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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: **001-40691**

Robinhood Markets, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-4364776**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

85 Willow Rd
Menlo Park, CA 94025
(Address of principal executive offices, including zip code)

(844) 428-5411
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock $0.0001 par value per share	**HOOD**	**The Nasdaq Stock Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 29, 2022, the numbers of shares of the issuer's Class A and Class B common stock outstanding were 743,881,607 and 127,955,246.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements (as such phrase is used in the federal securities laws), which 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 "believe," "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "estimate," "predict," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. This Quarterly Report includes, among others, forward-looking statements regarding our:

- expectations regarding legal and regulatory proceedings and investigations;
- expectations regarding our pending transaction with Ziglu Limited;
- expectations about the sufficiency of our available cash, available borrowings, and cash from operations to meet our liquidity needs for the next 12 months; and
- expectations regarding our use of the net proceeds from our initial public offering ("IPO").

Our forward-looking statements are subject to a number of known and unknown risks, uncertainties, assumptions, and other factors that may cause our actual future results, performance, or achievements to differ materially from any future results expressed or implied in this Quarterly Report. Reported results should not be considered an indication of future performance. Factors that contribute to the uncertain nature of our forward-looking statements include, among others:

- our limited operating history;
- the difficulty of managing our growth effectively, including our recent workforce reduction, and the risk of declining or negative growth;
- the fluctuations in our financial results and key metrics from quarter to quarter;
- our reliance on transaction-based revenue, including payment for order flow ("PFOF"), and the risk of new regulation or bans on PFOF and similar practices;
- the difficulty of raising additional capital (to satisfy any liquidity needs and support business growth and objectives) on reasonable terms or at all;
- the need to maintain capital levels required by regulators and self-regulatory organizations;
- the risk that we might mishandle the cash, securities, and cryptocurrencies we hold on behalf of customers, and our exposure to liability for operational errors in clearing functions;
- the impact of negative publicity on our brand and reputation;
- the risk that changes in business, economic, or political conditions, or systemic market events, might harm our business;
- our dependence on key employees and a skilled workforce;
- the difficulty of complying with an extensive and complex regulatory environment and the need to adjust our business model in response to new or modified laws and regulations;

- the possibility of adverse developments in pending litigation and regulatory investigations;
- the effects of competition;
- our need to innovate and invest in new products and services in order to attract and retain customers and deepen their engagement with us in order to maintain growth;
- our reliance on third parties to perform some key functions and the risk that operational or technological failures could impair the availability or stability of our platform;
- the risk of cybersecurity incidents, theft, data breaches, and other online attacks;
- the difficulty of processing customer data in compliance with privacy laws;
- our need as a regulated financial services company to develop and maintain effective compliance and risk management infrastructures;
- the volatility of cryptocurrency prices and trading volumes;
- the risk that our platform could be exploited to facilitate illegal payments; and
- the risk that substantial future sales of Class A common shares in the public market could cause the price of our stock to fall.

Because some of these risks and uncertainties cannot be predicted or quantified and some are beyond our control, you should not rely on our forward-looking statements as predictions of future events. More information about potential risks and uncertainties that could affect our business and financial results is included in the section of this Quarterly Report titled “Risk Factors” and our other filings with the U.S. Securities and Exchange Commission (“SEC”), which are available on the SEC’s web site at www.sec.gov. Moreover, we operate in a very competitive and rapidly changing environment; new risks and uncertainties may emerge from time to time and it is not possible for us to predict all risks nor identify all uncertainties. The events and circumstances reflected in our forward-looking statements might not be achieved and actual results could differ materially from those projected in the forward-looking statements. Except as otherwise noted, all forward-looking statements are made as of the date we file this Quarterly Report, and are based on information and estimates available to us at this time. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Except as required by law, Robinhood assumes no obligation to update any of the statements in this Quarterly Report whether as a result of any new information, future events, changed circumstances or otherwise. You should read this Quarterly Report with the understanding that our actual future results, performance, events and circumstances might be materially different from what we expect.

ROBINHOOD MARKETS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions, except share and per share data)	December 31, 2021	March 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 6,253	$ 6,191
Cash and securities segregated under federal and other regulations	3,992	4,458
Receivables from brokers, dealers, and clearing organizations	88	124
Receivables from users, net	6,639	5,215
Deposits with clearing organizations	328	294
User-held fractional shares	1,834	1,929
Investments	27	40
Prepaid expenses	92	75
Other current assets	30	29
Total current assets	19,283	18,355
Property, software, and equipment, net	146	166
Goodwill	101	100
Intangible assets, net	34	32
Restricted cash	24	24
Operating lease right-of-use-assets	129	155
Non-current prepaid expenses	44	35
Other non-current assets	8	5
Total assets	$ 19,769	$ 18,872
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 252	$ 249
Payables to users	6,476	7,149
Securities loaned	3,651	2,151
Fractional shares repurchase obligation	1,834	1,929
Operating lease liabilities	22	23
Other current liabilities	112	80
Total current liabilities	12,347	11,581
Operating lease liabilities, non-current	129	160
Total liabilities	12,476	11,741
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Class A common stock, $0.0001 par value. 21,000,000,000 shares authorized, 735,957,367 shares issued and outstanding as of December 31, 2021; 21,000,000,000 shares authorized, 741,852,763 shares issued and outstanding as of March 31, 2022.	—	—
Class B common stock, par value $0.0001. 700,000,000 shares authorized, 127,955,246 shares issued and outstanding as of December 31, 2021; 700,000,000 shares authorized, 127,955,246 shares issued and outstanding as of March 31, 2022.	—	—
Class C common stock, par value $0.0001. 7,000,000,000 shares authorized, no shares issued and outstanding as of December 31, 2021; 7,000,000,000 shares authorized, no shares issued and outstanding as of March 31, 2022.	—	—
Additional paid-in capital	11,169	11,400
Accumulated other comprehensive income (loss)	1	—
Accumulated deficit	(3,877)	(4,269)
Total stockholders' equity	7,293	7,131
Total liabilities and stockholders' equity	$ 19,769	$ 18,872

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

ROBINHOOD MARKETS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in millions, except share and per share data)	Three Months Ended March 31, 2021	2022
Revenues:		
Transaction-based revenues	$ 420	$ 218
Net interest revenues	62	55
Other revenues	40	26
Total net revenues	522	299
Operating expenses:		
Brokerage and transaction	41	31
Technology and development	117	266
Operations	67	91
Marketing	102	34
General and administrative	137	268
Total operating expenses	464	690
Change in fair value of convertible notes and warrant liability	1,492	—
Other income, net	(1)	—
Loss before income taxes	(1,433)	(391)
Provision for income taxes	12	1
Net loss	$ (1,445)	$ (392)
Net loss attributable to common stockholders:		
Basic	$ (1,445)	$ (392)
Diluted	$ (1,445)	$ (392)
Net loss per share attributable to common stockholders:		
Basic	$ (6.26)	$ (0.45)
Diluted	$ (6.26)	$ (0.45)
Weighted-average shares used to compute net loss per share attributable to common stockholders:		
Basic	230,685,464	867,769,168
Diluted	230,685,464	867,769,168

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

ROBINHOOD MARKETS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

(in millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
Net loss	$ (1,445)	$ (392)
Other comprehensive loss, net of tax:		
Foreign currency translation	—	(1)
Total other comprehensive loss, net of tax	—	(1)
Total comprehensive loss	$ (1,445)	$ (393)

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

ROBINHOOD MARKETS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Three Months Ended March 31, 2021	2022
Operating activities:		
Net loss	$ (1,445)	$ (392)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	4	12
Provision for credit losses	16	8
Share-based compensation	9	220
Change in fair value of convertible notes and warrant liability	1,492	—
Changes in operating assets and liabilities:		
Segregated securities under federal and other regulations	135	—
Receivables from brokers, dealers, and clearing organizations	(51)	(36)
Receivables from users, net	(2,029)	1,417
Deposits with clearing organizations	(97)	34
Operating lease right-of-use assets	(6)	(26)
Current and non-current prepaid expenses	(20)	26
Other current and non-current assets	616	2
Accounts payable and accrued expenses	126	(2)
Payables to users	(56)	673
Securities loaned	110	(1,500)
Current and non-current operating lease liabilities	7	32
Other current and non-current liabilities	(693)	(31)
Net cash provided by (used in) operating activities	(1,882)	437
Investing activities:		
Purchase of property, software, and equipment	(9)	(13)
Capitalization of internally developed software	(2)	(8)
Purchase of investments	—	(14)
Sales of investments	—	1
Net cash used in investing activities	(11)	(34)
Financing activities:		
Taxes paid related to net share settlement of equity awards	—	(3)
Proceeds from issuance of convertible notes and warrants	3,552	—
Draws on credit facilities	1,000	11
Repayments on credit facilities	(1,000)	(11)
Proceeds from exercise of stock options, net of repurchases	6	3
Net cash provided by financing activities	3,558	—
Net increase in cash, cash equivalents, segregated cash and restricted cash	1,665	403
Cash, cash equivalents, segregated cash and restricted cash, beginning of the period	6,190	10,270
Cash, cash equivalents, segregated cash and restricted cash, end of the period	$ 7,855	$ 10,673
Cash and cash equivalents, end of the period	$ 4,795	$ 6,191
Segregated cash, end of the period	3,050	4,458
Restricted cash, end of the period	10	24
Cash, cash equivalents, segregated cash and restricted cash, end of the period	$ 7,855	$ 10,673
Supplemental disclosures:		
Cash paid for interest	$ 1	$ 3
Cash paid for income taxes, net of refund received	$ 3	$ 1

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

ROBINHOOD MARKETS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
(Unaudited)

(in millions, except for number of shares)	Redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' (deficit) equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2020	412,742,897	$ 2,180	229,031,546	$ —	$ 134	$ 1	$ (190)	$ (55)
Net loss	—	—	—	—	—	—	(1,445)	(1,445)
Shares issued in connection with stock option exercise, net of repurchases	—	—	3,225,828	—	6	—	—	6
Vesting of early-exercised stock options	—	—	—	—	—	—	—	—
Change in other comprehensive income	—	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	9	—	—	9
Balance as of March 31, 2021	412,742,897	$ 2,180	232,257,374	$ —	$ 149	$ 1	$ (1,635)	$ (1,485)

See Accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

ROBINHOOD MARKETS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
(Unaudited)

(in millions, except for number of shares)	Redeemable convertible preferred stock		Common stock[1]		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' (deficit) equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2021	—	$ —	863,912,613	$ —	$ 11,169	$ 1	$ (3,877)	$ 7,293
Net loss	—	—	—	—	—	—	(392)	(392)
Shares issued in connection with stock option exercise, net of repurchases	—	—	1,438,358	—	4	—	—	4
Issuance of common stock upon settlement of RSUs	—	—	4,672,769	—	—	—	—	—
Shares withheld related to net share settlement	—	—	(215,731)	—	(3)	—	—	(3)
Vesting of early-exercised stock options	—	—	—	—	—	—	—	—
Change in other comprehensive income	—	—	—	—	—	(1)	—	(1)
Share-based compensation	—	—	—	—	230	—	—	230
Balance as of March 31, 2022	—	$ —	869,808,009	$ —	$ 11,400	$ —	$ (4,269)	$ 7,131

(1) The share amounts listed above combine common stock, Class A common stock and Class B common stock. In connection with the completion of our initial public offering, all previously outstanding shares of common stock were reclassified into Class A common stock and Class B common stock. Refer to Note 1 of the Annual Report on Form 10-K for the year ended December 31, 2021 for more information.

See Accompanying Notes to the Unaudited Condensed 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;
- Robinhood Crypto, LLC ("RHC"), which provides users the ability to buy, sell, and transfer cryptocurrencies; and
- Robinhood Money, LLC ("RHY"), which offers a pre-paid debit card (the "Robinhood Cash Card") and a spending account that help customers invest, save, and earn rewards.

Acting as the agent of the user, we facilitate the purchase and sale of options, cryptocurrencies, and equities through our platform by routing transactions through market makers, who are responsible for trade execution. Upon execution of a trade, users are legally required to purchase options, cryptocurrencies, or equities for cash from the transaction counterparty or to sell options, cryptocurrencies, or equities for cash to the transaction counterparty, depending on the transaction. Acting as agent, we facilitate and confirm trades only when there are binding, matched legal obligations from the user and the market maker on both sides of the trade. 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 on our unaudited condensed consolidated balance sheets (refer to Note 2 for more information on cryptocurrency accounting pronouncements recently issued and not yet adopted). 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.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and pursuant to the rules and regulations of the SEC for interim financial reporting. The condensed consolidated financial statements are unaudited, and in management's opinion, include all adjustments, including normal recurring adjustments and accruals necessary for a fair presentation of the results for the interim periods presented. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full fiscal year ending December 31, 2022 or any future period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2021 ("2021 Form 10-K").

There have been no material changes in our significant accounting policies as described in our consolidated financial statements included in our audited annual consolidated financial statements for the year ended December 31, 2021. The unaudited condensed consolidated financial statements include the accounts of RHM and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated. Certain prior-period amounts have been reclassified to conform to the current period's presentation. The impact of these reclassifications is immaterial to the presentation of the unaudited condensed consolidated financial statements.

Use of Estimates

In accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses, as well as related disclosures, on the unaudited condensed consolidated financial statements. We base our estimates on current and historical experience and other assumptions we believe to be reasonable under the circumstances. Assumptions and estimates used in preparing our unaudited condensed consolidated financial statements include those related to revenue recognition, 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, the valuation of the convertible notes and warrant liability, the valuation and estimated useful lives of acquired intangible assets, uncertain tax positions, accrued liabilities, 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 operating results.

Concentration of Revenue and Credit Risk

Concentrations of Revenue

We derived transaction-based revenues from individual market makers in excess of 10% of total revenues, as follows:

	Three Months Ended March 31,	
	2021	2022
Market maker:		
Citadel Securities, LLC	27 %	22 %
Entities affiliated with Susquehanna International Group, LLP[1]	12 %	12 %
Entities affiliated with Wolverine Holdings, L.P.[2]	9 %	10 %
All others individually less than 10%	33 %	28 %
Total as percentage of total revenue:	81 %	72 %

(1) Consists of Global Execution Brokers, LP and G1X Execution Services, LLC
(2) Consists of Wolverine Execution Services, LLC and Wolverine Securities LLC

Concentrations of Credit

We are engaged in various trading and brokerage activities in which the counterparties primarily include broker-dealers, banks, and other financial institutions. 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. Default of a counterparty in equities and options trades, which are facilitated through clearinghouses, would generally be spread among the clearinghouse's members rather than falling entirely on us. It is our policy to review, as necessary, the credit standing of each counterparty.

NOTE 2: RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

There are no recently adopted accounting pronouncements that are material to us as of March 31, 2022.

Recently Issued Accounting Pronouncements Not Yet Adopted

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." This guidance requires contract assets and contract liabilities from contracts with customers that are acquired in a business combination to be recognized and measured as if the acquirer had originated the original contract. The guidance is effective for fiscal years beginning after December 15, 2022 on a prospective basis, including interim periods within those fiscal years. Early adoption is permitted. We are currently evaluating the timing of adoption and impact of this new guidance on our financial statements.

In March 2022, the staff of the SEC issued Staff Accounting Bulletin No. 121 ("SAB 121") which provides illustrative guidance for entities to consider when they have obligations to safeguard crypto-assets held in custody on behalf of their platform users. SAB 121 states that the entity should carry a liability accompanied by an asset of the same value on its balance sheet representing the platform user's crypto-assets held in custody measured at fair value initially and at each subsequent reporting period. Accompanying disclosures should be made relating to the entity's safeguarding obligations for crypto-assets held for its platform users. This guidance should be reflected no later than the financial statements covering the first interim or annual period ending after June 15, 2022, with retrospective application as of the beginning of the fiscal year to which the interim or annual period relates. Early adoption is permitted. We will adopt this guidance for the interim period ending June 30, 2022. Upon adoption we expect to recognize a significant asset and liability and to provide the necessary accompanying disclosures. Had we adopted SAB 121 for the period ended March 31, 2022, we would have recognized a corresponding platform user crypto-asset and liability of approximately $20 billion on the unaudited condensed consolidated balance sheet.

NOTE 3: REVENUES

Disaggregation of Revenues

The following table presents our revenue disaggregated by revenue source:

(in millions)	Three Months Ended March 31, 2021	2022
Transaction-based revenues:		
Options	$ 198	$ 127
Cryptocurrencies	88	54
Equities	133	36
Other	1	1
Total transaction-based revenues	420	218
Net interest revenues:		
Margin interest	28	35
Securities lending	35	24
Interest on segregated cash and securities	1	1
Other interest revenue	1	1
Interest expenses related to credit facilities	(3)	(6)
Total net interest revenues	62	55
Other revenues	40	26
Total net revenues	$ 522	$ 299

Contract Balances

Contract receivables are recognized when we have an unconditional right to invoice and receive payment under a contract and are derecognized when cash is received. Transaction-based revenue receivables due from market makers are reported in receivables from brokers, dealers, and clearing organizations while other revenue receivables due from our relationship with a third-party investor communications company are reported in other current assets on the unaudited condensed consolidated balance sheets.

Contract liabilities, which consist of unearned subscription revenue, are recognized when users remit cash payments in advance of the time we satisfy our performance obligations and are recorded as other current liabilities on the unaudited condensed consolidated balance sheets.

The table below sets forth contract receivables and liabilities for the period indicated:

(in millions)	Contract Receivables	Contract Liabilities
Beginning of period, January 1, 2022	$ 83	$ 3
End of period, March 31, 2022	90	3
Changes during the period	$ 7	$ —

The difference between the opening and ending balances of our contract receivables primarily results from timing differences between our performance and counterparties' payments. We recognized substantially all revenue from amounts included in the opening contract liability balances in the three months ended March 31, 2022.

NOTE 4: ALLOWANCE FOR CREDIT LOSSES

The following table summarizes the allowance for credit losses, which substantially all relate to unsecured balances of receivables from users due to "Fraudulent Deposit Transactions" and losses on margin lending. Fraudulent Deposit Transactions are 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.

	Three Months Ended March 31,	
(in millions)	2021	2022
Beginning balance	$ 34	$ 40
Provision for credit losses	16	8
Write-offs	(19)	(28)
Ending balance	$ 31	$ 20

NOTE 5: INVESTMENTS AND FAIR VALUE MEASUREMENT

Investments

We invest in marketable debt securities which are classified as available-for-sale. We elected the fair value option on our available-for-sale debt securities and carry them at fair value with adjustments to fair value presented in other expense (income), net on our unaudited condensed consolidated statements of operations. Investments on our unaudited condensed consolidated balance sheet consisted of the following:

	December 31, 2021			
(in millions)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Debt securities:				
Asset-backed securities	$ 5	$ —	$ —	$ 5
Commercial paper	14	—	—	14
Corporate bonds	7	—	—	7
Government bonds	1	—	—	1
Total investments	$ 27	$ —	$ —	$ 27

(in millions)	March 31, 2022 Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Debt securities:				
Asset-backed securities	$ 8	$ —	$ —	$ 8
Commercial paper	19	—	—	19
Corporate bonds	12	—	—	12
Government bonds	1	—	—	1
Total investments	$ 40	$ —	$ —	$ 40

All of our debt securities as of December 31, 2021 and March 31, 2022 had a stated contractual maturity or redemption date within one year.

