if we are eligible to file a registration statement on Form S-1, so long as the request covers at least that number of shares then outstanding with an anticipated aggregate offering price, net of underwriting discounts and selling commissions, of at least $20 million. We are obligated to effect only two such registrations. If we determine that it would be materially detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 120 days. In addition, we will not be required to effect a demand registration during the period beginning 60 days prior to our good faith estimate of the date of the filing and ending on a date 180 days following the effectiveness of a registration statement initiated by us. In addition, in an underwritten public offering, the underwriters have the right, subject to specified conditions, to limit the number of shares such holders may include for registration.

In addition, after the completion of this offering, the holders of up to shares of our common stock will be entitled to certain Form S-1 demand registration rights pursuant to the Tranche I Purchase Agreement. We have agreed that, upon request from the holders of these shares outstanding, we will promptly (and with any event within 30 days) after the registration statement of which this prospectus forms a part is declared effective, use reasonable best efforts to promptly file a registration statement on Form S-1, registering the offer and sale of such shares; provided that, if we use such reasonable best efforts but such registration statement has not been filed by the 30th day following the effective date of the registration statement of which this prospectus forms a part, then we shall have an additional 15 days to file such registration statement on Form S-1. If we determine that it would be materially detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration,

or suspend the use of such registration statement by the selling stockholders, for a period of up to 30 days in any 90-day period.

S-3 Demand Registration Rights

After the completion of this offering, the holders of up to approximately shares of our common stock will be entitled to certain Form S-3 demand registration rights pursuant to the Investors' Rights Agreement. The holders of at least 30% of these shares then outstanding may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers at least that number of shares with an anticipated offering price, net of underwriting discounts and selling commissions, of at least $5 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected one such registration within the 12-month period preceding the date of the request. In addition, if we determine that it would be materially detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 120 days. Further, we will not be required to effect a demand registration during the period beginning 30 days prior to our good faith estimate of the filing of and ending on a date 90 days following the effectiveness of a registration statement initiated by us. In addition, in an underwritten public offering, the underwriters have the right, subject to specified conditions, to limit the number of shares that these stockholders may include for registration.

Piggyback Registration Rights

The Investors' Rights Agreement provides and, after the completion of this offering, the Tranche I Purchase Agreement will provide, that, in the event that we propose to register the offer and sale of our common stock under the Securities Act, in connection with the public offering of such common stock (including, for purposes of the registration rights under the Investors' Rights Agreement, this offering), the holders of up to approximately shares of our common stock party to the Investors' Rights Agreement and the holders of up to approximately shares of our common stock who, prior to this offering, were holders of our Tranche I convertible notes, will be entitled to certain "piggyback" registration rights allowing such stockholders to include their shares in such registration. Such registration rights will be subject to certain marketing and other limitations, which, in the case of an underwritten offering, will be in the sole discretion of the underwriters. As a result, whenever we propose to file a registration statement under the Securities Act (including, for this purpose, a registration statement effected by us for other stockholders), other than (i) a registration relating to the sale or grant of securities to our employees or one of our subsidiaries pursuant to a stock option, stock purchase, equity incentive or similar plan, (ii) a registration related to an SEC Rule 145 transaction, (iii) a registration on any form that does include substantially the same information as would be required to be included in a registration statement covering the sale of our common stock, (iv) in the case of a registration pursuant to the Investors' Rights Agreement, a registration in which the only common stock being registered is common stock issuable upon conversion of debt securities that are also being registered, (v) with respect to a selling stockholder, a registration for a direct listing that includes all of the common stock held by such stockholder or (vi) in the case of a registration pursuant to the Tranche I Purchase Agreement, any registration in connection with this offering or any other initial public offering or a de-SPAC or direct listing, we shall, subject to certain conditions, cause to be registered all of the common stock that each such stockholder has requested to be included in such registration. We shall have the right to terminate or withdraw any registration initiated pursuant to such "piggyback registration" rights described above before the effective date of such registration, whether or not any stockholder has elected to include shares of their common stock in such registration. In addition, in an underwritten public offering, the underwriters have the right, subject to specified conditions, to limit the number of shares that these stockholders may include for registration.

Anti-Takeover Effects of Various Provisions of Delaware Law and Our Charter and Our Bylaws

Provisions of the DGCL, our Charter and our Bylaws could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise. These provisions, summarized below, would be expected to discourage certain types of coercive takeover practices and takeover bids our board of directors may consider inadequate and to encourage persons seeking to acquire control of our Company to first negotiate with us.

Undesignated Preferred Stock. Pursuant to our Charter, our board of directors will have the power to issue preferred stock with voting, conversion and exchange rights that could negatively affect the voting power or other rights of our common stockholders, and our board of directors could take that action without stockholder approval. The issuance of our preferred stock could delay or prevent a change in control of our Company.

Board Vacancies to Be Filled by Remaining Directors and Not Stockholders. Our Charter will provide that any vacancies, including any newly created directorships, on our board of directors will be filled by the affirmative vote of the majority of the remaining directors then in office, even if such directors constitute less than a quorum, or by a sole remaining director.

Special Meeting. Our Bylaws will provide that special meetings of the stockholders may be called only by the chair of our board of directors or our board of directors pursuant to a resolution adopted by a majority of the total number of directors that we would have if all vacancies or unfilled directorships were filled, thus prohibiting a stockholder from calling a special meeting.

Stockholder Action. Our Bylaws and our Charter will prevent stockholder action by written consent.

Advance Notice of Director Nominations and Stockholder Proposals. Our Bylaws will contain advance notice procedures for stockholders to make nominations of candidates for election as directors or to bring other business before annual or special meetings of stockholders, as the case may be, and will also specify certain requirements regarding the form, content and timing of such notice. These provisions might preclude our stockholders from making nominations for directors or bringing other business before our annual or special meetings of stockholders, as the case may be, if the specified requirements are not satisfied.

Amendments to our Charter and our Bylaws. Under the DGCL, our Charter may not be adopted, altered, amended or repealed by stockholder action alone. Any such adoption, alteration, amendment or repeal to any provision of our Charter requires a board resolution approved by the majority of the outstanding capital stock entitled to vote. Any provision of our Bylaws may be adopted, altered, amended or repealed by stockholders upon the affirmative vote of the holders of a majority of the voting power of the outstanding capital stock entitled to vote. Subject to the right of stockholders as described in the immediately preceding sentence, our board of directors may also adopt, amend, alter or repeal any provision of our Bylaws.

Delaware Anti-Takeover Statute. We will be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- the board of directors approved the acquisition of stock pursuant to which the person became an interested stockholder or the transaction that resulted in the person becoming an interested stockholder before the time that the person became an interested stockholder;
- upon consummation of the transaction that resulted in the person becoming an interested stockholder such person owned at least 85% of the outstanding voting stock of the corporation,

excluding, for purposes of determining the voting stock outstanding, voting stock owned by directors who are also officers and certain employee stock plans; or

- the transaction is approved by the board of directors and by the affirmative vote of two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a “business combination” to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder and an “interested stockholder” as a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation’s outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing changes in control of our Company.

No Cumulative Voting. Our Charter will prohibit cumulative voting in the election of directors.

Exclusive Forum. Under our Charter, unless we consent to a different forum, (i) any derivative action or proceeding brought on our behalf, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action or proceeding arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the DGCL, our Charter or our Bylaws, (iv) any action or proceeding seeking to interpret, apply, enforce or determine the validity of our Charter or our Bylaws, (v) any action or proceeding asserting a claim that is governed by the internal affairs doctrine or (vi) any action or proceeding as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware may only be brought before the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have subject matter jurisdiction, another state court sitting in the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware)), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. In addition, any complaint asserting a cause of action arising under the Securities Act may only be brought before the federal district courts of the United States. Nothing in our Charter will preclude stockholders that assert claims under the Exchange Act from bringing such claims in any court, subject to applicable law.

Any person or entity purchasing or otherwise acquiring or holding any interest in our securities shall be deemed to have notice of and consented to these exclusive forum provisions. The enforceability of similar choice of forum provisions in other companies’ charters and bylaws has been challenged in legal proceedings, and it is possible that, in connection with claims arising under federal securities laws or otherwise, a court could find the exclusive forum provision contained in our Charter to be inapplicable or unenforceable.

Limitations on Liability and Indemnification of Officers and Directors

Our Charter and our Bylaws will include provisions that require us to indemnify, to the fullest extent allowable under the laws of the State of Delaware, any person who is or was a director or officer of our Company or serving at our request in any capacity at another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, as the case may be. Our Charter and our Bylaws will also provide that we must indemnify and advance reasonable expenses to such persons, subject to our receipt of an undertaking from the indemnified party to repay all amounts advanced if it is determined ultimately that the indemnified party is not entitled to be indemnified. We will also be expressly authorized to carry directors’ and officers’ insurance to protect us and our directors and officers for some liabilities.

The limitation of liability and indemnification provisions in our Charter and our Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, these provisions do not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as an injunction or rescission if a director breaches his or her fiduciary duties. Moreover, the

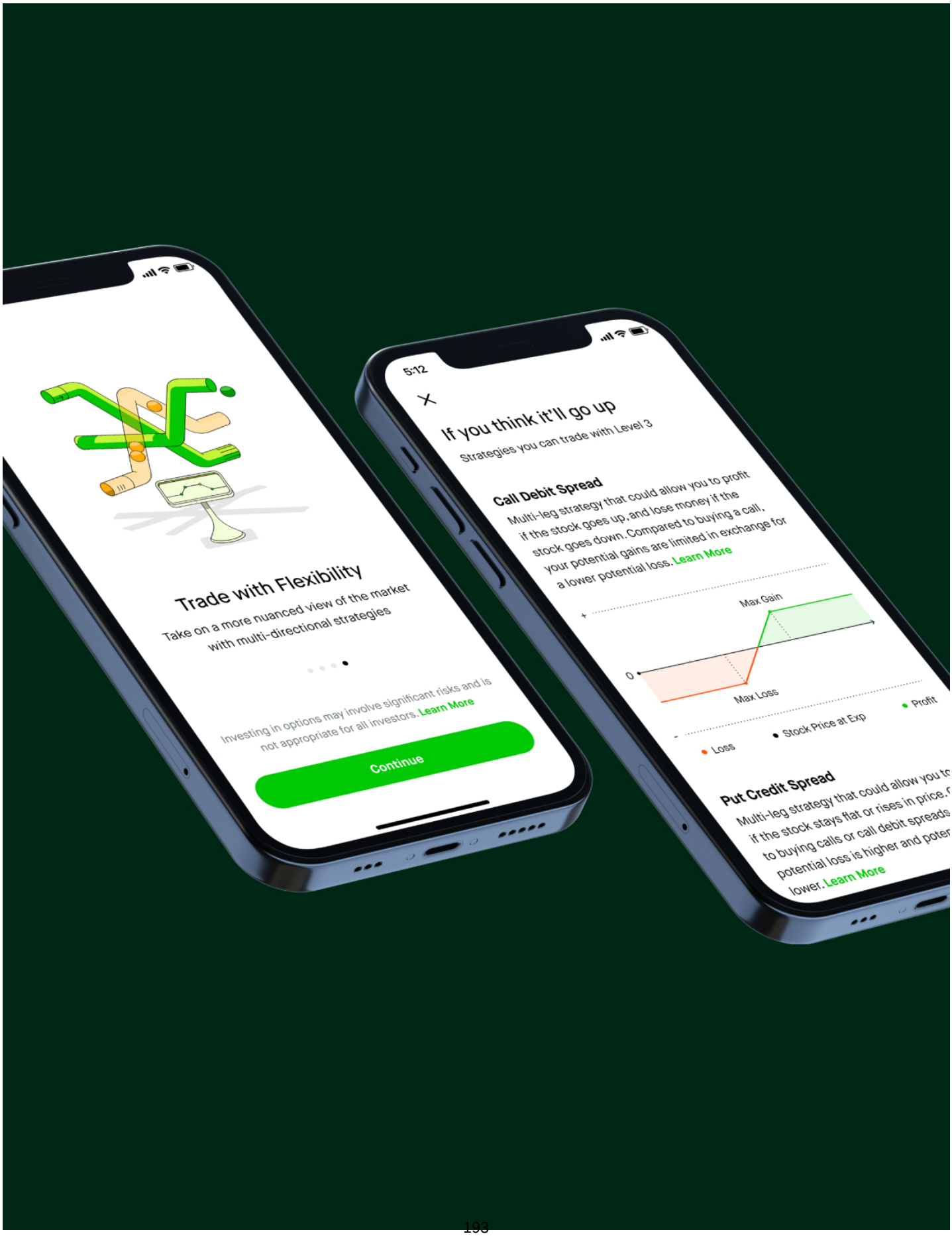
provisions do not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock will be .

Listing

We intend to apply to list our common stock on the Nasdaq under the symbol “ .”


Trade with Flexibility
Take on a more nuanced view of the market with multi-directional strategies
Investing in options may involve significant risks and is not appropriate for all investors. Learn More
Continue
5:12
If you think it'll go up
Strategies you can trade with Level 3
Call Debit Spread
Multi-leg strategy that could allow you to profit if the stock goes up, and lose money if the stock goes down. Compared to buying a call, your potential gains are limited in exchange for a lower potential loss. Learn More
Max Gain
Max Loss
Loss
Stock Price at Exp
Profit
Put Credit Spread
Multi-leg strategy that could allow you to
if the stock stays flat or rises in price.
to buying calls or call debit spreads
potential loss is higher and poter
lower. Learn More

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there was no public market for our common stock. Future sales of substantial amounts of common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of the common stock. Although we intend to apply to list our common stock on the Nasdaq, we cannot assure you that there will be an active public market for the common stock.

Upon the completion of this offering, based on the number of shares of our common stock outstanding as of December 31, 2020, we will have outstanding an aggregate of shares of common stock, assuming no exercise of the underwriters' option to purchase additional shares of common stock and after giving effect to (i) the Preferred Share Conversion, (ii) the Convertible Note Conversion, (iii) the IPO-Vesting Time-Based RSU Settlement and (iv) the Market-Based RSU Settlement. Of these shares, all of the shares of common stock sold in this offering by us or the selling stockholders, plus any shares sold by us upon exercise, if any, of the underwriters' option to purchase additional shares of common stock, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are purchased by one of our "affiliates," as that term is defined in Rule 144 under the Securities Act ("Rule 144").

The remaining outstanding shares of common stock will be, and, unless covered by a registration statement on Form S-8 or otherwise registered under the Securities Act, shares of common stock underlying outstanding RSUs or subject to outstanding stock options will be on issuance, deemed to be "restricted securities" as defined in Rule 144. Restricted securities may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act ("Rule 701"), which rules are summarized below. Restricted securities may also be sold outside of the United States to non-U.S. persons in accordance with Rule 904 of Regulation S under the Securities Act. As a result of the lock-up and market standoff agreements described below, and subject to such agreements and the provisions of Rules 144 and 701 under the Securities Act (including, with respect to shares held by affiliates, Rule 144 volume limitations), these restricted securities will be available for sale in the public market as follows:

- beginning days after the date of this prospectus, shares of common stock, representing shares of common stock subject to lock-up or market standoff agreements during the -day period beginning on the date of this prospectus as described below;
- beginning 31 days after the date of this prospectus, shares of common stock, representing 50% of the shares of common stock to be issued upon conversion of the Tranche I convertible notes in this offering pursuant to the Convertible Note Conversion, which shares are subject to lock-up agreements during the 30-day period beginning on the date of this prospectus as described below;
- beginning on the date of this prospectus, shares of common stock, representing 50% of the shares of common stock to be issued upon conversion of the Tranche I convertible notes in this offering pursuant to the Convertible Note Conversion; and
- the remainder of these restricted securities will be eligible for sale in the public market from time to time thereafter subject to vesting restrictions.

Rule 144

Under Rule 144 as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, provided we are current in our Exchange Act reporting at the time of sale, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the 90 days

preceding a sale and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our “affiliates,” is entitled to sell those shares in the public market without complying with the manner of sale, volume limitation, or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than one of our “affiliates,” then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (including before we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days).

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our “affiliates,” as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months, are entitled to sell in the public market, within any three-month period, a number of those shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal shares immediately after the completion of this offering; or
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our “affiliates” or persons selling shares on behalf of our “affiliates” are also subject to certain manner of sale provisions, notice requirements and requirements related to the availability of current public information about us.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 before the effective date of the registration statement of which this prospectus is a part and who are not our “affiliates” as defined in Rule 144 during the immediately preceding 90 days, is entitled to rely on Rule 701 to resell such shares beginning 90 days after the date of this prospectus in reliance on Rule 144, but without complying with the manner of sale, notice requirements, requirements related to the availability of current public information or volume limitation provisions of Rule 144. The SEC has indicated that Rule 701 applies to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, and will apply to shares acquired upon exercise of such stock options, including exercises after the date of this prospectus. Persons who are our “affiliates” may resell those shares beginning 90 days after the date of this prospectus without compliance with minimum holding period requirements under Rule 144.

Lock-up and Market Standoff Agreements

We and all of our directors, executive officers and certain other record holders that together represent approximately % of our outstanding common stock and securities directly or indirectly convertible into or exchangeable or exercisable for our common stock are subject to lock-up agreements with the underwriters or market standoff agreements with us under our Investors’ Rights Agreement, the Tranche II Purchase Agreement or our warrants, as applicable, for the benefit of the underwriters agreeing that, without the prior written consent of Goldman Sachs & Co. LLC on behalf of the underwriters, we and they

will not, in accordance with the terms of such agreements, during the -day period beginning on the date of this prospectus (such period, the "restricted period"):

(1) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant to purchase, or otherwise transfer or dispose of (directly or indirectly) any shares of our common stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for our common stock;

(2) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to effect a sale or disposition, or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of any shares of our common stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for our common stock, whether any such transaction described in this clause (2) or clause (1) above is to be settled by delivery of our common stock or other securities, in cash or otherwise; or

(3) publicly disclose the intention to take any of the actions restricted by clause (1) or (2) above.

In addition to the above, an additional approximately % of our outstanding common stock and securities directly or indirectly convertible into or exchangeable or exercisable for our common stock is subject to market standoff provisions and, in the case of equity awards issued under our 2013 Plan, rights of first refusal applicable to equity awards issued under our equity incentive plans that restrict the holders of such securities from taking any of the actions with respect to such securities described by clause (1) above during the restricted period. As a result of the foregoing, an aggregate of approximately % of our outstanding common stock and securities directly or indirectly convertible into or exchangeable or exercisable for our common stock is subject to a lock-up agreement or market standoff provisions during the restricted period.

In addition, pursuant to the Tranche I Purchase Agreement, holders of the shares of our common stock to be issued upon the conversion of our Tranche I convertible notes in this offering have agreed that, during the 30-day period beginning on the date of this prospectus, such holders will not take any of the actions described in the foregoing clauses (1)-(3) with respect to 50% of such shares (it being understood that the remaining 50% of such shares shall not be subject to any such lock-up agreement). As a result of the foregoing, in addition to the shares subject to lock-ups or market standoff provisions during the restricted period noted above, approximately % of our outstanding common stock and securities directly or indirectly convertible into or exchangeable or exercisable for our common stock is subject to lock-up agreements during the 30-day period beginning on the date of this prospectus. We have agreed to provide the holders of these shares with certain registration rights, as described below.

The lock-up agreements and market standoff agreements described above are subject to a number of exceptions, including sales of shares on the open market to cover taxes or estimated taxes due as a result of vesting or settlement of RSUs during the restricted period. Goldman Sachs & Co. LLC, in its discretion as representative of the underwriters, may release the common stock and other securities subject to the lock-up agreements in whole or in part at any time. See "Underwriting" for more information about these exceptions and a further description of these agreements.

Upon the expiration of the restricted period, substantially all of the securities subject to such transfer restrictions will become eligible for sale, subject to the Rule 144 and Rule 701 limitations discussed above.

Equity Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register the offer and sale of all of the shares of our common stock issuable or reserved for issuance under our

2020 Plan and 2013 Plan. Shares covered by such registration statements will be eligible for sale in the public market, subject to vesting restrictions, any applicable lockup and market standoff agreements described above and, with respect to shares held by affiliates, Rule 144 limitations.

Registration Rights

Pursuant to our Investors' Rights Agreement, certain holders of our outstanding redeemable convertible preferred stock (which will automatically convert into shares of our common stock immediately prior to the completion of this offering) or their transferees will be entitled to certain rights with respect to the registration of the offer and sale of those shares of common stock under the Securities Act. In addition, pursuant to the Tranche I Purchase Agreement, holders of our outstanding Tranche I convertible notes (which will automatically convert into shares of our common stock immediately upon the completion of this offering) or their transferees will be entitled to certain rights with respect to the registration of the offer and sale of those shares of common stock under the Securities Act. See the section titled "Description of Capital Stock—Registration Rights" for a description of these registration rights. If the offer and sale of these shares is registered, the shares will be freely tradable without restriction under the Securities Act, and a large number of shares may be sold into the public market, subject to the lock-up and market standoff agreements described above.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There is no assurance that the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our common stock being taken into account on an applicable financial statement; and
- tax-qualified retirement plans.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As discussed under "Dividend Policy" above, we do not currently expect to make distributions on our common stock. In the event that we do make distributions of cash or other property, those distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, they will constitute a return of capital, which will first reduce a Non-U.S. Holder's basis in our common stock, but not below zero, and then will be treated as gain from the sale of our common stock, as described below under "—Gain on Sale or Other Disposition of our Common Stock."

Dividends paid to a Non-U.S. Holder generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. In order to obtain a reduced rate of withholding (subject to the discussion below under "—FATCA"), a Non-U.S. Holder will be required to provide a properly executed applicable IRS Form W-8BEN or W-8BEN-E (or other applicable or successor form) certifying the Non-U.S. Holder's entitlement to benefits under a treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States), the Non-U.S. Holder will generally be taxed on the dividends on a net income basis at regular rates applicable to a U.S. person. In this case, the Non-U.S. Holder will be exempt from the withholding tax discussed in the preceding paragraph, although the Non-U.S. Holder will be required to provide a

properly executed IRS Form W-8ECI in order to claim an exemption from withholding. Non-U.S. Holders should consult their tax advisors with respect to other U.S. tax consequences of the ownership and disposition of our common stock, including the possible imposition of a branch profits tax at a rate of 30% (or a lower treaty rate) for corporations.

Gain on Sale or Other Disposition of our Common Stock

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest ("USRPI") by reason of our status as a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become a USRPHC in the future. Even if we were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Informational Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a U.S. person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the

applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a U.S. person, or the holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code, such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. Although withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are acting as representatives, have severally agreed to purchase, and we and the selling stockholders have agreed to sell to them, severally, the number of shares indicated below:

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
Barclays Capital Inc.	
Citigroup Global Markets Inc.	
Morgan Stanley & Co. LLC	
Wells Fargo Securities, LLC	
Total	

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and the selling stockholders and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by us and the selling stockholders are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by us and the selling stockholders if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ option to purchase additional shares described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters’ right to reject any order in whole or in part.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an additional shares of common stock from us at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Commissions and Discounts

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us and the selling stockholders. These amounts are

shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by			
Us	$	$	$
Selling stockholders	$	$	$
Proceeds, before expenses, to us	$	$	$
Proceeds, before expenses, to selling stockholders	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We will agree to reimburse the underwriters for certain FINRA-related expenses incurred by them in connection with the offering in an amount not to exceed $ as set forth in the underwriting agreement.

Listing

We intend to apply to list our common stock on the Nasdaq under the trading symbol " ."

Lock-Up Agreements

We and all directors and officers and certain stockholders have agreed, subject to certain exceptions, that, without the prior written consent of Goldman Sachs & Co. LLC on behalf of the underwriters, we and they will not, during the -day period beginning on the date of this prospectus (the "restricted period"):

(1) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right, or warrant to purchase, or otherwise transfer or dispose of (directly or indirectly) any shares of our common stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for our common stock;

(2) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to effect a sale or disposition, or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of any shares of our common stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for our common stock, whether any such transaction described in this clause (2) or clause (1) above is to be settled by delivery of our common stock or other securities, in cash, or otherwise; or

(3) publicly disclose an intention to take any of the actions restricted by clause (1) or (2) above.

In addition, pursuant to the Tranche I Purchase Agreement, holders of the shares of our common stock to be issued upon the conversion of our Tranche I convertible notes in this offering have agreed that, during the 30-day period beginning on the date of this prospectus, such holders will not take any of the actions described in the foregoing clauses (1)-(3) with respect to 50% of such shares (it being understood that the remaining 50% of such shares shall not be subject to any such lock-up agreement).

The foregoing lock-up agreements are subject to specified exceptions, including: .

In addition, we and each such person have agreed that, without the prior written consent of Goldman Sachs & Co, LLC on behalf of the underwriters, we or such other person will not, during the restricted period (or, if applicable, the 30-day period beginning on the date of this prospectus), make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for shares of common stock. None of our other stockholders is subject to any such restrictions and, accordingly, common stock or other securities held by these other stockholders may be transferred or disposed of, to or through any broker-dealer, at any time during or following this offering, subject to such stockholder's compliance with applicable securities laws.

Goldman Sachs & Co, LLC, in its sole discretion as representative of the underwriters, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

Price Stabilization, Short Positions and Penalty Bids

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under their option to purchase additional shares. The underwriters can close out a covered short sale by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price at which they may purchase additional shares pursuant to the option described above. The underwriters may also sell shares in excess of their option to purchase additional shares, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

Electronic Distribution

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make internet distributions on the same basis as other allocations.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Other Relationships

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us or for the selling stockholders, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Selling Restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to this offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area (each a “Relevant State”), no shares of common stock have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares of common stock which has been approved by the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of shares of common stock may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares of common stock shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any shares of common stock or to whom any offer is made will be deemed to have represented, acknowledged and agreed to

and with each of the representatives and us that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any shares of common stock being offered to a financial intermediary as that term is used in Article 5 of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares of common stock acquired by it in the offer have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares of common stock to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an “offer of shares of common stock to the public” in relation to any shares of common stock in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares of common stock to be offered so as to enable an investor to decide to purchase or subscribe for the shares of common stock and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

We have not authorized and do not authorize the making of any offer of shares of common stock through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares of common stock in this document. Accordingly, no purchaser of the shares of common stock, other than the underwriters, is authorized to make any further offer of the shares on behalf of us or the underwriters.