Fair Value of Financial Instruments

Financial assets and liabilities measured at fair value on a recurring basis were presented on our unaudited condensed consolidated balance sheets as follows:

(in millions)	December 31, 2021 Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents:				
Money market funds	$ 4,004	$ —	$ —	$ 4,004
Investments:				
Asset-backed securities	—	5	—	5
Commercial paper	—	14	—	14
Corporate bonds	—	7	—	7
Government bonds	1	—		1
User-held fractional shares	1,834	—	—	1,834
Other current assets:				
Equity securities - securities owned	14	—	—	14
Total financial assets	$ 5,853	$ 26	$ —	$ 5,879
Liabilities				
Fractional share repurchase obligations	$ 1,834	$ —	$ —	$ 1,834
Total financial liabilities	$ 1,834	$ —	$ —	$ 1,834

(in millions)	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents:				
Money market funds	$ 1,624	$ —	$ —	$ 1,624
Investments:				
Asset-backed securities	—	8	—	8
Commercial paper	—	19	—	19
Corporate bonds	—	12	—	12
Government bonds	1	—	—	1
User-held fractional shares	1,929	—	—	1,929
Other current assets:				
Equity securities - securities owned	10	—	—	10
Total financial assets	$ 3,564	$ 39	$ —	$ 3,603
Liabilities				
Fractional shares repurchase obligations	$ 1,929	$ —	$ —	$ 1,929
Total financial liabilities	$ 1,929	$ —	$ —	$ 1,929

During the three months ended March 31, 2022, we did not have any transfers in or out of Level 3 assets or liabilities.

Convertible Notes and Warrant Liability

In February 2021, we issued two tranches of convertible notes (the “convertible notes”) and granted to each purchaser of the Tranche I convertible notes a warrant to purchase equity securities (the “warrant liability”). We elected the fair value option for both tranches of the convertible notes as we believe it best reflects their underlying economics. Under the fair value option, the convertible notes were initially measured at their issuance date estimated fair value and subsequently remeasured at their estimated fair value at the end of each reporting period. Upon the closing of our IPO, all of our outstanding convertible notes and warrants were reclassified from liability to equity and the fair value was no longer required to be remeasured.

For the three months ended March 31, 2021, we recorded expense of $1.4 billion and $116 million due to changes in fair value of the convertible notes and warrant liability, respectively, in our unaudited condensed consolidated statements of operations. No such expense related to the convertible notes was attributable to the change in the instrument-specific credit risk. We elected to present the component related to accrued interest in the change in fair value of convertible notes and warrant liability.

The significant unobservable inputs used in the fair value measurement of the convertible notes and warrant liability included:

	March 31, 2021	
	Convertible notes	Warrant liability
Fair value of common stock	$ 41.41	$ 41.41
Instrument discount	10 %	10 %
Volatility	60 %	60 %
Discount rate[1]	30%/35%	N/A
Risk free rate	0.03 %	0.03 %
Conversion probability:		
IPO by June 30, 2021	90 %	90 %
Next financing by June 30, 2021 followed by IPO by December 31, 2021	10 %	10 %

(1) Discount rate of 30% was applied on Tranche I and 35% was applied on Tranche 2. This represents the discount rate associated with the downside scenarios.

The following table sets forth a summary of the changes in the estimated fair value of our convertible notes and warrant liability:

(in millions)	Convertible notes	Warrant liability
Beginning of period, January 1, 2021	$ —	$ —
Issued during the period	3,299	253
Change in fair value	1,376	116
End of period, March 31, 2021	$ 4,675	$ 369

NOTE 6: INCOME TAXES

	Three Months Ended March 31,	
(in millions, except percentages)	2021	2022
Loss before income taxes	$ (1,433)	$ (391)
Provision for income taxes	12	1
Effective tax rate	(0.8)%	(0.3)%

Our tax provision for interim periods is determined using an estimated annual effective tax rate (“ETR”), adjusted for discrete items arising in the period. In each quarter, we update our estimated annual ETR and make a year-to-date calculation of the provision.

For the three months ended March 31, 2021 and March 31, 2022, the ETR was lower than the U.S. federal statutory rate primarily due to the full valuation allowance on our U.S. federal and state deferred tax assets offset by current taxes payable.

The realization of tax benefits of net deferred tax 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 the available objective evidence during the three months ended March 31, 2022, we believe it is more likely than not that the tax benefits of the remaining U.S. net deferred tax assets may not be realized.

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 tax credits before utilization.

NOTE 7: OFFSETTING ASSETS AND LIABILITIES

Our policy is to recognize amounts related to our security borrowing and lending agreements subject to master netting arrangements on a gross basis on the unaudited condensed consolidated balance sheets although they are eligible for offset under GAAP. 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. Substantially all securities borrowing and lending agreements have an open contractual term and may be terminated upon notice by either party. Within these agreements, one has a contractual term of 30 days with a daily minimum commitment of $25 million and another has a contractual term of 21 days with a daily minimum commitment of $35 million.

Our assets and liabilities subject to master netting arrangements are as follows:

(in millions)	December 31, 2021	March 31, 2022
Assets	**Securities borrowed**	
Gross amount of securities borrowed	$ 0.3	$ 0.6
Gross amount offset on the unaudited condensed consolidated balance sheets	—	—
Amounts of assets presented on the unaudited condensed consolidated balance sheets[1]	0.3	0.6
Gross amount of securities borrowed not offset on the unaudited condensed consolidated balance sheets:		
Securities borrowed	0.3	0.6
Security collateral received	(0.3)	(0.6)
Net amount	$ —	$ —
Liabilities	**Securities loaned**	
Gross amount of securities loaned	$ 3,651.0	$ 2,150.9
Gross amount of securities loaned offset on the unaudited condensed consolidated balance sheets	—	—
Amounts of liabilities presented on the unaudited condensed consolidated balance sheets	3,651.0	2,150.9
Gross amount of securities loaned not offset on the unaudited condensed consolidated balance sheets:		
Securities loaned	3,651.0	2,150.9
Security collateral pledged	(3,426.8)	(1,976.7)
Net amount	$ 224.2	$ 174.2

(1) Securities borrowed are included in receivables from brokers, dealers and clearing organizations on the unaudited condensed 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, 2021 and March 31, 2022, we were permitted to re-pledge securities with a fair value of $9.21 billion and $7.23 billion under the margin agreements and $0.3 million and $0.6 million under the securities lending agreements. As of March 31, 2022, we re-pledged $234.0 million of the permitted amount with clearing organizations to meet deposit requirements.

NOTE 8: FINANCING ACTIVITIES AND OFF-BALANCE SHEET RISK

Revolving Credit Facilities

In October 2019, we entered into a $200.0 million committed and unsecured revolving line of credit with a syndicate of banks maturing in October 2023 (the "October 2019 Credit Facility"). 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. In April 2021, we further increased the aggregate credit amount available under the October 2019 Credit Facility to $625.0 million. 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 (as defined in the agreement) 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 defined in the agreement) 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, 2021 and March 31, 2022. 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 quarterly in arrears.

In April 2021, we entered into a $2.18 billion committed and secured revolving line of credit, subject to certain borrowing base limitations, with a maturity date of April 15, 2022 (the "April 2021 Credit Facility"). Borrowings from the April 2021 Credit Facility must be specified to be Tranche A, Tranche B, Tranche C or a combination thereof. Tranche A loans are secured by users' securities purchased on margin and are used primarily to finance margin loans. Tranche B loans are secured by the right to the return from National Securities Clearing Corporation ("NSCC") of NSCC margin deposits and cash and property in a designated collateral account and used for the purpose of satisfying NSCC deposit requirements. Tranche C loans are secured by the right to the return of eligible funds from any reserve account of the borrower and cash and property in a designated collateral account and used for the purpose of satisfying reserve requirements under Rule 15c3-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Interest for this line of credit is determined at the time a loan is initiated and the applicable interest rate is calculated as a per annum rate equal to 1.25% for Tranche A loans and 2.50% for Tranche B and Tranche C loans, plus the Short-Term Funding Rate at the applicable time. The Short-Term Funding Rate is equal to the greatest of (i) the Eurodollar Rate for a one month interest period on such day, which equals to the Eurodollar Base Rate that is derived from LIBOR, multiplied by the Statutory Reserve Rate at the applicable time, (ii) the Federal Funds Effective Rate (as defined in the agreement) and (iii) the Overnight Bank Funding Rate (as defined in the agreement) in effect on such day. There were no outstanding borrowings under the April 2021 Credit Facility at December 31, 2021 and March 31, 2022. We are obligated to pay a commitment fee calculated as a per annum rate equal to 0.50% on any unused amount of the April 2021 Credit Facility quarterly in arrears.

In April 2022, we entered into a $2.28 billion committed and secured revolving line of credit (the "April 2022 Credit Facility") with a maturity date of April 10, 2023, amending and restating the April 2021 Credit Facility. Under circumstances described in the agreement for the April 2022 Credit Facility, the aggregate commitments may be increased by up to $1.14 billion, for a total commitment under the agreement of $3.65 billion. The April 2022 Credit Facility terms are the same as the April 2021 Credit Facility in all material aspects except for the Short-Term Funding Rate is equal to the greatest of (i) Daily Simple SOFR (as defined in the agreement) plus 0.10%, (ii) the Federal Funds Effective Rate (as defined in the

agreement) and (iii) the Overnight Bank Funding Rate (as defined in the agreement), in each case, in effect on such day.

The October 2019 Credit Facility, April 2021 Credit Facility, and April 2022 Credit Facility contain customary covenants, including limitations with respect to debt, liens, fundamental changes, asset sales, restricted payments, investments and transactions with affiliates, subject to certain exceptions. We were in compliance with all covenants under these facilities as of December 31, 2021 and March 31, 2022, as applicable.

Off-Balance Sheet Risk

In the normal course of business, we engage in activities involving settlement and financing of securities transactions. User securities transactions are recorded on a settlement date basis, which is generally two business days after the trade date for equities and one business day after the trade date for options. 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. In such events, we may be required to purchase financial instruments at prevailing market prices in order to fulfill our obligations.

NOTE 9: COMMON STOCK AND STOCKHOLDERS' (DEFICIT) EQUITY

Preferred Stock

As of March 31, 2022, no terms of the preferred stock have been designated, no shares of preferred stock were outstanding and we have no present plan to issue any shares of preferred stock.

Common Stock

We have three authorized classes of common stock: Class A, Class B, and Class C. Holders of our Class A common stock are entitled to one vote per share on all matters to be voted upon by our stockholders, holders of our Class B common stock are entitled to 10 votes per share on all matters to be voted upon by our stockholders and, except as otherwise required by applicable law, holders of our Class C common stock are not entitled to vote on any matter to be voted upon by our stockholders. The holders of our Class A common stock and Class B common stock vote together as a single class, unless otherwise required by our Charter or applicable law.

The convertible notes issued in February 2021 (see Note 5 for further information) were converted into 137.3 million shares of Class A common stock at a conversion price of $26.60 per share upon completion of our IPO.

Warrants

As of March 31, 2022, warrants outstanding consisted of warrants to purchase 14.3 million shares of Class A common stock with a strike price of $26.60 per share for a maximum purchase amount of $380 million. The warrants expire on February 12, 2031 and can be exercised in cash or for net shares at the holder’s option. As of March 31, 2022, the warrants have not been exercised and are included as a component of additional paid in capital on the unaudited condensed consolidated balance sheets.

Equity Incentive Plans

Amended and Restated 2013 Stock Plan and 2020 Equity Incentive Plan

Our Amended and Restated 2013 Stock Plan, as amended (the “2013 Plan”), and our 2020 Equity Incentive Plan, as amended (the “2020 Plan”), provided for share-based awards to eligible participants, granted as incentive stock options (“ISOs”), non-statutory stock options (“NSOs”), restricted stock units ("RSUs"), stock appreciation rights (“SARs”) or restricted stock awards (“RSAs”). Our 2013 Plan was

terminated in connection with adoption of our 2020 Plan, and our 2020 Plan was terminated in connection with the adoption of our 2021 Plan (defined below) but any awards outstanding under our 2013 Plan and 2020 Plan remain in effect in accordance with their terms. Any shares that were or otherwise would become available for grant under the 2013 Plan or 2020 Plan will be available for grant under the 2021 Plan. No new awards may be granted under our 2013 Plan or 2020 Plan.

2021 Omnibus Incentive Plan

Our 2021 Omnibus Incentive Plan (the "2021 Plan") became effective on July 27, 2021, and provides for the grant of share-based awards (such as options, including ISOs and NSOs, SARs, RSAs, RSUs, performance units, and other equity-based awards) and cash-based awards.

As of March 31, 2022, an aggregate of 360 million shares had been authorized for issuance under the 2013 Plan, 2020 Plan, and 2021 Plan, of which 77 million shares had been issued under the plans, 154 million shares were reserved for issuance upon the exercise or settlement of outstanding equity awards under the plans, and 129 million shares remained available for new grants under the 2021 Plan.

Stock Option Activity

A summary of stock option activity for the three months ended March 31, 2022 is as follows:

	Number of Shares	Weighted-Average Exercise Price	Weighted- Average Remaining Life	Total Intrinsic Value *(in millions)*
Balance at December 31, 2021	14,527,468	$ 2.20	5.37	$ 226
Granted during the period	4,463,248	14.15		
Exercised during the period	(1,422,856)	2.47		
Cancelled and forfeited during the period	(81,193)	7.66		
Balance at March 31, 2022	17,486,667	$ 5.21	5.44	$ 145
Options vested and expected to vest at March 31, 2022	17,486,667	$ 5.21	5.44	$ 145
Options exercisable at March 31, 2022	12,442,934	$ 1.92	4.90	$ 144

Time-Based RSUs

We grant RSUs that vest upon the satisfaction of a time-based service condition ("Time-Based RSUs"). The following table summarizes the activity related to our Time-Based RSUs for the three months ended March 31, 2022:

	Number of RSUs	Weighted- average grant date fair value
Unvested at December 31, 2021	49,428,070	$ 31.78
Granted	36,926,801	13.49
Vested	(4,551,630)	27.65
Forfeited	(4,087,935)	30.07
Unvested at March 31, 2022	77,715,306	$ 23.43

Market-Based RSUs

In 2019 and 2021, we granted to our founders RSUs that vest upon the satisfaction of both the achievement of share price targets and the continued employment by each recipient ("Market-Based

RSUs"). The following table summarizes the activity related to our Market-Based RSUs for the three months ended March 31, 2022:

	Number of RSUs	Weighted- average grant date fair value
Unvested at December 31, 2021	58,918,844	$ 23.50
Granted	—	—
Vested	(115,264)	2.34
Forfeited	—	—
Unvested at March 31, 2022	58,803,580	$ 23.54

Share-Based Compensation

The following table presents share-based compensation on our unaudited condensed consolidated statements of operations for the periods indicated:

	Three Months Ended March 31,	
(in millions)	2021	2022
Brokerage and transaction	$ —	$ 1
Technology and development	1	82
Operations	—	4
Marketing	—	5
General and administrative	8	128
Total	$ 9	$ 220

Included in the table above, we recorded share-based compensation expense of $129 million related to Time-Based RSUs, $84 million related to Market-Based RSUs, $4 million related to the 2021 Employee Share Purchase Plan ("ESPP"), and $2 million related to options during the three months ended March 31, 2022. Share-based compensation expense related to options was immaterial during the three months ended March 31, 2021. No share-based compensation was recorded during the three months ended March 31, 2021 related to Time-Based RSUs, Market-Based RSUs, or the ESPP.

We capitalized share-based compensation expense related to internally developed software of $10 million during the three months ended March 31, 2022. The corresponding amount during the three months ended March 31, 2021 was immaterial.

As of March 31, 2022, there was $2.1 billion of unrecognized share-based compensation expense that is expected to be recognized over a weighted-average period of 2.28 years. Scheduled vesting for awards outstanding as of March 31, 2022, is as follows:

(in millions, except for number of shares)

	Number of Shares[1]	Expense
Remainder of 2022	20,911,890	$ 708
2023	27,019,754	669
2024	20,776,835	426
2025	12,895,735	274
2026	2,348,400	35
Total	83,952,614	$ 2,112

(1) Excludes future ESPP shares and Market-Based RSUs for which the share price target has not been met as we cannot forecast the vesting of these shares.

The above schedule excludes an estimate for forfeitures, which are recognized as they occur, and future equity grants.

NOTE 10: NET LOSS PER SHARE

We present net loss per share using the two-class method required for multiple classes of common stock. The rights, including the liquidation and dividend rights, of the holders of Class A common stock and Class B common stock are identical, except with respect to voting. As the liquidation and dividend rights are identical for Class A common stock and Class B common stock, the undistributed earnings are allocated on a proportionate basis and the resulting loss per share will, therefore, be the same for both Class A common stock and Class B common stock on an individual or combined basis.

The following table presents the calculation of basic and diluted loss per share:

	Three Months Ended March 31,	
(in millions, except per share data)	2021	2022
Net loss	$ (1,445)	$ (392)
Less: allocation of earnings to participating securities	—	—
Net loss attributable to common stockholders	$ (1,445)	$ (392)
Weighted-average common stock outstanding - basic	230,685,464	867,769,168
Dilutive effect of stock options and unvested shares	—	—
Weighted-average common stock outstanding - diluted	230,685,464	867,769,168
Net loss per share attributable to common stockholders:		
Basic	$ (6.26)	$ (0.45)
Diluted	$ (6.26)	$ (0.45)

The following potential common shares were excluded from the calculation of diluted net 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:

	Three Months Ended March 31,	
	2021	2022
Redeemable convertible preferred stock	412,742,897	—
RSUs	81,820,160	136,525,285
Stock options	18,096,127	17,486,667
Unvested shares	187,885	7,362
Warrants	—	14,278,034
ESPP shares	—	634,603
Total anti-dilutive securities	512,847,069	168,931,951

NOTE 11: RELATED PARTY TRANSACTIONS

Related party transactions may include any transaction between entities under common control or with a related party. We have defined related parties as members of the Board of Directors, executive officers, principal owners of our outstanding stock and any immediate family members of each such related party, as well as any other person or entity with significant influence over our management or operations and any other affiliates.

In February 2021, we issued two tranches of convertible notes and granted to each purchaser of the Tranche I convertible notes a warrant to purchase equity securities (see Note 5 for further information). Two of the Tranche I investors were related parties prior to the completion of our IPO.

Pursuant to Rule 15c3-1 under the Exchange Act (the “SEC Uniform Net Capital Rule”), capital contributed to RHS is included in its net capital calculation and may not be withdrawn for one year from the time of contribution. A total of $2.0 billion of the gross proceeds received from the convertible note issuance was contributed to RHS in February 2021 and the restriction lapsed in February 2022. No capital has been returned to the parent company.

NOTE 12: LEASES

Our operating leases are comprised of office facilities, with the most significant leases relating to our corporate headquarters in Menlo Park and our office in New York City. Our leases have remaining terms of 1 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.

The components of lease expense were as follows:

	Three Months Ended March 31,	
(in millions)	2021	2022
Fixed operating lease costs	$ 4	$ 9
Variable operating lease costs	1	2
Short-term lease costs	—	—
Total lease costs	$ 5	$ 11

Fixed operating lease costs primarily consist of monthly base rent amounts due. Variable operating lease expenses 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:

	December 31, 2021	March 31, 2022
Weighted-average remaining lease term	7.29 years	7.74 years
Weighted-average discount rate	6.27 %	6.17 %

Cash flows related to leases were as follows:

	Three Months Ended March 31,	
(in millions)	2021	2022
Operating cash flows:		
Payments for operating lease liabilities	$ 2	$ 3
Supplemental cash flow data:		
Lease liabilities arising from obtaining right-of-use assets	$ 9	$ 32

Future minimum lease payments under non-cancellable operating leases (with initial lease terms in excess of one year) as of March 31, 2022 are as follows:

(in millions)		
Remainder of 2022	$	26
2023		36
2024		35
2025		34
2026		25
Thereafter		106
Total undiscounted lease payments		262
Less: imputed interest		(56)
Less: lease incentives		(23)
Total lease liabilities	$	183

NOTE 13: COMMITMENTS & CONTINGENCIES

We are subject to contingencies arising in the ordinary course of our business, including contingencies related to legal, regulatory, non-income tax and other matters. We record an accrual for loss contingencies at management's best estimate when we determine that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. If the reasonable estimate is a range and no amount within that range is considered a better estimate than any other amount, an accrual is recorded based on the bottom amount of the range. If a loss is not probable, or a probable loss cannot be reasonably estimated, no accrual is recorded. Amounts accrued for contingencies in the aggregate were $85 million as of December 31, 2021 and $104 million as of March 31, 2022. In our opinion, an adequate accrual had been made as of March 31, 2022 to provide for the probable losses of which we are aware and for which we can reasonably estimate an amount.

Legal and Regulatory Matters

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 and state regulators, exchanges, or other SROs by dissatisfied users are investigated by such regulatory bodies, and, if pursued by such regulatory bodies or such users, may rise to the level of arbitration or disciplinary action. We are also subject to periodic regulatory audits and inspections.

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. The outcomes of these matters are inherently uncertain and some 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.

With respect to matters discussed below, we believe, based on current knowledge, that any losses (in excess of amounts accrued, if applicable) as of March 31, 2022 that are reasonably possible and can be reasonably estimated will not, in the aggregate, have a material adverse effect on our business, financial position, operating results, or cash flows. However, for many of the matters disclosed below, particularly those in early stages, we cannot reasonably estimate the reasonably possible loss (or range of loss), if any. In addition, the ultimate outcome of legal proceedings involves judgments, estimates, and inherent uncertainties and cannot be predicted with certainty. Any judgment entered against us, or any adverse settlement, could materially and adversely impact our business, financial condition, operating results, and cash flows. We might also incur substantial legal fees, which are expensed as incurred, in defending against legal and regulatory claims.

Described below are certain pending matters in which there is at least a reasonable possibility that a material loss could be incurred. We intend to continue to defend these matters vigorously.

Best Execution, Payment for Order Flow, and Sources of Revenue Matters

Beginning in December 2020, multiple putative securities fraud class action lawsuits were filed against RHM, RHF, and RHS. Five cases were consolidated in the United States District Court for the Northern District of California. An amended consolidated complaint was filed in May 2021, alleging violations of Section 10(b) of the Exchange Act and various state law causes of action based on claims 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 PFOF). Plaintiffs seek damages, restitution, disgorgement, and other relief. In February 2022, the court granted Robinhood's motion to dismiss the amended consolidated complaint without prejudice. In March 2022, plaintiffs filed a second consolidated amended complaint, alleging only violations of Section 10(b) of the Exchange Act, which Robinhood moved to dismiss.

March 2020 Outages

A consolidated putative class action lawsuit relating to service outages on our stock trading platform on March 2-3, 2020 and March 9, 2020 (the "March 2020 Outages") is pending in the United States District Court for the Northern District of California. The lawsuit generally alleges 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 we failed to implement appropriate backup systems. The lawsuit includes, 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 lawsuit generally seeks damages, restitution, and/or disgorgement, as well as declaratory and injunctive relief. Plaintiffs' motion for class certification, which we oppose, is currently pending.

In September 2021, approximately 400 jointly-represented customers initiated an arbitration of individual claims against us arising out of the March 2020 Outages and other alleged system outages. Robinhood is contesting the claims, and a hearing has been scheduled for September 2022.

Options Trading and Related Customer Communications and Displays

Certain state regulatory authorities are conducting investigations regarding RHF's options trading and related customer communications and displays and options trading approval process. RHF is cooperating with the regulators' requests. FINRA also conducted an investigation and reached a settlement with RHF regarding the same options trading issues.

RHS Trade Reporting, Large Options Position Reporting, and ACATS Processing

In June 2021 RHF resolved with FINRA, on a no admit, no deny basis, certain investigations and examinations. As previously disclosed, that resolution did not address all the matters FINRA is investigating. In April 2022, FINRA Enforcement staff requested additional information related to RHS's reporting of fractional share trades, as applicable, to a Trade Reporting Facility ("TRF"), the Over-the-Counter Reporting Facility ("ORF"), the Order Audit Trail System ("OATS"), and the Consolidated Audit Trail ("CAT"); reporting of accounts holding significant options positions to the Large Option Position Report ("LOPR") system; and processing of certain requests for transfers of assets from Robinhood through the Automated Customer Account Transfer Service ("ACATS"), an automated industry system for account asset transfers. RHS is cooperating with these investigations.

RHC Anti-Money Laundering, Cybersecurity, and Other Issues

In July 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 NYDFS's Consumer Protection and Financial Enforcement Division for investigation. In March 2021, the NYDFS informed RHC of alleged violations of applicable (i) anti-money laundering and New York Banking Law requirements, including the failure to maintain and certify a compliant anti-money laundering program, (ii) notification provisions under RHC's Supervisory Agreement with the NYDFS, and (iii) cybersecurity and virtual currency requirements, including 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 and the NYDFS have reached a settlement in principle with respect to these allegations, subject to final documentation, in connection with which, among other things, RHC expects to pay a monetary penalty and engage a monitor.

Additionally, in April 2021, the California Attorney General's Office issued an investigative subpoena to RHC, seeking documents and answers to interrogatories about RHC's trading platform, business and operations, application of California's commodities regulations to RHC, customer disclosures, and other matters. RHC is cooperating with this investigation. We cannot predict the outcome of this investigation or any consequences that might result from it.

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. Since February 2021, RHF has received requests for documents and information from the SEC's Enforcement Division in connection with its investigation into account takeovers and, more recently, suspicious activity report filings and issues related to the Electronic Funds Transfer Act. Additionally, state regulators, including the New York Attorney General's Office, have opened inquiries into RHM, RHF, and RHC related to account takeovers. We are cooperating with these investigations and inquiries.

In January 2021, Siddharth Mehta filed a putative class action in California state court against RHF and RHS, purportedly on behalf of approximately 2,000 Robinhood customers whose accounts were allegedly accessed by unauthorized users. RHF and RHS removed this action to the United States District Court for the Northern District of California. Plaintiff generally alleges that RHF and RHS breached commitments made and duties owed to customers to safeguard customer data and assets and seek monetary damages and injunctive relief. In April 2022, the parties reached a settlement in principle.

Massachusetts Securities Division Matter

In December 2020, the Enforcement Section of the Massachusetts Securities Division ("MSD") filed an administrative complaint against RHF, which stems from an investigation initiated by the MSD in July 2020. The complaint alleged three counts of Massachusetts securities law violations regarding alleged 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, the MSD alleged that our product features and marketing strategies, outages, and options trading approval process constitute violations of Massachusetts securities laws. MSD subsequently filed an amended complaint that seeks, among other things, injunctive relief (a permanent cease and desist order), censure, restitution, disgorgement, appointment of an independent consultant, an administrative fine, and revocation of RHF's license to operate in Massachusetts. If RHF were to lose its license to operate in Massachusetts, we would not be able to acquire any new customers in Massachusetts, and we expect that our current customers in Massachusetts would be unable to continue utilizing any of the services or products offered on our platform (other than closing their positions) and that we may be forced to transfer such customers' accounts to other broker-dealers. Additionally, revocation of RHF's Massachusetts license could trigger similar disqualification or proceedings to restrict or condition RHF's registration by other state regulators. A revocation of RHF's license to operate in Massachusetts would result in RHF and RHS being subject to statutory disqualification by FINRA and the SEC, which would then result in RHF needing to obtain relief from FINRA subject to SEC review in order to remain a FINRA member and RHS possibly needing relief from FINRA or other SROs.

In April 2021, RHF filed a complaint and motion for preliminary injunction and declaratory relief in Massachusetts state court seeking to enjoin the MSD administrative proceeding and challenging the legality of the Massachusetts fiduciary duty standard. In September 2021, the parties filed cross-motions for partial judgment on the pleadings. In March 2022, the court ruled in favor of RHF, declaring that the Massachusetts fiduciary duty regulation was unlawful. The MSD has filed a notice of appeal. A hearing on the two remaining counts alleged by the MSD in its amended administrative complaint is scheduled to begin in September 2022.

Text Message Litigation

In August 2021, Cooper Moore filed a putative class action against RHF alleging that RHF 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 complaint seeks statutory and treble damages, injunctive relief, and attorneys' fees and costs. The case is currently pending in the U.S. District

Court for the Western District of Washington. RHF filed a motion to dismiss the complaint. In February 2022, Moore and Andrew Gillette filed an amended complaint, which RHF again moved to dismiss.

Early 2021 Trading Restrictions Matters

Beginning on January 28, 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").

A number of individual and putative class actions related to the Early 2021 Trading Restrictions were filed against RHM, RHF, and RHS, among others, in various federal and state courts. In April 2021, the Judicial Panel on Multidistrict Litigation entered an order centralizing the federal cases identified in a motion to transfer and coordinate or consolidate the actions filed in connection with the Early 2021 Trading Restrictions in the United States District Court for the Southern District of Florida (the "MDL"). The court subsequently divided plaintiffs' claims against Robinhood into three tranches: federal antitrust claims, federal securities law claims, and state law claims. In July 2021, plaintiffs filed consolidated complaints seeking monetary damages in connection with the federal antitrust and state law tranches. The federal antitrust complaint asserted one violation of Section 1 of the Sherman Act; the state law complaint asserted negligence and breach of fiduciary duty claims. In August 2021, we moved to dismiss both of these complaints. In September 2021, plaintiffs filed an amended complaint asserting state law claims of negligence, breach of fiduciary duty, tortious interference with contract and business relationship, civil conspiracy, and breaches of the covenant of good faith and fair dealing and implied duty of care. In November 2021, the court dismissed the federal antitrust complaint without prejudice, and plaintiffs for the federal securities tranche filed a complaint alleging violations of Sections 9(a) and 10(b) of the Exchange Act. In January 2022, we moved to dismiss the federal securities law complaint, and plaintiffs filed an amended complaint in connection with the federal antitrust tranche. In January 2022, the court dismissed the state law complaint with prejudice. Plaintiffs have taken an appeal to the United States Court of Appeals for the Eleventh Circuit. In February 2022, Robinhood moved to dismiss the amended complaint filed in connection with the federal antitrust tranche.

RHM, RHF, RHS, and our Co-Founder and CEO, Vladimir Tenev, among others, 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 U.S. Department of Justice, Antitrust Division, the SEC's Division of Enforcement, 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 been several inquiries based on specific customer complaints. We have also received requests from the SEC's Division of Examinations and Division of Enforcement and FINRA related to employee trading in certain securities that were subject to the Early 2021 Trading Restrictions, including GameStop Corp. and AMC Entertainment Holdings, Inc., during the week of January 25, 2021. These matters include requests related to whether any employee trading in these securities may have occurred after the decision to impose the Early 2021 Trading Restrictions and before the public announcement of the Early 2021 Trading Restrictions on January 28, 2021. The SEC's Division of Examinations concluded their examinations related to the Early 2021 Trading Restrictions. In February 2022, SEC staff notified us of their findings to which we responded in April 2022. FINRA Enforcement has also requested information about policies, procedures, and supervision related to employee trading generally. In addition, we have received information and testimony requests from certain committees and members of the U.S. Congress and Mr. Tenev, among others, has provided testimony with respect to the Early 2021 Trading Restrictions. We are cooperating with these investigations and examinations.

Registration Requirements for Member Personnel

In July 2021, RHF received a FINRA investigative request seeking documents and information related to its compliance with FINRA registration requirements for member personnel, including related to the

FINRA non-registration status of Mr. Tenev and Co-Founder and Chief Creative Officer Mr. Bhatt. Robinhood is cooperating with the investigation.

IPO Litigation

In December 2021, Philip Golubowski filed a putative class action in the U.S. District Court for the Northern District of California against RHM, the officers and directors who signed Robinhood's IPO offering documents, and Robinhood's IPO underwriters. Plaintiff's claims are based on alleged false or misleading statements in Robinhood's IPO offering documents allegedly in violation of Sections 11 and 12(a) of the Securities Act of 1933, as amended (the "Securities Act"). Plaintiff seeks compensatory damages, rescission of shareholders' share purchases, and an award for attorneys' fees and costs. In February 2022, certain alleged Robinhood stockholders submitted applications seeking appointment by the court to be the lead plaintiff to represent the putative class in this matter, and in March 2022, the court appointed lead plaintiffs, who are expected to file an amended complaint in June 2022.

In January 2022, Robert Zito filed a complaint derivatively on behalf of Robinhood against Robinhood's directors at the time of its IPO in the U.S. District Court for the District of Delaware. Plaintiff alleges breach of fiduciary duties, waste of corporate assets, unjust enrichment, and violations of Section 10(b) of the Exchange Act. Plaintiff's claims are based on allegations of false or misleading statements in Robinhood's IPO offering documents, and plaintiff seeks an award of damages and restitution to the Company, injunctive relief, and an award for attorney's fees and costs. In March 2022, the district court entered a stay of this litigation pending resolution of Robinhood's motion to dismiss in the Golubowski securities action discussed above.

NOTE 14: SUBSEQUENT EVENTS

Pending Acquisition of Ziglu

On April 16, 2022, we entered into a definitive agreement to acquire all outstanding equity of Ziglu Limited ("Ziglu"), a U.K.-based electronic money institution and crypto-asset firm that allows customers to buy and sell eligible cryptocurrencies, earn yield via its 'Boost' products, pay using a debit card, and move and spend money without fees. The aggregate consideration to be paid by us is estimated to be approximately $170 million, subject to customary purchase price adjustments set forth in the definitive agreement and payable primarily in cash while the remainder will be paid with a number of shares of our stock to be determined at closing. The transaction is subject to regulatory approval and other customary closing conditions and is expected to close no later than the first quarter of 2023.

Workforce Reduction

On April 26, 2022, we announced a reduction in force as part of our efforts to improve efficiency and operating costs, increase our velocity, and ensure that we are responsive to the changing needs of our customers. The reduction in force involves approximately 330 employees, representing approximately 9% of our full-time employees. We estimate that we will incur approximately $17 million to $23 million of cash restructuring and related charges primarily related to employee severance and benefits costs (excluding the impact of share-based compensation), substantially all of which we expect to incur in the second quarter of 2022.

With respect to share-based compensation, also as part of this reduction in force, we modified a portion of affected employees' stock awards to allow for a portion of the awards to vest that otherwise would have been forfeited. However, as a result of the reversal of previously recognized share-based compensation expense, which was primarily recognized using the accelerated attribution method, for stock awards that have been forfeited in connection with this reduction in force, we expect to recognize a net reduction of share-based compensation of approximately $30 million to $36 million in the second quarter of 2022. This estimate may change due to future changes in our stock price.

ITEM 2. 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, including performance metrics that management uses to assess company performance. The following discussion and analysis is intended to highlight and supplement data and information presented elsewhere in this Quarterly Report on Form 10-Q ("Quarterly Report"), and should be read in conjunction with our interim unaudited condensed consolidated financial statements and notes elsewhere in this Quarterly Report and our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2021 Form 10-K. 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 might 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 "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors."

Data as of and for the three months ended March 31, 2021 and 2022 has been derived from our unaudited condensed consolidated financial statements appearing at the beginning of this Quarterly Report. Results for any interim period should not be construed as an inference of what our results would be for any full fiscal year or future period.

We refer to our "users" and our "customers" interchangeably throughout this Quarterly Report to refer to individuals who hold accounts on our platform. The definition of "customer" under Exchange Act Rule 15c3-3 means any person from whom or on whose behalf a broker or dealer has received or acquired or holds funds or securities for the account of that person. However, because we do not earn consideration from users (other than Robinhood Gold Subscribers and debit card users), users are not "customers" as defined in ASC 606, Revenue from Contracts with Customers. Accordingly, our users do not meet the definition of "customer" for purposes of the accounting rules. See "—Revenue Recognition" in Note 1 to our audited consolidated financial statements included in our 2021 Form 10-K.

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.

Our mission is to democratize finance for all. We use mobile phone technology to provide access to the financial system in a way that is simple and convenient for our customers. We believe investing should be familiar and welcoming, with a simple design and an 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, which 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.

Financial Results and Performance

With respect to the three months ended March 31, 2022, as compared to the three months ended March 31, 2021:

- we generated total net revenues of $299 million compared to $522 million, for a year-over-year decrease of 43%;
- we incurred a net loss of $392 million, which included $220 million of share-based compensation expense, compared to a net loss of $1.4 billion, which included expense of $1.5 billion associated with the change in fair value of convertible notes and warrants issued in February 2021;
- our Adjusted EBITDA was negative $143 million compared to positive $115 million;
- we had Net Cumulative Funded Accounts of 22.8 million compared to 18.0 million, for year-over-year growth of 27% as we added 7.1 million new funded accounts primarily driven by large customer interest in cryptocurrencies during the second quarter of 2021, and 0.7 million resurrected accounts, partially offset by 3.0 million churned accounts;
- we had Monthly Active Users (MAU) of 15.9 million compared to 17.7 million, for a year-over-year decrease of 10%, as we experienced high trading volumes and account sign-ups as well as high market volatility, particularly in certain sectors, during the prior period;
- we had Assets Under Custody (AUC) of $93.1 billion compared to $80.9 billion, for year-over-year growth of 15%, as result of the growth in our user base;
- we had Average Revenues Per User (ARPU) of $53 compared to $137, for a year-over-year decrease of 62%. The decreases were primarily related to lower transaction-based revenue driven by the current market environment, which had a negative impact on the number of traders and notional trading volumes in all asset classes.

For definitions of “Net Cumulative Funded Accounts”, “MAU”, “AUC” and “ARPU” please see “—Key Performance Metrics.” Adjusted EBITDA is a non-GAAP financial measure. 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 Measures.”

Recent Developments

Pending Acquisition of Ziglu

On April 16, 2022, we entered into a definitive agreement to acquire all outstanding equity of Ziglu, a U.K.-based electronic money institution and crypto-asset firm that allows customers to buy and sell eligible cryptocurrencies, earn yield via its 'Boost' products, pay using a debit card, and move and spend money without fees for approximately $170 million. See Note 14 to our unaudited condensed consolidated financial statements in this Quarterly Report for further information.

Workforce Reduction

Through 2020 and first half of 2021, we went through a period of hyper growth accelerated by several factors including pandemic lockdowns, low interest rates, and fiscal stimulus. From the beginning of 2020 to the end of 2021, we grew net funded accounts from 5.1 million to 22.7 million and revenue from $278 million in 2019 to $1.8 billion in 2021. To meet customer and market demands, we grew our headcount from 700 at the end of 2019 to nearly 3,900 as of March 31, 2022. This rapid headcount growth led to some duplicate roles and job functions and more layers and complexity than are optimal. As part of our efforts to improve efficiency and operating costs, increase our velocity, and ensure that we are responsive to the changing needs of our customers, we announced a reduction in force on April 26, 2022 (see Note 14 to our unaudited condensed consolidated financial statements in this Quarterly Report for further information). We also scaled back hiring plans for the remainder of 2022 and we expect headcount at year-end 2022 to be roughly flat compared with the end of 2021, as we continue to grow our workforce at a reduced rate. We will continue to accelerate our product momentum through 2022 and will retain and continue to hire exceptional talent in key roles and provide additional learning and career growth opportunities for our employees.