United Kingdom

In relation to the United Kingdom, no shares of common stock have been offered or will be offered pursuant to this offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares of common stock that either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, except that offers of shares may be made to the public in the United Kingdom at any time under the following exemptions under the UK Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or

(c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (“FSMA”);

provided that no such offer of shares of common stock shall require us or any representative to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer of shares of common stock to the public” in relation to any shares of common stock in any relevant state means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

We have not authorized and do not authorize the making of any offer of shares of common stock through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares of common stock as contemplated in this prospectus. Accordingly, no purchaser of the shares of common stock, other than the underwriters, is authorized to make any further offer of the shares on behalf of us or the underwriters.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in Article 2 of the UK Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the FSMA.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Canada

The shares of our common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares of common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to Section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, Section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "FIEL") has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of our common stock.

Accordingly, the shares of common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors (“QII”)

Please note that the solicitation for newly issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “QII only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred to QIIs.

For Non-QIIs

Please note that the solicitation for newly issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “small number private placement” or a “small number private secondary distribution” (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred en bloc without subdivision to a single investor.

Hong Kong

The shares of our common stock may not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O. No advertisement, invitation or document relating to the shares of common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

This prospectus has not been registered as a prospectus under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) by the Monetary Authority of Singapore, and the offer of shares of our common stock in Singapore is made primarily pursuant to the exemptions under Sections 274 and 275 of the SFA. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares of common stock may not be circulated or distributed, nor may shares of common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor as defined in Section 4A of the SFA (an “Institutional Investor”) pursuant to Section 274 of the SFA, (ii) to an accredited investor as defined in Section 4A of the SFA (an “Accredited Investor”) or other relevant person as defined in Section 275(2) of the SFA (a “Relevant Person”) and pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where shares of our common stock are subscribed or purchased under Section 275 of the SFA by a Relevant Person which is:

(a) a corporation (which is not an Accredited Investor), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an Accredited Investor; or

(b) a trust (where the trustee is not an Accredited Investor), the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an Accredited Investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has subscribed for or acquired the shares of common stock, except:

(1) to an Institutional Investor, an Accredited Investor, a Relevant Person, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or Section 276(4)(i)(B) of the SFA (in the case of that trust);

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B(1)(c) of the SFA—Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the SFA, the issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the shares of common stock are "prescribed capital markets products" / capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and "Excluded Investment Products" / "Specified Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares of common stock may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708 (11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares of common stock without disclosure to investors under Chapter 6D of the Corporations Act.

The shares of common stock applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be

required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares of common stock of must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the shares of our common stock. The shares of our common stock may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the shares of our common stock constitutes a prospectus within the meaning of, and has been prepared without regard to, the FinSA, the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the shares of common stock or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, Robinhood or the shares of common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares of common stock will not be supervised by, the Swiss Financial Market Supervisory Authority ("FINMA"), and the offer of shares of common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares of common stock.

United Arab Emirates

The shares of our common stock have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus or taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares of common stock to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares of common stock offered should conduct their own due diligence on the shares

of common stock. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Cravath, Swaine & Moore LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

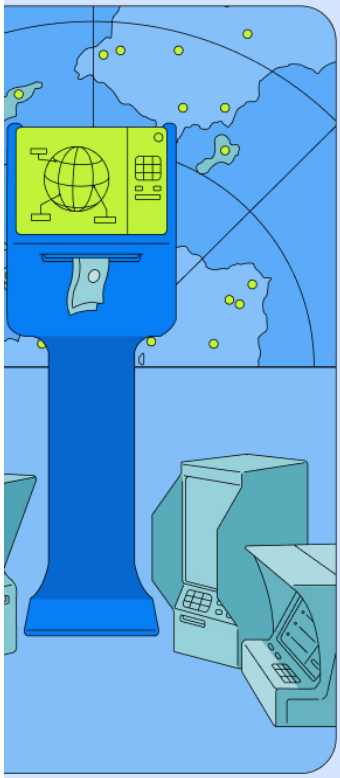
The consolidated financial statements of Robinhood Markets, Inc. at December 31, 2019 and 2020 and for each of the two years in the period ended December 31, 2020, appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

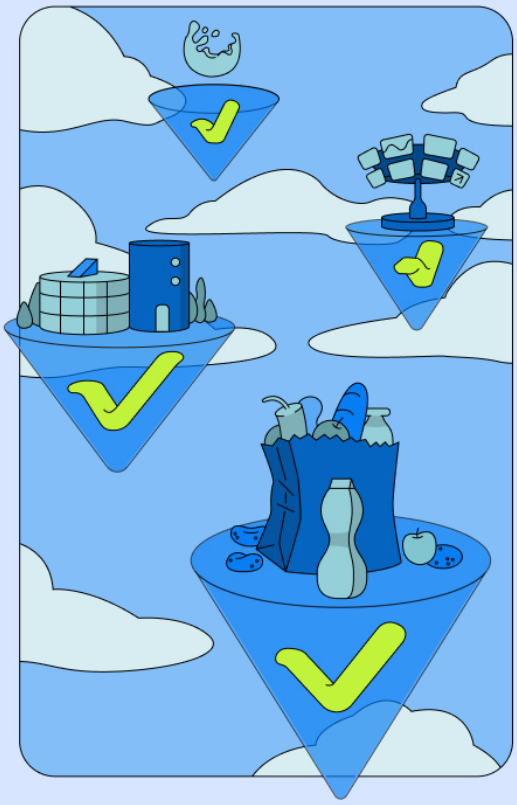
WHERE YOU CAN FIND MORE INFORMATION

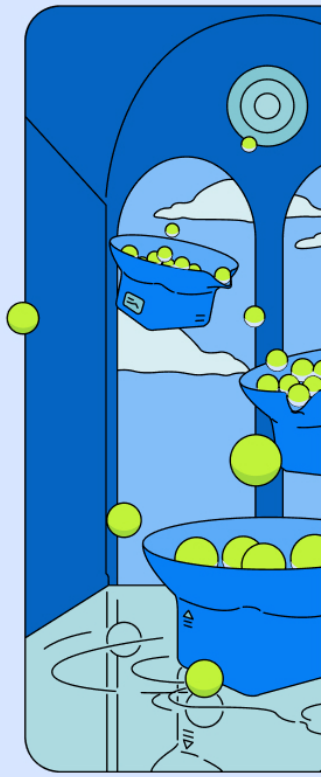
We have filed with the Securities and Exchange Commission a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules thereto. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement.

The SEC maintains an internet website, which is located at www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You may access the registration statement for this offering at the SEC's internet website.

Upon completion of this offering, we will be subject to the informational and periodic reporting requirements of the Exchange Act. We will fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. We intend to furnish our stockholders with annual reports containing consolidated financial statements certified by an independent registered public accounting firm. We also maintain a website at www.robinhood.com. The information contained in, or which can be accessed through, our website does not constitute a part of this prospectus and you should not consider information contained on our website when deciding whether to purchase shares of our common stock.







Cash Management

Consolidated Financial Statements

ROBINHOOD MARKETS, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Ernst & Young LLP
303 Almaden Blvd,
San Jose, CA 95110

Tel: +1 415 894 8000
Fax: +1 415 894 8099
ey.com

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Robinhood Markets, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Robinhood Markets, Inc. (the Company) as of December 31, 2019 and 2020, the related consolidated statements of operations, comprehensive loss, mezzanine equity and stockholders' deficit and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.

San Jose, California
March 22, 2021

ROBINHOOD MARKETS, INC.
CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)	December 31, 2019	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 644,050	$ 1,402,629
Cash and securities segregated under federal and other regulations	2,420,354	4,914,660
Receivables from brokers, dealers and clearing organizations	20,714	124,501
Receivables from users, net	640,171	3,354,142
Deposits with clearing organizations	122,477	225,514
Other current assets	28,342	851,138
Total current assets	3,876,108	10,872,584
Property, software and equipment, net	25,301	45,834
Restricted cash	5,164	7,364
Non-current assets	37,827	62,692
Total assets	$ 3,944,400	$ 10,988,474
Liabilities, mezzanine equity and stockholders' deficit		
Current liabilities:		
Accounts payable and accrued expenses	$ 37,587	$ 104,649
Payables to users	2,365,151	5,897,242
Securities loaned	674,029	1,921,118
Other current liabilities	24,613	893,036
Total current liabilities	3,101,380	8,816,045
Other non-current liabilities	27,657	48,012
Total liabilities	3,129,037	8,864,057
Commitments and contingencies (Note 13)		
Mezzanine equity		
Redeemable convertible preferred stock, $0.0001 par value. 643,333,662 and 414,033,220 authorized at December 31, 2019 and 2020. 321,626,778 and 412,742,897 issued and outstanding at December 31, 2019 and 2020. Liquidation preference of $922,786 and $2,191,086 at December 31, 2019 and 2020.	912,411	2,179,739
Stockholders' deficit:		
Common stock, $0.0001 par value, 1,400,000,000 and 777,354,000 and shares authorized at December 31, 2019 and 2020. 224,802,545 and 229,031,546 shares issued and outstanding at December 31, 2019 and 2020.	1	1
Additional paid-in capital	99,439	134,307
Accumulated other comprehensive income	189	473
Accumulated deficit	(196,677)	(190,103)
Total stockholders' deficit	(97,048)	(55,322)
Total liabilities, mezzanine equity and stockholders' deficit	$ 3,944,400	$ 10,988,474

See Accompanying Notes to the Consolidated Financial Statements.

ROBINHOOD MARKETS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)	Year Ended December 31, 2019	2020
Revenues:		
Transaction-based revenues	$ 170,831	$ 720,133
Net interest revenues	70,639	177,437
Other revenues	36,063	61,263
Total net revenues	277,533	958,833
Operating expenses:		
Brokerage and transaction	45,459	111,083
Technology and development	94,932	215,630
Operations	33,869	137,905
Marketing	124,699	185,741
General and administrative	85,504	294,694
Total operating expenses	384,463	945,053
Other expense (income), net	657	(50)
Income (loss) before income tax	(107,587)	13,830
Provision for (benefit from) income taxes	(1,018)	6,381
Net income (loss)	$ (106,569)	$ 7,449
Net income (loss) attributable to common stockholders:		
Basic	(106,569)	2,848
Diluted	(106,569)	2,848
Net income (loss) per share attributable to common stockholders:		
Basic	$ (0.48)	$ 0.01
Diluted	$ (0.48)	$ 0.01
Weighted-average shares used to compute net income (loss) per share attributable to common stockholders:		
Basic	221,664,610	225,748,355
Diluted	221,664,610	244,997,388

See Accompanying Notes to the Consolidated Financial Statements.

ROBINHOOD MARKETS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands)	Year Ended December 31, 2019	2020
Net income (loss)	$ (106,569)	$ 7,449
Other comprehensive income, net of tax:		
Foreign currency translation	179	284
Total other comprehensive income, net of tax	179	284
Total comprehensive income (loss)	$ (106,390)	$ 7,733

See Accompanying Notes to the Consolidated Financial Statements.

ROBINHOOD MARKETS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31, 2019	2020
Operating activities:		
Net income (loss)	$ (106,569)	$ 7,449
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	5,444	9,938
Provision for credit losses	11,109	59,134
Share-based compensation	26,667	24,330
Deferred income taxes	(665)	(261)
Other	834	2,400
Changes in operating assets and liabilities:		
Segregated securities under federal and other regulations	—	(134,994)
Receivables from brokers, dealers and clearing organizations	(9,081)	(103,787)
Receivables from users, net	(64,711)	(2,771,967)
Deposits with clearing organizations	(85,547)	(103,037)
Other current and non-current assets	(47,758)	(848,538)
Accounts payable and accrued expenses	13,895	67,117
Payables to users	802,817	3,532,091
Securities loaned	674,029	1,247,089
Other current and non-current liabilities	39,621	889,290
Net cash provided by operating activities	1,260,085	1,876,254
Investing activities:		
Purchase of property, software and equipment	(7,255)	(24,443)
Capitalization of internally developed software	(5,198)	(7,887)
Sales, maturities and paydowns of marketable securities	141	—
Net cash used in investing activities	(12,312)	(32,330)
Financing activities:		
Draws on credit facilities	137,000	937,700
Repayments on credit facilities	(137,000)	(937,700)
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	372,733	1,267,328
Proceeds from exercise of stock options, net of repurchases	2,617	8,555
Net cash provided by financing activities	375,350	1,275,883
Effect of foreign exchange rate changes on cash and cash equivalents	179	284
Net increase in cash, cash equivalents, segregated cash and restricted cash	1,623,302	3,120,091
Cash, cash equivalents, segregated cash and restricted cash, beginning of the period	1,446,266	3,069,568
Cash, cash equivalents, segregated cash and restricted cash, end of the period	$ 3,069,568	$ 6,189,659
Cash and cash equivalents, end of the period	$ 644,050	$ 1,402,629
Segregated cash, end of the period	2,420,354	4,779,666
Restricted cash, end of the period	5,164	7,364
Cash, cash equivalents, segregated cash and restricted cash, end of the period	$ 3,069,568	$ 6,189,659
Supplemental disclosures:		
Cash paid for interest	$ 621	$ 3,207
Cash paid for income taxes	$ 1,396	$ 5,689

See Accompanying Notes to the Consolidated Financial Statements.

ROBINHOOD MARKETS, INC.
CONSOLIDATED STATEMENTS OF MEZZANINE EQUITY AND STOCKHOLDERS' DEFICIT

(in thousands, except for number of shares)	Redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount				
Balance at December 31, 2018	291,739,421	$ 539,678	220,339,931	$ 1	$ 68,615	$ 10	$ (90,108)	$ (21,482)
Net loss	—	—	—	—	—	—	(106,569)	(106,569)
Shares issued in connection with employee stock plans	—	—	4,472,624	—	2,291	—	—	2,291
Issuance of Series E convertible preferred stock, net of issuance costs	29,887,357	372,733	—	—	—	—	—	—
Repurchases of common stock	—	—	(10,010)	—	—	—	—	—
Vesting of early-exercised stock options	—	—	—	—	1,205	—	—	1,205
Change in other comprehensive income	—	—	—	—	—	179	—	179
Share-based compensation	—	—	—	—	27,328	—	—	27,328
Balance at December 31, 2019	321,626,778	$ 912,411	224,802,545	$ 1	$ 99,439	$ 189	$ (196,677)	$ (97,048)
Net income	—	—	—	—	—	—	7,449	7,449
Shares issued in connection with employee stock plans	—	—	4,310,197	—	9,415	—	—	9,415
Issuance of Series F convertible preferred stock, net of issuance costs	48,000,000	599,284	—	—	—	—	—	—
Issuance of Series G convertible preferred stock, net of issuance costs	43,116,119	668,044	—	—	—	—	—	—
Repurchases of common stock	—	—	(81,196)	—	—	—	(875)	(875)
Vesting of early-exercised stock options	—	—	—	—	527	—	—	527
Change in other comprehensive income	—	—	—	—	—	284	—	284
Share-based compensation	—	—	—	—	24,926	—	—	24,926
Balance at December 31, 2020	412,742,897	$ 2,179,739	229,031,546	$ 1	$ 134,307	$ 473	$ (190,103)	$ (55,322)

See Accompanying Notes to the Consolidated Financial Statements.

NOTE 1: DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Robinhood Markets, Inc. (“RHM”, together with its subsidiaries, “Robinhood”, the “Company”, “we”, or “us”) was incorporated in the State of Delaware on November 22, 2013. Our most significant, wholly-owned subsidiaries are:

- Robinhood Financial LLC (“RHF”), a registered introducing broker-dealer;
- Robinhood Securities, LLC (“RHS”), a registered clearing broker-dealer; and
- Robinhood Crypto, LLC (“RHC”), provides users the ability to buy and sell cryptocurrencies

Our mission is to democratize finance for all. We are building products and services that make it easier for people from all backgrounds to participate in the financial system. Our approach is to build easy-to-use and low cost financial products and services for our users. When we first began operating, we started by offering users the ability to buy and sell equities, and have since expanded our brokerage operations to allow retail investors access to other investment vehicles by offering commission-free trading for both options and cryptocurrencies, in addition to equities. We now offer a variety of services to our users to facilitate their trading experience, including a subscription service, Robinhood Gold, which allows users to access premium features such as enhanced instant access to deposits, professional research, Nasdaq Level II market data and, upon approval, access to margin investing. We have a fractional shares program which allows users to purchase and sell fractions of a share in certain equities, enabling users to place real-time fractional share orders in dollar amounts or share amounts, with purchases rounded to the nearest penny and the ability to purchase as small as 1/1,000,000 of a share. We also have a cash management program which allows users’ uninvested cash balances to earn interest through a cash sweep program with program banks insured by Federal Deposit Insurance Corporation (“FDIC”) and to be used to make purchases and ATM withdrawals through a co-branded debit card with Mastercard® bearing the logo of Robinhood (“Robinhood debit card”).

We facilitate the purchase and sale of equities, options and cryptocurrencies through our platform by routing transactions through executing brokers. Our users have ownership of the securities, including those that collateralize margin loans, and cryptocurrencies transacted on our platform and, as a result, any such securities or cryptocurrencies owned by users are not presented in our consolidated balance sheets. We do not allow users to purchase cryptocurrency on margin. We hold cryptocurrency in custody for our users’ accounts in one or more omnibus cryptocurrency wallets.

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus referred to as “COVID-19” to be a global pandemic. The COVID-19 pandemic has negatively impacted the global economy and caused significant volatility in the financial markets. In response to the pandemic, we have enabled nearly all of our employees to work remotely and have restricted business travel. Throughout the COVID-19 pandemic, we have seen substantial growth in our user base, retention, engagement and trading activity metrics, as well as continued gains and periodic all-time highs achieved by the equity markets generally. During the COVID-19 pandemic, we have seen an increasing interest in personal finance and investing, coupled with low interest rates and a positive market environment, especially in the U.S. equity markets, that has encouraged an unprecedented number of first-time retail investors to become our customers and begin trading on our platform. At the same time, the COVID-19 pandemic has resulted, in part, in inefficiencies or delays in our business, operational challenges and additional costs related to business continuity initiatives as our workforce has fully transitioned to remote working. The extent of the impact of COVID-19 on our business and financial results will depend largely on future developments, including the duration of the pandemic, actions taken to contain COVID-19 or address its impact, the ability to reintegrate our workforce or of our workforce to adapt to the long-term distributed workforce model (with some employees part- or full-time remote, and others not) we expect to adopt, the

impact on capital and financial markets and the related impact on the financial circumstances of our customers, all of which are highly uncertain and cannot be predicted.

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The consolidated financial statements include the accounts of RHM and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated.

Use of estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. We base our estimates on historical experience, and other assumptions we believe to be reasonable under the circumstances, which together form the basis for making judgments about the carrying values of assets and liabilities. Assumptions and estimates used in preparing our consolidated financial statements include those related to the determination of allowances for credit losses, the capitalization and estimated useful life of internally developed software, contingent liabilities, useful lives of property and equipment, the incremental borrowing rate used to determine the present value of lease payments, the valuation and recognition of share-based compensation, uncertain tax positions, and the recognition and measurement of current and deferred income tax assets and liabilities. Actual results could differ from these estimates and could have a material adverse effect on our consolidated financial statements.

Segment Information

We operate and report financial information in one operating segment. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assess performance. All our revenues and substantially all of our assets are attributed to or located in the United States.

Revenue recognition

Transaction-based revenues

We primarily earn transaction-based revenues from routing user orders for options, equities and cryptocurrencies to executing brokers when the performance obligation is satisfied, which is at the point in time when a routed order is executed by the executing broker. The transaction price for options is on a per contract basis, while for equities it is primarily based on the bid-ask spread of the underlying trading activity. For cryptocurrencies, the transaction price is a fixed percentage of the notional order value. For each trade type, all executing brokers pay the same transaction price. Payments are collected monthly in arrears from each executing broker.

Net interest revenues

Net interest revenues consist of interest revenues less interest expenses.

We earn and incur interest revenues and expense on securities lending transactions. We also earn interest on margin loans to users, which constitute the majority of receivables from users, net in the consolidated balance sheets, and on our segregated cash, cash and cash equivalents, and deposits with clearing organizations. We incur interest expenses in connection with our revolving credit facilities.

Other revenues

Other revenues primarily consists of Robinhood Gold subscription revenue. Our contract with users are for a term of 30 days and renew automatically each month. Subscription revenue is recognized when the performance obligation is satisfied ratably over the subscription period.

Concentration of credit risk

We had revenues from executing brokers in excess of 10% of total revenues, as follows:

	Year Ended December 31,	
	2019	2020
Executing broker:		
A	29 %	34 %
B	13 %	18 %
C	12 %	10 %
Total:	54 %	62 %

We are engaged in various trading and brokerage activities in which the counterparties primarily include broker-dealers, banks, and other financial institutions when applicable. In the event our counterparties do not fulfill their obligations, we may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. It is our policy to review, as necessary, the credit standing of each counterparty.

Operating expenses

Brokerage and transaction

Brokerage and transaction costs primarily consist of fees paid to centralized clearinghouses and regulatory fees, market data expenses, compensation and benefits, including share-based compensation, for employees engaged in clearing and brokerage functions, and allocated overhead.

Technology and development

Technology and development costs primarily consist of compensation and benefits, including share-based compensation, for engineering, data science, and design personnel, costs incurred to support and improve our platform, costs incurred in connection with the development of new products, costs associated with computer hardware and software, allocated overhead, and amortization of internally developed software.

Operations

Operations costs primarily consist of customer service related expenses, including compensation and benefits, which includes share-based compensation, for employees engaged in customer support, third-party customer service expenses, customer onboarding and account verification and allocated overhead. Operations costs also include our provision for credit losses primarily in connection with unrecoverable receivables due to fraudulent, unlawful or otherwise inappropriate customer behavior, such as when customers initiate deposits into their accounts, make trades on our platform 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 (which we refer to as “Fraudulent Deposit Transactions”) and to a lesser extent, losses on margin borrowings.

Marketing

Marketing costs primarily consist of expenses associated with our stock referral program, production and placement of advertisements in various media outlets, including online and on television, and customer goodwill, which primarily related to costs to remediate losses experienced by our users due to service interruptions on our platform and reimbursement of direct losses that happen due to unauthorized activity that is not the fault of our users. Marketing costs also include compensation and benefits, including share-based compensation, for employees engaged in the marketing function and allocated overhead. Advertising costs are expensed as incurred and were $119.6 million and $157.1 million in the years ended December 31, 2019 and 2020.

General and administrative

General and administrative costs consist primarily of compensation and benefits, including share-based compensation, for certain executives as well as employees engaged in legal, finance, human resources, risk, and compliance. General and administrative costs also includes certain legal settlements and professional fees, such as, but not limited to, legal, audit and accounting fees, as well as allocated overhead.

Research and development costs

Research and development costs described in Accounting Standards Codification ("ASC") 730, Research and Development, are expensed as incurred. Our research and development costs consist primarily of employee compensation and benefits for our engineering and research teams, including share-based compensation. Research and development costs recorded in operating expenses under ASC 730 were $27.7 million and $52.2 million for the years ended December 31, 2019 and 2020.

Share-based compensation

Stock Options

We estimate the fair value of stock options granted to employees and directors using the Black-Scholes option-pricing model. The fair value of stock options is recognized as compensation on a straight-line basis over the requisite service period. Forfeitures are accounted for when they occur.

The Black-Scholes option-pricing model incorporates various assumptions in estimating the fair value of stock-based awards. These variables include:

Fair value of our common stock—Because our common stock is not yet publicly traded, we must estimate the fair value of common stock. Our board of directors considers numerous objective and subjective factors to determine the fair value of our common stock including: contemporaneous third-party valuations of our common stock, sales of our common and redeemable convertible preferred stock to third-party investors in arms-length transactions, our operating and financial performance, the valuation of comparable companies, the lack of marketability, and general and industry specific economic outlook, amongst other factors.

Expected volatility—Expected volatility is a measure of the amount by which the stock price is expected to fluctuate. Since we do not have sufficient trading history of our common stock, we estimate the volatility of our common stock on the date of grant based on the weighted-average historical stock price volatility of comparable publicly-traded companies over a period equal to the expected term of the award.

Expected term—We determine the expected term based on the average period the stock options are expected to remain outstanding using the simplified method, generally calculated as the midpoint of the stock options' vesting term and contractual expiration period, as we do not have sufficient

historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior.

Risk-free interest rate—Based on the U.S. Treasury yield curve that corresponds with the expected term at the time of grant.

Expected dividend yield—We utilize a dividend yield of 0% as we have not paid, and do not anticipate paying, dividends on our common stock.

Assumptions used in valuing non-employee stock options are generally consistent with those used for employee stock options with the exception that the expected term is over the contractual life.

Performance-based RSUs

We have granted RSUs that vest upon the satisfaction of both time-based service and performance-based conditions. The fair value of these RSUs is estimated based on the fair value of our common stock on the date of grant. The time-based service condition for these awards is generally satisfied over four years. The performance-based conditions are satisfied upon the occurrence of a qualifying event, defined as the earlier of (i) the closing of certain, specific liquidation or change in control transactions, or (ii) an initial public offering ("IPO"). We record share-based compensation expense for performance-based equity awards on an accelerated attribution method over the requisite service period, and only if performance-based conditions are considered probable to be satisfied. As of December 31, 2019 and 2020, we had not recognized share-based compensation for awards with performance-based conditions because the qualifying event described above had not occurred and, therefore, could not be considered probable. In the period in which our qualifying event is probable, we will record a cumulative one-time share-based compensation expense determined using the grant-date fair values. Share-based compensation related to remaining time-based service after the qualifying event will be recorded over the remaining requisite service period.