COVID-19 Update

In the fourth quarter of 2021, we elected to become a "Remote First" company. When this program is fully implemented following the cession of COVID-19 exemptions, a large segment of our employees will have no assigned location or regular in-office requirement, some teams will need to live within a commutable distance to an office location for regulatory and business reasons, and a small segment of our workforce will still need to come into the office. All employees will have access to our offices throughout the country and, as vaccination rates among the population have increased, we have opened our corporate offices to provide all employees with the option of voluntarily returning to an office. The timing of any full return for those employees who will eventually be required to come into the office has not been determined and will be impacted by developments related to the pandemic, such as the severity and transmission rate of the virus and its variants.

Following the March 2020 onset of the COVID-19 pandemic, we saw substantial growth in our user base, retention, engagement, and trading activity metrics, and over the course of the pandemic we saw 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, coupled with low interest rates and a positive market environment, especially in the U.S. equity and cryptocurrency markets, helped foster an environment that encouraged an unprecedented number of first-time retail investors to become our users and begin trading on our platform. However, we have seen the growth of our user base in recent periods slow compared to the accelerated growth we experienced in 2020 and the first half of 2021. Additionally, to the extent that government stimulus measures enacted in response to the pandemic contributed to an increase in customer engagement, that benefit may not have continued as those stimulus measures have expired.

The COVID-19 pandemic has resulted, in part, in inefficiencies and delays in our business, operational challenges, additional costs related to business continuity initiatives as our workforce continues to work remotely, and increased vulnerability to cybersecurity attacks or other privacy or data

security incidents. The extent of the continuing 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, our ability to adapt to the long-term distributed Remote First workforce model we have adopted, 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 difficult to predict.

Key Performance Metrics

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

	Three Months Ended March 31,	
	2021	2022
Net Cumulative Funded Accounts[1] *(in millions)*	18.0	22.8
Monthly Active Users (MAU)[2] *(in millions)*	17.7	15.9
Assets Under Custody (AUC)[3] *(in billions)*	$ 80.9	$ 93.1
Average Revenues Per User (ARPU)[4]	$ 137	$ 53

(1) A Robinhood account is designed to provide a user with access to any and all of the products offered on our platform. We define "Net Cumulative Funded Accounts" as New Funded Accounts less Churned Accounts plus Resurrected Accounts (each as defined below). A "New Funded Account" is a Robinhood account into which the account user makes an initial deposit or money or asset transfer, of any amount, during the relevant period. An account is considered "Churned" if it was ever a New Funded Account and its balance (measured as the fair value of assets in the account less any amount due from the user and excluding certain Company-initiated credits) drops to or below zero for at least 45 consecutive calendar days. Negative balances typically result from Fraudulent Deposit Transactions (as defined in Note 4 to our unaudited condensed consolidated financial statements in this Quarterly Report for further information) and, less often, from margin loans. An account is considered "Resurrected" in a stated period if it was a Churned Account as of the end of the immediately preceding period and its balance (excluding certain Company-initiated credits) rises above zero. Examples of credits excluded for purposes of identifying Churned Accounts and Resurrected Accounts are price correction credits, related interest adjustments, and fee adjustments.

	Three Months Ended March 31,	
(in millions)	2021	2022
Beginning Net Cumulative Funded Accounts	12.5	22.7
New funded accounts	5.7	0.5
Resurrected accounts	0.4	0.1
Churned accounts	(0.6)	(0.5)
Ending Net Cumulative Funded Accounts	18.0	22.8

(2) 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, or who transitions between two different screens on a mobile device or loads a page in a web browser while logged into their account, at any point during the relevant month. A user need not satisfy these conditions on a recurring monthly basis or have a Funded Account to be included in MAU. Figures in the table reflect MAU for the last month of each period presented. We utilize MAU to measure how many customers interact with our products and services during a given month. MAU does not measure the frequency or duration of the interaction, but we consider it a useful indicator for engagement. Additionally, MAUs are positively correlated with, but are not indicative of, the performance of revenue and other key performance indicators.

(3) We define AUC as the sum of the fair value of all equities, options, cryptocurrency and cash held by users in their accounts, net of receivables from users, as of a stated date or period end on a trade date basis. The following table sets out the components of AUC by type of asset:

(in billions)	Three Months Ended March 31, 2021	2022
Equities	$ 65.1	$ 68.5
Options	2.0	1.1
Cryptocurrencies	11.6	19.7
Cash held by users	7.6	9.2
Receivables from users	(5.4)	(5.4)
Assets Under Custody (AUC)	$ 80.9	$ 93.1

Net Deposits and net market gains drive the change in AUC in any given period. We define "Net Deposits" as all cash deposits and asset transfers received from customers, net of reversals, customer cash withdrawals, and other assets transferred out of our platform (assets transferred in or out include debit card transactions, ACATS transfers, and custodial crypto wallet transfers) for a stated period. The following table describes the changes within Assets Under Custody:

(in billions)	Three Months Ended March 31, 2021	2022
Beginning AUC	$ 63.0	$ 98.0
Net Deposits	10.6	5.7
Net market gains (losses)	7.3	(10.6)
Ending AUC	$ 80.9	$ 93.1

(4) We define ARPU as total revenue for a given period divided by the average of Net Cumulative Funded Accounts on the last day of that period and the last day of the immediately preceding period. Figures presented above represent annualized ARPU for each three-month period presented.

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

a reconciliation of net income (loss), which is the most directly comparable GAAP measure, to Adjusted EBITDA:

(in millions)	Three Months Ended March 31, 2021	2022
Net loss	$ (1,445)	$ (392)
Add:		
Interest expenses related to credit facilities	3	6
Provision for income taxes	12	1
Depreciation and amortization	4	12
EBITDA (non-GAAP)	(1,426)	(373)
Share-based compensation	9	220
Change in fair value of convertible notes and warrant liability	1,492	—
Significant legal and tax settlements and reserves	40	10
Adjusted EBITDA (non-GAAP)	$ 115	$ (143)

Results of Operations

The following table summarizes our unaudited condensed consolidated statements of operations data:

(in millions)	Three Months Ended March 31, 2021	2022
Revenues:		
Transaction-based revenues	$ 420	$ 218
Net interest revenues	62	55
Other revenues	40	26
Total net revenues	522	299
Operating expenses:(1)		
Brokerage and transaction	41	31
Technology and development	117	266
Operations	67	91
Marketing	102	34
General and administrative	137	268
Total operating expenses	464	690
Change in fair value of convertible notes and warrant liability	1,492	—
Other income, net	(1)	—
Loss before income taxes	(1,433)	(391)
Provision for income taxes	12	1
Net loss	$ (1,445)	$ (392)

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

(in millions)	Three Months Ended March 31, 2021	2022
Brokerage and transaction	$ —	$ 1
Technology and development	1	82
Operations	—	4
Marketing	—	5
General and administrative	8	128
Total share-based compensation expense	$ 9	$ 220

Comparison of the Three Months Ended March 31, 2021 and 2022

Revenues

Transaction-Based Revenues

(in millions, except for percentages)	Three Months Ended March 31, 2021	2022	% Change
Transaction-based revenues			
Options	$ 198	$ 127	(36)%
Cryptocurrencies	88	54	(39)%
Equities	133	36	(73)%
Other	1	1	— %
Total transaction-based revenues	$ 420	$ 218	(48)%
Transaction-based revenues as a % of total net revenues:			
Options	38%	42%	
Cryptocurrencies	17%	18%	
Equities	26%	12%	
Other	—%	—%	
Total transaction-based revenues	81%	72%	

Transaction-based revenues decreased by $202 million primarily driven by the market environment which had a negative impact on the number of traders and notional trading volumes in all asset classes. We define “daily average revenue trades” for any asset class as the total number of revenue generating trades for such asset class executed during a given period divided by the number of trading days for such asset class in that period.

Our daily average revenue trades for equities decreased by 65% from 5.1 million to 1.8 million. The number of users placing equity trades decreased 46% and the average notional volume traded per trader was down 24%.

Our daily average revenue trades for options decreased by 40% from 1.1 million to 0.7 million. The number of users placing option trades decreased 44% while the average number of contracts traded per trader was up 33%.

While cryptocurrencies revenue benefited from a higher rebate rate from crypto market makers effective in late December 2021, it was offset by lower trading volumes. Our daily average revenue trades for cryptocurrencies decreased by 76% from 1.4 million to 0.3 million. The number of users placing cryptocurrency trades decreased 61% and the average notional volume traded per trader was down 22%.

Net Interest Revenues

(in millions, except for percentages)	Three Months Ended March 31, 2021	2022	% Change
Net interest revenues:			
Margin interest	$ 28	$ 35	25 %
Securities lending	35	24	(31)%
Interest on segregated cash and securities	1	1	— %
Other interest revenue	1	1	— %
Interest expenses related to credit facilities	(3)	(6)	100 %
Total net interest revenues	$ 62	$ 55	(11)%
Net interest revenues as a % of total net revenues:			
Margin interest	5%	12%	
Securities lending	7%	8%	
Interest on segregated cash and securities	1%	—%	
Other interest revenue	—%	—%	
Interest expenses related to credit facilities	(1)%	(2)%	
Total net interest revenues	12%	18%	

Net interest revenues decreased by $7 million primarily due to lower interest revenues earned through securities lending activities and increased interest expense related to our revolving credit facilities, partially offset by higher interest revenue earned on margin borrowings.

Net interest revenues earned from securities lending transactions decreased $11 million mainly driven by lower demand in hard-to-borrow securities. Interest expense increased $3 million as a result of commitment and unused fees related to the April 2021 Credit Facility (see Note 8 to our unaudited condensed consolidated financial statements in this Quarterly Report for further information). These decreases were partially offset by higher interest revenue earned on margin borrowings of $7 million due to an increase in both the average per-user margin balance and the average number of margin borrowers. Average margin receivables outstanding increased from $4.9 billion due from 218 thousand average users to $5.9 billion due from 244 thousand average users. Robinhood users must be Robinhood Gold subscribers in order to enable margin borrowing in their accounts. The first $1,000 in margin borrowed by each user is not charged interest. In late March 2022, we increased our margin rates to 3% from 2.5%, and will increase the rate to 3.5% in May. We anticipate floating this rate along with the Federal Rate changes moving forward.

Other Revenues

(in millions, except for percentages)	Three Months Ended March 31, 2021	2022	% Change
Other revenues	$ 40	$ 26	(35)%
Other revenues as a % of total net revenues	7%	9%	

Other revenues decreased by $14 million which was substantially all due to a decrease relating to ACATS fees charged to users for facilitating the transfer of their account to another broker-dealer.

Operating Expenses

(in millions, except for percentages)	Three Months Ended March 31, 2021	2022	% Change
Operating expenses:			
Brokerage and transaction	$ 41	$ 31	(24)%
Technology and development	117	266	127 %
Operations	67	91	36 %
Marketing	102	34	(67)%
General and administrative	137	268	96 %
Total operating expenses	$ 464	$ 690	49 %
Percent of net revenues:			
Brokerage and transaction	8 %	10 %	
Technology and development	22 %	89 %	
Operations	13 %	30 %	
Marketing	20 %	11 %	
General and administrative	26 %	90 %	
Total operating expenses	89 %	230 %	

Brokerage and Transaction

(in millions)	Three Months Ended March 31, 2021	2022	$ Change
Broker-dealer transaction expenses	$ 16	$ 9	(44)%
Market data expenses	8	7	(13)%
Employee compensation, benefits, and overhead, excluding share-based compensation	3	5	67%
Cash management transaction expenses	2	2	—%
Share-based compensation	—	1	NM
Other	12	7	(42)%
Total	$ 41	$ 31	(24)%

Brokerage and transaction costs decreased by $10 million primarily due to decreases in broker-dealer transaction expenses of $4 million, driven by a decrease in market price fluctuations that impacted fractional shares transactions, and $2 million in regulatory fees, as well as a decrease in bank charges, included in other brokerage and transaction costs, of $5 million as a result of more favorable pricing from one of our banking counterparties. These decreases were partially offset by an increase in other employee compensation, benefits, and overhead of $2 million as our brokerage teams have grown to support the growth of our user base and platform and an increase in share-based compensation expense of $1 million as vesting conditions were met upon our IPO in 2021.

Technology and Development

(in millions)	Three Months Ended March 31, 2021	2022	% Change
Employee compensation, benefits, and overhead, excluding share-based compensation	$ 51	$ 102	100 %
Share-based compensation	1	82	NM
Cloud infrastructure services	54	56	4 %
Software and tools	10	21	110 %
Other	1	5	400 %
Total	$ 117	$ 266	127 %

Technology and development costs increased by $149 million primarily due to an increase in share-based compensation expense of $81 million as vesting conditions were met upon our IPO in 2021 and an increase in other employee compensation, benefits, and overhead of $51 million as our engineering, data science, and design teams have grown to support the growth of our user base and develop new products. Additionally, we experienced an increase of $11 million in costs for other software services utilized in delivering our products.

Operations

(in millions)	Three Months Ended March 31, 2021	2022	% Change
Employee compensation, benefits, and overhead, excluding share-based compensation	$ 22	$ 43	95%
Customer experience	16	30	88%
Provision for credit losses and fraud	18	11	(39)%
Share-based compensation	—	4	NM
Other	11	3	(73)%
Total	$ 67	$ 91	36%

Operations costs increased by $24 million primarily due to an increase in other employee compensation, benefits, and overhead for customer support and other operations employees of $21 million as we increased the number of our dedicated customer support professionals. Additionally, costs related to third-party customer support vendors increased $14 million as we continued to make investments to support our larger user base. These increases were partially offset by a decrease in other operations of $8 million and a decrease in provision for credit losses and fraud of $7 million primarily related to Fraudulent Deposit Transactions as the number of accounts making Fraudulent Deposit Transactions and loss incurred per account both decreased.

Marketing

(in millions)	Three Months Ended March 31, 2021	2022	% Change
Employee compensation, benefits, and overhead, excluding share-based compensation	$ 7	$ 11	57 %
Digital marketing	16	6	(63)%
Share-based compensation	—	5	NM
Marketing incentives	54	4	(93)%
Creative services	3	3	— %
Brand marketing	11	1	(91)%
Other	11	4	(64)%
Total	$ 102	$ 34	(67)%

Included in marketing incentives are costs associated with the Robinhood Referral Program, which are comprised of the fair value of awards earned in the current period, changes in estimate of unclaimed awards earned in the current and prior periods, fair value adjustments of shares held to support the program, and reversals related to awards that expire unclaimed. The fair value adjustments of shares held to support the program were immaterial for the periods presented. The following table summarizes the Robinhood Referral Program liability activity for the periods indicated:

(in millions)	March 31, 2021	2022
Beginning balance, January 1	$ 1	$ —
Fair value of current period awards	62	4
Changes in estimate of unclaimed awards for current and prior periods	(2)	—
Reversals related to unclaimed, expired awards	(2)	—
Claimed awards	(54)	(4)
Ending balance, March 31	$ 5	$ —

Marketing costs decreased by $68 million primarily due to a decrease in market incentives of $50 million, substantially all of which was due to lower costs associated with the Robinhood Referral Program. We have seen the growth of our user base in recent periods slow compared to the accelerated growth we experienced in the first half of 2021. For example, our new funded accounts decreased by 92% from 5.7 million as of March 31, 2021 to 0.5 million as of March 31, 2022.

Additionally, brand marketing and digital marketing decreased by $10 million each. During the first half of 2021, we invested significantly in marketing costs to raise brand awareness due to the growth of our business. As we established our brand, we switched to a more disciplined strategy in our marketing spending. These decreases were partially offset by an increase in share-based compensation expense of $5 million as vesting conditions were met upon our IPO in 2021 and an increase in other employee compensation, benefits, and overhead of $4 million as we previously increased our marketing personnel to support the growth of our business.

General and Administrative

(in millions)	Three Months Ended March 31, 2021	2022	% Change
Share-based compensation	$ 8	$ 128	NM
Employee compensation, benefits, and overhead, excluding share-based compensation	34	64	88 %
Legal expenses	30	27	(10)%
Other professional fees	12	16	33 %
Settlements and penalties	42	12	(71)%
Business insurance	2	11	450 %
Other	9	10	11 %
Total	$ 137	$ 268	96 %

General and administrative costs increased by $131 million primarily due to an increase in share-based compensation recognized of $120 million as vesting conditions were met upon our IPO in 2021, including $84 million related to executive compensation arrangements (see Note 9 to our unaudited condensed consolidated financial statements in this Quarterly Report for further information). Additionally, to support the growth of our business, other employee compensation, benefits, and overhead also increased by $30 million as we continued to increase our general and administrative personnel and business insurance increased by $9 million, which was primarily attributable to additional costs of being a public company. These increases were partially offset by a decrease of $30 million in costs associated with legal settlements. Refer to Note 13 of our unaudited condensed consolidated financial statements in this Quarterly Report for further information.

Change in Fair Value of Convertible Notes and Warrant Liability

(in millions)	Three Months Ended March 31, 2021	2022	$ Change
Change in fair value of convertible notes and warrant liability	$ 1,492	$ —	$ (1,492)

Change in fair value of convertible notes and warrant liability was due to the mark-to-market adjustment of the convertible notes and warrants we issued in February 2021. Upon completion of our IPO, the aggregate outstanding principal and accrued interest of the convertible notes converted into Class A common stock and the warrants became equity-classified, which resulted in the warrant liability being reclassified to additional paid-in capital. There will be no additional mark-to-market adjustments related to the convertible notes or warrant liability. See Note 8 to our unaudited condensed consolidated financial statements in this Quarterly Report for further information.

Provision for (Benefit from) Income Taxes

(in millions)	Three Months Ended March 31, 2021	2022	$ Change
Provision for income taxes	$ 12	$ 1	$ (11)

Provision for income taxes decreased by $11 million primarily due to the increase in total operating expenses, and offset by the change in valuation allowance on our remaining U.S. federal and state deferred tax assets and by our current state taxes payable for the three months ended March 31, 2022.

Liquidity and Capital Resources

Source and Uses of Funds

We expect to use our available cash, cash equivalents, and investments, including potential future borrowings under our revolving lines of credit and potential issuance of new debt or equity, to support and invest in our core business, including investing in new ways to serve our customers, potentially seeking strategic acquisitions to leverage existing capabilities and further build our business, and for general capital needs (including capital requirements imposed by regulators and SROs and cash deposit and collateral requirements under the rules of the Depository Trust Company ("DTC"), NSCC, and the Options Clearing Corporation ("OCC")). Based on our current level of operations, we believe our available cash, available lines of credit, and cash provided by operations will be adequate to meet our liquidity needs for the next 12 months.

Cash, Cash Equivalents, and Investments

Our cash, cash equivalents, and investments were $6.3 billion and $6.2 billion as of December 31, 2021 and March 31, 2022. Our investment portfolio comprises highly liquid available-for-sale securities, including asset-backed securities, commercial paper, corporate bonds, and government bonds.

Revolving Lines of Credit

As of March 31, 2022, we had a total of $2.81 billion in committed revolving lines of credit. See Note 8 to our unaudited condensed consolidated financial statements in this Quarterly Report for further information.