Market-Based RSUs

We have granted RSUs that vest upon the satisfaction of all the following conditions: time-based service conditions, performance-based conditions, and market-based conditions. The time-based service condition for these awards generally is satisfied over six years. The performance-based conditions are satisfied upon the occurrence of a qualifying event, as described above. The market-based conditions are satisfied upon our achievement of specified initial public offering prices.

For market-based awards, we determine the grant-date fair value utilizing a Monte Carlo valuation model, which incorporates various assumptions including expected stock price volatility, expected term, risk-free interest rates, expected date of a qualifying event, and expected capital raise percentage. We estimate the expected term based on various exercise scenarios, as these awards are not considered "plain vanilla." We estimate the expected date of a qualifying event based on our expectation at the time of measurement of the award's value.

We record share-based compensation expense for market-based equity awards on an accelerated attribution method over the requisite service period, and only if performance-based conditions are considered probable to be satisfied. We determine the requisite service period by comparing the derived service period to achieve the market-based condition and the explicit time-based service period, using the longer of the two service periods as the requisite service period. As of December 31, 2019 and 2020, we had not recognized share-based compensation expense for awards with performance-based conditions because the qualifying event described above had not occurred and, therefore, could not be considered probable. In the period in which our qualifying event is probable, we will record a cumulative one-time share-based compensation expense determined using the grant-date fair values.

Loss contingencies

We are subject to claims and lawsuits in the ordinary course of business, including arbitration, class actions and other litigation, some of which include claims for substantial or unspecified damages. We are also the subject of inquiries, investigations, and proceedings by regulatory and other governmental agencies. We review our lawsuits, regulatory inquiries and other legal proceedings on an ongoing basis and provide disclosures and record loss contingencies in accordance with the loss contingencies accounting guidance. We establish an accrual for losses at management's best estimate when we assess that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. We monitor these matters for developments that would affect the likelihood of a loss and the accrued amount, if any, and adjust the amount as appropriate.

Earnings (loss) per share

Basic and diluted earnings per share are computed using the two-class method, which considers participating securities as a separate class of shares. Our participating securities consist of all series of our redeemable convertible preferred stock. Under the two-class method, net loss is not allocated to the redeemable convertible preferred stock as the preferred stockholders do not have a contractual obligation to share in our losses.

Basic earnings per share is computed by dividing net income available to our common stockholders, adjusted to exclude earnings allocated to participating securities, by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed on the basis of the weighted-average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period.

Cash and cash equivalents

We consider all highly liquid financial instruments with maturities at the time of purchase of three months or less to be cash equivalents. Cash and cash equivalents include deposits with banks and money market funds that are not segregated and deposited for regulatory purposes or to meet margin requirements at clearinghouses. We maintain cash in bank accounts at financial institutions that exceed federally insured limits. We also maintain cash in money market funds which are not FDIC insured. We are subject to credit risk to the extent any financial institution with which we conduct business is unable to fulfill contractual obligations on our behalf. As we have not experienced any losses in such accounts and we believe that we have placed our cash on deposit with financial institutions which are financially stable, we do not have an expectation of credit losses for these arrangements.

Cash and securities segregated under federal and other regulations

We are required to segregate cash and/or qualified securities for the exclusive benefit of customers and proprietary accounts of brokers in accordance with the provision of Rule 15c3-3 under the Securities Exchange Act of 1934. We continually review the credit quality of our counterparties and have not experienced a default. As a result, we do not have an expectation of credit losses for these arrangements.

Restricted cash

We are required to maintain restricted cash deposits to back letters of credit for certain property leases. These funds are restricted and have been classified as such on our consolidated balance sheets due to the nature of restriction.

Fair value of financial instruments

We apply fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, we may use various valuation approaches, including market, income and/or cost approaches. The fair value hierarchy requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair value is a market-based measure considered from the perspective of a market participant. Accordingly, even when market assumptions are not readily available, our own assumptions reflect those that market participants would use in pricing the asset or liability at the measurement date. The fair value measurement accounting guidance describes the following three levels used to classify fair value measurements:

Level 1 Inputs: unadjusted quoted prices in active markets for identical assets or liabilities that are accessible by us

Level 2 Inputs: quoted prices for similar assets and liabilities in an active market, quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly

Level 3 Inputs: unobservable inputs that are significant to the fair value of the assets or liabilities

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Receivables from brokers, dealers, and clearing organizations

Receivables from brokers, dealers and clearing organizations include receivables from executing brokers for routing user orders for execution and other receivables from third-party brokers. Orders are trades which users have not specifically instructed to be routed to a particular venue for execution. These receivables are short term and settle within 30 days We continually review the credit quality of our counterparties and have not experienced a default. As a result, we do not have an expectation of credit losses for these arrangements.

Receivables from users, net

Receivable from users, net is primarily made up of margin receivables. Margin receivables are adequately collateralized by users' marketable securities balances and are reported at their outstanding principal balance, net of an allowance for credit losses. We monitor margin levels and require users to deposit additional collateral, or reduce margin positions, to meet minimum collateral requirements and avoid automatic liquidation of their positions.

We have no expectation of credit losses for margin loans where the fair value of the collateral securing the loans is equal to or in excess of the loaned amount. In cases where the fair value of the collateral is less than the outstanding balance, we recognize an allowance for credit losses in the amount of the difference, or unsecured balance. The provision for credit losses is recorded as operations expense on the consolidated statement of operations. We write-off unsecured balances when the balance becomes outstanding for over 180 days.

Deposits with clearing organizations

We are required to maintain cash collateral as deposits with clearing organizations such as Depository Trust & Clearing Corporation and Options Clearing Corporation which allows us to use their security transactions services for trade comparison, clearance and settlement. The clearing organizations establish financial requirements, including deposits, to reduce their risk. The deposits may fluctuate

significantly from time to time based upon the nature and size of users' trading activity and market volatility. We earn interest on these deposits which is included as net interest revenues in the consolidated statements of operations. As we have not experienced historic defaults, we do not have an expectation of credit losses for these arrangements.

Other current assets

Other current assets primarily includes user-held fractional shares, and to a lesser extent securities owned by us for our stock referral program, prepaid expenses and other receivables. We classify prepayments made under contracts as prepaid expenses and expense them over the contract terms. These prepaid expenses include items such as prepayments on clearing services, rent, insurance, regulatory fees, web services, data feed, research, and software subscriptions.

We evaluate certain prepaid expenses and other current assets for credit losses based on historic events, current economic conditions, and our expectations of future economic conditions and record an allowance for credit loss to estimate uncollectible receivables. The allowance for credit losses for prepaid expenses and other assets were immaterial for all periods presented.

Property, software and equipment

Property, software and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization is recorded on a straight-line basis over the useful life of the asset, which is as follows:

Property, Software, and Equipment	Useful Life
Computer equipment	3 years
Furniture and fixtures	7 years
Tenant improvements	Shorter of estimated useful life or lease term
Internally developed software	3 years

Repairs and maintenance that do not enhance or extend the asset's function and/or useful life are charged to expenses as incurred. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

Internally developed software is capitalized when preliminary development efforts are successfully completed and it is probable that the project will be completed and the software will be used as intended. Capitalized costs consist of salaries and payroll related costs for employees and fees paid to third-party consultants who are directly involved in development efforts. Capitalized costs are amortized over the estimated useful life of the software on a straight-line basis and included in technology and development in the consolidated statements of operations. We expense software development costs as they are incurred during the preliminary project stage.

Leases

We elected to apply the short-term lease measurement and recognition practical expedient to our leases where applicable, thus leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. Operating lease right-of-use assets and operating lease liabilities are recognized at the present value of the future lease payments at the lease commencement date for each lease. The interest rate used to determine the present value of the future lease payments is our incremental borrowing rate because the interest rate implicit in most of our leases is not readily determinable. Our incremental borrowing rate is estimated to approximate the interest rate that we would pay to borrow on a collateralized basis with similar terms and payments as the lease. Operating lease right-of-use assets also include any prepaid

lease payments and lease incentives. Our lease agreements generally contain lease and non-lease components. Non-lease components, which primarily include payments for maintenance and utilities, are combined with lease payments and accounted for as a single lease component. We include the fixed non-lease components in the determination of the right-of-use assets and operating lease liabilities. We record the amortization of the right of use asset and the accretion of lease liability as rent expense and allocate as overhead in the consolidated statement of operations.

Payables to users

Payables to users represent users' funds on deposit, and/or funds accruing to users as a result of settled trades and other security related transactions.

Securities borrowed and loaned

Securities borrowed and loaned result from transactions with other brokers, dealers or financial institutions. Securities borrowing transactions require us to deposit cash with the lender whereas securities lending transactions result in us receiving cash collateral, with both requiring cash in an amount generally in excess of the market value of the securities. We earn interest revenue on cash collateral deposited with us, and can earn or incur additional revenue or expense for lending certain securities based on demand for that security. All securities borrow and loan transactions have an open contractual term and, upon notice by either party, may be terminated within three business days. We manage risks associated with our securities lending and borrowing activities by requiring credit approvals for counterparties, by monitoring the market value of securities loaned and collateral values for securities borrowed on a daily basis and requiring additional cash as collateral for securities loaned or return of collateral for securities borrowed when necessary, and by participating in a risk-sharing program offered through the Options Clearing Corporation. Our securities lending transactions are subject to enforceable master netting arrangements with other broker-dealers, however; we do not net securities lending transactions. We apply the practical expedient based on collateral maintenance provisions in estimating an allowance for credit losses for securities borrowed receivables.

Other current liabilities

Other current liabilities primarily includes repurchase obligations related to our fractional share program. For our fractional shares program, we concluded that we did not meet the criteria for transfers under the accounting guidance, accordingly our repurchase obligations are presented in our consolidated balance sheets as a liability.

Income taxes

Income tax expense is an estimate of current income taxes payable in the current fiscal year based on reported income before income taxes. Deferred income taxes reflect the effect of temporary differences and carryforwards that we recognize for financial reporting and income tax purposes at enacted tax rates expected to be in effect when taxes are actually paid or recovered.

We account for income taxes under the liability approach for deferred income taxes, which requires recognition of deferred income tax assets and liabilities for the expected future tax consequences of events that have been recognized in our consolidated financial statements, but have not been reflected in our taxable income. Deferred tax assets are evaluated for future realization and reduced by a valuation allowance to the extent we believe that they will not be realized. We consider many factors when assessing the likelihood of future realization of our deferred tax assets including, but not limited to, historical cumulative loss experience and expectations of future earnings, tax planning strategies, and the carry-forward periods available for tax reporting purposes. Our judgment regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute business plans and/or tax planning strategies. Should there be a change in the ability to recover deferred

tax assets, our tax provision would increase or decrease in the period in which the assessment is changed.

We recognize a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized. We account for uncertain tax positions, including net interest and penalties, as a component of income tax expense or benefit. We make adjustments to these uncertain tax positions in accordance with applicable income tax guidance and based on changes in facts and circumstances. To the extent that the final tax outcome of these matters is different from the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact to our consolidated financial statements and operating results.

NOTE 2: RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2016-02, Leases. This guidance requires lessees to recognize a lease liability and a corresponding right-of-use asset on the balance sheet for operating leases with a term greater than one year. This guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. We adopted this guidance effective January 1, 2019 using the optional transition method. Pursuant to the practical expedients, we elected not to reassess: (i) whether expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or, (iii) initial direct costs for any existing leases. Upon adoption, we recognized $19.3 million of operating right-of-use lease assets and $25.5 million of operating lease liabilities on our consolidated balance sheets.

Credit Loss on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments. This guidance requires entities to use a current expected credit loss impairment model based on expected losses rather than incurred losses. Under this model, an entity would recognize an impairment allowance equal to its current estimate of all contractual cash flows that the entity does not expect to collect from financial assets measured at amortized cost within the scope of the standard. The entity’s estimate would consider relevant information about past events, current condition and reasonable and supportable forecasts, which all result in recognition of lifetime expected credit losses. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We adopted this guidance effective January 1, 2020. The adoption of the guidance did not have a material impact on our consolidated financial statements.

Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract

In August 2018, the FASB issued ASU 2018-15, Intangibles - Goodwill and Other - Internal-Use Software: Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which requires a customer in a hosting arrangement that is a service contract to follow the internal-use software guidance to determine which implementation costs should be capitalized. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We adopted this guidance effective

January 1, 2020 using the prospective transition method. The adoption of the guidance did not have a material impact on our consolidated financial statements.

Simplifying Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, Income Taxes: Simplifying Accounting for Income Taxes. This guidance simplifies the accounting for income taxes as part of its overall initiative to reduce complexity in accounting standards. Amendments include removal of certain exceptions to the general principles of ASC 740, Income Taxes, and simplification in several other areas such as accounting for a franchise tax (or similar tax) that is partially based on income. The guidance is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. We early adopted the standard effective April 1, 2020 and it did not have a material impact on our consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform: Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions to contract modifications that reference London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued. This guidance is effective upon issuance through December 31, 2022 and may be applied at the beginning of the interim period that includes March 12, 2020 or any date thereafter. We are evaluating the impact of this guidance on our consolidated financial statements.

Accounting for Convertible Instruments and Contracts in an Entity's Own Equity

In August 2020, the FASB issued ASU 2020-06, *Debt—Debt with Conversion and Other Options and Derivatives and Hedging - Contracts in Entity's Own Equity*. This guidance simplifies the accounting for convertible instruments by reducing the number of accounting models available for convertible debt instruments, amends the accounting for certain contracts in an entity's own equity that are currently accounted for as derivatives, and modifies the diluted earnings per share calculations for convertible instruments. The guidance is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact of this guidance on our consolidated financial statements.

NOTE 3: REVENUES

Disaggregation of revenues

The following table presents our revenue disaggregated by revenue source:

	Year Ended December 31,	
(in thousands)	**2019**	**2020**
Transaction-based revenues	$ 170,831	$ 720,133
Other revenues	36,063	61,263
Net interest revenues		
Interest revenues	75,872	184,566
Interest expense	(5,233)	(7,129)
	70,639	177,437
Total net revenues	$ 277,533	$ 958,833

Receivables and Contract Balances

Receivables are recognized when we have an unconditional right to invoice and receive payment under a contract with a customer and are derecognized when cash is received. Receivables primarily consist of transaction-based revenue receivables due from executing brokers and are reported in Receivables from brokers, dealers and clearing organizations on the consolidated balance sheets.

The table below sets forth receivables balances for the periods indicated:

	December 31,	
(in thousands)	**2019**	**2020**
Receivables, beginning of the period	$ 9,056	$ 20,577
Receivables, end of the period	20,577	111,871
Increase in receivables during the period	$ 11,521	$ 91,294

The difference between the opening and ending balance of our receivables primarily results from the growth of our business over the period as timing of payments from counterparties remained consistent.

Contract liabilities consist of unearned subscription revenue which are recognized when users remit contractual cash payments in advance of us satisfying our performance obligations under the contract and are recorded as other current liabilities on the consolidated balance sheets.

The table below sets forth contract liabilities balances for the periods indicated:

	December 31,	
(in thousands)	**2019**	**2020**
Contract liabilities, beginning of the period	$ 1,727	$ 954
Contract liabilities, end of the period	954	2,060
Increase/(decrease) in contract liabilities during the period	$ (773)	$ 1,106

We recognized all revenue from amounts included in the opening contract liability balances in the years ended December 31, 2019 and 2020. The difference between the opening and ending balance of our contract liability balances primarily results from the increase in subscription users and/or the timing difference between our performance and payments from the users.

NOTE 4: ALLOWANCE FOR CREDIT LOSSES

The following table summarizes the allowance for credit losses, which primarily relate to unsecured balances of receivables from users due to Fraudulent Deposit Transactions and to a lesser extent, losses on margin borrowings, for the periods indicated:

	Year Ended December 31,	
(in thousands)	**2019**	**2020**
Beginning balance	$ 6,013	$ 17,122
Provision for credit losses	11,109	59,134
Write-offs	—	(42,164)
Ending balance	$ 17,122	$ 34,092

In the year ended December 31, 2020, we implemented our policy to write-off unsecured balances when the balance becomes outstanding for over 180 days. Previously, we did not have sufficient historical information to provide a reasonable basis upon which to write off balances.

NOTE 5: FAIR VALUE OF FINANCIAL INSTRUMENTS

We measure our cash equivalents, securities segregated under federal and other regulations and equity securities owned for the referral program and fractional shares, owned by us and user-held, at fair value. Repurchase obligations in connection with our fractional shares program and stock that were awarded to our users as a part of our promotional stock referral program but not claimed as of December 31, 2019 and 2020 are also measured at fair value. We have evaluated the estimated fair value of financial instruments using available market information.

As of December 31, 2019 and 2020, the types of instruments valued based on quoted market prices for the same instrument in active markets include money market funds and publicly traded stocks owned by us. Such instruments are classified within Level 1 of the fair value hierarchy.

We did not have any instruments classified within Level 2 or Level 3 as of December 31, 2019 and 2020.

Financial assets measured at fair value on a recurring basis as of the date indicated below were presented on our consolidated balance sheets as follows:

	December 31, 2019		December 31, 2020	
(in thousands)	Level 1	Total	Level 1	Total
Cash equivalents:				
Money market funds	$ 416,025	$ 416,025	$ 1,026,034	$ 1,026,034
Cash and securities segregated under federal and other regulations:				
U.S. Treasury securities	—	—	134,994	134,994
Other current assets:				
Equity securities - user-held fractional shares	—	—	802,483	802,483
Equity securities - securities owned	2,997	2,997	3,222	3,222
Total financial assets	$ 419,022	$ 419,022	$ 1,966,733	$ 1,966,733

Financial liabilities measured at fair value on a recurring basis as of the date indicated below were presented on our consolidated balance sheets as follows:

	December 31, 2019		December 31, 2020	
(in thousands)	Level 1	Total	Level 1	Total
Accounts payable and accrued expenses:				
Equity securities	$ 303	$ 303	$ 695	$ 695
Other current liabilities:				
Equity securities - repurchase obligations	—	—	802,483	802,483
Total financial liabilities	$ 303	$ 303	$ 803,178	$ 803,178

During the years ended December 31, 2019 and 2020, we did not have any transfers in or out of Level 1, Level 2, or Level 3 assets or liabilities.

NOTE 6: INCOME TAXES

The components of income (loss) before income taxes were as follows:

(in thousands)	December 31, 2019	December 31, 2020
Domestic	$ (104,690)	$ 14,773
Foreign	(2,897)	(943)
Income (loss) before income taxes	$ (107,587)	$ 13,830

The components of the provision for (benefit from) income taxes were as follows:

(in thousands)	December 31, 2019	December 31, 2020
Current:		
Federal	$ (58)	$ 2,780
State	(295)	3,801
Foreign	—	—
Total current tax expense (benefit)	(353)	6,581
Deferred:		
Federal	—	—
State	—	—
Foreign	(665)	(200)
Total deferred tax expense (benefit)	(665)	(200)
Total provision for (benefit from) income taxes	$ (1,018)	$ 6,381

The reconciliation of federal statutory income tax to our provision for (benefit from) income taxes was as follows:

(in thousands)	December 31, 2019	December 31, 2020
Federal tax (benefit) at statutory rate	(22,593)	2,905
State tax (benefit), net of federal benefit	(5,491)	(862)
Foreign rate differential	(57)	(2)
Share-based compensation	(1,221)	(2,654)
Tender offer compensation	4,229	3,607
Research and development credits	(2,104)	(10,489)
Non-deductible regulatory settlements	—	21,000
Permanent differences		526
Other	905	52
Change in valuation allowance	25,314	(7,702)
Total provision for (benefit from) income taxes	$ (1,018)	$ 6,381

Significant components of our deferred tax assets and liabilities consist of the following:

(in thousands)	December 31, 2019	December 31, 2020
Deferred tax assets:		
Accruals and other liabilities	7,704	14,849
Lease liabilities	9,859	13,794
Tax credit carryforwards	3,198	9,058
Net operating loss carryforwards	23,091	3,141
Share-based compensation	1,442	3,123
Other	686	3,386
Total deferred tax assets	45,980	47,351
Deferred tax liabilities:		
Right of use assets	(8,194)	(12,551)
Depreciation and amortization	(1,914)	(6,965)
Total deferred tax liabilities	(10,108)	(19,516)
Valuation allowance	$ (35,207)	$ (26,909)
Net deferred tax assets	$ 665	$ 926

The realization of tax benefits of net deferred assets is dependent upon future levels of taxable income, of an appropriate character, in the periods the items are expected to be deductible or taxable. Based on all available evidence for the year ending December 31, 2020, we believe it is more likely than not that the tax benefits of the remaining U.S. federal and state net deferred tax assets may not be realized, and accordingly, the net deferred tax assets have been fully offset by a valuation allowance. The valuation allowance decreased by approximately $8.3 million for the year ended December 31, 2020.

As of December 31, 2020, we have U.S. state net operating loss carryforwards of $32.3 million that will begin to expire in 2034, if not utilized, and non-U.S. net operating loss carryforwards of $4.7 million that do not expire. We have U.S. federal tax credit carryforwards of $8.5 million that will begin to expire in 2040, if not utilized, and state tax credit carryforwards of $9.3 million that do not expire.

Utilization of the net operating loss and credit carryforwards may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization.

We had unrecognized tax benefits of approximately $2.2 million and $7.4 million as of December 31, 2019 and 2020. These unrecognized tax benefits, if recognized, would not affect the effective tax rate. We record interest and penalties related to unrecognized tax benefits in income tax expense. There were no interest or penalties during the years ended December 31, 2019 and 2020.

The reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	December 31, 2019	December 31, 2020
Unrecognized benefit - beginning of period	$ 759	$ 2,177
Gross increases - current year tax positions	797	4,395
Gross increases - prior year tax positions	621	848
Unrecognized benefit - end of period	$ 2,177	$ 7,420

We file in U.S. federal, various state and foreign jurisdictions. The tax years from 2013 remain open to examination by the U.S. federal and state authorities, due to carryover of unused net operating losses and tax credits. The tax years from 2018 remain open for the most significant foreign jurisdiction.

In March 2020, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The recent tax law changes provided under the CARES Act do not materially impact our income tax provision, and do not change our evaluation of the valuation allowance against deferred tax assets in the U.S. as of December 31, 2020.

In June 2020, the Governor of California signed Assembly Bill No. 85 ("AB 85") as part of California's 2020 Budget Act. AB 85 temporarily suspends the use of California net operating losses and imposes a cap on the amount of business incentive tax credits companies can utilize against their net income. The recent tax legislation changes provided under AB 85 do not materially impact our income tax provision and do not change our evaluation of the valuation allowance against deferred tax assets in California as of December 31, 2020.

NOTE 7: PROPERTY, SOFTWARE AND EQUIPMENT, NET

Property, software and equipment are recorded net of accumulated depreciation and summarized by as follows:

	December 31,	
(in thousands)	**2019**	**2020**
Computer equipment	$ 4,980	$ 9,203
Furniture and fixtures	3,761	8,024
Tenant improvements	9,522	18,945
Internally developed software	12,029	16,992
Construction in progress	2,957	9,756
Total	33,249	62,920
Less: accumulated depreciation and amortization	(7,948)	(17,086)
Property, software and equipment, net	$ 25,301	$ 45,834

Depreciation and amortization expense of property and equipment for the year ended December 31, 2019 and 2020 was $2.1 million and $5.7 million.

Amortization expense of internally developed software for the year ended December 31, 2019 and 2020 was $3.3 million and $4.2 million.

NOTE 8: OFFSETTING ASSETS AND LIABILITIES

Certain financial instruments are eligible for offset on our consolidated balance sheets under U.S. GAAP. Our securities borrowing and lending agreements are subject to master netting arrangements and collateral arrangements and meet the U.S. GAAP guidance to qualify for offset. A master netting arrangement with a counterparty creates a right of offset for amounts due to and from that same counterparty that is enforceable in the event of a default or bankruptcy. Our policy is to recognize amounts subject to master netting arrangements on a gross basis on the consolidated balance sheets.

Our assets and liabilities subject to master netting arrangements are as follows:

(in thousands)	December 31, 2019	December 31, 2020
Assets	**Securities borrowed**	
Gross amount of securities borrowed	$ 438	$ 372
Gross amount offset on the consolidated balance sheets	—	—
Amounts of assets presented on the consolidated balance sheets[(1)]	438	372
Gross amount of securities borrowed not offset in the consolidated balance sheets:		
Securities borrowed	438	372
Security collateral received	(425)	(361)
Net amount	$ 13	$ 11
Liabilities	**Securities loaned**	
Gross amount of securities loaned	$ 674,029	$ 1,921,118
Gross amount of securities loaned offset on the consolidated balance sheets	—	—
Amounts of liabilities presented on the consolidated balance sheets	674,029	1,921,118
Gross amount of securities loaned not offset on the consolidated balance sheets:		
Securities loaned	674,029	1,921,118
Security collateral pledged	(654,589)	(1,787,819)
Net amount	$ 19,440	$ 133,299

(1) Securities borrowed is included in receivable from brokers, dealers and clearing organizations in the consolidated balance sheets.

We also obtain securities under margin agreements on terms which permit us to pledge and/or transfer securities to others. As of December 31, 2019 and 2020, we were permitted to re-pledge securities with a fair value of $896.2 million and $4,632.6 million under the margin agreements and $0.4 million and $0.4 million under the master securities lending agreement. Gross obligations for securities loaned transactions are pledged entirely with collateral in the form of equity and have an open contractual maturity.

NOTE 9: FINANCING ACTIVITIES AND OFF-BALANCE SHEET RISK

Revolving credit facilities

In June 2019, we entered into a $250.0 million committed and secured line of credit with a maturity date of June 12, 2020 (the “June 2019 Credit Facility”). This line of credit was primarily collateralized by users’ securities held as collateral for users’ margin loans. Interest for this line of credit was determined at the time a loan was initiated and the applicable interest rate was calculated as a per annum rate equal to 1.25% plus the federal funds rate at the applicable time. Additionally, we were obligated to pay a commitment fee calculated as a per annum rate equal to 0.35% on any unused amount of the credit facility. The June 2019 Credit Facility was terminated in September 2019.