The following table summarizes our short- and long-term material cash requirements as of March 31, 2022:

	Payments Due by Period				
(in millions)	Total	Remainder of 2022	2023-2024	2025-2026	Thereafter
Operating lease commitments	$ 262	$ 26	$ 71	$ 59	$ 106
Non-cancelable purchase commitments[(1)]	1,208	235	517	455	1
Total	$ 1,470	$ 261	$ 588	$ 514	$ 107

(1) Non-cancelable purchase commitments are determined based on the non-cancelable quantities or termination amounts to which we are contractually obligated. They are primarily commitments for cloud infrastructure and data services, business insurance and tenant improvements.

In addition to lease and purchase commitments, we have two committed financing agreements: one with a contractual term of 30 days and a daily minimum commitment of $25 million and another with a contractual term of 21 days with a daily minimum commitment of $35 million.

Cash Flows

The following table summarizes our cash flow activities:

(in millions)	Three Months Ended March 31, 2021	2022
Cash provided by (used in):		
Operating activities	$ (1,882)	$ 437
Investing activities	(11)	(34)
Financing activities	3,558	—

Cash provided by and used in operating activities consisted of net loss adjusted for certain non-cash items including change in fair value of convertible notes and warrant liability, share-based compensation expense, depreciation and amortization, provision for credit losses, as well as the effect of changes in operating assets and liabilities. Net operating assets and liabilities at any specific point in time are subject to many variables, including variability in user activity, the timing of cash receipts and payments, and vendor payment terms.

For the three months ended March 31, 2022, cash provided by operating activities was $437 million, primarily due to a net loss of $392 million, adjusted for the add back of non-cash expenses of $240 million, consisting primarily of share-based compensation expense of $220 million, depreciation and amortization of $12 million, and provision for credit losses of $8 million. Additionally, there was a cash inflow due to changes in operating assets and liabilities of $589 million, primarily due to a decrease in receivables from users, net, of $1.4 billion, driven by an decrease in margin borrowing from users and an increase in payables to users of $673 million driven by an increase in customer cash held in line with the increase in net deposits, offset by a decrease of $1.5 billion in collateral held for securities loaned.

For the three months ended March 31, 2021, cash used in operating activities was $1.9 billion, partially due to a net loss of $1.4 billion, adjusted for the add back of non-cash expenses of $1.5 billion consisting primarily of changes in fair value of convertible notes and warrant liability of $1.5 billion, provision for credit losses of $16 million, share-based compensation expense of $9 million, and depreciation and amortization of $4 million. Additionally, the cash generated from operating activities decreased due to a net outflow from changes in operating assets and liabilities of $2.0 billion, primarily due to an increase in receivables from users, net of $2.0 billion driven by an increase in margin receivables due to the growth in our user base and a decrease in our margin interest rate.

For the three months ended March 31, 2022, cash used in investing activities was $34 million, which primarily consisted of $14 million used for the purchase of investments, $13 million in purchases of property, software, and equipment and $8 million in capitalization of internally developed software. For the three months ended March 31, 2021 cash used in investing activities was $11 million, which primarily consisted of $9 million in purchases of property, software and equipment and $2 million in capitalization of internally developed software.

For the three months ended March 31, 2021, cash provided by financing activities was $3.6 billion, which primarily consisted of the proceeds from issuance of redeemable convertible preferred stock, net of issuance costs of $3.6 billion.

Regulatory Capital Requirements

Our broker-dealer subsidiaries (RHF and RHS) are subject to the SEC Uniform Net Capital Rule, administered by the SEC and 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 the SEC Uniform Net Capital Rule.

The tables below summarize the net capital, capital requirements and excess net capital of RHS and RHF as of periods presented:

	March 31, 2022		
(in millions)	Net Capital	Required Net Capital	Net Capital in Excess of Required Net Capital
RHS	$ 2,851	$ 107	$ 2,744
RHF	$ 142	$ 0.25	$ 142

As of March 31, 2022, our broker-dealer subsidiaries were in compliance with their respective regulatory capital requirements.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of these unaudited condensed 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 on our unaudited condensed 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.

There have been no material changes to our critical accounting policies and estimates during the three months ended March 31, 2022, as compared to those disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates” in our 2021 Form 10-K.

Recent Accounting Pronouncements

See Item 1 of Part I, “Unaudited Financial Statements — Note 2 — Recent Accounting Pronouncements.”

ITEM 3. 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

Our exposure to changes in interest rates relates to interest earned on our cash and cash equivalents, cash and securities segregated under federal and other regulations, deposits with clearing organizations, restricted cash, investments in debt securities and margin loans. We use a net interest

sensitivity analysis to evaluate the effect that changes in interest rates might have on total net revenues. The results of the analysis based on our financial position as of March 31, 2022, indicate that a hypothetical 100 basis point increase or decrease in interest rates would have had a positively correlated impact of approximately 13% on total net revenues.

We also have exposure to change in interest rates related to our variable-rate credit facilities. See Note 8 to our unaudited condensed consolidated financial statements in this Quarterly Report for further information. However, as there were no outstanding borrowings under our credit facilities as of March 31, 2022, we had limited financial exposure associated with changes in interest rates as of such date.

Our measurement of interest rate risk involves assumptions that are inherently uncertain and, as a result, our analysis might not precisely estimate the actual 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, by 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.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

See Item 1 of Part I, “Unaudited Financial Statements— Note 13—Commitments and Contingencies—Contingencies.”

ITEM 1A. RISK FACTORS

A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, as well as the other information included in this Quarterly Report, including our unaudited condensed consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." 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 Class A 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 might also adversely affect our business. Some statements in this Quarterly Report, including statements in the following risk factors, constitute forward-looking statements. Please refer to "Cautionary Note Regarding Forward-Looking Statements."

Summary of Risk Factors

Our business is subject to a number of risks and uncertainties including those described at length in the Risk Factors section below. We consider the following to be our most material risks:

- 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 Class A common stock.
- We have grown rapidly in recent years and we have limited operating experience at our current scale. If we are unable to manage our growth effectively, including our April 2022 workforce reduction, our financial performance might suffer and our brand and company culture could be harmed.
- We might not continue to grow in line with historical rates.
- Our results of operations and other operating metrics fluctuate from quarter to quarter, which makes these metrics difficult to predict.
- We have incurred operating losses in the past and might not be profitable in the future.
- Because a majority of our revenue is transaction-based (including PFOF), factors that affect transaction-based revenue — such as reduced spreads in securities pricing, reduced levels of trading activity generally, changes in our business relationships with market makers, and any new regulation of, or any bans on, PFOF and similar practices — might result in reduced profitability, increased compliance costs, and negative publicity.
- As registered broker-dealers, we are subject to "best execution" requirements under SEC guidelines and FINRA rules. We could be penalized if we fail to comply with these requirements and these requirements might be modified in the future in a way that could harm our business.
- We might need additional capital to provide liquidity and support business growth and objectives, and this capital might not be available to us on reasonable terms, if at all, might result in stockholder dilution, or might be delayed or prohibited by applicable regulations.
- Unfavorable media coverage and other events that harm our brand and reputation could adversely affect our revenue and the size, engagement, and loyalty of our customer base.
- Our business 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 senior management and other highly skilled personnel.
- 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 materially adverse manner.
- We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could expose us to significant liability and reputational harm.
- We operate in highly competitive markets, and many of our competitors have greater resources than we do and may have products and services that are 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 revenue will decline.
- If we fail to provide and monetize new and innovative products and services that are adopted by customers, our business may become less competitive and our revenue might decline.
- Our products and services rely on software and systems that are highly technical and have been, and may in the future be, subject to interruption and instability due to software errors, design defects, and other operational and technological failures, whether internal or external.
- We rely on third parties to perform some 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.
- If we do not maintain the net capital levels required by regulators, our broker-dealer business may be restricted and we may be fined or subject to other disciplinary or corrective actions.
- Our compliance and risk management policies and procedures as a regulated financial services company might not be fully effective in identifying or mitigating compliance and risk exposure in all market environments or against all types of risk.
- 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 our business, financial condition and results of operations.
- Our support for Crypto Wallet transfers, spending accounts, and debit card services increases the risk that our platform could be exploited to facilitate illegal payments, potentially resulting in enforcement actions, fines, and civil liability.
- Substantial future issuances and sales of shares of our Class A common stock in the public market could result in significant dilution to our stockholders and cause the trading price of our Class A common stock to fall.
- The multi-class structure of our common stock has the effect of concentrating voting power with our founders, which limits your ability to influence the outcome of matters submitted to our

stockholders for approval. In addition, the Founder Voting Agreement and any future issuances of our Class C common stock could prolong the duration of our founders' voting control.

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 Class A 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. 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 extended 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 we might not 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 challenges associated with achieving market acceptance of our products and services, attracting and retaining customers, and complying with laws and regulations (particularly those that are subject to evolving interpretations and application), as well as increased competition and the complexities of managing expenses as we expand our business. We might fail to adequately address these and other challenges we may face, and our business will be adversely affected if we do not manage these risks successfully. In addition, we might 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. If we are unable to manage our growth effectively, including our April 2022 workforce reduction, our financial performance might suffer and our brand and company culture could be harmed.

We have expanded our operations rapidly and have limited operating experience at our current size and scale. Between December 31, 2019 and December 31, 2021, our employee headcount increased from approximately 700 to approximately 3,800, and as of March 31, 2022, we had approximately 3,900 employees. In April 2022, we announced a reduction in force involving approximately 330 employees, representing approximately 9% of our full-time employees. The reduction in force is part of our efforts to improve efficiency and operating costs, increase our velocity, and ensure that we are responsive to the changing needs of our customers. We also scaled back hiring plans for the remainder of 2022 and we expect headcount at year-end 2022 to be roughly flat compared with the end of 2021, as we continue to grow our workforce at a reduced rate.

We face a risk that continued business 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 employee base.

Our business growth strategy contemplates significant expenditures for marketing, acquisitions, expansion into new countries and markets, enhancements to our current offerings and development of new products and services, and these efforts might not be successful. 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, particularly as our customer base grows and we experience any corresponding surges in trading volume, or any interruption in the third-party services or deterioration in the quality of their service or performance, could result in unanticipated system disruptions, partial or full platform outages or other performance problems which have in the past and might in the future result in degraded service, costly litigation, regulatory and U.S. Congressional inquiries, examinations and investigations,

customer dissatisfaction, arbitration and complaints and reputational harm and might have an adverse effect on our business. For example, we experienced (i) the March 2020 Outages and (ii) partial service outages and degraded service on our cryptocurrency platform from time to time in mid-April and early May 2021 caused by a surging demand for cryptocurrency trading (the "April-May 2021 Disruptions"). In addition, our customer service team has historically experienced, from time to time, and continues to experience backlogs responding to customer support requests, including in connection with the April-May 2021 Disruptions, and reviewing new account applications, due to significant spikes in volumes. 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 might experience erosion to our brand, the quality of our products and services might suffer, we might 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 might be harmed. We might also experience difficulties in providing adequate customer support to our customer base. Failure to improve, maintain or increase customer support now or in the future could 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 might 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 results and to predict the risks and challenges we might encounter.

We might not continue to grow in line with historical rates.

We have grown rapidly over the last few years. In particular, since March 2020, we have experienced a significant increase in revenue, MAU, AUC, and Net Cumulative Funded Accounts. For example, for full years 2019, 2020, and 2021, our revenue was $278 million, $959 million, and $1,815 million, respectively, representing annual growth of 245% in 2020 and 89% in 2021. Similarly, at year-end 2019, 2020, and 2021 we had Net Cumulative Funded Accounts of 5.1 million, 12.5 million, and 22.7 million, respectively, representing annual growth of 143% in 2020 and 81% in 2021.

The circumstances that accelerated the growth of our business might not continue in the future, and we expect our growth rates in revenue, MAU, AUC, and Net Cumulative Funded Accounts to decline in future periods, and such declines could be significant. It is also possible that revenue, MAU, AUC, and Net Cumulative Funded Accounts might fail to grow at all, and might decline. For example, during the first half of 2021 we experienced high trading volume and account sign-ups as well as high market volatility, particularly in certain market sectors, but those growth factors were largely absent during the second half of 2021. Sequentially from the first half of 2021 compared to the second half of 2021, revenue declined by 33% and Net Cumulative Funded Accounts remained roughly flat. 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. Our historical annual revenue growth rates are likely to decline in future periods as the size of our business grows and as we achieve higher market adoption rates. We might be negatively impacted as the pandemic wanes and customers spend less time at home. We might also experience declines in our revenue growth rate (or negative growth) as a result of a number of other factors, including slowing demand for our platform, insufficient growth in the number of customers that utilize our platform, macroeconomic factors, increasing competition, a decrease in the growth of our overall market, or our failure to continue to capitalize on growth opportunities, including as a result of our inability to scale to meet such growth and economic conditions that could reduce financial activity and the maturation of our business, among others. Any failure to successfully address these risks and challenges as we encounter them, will negatively affect our growth. If our revenue growth rate declines, investors' perceptions of our business and the trading price of our Class A common stock could be adversely affected.

Our results of operations and other operating metrics 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, interest in investing, and fluctuations in trading levels generally, each of which is outside our control and will continue to be outside of our control. As a result, period-to-period comparisons of our results of operations might 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, including the occurrence of any of the risks described elsewhere in this Risk Factors section, many of which we are unable to predict or are outside of our control. Factors contributing to quarterly fluctuations could include, among others:

- our ability to retain and engage existing customers and attract new customers;
- 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;
- volatility in the market generally or the occurrence of so-called “meme” trading in equities, options, or cryptocurrencies, which can cause our trading volumes to fluctuate;
- the occurrence of so-called “meme” trading in equities, options, or cryptocurrencies;
- increases in marketing, sales, compensation (for example, due to increased headcount), cloud infrastructure, and other operating expenses that we might incur to grow and expand our operations and to remain competitive;
- the timing and amount of non-cash expenses, such as share-based compensation and asset impairment;
- the success of our expansion into new markets;
- trading volume and the prevailing trading prices for cryptocurrencies, which can be highly volatile;
- changes in the public’s perception, adoption, and use of cryptocurrencies and other asset classes;
- any inability of customers to place trades, due to system disruptions, outages, or trading restrictions;
- any events that damage customer confidence in Robinhood, such as breaches of security or privacy;
- the impacts of the ongoing COVID-19 pandemic, unemployment, and inflation; and
- 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 might significantly affect the effective tax rate of that period.

Any of the factors above or listed elsewhere in this Risk Factors section, or the cumulative effect of some of those factors, could result in significant fluctuations in our results of operations.

We have incurred operating losses in the past and might not be profitable in the future.

We incurred operating losses each year from our inception in 2013 through 2019, including net losses of $6 million, $58 million, and $107 million for years 2017, 2018, and 2019, respectively. Although we generated positive net income for 2020, we returned to a net loss position for 2021. Our operating expenses increased substantially in 2021 and we expect them to continue to increase in the future as we continue to invest in research and development and in our sales and marketing efforts, further develop our products and services, and expand into new geographies. These efforts and additional expenses

might be more costly than we expect, and we might not be able to increase our revenue by an amount sufficient to offset our increased operating expenses or to become profitable again. If we are unable to generate adequate revenue to offset our operating expenses, we will continue to incur operating losses, which could be significant, and we might not be able to achieve profitability in the future.

Because a majority of our revenue is transaction-based (including PFOF), factors that affect transaction-based revenue—such as reduced spreads in securities pricing, reduced levels of trading activity generally, changes in our business relationships with market makers, and any new regulation of, or any bans on, PFOF and similar practices—might result in reduced profitability, increased compliance costs, and negative publicity.

A majority of our revenue is transaction-based, in that we receive consideration in exchange for routing our users' equity, option, and cryptocurrency trade orders to market makers for execution. With respect to equities and options trading, such fees are known as payment for order flow, or "PFOF." With respect to cryptocurrency trading, we receive "Transaction Rebates." Our transaction-based revenue is sensitive to and dependent on trading volumes and therefore tends to decline during periods in which we experience decreased levels of trading generally. Computer-generated buy/sell programs and other technological advances and regulatory changes in the marketplace might continue to tighten spreads on transactions, which could also lead to a decrease in our PFOF earned from market makers. In addition, the regulatory landscape involving cryptocurrencies is subject to change and is experiencing rapid evolution, and future regulatory actions or policies could reduce demand for cryptocurrency trading and might materially decrease our revenue derived from Transaction Rebates in absolute terms and as a proportion of our total revenues.

Risks Related to our Business Relationships with Market Makers

Our PFOF and Transaction Rebate arrangements with market makers are a matter of practice and business understanding and not documented under binding contracts. If any of these market makers were unwilling to continue to receive orders from us or to pay us for those orders (including, for example, as a result of unusually high volatility), we might have little to no recourse and, if there are no other market makers that are willing to receive such orders from us or to pay us for such orders, or if we are unable to find replacement market makers in a timely manner, our transaction-based revenue would be negatively impacted. This risk is particularly heightened for cryptocurrencies because fewer market makers are currently able to execute cryptocurrency trades. Furthermore, if market makers decide to alter our fee structure, our transaction-based revenue could significantly decrease.

Risks Related to Regulation of PFOF

PFOF practices have drawn heightened scrutiny from the U.S. Congress, the SEC, state regulators, 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 additional detail regarding terms of PFOF arrangements and profit-sharing relationships that may influence a broker-dealer's routing decision, including information about average rebates the broker received from, and fees the broker paid to, market makers. As previously disclosed, in December 2020, we settled an SEC investigation into our best execution and PFOF practices and are defending putative class actions in federal district courts relating to the same factual allegations. 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 above). We also face a risk that the SEC, other regulatory authorities, or legislative bodies might 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, a bill to direct the SEC to study and consider banning or limiting PFOF in the form of exchange rebates or payments from market centers to broker dealers, conflicts of interest based on PFOF arrangements, and the impact of PFOF on

the quality of order execution passed out of the House Financial Services Committee in July 2021. In an August 2021 interview, Gary Gensler, Chair of the SEC, commented that a full ban of PFOF was “on the table.” Any new or heightened PFOF regulation could result in increased compliance costs and otherwise materially decrease our transaction-based revenue, might also make it more difficult for us to expand our platform in certain jurisdictions, and could require us to make significant changes to our revenue model, which changes might not be successful. Because some 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 outsized impact on our results of operations. Furthermore, depending on the nature of any new requirements, heightened regulation could also increase our risk of potential regulatory violations and civil litigation, which could result in fines or other penalties, as well as negative publicity.

Risks Related to Negative Publicity Associated with PFOF or our Market Makers

Additionally, any negative publicity surrounding PFOF or Transaction Rebate practices generally, or our implementation of these practices, could harm our brand and reputation. For example, as a result of the Early 2021 Trading Restrictions, we faced allegations that our decision to temporarily prevent our customers from purchasing specified securities was influenced by our relationship with certain market makers. Furthermore, as registered broker-dealers, market makers must comply with rules and regulations that are generally intended to prohibit them from taking advantage of information they obtain while executing orders (e.g., through the prohibition on “front running”). Market makers also have a duty to seek "best execution" of customers’ equity and option orders we send to them. If the market makers we use to execute our customer’s equity and option trades were to violate such rules and regulations and use this data for their own benefit in violation of applicable rules and regulations, it could result in negative publicity for us by association. Developments in any proposals related to the regulation of PFOF might themselves generate negative publicity associated with PFOF.

Additionally, if our customers or potential customers believe that they might get better execution quality (including better price improvement) directly from stock exchanges or from our competitors that have different execution arrangements, or if our customers perceive our PFOF practices to create a conflict of interest between us and them, or if they begin to disfavor the specific market markers with which we do business due to any negative media attention, they might come to have an adverse view of our business model and might decide to limit or cease the use of our platform. Some customers might prefer to invest through our competitors that do not engage in PFOF or Transaction Rebate practices or engage in them differently than do we. Any such loss of customer engagement as a result of any negative publicity associated with PFOF or Transaction Rebate practices could adversely affect our business, financial condition, and results of operations.