In September 2019, we entered into a $400.0 million committed and secured line of credit with a maturity date of September 25, 2020 (the “September 2019 Credit Facility”). In June 2020, we amended the September 2019 Credit Facility and increased the aggregate committed and secured revolving line of credit amount to $550.0 million with a maturity date of June 5, 2021. This line of credit is primarily collateralized by users’ securities held as collateral for users’ margin loans. Interest for this line of credit

is determined at the time a loan is initiated and the applicable interest rate under this line of credit is calculated as a per annum rate equal to 1.25% plus the federal funds rate at the applicable time. There were no outstanding borrowings under the September 2019 Credit Facility at December 31, 2019 and 2020. Additionally, we are obligated to pay a commitment fee calculated as a per annum rate equal to 0.35% on any unused amount of the credit facility.

In October 2019, we entered into a $200.0 million committed and unsecured revolving line of credit with a syndicate of banks (the "October 2019 Credit Facility") maturing in October 2023. In October 2020, we amended the October 2019 Credit Facility and, among other things, increased the aggregate committed and unsecured revolving line of credit amount to $600.0 million with a maturity date of October 29, 2024. Loans under the October 2019 Credit Facility bear interest, at our option, at a per annum rate of either (a) the Eurodollar Rate plus 1.00% or (b) the Alternative Base Rate. The Eurodollar Rate is equal to the Eurodollar Base Rate, which is derived from LIBOR, multiplied by the Statutory Reserve Rate at the applicable time. The Alternative Base Rate is the greatest of (i) the prime rate then in effect, (ii) the Federal Reserve Bank of New York rate then in effect plus 0.50% and (iii) the Eurodollar Rate at such time for a one month interest period plus 1.00%. If LIBOR is unavailable or if we and the administrative agent elect, the Eurodollar Rate will be replaced by a rate calculated with reference to the Secured Overnight Financing Rate as set forth in the October 2019 Credit Facility agreement or an alternate benchmark rate selected by us and the administrative agent. There were no outstanding borrowings under the October 2019 Credit Facility at December 31, 2019 and 2020. Additionally, we are obligated to pay a commitment fee calculated as a per annum rate equal to 0.10% on any unused amount of the October 2019 Credit Facility.

The agreements for the September 2019 Credit Facility and the October 2019 Credit Facility contain customary covenants restricting our ability to incur debt, incur liens and undergo certain fundamental changes. We were in compliance with all covenants under these facilities as of December 31, 2019 and 2020.

Off-balance sheet risk

In the normal course of business, we engage in activities involving settlement and financing of securities transactions. These activities may expose us to off-balance sheet risk in the event that the other party to the transaction is unable to fulfill its contractual obligations. User securities transactions are recorded on a settlement date basis, which is generally two business days for equities and one business day for options after the trade date. We are therefore exposed to risk of loss on these transactions in the event counterparties fail to meet the terms of their contracts. In such events, we may be required to purchase financial instruments at prevailing market prices in order to fulfill our obligations.

NOTE 10: MEZZANINE EQUITY, COMMON STOCK AND STOCKHOLDERS' DEFICIT

Redeemable convertible preferred stock

We have authorized 414,033,220 shares of redeemable convertible preferred stock, designated in series, with the rights and preferences of each designated series determined by our Board of Directors as of December 31, 2020.

The following table is a summary of redeemable convertible preferred stock as of December 31, 2020:

(in thousands, except share data and per share amounts)

Series	Shares Authorized	Shares Issued and Outstanding	Per Share Liquidation Preference	Liquidation Amount	Per Share Initial Conversion Price	Carrying Value of Stock, Net of Issuance Costs
A	131,913,460	131,913,460	$ 0.1954	$ 25,777	$ 0.1954	$ 16,139
B	80,263,020	80,263,020	0.6354	50,999	0.6354	50,999
C	43,788,180	43,788,180	2.5121	110,000	2.5121	109,870
D	35,774,761	35,774,761	10.1450	362,935	10.1450	362,670
E	29,887,357	29,887,357	12.4827	373,075	12.4827	372,733
F	48,000,000	48,000,000	12.5000	600,000	12.5000	599,284
G	44,406,442	43,116,119	15.5000	668,300	15.5000	668,044
	414,033,220	412,742,897		$ 2,191,086		$ 2,179,739

The following table is a summary of redeemable convertible preferred stock as of December 31, 2019:

(in thousands, except share data and per share amounts)

Series	Shares Authorized	Shares Issued and Outstanding	Per Share Liquidation Preference	Liquidation Amount	Per Share Initial Conversion Price	Carrying Value of Stock, Net of Issuance Costs
A	263,826,920	131,913,460	$ 0.1954	$ 25,777	$ 0.1954	$ 16,139
B	160,526,040	80,263,020	0.6354	50,999	0.6354	50,999
C	87,576,360	43,788,180	2.5121	110,000	2.5121	109,870
D	71,549,522	35,774,761	10.1450	362,935	10.1450	362,670
E	59,854,820	29,887,357	12.4827	373,075	12.4827	372,733
	643,333,662	321,626,778		$ 922,786		$ 912,411

Voting

The holders of the redeemable convertible preferred stock are entitled to a number of votes equal to the number of shares of common stock into which the redeemable convertible preferred stock is convertible. Except where otherwise specified in our Certificate of Incorporation, holders of preferred stock vote together with the holders of common stock as a single class. The holders of our Series A and Series B redeemable convertible preferred stock are entitled to elect one director each (each, a “Preferred Director”), with each series voting separately as exclusive classes. Holders of common stock, exclusively and as a separate class, are entitled to elect four directors, two of which shall be entitled to two votes on any matter before the Board of Directors. The holders of our Series C, Series D, Series E, Series F and Series G redeemable convertible preferred stock have no voting rights with respect to the election of members of the Board of Directors or the determination of the size of the Board of Directors.

As long as 50,000,000 shares of redeemable convertible preferred stock are outstanding, we must obtain approval from the holders of a majority of the then outstanding shares of redeemable convertible preferred stock (voting together as a single class and not as separate series, and on an as-converted basis) in order to, among other actions: (1) amend, alter or repeal any provision of the Certificate of Incorporation or our Bylaws; (2) increase the authorized number of shares of redeemable convertible preferred stock (or any series thereof) or common stock; (3) create a new class or series of our capital stock unless it ranks junior to the redeemable convertible preferred stock with respect to the distribution of

assets in a liquidation, dissolution or winding up, the payment of dividends and rights of redemption; (4) declare or pay any dividend on any shares of shares of redeemable convertible preferred stock or common stock, subject to certain exceptions; (5) merge, sell, transfer or exclusively license all or substantially all of our assets or voluntarily liquidate, dissolve or wind up our company; (6) increase or decrease the authorized size of the Board of Directors; or (7) effect a repurchase or redemption of, or distribution on, any shares of redeemable convertible preferred stock or common stock, subject to certain exceptions.

Liquidation preferences

In the event of any liquidation or winding up of our company, the holders of redeemable convertible preferred stock shall be entitled to receive, prior and in preference to the common stockholders, an amount equal to the aggregate original issue price for their shares of redeemable convertible preferred stock, plus any declared but unpaid dividends. After payment of the liquidation preference to the holders of the redeemable convertible preferred stock, our remaining assets are available for distribution to the holders of common stock on a pro rata basis. If the proceeds distributed among the holders of the redeemable convertible preferred stock are insufficient to permit the holders of redeemable convertible preferred stock to receive the full payment noted above, then the entire proceeds legally available for distribution shall be distributed ratably among the holders of the redeemable convertible preferred stock in proportion to the full preferential amount that each such holder is otherwise entitled to receive.

Conversion rights

Each share of redeemable convertible preferred stock is convertible, at the option of the holder, according to a conversion ratio, which is subject to adjustment for dilutive share issuances. The total number of shares of common stock into which the redeemable convertible preferred stock may be converted is determined by dividing the then-applicable conversion price by the initial conversion price, as shown in the table above.

The redeemable convertible preferred stock, with the exception of our Series F redeemable convertible preferred stock, automatically converts into common stock at the applicable conversion rate upon the earliest of: (1) immediately prior to the closing of a public offering of common stock to the public in an IPO at a price of at least $12.4827 per share and resulting in at least $200 million of gross proceeds to us and resulting in the listing of our common stock on a nationally-recognized exchange in the United States (a “Qualified Public Offering”); (2) upon the effectiveness of a registration statement filed under the Securities Act of 1933, as amended, that registers shares of our existing capital stock for resale not pursuant to an underwritten offering (“Direct Listing”) on a nationally-recognized exchange in the United States that is approved by the holders of a majority of the then outstanding redeemable convertible preferred stock (voting together as a single class and not as separate series, on as-converted basis); and (3) the date and time, or the occurrence of an event, specified by the vote or written consent of each of (i) the holders of the majority of the redeemable convertible preferred stock then outstanding (voting as a single class and on an as-converted basis), (ii) the holders of the majority of the then outstanding shares of Series B, C and G redeemable convertible preferred stock (voting exclusively and as a separate class), (iii) the holders of at least 60% of the then outstanding shares of Series D and E redeemable convertible preferred stock (voting exclusively and as a separate class), and (iv) the holders of at least 65% of the then outstanding shares of Series A redeemable convertible preferred stock (voting exclusively and as a separate class).

The Series F redeemable convertible preferred stock automatically converts into common stock at the applicable conversion rate upon the earliest of: (1) immediately prior to the closing of a public offering of our common stock to the public in the IPO resulting in at least $200 million of gross proceeds to us and resulting in the listing of our common stock on a nationally-recognized exchange in the United States; (2) a Direct Listing on a nationally-recognized exchange in the United States that is approved by the holders of a majority of the then outstanding redeemable convertible preferred stock (voting together as a single class and not as separate series, on as-converted basis); and (3) the date and time, or the occurrence of

an event, specified by the vote or written consent from the holders of the majority of the then outstanding Series F redeemable convertible preferred stock.

In addition, if we issue any additional common stock below the conversion price of our Series A, B, C, D, E, F and G redeemable convertible preferred stock, the conversion price of such series of redeemable convertible preferred stock may be subject to adjustment via a broad-based anti-dilution calculation, subject to certain exceptions.

The Series F redeemable convertible preferred stock has a full-ratchet anti-dilution adjustment provision. In the event the price per share of our common stock in an IPO ends up being lower than the Series F redeemable convertible preferred stock conversion price, then the conversion price per share of the Series F redeemable convertible preferred stock will be reduced to the same price per share as the common stock price at the time of the IPO. We may also be obligated to issue additional shares of common stock to the holders of Series F redeemable convertible preferred stock in the event of a direct listing with a deemed trading price below the Series F redeemable convertible preferred stock conversion price.

Dividends

The holders of shares of redeemable convertible preferred stock are entitled to receive dividends, when and if declared by the Board of Directors. Dividends are paid on a pari-passu basis with other holders of our redeemable convertible preferred stock and in preference to the payment of dividends to holders of our common stock. No dividends have been declared or paid by us as of December 31, 2020. Dividends are noncumulative.

Classification

The redeemable convertible preferred stock is contingently redeemable upon certain deemed liquidation events such as a merger or sale of substantially all of our assets. The redeemable convertible preferred stock is not mandatory redeemable but, since a deemed liquidation event would constitute a redeemable event outside of our control, all shares of the redeemable convertible preferred stock have been presented outside of permanent equity in mezzanine equity on the consolidated balance sheets.

Common stock

Each share of voting common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when and if declared by the Board of Directors, subject to the prior rights of holders of redeemable convertible preferred stock outstanding.

Stock option plan

Amended and Restated 2013 Stock Plan and 2020 Equity Incentive Plan

Under our Amended and Restated 2013 Stock Plan, as amended, and our 2020 Equity Incentive Plan, as amended (each, a “Plan,” and together, the “Plans”), shares of common stock are reserved for the issuance of incentive stock options (“ISOs”), non-statutory stock options (“NSOs”), restricted stock units ("RSUs"), stock appreciation rights or restricted stock awards to eligible participants. Options may be granted with an exercise price per share not less than the fair market value at the date of grant. Options granted generally vest over a four-year term from the date of grant, at a rate of 25% after one year, then monthly on a straight-line basis thereafter. Generally, options granted are exercisable for up to ten years from the date of grant. RSUs granted generally vest over a four-year term from the date of grant, at a rate of 25% after one year, then quarterly on a straight-line basis thereafter and the occurrence of a qualifying event, defined as the earlier of (1) the closing of certain, specific change in control transactions, or (2) an IPO. Generally, RSUs expire seven years from the date of grant. Shares of common stock purchased under the Plans are subject to certain restrictions, including the right of first

refusal by us for sales or transfers of shares to certain parties. Our rights of first refusal will terminate upon completion of an IPO.

As of December 31, 2020, the Plan authorized 154,289,164 shares of common stock to be reserved for issuance on the exercise or settlement of equity awards, of which the right to purchase 14,022,717 shares remained available for issuance.

Stock option activity

A summary of stock option activity for the year ended December 31, 2020 is as follows:

(in thousands, except share and per share data)

	Number of Shares	Weighted-Average Exercise Price	Weighted- Average Remaining Life	Total Intrinsic Value
Balance at December 31, 2019	27,613,830	$ 2.33	7.59	$ 197,536
Granted during the period	324,442	10.10		
Exercised during the period	(4,310,197)	2.20		
Cancelled and forfeited during the period	(2,084,247)	5.18		
Balance at December 31, 2020	21,543,828	$ 2.19	6.52	$ 304,590
Options vested and expected to vest at December 31, 2020	21,543,828	$ 2.19	6.52	$ 304,590
Options exercisable at December 31, 2020	18,793,618	$ 1.58	6.31	$ 277,127

Aggregate intrinsic value represents the difference between our estimated fair value of its common stock and the exercise price of outstanding, “in-the-money” options. Aggregate intrinsic value for stock options exercised in the years ended December 31, 2019 and 2020 was $29.0 million and $45.0 million. The total fair value of shares vested during the year ended December 31, 2019 and 2020 was $7.8 million and $6.5 million.

The total weighted average grant-date fair value of options granted was $2.31 and $3.64 and for the years ended December 31, 2019 and 2020.

Restricted stock unit activity

The following table summarizes the activity related to our time-based RSUs for the year ended December 31, 2020:

	Number of RSUs	Weighted- average grant date fair value
Unvested restricted stock at December 31, 2019	24,024,214	$ 8.17
Granted	27,492,086	12.90
Forfeited	(3,804,651)	8.84
Unvested restricted stock at December 31, 2020	47,711,649	$ 10.84

In the year ended December 31, 2019, we also granted 27,663,658 RSUs with both performance and market-based conditions to certain executives. These awards have a weighted-average grant date fair value of $0.29 and were unvested as of December 31, 2019 and 2020.

Share-based compensation

The following table summarizes the effects of share-based compensation on our consolidated statements of operations:

(in thousands)	Year Ended December 31, 2019	Year Ended December 31, 2020
Brokerage and transaction	$ 427	$ 227
Technology and development	9,499	18,024
Operations	139	61
Marketing	85	613
General and administrative	16,517	5,405
Total	$ 26,667	$ 24,330

The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Year Ended December 31, 2019	Year Ended December 31, 2020
Dividend yield	0 %	0 %
Risk-free interest rate	2.29 %	0.61 %
Expected volatility	31.20 %	36.69 %
Expected term (years)	6.03	6.04

During the year ended December 31, 2019 and 2020, we capitalized $0.7 million and $0.6 million in share-based compensation expense related to internally developed software.

In the year ended December 31, 2020, subsequent to the sale of our Series G redeemable convertible preferred stock, certain employees sold shares of common stock to new and existing stockholders in a tender offer (“the 2020 Tender”). The 2020 Tender closed on November 13, 2020, when existing employees sold 1.4 million shares of our common stock for an aggregate purchase price of $21.5 million. With the 2020 Tender Offer, we believe that we had established a pattern of cash settlement of immature shares and stock options only during a very discrete set of circumstances in which we opened a tender offer in conjunction with a preferred stock financing. As such, during the 2020 Tender Offer period, we recorded a liability equal to the fair value of the maximum number of options representing immature shares that could have been redeemed in the tender offer. To the extent that this liability exceeded amounts previously recognized in equity, the excess was recognized as additional share-based compensation expense. Following the closing of the 2020 Tender Offer, the remaining liability after the repurchase of tendered shares was reclassified to stockholders’ equity. We recorded share-based compensation expense of $17.2 million in connection with this tender offer in the year ended December 31, 2020.

In the year ended December 31, 2019, subsequent to the sale of our Series E redeemable convertible preferred stock, certain employees sold shares of common stock to new and existing stockholders in a tender offer (“the 2019 Tender”). The 2019 Tender closed on September 9, 2019, when existing employees sold 5.4 million shares of our common stock for an aggregate purchase price of $67.6 million. As the share price paid in the 2019 Tender was in excess of fair value and a portion of the purchasers were existing stockholders, we recorded share-based compensation expense of $18.7 million for the year ended December 31, 2019.

In November 2019, we modified certain stock option grants to extend the post-termination exercise period for 125 employees. During the years ended December 31, 2019 and 2020, share-based

compensation expense included $0.8 million and $1.8 million as a result of the modification. We will incur an additional $1.3 million of share-based compensation expense over the remaining vesting periods of these impacted options.

As of December 31, 2020, there was $7.8 million of unrecognized compensation cost related to outstanding stock options that is expected to be recognized over a weighted-average period of 1.22 years.

We grant RSUs that vest only upon the satisfaction of both time-based service and performance-based conditions. As of December 31, 2019 and 2020, no share-based compensation expense had been recognized for such awards with a performance condition based on the occurrence of a qualifying event, such as an IPO, as such qualifying event was not probable. The total unrecognized share-based compensation expense related to these awards was $517.7 million as of December 31, 2020. Of this amount, $207.2 million relates to awards for which the time-based vesting condition has been satisfied or partially satisfied while $310.5 million relates to awards for which the time-based vesting condition had not yet been satisfied.

In the year ended December 31, 2019, we granted market-based awards in the form of RSUs to certain executives. These awards vest based on our achievement of market-based targets and certain performance conditions, subject to continuous employment by each recipient. As of December 31, 2020 and 2019, no share-based compensation expense had been recognized for such awards based on the occurrence of a qualifying event of an IPO before a set date, as such qualifying event was not probable. The total unrecognized share-based compensation expense relating to these awards was $8.0 million as of December 31, 2020. Of this amount, $2.8 million relates to awards for which the time-based vesting condition had been satisfied or partially satisfied, $1.2 million relates to awards for which the time-based vesting condition had not yet been satisfied and $4.0 million relates to awards with a performance condition only.

NOTE 11 - INCOME (LOSS) PER SHARE

The following table presents the calculation of basic and diluted income (loss) per share:

	Year Ended December 31,	
(in thousands, except per share data)	**2019**	**2020**
Net income (loss)	$ (106,569)	$ 7,449
Less: allocation of earnings to participating securities	—	4,601
Net income (loss) attributable to common stockholders	$ (106,569)	$ 2,848
Weighted-average common stock outstanding - basic	221,664,610	225,748,355
Dilutive effect of stock options and unvested shares	—	19,249,033
Weighted-average common stock outstanding - diluted	221,664,610	244,997,388
Net income (loss) per share attributable to common stockholders:		
Basic	$ (0.48)	$ 0.01
Diluted	$ (0.48)	$ 0.01

The following potential common shares were excluded from the calculation of diluted net income (loss) per share because their effect would have been anti-dilutive or issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the period:

	Year Ended December 31,	
	2019	2020
Redeemable convertible preferred stock	321,626,778	412,742,897
RSUs	51,687,872	75,375,307
Stock options	27,613,830	60,082
Unvested shares	749,943	8,423
Total anti-dilutive securities	401,678,423	488,186,709

NOTE 12: RELATED PARTY TRANSACTIONS

Related party transactions may include any transaction between entities under common control or with a related person that has occurred since the beginning of our latest fiscal year or is currently proposed. We have defined related persons as members of the board of directors, executive officers, principal owners of our outstanding stock and any immediate family members of each such related person, as well as any other person or entity with significant influence over our management or operations. Aside from the 2019 and 2020 Tenders discussed in Note 10 - Mezzanine equity, common stock and stockholders' deficit, no other material related party transaction has taken place during the periods presented.

NOTE 13: COMMITMENTS AND CONTINGENCIES

Commitments

Leases

Our operating leases are comprised of office facilities, with the most significant leases relating to corporate headquarters in Menlo Park. Our leases have remaining terms of 2 year to 11 years, and many leases include one or more options to renew. We do not assume renewals in our determination of the lease term unless the renewals are deemed to be reasonably assured at lease commencement. We do not have any finance leases. As of December 31, 2019 and 2020 we had $31.2 million and $49.2 million of operating right-of-use assets included as other non-current assets and $37.8 million and $54.1 million of operating lease liabilities: $10.4 million and $6.1 million included as other current liabilities and $27.4 million and $48.0 million as other non-current liabilities in the consolidated balance sheets.

The components of lease expense were as follows:

	Year Ended December 31,	
(in thousands)	2019	2020
Fixed operating lease costs	$ 5,422	$ 11,420
Variable operating lease costs	1,078	3,009
Short-term lease costs	1,188	1,222
Total lease costs	$ 7,688	$ 15,651

Variable operating lease costs are primarily related to payments made to our landlords for common area maintenance, property taxes, insurance, and other operating expenses.

Other information related to our operating leases was as follows:

	Year Ended December 31,	
	2019	2020
Weighted-average remaining lease term	5.11 years	5.41 years
Weighted-average discount rate	7.47 %	7.02 %

Cash flows related to leases were as follows:

	Year Ended December 31,	
(in thousands)	2019	2020
Operating cash flows:		
Payments for operating lease liabilities	$ 4,755	$ 12,781
Supplemental cash flow data:		
Lease liabilities arising from obtaining right-of-use assets	$ 14,816	$ 25,958

Future minimum lease payments under non-cancellable operating leases (with initial lease terms in excess of one year) as of December 31, 2020 are as follows:

(in thousands)	
2021	$ 12,159
2022	16,590
2023	13,779
2024	10,688
2025	9,932
Thereafter	9,724
Total undiscounted lease payments	72,872
Less: present value discount	(12,675)
Less: lease incentives	(6,116)
Total lease liabilities	$ 54,081

Contingencies

The securities industry is highly regulated and many aspects of our business involve substantial risk of liability. In past years, there has been an increasing incidence of litigation involving the brokerage industry, including class action suits that generally seek substantial damages. Damages may include, in some cases, punitive damages. Compliance and trading problems that are reported to federal, state and provincial regulators, exchanges or other self-regulatory organizations by dissatisfied customers are investigated by such regulatory bodies, and, if pursued by such regulatory body or such customers, may rise to the level of arbitration or disciplinary action. We are also subject to periodic regulatory audits and inspections.

Like other brokerage firms, we have been named as a defendant in lawsuits and from time to time we have been threatened with, or named as a defendant in arbitrations and administrative proceedings.

Legal and regulatory matters

The outcomes of the legal and regulatory matters discussed in this section are inherently uncertain and some of these matters may result in adverse judgments or awards, including penalties, injunctions or other relief, and we may also determine to settle a matter because of the uncertainty and risks of litigation. Described below are certain historic matters as well as certain pending matters in which there is

at least a reasonable possibility that a material loss could be incurred. We intend to continue to vigorously defend the pending matters. Litigation is inherently uncertain, and any judgment entered against us, or any adverse settlement, could materially and adversely impact our business, financial condition, operating results, and cash flows. Unless otherwise noted below with respect to a specific matter, we are unable to provide a reasonable estimate of any potential liability given the uncertain nature of litigation and the stage of proceedings in these matters. With respect to all other pending matters not disclosed below, based on current information, we do not believe that such matters, individually or in the aggregate, would have a material adverse impact on our business, financial condition, operating results, or cash flows.

FINRA Best Execution Matter

On December 19, 2019, without admitting or denying the findings, RHF consented to sanctions and the entry of findings by the Financial Industry Regulatory Authority ("FINRA") relating to RHF's consideration of alternative markets for order routing, internal written procedures, and the need for additional review of certain order types from 2016 to 2017. The settlement censured RHF and required it to pay a $1.25 million fine and to retain an independent consultant. RHF paid the $1.25 million fine in cash, which was recorded as general and administrative expenses in our consolidated statements of operations for the year ended December 31, 2019.

Best Execution, Payment for Order Flow, and Sources of Revenue Matters

In May 2019, the U.S. Securities and Exchange Commission's ("SEC") Division of Enforcement ("Enforcement Division") commenced an investigation into RHF's best execution and payment for order flow practices, as well as statements concerning its sources of revenue. On December 17, 2020, RHF, on a neither admit nor deny basis, consented to the entry of an SEC order (i) requiring RHF to cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 and Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4 thereunder; (ii) censuring RHF; and (iii) requiring RHF to pay a $65 million penalty. RHF also agreed to engage an independent compliance consultant to, among other things, perform a comprehensive review of RHF's supervisory, compliance, and other policies and procedures related to its retail communications and payment for order flow and make recommendations for improvements. RHF paid the $65 million penalty in cash, which was recorded as general and administrative expenses in our consolidated statements of operations for the year ended December 31, 2020.

Beginning on December 23, 2020, four putative securities fraud class action lawsuits were filed against RHM, RHF, and/or RHS. Three were filed in the United States District Court for the Northern District of California: *Kwon v. Robinhood Financial LLC et al., Luparello v. Robinhood Financial LLC et al.*, and *Nabi v. Robinhood Financial LLC et al*. One was filed in the United States District Court for the Southern District of California, but has since been transferred to the Northern District: *Ghebrehiwet v. Robinhood Financial LLC et al*. The lawsuits generally allege that we violated the duty of best execution and misled putative class members by publishing misleading statements and omissions in customer communications relating to the execution of trades and revenue sources (including payment for order flow). The three complaints originally filed in the Northern District of California assert claims for violations of Sections 10(b) of the Securities Exchange Act of 1934. All four complaints assert state law claims under California law, and seek damages, restitution, disgorgement, and other relief.

March 2020 Outages

On March 2-3, 2020, our platform experienced an outage across various services, which prevented customers from using the app, website, and help center. On March 9, 2020, our platform experienced an outage across its trading products, which prevented customers from placing trades (together with the March 2-3 outages, the "March 2020 Outages"). There are many uncertainties associated with these types of incidents and impacts associated with service outages have included, and may in the future include, remediation costs to customers, systems upgrades, increased insurance costs, adverse effects

on compliance with laws and regulations, litigation, and reputational damage. To date, we have incurred customer goodwill remediation costs with respect to the March 2020 Outages in the amount of approximately $3.6 million, which was recorded as marketing expenses in our consolidated statements of operations.

Beginning on March 4, 2020, putative class actions were filed against RHM, RHF, and RHS in state and federal district courts relating to the March 2020 Outages. All but one of the cases have been consolidated as *In re Robinhood Outage Litigation* in the United States District Court for the Northern District of California. The remaining putative class action, *Withouski v. Robinhood Financial LLC et al.*, pending in the Superior Court of the State of California, County of San Mateo, has been stayed by agreement of the parties. The lawsuits generally allege that putative class members were unable to execute trades during the March 2020 Outages because our platform was inadequately designed to handle customer demand and RHM, RHF, and RHS failed to implement appropriate backup systems. The lawsuits include, among other things, claims for breach of contract, negligence, gross negligence, breach of fiduciary duty, unjust enrichment, and violations of certain California consumer protection statutes. The lawsuits generally seek damages, restitution, and/or disgorgement, as well as declaratory and injunctive relief. On February 18, 2021, the court denied our motion to dismiss RHF and RHS but dismissed RHM from the case with leave to amend. The court also denied our motion to strike the class allegations, and ordered the parties to select a mediator within 14 days. A mediation is scheduled for June 22. 2021. Meanwhile, fact discovery is underway and is scheduled to be completed by April 7, 2021.

In addition, the SEC staff is conducting an examination, and FINRA and certain state regulatory authorities are conducting investigations, regarding the March 2020 Outages and related procedures. RHF and RHS are cooperating with requests from these regulators.

Options Trading and Related Customer Communications and Displays

The SEC staff is conducting an examination, and FINRA and certain state regulatory authorities are conducting investigations, regarding RHF's options trading and related customer communications and displays. The SEC staff, FINRA staff and staff of such state regulatory authorities are reviewing, among other things, how RHF displays cash and buying power to customers and its options trading approval processes. RHF is cooperating with the regulators' requests.

On February 8, 2021, the family of Alexander Kearns, a Robinhood customer who traded options, filed a lawsuit in the Superior Court of the State of California, County of Santa Clara, against RHF, RHS, and RHM in connection with Mr. Kearns's death by suicide in June 2020. The lawsuit asserts claims for wrongful death, negligent infliction of emotional distress, and unfair business practices under a California statute, and seeks damages and other relief.

Potential Resolution of FINRA Matters

RHF and RHS are currently engaged in discussions with FINRA staff regarding a possible negotiated resolution of certain FINRA matters, including the March 2020 Outages and options trading and related customer communications and displays noted above. While these discussions are ongoing, RHF and RHS anticipate that any resolution, if reached, would involve charges of violations of FINRA rules, a fine, customer restitution, a censure, and a compliance consultant. We have recorded a charge as general and administrative expenses in our consolidated statements of operations for the year ended December 31, 2020 of $26.6 million representing the bottom of the range of our probable losses. We cannot predict, however, whether these discussions will result in a resolution of these matters.

Robinhood Crypto Anti-Money Laundering and Cyber-Related Issues

On July 24, 2020, the New York State Department of Financial Services ("NYDFS") issued a report of its examination of RHC citing a number of "matters requiring attention" focused primarily on anti-money

laundering and cybersecurity-related issues. The matter was subsequently referred to the Department's Consumer Protection and Financial Enforcement Division, which is investigating the matter. In March 2021, NYDFS informed RHC of certain alleged violations of applicable (i) anti-money laundering and New York Banking Law requirements (Part 417, Part 504 and Banking Law § 44), including the failure to maintain and certify a compliant anti-money laundering program, (ii) notification provisions under RHC's Supervisory Agreement with NYDFS, and (iii) cybersecurity and virtual currency (Part 500 and Part 200) requirements, including certain deficiencies in our policies and procedures regarding risk assessment, lack of an adequate incident response and business continuity plan, and deficiencies in our application development security. In connection with these allegations, NYDFS has indicated that it plans to seek a monetary penalty, as well as the appointment of an independent consultant. RHC is cooperating with the NYDFS, and we anticipate that any potential resolution would include a monetary penalty component of at least $10 million, which is our best estimate of the bottom of the range for our probable loss in this matter. We have recorded a charge for such amount under general and administrative expenses in our consolidated statements of operations for the year ended December 31, 2020. We cannot predict, however, whether these discussions will result in a resolution of this matter.

Account Takeovers

In November 2020, FINRA Enforcement commenced an investigation into RHF concerning account takeovers, or circumstances under which an unauthorized actor successfully logs into a customer account, as well as anti-money laundering and cybersecurity issues. On February 1, 2021, RHF received a document request from the SEC's Division of Enforcement in connection with its investigation into account takeovers at certain online brokers. Additionally, state regulators, including the NYDFS and the New York Attorney General's Office have opened inquiries related to account takeovers. RHM, RHF, and RHC are cooperating with these investigations and inquiries.

On January 8, 2021, a putative class action was filed in California Superior Court (Santa Clara County) against RHF and RHS by Siddharth Mehta, purportedly on behalf of approximately 2,000 Robinhood customers whose accounts were allegedly accessed by unauthorized users from January 1, 2020 to October 16, 2020. On February 9, 2021, RHF and RHS removed this action to the United States District Court for the Northern District of California. An amended complaint, filed on February 26, 2021, added two named class members and expanded the putative class period to the present. Plaintiffs generally allege that RHF and RHS breached commitments made and duties owed to customers to safeguard customer data and assets. Plaintiffs assert eight causes of action for purported violations of common law, a right to privacy, and certain California statutes, including the California Consumer Privacy Act. On March 12, 2021, RHF and RHS filed a motion to dismiss the amended complaint.

Massachusetts Securities Division Complaint

On December 16, 2020, the Enforcement Section of the Massachusetts Securities Division (the "MSD") filed an administrative complaint against RHF, which stems from an investigation initiated by the MSD on or around July 21, 2020. The Complaint alleges three counts of Massachusetts securities law violations regarding unethical and dishonest conduct or practices, failure to supervise, and failure to act in accordance with the Massachusetts fiduciary duty standard, which became effective on March 6, 2020 and had an effective enforcement date beginning September 1, 2020. Among other things, MSD alleges that RHF's product features and marketing strategies, outages, and options trading approval process constitute violations of Massachusetts securities laws. The complaint seeks, among other things, injunctive relief (seeking a permanent cease and desist order), censure, unspecified restitution, unspecified disgorgement, the appointment of an independent consultant, and an unspecified administrative fine. On January 29, 2021, RHF filed an answer to this complaint denying each of the alleged securities law violations, and we are currently engaging in discussions regarding a potential negotiated resolution.

Pinchasov v. Robinhood Financial LLC

On November 5, 2020, Plaintiff Shterna Pinchasov (“Plaintiff”) filed a putative class action in the Circuit Court of the 11th Judicial Circuit of Florida in and for Miami-Dade County asserting claims of negligence and breach of fiduciary duty based on allegations that RHF failed to prevent customers from using its interface for stocks that were subject to a “T1 Halt,” and seeking damages. Securities exchanges, such as the New York Stock Exchange and the Nasdaq Stock Market, have the authority to halt and delay trading in a security, and a “T1 Halt” (or regulatory halt) may occur pending the release of material news about a company.

On November 30, 2020, RHF removed this action to the U.S. District Court for the Southern District of Florida pursuant to the Class Action Fairness Act of 2005. On December 21, 2020, RHF filed a motion to dismiss the complaint.

Gordon v. Robinhood Financial LLC

On October 29, 2019, a putative class action was filed against RHF and RHM in the Superior Court for the State of Washington, County of Spokane. The complaint alleges that RHF and RHM initiated or assisted in the transmission of commercial electronic text messages to Washington State residents without their consent in violation of Washington State law. The action has been removed to the Eastern District of Washington, pursuant to the Class Action Fairness Act of 2005, and the court granted RHM’s motion to dismiss for lack of personal jurisdiction. On January 7, 2020, we filed a motion to dismiss the complaint, which was denied. On January 25, 2021, the court granted the plaintiff’s motion for class certification. A trial date has not been set yet.

NOTE 14: SUBSEQUENT EVENTS

We have evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the consolidated financial statements. The evaluation was performed through the date the financial statements were available to be issued.

Early 2021 Trading Restrictions

Beginning on January 28, 2021, due to unprecedented market volatility and related portfolio margin demands imposed on RHS by the clearinghouse National Securities Clearing Corporation, RHS temporarily restricted or limited its customers’ purchase of certain securities, including GameStop Corp. and AMC Entertainment Holdings, Inc., on our platform (“Early 2021 Trading Restrictions”).

As of the date the financial statements were available to be issued, we have become aware of approximately 49 putative class actions and three individual actions that have been filed against RHM, RHF, and/or RHS in various federal and state courts relating to the Early 2021 Trading Restrictions. The complaints generally allege breach of contract, breach of the implied covenant of good faith and fair dealing, negligence, breach of fiduciary duty and other common law claims. Several complaints further allege federal securities claims, federal and state antitrust claims and/or certain state consumer protection claims based on similar factual allegations. Approximately 18 of the putative class actions also name other broker-dealers and/or market makers as defendants. On February 5, 2021, certain plaintiffs filed a motion before the Judicial Panel on Multidistrict Litigation ("JPML") to transfer and coordinate or consolidate the actions filed in connection with the Early 2021 Trading Restrictions into a multidistrict litigation in the Northern District of California (the "Transfer Motion"). On March 1, 2021, we filed a response to the Transfer Motion, in which we supported transfer and coordination or consolidation of the actions into a multidistrict litigation in either the Northern District of California, or in the alternative, the Middle District of Florida. We believe that the claims in these lawsuits are without merit and intend to defend against them vigorously.

RHM, RHF, RHS and our Co-Founder and CEO, Vladimir Tenev, have received requests for information, and in some cases subpoenas and requests for testimony, related to investigations and examinations of the Early 2021 Trading Restrictions from the United States Attorney's Office for the Northern District of California ("USAO"), the SEC staff, FINRA, the New York Attorney General's Office, other state attorneys general offices, and a number of state securities regulators. Also, a related search warrant was executed by the USAO to obtain Mr. Tenev's cell phone. There have also been several inquiries based on specific customer complaints. In addition, we have received information and testimony requests from certain committees and members of the U.S. Congress and Mr. Tenev has provided testimony with respect to the Early 2021 Trading Restrictions. We are cooperating with these investigations and examinations.

Due to the very preliminary nature of all of these proceedings, we are unable at this time to estimate the likelihood or magnitude of any possible losses related to these matters.

Convertible Note and Warrant Financings

In February 2021, we issued two tranches of convertible notes, consisting of $2.53 billion aggregate principal amount of Tranche I convertible notes and $1.02 billion aggregate principal amount of Tranche II convertible notes. Unless earlier converted, upon the closing of this offering, the convertible notes will automatically convert into shares of our common stock at a conversion price equal to the lower of (i) 70% of the cash price per share paid by investors in this offering and (ii) $38.29 (in the case of the Tranche I convertible notes) or $42.12 (in the case of the Tranche II convertible notes). Interest on the convertible notes accrues at 6% per annum and is payable in kind. In addition, we granted to each purchaser of the Tranche I convertible notes a warrant to purchase a number of shares of equity securities equal to 15% of the aggregate proceeds invested by such purchaser in the Tranche I convertible notes (i.e. $379.8 million in aggregate maximum purchase amount).

Shares

Robinhood Markets, Inc.

Common Stock

Goldman Sachs & Co. LLC **J.P. Morgan**

Barclays **Citigroup** **Morgan Stanley** **Wells Fargo Securities**

, 2021

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance.

The following table sets forth the various expenses, other than the underwriting discount, payable in connection with the offering contemplated by this registration statement. All of the fees set forth below are estimates except for the SEC registration fee, the FINRA fee and the stock exchange listing fee.

		Payable by the registrant
SEC registration fee	$	*
FINRA fee	$	*
Stock exchange listing fee	$	*
Blue Sky fees and expenses	$	*
Printing expenses	$	*
Legal fees and expenses	$	*
Accounting fees and expenses	$	*
Transfer agent and registrar fees	$	*
Miscellaneous fees and expenses	$	*
Total	$	*

* To be furnished by amendment.

Item 14. Indemnification of Directors and Officers.

Limitation of personal liability of directors and indemnification

We have entered into indemnification agreements with each of our current directors and executive officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and executive officers.

Section 145 of the Delaware General Corporation Law (the "DGCL") provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the registrant. The DGCL provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. Our Bylaws provide for indemnification by the registrant of its directors, officers and employees to the fullest extent permitted by the DGCL.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or

unlawful stock repurchases, redemptions or other distributions, or (iv) for any transaction from which the director derived an improper personal benefit. Our Charter provides for such limitation of liability.

We maintain standard policies of insurance under which coverage is provided (a) to our directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act, and (b) to us with respect to payments we may make to our officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

Item 15. Recent Sales of Unregistered Securities.

Since December 31, 2017, we have issued the following securities that that were not registered under the Securities Act:

Preferred Stock Issuances

In April 2018, we sold an aggregate of 35,774,761 shares of our Series D redeemable convertible preferred stock at a purchase price of $10.1450 per share, for an aggregate purchase price of $362.9 million, pursuant to our Series D redeemable convertible preferred stock financing to entities affiliated with nine accredited investors.

From August 2019 through October 2019, we sold an aggregate of 29,887,357 shares of our Series E redeemable convertible preferred stock at a purchase price of $12.4827 per share, for an aggregate purchase price of $373.1 million, pursuant to our Series E redeemable convertible preferred stock financing to entities affiliated with nine accredited investors.

From May 2020 through July 2020, we sold an aggregate of 48,000,000 shares of our Series F redeemable convertible preferred stock at a purchase price of $12.50 per share, for an aggregate purchase price of $600.0 million, pursuant to our Series F redeemable convertible preferred stock financing to entities affiliated with 23 accredited investors.

From August 2020 through September 2020, we sold an aggregate of 43,116,119 shares of our Series G redeemable convertible preferred stock at a purchase price of $15.50 per share, for an aggregate purchase price of $668.3 million, pursuant to our Series G redeemable convertible preferred stock financing to entities affiliated with 19 accredited investors.

Warrant Exercises

On June 5, 2018, we sold an aggregate of 918,760 shares of our common stock, for an aggregate purchase price of $459.38, to an accredited investor upon the exercise by such investor of previously granted warrants to acquire our common stock.

On August 7, 2018, we sold an aggregate of 262,500 shares of our common stock, for an aggregate purchase price of $131.25 to an accredited investor upon the exercise by such investor of previously granted warrants to acquire our common stock.

On November 6, 2018, we sold an aggregate of 393,750 shares of our common stock, for an aggregate purchase price of $196.88, to an accredited investor upon the exercise by such investor of previously granted warrants to acquire our common stock.

On December 5, 2018, we sold an aggregate of 131,250 shares of our common stock, for an aggregate purchase price of $65.63 to an accredited investor upon the exercise by such investor of previously granted warrants to acquire our common stock.

2021 Convertible Note and Warrant Financings

In February 2021, we issued $2,532.0 million aggregate principal amount of “Tranche I” convertible notes to entities affiliated with 19 accredited investors and $1,020.0 million aggregate principal amount of “Tranche II” convertible notes, to entities affiliated with six accredited investors. In addition, we granted to each purchaser of the Tranche I convertible notes a warrant to purchase a number of shares of equity securities equal to 15% of the aggregate proceeds invested by such purchaser in the Tranche I convertible notes (i.e. $379.8 million in aggregate maximum purchase amount).

Employee Compensation

Since December 31, 2017, we have granted 15,523,088 stock options to purchase shares of our common stock to our employees, directors and consultants at a weighted average exercise price of $4.42 per share under our 2013 Plan and our 2020 Plan. We have also granted to our employees, directors and consultants an aggregate of 87,480,642 RSUs to be settled in shares of our common stock under our 2013 Plan and 2020 Plan.

The sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act (or Regulation D or Regulation S promulgated thereunder), as transactions by an issuer not involving any public offering, or Rule 701 promulgated under Section 3(b) of the Securities Act, pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits: The list of exhibits set forth under “*Exhibit Index*” at the end of this Registration Statement is incorporated herein by reference.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and

contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement
3.1*	Form of Amended and Restated Certificate of Incorporation of Robinhood Markets, Inc., to be effective following this offering
3.2*	Form of Amended and Restated Bylaws of Robinhood Markets, Inc., to be effective following this offering
4.1*	Form of Common Stock Certificate of Robinhood Markets, Inc.
4.2*	Form of Warrant Agreement of Robinhood Markets, Inc.
5.1*	Opinion of Cravath, Swaine & Moore LLP
10.1+	Robinhood Markets, Inc. 2020 Equity Incentive Plan, as amended on June 18, 2020
10.2†+	Robinhood Markets, Inc. Amended and Restated 2013 Stock Plan
10.3+	Offer Letter between Robinhood Markets, Inc. and Jason Warnick, dated November 8, 2018
10.4†+	Offer letter between Robinhood Markets, Inc. and Daniel Gallagher, as amended and restated on December 15, 2020
21.1*	Subsidiaries of Robinhood Markets, Inc.
23.1*	Consent of Ernst & Young LLP
23.2*	Consent of Cravath, Swaine & Moore LLP (contained in its opinion filed as Exhibit 5.1 hereto)
24.1*	Powers of attorney (included on the signature page to this registration statement)

* To be filed by amendment.
† Certain schedules and exhibits have been omitted pursuant to Rule 601(a)(5) of Regulation S-K under the Securities Act. A copy of any omitted schedule or exhibit will be furnished to the SEC upon request.
+ Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Menlo Park, California, on , 2021.

Robinhood Markets, Inc.

By: _____
Name: Vladimir Tenev
Title: Co-Founder, Chief Executive Officer and President

SIGNATURES AND POWERS OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Daniel Gallagher, Vladimir Tenev and Jason Warnick, and each of them acting alone, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution and resubstitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments), and to sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them individually, or their, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
By: _____ Vladimir Tenev	Co-Founder, Chief Executive Officer, President and Director *(Principal Executive Officer)*	, 2021
By: _____ Jason Warnick	Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	, 2021
By: _____ Baiju Bhatt	Co-Founder, Chief Creative Officer and Director	, 2021
By: _____ Jan Hammer	Director	, 2021
By: _____ Scott Sandell	Director	, 2021

ROBINHOOD MARKETS, INC.

2020 EQUITY INCENTIVE PLAN

As Adopted on April 3, 2020
As Amended on June 18, 2020

1. PURPOSE. The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent and Subsidiaries by offering eligible persons an opportunity to participate in the Company's future performance through the grant of Awards covering Shares. Capitalized terms not defined in the text are defined in Section 14 hereof. Although this Plan is intended to be a written compensatory benefit plan within the meaning of Rule 701, grants may be made pursuant to this Plan that do not qualify for exemption under Rule 701 or Section 25102(o). Any requirement of this Plan that is required in law only because of Section 25102(o) need not apply if the Committee so provides.

2. SHARES SUBJECT TO THE PLAN.

2.1 Number of Shares Available. Subject to Sections 2.2 and 11 hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan will be 24,020,008 shares, plus the sum of (a) any authorized shares not issued or subject to outstanding grants under the Company's Amended and Restated 2013 Stock Plan (the "***Prior Plan***") on the Effective Date (as defined in Section 13.1 hereof); (b) shares that are subject to issuance under the Prior Plan but cease to be subject to an award for any reason other than exercise of an option after the Effective Date; and (c) shares that were issued under the Prior Plan which are repurchased by the Company or which are forfeited or used to pay withholding obligations or pay the exercise price of an Option. Subject to Sections 2.2 and 11 hereof, (A) in the event that Shares previously issued under the Plan are reacquired by the Company pursuant to a forfeiture provision, right of first refusal, or repurchase by the Company, such Shares shall be added to the number of Shares then available for issuance under the Plan; (B) in the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding obligations, such Shares shall remain available for issuance under the Plan; and (C) in the event that an outstanding Option, Restricted Stock Unit or SAR for any reason expires or is cancelled, forfeited or terminated, the Shares allocable to the unexercised or unsettled portion of such Option, Restricted Stock Unit or SAR, as applicable, shall remain available for issuance under the Plan. To the extent an Award is settled in cash, the cash settlement shall not reduce the number of Shares remaining available for issuance under the Plan. At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all Awards granted and outstanding under this Plan. In no event shall the total number of Shares issued (counting each reissuance of a Share that was previously issued and then reacquired by the Company pursuant to a forfeiture provision, right of first refusal, or repurchase by the Company as a separate issuance) under the Plan upon exercise of ISOs (as defined in Section 4 hereof) exceed 308,578,328 Shares (adjusted in proportion to any adjustments under Section 2.2 hereof) over the term of the Plan.

2.2 **Adjustment of Shares**. In the event that the Common Stock is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or other change in the capital structure of the Company affecting Shares without consideration, then in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan (a) the number and class of Shares reserved for issuance under this Plan, (b) the Exercise Prices of and number and class of Shares subject to outstanding Options and SARs, and (c) the Purchase Prices of and/or number and class of Shares subject to other outstanding Awards will (to the extent appropriate) be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities or other laws; *provided*, *however*, that fractions of a Share will not be issued but will either be paid in cash at the Fair Market Value of such fraction of a Share or will be rounded down to the nearest whole Share, as determined by the Committee.

3. **PLAN FOR BENEFIT OF SERVICE PROVIDERS**.

3.1 **Eligibility**. The Committee will have the authority to select persons to receive Awards. ISOs may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary of the Company. NQSOs (as defined in Section 4 hereof) and all other types of Awards may be granted to employees, officers, directors and consultants of the Company or any Parent or Subsidiary of the Company; *provided* such consultants render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction when Rule 701 is to apply to the Award granted in connection with such services. A person may be granted more than one Award under this Plan.

3.2 **No Obligation to Employ**. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Subsidiary or Parent of the Company or limit in any way the right of the Company or any Subsidiary or Parent of the Company to terminate Participant's employment or other relationship at any time, with or without Cause.

4. **OPTIONS**. The Committee may grant Options to eligible persons described in Section 3 hereof and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("***ISOs***") or Nonqualified Stock Options ("***NQSOs***"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following.

4.1 **Form of Option Grant**. Each Option granted under this Plan will be evidenced by an Award Agreement which will expressly identify the Option as an ISO or an NQSO ("***Stock Option Agreement***"), and will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan.

4.2 **Date of Grant**. The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless a later date is otherwise

specified by the Committee. The Stock Option Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

4.3 **Exercise Period**. Options may be exercisable within the time or upon the events determined by the Committee in the Award Agreement and may be awarded as immediately exercisable but subject to repurchase pursuant to Section 10 hereof or may be exercisable within the times or upon the events determined by the Committee as set forth in the Stock Option Agreement governing such Option; *provided*, *however*, that (a) no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and (b) no ISO granted to a person who directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Subsidiary or Parent of the Company ("***Ten Percent Stockholder***") will be exercisable after the expiration of five (5) years from the date the ISO is granted; but in no event shall an Option granted to an employee who is a non-exempt employee for purposes of overtime pay under the U.S. Fair Labor Standards Act of 1938 be exercisable earlier than six (6) months after its date of grant. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines. In addition, if an Option is determined to otherwise be subject to Section 409A of the Code, the Option shall be exercisable for the Shares subject to the Option no later than the end of the applicable short-term deferral period determined under Section 409A of the Code by the Committee, except as otherwise determined by the Committee.

4.4 **Exercise Price**. The Exercise Price of an Option will be determined by the Committee when the Option is granted and shall not be less than the Fair Market Value per Share on the date of grant unless expressly determined in writing by the Committee; *provided* that the Exercise Price of an ISO granted to a Ten Percent Stockholder will not be less than one hundred ten percent (110%) of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased must be made in accordance with Section 8 hereof.

4.5 **Method of Exercise**. Options may be exercised only by delivery to the Company of a stock option exercise agreement (accepted via written, electronic or other means) (the "***Exercise Agreement***") in a form approved by the Committee (which need not be the same for each Participant). The Exercise Agreement will state (a) the number of Shares being purchased, (b) the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and (c) such representations and agreements regarding Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities or other laws. Each Participant's Exercise Agreement may be modified by (i) agreement of Participant and the Company or (ii) substitution by the Company, upon becoming a public company, in order to add the payment terms set forth in Section 8.1 that apply to a public company and such other terms as shall be necessary or advisable in order to exercise a public company option. Upon exercise of an Option, Participant shall execute and deliver to the Company the Exercise Agreement then in effect, together with payment in full of the Exercise Price for the number of Shares being purchased and satisfaction of any applicable Tax-Related Obligations (as defined in Section 8.2 hereof). No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.2 of the Plan. Exercising an Option in any manner will

decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

4.6 Termination. Subject to earlier termination pursuant to Sections 11 and 13 hereof and notwithstanding the exercise periods set forth in the Stock Option Agreement, exercise of an Option will always be subject to the following terms and conditions.

4.6.1 Other than Death or Disability or for Cause. If the Participant is Terminated for any reason other than death, Disability or for Cause, then the Participant may exercise such Participant's Options only to the extent that such Options are exercisable as to Vested Shares upon the Termination Date, except as otherwise determined by the Committee or required by applicable law. Such Options must be exercised by the Participant, if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within three (3) months after the Termination Date (or within such shorter time period, not less than thirty (30) days, or within such longer time period after the Termination Date as may be determined by the Committee or required by applicable law, with any exercise beyond three (3) months after the date Participant ceases to be an employee deemed to be an NQSO) but, in any event, no later than the expiration date of the Options.