As registered broker-dealers, we are subject to “best execution” requirements under SEC guidelines and FINRA rules. We could be penalized if we fail to comply with these requirements and these requirements might be modified in the future in a way that could harm our business.

As registered broker-dealers, we are subject to “best execution” requirements under SEC guidelines and FINRA rules, which requires us to obtain the best reasonably available terms for customer orders, as described in Part I, Item 1 “Business” of our 2021 Form 10-K. As previously disclosed, in December 2019 and 2020, we settled an SEC investigation and FINRA disciplinary action, respectively, that related to our best execution practices. We face a risk of additional investigations or penalties in the future related to our best execution practices.

We also might be adversely affected in the future by regulatory changes related to our obligations with regard to best execution. In particular, PFOF practices and best execution requirements have drawn heightened scrutiny from the U.S. Congress, the SEC, and other regulatory and legislative authorities, who have at times alleged that PFOF arrangements, like those we have with our market makers, can result in harm to customer execution quality. In his September 2021 testimony before the U.S. Senate Committee on Banking, Housing and Urban Affairs, Gary Gensler, Chair of the SEC, described a number

of on-going projects he had instructed SEC staff to pursue related to market structure, including review of PFOF, best execution in the context of the National Best Bid and Offer system, and cryptocurrency asset markets and trading platforms. Chair Gensler made similar comments in his October 2021 testimony before the U.S. House Committee on Financial Services, including noting that the National Best Bid and Offer system might benefit from modernization and might no longer necessarily be an appropriate baseline from which to measure price improvement in the context of assessing best execution (together with his September 2021 testimony, the "Gensler Market Structure Testimony"). There is a risk that these bodies might adopt additional regulation relating to PFOF practices and best execution requirements as a result of such heightened scrutiny or otherwise. Any such regulation could have a material adverse impact on our business and our primary source of revenue.

We might need additional capital to provide liquidity and support business growth and objectives, and this capital might not be available to us on reasonable terms, if at all, might result in stockholder dilution, or might 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. The SEC, FINRA, and various state regulators also have stringent rules with respect to the maintenance of specific levels of net capital by securities broker-dealers. 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, and fluctuations in customer cash or deposit balances, as well as market conditions or changes in regulatory treatment of customer deposits, could affect our ability to meet our liquidity needs.

In addition, our clearing and carrying broker-dealer is subject to cash deposit and collateral requirements under the rules of the clearinghouses in which it participates (including the DTC,NSCC, and the OCC), which requirements fluctuate significantly from time to time based upon the nature and volume of customers' trading activity and volatility in the market or individual securities. If we fail to meet any such deposit requirements, our ability to settle trades through the clearinghouse may be suspended or we might 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 our clearing and carrying broker-dealer by NSCC in response to unprecedented market volatility, particularly in certain securities, we implemented the Early 2021 Trading Restrictions. This resulted in negative media attention, customer dissatisfaction, reputational harm, litigation, and regulatory and U.S. Congressional inquiries and investigations, as well as capital raising by us in order to lift the trading restrictions while remaining in compliance with our net capital and deposit requirements. We face a risk that similar events could occur in the future and, if we are unable to satisfy our deposit requirements, the clearinghouse may cease to act for us and may liquidate our unsettled clearing portfolio.

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 Self-Regulatory Organizations ("SROs") or state regulators, and could ultimately lead to the liquidation of our broker-dealers or other regulated entities. Factors which might 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.

We might also need 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, acquire and invest in complementary businesses and technologies, and to fund payments on our obligations at the parent company level, such as any debt obligations we might incur. To meet liquidity needs at the parent level, we might need to rely on dividends, distributions and other payments from our subsidiaries. Regulatory and other legal restrictions might limit our ability to transfer funds to or from some subsidiaries. For example, under FINRA rules applicable to RHS, a dividend of over 10% of a member firm's excess net capital must not be paid without FINRA's prior written approval.

When available cash is not sufficient, we might seek to engage in equity or debt financings to secure additional funds. However, such additional funding might not 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 we issue equity or convertible debt securities, our stockholders could suffer significant dilution, and the new shares could have rights, preferences and privileges superior to those of our current stockholders. Any debt financing could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which might make it more difficult for us to obtain additional capital and to pursue future business opportunities.

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 we will remain an ineligible issuer until December 17, 2023. As long as we are an ineligible issuer, we will generally be prevented from using free writing prospectuses and recorded roadshows in securities offerings, and we will not qualify as a "well-known seasoned issuer" ("WKSI") (which status we would otherwise likely achieve by August 2022). We will therefore be unable to take advantage of benefits associated with WKSI status, such as the ability to file universal shelf registration statements on Form S-3 that are automatically effective. These restrictions could impair our ability to raise additional capital quickly in response to changing requirements and market conditions.

Unfavorable media coverage and other events that harm our brand and reputation could adversely affect our revenue and the size, engagement, and loyalty of our customer base.

Our brand and our reputation are two of our most important assets. Our ability to attract, build trust with, engage, and retain existing and new customers might be adversely affected by events that harm our brand and reputation, such as public complaints and unfavorable media coverage about us, our platform, and our customers, even if factually incorrect or based on isolated incidents.

We receive a high volume of media coverage, which has increased as our company has grown and has included, and might continue to include, negative 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 March 2020 Outages and the April-May 2021 Disruptions, 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.

Damage to our brand and reputation could also be caused by:

- cybersecurity attacks, privacy or data security breaches, or other security incidents, payment disruptions or other incidents that impact the reliability of our platform;

- 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 as well as complaints or negative publicity about such individuals;
- our workforce reduction in April 2022 or any similar such reductions or activities in the future;
- any repeat imposition of temporary trading restrictions (similar to our Early 2021 Trading Restrictions), or any outright failure to meet our deposit requirements;
- litigation involving, or regulatory actions or investigations into, our platform or our business;
- any failures to comply with legal, tax and regulatory requirements;
- any perceived or actual weakness in our financial strength or liquidity;
- 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. For example, prior to October 2021, we did not offer general customer support by telephone for all use cases;
- negative responses by customers or regulators to our business model or to particular features or services;
- a failure to adapt to new or changing customer preferences;
- a prolonged weakness in popular equities or cryptocurrencies specifically or in U.S. equity and cryptocurrency markets generally, or a sustained downturn in the U.S. economy; 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 could negatively impact the willingness of our existing customers, and potential new customers, to do business with us, which could adversely affect our trading volumes and number of funded accounts, as well as our ability to recruit and retain personnel, any of which could have an adverse effect on our business, financial condition, and results of operations, as well as the trading price of our Class A common stock.

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

As we are 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 including unemployment rates, inflation and tax rates, financial market volatility (such as we experienced during the COVID-19 pandemic), significant increases in the volatility or trading volume of particular securities or cryptocurrencies (such as we experienced during the meme stock events of early 2021 and the Dogecoin surge of mid-2021), broad trends in business and finance, changes in volume of securities or cryptocurrencies 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 could remain uncertain indefinitely. A prolonged market weakness, such as a slowdown causing reduced trading volume in securities, derivatives, or cryptocurrency markets, could result in reduced revenues and adversely affect our business, financial condition, and results of operations. Significant downturns in such markets or in general economic and political conditions could 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 such markets or conditions might 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 results.

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

Following the March 2020 onset of the COVID-19 pandemic, we saw substantial growth in our user base, retention, engagement, and trading activity metrics, and over the course of the pandemic we saw 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, coupled with low interest rates and a positive market environment, especially in the U.S. equity and cryptocurrency markets, helped foster an environment that encouraged an unprecedented number of first-time retail investors to become our users and begin trading on our platform.

However, we have seen the growth of our user base in recent periods slow compared to the accelerated growth we experienced in 2020 and the first half of 2021. For example, the pace of growth in new funded accounts slowed considerably in the second half of 2021 compared to the first half of 2021. Additionally, to the extent that government stimulus measures enacted in response to the pandemic contributed to an increase in customer engagement, that benefit might not have continued as those stimulus measures have expired. For example, we saw MAU decline from 21.3 million in June 2021 to 17.3 million in December 2021. Further, if the financial markets experience a downturn, we might have difficulty retaining customers, particularly any first-time retail investors, who might elect not to continue to invest in the financial markets by trading on our platform or at all due to any number of factors: 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 or the financial markets experience reduced volatility or decline, our trading volumes and transaction-based revenues could decline.

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 and delays in our business, operational challenges, additional costs related to business continuity initiatives as our workforce continues to work remotely, and increased vulnerability to cybersecurity attacks or other privacy or data security incidents. The extent of the continuing 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, our ability to adapt to the long-term distributed Remote First workforce model we have adopted, 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 difficult to predict. The future of remote work and our physical office build-out strategy have been challenged by the COVID-19 pandemic, which might adversely affect successful cross-functional collaboration, product development velocity, and our company culture. In particular, our new Remote First workforce model increases risk of culture drift and could lead to lower operational effectiveness. As vaccination rates among the population have increased, we have opened our corporate offices to provide all employees with the option of voluntarily returning to an office. The timing of any full return for those employees who will eventually be required to come into the office has not been determined and will be impacted by developments related to the pandemic, such as the severity and transmission rate of the virus and its variants. Even after the COVID-19 outbreak has subsided, we might 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 might 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.

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

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 CEO, Vladimir Tenev, and our Co-Founder and Chief Creative Officer, Baiju Bhatt, have been critical to the development and execution 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 our senior management team, which provides leadership, contributes to the core areas of our business, and helps us to efficiently execute our business. Although we have entered into employment offer letters with some of our key personnel, these agreements have no specific duration and are terminable by either party at-will. We do not maintain key person life insurance policies on any of our employees.

We also might not be successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. In particular, there is particularly high competition in the San Francisco Bay Area for software engineers, computer scientists, and other technical personnel. In the fourth quarter of 2021, we experienced higher rates of employee attrition as well as recruiting challenges in the post-IPO context. We might continue to experience difficulty in hiring and retaining highly skilled employees with appropriate qualifications.

We believe that a critical component of our efforts to attract and retain employees has been our corporate culture. We have invested substantial time and resources in building our team. As we continue to grow our business and expand internationally, we will face new challenges to maintain our corporate culture among more geographically dispersed employees. Failure to preserve our company culture could harm our ability to retain and recruit personnel. Our transition to having a more dispersed, remote-working employee base might exacerbate these challenges. In addition, our April 2022 workforce reduction might adversely affect our reputation and brand as well as our ability to recruit, retain, and motivate highly skilled personnel.

If we are unable to attract, integrate, or retain our key employees and qualified and highly skilled personnel, our ability to effectively focus on and pursue our corporate objectives will decline, and our business and future growth prospects could be harmed.

Future acquisitions of, or investments in, 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 might make acquisitions of, or investments in, specialized employees or other compatible companies, products, or technologies. We also might 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 might be subject to third-party approvals, such as governmental and other regulatory approvals, which are beyond our control. For example, in April 2022 we signed a definitive agreement to acquire Ziglu Limited, a U.K.-based electronic money institution and cryptoasset firm, subject to regulatory approvals and other customary closing conditions. Ziglu enables its U.K.-based customers to buy and sell eleven cryptocurrencies, earn yield via its ‘Boost’ products, pay using a debit card, and move and spend money, even abroad, without fees. We expect its team and technology will help us accelerate our international expansion, both in the U.K. and across Europe, however, our ability to close this transaction is subject to receipt of required regulatory approvals,

Further, we might not be able to find suitable acquisition or investment candidates and we might not be able to complete acquisitions on favorable terms, if at all. Moreover, these kinds of acquisitions or investments can 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 might not be able to integrate the acquired personnel, operations, and technologies successfully, or effectively manage the combined business following the acquisition. Moreover, the anticipated benefits of any acquisition or investment might not be realized and we might be exposed to unknown liabilities.

In connection with these types of transactions, we might issue additional equity securities that would dilute our stockholders, use cash that we might 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.

We intend to expand into international markets, which will expose us to significant new risks, and our international expansion efforts might not succeed.

We currently do not offer services to the public outside the United States. However, we currently have corporate subsidiaries, offices, and some employees or contractors, in each of the U.K. and the Netherlands (and, in the case of the U.K., our U.K. subsidiary Robinhood U.K. Ltd is authorized and regulated by the U.K. Financial Conduct Authority). We also expect that our pending acquisition of Ziglu, which is subject to receipt of required regulatory approvals, if completed, will help us accelerate our international expansion, both in the U.K. and across Europe.

We intend to expand our operations to other countries outside of the United States, including and beyond the pending U.K. acquisition described above. International expansion will require significant resources and management attention and will subject us to regulatory, economic, operational, and political risks in addition to those we already face in the United States. There are significant risks and costs inherent in establishing and doing business in international markets, including:

- difficulty establishing and managing international entities, offices, and/or operations and the increased operations, travel, infrastructure, and legal and compliance costs associated with operations, entities, and/or people in different countries or regions;
- the need to understand, interpret and comply with local laws, regulations and customs in multiple jurisdictions, including laws and regulations governing cryptocurrency-related, broker-dealer or regulated entity practices, some of which might require permissions, registrations, authorizations, licenses or consents, or might be different from, or conflict with, those of other jurisdictions or foreign cybersecurity, data privacy or labor and employment laws;
- the additional complexities of any merger or acquisition activity internationally, which would be new for us and could subject us to additional regulatory scrutiny or approvals;
- the need to adapt, localize, and position our products for specific countries (also known as “product-market fit”);
- increased competition from local providers of similar products and services;
- challenges of obtaining, maintaining, protecting, defending and enforcing intellectual property rights abroad, including the challenge of extending or obtaining third-party intellectual property rights to use various technologies in new countries;
- the need to offer customer support and other aspects of our offering (including websites, articles, blog posts, and customer support documentation) in various languages or locations;
- compliance with anti-bribery laws, such as the Foreign Corrupt Practices Act (the “FCPA”) and equivalent anti-money laundering rules and requirements, and with anti-bribery and anti-corruption requirements in local markets, by us, our employees, and our business partners;

- the need to recruit and manage staff in new countries and regions to support international operations, and comply with employment law, payroll, and benefits requirements in multiple countries;
- the need to enter into new business partnerships with third-party service providers in order to provide products and services in the local market, or to meet 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 change or unrest or economic instability in a specific country or region in which we operate.

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

We are exposed to funding transaction losses due to reversals or insufficient funds.

Some of our products and services are paid for by electronic transfer from customers' bank accounts which exposes us to risks associated with reversals and insufficient funds. Unwinding of funds transfers due to reversals, and insufficient funds could arise from fraud, misuse, unintentional use, settlement delay, or other activities. Also, criminals are using increasingly sophisticated methods to engage in illegal activities, such as counterfeiting and fraud. If we are unable to collect and retain such amounts from the customer, or if the customer refuses or is unable, due to bankruptcy or other reasons, to reimburse us, we bear the loss for the amount of the chargeback, refund, or return.

While we have policies and procedures to manage and mitigate these risks, we cannot be certain that such processes will be effective. Our failure to limit returns, including as a result of fraudulent transactions, could lead payment networks or our banking partners to require us to increase reserves, impose penalties on us, charge additional or higher fees, or terminate their relationships with us.

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.

We are subject to a wide variety of local, state, federal, and international laws, regulations, licensing schemes, and industry standards in the United States and in other countries in which we operate. These laws, regulations, and standards govern numerous areas that are important to our business, and include, or might in the future include, those relating to all aspects of the securities industry, money transmission, foreign exchange, payments services (such as payment processing and settlement services), cryptocurrency, trading in shares and fractional shares, fraud detection, consumer protection, anti-money

laundering, escheatment, sanctions regimes and export controls, data privacy, data protection, and data security.

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 into new jurisdictions or subindustries, acquisitions of other businesses that operate in similar regulated spaces, or other actions that we may take might subject us to additional laws, regulations, or other government or regulatory scrutiny. Regulations are intended to ensure the integrity of financial markets, to maintain appropriate capitalization of broker-dealers and other financial services companies, and to protect customers and their assets. These regulations could 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.

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 might fail to establish and enforce procedures that comply with applicable legal requirements and regulations. We might be adversely affected by new laws or regulations, changes in the interpretation of existing laws or regulations, or more rigorous enforcement. We also might 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.

Broker-Dealer Regulation

As broker-dealers, our subsidiaries RHF and RHS are subject to extensive regulation by federal, state and non-U.S. regulators and SROs, and are subject to laws and regulations covering all aspects of the securities industry. Federal, state and non-U.S. regulators and SROs, including the SEC and FINRA, can among other things 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.

Money-Transmitter Regulation

As money transmitters, our subsidiaries RHC and RHY are subject to regulation, primarily at the state level. We are also subject to regulation by the Consumer Financial Protection Bureau (the “CFPB”). We have obtained or are in the process of obtaining licenses to operate as a money transmitter (or as another type of regulated financial services institution, as applicable) in the United States and in the states where this is required. As a licensed money transmitter, we are subject to obligations and restrictions with respect to the investment of customer funds, reporting requirements, bonding requirements, and inspection by state regulatory agencies concerning those aspects of our business considered money transmission. Evaluation of our compliance efforts, as well as the questions of whether and to what extent our products and services are considered money transmission, are matters of regulatory interpretation and could change over time. There are substantial costs and potential product and operational changes involved in maintaining and renewing these licenses, certifications, and approvals, and we could be subject to fines, other enforcement actions, and litigation if we are found to violate any of these

requirements. There can be no assurance that we will be able to (or decide to) continue to apply for or obtain any such licenses, renewals, certifications, and approvals in any jurisdictions. In certain markets, we might rely on local banks or other partners to process payments and conduct foreign currency exchange transactions in local currency, and local regulators might use their authority over such local partners to prohibit, restrict, or limit us from doing business. The need to obtain or maintain these licenses, certifications, or other regulatory approvals could impose substantial additional costs, delay or preclude planned transactions, product launches or improvements, require significant and costly operational changes, impose restrictions, limitations, or additional requirements on our business, products, and services, or prevent us from providing our products or services in a given market.

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 materially adverse manner.

From time to time, we have been subject, and, given the highly regulated nature of the industries in which we operate, we expect that we will be subject in the future, to a number of legal and regulatory examinations and investigations arising out of our business practices and operations, conducted by the SEC or FINRA, 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 MSD, the California Attorney General's Office, and the NYDFS, among other authorities. These examinations and investigations have in some instances in the past and might in the future lead to lawsuits, arbitration claims, and enforcement proceedings, as well as other actions and claims, that result in injunctions, fines, penalties, and monetary settlements. For example:

- In December 2020, we settled an SEC investigation under which we paid a $65 million civil penalty and agreed to engage an independent compliance consultant.
- In June 2021, we resolved multiple matters with FINRA (including investigations into systems outages, our options product offering, and margin-related communications with customers), resulting in censure, fines and restitution of $70 million, and engagement of an independent consultant.
- In connection with the Early 2021 Trading Restrictions, we and our employees, including our co-founder and CEO, Vladimir Tenev, have received requests for information, and in some cases, subpoenas and requests for testimony from the USAO (as defined below), the U.S. Department of Justice, Antitrust Division, 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. We have also received inquiries from the SEC's Division of Examinations and Division of Enforcement and FINRA related to employee trading during the week of January 25, 2021 in some of the securities that were subject to the Early 2021 Trading Restrictions, including GameStop Corp. and AMC Entertainment Holdings, Inc., and specifically as to whether any employee trading in these securities occurred after the decision to impose the Early 2021 Trading Restrictions and before the public announcement of the Early 2021 Trading Restrictions on January 28, 2021. We are cooperating with these investigations and examinations.