4.6.2 Death or Disability. If the Participant is Terminated because of Participant's death or Disability (or the Participant dies within three (3) months after a Termination other than for Cause), then Participant's Options may be exercised only to the extent that such Options are exercisable as to Vested Shares on the Termination Date, except as otherwise determined by the Committee or required by applicable law. Such Options must be exercised by Participant (or Participant's legal representative or authorized assignee or designated beneficiary), if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within twelve (12) months after the Termination Date (or within such shorter time period, not less than six (6) months, or within such longer time period, after the Termination Date as may be determined by the Committee or required by applicable law, with any exercise beyond (a) three (3) months after the date Participant ceases to be an employee when the Termination is for any reason other than the Participant's death or disability, within the meaning of Section 22(e)(3) of the Code, or (b) twelve (12) months after the date Participant ceases to be an employee when the Termination is for Participant's disability, within the meaning of Section 22(e)(3) of the Code, deemed to be an NQSO) but in any event no later than the expiration date of the Options.

4.6.3 For Cause. If the Participant is Terminated for Cause, the Participant may exercise such Participant's Options, but not to an extent greater than such Options are exercisable as to Vested Shares upon the Termination Date and Participant's Options shall expire on such Participant's Termination Date, or at such later time and on such conditions as are determined by the Committee.

4.7 Limitations on Exercise. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option, *provided* that such minimum number will not prevent Participant from exercising the Option for the full number of Shares for which it is then exercisable.

4.8 **Limitations on ISOs**. The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under this Plan or under any other incentive stock option plan of the Company or any Parent or Subsidiary of the Company) will not exceed One Hundred Thousand Dollars ($100,000). If the Fair Market Value of Shares on the date of grant with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds One Hundred Thousand Dollars ($100,000), then the Options for the first One Hundred Thousand Dollars ($100,000) worth of Shares to become exercisable in such calendar year will be ISOs and the Options for the amount in excess of One Hundred Thousand Dollars ($100,000) that become exercisable in that calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, then such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

4.9 **Modification, Extension or Renewal**. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, *provided* that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted, unless for the purpose of complying with applicable laws and regulations. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 4.10 hereof, the Committee may reduce the Exercise Price of outstanding Options without the consent of Participants by a written notice to them; *provided, however*, that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 4.4 hereof for Options granted on the date the action is taken to reduce the Exercise Price.

4.10 **No Disqualification**. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the written consent of the Participant, to disqualify any Participant's ISO under Section 422 of the Code.

5. **RESTRICTED STOCK**. A Restricted Stock Award is an offer by the Company to sell to an eligible person Shares that are subject to certain specified restrictions. The Committee will determine to whom an offer will be made, the number of Shares the person may purchase, the Purchase Price, the restrictions to which the Shares will be subject, and all other terms and conditions of the Restricted Stock Award, subject to the following terms and conditions.

5.1 **Form of Restricted Stock Award**. All purchases under a Restricted Stock Award made pursuant to this Plan will be evidenced by an Award Agreement ("***Restricted Stock Purchase Agreement***") that will be in such form (which need not be the same for each Participant) as the Committee will from time to time approve, and will comply with and be subject to the terms and conditions of this Plan. The Restricted Stock Award will be accepted by the Participant's execution and delivery of the Restricted Stock Purchase Agreement (accepted

via written, electronic or other means) and full payment for the Shares to the Company within thirty (30) days from the date the Restricted Stock Purchase Agreement is delivered to the person. If such person does not execute and deliver the Restricted Stock Purchase Agreement along with full payment for the Shares to the Company within such thirty (30) days, then the offer will terminate, unless otherwise determined by the Committee.

5.2 **Purchase Price**. The Purchase Price of Shares sold pursuant to a Restricted Stock Award will be determined by the Committee on the date the Restricted Stock Award is granted. Payment of the Purchase Price must be made in accordance with Section 8 hereof.

5.3 **Dividends and Other Distributions**. Participants holding Restricted Stock Awards will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Committee provides otherwise at the time the Award is granted. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Restricted Stock Awards with respect to which they were paid.

5.4 **Restrictions**. Restricted Stock Awards may be subject to the restrictions set forth in Sections 9 and 10 hereof or, with respect to a Restricted Stock Award to which Section 25102(o) is to apply, such other restrictions not inconsistent with Section 25102(o).

6. RESTRICTED STOCK UNITS.

6.1 **Awards of Restricted Stock Units.** A Restricted Stock Unit ("***RSU***") is an Award covering a number of Shares that may be settled in cash, by issuance of those Shares at a date in the future, or by a combination of cash and Shares. No Purchase Price shall apply to an RSU settled in Shares. All grants of RSUs will be evidenced by an Award Agreement (the "***RSU Agreement***") that will be in such form (which need not be the same for each Participant) as the Committee will from time to time approve, and will comply with and be subject to the terms and conditions of this Plan. No RSU will have a term longer than ten (10) years from the date the RSU is granted.

6.2 **Form and Timing of Settlement**. To the extent permissible under applicable law, the Committee may permit a Participant to defer payment (including settlement) under an RSU to a date or dates after the RSU has vested, *provided* that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code and any regulations or rulings promulgated thereunder, to the extent the Participant is subject to Section 409A of the Code. Payment may be made in the form of cash or whole Shares or a combination thereof, all as the Committee determines.

6.3 **Dividend Equivalent Payments**. The Board may permit Participants holding RSUs to receive dividend equivalent payments on outstanding RSUs if and when dividends are paid to stockholders on Shares. In the discretion of the Board, such dividend equivalent payments may be paid in cash or Shares and they may either be paid at the same time as dividend payments are made to stockholders or delayed until Shares are issued pursuant to the RSU grants and may be subject to the same vesting or performance requirements as the RSUs. If

the Board permits dividend equivalent payments to be made on RSUs, the terms and conditions for such dividend equivalent payments will be set forth in the RSU Agreement.

7. STOCK APPRECIATION RIGHTS.

7.1 Awards of SARs. Stock Appreciation Rights ("***SARs***") may be settled in cash or Shares (which may consist of Restricted Stock or RSUs) or a combination thereof, having a value equal to the value determined by multiplying the difference between the Fair Market Value on the date of exercise over the Exercise Price and the number of Shares with respect to which the SAR is being exercised. All grants of SARs made pursuant to this Plan will be evidenced by an Award Agreement (the "***SAR Agreement***") that will be in such form (which need not be the same for each Participant) as the Committee will from time to time approve, and will comply with and be subject to the terms and conditions of this Plan.

7.2 Exercise Period and Expiration Date. A SAR will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the SAR Agreement. The SAR Agreement shall set forth the expiration date; *provided* that no SAR will be exercisable after the expiration of ten (10) years from the date the SAR is granted.

7.3 Exercise Price. The Committee will determine the Exercise Price of the SAR when the SAR is granted, which may not be less than the Fair Market Value on the date of grant.

7.4 Termination. Subject to earlier termination pursuant to Sections 11 and 13 hereof and notwithstanding the exercise periods set forth in the SAR Agreement, exercise of SARs will always be subject to the following terms and conditions.

7.4.1 Other than Death or Disability or for Cause. If the Participant is Terminated for any reason other than death, Disability or for Cause, then the Participant may exercise such Participant's SARs only to the extent that such SARs are exercisable as to Vested Shares upon the Termination Date or as otherwise determined by the Committee or as required by applicable law. SARs must be exercised by the Participant, if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within three (3) months after the Termination Date (or within such shorter time period, not less than thirty (30) days, or within such longer time period after the Termination Date as may be determined by the Committee or as required by applicable law), but in any event no later than the expiration date of the SARs.

7.4.2 Death or Disability. If the Participant is Terminated because of Participant's death or Disability (or the Participant dies within three (3) months after a Termination other than for Cause), then Participant's SARs may be exercised only to the extent that such SARs are exercisable as to Vested Shares on the Termination Date or as otherwise determined by the Committee or as required by applicable law. Such SARs must be exercised by Participant (or Participant's legal representative or authorized assignee or designated beneficiary), if at all, as to all or some of the Vested Shares calculated as of the Termination Date or such other date determined by the Committee, within twelve (12) months after the Termination Date (or within such shorter time period, not less than six (6) months, or within such

longer time period after the Termination Date as may be determined by the Committee or as required by applicable law), but in any event no later than the expiration date of the SARs.

7.4.3 For Cause. If the Participant is Terminated for Cause, the Participant may exercise such Participant's SARs, but not to an extent greater than such SARs are exercisable as to Vested Shares upon the Termination Date and Participant's SARs shall expire on such Participant's Termination Date, or at such later time and on such conditions as are determined by the Committee.

8. PAYMENT FOR PURCHASES AND EXERCISES.

8.1 Payment in General. Payment for Shares acquired pursuant to this Plan may be made in cash equivalents (including by check or Automated Clearing House ("***ACH***") transfer) or, where expressly approved for the Participant by the Committee and subject to compliance with applicable law:

(a) by cancellation of indebtedness of the Company owed to the Participant;

(b) by surrender of shares of the Company that are clear of all liens, claims, encumbrances or security interests and: (i) for which the Company has received "full payment of the purchase price" within the meaning of SEC Rule 144 (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares) or (ii) that were obtained by Participant in the public market;

(c) by tender of a full recourse promissory note having such terms as may be approved by the Committee and bearing interest at a rate sufficient to avoid (i) imputation of income under Sections 483 and 1274 of the Code and (ii) unfavorable accounting treatment as determined by the Committee; *provided*, *however*, that Participants who are not employees or directors of the Company will not be entitled to purchase Shares with a promissory note unless the note is adequately secured by collateral other than the Shares; *provided*, *further*, that the portion of the Exercise Price or Purchase Price, as the case may be, equal to the par value (if any) of the Shares must be paid in cash or other legal consideration permitted by the laws under which the Company is then incorporated or organized;

(d) by waiver of compensation due or accrued to the Participant from the Company for services rendered;

(e) by participating in a formal cashless exercise program implemented by the Committee in connection with the Plan;

(f) provided that a public market for the Common Stock exists, by exercising through a "same day sale" commitment from the Participant and a broker-dealer whereby the Participant irrevocably elects to exercise the Award and to sell a portion of the Shares so purchased sufficient to pay the total Exercise Price or Purchase Price, and whereby the broker-dealer irrevocably commits upon receipt of such Shares to forward the total Exercise Price or Purchase Price directly to the Company; or

(g) by any combination of the foregoing or any other method of payment approved by the Committee.

For avoidance of uncertainty: ACH transfers that have been received by the Company into its bank account designated for receipt of such transfers under this Section 8.1 shall be deemed to have been received for all purposes under this Plan as of the date on which such transfers were initiated from the transferor's account and made irrevocable by the transferor.

8.2 **Withholding Taxes**. Prior to any relevant taxable or tax withholding events in connection with an Award under this Plan, the Company may require the Participant to pay or make adequate arrangements satisfactory to the Company with respect to any or all foreign, federal, state and local income tax, social insurance, payroll tax, fringe benefits tax, payment on account and other tax-related items related to the Participant's participation in this Plan and legally applicable to the Participant (collectively, "***Tax-Related Obligations***"). The Committee may, in its sole discretion and pursuant to such procedures as it may specify from time to time, require or permit a Participant to satisfy withholding obligations for such Tax-Related Obligations, in whole or in part by (without limitation) (a) paying cash, (b) having the Company withhold otherwise deliverable cash or Shares having a value equal to the Tax-Related Obligations to be withheld, (c) delivering to the Company already-owned Shares having a value equal to the Tax-Related Obligations to be withheld, or (d) withholding from proceeds of the sale of Shares issued pursuant to an Award either through a voluntary sale or through a mandatory sale arranged by the Company, *provided* that, in all instances, the satisfaction of the Tax-Related Obligations will not result in any adverse accounting consequence to the Company, as the Committee may determine in its sole discretion. The Company may withhold or account for these Tax-Related Obligations by considering applicable statutory withholding rates or other applicable withholding rates, including maximum rates for the applicable tax jurisdiction to the extent consistent with applicable laws. Whenever, under this Plan, payments in satisfaction of Awards are to be made in cash by the Company, such payment will be net of an amount sufficient to satisfy applicable tax withholding requirements.

8.3 **Elections Under Section 83(i) of the Code**. A Participant will not make an election under Section 83(i) of the Code if the Company determines that the Participant is then ineligible to make such an election under applicable law or without the Company's prior written consent (which will not be unreasonably withheld or delayed, but may be conditioned upon the Participant's entry into additional commitments as determined by the Company).

9. RESTRICTIONS ON AWARDS.

9.1 **Transferability**. Except as permitted by the Committee, Awards granted under this Plan, and any interest therein, will not be transferable or assignable by Participant, other than by will or by the laws of descent and distribution or by beneficiary designation (made or changed by filing the prescribed form with the Company at any time before the Participant's death) and, with respect to NQSOs for Participants in the U.S., by instrument to an inter vivos or testamentary trust in which the NQSOs are to be passed to beneficiaries upon the death of the trustor (settlor), or by gift to "family member" as that term is defined in Rule 701, and may not be made subject to execution, attachment or similar process. For the avoidance of doubt, the prohibition against assignment and transfer applies to Awards and any Shares underlying the

Awards prior to the issuance of the Shares, and pursuant to the foregoing sentence shall be understood to include, without limitation, a prohibition against any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" or any "call equivalent position" (in each case, as defined in Rule 16a-1 promulgated under the Exchange Act). Unless an Award is transferred pursuant to the terms of this Section, during the lifetime of the Participant an Award will be exercisable only by the Participant or Participant's legal representative and any elections with respect to an Award may be made only by the Participant or Participant's legal representative. The terms of an Award shall be binding upon the executor, administrator, successors and assigns of the Participant who is a party thereto.

9.2 **Securities Law and Other Regulatory Compliance**. Although this Plan is intended to be a written compensatory benefit plan within the meaning of Rule 701 promulgated under the Securities Act, Awards may be made pursuant to this Plan that do not qualify for exemption under Rule 701 or Section 25102(o). Any requirement of this Plan which is required in law only because of Section 25102(o) need not apply with respect to a particular Award to which Section 25102(o) will not apply. An Award will not be effective unless such Award is in compliance with all applicable U.S. and non-U.S. federal, state and local securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Company's equity securities may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise, settlement or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue Shares or deliver certificates for Shares under this Plan prior to (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and/or (b) compliance with any exemption, completion of any registration or other qualification of such Shares under any U.S. and non-U.S. federal, state or local law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the exemption, registration, qualification or listing requirements of any securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

9.3 **Exchange and Buyout of Awards**. The Committee may, at any time or from time to time, authorize the Company, with the consent of the respective Participants, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards. Without prior stockholder approval the Committee may reprice Options or SARs (and where such repricing is a reduction in the Exercise Price of outstanding Options or SARs, the consent of the affected Participants is not required provided written notice is provided to them). The Committee may at any time buy from a Participant an Award previously granted with payment in cash, Shares (including Restricted Stock) or other consideration, based on such terms and conditions as the Committee and the Participant may agree.

10. RESTRICTIONS ON SHARES.

10.1 **Privileges of Stock Ownership**. No Participant will have any of the rights of a stockholder with respect to any Shares until such Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a stockholder and have all the

rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; *provided*, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock. The Participant will have no right to retain such stock dividends or stock distributions with respect to Unvested Shares that are repurchased as described in this Section 10.

10.2 Rights of First Refusal and Repurchase. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement (a) a right of first refusal to purchase all Shares that a Participant (or a subsequent transferee) may propose to transfer to a third party, *provided* that such right of first refusal terminates upon (i) subject to any applicable market standoff restrictions, the effective date of the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the SEC under the Securities Act (other than a registration statement relating solely to the issuance of Common Stock pursuant to a business combination or an employee incentive or benefit plan); (ii) any transfer or conversion of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations if the common stock of the surviving corporation or any direct or indirect Parent thereof is registered under the Exchange Act; or (iii) any transfer or conversion of Shares made pursuant to a statutory conversion of the Company into another form of legal entity if the common equity (or comparable equity security) of entity resulting from such conversion is registered under the Exchange Act; and (b) a right to repurchase Unvested Shares held by a Participant for cash and/or cancellation of purchase money indebtedness owed to the Company by the Participant following such Participant's Termination at any time.

10.3 Agreement to Vote Shares. At the discretion of the Committee, the Company may require that, as a condition to the receipt of the Shares upon issuance of an Award, exercise of an Option or SAR or settlement of an RSU, the Participant and any transferee of the Shares agree to vote such Shares pursuant to the terms of a Voting Agreement by and between the Company and certain of its stockholders.

10.4 Escrow; Pledge of Shares. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all written or electronic certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated. The Committee may cause a legend or legends referencing such restrictions to be placed on the written or electronic certificate. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of Participant's obligation to the Company under the promissory note; *provided*, *however*, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's

Shares or other collateral. In connection with any pledge of the Shares, Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

10.5 **Securities Law Restrictions**. All written or electronic certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable U.S. and non-U.S. federal, state or local securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Company's equity securities may be listed or quoted.

10.6 **Transfer Restrictions**. All Shares or other securities delivered under this Plan will be subject to any restrictions on transfers of securities as set forth in the Company's Bylaws, including Article 11, as may be amended from time to time.

11. CORPORATE TRANSACTIONS.

11.1 **Acquisitions or Other Combinations**. In the event that the Company is subject to an Acquisition or Other Combination, outstanding Awards acquired under the Plan shall be subject to the agreement evidencing the Acquisition or Other Combination, which need not treat all outstanding Awards in an identical manner. Such agreement, without the Participant's consent, shall provide for one or more of the following with respect to all outstanding Awards as of the effective date of such Acquisition or Other Combination:

(a) The continuation of such outstanding Awards by the Company (if the Company is the successor entity).

(b) The assumption of outstanding Awards by the successor or acquiring entity (if any) in such Acquisition or Other Combination (or by any of its Parents, if any), which assumption, will be binding on all Participants; provided that the exercise price and the number and nature of shares issuable upon exercise of any such option or stock appreciation right, or upon the settlement of any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) and Section 409A of the Code. For the purposes of this Section 11, an Award will be considered assumed if, following the Acquisition or Other Combination, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Acquisition or Other Combination, the consideration (whether stock, cash, or other securities or property) received in the Acquisition or Other Combination by holders of Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Acquisition or Other Combination is not solely common stock of the successor corporation or its Parent, the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the settlement of an RSU, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to

the per share consideration received by holders of Common Stock in the Acquisition or Other Combination.

(c) The substitution by the successor or acquiring entity in such Acquisition or Other Combination (or by any of its Parents, if any) of equivalent awards with substantially the same terms for such outstanding Awards (except that the exercise price and the number and nature of shares issuable upon exercise of any such option or stock appreciation right, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) and Section 409A of the Code).

(d) The full or partial exercisability or vesting and accelerated expiration of outstanding Awards.

(e) The settlement of the Fair Market Value of such outstanding Award (whether or not then vested or exercisable) in cash, cash equivalents, or securities of the successor entity (or its Parent, if any), followed by the cancellation of such Awards; provided however, that such Award may be cancelled without consideration if such Award has no value, as determined by the Committee, in its discretion. Subject to Section 409A of the Code, such payment may be made in installments and may be deferred until the date or dates when the Award would have become exercisable or vested. Such payment may be subject to vesting based on the Participant's continued Service, provided that without the Participant's consent, the vesting schedule shall not be less favorable to the Participant than the schedule under which the Award would have become vested or exercisable. For purposes of this Section 11.1(e), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

(f) The termination in its entirety of any outstanding Award, without payment of any consideration, that is not exercised in accordance with its terms upon or prior to consummation of the transactions contemplated by the Acquisition or Other Combination within a time specified by the Committee, in its discretion, for such exercise, whether or not such Award is then fully exercisable.

Immediately following an Acquisition or Other Combination, outstanding Awards shall terminate and cease to be outstanding, except to the extent such Awards, have been continued, assumed or substituted, as described in Sections 11.1(a), (b) and/or (c).

11.2 **Substitution or Assumption of Awards by the Company**. The Company, from time to time, also may substitute or assume outstanding awards granted by another entity, whether in connection with an acquisition of such other entity or otherwise, by either (a) granting an Award under this Plan in substitution of such other entity's award or (b) assuming and/or converting such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other entity had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another entity, the terms and conditions of such award will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option or stock appreciation

right, or any award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) or Section 409A of the Code). In the event the Company elects to grant a new Option or SAR in substitution for and rather than assuming an existing option or stock appreciation right, such new Option or SAR may be granted with a similarly adjusted Exercise Price and number of underlying Shares and such other changes approved by the Committee, subject to the consent of the Participant.

12. ADMINISTRATION.

12.1 Committee Authority. This Plan will be administered by the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. Without limitation, the Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend, expand, modify and rescind or terminate rules and regulations relating to this Plan;

(c) approve persons to receive Awards;

(d) determine the form and terms of Awards;

(e) determine the number of Shares or other consideration subject to Awards granted under this Plan;

(f) determine the Fair Market Value in good faith and interpret the applicable provisions of this Plan and the definition of Fair Market Value in connection with circumstances that impact the Fair Market Value, if necessary;

(g) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or awards under any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;

(h) grant waivers of any conditions of this Plan or any Award;

(i) determine the terms of vesting, exercisability, settlement and payment of Awards to be granted pursuant to this Plan;

(j) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Award, any Award Agreement or any Exercise Agreement;

(k) determine whether an Award has vested or become exercisable;

(l) extend the vesting period beyond a Participant’s Termination Date;

(m) adopt rules and/or procedures (including the adoption of any subplan under this Plan) relating to the operation and administration of the Plan to accommodate or facilitate requirements of local law and procedures outside of the United States;

(n) delegate any of the foregoing to a subcommittee consisting of one or more directors or executive officers pursuant to a specific delegation as may otherwise be permitted by applicable law;

(o) change the vesting schedule of Awards under the Plan prospectively in the event that the Participant's Service status changes between full and part time status in accordance with Company policies relating to work schedules and vesting of Awards; and

(p) make all other determinations necessary or advisable in connection with the administration of this Plan.

12.2 Standalone, Tandem and Substitute Awards. Awards granted under the Plan may, in the sole discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for, any other Award granted under the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

12.3 Committee Composition and Discretion. The Board may delegate full administrative authority over the Plan and Awards to a Committee consisting of at least one member of the Board (or such greater number as may then be required by applicable law). Unless in contravention of any express terms of this Plan or Award, any determination made by the Committee with respect to any Award will be made in its sole discretion either (a) at the time of grant of the Award, or (b) subject to Section 4.9 hereof, at any later time. Any such determination will be final and binding on the Company and on all persons having an interest in any Award under this Plan. To the extent permitted by applicable law, the Committee may delegate to one or more directors or officers of the Company the authority to grant an Award under this Plan.

12.4 Nonexclusivity of the Plan. Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and other equity awards otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

12.5 Governing Law. This Plan and all agreements hereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to that body of laws pertaining to conflict of laws.

13. EFFECTIVENESS, AMENDMENT AND TERMINATION OF THE PLAN.

13.1 Adoption and Stockholder Approval. This Plan will become effective on the date that it has been adopted by both the Board and approved by the stockholder of the

Company, including the holders of a majority of the then-outstanding shares of the Company's Voting Preferred Stock as required by the Company's Amended and Restated Certificate of Incorporation (the "***Effective Date***"). This Plan will be approved by the stockholders of the Company (excluding Shares issued pursuant to this Plan), consistent with applicable laws, within twelve (12) months before or after the date of the Board's adoption of this Plan. Upon the Effective Date, the Committee may grant Awards pursuant to this Plan; *provided*, *however*, that: (a) no Option or SAR may be exercised prior to initial stockholder approval of this Plan; (b) no Option or SAR granted pursuant to an increase in the number of Shares approved by the Board shall be exercised prior to the time such increase has been approved by the stockholders of the Company; (c) in the event that initial stockholder approval is not obtained within the time period provided herein, all Awards for which only the exemption from California's securities qualification requirements provided by Section 25102(o) can apply shall be canceled, any Shares issued pursuant to any such Award shall be canceled and any purchase of such Shares issued hereunder shall be rescinded; and (d) Awards (to which only the exemption from California's securities qualification requirements provided by Section 25102(o) can apply) granted pursuant to an increase in the number of Shares approved by the Board which increase is not approved by stockholders within the time then required under Section 25102(o) shall be canceled, any Shares issued pursuant to any such Awards shall be canceled, and any purchase of Shares subject to any such Award shall be rescinded.

13.2 Term of Plan. Unless earlier terminated as provided herein, this Plan will automatically terminate ten (10) years after the Effective Date.

13.3 Amendment or Termination of Plan. Subject to Section 4.9 hereof, the Board may at any time (a) terminate or amend this Plan in any respect, including without limitation amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan and (b) terminate any and all outstanding Options, SARs or RSUs upon a dissolution or liquidation of the Company, followed by the payment of creditors and the distribution of any remaining funds to the Company's stockholders; *provided, however*, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that requires such stockholder approval pursuant to Section 25102(o) or pursuant to the Code or the regulations promulgated under the Code as such provisions apply to ISO plans. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Award previously granted under the Plan.

14. DEFINITIONS. For all purposes of this Plan, the following terms will have the following meanings.

"***Acquisition***," for purposes of Section 11, means:

(a) any consolidation or merger in which the Company is a constituent entity or is a party in which the voting stock and other voting securities of the Company that are outstanding immediately prior to the consummation of such consolidation or merger represent, or are converted into, securities of the surviving entity of such consolidation or merger (or of any Parent of such surviving entity) that, immediately after the consummation of such consolidation or merger, together possess less than fifty percent (50%) of the total voting power of all voting

securities of such surviving entity (or of any of its Parents, if any) that are outstanding immediately after the consummation of such consolidation or merger*;*

(b) a sale or other transfer by the holders thereof of outstanding voting stock and/or other voting securities of the Company possessing more than fifty percent (50%) of the total voting power of all outstanding voting securities of the Company, whether in one transaction or in a series of related transactions, pursuant to an agreement or agreements to which the Company is a party and that has been approved by the Board, and pursuant to which such outstanding voting securities are sold or transferred to a single person or entity, to one or more persons or entities who are Affiliates of each other, or to one or more persons or entities acting in concert*;* or

(c) the sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by the Company and/or any Subsidiary or Subsidiaries of the Company, of all or substantially all the assets of the Company and its Subsidiaries taken as a whole (or, if substantially all of the assets of the Company and its Subsidiaries taken as a whole are held by one or more Subsidiaries, the sale or disposition (whether by consolidation, merger, conversion or otherwise) of such Subsidiaries of the Company), except where such sale, lease, transfer or other disposition is made to the Company or one or more wholly owned Subsidiaries of the Company.

Notwithstanding the foregoing, the following transactions shall not constitute an "Acquisition": (1) the closing of the Company's first public offering pursuant to an effective registration statement filed under the Securities Act or (2) any transaction the sole purpose of which is to change the state of incorporation of the Company or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

"***Affiliate***" of a specified person means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified (where, for purposes of this definition, the term "***control"*** (including the terms "***controlling***," "***controlled by***" and "***under common control with***") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

"***Award***" means any award pursuant to the terms and conditions of this Plan, including any Option, Restricted Stock Unit, Stock Appreciation Right or Restricted Stock Award.

"***Award Agreement***" means, with respect to each Award, the executed written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award as approved by the Committee. For purposes of the Plan, the Award Agreement may be accepted by a Participant via written, electronic or other means, subject to requirements under applicable law.

"***Board***" means the Board of Directors of the Company.

"***Cause***" means Termination because of (a) Participant's unauthorized misuse of the Company or a Parent or Subsidiary of the Company's trade secrets or proprietary information, (b) Participant's conviction of or plea of nolo contendere to a felony or a crime involving moral turpitude, (c) Participant's committing an act of fraud against the Company or a Parent or Subsidiary of the Company or (d) Participant's gross negligence or willful misconduct in the performance of his or her duties that has had or will have a material adverse effect on the Company or Parent or Subsidiary of the Company' reputation or business.

"***Code***" means the U.S. Internal Revenue Code of 1986, as amended.

"***Committee***" means the committee appointed by the Board to administer this Plan, or if no committee is appointed, the Board.

"***Common Stock***" means the Company's Voting Common Stock, $0.0001 par value per share.

"***Company***" means Robinhood Markets, Inc., a Delaware corporation, or any successor corporation.

"***Disability***" means a Participant is unable to perform the duties of his or her customary position of employment by reason of any medically determinable physical or mental impairment that can be expected to result in death or that can be expected to last for a continuous period of not less than twelve (12) months. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of the Participant's condition.

"***Effective Date***" means the date of adoption as set forth in Section 13.1 hereof.

"***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended.

"***Exercise Price***" means the price per Share at which a holder of an Option or a SAR may purchase Shares issuable upon exercise of the Option or the SAR.

"***Fair Market Value***" means, as of any date, the value of a Share determined as follows:

(a) if such Share is then publicly traded on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Share is listed or admitted to trading as reported in The Wall Street Journal;

(b) if such Share is publicly traded but is not listed or admitted to trading on a national securities exchange, the average of the closing bid and ask prices on the date of determination as reported by The Wall Street Journal (or as otherwise reported by any newspaper or other source as the Committee may determine); or

(c) if none of the foregoing is applicable to the valuation in question, by the Committee in good faith.

"***Option***" means an award of an option to purchase Shares pursuant to Section 4 of this Plan.

"***Other Combination***" for purposes of Section 11 means any (a) consolidation or merger in which the Company is a constituent entity and is not the surviving entity of such consolidation or merger or (b) any conversion of the Company into another form of entity; *provided* that such consolidation, merger or conversion does not constitute an Acquisition.

"***Parent***" of a specified entity means, any entity that, either directly or indirectly, owns or controls such specified entity, where for this purpose, "***control***" means the ownership of stock, securities or other interests that possess at least a majority of the voting power of such specified entity (including indirect ownership or control of such stock, securities or other interests).

"***Participant***" means a person who receives an Award under this Plan.

"***Plan***" means this 2020 Equity Incentive Plan, as amended from time to time.

"***Purchase Price***" means the price at which a Participant may purchase Restricted Stock pursuant to this Plan.

"***Restricted Stock***" means Shares purchased pursuant to a Restricted Stock Award under this Plan.

"***Restricted Stock Award***" means an award of Shares pursuant to Section 5 hereof.

"***Restricted Stock Unit***" or "***RSU***" means an award made pursuant to Section 6 hereof.

"***Rule 701***" means Rule 701 *et seq.* promulgated by the SEC under the Securities Act.

"***SEC***" means the U.S. Securities and Exchange Commission.

"***Section 25102(o)***" means Section 25102(o) of the California Corporations Code.

"***Securities Act***" means the U.S. Securities Act of 1933, as amended.

"***Service***" means service as an employee, outside director or consultant to the Company or a Parent or Subsidiary.

"***Shares***" means shares of the Common Stock reserved for issuance under this Plan, as adjusted pursuant to Sections 2.2 and 11 hereof, and any successor security.

"***Stock Appreciation Right***" or "***SAR***" means an award granted pursuant to Section 7 hereof.

"***Subsidiary***" means any entity (other than the Company) in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain owns stock or other equity securities representing fifty percent (50%) or more of

the total combined voting power of all classes of stock or other equity securities in one of the other entities in such chain.

"***Termination***" or "***Terminated***" means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide Service. A Participant will not be deemed to have ceased to provide Service while the Participant is on a bona fide leave of absence, if such leave was approved by the Company in writing. In the case of an approved leave of absence, the Committee may make such provisions respecting crediting of Service, including suspension of vesting of the Award (including pursuant to a formal policy adopted from time to time by the Company) it may deem appropriate. The Committee will have sole discretion to determine whether a Participant has ceased to provide Service and the effective date on which the Participant ceased to provide Service (the "***Termination Date***").

"***Unvested Shares***" means "***Unvested Shares***" as defined in the Award Agreement for an Award.

"***Vested Shares***" means "***Vested Shares***" as defined in the Award Agreement for an Award.

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ROBINHOOD MARKETS, INC.

AMENDED AND RESTATED 2013 STOCK PLAN

ADOPTED ON DECEMBER 4, 2013 AMENDED AND

RESTATED ON DECEMBER 15, 2018

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ROBINHOOD MARKETS, INC.
AMENDED AND RESTATED 2013 STOCK PLAN

SECTION 1. **ESTABLISHMENT AND PURPOSE.**

The purpose of this Plan is to offer persons selected by the Company an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by acquiring Shares of the Company's Stock. The Plan provides for the direct award or sale of Shares, the grant of Options to purchase Shares and the grant of Restricted Stock Units. Options granted under the Plan may be ISOs intended to qualify under Code Section 422 or Nonstatutory Options which are not intended to so qualify.

Capitalized terms are defined in Section 12.

SECTION 2. **ADMINISTRATION.**

(a) **Committees of the Board of Directors**. The Plan may be administered by one or more Committees. Each Committee shall consist, as required by applicable law, of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan or an Award Agreement shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) **Authority of the Board of Directors**. Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Notwithstanding anything to the contrary in the Plan, with respect to the terms and conditions of Awards granted to Participants outside the United States, the Board of Directors may vary from the provisions of the Plan to the extent it determines it necessary and appropriate to do so; provided that it may not vary from those Plan terms requiring stockholder approval pursuant to Section 11(d) below. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Participants and all persons deriving their rights from a Participant.

SECTION 3. **ELIGIBILITY.**

(a) **General Rule**. Only Employees, Outside Directors and Consultants shall be eligible for the grant of Nonstatutory Options, Restricted Stock Units or the direct award or sale of Shares.[1] Only Employees shall be eligible for the grant of ISOs.

(b) **Ten-Percent Stockholders**. A person who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the Date of Grant and (ii) such ISO by its

[1] Note that special considerations apply if the Company proposes to grant awards to an Employee or Consultant of a Parent company.

terms is not exercisable after the expiration of five years from the Date of Grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

SECTION 4. **STOCK SUBJECT TO PLAN.**

(a) **Basic Limitation**. Not more than 3,753,688 Shares may be issued under the Plan, subject to Subsection (b) below and Section 9(a).[2] All of these Shares may be issued upon the exercise of ISOs. The number of Shares that are subject to Awards outstanding at any time under the Plan may not exceed the number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

(b) **Additional Shares**. In the event that Shares previously issued under the Plan are forfeited to or reacquired by the Company due to failure to vest, such Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding taxes, such Shares shall remain available for issuance under the Plan. In the event that an outstanding Award for any reason expires or is canceled, the Shares allocable to the unexercised or unsettled portion of such Award shall remain available for issuance under the Plan. To the extent a Restricted Stock Unit is settled in cash, the cash settlement shall not reduce the number of Shares remaining available for issuance under the Plan. Notwithstanding the foregoing, in the case of ISOs, this Subsection (b) shall be subject to any limitations imposed under Section 422 of the Code and the treasury regulations thereunder.

SECTION 5. **TERMS AND CONDITIONS OF AWARDS OR SALES OF SHARES.**

(a) **Stock Grant or Purchase Agreement**. Each award of Shares under the Plan shall be evidenced by a Stock Grant Agreement between the Grantee and the Company. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Grant Agreement or Stock Purchase Agreement. The provisions of the various Stock Grant Agreements and Stock Purchase Agreements entered into under the Plan need not be identical.

(b) **Duration of Offers and Nontransferability of Rights**. Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days (or such other period as may be specified in the Award Agreement) after the grant of such right was communicated to the Purchaser by the Company. Such right is not transferable and may be exercised only by the Purchaser to whom such right was granted.

[2] Please refer to Exhibit A for a schedule of the initial share reserve and any subsequent increases in the reserve.

(c) **Purchase Price**. The Board of Directors shall determine the Purchase Price of Shares to be offered under the Plan at its sole discretion. The Purchase Price shall be payable in a form described in Section 7.

SECTION 6. **TERMS AND CONDITIONS OF OPTIONS.**

(a) **Stock Option Agreement**. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board of Directors deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) **Number of Shares**. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) **Exercise Price**. Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant, and in the case of an ISO a higher percentage may be required by Section 3(b). Subject to the preceding sentence, the Exercise Price shall be determined by the Board of Directors at its sole discretion. The Exercise Price shall be payable in a form described in Section 7. This Subsection (c) shall not apply to an Option granted pursuant to an assumption of, or substitution for, another option in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO).

(d) **Vesting and Exercisability**. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become vested and exercisable. No Option shall be exercisable unless the Optionee (i) has delivered an executed copy of the Stock Option Agreement to the Company or (ii) otherwise agrees to be bound by the terms of the Stock Option Agreement. The Board of Directors shall determine the vesting and exercisability provisions of the Stock Option Agreement at its sole discretion.

(e) **Basic Term**. The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the Date of Grant, and in the case of an ISO, a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire.

(f) **Termination of Service (Except by Death)**. If an Optionee's Service terminates for any reason other than the Optionee's death, then the Optionee's Options shall expire on the earliest of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability, or such earlier or later date as the Board of

Directors may determine (but in no event earlier than 30 days after the termination of the Optionee's Service); or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability, or such later date as the Board of Directors may determine.

The Optionee may exercise all or part of the Optionee's Options at any time before the expiration of such Options under the preceding sentence, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). The balance of such Options shall lapse when the Optionee's Service terminates. In the event that the Optionee dies after the termination of the Optionee's Service but before the expiration of the Optionee's Options, all or part of such Options may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination).

(g) **Leaves of Absence**. For purposes of Subsection (f) above, Service shall be deemed to continue while the Optionee is on a bona fide leave of absence, if such leave was approved by the Company in writing and if continued crediting of Service for this purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company).

(h) **Death of Optionee**. If an Optionee dies while the Optionee is in Service, then the Optionee's Options shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above; or

(ii) The date 12 months after the Optionee's death, or such earlier or later date as the Board of Directors may determine (but in no event earlier than six months after the Optionee's death).

All or part of the Optionee's Options may be exercised at any time before the expiration of such Options under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's death (or became exercisable as a result of the death) and the underlying Shares had vested before the Optionee's death (or vested as a result of the Optionee's death). The balance of such Options shall lapse when the Optionee dies.

(i) **Pre-Exercise Restrictions on Transfer of Options or Shares**. An Option shall be transferable by the Optionee only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the applicable Stock Option Agreement so provides, a Nonstatutory Option shall also be transferable by gift or

domestic relations order to a Family Member of the Optionee. An ISO may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative.

(j) **No Rights as a Stockholder**. An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by the Optionee's Option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of such Option.

(k) **Modification, Extension and Assumption of Options**. Within the limitations of the Plan, the Board of Directors may modify, reprice, extend or assume outstanding Options or may accept the cancellation of outstanding options (whether granted by the Company or another issuer) in return for the grant of new Options or a different type of award for the same or a different number of Shares and at the same or a different Exercise Price (if applicable). The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option; provided, however, that a modification of an Option that is otherwise favorable to the Optionee (for example, providing the Optionee with additional time to exercise the Option after termination of Service, or permitting additional forms of consideration) but causes the Option to lose its tax-favored status (for example, as an ISO) shall not require the consent of the Optionee.

(l) **Company's Right to Cancel Certain Options**. Any other provision of the Plan or a Stock Option Agreement notwithstanding, the Company shall have the right at any time to cancel an Option that was not granted in compliance with Rule 701 under the Securities Act. Prior to canceling such Option, the Company shall give the Optionee not less than 30 days' notice in writing. If the Company elects to cancel such Option, it shall deliver to the Optionee consideration with an aggregate value equal to the excess of (i) the Fair Market Value of the Shares subject to such Option as of the time of the cancellation over (ii) the Exercise Price of such Option. The consideration may be delivered in the form of cash or cash equivalents, in the form of Shares, or a combination of both. If the consideration would be a negative amount, such Option may be cancelled without the delivery of any consideration.

SECTION 7. **PAYMENT FOR SHARES.**

(a) **General Rule**. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 7. In addition, the Board of Directors in its sole discretion may also permit payment through any of the methods described in (b) through (g) below:

(b) **Services Rendered**. Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the Award.

(c) **Promissory Note**. All or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note

and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

(d) **Surrender of Stock**. All or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

(e) **Exercise/Sale**. If the Stock is publicly traded, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company.

(f) **Net Exercise**. An Option may permit exercise through a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate Fair Market Value (determined by the Board of Directors as of the exercise date) that does not exceed the aggregate Exercise Price or the sum of the aggregate Exercise Price and any withholding taxes (with the Company accepting from the Optionee payment of cash or cash equivalents to satisfy any remaining balance of the aggregate Exercise Price and, if applicable, any additional withholding obligation not satisfied through such reduction in Shares); *provided* that to the extent Shares subject to an Option are withheld in this manner, the number of Shares subject to the Option following the net exercise will be reduced by the sum of the number of Shares withheld and the number of Shares delivered to the Optionee as a result of the exercise.

(g) **Other Forms of Payment**. To the extent that an Award Agreement so provides, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by the Delaware General Corporation Law, as amended.

SECTION 8. **TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS.**

(a) **Restricted Stock Unit Award Agreement**. Each grant of Restricted Stock Units under the Plan shall be evidenced by a Restricted Stock Unit Award Agreement between the Participant and the Company. Such Restricted Stock Units shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Restricted Stock Unit Award Agreement. The provisions of the various Restricted Stock Unit Award Agreements entered into under the Plan need not be identical.

(b) **Payment for Restricted Stock Units**. No cash consideration shall be required of the Participant in connection with the grant of Restricted Stock Units.

(c) **Vesting Conditions**. Restricted Stock Units may or may not be subject to vesting, as determined in the discretion of the Board of Directors. Vesting may occur, in full or in installments, upon the satisfaction of the vesting conditions specified in the Restricted Stock

Unit Award Agreement, which may include continued employment or other Service, achievement of performance goals and/or such other criteria as the Board of Directors may determine. A Restricted Stock Unit Award Agreement may provide for accelerated vesting upon specified events.

(d) **Forfeiture**. Unless a Restricted Stock Unit Award Agreement provides otherwise, upon termination of the Partcipant's Service and upon such other times specified in the Restricted Stock Unit Award Agreement, any unvested Restricted Stock Units shall be forfeited to the Company.

(e) **Leaves of Absence**. For this purpose, Service will not cease if a Participant is on a bona fide leave of absence that was approved by the Company in writing and if continued crediting of Service for this purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company).

(f) **Voting and Dividend Rights**. The holder of Restricted Stock Units shall have no voting rights. Prior to settlement or forfeiture, any Restricted Stock Unit granted under the Plan may, at the discretion of the Board of Directors, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Restricted Stock Unit is outstanding. Dividend equivalents may be converted into additional Restricted Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both. Prior to distribution, any dividend equivalents that are not paid shall be subject to the same conditions and restrictions as the Restricted Stock Units to which they attach.

(g) **Form and Time of Settlement of Restricted Stock Units**. Settlement of vested Restricted Stock Units may be made in the form of (i) cash, (ii) Shares or (iii) any combination of both, as determined by the Board of Directors. The actual number of Restricted Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors. Vested Restricted Stock Units shall be settled in such manner and at such time(s) as specified in the Restricted Stock Unit Award Agreement. Until Restricted Stock Units are settled, the number of such Restricted Stock Units shall be subject to adjustment pursuant to Section 9.

(h) **Death of Recipient**. Any Restricted Stock Units that become distributable after the Participant's death shall be distributed to the Participant's beneficiary or beneficiaries, if any have been designated, or if no beneficiary was designated or if no designated beneficiary survives the Participant, then any Restricted Stock Units that become payable after the Participant's death shall be distributed to his or her estate. Each Participant under the Plan may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant's death.

(i) **Creditors' Rights**. A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Restricted Stock Unit Award Agreement.

(j) **Modification, Extension and Assumption of Restricted Stock Units**. Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding Restricted Stock Units. The foregoing notwithstanding, no modification of a Restricted Stock Unit shall, without the consent of the Participant, impair the Participant's rights or increase the Participant's obligations under such Restricted Stock Unit.

(k) **Restrictions on Transfer of Restricted Stock Units**. A Restricted Stock Unit shall be transferable by the Participant only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. In addition, if the Board of Directors so provides, in a Restricted Stock Unit Agreement or otherwise, a Restricted Stock Unit shall also be transferable to the extent permitted by Rule 701 under the Securities Act.

SECTION 9. **ADJUSTMENT OF SHARES.**

(a) **General**. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made in each of (i) the number and kind of Shares available for future grants under Section 4, (ii) the number and kind of Shares covered by each outstanding and unexpired Award, (iii) the Exercise Price under each outstanding Option and the Purchase Price applicable to any unexercised stock purchase right described in clause (ii) above, and (iv) any repurchase price that applies to Shares granted under the Plan pursuant to the terms of a Company repurchase right under the applicable Award Agreement. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of the items listed in clauses (i) through (iv) above; provided, however, that the Board of Directors shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code to the extent the Company is relying on the exemption afforded thereunder with respect to an Award. No fractional Shares shall be issued under the Plan as a result of an adjustment under this Section 9(a), although the Board of Directors in its sole discretion may make a cash payment in lieu of fractional Shares.

(b) **Corporate Transactions**. In the event that the Company is a party to a merger or consolidation, or in the event of a sale of all or substantially all of the Company's stock or assets, all Shares acquired under the Plan and all Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Board of Directors in its capacity as administrator of the Plan, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or all portions of an Award) in an

identical manner. The treatment specified in the transaction agreement may include (without limitation) one or more of the following with respect to each outstanding Award:

(i) Continuation of the outstanding Award by the Company (if the Company is the surviving corporation).

(ii) Assumption of the outstanding Award by the surviving corporation or its parent, provided that the assumption of Options shall be in a manner that complies with Code Section 409A (whether or not the Option is an ISO) and, if so determined by the Board of Directors, with Code Section 424(a) (if the Option is an ISO).

(iii) Substitution by the surviving corporation or its parent of an equivalent award for an outstanding Award (including but not limited to an award to acquire the same consideration paid to the holders of Shares in the transaction) provided that the assumption of Options shall be in a manner that complies with Code Section 409A (whether or not the Option is an ISO) and, if so determined by the Board of Directors, with Code Section 424(a) (if the Option is an ISO).

(iv) Cancellation of the Award and a payment to the Participant with respect to each Share subject to the portion of the Award that is vested as of the transaction date equal to the excess of (A) the value, as determined by the Board of Directors in its absolute discretion, of the property (including cash) received by the holder of a share of Stock as a result of the transaction, over (if applicable) (B) the per-Share Exercise Price of the Award (such excess, the "Spread"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent having a value equal to the Spread. In addition, any escrow, indemnification, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Stock. Receipt of the payment described in this Subsection (b)(iv) may be conditioned upon the Participant acknowledging such escrow, indemnification, holdback, earn-out or other provisions on a form prescribed by the Company. If the Spread applicable to an Option is zero or a negative number, then the Option may be cancelled without making a payment to the Optionee.

(v) Cancellation of the Option without the payment of any consideration; provided that the Optionee shall be notified of such treatment and given an opportunity to exercise the Option (to the extent the Option is vested or becomes vested as of the effective date of the transaction) during a period of not less than five (5) business days preceding the effective date of the transaction, unless (A) a shorter period is required to permit a timely closing of the transaction and (B) such shorter period still offers the Optionee a reasonable opportunity to exercise the Option. Any exercise of the Option during such period may be contingent upon the closing of the transaction.

(vi) Suspension of the Optionee's right to exercise the Option during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to permit the closing of the transaction.

(vii) Termination of any right the Optionee has to exercise the Option prior to vesting in the Shares subject to the Option (i.e., "early exercise"), such that following the closing of the transaction the Option may only be exercised to the extent it is vested.

For the avoidance of doubt, the Board of Directors has discretion to accelerate, in whole or part, the vesting and exercisability of an Award in connection with a corporate transaction covered by this Section 9(b).

(c) **Reservation of Rights**. Except as provided in this Section 9, a Participant shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to an Award or the Exercise Price of an Option. The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 10. **MISCELLANEOUS PROVISIONS.**

(a) **Securities Law Requirements**. Shares shall not be issued under the Plan unless, in the opinion of counsel acceptable to the Board of Directors, the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be liable for a failure to issue Shares as a result of such requirements. Without limiting the foregoing, the Company may suspend the exercise of some or all outstanding Options for a period of up to 60 days in order to facilitate compliance with Securities Act Rule 701(e).

(b) **No Retention Rights**. Nothing in the Plan or in any Award granted under the Plan shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Treatment as Compensation**. Any compensation that an individual earns or is deemed to earn under this Plan shall not be considered a part of his or her compensation for purposes of calculating contributions, accruals or benefits under any other plan or program that is maintained or funded by the Company, a Parent or a Subsidiary.

(d) **Governing Law**. The Plan and all Awards under the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its

choice of law provisions), as such laws are applied to contracts entered into and performed in such State.

(e) **Conditions and Restrictions on Shares**. Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Board of Directors may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally. In addition, Shares issued under the Plan shall be subject to conditions and restrictions imposed either by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage, which (for avoidance of doubt) need not be set forth in the applicable Award Agreement.

(f) **Tax Matters**.

(i) As a condition to the award, grant, issuance, vesting, purchase, exercise, settlement or transfer of any Award , or Shares issued pursuant to any Award, granted under this Plan, the Participant shall make such arrangements as the Board of Directors may require or permit for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such event.

(ii) Unless otherwise expressly set forth in an Award Agreement, it is intended that Awards granted under the Plan shall be exempt from Code Section 409A, and any ambiguity in the terms of an Award Agreement and the Plan shall be interpreted consistently with this intent. To the extent an Award is not exempt from Code Section 409A (any such award, a "**409A Award**"), any ambiguity in the terms of such Award and the Plan shall be interpreted in a manner that to the maximum extent permissible supports the Award's compliance with the requirements of that statute. Notwithstanding anything to the contrary permitted under the Plan, in no event shall a modification of an Award not already subject to Code Section 409A be given effect if such modification would cause the Award to become subject to Code Section 409A unless the parties explicitly acknowledge and consent to the modification as one having that effect. A 409A Award shall be subject to such additional rules and requirements as specified by the Board of Directors from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" to an individual who is considered a "specified employee" (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to Section 409A(a)(1). In addition, if a transaction subject to Section 9(b) constitutes a payment event with respect to any 409A Award, then the transaction with respect to such Award must also constitute a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

(iii) Neither the Company nor any member of the Board of Directors shall have any liability to a Participant in the event an Award held by the Participant fails to achieve its intended characterization under applicable tax law.

SECTION 11. **DURATION AND AMENDMENTS; STOCKHOLDER APPROVAL.**

(a) **Term of the Plan**. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to approval of the Company's stockholders under Subsection (d) below. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's stockholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

(b) **Right to Amend or Terminate the Plan**. Subject to Subsection (d) below, the Board of Directors may amend, suspend or terminate the Plan at any time and for any reason.

(c) **Effect of Amendment or Termination**. No Shares shall be issued or sold and no Award granted under the Plan after the termination thereof, except upon exercise or settlement of an Award granted under the Plan prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Award previously granted under the Plan.

(d) **Stockholder Approval**. To the extent required by applicable law, the Plan will be subject to approval of the Company's stockholders within 12 months of its adoption date. To the extent required by applicable law, any amendment of the Plan will be subject to the approval of the Company's stockholders within 12 months of the amendment date if it (i) increases the number of Shares available for issuance under the Plan (except as provided in Section 9), or (ii) materially changes the class of persons who are eligible for the grant of ISOs. In addition, an amendment effecting any other material change to the Plan terms will be subject to approval of the Company's stockholder only if required by applicable law. Stockholder approval shall not be required for any other amendment of the Plan.