These and other proceedings, some of which are described in Note 13 to our unaudited condensed consolidated financial statements in this Quarterly Report, have in the past and might in the future relate to broker-dealer and financial services rules and regulations, including our trading and supervisory policies and procedures, our clearing practices, our trade reporting, our public communications, our compliance with FINRA registration requirements, anti-money laundering and other financial crimes regulations, cybersecurity matters, and our business continuity plans, among other topics. These sorts of proceedings, inquiries, examinations, investigations, and other regulatory matters might subject us to fines, penalties, and monetary settlements, harm our reputation and brand, require substantial management attention, result in additional compliance requirements, result in certain of our subsidiaries losing their regulatory licenses or ability to conduct business in some jurisdictions (which could, among

other things, result in statutory disqualification by FINRA and the SEC), 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.

In connection with litigation settlements, we have in the past and might in the future be required to make expenditures to enhance our compliance activities. For example, the independent consultant we engaged in connection with the June 2021 FINRA multi-matter settlement delivered its initial report in December 2021. While we believe we have made significant improvements to address FINRA's original allegations, the independent consultant recommended additional enhancements in certain areas identified in the settlement. Implementing these recommendations has required significant effort and expense.

Additionally, our broker-dealer subsidiaries are registered in the United States but are not licensed, authorized, or registered in any other jurisdiction. Under the terms of our customer agreements, we currently offer services only to U.S. citizens and permanent residents with a legal address within the United States or Puerto Rico, and our application includes features designed to block access to our services from certain countries. However, to the extent a customer accesses our application or services from outside the United States, we face a risk of becoming subject to regulations in that local jurisdiction. A regulator's conclusion that we are servicing customers in its jurisdiction without being appropriately licensed, registered, or authorized could result in fines or other enforcement actions.

Recent statements by lawmakers, regulators and other public officials have signaled an increased focus on new or additional regulations that could impact our business and require us to make significant changes to our business model and practices.

Various lawmakers, regulators and other public officials have recently made statements about our business and that of other broker-dealers and signaled an increased focus on new or additional laws or regulations that, if acted upon, could impact our business. Over three days in the spring of 2021, the Committee on Financial Services of the U.S. House of Representatives held hearings on the January 2021 market volatility and disruptions surrounding GameStop and other "meme" stocks at which various members of Congress expressed concerns about various market practices, including PFOF and options trading. In his testimony, Chair Gensler indicated that he had instructed the staff of the SEC to study, and in some cases make rulemaking recommendations to the SEC regarding, a variety of market issues and practices, including PFOF, so-called gamification, and whether broker-dealers are adequately disclosing their policies and procedures around potential trading restrictions; whether margin requirements and other payment requirements are sufficient; and whether broker-dealers have appropriate tools to manage their liquidity and risk. Chair Gensler also discussed the use of mobile app features such as rewards, bonuses, push notifications and other prompts. Chair Gensler suggested that such prompts could promote behavior that is not in the interest of the customer, such as excessive trading. Chair Gensler also advised that he had directed the SEC staff to consider whether expanded enforcement mechanisms are necessary. The fall 2021 regulatory agenda published by the SEC, also indicated that the SEC would consider proposing rules in 2022 to modernize equity market structure, including possible new rules on PFOF, best execution (amendments to Rule 605), market concentration, the disclosure of best execution statistics, and certain other practices. On August 27, 2021, the SEC issued a request for information and public comment on matters related to the use of digital engagement practices by broker-dealers and investment advisers, including behavioral prompts, differential marketing, game-like features and other design elements or features designed to engage with retail investors on digital platforms (e.g., websites, portals, and applications), as well as related analytical and technological tools and methods. In an August 2021 interview, Chair Gensler commented that a full ban on PFOF was "on the table." Chair Gensler also described a number of on-going projects he had instructed SEC staff to pursue related to market structure

in the Gensler Market Structure Testimony. Also in October 2021, the SEC staff released its report on the equity and options market structure conditions surrounding the Early 2021 Trading Restrictions, which concluded in part that the episode may "present an opportunity to reflect" on market structure issues such as digital engagement practices, PFOF, dark pool trading, and other structures that affect Robinhood's operations.

In addition, on March 18, 2021, FINRA issued a regulatory notice reminding member firms of their obligations with respect to maintaining margin requirements, customer order handling, and effectively managing liquidity, with a particular focus on best execution practices and the need for member firms to make "meaningful disclosures" to inform customers of a firm's order handling procedures during extreme market conditions. Further, at a public conference on May 19, 2021, FINRA indicated an intention to solicit public feedback, such as through notices or surveys, regarding so-called gamification in order to determine whether to adopt additional guidance or additional rules in that regard. Also, on June 23, 2021, FINRA issued a regulatory notice reminding member firms of the requirement that customer order flow be directed to markets providing the "most beneficial terms for their customers" and indicated that member firms may not negotiate the terms of order routing arrangements in a manner that reduces price improvement opportunities that would otherwise be available to those customers in the absence of PFOF. The impact that this notice might have on the ability of market participants to enter into PFOF arrangements, if any, has not been determined.

In September 2021, FINRA announced that it is reviewing firms' use of social media marketing, including social media influencers, which is a marketing channel that we actively utilize. In February 2022, FINRA opened an investigation into our use of social media marketing. Any limits that FINRA might impose on our use of this marketing channel could make it more difficult for us to attract new customers, resulting in slower growth.

On March 8, 2022, FINRA issued a regulatory notice requesting comment on complex products and options including, among other things, "whether the current regulatory framework, which was adopted at a time when the majority of individuals accessed financial products through financial professionals, rather than through self-directed platforms, is appropriately tailored to address current concerns raised by complex products and options." If FINRA amends its rules to impose additional requirements on firms with respect to determining customer eligibility and/or suitability to trade options, such rule changes could result in fewer Robinhood customers being approved to trade options which could negatively impact our options trading volumes and associated revenues.

To the extent that the SEC, FINRA, or other regulatory authorities or legislative bodies adopt additional regulations or legislation in respect of any of these areas or relating to any other aspect of our business, we could face a heightened risk of potential regulatory violations and could be required to make significant changes to our business model and practices, which changes might not be successful. Any of these outcomes could have an adverse effect on our business, financial condition and results of operations.

We are involved in numerous litigation matters that are expensive and time consuming, and, if resolved adversely, could expose us to significant liability and reputational harm.

In addition to regulatory 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. Potential litigation matters include commercial litigation matters, insurance matters, privacy and cybersecurity disputes, intellectual property disputes, contract disputes, consumer protection matters, and employment matters. This risk might be more pronounced during market downturns, during which the volume of legal claims and amount of damages sought in litigation and regulatory proceedings against financial services companies have historically increased.

For more information about the legal proceedings in which we are currently involved, see Note 13 to our unaudited condensed consolidated financial statements in this Quarterly Report.

Litigation matters brought against us might require substantial management attention and might result in settlements, awards, injunctions, fines, penalties, and other adverse results. A substantial judgment, settlement, fine, 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.

We are subject to governmental laws and requirements regarding anti-corruption, anti-bribery 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.

We are required to comply with U.S. economic and trade sanctions administered by OFAC and we have processes in place to facilitate compliance with the OFAC regulations. As part of our customer onboarding process, in accordance with the Customer Identification Program rules under Section 326 of the USA PATRIOT ACT of 2001, we screen all potential customers against OFAC watchlists and continue to screen all customers, vendors and employees daily against OFAC watchlists. Although our application includes features designed to block access to our services from sanctioned countries, if our services are accessed from a sanctioned country in violation of trade and economic sanctions, we could be subject to enforcement actions.

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. 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 are also subject to various anti-money laundering and counter-terrorist financing laws and regulations 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 is the primary U.S. anti-money laundering law and has been amended to include certain provisions of Title III of the USA PATRIOT ACT of 2001 to detect, deter, and disrupt terrorist financing networks. Regulators in the United States continue to increase their scrutiny of compliance with these obligations. For example, in July 2020, the NYDFS issued a report of its examination of our cryptocurrency business citing a number of “matters requiring attention” focused primarily on anti-money laundering and cybersecurity-related issues, which we expect will result in a significant monetary penalty and a requirement that we engage a monitor.

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, but currently have no customers), we intend to expand internationally and we will become subject to additional non-U.S. laws, rules, regulations, and other requirements regarding economic and trade sanctions, anti-money laundering, and counter-terror financing. In order to comply with applicable laws, we will need 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. The need to comply with multiple sets of laws, rules, regulations, and other requirements could substantially increase our compliance costs, impair our ability to compete in international markets, and subject us to risk of criminal or civil liability for violations.

Risks Related to Attracting, Retaining, and Engaging Customers

We operate in highly competitive markets, and many of our competitors have greater resources than we do and may have products and services that are 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 brokerages, established financial technology companies, venture-backed financial technology firms, banks, cryptocurrency exchanges, asset management firms, financial institutions, and technology platforms. 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. Some of our competitors, particularly new and emerging technology companies, are not subject to the same regulatory requirements or scrutiny to which we are subject, which could allow them to innovate more quickly or take more risks, placing us at a competitive disadvantage. 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 might 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 might 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 in order to compete with us. In addition, competitors might 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 might not be able to match the marketing efforts or prices of our competitors. In addition, our competitors might choose to forgo PFOF, which could create downward pressure on PFOF and make it more difficult for us to maintain our PFOF arrangements, which are a significant source of our revenue. We might 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.

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

- maintaining competitive pricing;
- providing easy-to-use, innovative, and attractive products and services that are adopted by customers;
- retaining customers (such as by providing effective customer support and avoiding outages, security breaches, and trading restrictions);
- recruiting and retaining highly skilled personnel and senior management;
- maintaining and improving our reputation and the market perception of our brand and overall value;
- maintaining our relationships with our counterparties; and
- adjusting to a dynamic regulatory environment.

Our competitive position within our markets could be adversely affected if we are unable to adequately address these factors.

If we fail to retain existing customers or attract new customers, or if our customers decrease their use of our products and services, our revenue will decline.

We have experienced significant customer growth over the past several years, including a significant fraction of new customers, often more than 50%, who have told us that Robinhood is their first brokerage account. 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 each of 2020 and 2021. Our continued business and revenue growth depends on our efforts to attract new customers, retain existing customers, and increase the amount that our customers use our products and services (including premium services, such as Robinhood Gold). It is particularly important that we retain and engage our most active brokerage customers, who account for a disproportionately large percentage of our brokerage trading volumes. Any erosion of this active customer base would have a disproportionately large negative impact on our revenues. Our efforts to attract and retain customers might fail due to a number of factors, including our customers losing confidence in us or preferring a competitor's offerings. Additional 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 include:

- a decline in our brand and reputation;
- increased pricing for our products and services;
- ineffective marketing efforts or a reduction in marketing activity;
- our customers, due to being new and inexperienced, might be less loyal to our product or less likely to maintain historical trading patterns and interest in investing;
- a broad decline in the equity or other financial markets, which could result in many of these investors feeling discouraged and exiting the markets altogether;
- our customers experiencing difficulties using the Robinhood app as intended, due to any number of reasons such as design errors, service outages, or trading restrictions imposed by us;
- our customers experiencing security or data breaches, account intrusions, or other unauthorized access;
- our failure to provide adequate customer service;
- customer resistance to and non-acceptance of cryptocurrencies; and
- customer dissatisfaction with the limited number of cryptocurrencies available on our platform.

Our customers may choose to cease using our platform, products, and services at any time, and may choose to transfer their accounts to another broker-dealer. For example, during the first quarter of 2021 many customers became upset by our imposition of the Early 2021 Trading Restrictions and we saw an increase in customers choosing to transfer their accounts to other broker-dealers. The total value of outbound ACATS, an automated industry system for account asset transfers, was $4.2 billion in the first quarter of 2021, involving 5.2% of AUC from approximately 206,000 accounts, as compared to outbound ACATS transfers of $0.5 billion, involving 1.2% of AUC from approximately 24,000 accounts during each quarter of 2020 on average.

If we fail to retain current customers (particularly our most active customers, from whom we derive a significant portion of our revenue) or if we fail to attract new customers, or if we experience a decrease in customers' usage of our products and services, our revenue will decline, which could cause the trading price of our Class A common stock to decline significantly.

If we fail to provide and monetize new and innovative products and services that are adopted by customers, our business may become less competitive and our revenue might decline.

Our ability to attract, engage, and retain our customers and to increase our revenue depends heavily on our ability to evolve our existing products and services and to create and monetize new products and services that are adopted by customers. 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. To keep pace or to innovate we might 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. Our efforts might be inhibited by industry-wide standards, legal restrictions, incompatible customer expectations, demands, and preferences, or third-party intellectual property rights. Our efforts to innovate might also be delayed or blocked by new or enhanced regulatory scrutiny or technical complications. Incorporating new technologies into our products and services might require substantial expenditures and take considerable time, and we might not be successful in realizing a return on these development efforts in a timely manner or at all. It might be difficult to monetize products in a manner consistent with our brand's focus on low prices. 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 might fail to attract and retain customers and maintain customer engagement, causing our revenue to decline.

Risks Related to Our Platform, Systems, and Technology

Our products and services rely on software and systems that are highly technical and have been, and may in the future be, subject to interruption and instability due to software errors, design defects, and other 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 Cloud-based operations and disaster recovery 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 might 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, resulting in estimated out-of-pocket losses to us of approximately $1 million.

Our products and internal systems also rely on software that is highly technical and complex (including software developed or maintained internally and/or by third parties and also including machine learning models) in order to collect, store, retrieve, transmit, manage and otherwise process immense amounts of data. The software on which we rely might contain errors, bugs, vulnerabilities, design defects, or technical limitations that might compromise our ability to meet our objectives. Some such problems are inherently difficult to detect and some such problems might only be discovered after code has been released for external or internal use. From time to time media outlets learn of our plans for features (including Crypto Wallets, for example, in the third quarter of 2021) by examining hidden but unprotected images and code in publicly available beta versions of our app, resulting in unwanted publicity prior to our intended announcement dates. Such problems might also 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 data and intellectual property, or an inability to provide some or all of our services.

While we have made, and continue to make, significant investments designed to correct software errors and design defects and to enhance the reliability and scalability of our platform and operations, the risk of software and system failures and design defects is always present, we do not have fully redundant

systems, and we might fail to maintain, expand, and upgrade our systems and infrastructure to meet future requirements and mitigate future risks on a timely basis. It might become increasingly difficult to maintain and improve the availability of our platform, especially as our platform and product offerings become more complex and our customer base grows. For example, the customer waitlist to use our Crypto Wallets feature grew to more than one million users in less than a month. There might be risks related to the technology and operation of Crypto Wallets that we have not yet identified or cannot foresee, and any failure or interruption of the Crypto Wallets feature on our platform could adversely affect our relationships with customers that use this feature. We might also encounter technical issues in connection with changes and upgrades to the underlying networks of supported cryptocurrencies. Any number of technical changes, software upgrades, soft or hard forks, cybersecurity incidents, or other changes to the underlying blockchain networks might 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 might no longer be able to support such cryptocurrency, our customers' assets might be frozen or lost, the security of our hot or cold wallets might be compromised, and our platform and technical infrastructure might be affected.

In addition, surges in trading volume on our platform have in the past and might 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, executed incorrectly, or not executed at all. For example, the March 2020 Outages resulted in some of our customers being unable to buy and sell securities and other financial products on our platform for a period of time. Similarly, the April-May 2021 Disruptions resulted in some of our customers being unable to buy and sell cryptocurrencies for a period of time. Our platform has otherwise in the past and might in the future experience outages. The March 2020 Outages resulted in putative class action lawsuits, arbitrations, and regulatory examinations and investigations. We provided remediation to many of our customers impacted by the March 2020 Outages through cash payments, resulting in out-of-pocket losses to us of approximately $3.6 million. See Note 13 to our unaudited condensed consolidated financial statements in this Quarterly Report. 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) that allow our customers to use our products and services, and any associated degradations or interruptions of service could result in damage to our reputation, loss of customers, loss of revenue, regulatory or governmental investigations, civil litigation, and liability for damages. Frequent or persistent interruptions, or perceptions of such interruptions whether true or not, 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 might be insufficient to cover a claim made against us by any such customers affected by any disruptions, outages, or other performance or infrastructure problems.

Our success depends in part upon continued distribution through app stores and 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. 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, new generations of mobile devices or new versions of operating systems, or changes in our relationships with mobile operating system providers, 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 might be unfavorable to us and our 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. 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. We need to continuously modify, enhance, and improve our products and services to keep pace with changes in internet-related hardware, mobile operating systems and other software, communication, browser, and database technologies. We might not be successful in developing products that operate effectively with these technologies, products, systems, networks or standards or in bringing them to market quickly or cost-effectively in response to market demands. 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 adversely affected and our revenues might decline.

We rely on third parties to perform some 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 (on which we primarily rely to deliver our services to customers on our platform), internet service providers, payment services providers, market and third-party data providers, regulatory services providers, clearing systems, market makers, exchange systems, banking systems, payment gateways that link us to the payment card and bank clearing networks to process transactions, co-location facilities, communications facilities, and other third-party facilities to run our platform, facilitate trades by our customers, and support or carry out some 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 might impact our business, and our ability to monitor our third-party service providers' data security is limited. In addition, these third-party service providers might rely on subcontractors to provide services to us that face similar risks.

We face a risk that our third-party service providers might be unable or unwilling to continue to provide these services to meet our current needs in an efficient, cost-effective manner or to expand their services to meet our needs in the future. Any failures by our third-party service providers 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. Regulators might also hold us responsible for the failures of our providers.

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 might increase. Third-party risks might include insufficient security measures, data location uncertainty, and the possibility of data storage in inappropriate jurisdictions where laws or security measures might 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, such agreements might not 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) and/or might not 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 could 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.

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 might in the future be vulnerable to cybersecurity issues. We, like other financial technology organizations, routinely are subject to cybersecurity threats and our technologies, systems, and networks have been and might in the future be subject to attempted cybersecurity attacks. Such issues are increasing in frequency and evolving in nature, including employee theft or misuse, denial-of-service attacks, and sophisticated nation-state and nation-state-supported actors engaging in attacks. The operation of our platform involves the use, collection, storage, sharing, disclosure, transfer, and other processing of customer information, including personal data. 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. As the breadth and complexity of the technologies we use and the software and platforms we develop continue to grow, the potential risk of security breaches and cybersecurity attacks increases. For instance, in December 2021, a vulnerability was discovered in Apache Software Foundation's Log4j internet software, which is broadly used (including by us and some of our service providers) in a variety of consumer and enterprise services, websites, applications, and operational technology products. In general, the vulnerability could have allowed malicious attackers to execute code remotely on any exposed computer, which could have enabled the attackers to then steal data, install malware, or take control of the device. We have updated the software to patch the vulnerability and to date we are not aware of any related malicious activity affecting us or our users. Similarly in March 2022 a security breach occurred at Okta, an identity authentication provider that we utilize across our employee base. In general, an attacker with forged or compromised Okta service provider credentials could potentially have accessed several of our sensitive internal systems. Okta reports it has now corrected the issue and working with Okta we have confirmed that such third-party vulnerability was not exploited to gain access to our systems. We have also implemented additional controls to protect against compromised service provider credentials.