SECTION 12. **DEFINITIONS.**

(a) any award granted under the Plan, including an Option, Restricted Stock Unit, or the grant or sale of Shares.

(b) "**Award Agreement**" means a Stock Grant Agreement, Stock Option Agreement, Stock Purchase Agreement or Restricted Stock Unit Award Agreement.

(c) "**Board of Directors**" means the Board of Directors of the Company, as constituted from time to time.

(d) "**Code**" means the Internal Revenue Code of 1986, as amended.

(e) "**Committee**" means a committee of the Board of Directors, as described in Section 2(a).

(f) "**Company**" means Robinhood Markets, Inc., a Delaware corporation.

(g) "**Consultant**" means a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(h) "**Date of Grant**" means the date of grant specified in the applicable Award Agreement, which date shall be the later of (i) the date on which the Board of Directors resolved to grant the Award or (ii) the first day of the Participant's Service.

(i) "**Disability**" means that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(j) "**Employee**" means any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(k) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(l) "**Exercise Price**" means the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Stock Option Agreement.

(m) "**Fair Market Value**" means the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(n) "**Family Member**" means (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in- law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, (ii) any person sharing the Participant's household (other than a tenant or employee), (iii) a trust in which persons described in Clause (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in Clause (i) or (ii) or the Participant control the management of assets and (v) any other entity in which persons described in Clause (i) or (ii) or the Participant own more than 50% of the voting interests.

(o) "**Grantee**" means a person to whom the Board of Directors has awarded Shares under the Plan.

(p) "**ISO**" means an Option that qualifies as an incentive stock option as described in Code Section 422(b). Notwithstanding its designation as an ISO, an Option that does not qualify as an ISO under applicable law shall be treated for all purposes as a Nonstatutory Option.

(q) "**Nonstatutory Option**" means an Option that does not qualify as an incentive stock option as described in Code Section 422(b) or 423(b).

(r) "**Option**" means an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(s) "**Optionee**" means a person who holds an Option.

(t) "**Outside Director**" means a member of the Board of Directors who is not an Employee.

(u) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(v) "**Participant**" means a holder of an outstanding Award.

(w) "**Plan**" means this Robinhood Markets, Inc. 2013 Stock Plan.

(x) "**Purchase Price**" means the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(y) "**Purchaser**" means a person to whom the Board of Directors has offered the right to purchase Shares under the Plan (other than upon exercise of an Option).

(z) "**Restricted Stock Unit**" means a bookkeeping entry representing the equivalent of one Share, as awarded under the Plan.

(aa) "**Restricted Stock Unit Award Agreement**" means the agreement between the Company and the recipient of a Restricted Stock Unit that contains the terms, conditions and restrictions pertaining to such Restricted Stock Unit.

(bb) "**Securities Act**" means the Securities Act of 1933, as amended.

(cc) "**Service**" means service as an Employee, Outside Director or Consultant. In case of any dispute as to whether Service has terminated, the Board of Directors shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

(dd) "**Share**" means one share of Stock, as adjusted in accordance with Section 9 (if applicable).

(ee) "**Stock**" means the Common Stock of the Company.

(ff) "**Stock Grant Agreement**" means the agreement between the Company and a Grantee who is awarded Shares under the Plan that contains the terms, conditions and restrictions pertaining to the award of such Shares.

(gg) "**Stock Option Agreement**" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee's Option.

(hh) "**Stock Purchase Agreement**" means the agreement between the Company and a Purchaser who purchases Shares under the Plan that contains the terms, conditions and restrictions pertaining to the purchase of such Shares.

(ii) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

robinhood | 3200 Ash Street
Palo Alto, CA 94306

November 8, 2018

JOB OFFER LETTER

Dear Jason:

Robinhood Markets, Inc. (the "Company") is pleased to offer you employment on the following terms:

Position Your initial title will be Chief Financial Officer, and you will initially report to Vladimir Tenev. This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

Cash Compensation

Cash Compensation. The Company will pay you a starting salary at the rate of $300,000 per year, payable in accordance with the Company's standard payroll schedule. This salary will be subject to adjustment pursuant to the Company's employee compensation policies in effect from time to time.

In appreciation for your decision to join us, the Company will pay you a $300,000 payable in three equal installments. The first installment will be paid during your first month of employment.

You will earn this first bonus installment payment by remaining employed with the Company for one-full year. Upon your termination or resignation for any reason prior to your one-year anniversary date with the Company, you will be required to repay the first bonus installment payment, prorated based on the number of full calendar months you were employed by the Company as of the date of your termination or resignation.

If you are employed with the Company on the one-year anniversary of your first date of employment, the company will pay the second bonus installment in the first paycheck after your one-year anniversary. Bonus installments will be payable in accordance with the Company's standard payroll practice and subject to applicable withholding taxes. If your employment with the Company is terminated for any reason during your first year of employment, you will not be eligible for the second installment.

If you are employed with the Company on the two-year anniversary of your first date of employment, the company will pay the third bonus installment in the first paycheck after your two-year anniversary. These bonus installments will be payable in accordance with the Company's standard payroll practice and subject to applicable withholding taxes. If

your employment with the Company is terminated for any reason during your first two years of employment, you will not be eligible for the third installment.

Employee Benefits

As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits. In addition, you will be entitled to paid vacation in accordance with the Company's vacation policy, as in effect from time to time.

Stock Options

Subject to the approval of the Company's Board of Directors or its Compensation Committee, you will be granted an option to purchase 700,000 shares of the Company's Common Stock (the "Option"). The exercise price per share of the Option will be determined by the Board of Directors or the Compensation Committee when the Option is granted. The Option will be subject to the terms and conditions applicable to options granted under the Company's 2013 Stock Plan (the "Plan"), as described in the Plan and the applicable Stock Option Agreement. You will vest in 25% of the Option shares after 12 months of continuous service, and the balance will vest in equal monthly installments over the next 36 months of continuous service, as described in the applicable Stock Option Agreement. The Option will be subject to accelerated vesting upon a change of control of the Company.

Equity Compensation

Subject to the approval of the Company's Board of Directors or its Compensation Committee, you will be granted 700,000 restricted stock units of the Company's Common Stock (the "RSU"). The RSUs will be subject to the terms and conditions applicable to equity compensation granted under the Company's applicable equity compensation plan. You will vest in 25% of the RSU shares after 12 months of continuous service, and the balance will vest in equal monthly installments over the next 36 months of continuous service, as described in the applicable agreements. Equity compensation will be subject to accelerated vesting upon a change of control of the Company.

Proprietary Information And Invention Agreements

Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's standard Proprietary Information and Inventions Agreement.

Employment Relationship

Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary

representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

Tax Matters

- Withholding. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law
- Tax Advice. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board of Directors related to tax liabilities arising from your compensation.

Interpretation, Amendments and Enforcement

This letter agreement and Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this letter agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this letter agreement or arising out of, related to, or in any way connected with, this letter agreement, your employment with the Company or any other relationship between you and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in Santa Clara County, California in connection with any Dispute or any claim related to any Dispute.

robinhood

3200 Ash Street
Palo Alto, CA 94306

We hope that you will accept our offer to join the Company. You may indicate your agreement with these terms and accept this offer by signing and dating both the enclosed duplicate original of this letter agreement and the enclosed Proprietary Information and Inventions Agreement and returning them to me. This offer, if not accepted, will expire at the close of business on November 9, 2018. As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States. Your employment is also contingent upon your starting work with the Company on or before November 4, 2018.

Very truly yours,

Robinhood Markets Inc.

/s/ Baiju Prafulkumar Bhatt

By: Baiju Prafulkumar Bhatt Title: Co-President

I have read and accept this employment offer:

/s/ Jason Warnick

Signature of Employee

Dated: 11/8/2018

EXECUTION COPY

December 15, 2020

Mr. Dan Gallagher
7900 Ruxwood Road
Towson, MD 21204

Dear Dan:

You and Robinhood Markets, Inc. ("Robinhood" or the "Company") entered in a letter agreement regarding your employment on April 28, 2020 (the "Prior Agreement") pursuant to which you joined us as Robinhood's Chief Legal Officer on May 12, 2020 (your "Start Date"). On August 19, 2020, you and the Company entered into an amendment letter agreement (the "Amendment Letter"), which amended and replaced the Prior Agreement in its entirety and pursuant to which you continue serving as Robinhood's Chief Legal Officer. This second amendment letter agreement (this "Second Amendment Letter") now amends and replaces the Amendment Letter in its entirety.

EMPLOYMENT BY THE COMPANY

1. Position and Duties. You will continue to serve as Robinhood's Chief Legal Officer, reporting to the CEO. In this role, you will serve as the head of Robinhood's legal department, be responsible for managing the legal affairs of the Company and have such additional duties and responsibilities as may reasonably be assigned to you by the CEO.

2. Location. You will continue to work from Company's office in the DC Metro Area. You understand and agree that you may be required to travel to the Company's headquarters in Menlo Park, California, or other locations outside of the DC Metro Area in connection with the performance of your duties. You will be expected to travel to the Company's headquarters on average one week per calendar month.

COMPENSATION AND BENEFITS

3. Base Salary. Your starting annual salary is $400,000, paid semi-monthly on Robinhood's regularly scheduled pay dates (your "Base Salary").

4. Retention Bonus. You were already granted a cash retention bonus in the amount of $2,100,000, less applicable taxes and deductions (the "First Retention Bonus"), which will be earned and vested with respect to $1/12^{th}$ of the total amount on each monthly anniversary of your Start Date. You will receive a second cash retention bonus in the amount of an additional $2,100,000, less applicable taxes and deductions, in December 2020 (the "Second Retention Bonus" and together with the First Retention Bonus, the "Retention Bonus"). The Second Retention Bonus will be earned and vested with respect to $1/12^{th}$ of the total amount on each monthly anniversary of your Start Date beginning on the 13th monthly anniversary of your Start Date and concluding on the 24th monthly anniversary of continued employment following your Start Date. Except as provided in

Section 7 and Section 8 of this Second Amendment Letter, in the event that your employment terminates for any reason prior to May 12, 2022, you will be required to repay to the Company an amount equal to the Retention Bonus you received (net of any withholding by the Company) *less* any vested portion thereof on or before your last day of employment. No other retention bonuses will be owed or paid under the terms of this Second Amendment Letter.

5. Equity Incentive Awards. You have already been granted restricted stock units ("RSUs") to acquire 308,419 shares and 1,332,014 shares of Robinhood's Common Stock (the "Initial RSUs") and stock options to purchase 264,360 shares of Robinhood's Common Stock (the "Initial Option", and together with the Initial RSUs, the "Initial Grants"). As soon as practicable following the date of this Second Amendment Letter, subject to approval by the Board of Directors (the "Board"), you will be granted additional RSUs to acquire 270,968 shares of Robinhood's Common Stock (the "Supplemental RSUs"). The Supplemental RSUs will be subject to the terms and conditions applicable to equity compensation granted under Robinhood's 2020 Equity Incentive Plan or such other equity incentive plan as may be in effect from time to time (the "Plan") and a notice of award and award agreement (the "Award Agreement"), as will be delivered to you following such grant, but subject to the provisions of this Second Amendment Letter. In the event of any conflict between the provisions of the Plan and this Second Amendment Letter, the terms of this Second Amendment Letter will prevail.

(a) RSUs. The Initial RSUs already granted pursuant to Section 5 above will vest and settle in accordance with the terms of the applicable notice of award and award agreement evidencing such grants, which have been provided to you. The Supplemental RSUs will be subject to vesting based on the satisfaction of two requirements: (i) a time-based service requirement, and (ii) a liquidity event requirement. The time-based service requirement will be satisfied with respect to 1/12th of the total number of shares underlying the Supplemental RSUs on January 1, 2021, and with respect to the balance of the shares underlying the Supplemental RSUs in equal quarterly installments beginning on the first day of Robinhood's second fiscal quarter in 2021 and then on each quarterly anniversary thereafter, such that the time-based service requirement will be satisfied with respect to 100% of the shares underlying the Supplemental RSUs on October 1, 2023, in each case subject to your continued employment. The liquidity event requirement will be satisfied on the earliest to occur of (x) six months following the effective date of the Company's initial public offering (an "IPO"), or if earlier March 15th of the calendar year following the Company's IPO; and (y) the date of an Acquisition (as such terms are detailed in the Award Agreement), provided in each case that such event occurs within seven years of the grant of the Supplemental RSUs. Notwithstanding the foregoing, the Board may, in its discretion, elect to grant the Supplemental RSUs described in this Section (a) subject only to service-based vesting or in such other manner as it deems necessary or advisable to maintain an exemption from, or otherwise comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

(b) Options. The Initial Option already granted pursuant to Section 5 above was granted with an exercise price based on the fair market value of the Company's Common Stock on the date of the grant, as determined by the Board after consideration of an

appraisal for purposes of Section 409A. Each Initial Option will become vested and exercisable with respect to 1/4th of the total number of shares underlying the Initial Option on the 12-month anniversary of your Start Date, and as to the balance of shares underlying the Initial Option in equal quarterly installments on each of the 12 quarterly anniversaries thereafter, such that the Initial Option will be fully vested and exercisable on the four-year anniversary of your Start Date, subject to your continued employment, as set forth in the notice of award and award agreement evidencing such grant, which has been provided to you.

6. Benefits; Business Expenses. You'll continue to have access to Robinhood benefits offerings. Summary details of these plans have been sent separately. Robinhood may modify your benefits from time to time as it deems necessary. In addition, Robinhood will reimburse you for all reasonable and documented travel and other costs or expenses incurred or paid by you in connection with the performance of your duties, including any travel expenses incurred by you in connection with your travel to the Company's headquarters, in accordance with the general reimbursement policy of the Company as may be in effect from time to time, provided, however, that you will be entitled to business/first (i.e., non-economy) class travel while on Company business.

TERMINATION OF EMPLOYMENT

7. Termination of Service. In the event of your cessation of employment, you will be entitled to receive your Accrued Benefits. In addition, if your employment ends due to Involuntary Termination in the period ending on the 12-month anniversary of your Start Date, then subject to the requirements of Section 7(e) below, you will be entitled to the following additional payments and benefits:

(a) ***Severance***. An amount equal to your annual Base Salary, payable in a cash lump-sum, less applicable withholdings, as soon as administratively practicable following the date the Release (defined below) becomes effective and in any event, within 60 days following the date of your Involuntary Termination (the "Severance Amount"). You will no longer have an obligation to repay the Retention Bonus you received.

(b) ***COBRA***. If you elect to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company will directly pay, or reimburse you for, the premium for you and your covered dependents through the earlier of (i) 12 months following your Involuntary Termination and (ii) the date that you and your covered dependents become eligible for coverage under another employer's plans; provided that as soon as administratively practicable following the date the Release (defined below) becomes effective, the Company will pay you a cash lump-sum payment equal to the monthly premiums that would have been paid on your behalf had such payments commenced on the date of the Involuntary Termination. Notwithstanding the foregoing, the Company may elect at any time that, in lieu of paying or reimbursing the premiums, the Company will instead provide you with a

monthly cash payment equal to the amount the Company would have otherwise paid pursuant to this Section 7(b), less applicable tax withholdings.

(c) ***Equity***. Each of your outstanding and unvested Initial Grants will automatically become vested, and if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon will lapse with respect to the number of shares as would have been vested if you had remained in service through the first anniversary of your Start Date.

(d) Notwithstanding the foregoing, in the event that your employment ends due to an Involuntary Termination during the Change in Control Period, then (i) you will be entitled to the Severance Amount and you will no longer have an obligation to repay the Retention Bonus you received and (ii) each of your outstanding and unvested Initial Grants and Supplemental RSUs will automatically become vested, and if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon will lapse, in each case with respect to 100% of the shares underlying such award as of the date of your Involuntary Termination; provided, in each case, that any performance-based vesting criteria (including the achievement of any liquidity conditions) will be treated in accordance with the applicable award agreement or the Plan governing the terms of such equity award.

(e) ***Release***. You will not be eligible for the severance payment and benefits described in this Section 7 (other than the Accrued Benefits) unless you have first executed a general release of all claims that you may have against the Company or entities or persons affiliated with the Company, in the form prescribed and to be provided to you by the Company (the "Release"), and such Release becomes effective, on or before the 60th day following the date of the Involuntary Termination.

8. Equity Repurchase. In the event you resign from your employment with the Company, other than a resignation in which the Company has grounds to terminate your employment for Cause, for the purpose of commencing employment with any governmental entity (a "Government Employer") and you are required to divest all or a portion of your Company equity awards in accordance with the conflict of interest policies of the Government Employer prior to the Company's IPO, (A) you will no longer have an obligation to repay any unvested portion of your Retention Bonus and (B) you may elect to sell to the Company, and require the Company to purchase, all of the shares under your then vested Initial Option granted under Section 5 above (the "Repurchase") at a purchase price equal to the product of (i) the number of underlying shares subject to such vested awards; multiplied by (ii) the fair market value of a share of the Company's common stock, as determined by the Board in accordance with the terms of the Plan to which each such award is subject, less the exercise price (the "Election Right"). The Election Right may be exercised at any time during the period commencing on the date that you are first notified by the Government Employer of the applicable divestiture requirement and ending 30 days thereafter, provided that you remain in service with the Government Employer on the date of exercise.

COVENANTS

9. Outside Activities; Policies and Procedures. During the term of your employment with Robinhood, you agree to devote your best efforts and substantially all of your business time and attention to the business of the Company; provided that you may continue to serve as a member of the boards of directors of the entities set forth on Schedule A so long as such service does not interfere in any material respect with your duties and responsibilities hereunder. Moreover, you acknowledge and agree that as an employee of Robinhood, you will be required to comply with the policies in our employee handbook and other policies applicable to your employment.

10. onfidentiality; Arbitration Agreement. You will continue to abide by the Proprietary Information and Invention Assignment Agreement that you executed on or around your Start Date, which, among other things, prohibits unauthorized use or disclosure of Robinhood's confidential information or any third party proprietary and confidential information. You also acknowledge that the Mutual Agreement to Arbitrate that you executed on or around your Start Date continues in full force and effect.

11. No Breach of Obligations to Prior Employers. We do not want you to violate any obligations you may have to your current or former employers. This includes making sure that you do not disclose any confidential or proprietary information of any former employer or use it in your work for Robinhood. By signing this Second Amendment Letter, you re-affirm that your employment with Robinhood does not violate any agreement between you and your current or past employers.

CERTAIN TAX MATTERS

12. Section 409A.

(a) ***Separation from Service***. For purposes of this Second Amendment Letter, no payment will be made to you upon termination of your employment unless such termination constitutes a "separation from service" within the meaning of Section 409A of the Code. To the extent any payment is determined to be subject to (and not exempt from) Section 409A, then to the extent necessary to comply with Section 409A, if the designated payment period for any payment under this Second Amendment Letter begins in one taxable year and ends in the next taxable year, the payment will commence or otherwise be made in the later taxable year.

(b) ***Expense Reimbursement***. Except as otherwise expressly provided herein, to the extent any expense reimbursement or the provision of any in-kind benefit under this Second Amendment Letter (or otherwise referenced herein) is determined to be subject to (and not exempt from) Section 409A, then to the extent necessary to comply with Section 409A (a) the amount of any such expenses eligible for reimbursement, or the provision of any in-kind benefit, in one calendar year will not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other calendar year, (b) in no event

will any expenses be reimbursed after the last day of the calendar year following the calendar year in which you incurred such expenses, and (c) in no event will any right to reimbursement or the provision of any in-kind benefit be subject to liquidation or exchange for another benefit.

(c) ***Specified Employee***. For purposes of Section 409A of the Code, if the Company determines that you are a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of your separation from service, then to the extent delayed commencement of any portion of the payments or benefits to which you are entitled pursuant to this Second Amendment Letter is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion will not be provided to you until the earlier (i) the expiration of the six-month period measured from your separation from service or (ii) the date of your death. As soon as administratively practicable following the expiration of the applicable Section 409A(2)(B)(i) period, all payments deferred pursuant to the preceding sentence will paid in a lump-sum to you and any remaining payments due pursuant to this Second Amendment Letter will be paid as otherwise provided herein.

13. Section 280G; Limitation on Payments. Notwithstanding anything in this Second Amendment Letter to the contrary, if any payment or distribution to you pursuant to this Second Amendment Letter or otherwise ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment will either be (a) delivered in full or (b) delivered as to such lesser extent as would result in no portion of such Payment being subject to the Excise Tax, whichever of the foregoing amounts, after taking into account the applicable federal, state and local income taxes and the Excise Tax, results in your receipt on an after-tax basis of the largest payment, notwithstanding that all or some portion of the Payment may be taxable under Section 4999 of the Code. The accounting firm engaged by the Company for general audit purposes as of the date prior to the effective date of the Change in Control, or such other person or entity as determined in good faith by the Company, will perform the foregoing calculations. Any good faith determinations of the accounting firm made pursuant to this Section 13 will be final, binding, and conclusive upon all parties.

14. Withholding Taxes. All payments made pursuant to this Second Amendment Letter will be subject to reduction to reflect such federal, state, local or other taxes or charges as are required to be withheld pursuant to any applicable law or regulation.

ADDITIONAL PROVISIONS

15. At-Will Employment. Your employment with Robinhood continues to be "at-will." This means that either you or Robinhood may terminate the employment relationship at any time, with or without notice, and with or without cause. This at-will relationship cannot be changed, either orally or in writing, or by any policy or conduct,

unless you receive a document expressly stating that your employment is no longer at-will, signed both by you and a duly authorized officer of Robinhood (other than you).

16. Entire Agreement. This Second Amendment Letter and the referenced agreements and policies constitute the entire agreement between you and Robinhood and supersede any prior understandings or agreements, whether oral or written, between you and Robinhood, including the Prior Agreement and the Amendment Letter.

To accept this Second Amendment Letter, please sign this letter and return it to Marcelo Modica no later than December 18, 2020.

Very truly yours,

Robinhood Markets Inc.

/s/ Vlad Tenev

By: Vlad Tenev, President

Dan Gallagher

/s/ Dan Gallagher

Signature

12/16/20

Date

APPENDIX

DEFINITIONS

Capitalized terms not otherwise defined in the Second Amendment Letter will have the meanings set forth below:

"**Accrued Benefits**" shall mean your accrued but unpaid Base Salary or wages, accrued vacation pay, unreimbursed business expenses for which proper documentation is provided, and other vested amounts and benefits earned by (but not yet paid to) or owed to you under any applicable employee benefit plan of the Company through and including the date of the Involuntary Termination.

"**Cause**" shall mean (i) an unauthorized use or disclosure by you of Robinhood's confidential information or trade secrets, which use or disclosure causes material harm to Robinhood; (ii) a breach by you of any agreement between you and Robinhood, which breach causes material harm to Robinhood; (iii) failure by you to comply with Robinhood's written policies or rules, which failure causes material harm to Robinhood; (iv) your conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any state thereof; (v) your gross negligence or willful misconduct; (vi) a willful continuing failure by you to perform assigned duties after having received written notification of such failure from the Chief Executive Officer and failing to have reasonably cured such failure within 30 days of that notice; or (vii) a failure by you to cooperate in good faith with a governmental or internal investigation of Robinhood or its directors, officers or employees, if Robinhood has requested your cooperation, provided that, as to prongs (ii) and (iii), an event will only constitute Cause after you have been given written notice of the breach or non-compliance from the Chief Executive Officer and you have failed to reasonably cure those conditions, including any material harm resulting to Robinhood from such breach or noncompliance, within 30 days of such notice.

"**Change in Control**" shall mean (i) the consummation of a merger or consolidation of Robinhood with or into another entity, (ii) a sale of all or substantially all of the assets of Robinhood, or (iii) the dissolution, liquidation or winding up of Robinhood. The foregoing notwithstanding, neither (A) a merger or consolidation of Robinhood, nor (B) any rollup, consolidation or similar corporate transformation of any subsidiary or affiliate of Robinhood that may be your employer, will constitute a "Change in Control" if immediately after such merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of such continuing or surviving entity, will be owned by the persons who were Robinhood's stockholders immediately prior to such merger or consolidation in substantially the same proportions as their ownership of the voting power of Robinhood's capital stock immediately prior to such merger or consolidation.

"**Change in Control Period**" shall mean the period commencing three months prior to a Change in Control and ending 18 months following a Change in Control.

"**Chief Executive Officer**" shall mean the individual serving in the role of Chief Executive Officer (or, if applicable, either of the individuals serving as co-Chief Executive Officer) of Robinhood or, if no one is serving in the role of Chief Executive Officer or co-Chief Executive Officer, the individual serving in the role of President (or, if applicable, either of the individuals serving as co-President) of Robinhood.

"**Involuntary Termination**" shall mean either: (i) the termination of your employment by Robinhood other than for Cause; or (ii) your resignation for Good Reason. An Involuntary Termination will not include a termination of your employment by reason of your death or disability, termination of your employment for Cause or your resignation from your employment without Good Reason.

"**Good Reason**" shall mean your resignation following the occurrence of one or more of the following, without your express written consent: (i) a material reduction of your duties, authority or responsibilities; (ii) a material reduction in your Base Salary (for illustrative purposes, a reduction of less than 10% of your Base Salary in any one year will not alone constitute Good Reason); (iii) a material change in the geographic location of your primary work facility or location provided, that a relocation of less than 30 miles from its then present location will not be considered a material change in geographic location; or (iv) Robinhood's material breach of any obligations under any written agreement or covenant with you. Notwithstanding the foregoing, you will be not entitled to resign for Good Reason without first providing Robinhood with written notice of the acts or omissions constituting the grounds for "Good Reason" within 90 days of the initial existence of the grounds for "Good Reason" and Robinhood's failure to reasonably cure such grounds within a reasonable cure period of not less than 30 days following the date of such notice. In addition, your resignation will not qualify as a resignation for "Good Reason" unless: (A) the grounds for "Good Reason" are not reasonably cured within the cure period specified in the preceding sentence; and (B) you resign within 30 days following the end of such cure period.