Cybersecurity attacks and other malicious internet-based activity continue to increase and financial technology platform providers have been and expect to continue to be targeted. In light of media attention, we might be a particularly attractive target of attacks seeking to access customer data or assets. For example, from January 1, 2020 to October 16, 2020, approximately 2,000 Robinhood customer accounts were allegedly accessed by unauthorized users. We believe these incidents resulted from compromised passwords off of our platform, rather than any failure of our security or systems. Nonetheless, we experienced negative publicity in connection with these events and might in the future experience similar adverse effects relating to real or perceived security incidents, whether or not related to the security of our platform or systems. We have also received customer complaints and been subject to litigation and 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 these events. 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, due to the current COVID-19 pandemic, there is an increased risk that we might experience cybersecurity-related incidents as a result of our employees, service providers and other third parties working remotely on less secure systems and environments. While we take significant 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, our safety and security measures (and those of our third-party service providers) might be insufficient to prevent damage to, or interruption or breach of, our information systems, data (including personal data), and operations. For example, in November 2021 we experienced a data security incident when an unauthorized third party socially engineered a customer support employee by phone and obtained access to certain customer support systems (the "November 2021 Data Security Incident"). Based on our investigation and that of a third-party security firm, we believe that the unauthorized party obtained names or email addresses for millions of people, phone numbers for several thousand people, additional personal information for a few hundred people, and extensive account details for about ten people, though we believe no Social Security numbers, bank account numbers, or credit or debit card numbers were exposed and that there has been no financial loss to any customers as a result of the incident.

A core aspect of our business is the reliability and security of our platform. Any 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 might occur, could harm our reputation, reduce the demand for our products and services and disrupt normal business operations. In addition, it might 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, our efforts to improve security and protect data from compromise might identify previously undiscovered security breaches. There could be public announcements regarding any security 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 Class A common stock.

We are subject to stringent laws, rules, regulations, policies, industry standards and contractual obligations regarding data privacy and security and might become 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, Section 5(c) of the Federal Trade Commission Act and state laws such as the California Consumer Privacy Act. We will also face particular privacy, data security and data protection risks if we continue to expand into the U.K. and the EU and other jurisdictions in connection with the General Data Protection Regulation and other data protection regulations. 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 might require us to incur additional costs and

restrict our business operations, and might require us to change how we use, collect, store, transfer or otherwise process certain types of personal data, to implement new processes to comply with those laws and our customers' exercise of their rights thereunder, and could greatly increase the cost of providing our offerings, require significant changes to our operations, or even prevent us from providing some offerings in jurisdictions in which we currently operate and in which we might operate in the future or incur potential liability in an effort to comply with certain legislation. There is 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. For instance, we have in the past (as discussed in Note 13 to our unaudited condensed consolidated financial statements in this Quarterly Report) and might in the future be subject to investigations and examinations by the NYDFS regarding, among other things, our cybersecurity practices. In addition, if we fail to follow these security standards, even if no customer information is compromised, we might incur significant fines or experience a significant increase in costs. Following the November 2021 Data Security Incident, we have received requests for information from FINRA examination staff, the SEC Division of Enforcement, and other regulatory authorities regarding, among other things, the adequacy of our information security measures.

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.

Risks Related to Our Brokerage Products and Services

If we do not maintain the net capital levels required by regulators, our broker-dealer business may be restricted and we may be fined or subject to other disciplinary or corrective actions.

The SEC, FINRA, and various state regulators have stringent rules with respect to the maintenance of specific levels of net capital by securities broker-dealers. For example, our broker-dealer subsidiaries are each subject to the SEC Uniform Net Capital Rule, which specifies minimum capital requirements intended to ensure the general financial soundness and liquidity of broker-dealers, and our clearing and carrying broker-dealer subsidiary is subject to Rule 15c3-3 under the Exchange Act, which requires broker-dealers to maintain liquidity reserves. 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.

Our compliance and risk management policies and procedures as a regulated financial services company might 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, 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 our efforts might be insufficient. Our limited operating history, evolving business, and rapid growth make it difficult to predict all of the risks and challenges we might encounter and therefore increase the risk that our policies and procedures to identify, monitor and manage

compliance risks might 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, which 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 occurrences, or other matters that are publicly available or otherwise accessible to us, which might not always be accurate, complete, up-to-date, or properly evaluated. Insurance and other traditional risk-shifting tools might be held by or available to us in order to manage some 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 revision, supplementation, or evolving interpretations and application, and it can be difficult to predict how they might be applied to our business, particularly as we introduce new products and services and expand into new jurisdictions. For example, when we launched our fractional shares program in late 2019, based on our understanding of the reporting requirements we did not report proprietary fractional trades to FINRA's Trade Reporting Facility. Since then, FINRA has informed us that such trades should be reported. As a result, we began reporting fractional shares in January 2021, and we continue to work with FINRA to complete back reporting, which might result in fines or penalties for failing to do so at the time of the trades.

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

We provide 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. 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 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 losses, and (ii) the risk of fines or other actions by regulators.

Our clearing operations also 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, we face a risk that such systems and processes might be inadequate. 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 for 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. Furthermore, in the event that a significant amount of our customers' open trades fail to settle, we might be exposed to potential loss of the capital we committed to meet our deposit requirements.

Our exposure to credit risk with customers, market makers, and other 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 result in substantial losses. 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 are also exposed to credit risk in our dealings with the market makers to which we route cryptocurrency orders. Unlike equities and option trades, cryptocurrency trades do not settle through any central clearinghouses but rather are conducted under bilateral agreements between us and each crypto market maker. (The risk of the market maker's default therefore falls upon us rather than being distributed among a clearinghouse's members.) The terms of these bilateral agreements vary but spot transactions are generally aggregated and settled on a net basis once per business day (with the crypto deliveries occurring first and the net cash moving within 24 hours thereafter) and payment obligations are generally unsecured during the interval between delivery and payment. It is not uncommon for us to have an intra-day outstanding net receivable of $100 million that we are owed by any one cryptocurrency market maker. Similarly, we routinely have unsecured PFOF receivables from equities and options market makers. Any payment default by a market maker could have adverse effects on our financial condition and results of operations.

We have policies and procedures designed to manage credit risk, but we face a risk that such policies and procedures might not be fully effective.

Providing investment recommendations could subject us to investigations, penalties, and liability for customer losses if we fail to comply with applicable regulatory standards, and providing investment education tools could subject us to additional risks if such tools are construed to be investment advice or recommendations.

We launched (other than in Massachusetts) a recommended portfolio feature for customers who have not yet placed any trades as described further in Part I, Item I "Business" of our 2021 Form 10-K.

Risks associated with providing investment recommendations include those arising from how we disclose and address possible conflicts of interest, inadequate due diligence, inadequate disclosure, and human error. New regulations, such as the SEC's Regulation Best Interest and certain state broker-dealer regulations, impose heightened conduct standards and requirements on 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 to the extent we provide investment advice or recommendations to our customers.

We also provide customers with a variety of educational materials, investment tools, and financial news (including our "Robinhood Snacks" newsletters). Additionally, Robinhood Gold members have

access to stock research reports prepared by our third-party collaborator, Morningstar, Inc. Based on current law and regulations, we believe these services do not constitute investment advice or investment recommendations. If the law were to change or if a court or regulator were to interpret current law and regulations in a novel manner, we face a risk that these services could come to be considered as investment advice.

If services that we do not consider to be recommendations (such as educational materials and Snacks) are construed as constituting investment advice or recommendations, we could be subject to investigations by regulatory agencies. For example, in December 2020, the Enforcement Section of MSD filed a complaint against us alleging that a fiduciary conduct standard applies to us under Massachusetts securities law by claiming that our product features and marketing strategies amount to investment recommendations. See Note 13 to our unaudited condensed consolidated financial statements in this Quarterly Report for more information. Changes in law or changes in interpretations of existing law might also require us to modify the nature of these services or discontinue them altogether, one or more of which could have an adverse effect on our ability to attract and retain customers.

To the extent our investment education tools and news are determined to constitute investment advice or recommendations and to the extent our recommendations fail to satisfy regulatory requirements, or we fail to know our customers, or improperly advise our customers, or if 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 Cryptocurrency Products and Services

The loss, destruction or unauthorized use or access of a private key required to access any of the cryptocurrencies we hold on behalf of customers could result in irreversible loss of such cryptocurrencies. If we are unable to access the private keys or if we experience a hack or other data loss relating to the cryptocurrencies we hold on behalf of customers, our customers might be unable to trade their cryptocurrency, our reputation and business could be harmed, and we might be liable for losses in excess of our ability to pay.

As our business continues to grow and we expand cryptocurrency product and service offerings, so do the risks associated with failing to safeguard and manage cryptocurrencies we hold on behalf of our customers. Our success and the success of our offerings requires significant public confidence in our ability to properly manage customers' balances and handle large transaction volumes and amounts of customer funds. Any failure by us to maintain the necessary controls or to manage the cryptocurrencies we hold on behalf of our customers and funds appropriately and in compliance with applicable regulatory requirements could result in reputational harm, significant financial losses, lead customers to discontinue or reduce their use of our services, and result in significant penalties and fines and additional restrictions.

We hold all cryptocurrencies in custody on behalf of customers in 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. In general, the overwhelming majority of cryptocurrency coins on our platform are held in cold storage, though some coins are held in hot wallets to support day-to-day operations. Under blockchain protocol, in order to access or transfer cryptocurrency stored in a wallet, we need to use a private key. To the extent any 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 we hold in custody on behalf of customers. Any such losses could be significant, and we might not be able to obtain insurance coverage for some or all of those losses. Cryptocurrencies and blockchain technologies have been, and might in the future be, subject to security breaches, hacking,

or other malicious activities. For example, in August 2021, hackers were able to momentarily take over the Bitcoin SV network, allowing them to spend coins they did not have and prevent transactions from going through. Any loss of private keys relating to, or hack or other compromise of, the hot wallets or cold wallets we use to store our customers' cryptocurrencies could result in total loss of customers' cryptocurrencies (because customers' cryptocurrency balances and cryptocurrency investments are not protected by the Securities Investor Protection Corporation (the "SIPC")) or adversely affect our customers' ability to sell their assets, and could result in our being required to reimburse customers for their losses, subjecting us to significant financial losses. Our insurance coverage for such impropriety is limited and might not cover the extent of loss nor the nature of such loss, in which case we might be liable for the full amount of losses suffered, which could be greater than all of our assets. The total value of cryptocurrencies under our control on behalf of customers is significantly greater than the total value of insurance coverage that would compensate us in the event of theft or other loss of such assets. Additionally, any such security compromises or any business continuity issues affecting our cryptocurrency market makers might affect the ability of our customers to trade or hold 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 might cause uncertainty in the market and could negatively impact trading volumes of cryptocurrencies, which would adversely affect the success of our business, financial condition and results of operations.

The price of each cryptocurrency is based in part on market adoption and future expectations, which might or might not be realized. As a result, the prices of cryptocurrencies are highly speculative. The prices of cryptocurrencies have been subject to dramatic fluctuations, which have impacted, and will continue to impact, our trading volumes and operating results and might adversely impact our growth strategy and business. Several factors could affect a cryptocurrency's 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 could 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 cryptocurrencies.
- 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 connections between cryptocurrencies (and related activities such as mining) and adverse environmental effects or 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.

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 rate of adoption of cryptocurrencies might slow or decline, which would negatively impact our business, financial condition, and results of operations.

While we currently support eleven cryptocurrencies for trading, market interest in particular cryptocurrencies can also be volatile and there are many cryptocurrencies in the market that we do not support. For example we support trading in Dogecoin and we benefited from a surge in interest for Dogecoin during the second quarter of 2021. For the first, second, and third quarters of 2021, transaction-based revenue attributable to transactions in Dogecoin generated approximately 7%, 32%, and 8% of our total net revenues, respectively. Our business could be adversely affected, and growth in our net revenue earned from cryptocurrency transactions could slow or decline, if the markets for the cryptocurrencies we support deteriorate or if demand moves to other cryptocurrencies not supported by our platform.

Volatility in the values of cryptocurrencies caused by the factors described above or other factors might 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.

Any particular cryptocurrency's status as a "security" is subject to a high degree of uncertainty and if we have not properly characterized one or more cryptocurrencies, we might be subject to regulatory scrutiny, investigations, fines, and other penalties.

We currently facilitate customer trades for a limited number of cryptocurrencies that we have analyzed under applicable internal policies and procedures and that we believe are not securities under U.S. law. The legal test for determining whether any given cryptocurrency is a security is a highly complex, fact-driven analysis that evolves over time, and the outcome is difficult to predict. 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. The SEC generally does not provide advance guidance or confirmation on the status of any particular cryptocurrency as a security. Occasionally though the SEC and its staff have taken positions that certain cryptocurrencies *are* "securities" – often in the context of enforcement actions – and we do not currently support any cryptocurrencies for which the SEC or its staff has taken such a position. Prior public statements by senior officials at the SEC indicate that the SEC does not intend to take the position that Bitcoin or Ethereum are securities (in their current forms). Bitcoin and Ethereum are the only cryptocurrencies as to which senior officials at the SEC have publicly expressed such a view. Moreover, such statements are not official policy statements by the SEC and reflect only the speakers' views, which are not binding on the SEC or any other agency or court, cannot be generalized to any other cryptocurrency, and might evolve. Similarly, although the SEC's Strategic Hub for Innovation and Financial Technology published a framework for analyzing whether any given cryptocurrency is a security in April 2019, this framework is also not a rule, regulation, or statement of the SEC and is not binding on the SEC. With respect to all other cryptocurrencies, there is currently no certainty under the applicable legal test that such assets are not securities, and regulators have expressed concerns about cryptocurrency platforms adding multiple new coins, some of which the regulators question might be unregistered securities. Although our policies and procedures are intended to enable us to make risk-based assessments regarding the likelihood that a particular cryptocurrency could be deemed a security under applicable laws, including federal securities laws, our assessments are not definitive legal determinations as to whether a particular digital asset is a security under such laws. Accordingly, 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 supported by our platform is a “security” under U.S. law. From time to time, we have received and might in the future receive SEC inquiries regarding specific cryptocurrency listings and added features.

To the extent that the SEC or a court determines that any cryptocurrencies supported by our platform are securities, that determination could prevent us from continuing to facilitate trading of those cryptocurrencies (including delisting from our platform). It could also result in regulatory enforcement penalties and financial losses in the event that we have liability to our customers and need to compensate them for any losses or damages. We could be subject to judicial or administrative sanctions for failing to offer or sell the cryptocurrency in compliance with securities registration requirements, or for acting as a securities broker or dealer without appropriate registration. Such an action could result in injunctions and cease and desist orders, as well as civil monetary penalties, fines, and disgorgement, criminal liability, and reputational harm. Customers that traded such supported cryptocurrency through our platform and suffered trading losses might also seek to rescind transactions that we facilitated on the basis that they were conducted in violation of applicable law, which could subject us to significant liability and losses. We might also be required to cease facilitating transactions in the supported cryptocurrency, which could negatively impact our business, operating results, and financial condition. A determination by the SEC or a court that a cryptocurrency supported by our platform constitutes a security could also result in our determination 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. Further, if Bitcoin, Ethereum, or any other supported cryptocurrency is deemed to be a security, it might have adverse consequences for such supported cryptocurrency. For instance, all transactions in such supported cryptocurrency would have to be registered with the SEC or other foreign authority, or conducted in accordance with an exemption from registration, which could severely limit its liquidity, usability, and transactability. Moreover, the networks on which such supported cryptocurrencies are used might be required to be regulated as securities intermediaries, and subject to applicable rules, which could effectively render the network impracticable for its existing purposes. Further, any determination that Bitcoin or Ethereum is a security could draw negative publicity and cause a decline in the general acceptance of cryptocurrencies. Also, it would make it more difficult for Bitcoin or Ethereum, as applicable, to be traded, cleared, and custodied as compared to other cryptocurrencies that are not considered to be securities. In addition, our growth might be adversely affected if we are not able to expand our 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.

Cryptocurrency laws, regulations, and accounting standards are often difficult to interpret and are rapidly evolving in ways that are difficult to predict. Changes in these laws and regulations, or our failure to comply with them, could negatively impact cryptocurrency trading on our platform.

We provide users with the ability to buy, hold, and sell a limited number of cryptocurrencies, such as Bitcoin, Ethereum, and Dogecoin. 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. Cryptocurrency market disruptions and resulting governmental interventions are unpredictable, and might make cryptocurrencies, or certain cryptocurrency business activities, illegal altogether. As regulation of cryptocurrencies continues to evolve, 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 of our cryptocurrency operations. Additionally, regulation in response to the climate impact of cryptocurrency mining could negatively impact cryptocurrency trading on our platform.

The cryptocurrency accounting rules and regulations that we must comply with are complex and subject to interpretation by the FASB, the SEC, and various bodies formed to promulgate and interpret accounting principles. A change in these rules and regulations or interpretations could have a significant effect on our reported financial results and financial position, and could even affect the reporting of transactions completed before the announcement or effectiveness of a change. For instance, in March 2022, the Staff issued SAB 121, which provides illustrative guidance for entities to consider when they

have obligations to safeguard crypto-assets held in custody on behalf of their platform users and states that such an entity should carry a liability accompanied by an asset of the same value on its balance sheet representing the platform user's crypto-assets held in custody measured at fair value initially and at each subsequent reporting period. We will adopt this guidance for the interim period ending June 30, 2022. Upon adoption we expect to recognize a significant asset and liability and to provide the necessary accompanying disclosures. Had we adopted SAB 121 for the period ended March 31, 2022, we would have recognized a corresponding platform user crypto-asset and liability of approximately $20 billion on the unaudited condensed consolidated balance sheet. See Note 2 to our unaudited condensed consolidated financial statements in this Quarterly Report for more information. Further, there are a limited number of precedents for the financial accounting treatment of cryptocurrency assets (including related issues of valuation and revenue recognition), and no official guidance has been provided by the FASB or the SEC. Accordingly, there remains significant uncertainty as to the appropriate accounting for cryptocurrency asset transactions, cryptocurrency assets, and related revenues. Uncertainties in or changes in regulatory or financial accounting standards could result in the need to change our accounting methods and/or restate our financial statements, and could impair our ability to provide timely and accurate financial information, which could adversely affect our financial statements, and result in a loss of investor confidence.

In addition, future regulatory actions or policies could limit or restrict cryptocurrency usage, custody, or trading, or the ability to convert cryptocurrencies to fiat currencies. For example, in August 2021, September 2021, October 2021, and April 2022, Chair Gensler remarked on the need for further regulatory oversight of crypto trading and crypto lending platforms. Some lawmakers and regulators have also raised questions about Transaction Rebates from cryptocurrency trading. Transaction Rebates from cryptocurrency trading have historically, and might continue, to comprise a significant percentage of our total net revenues. Any future regulatory actions or policies could reduce the demand for cryptocurrency trading and might materially decrease our revenue derived from Transaction Rebates in absolute terms and as a proportion of our total revenues.

Furthermore, the recently enacted Infrastructure Investment and Jobs Act significantly changes the tax reporting requirements applicable to brokers and holders of cryptocurrency and digital assets. New reporting requirements will apply to information returns filed in 2024 regarding transactions occurring in calendar year 2023. The implementation of these requirements, and any further legislative changes or related guidance from the Internal Revenue Service, might significantly impact our tax reporting and withholding processes and result in increased compliance costs. Failure to comply with these new information reporting and withholding requirements might subject us to significant tax liabilities and penalties. Similarly, the Organization for Economic Cooperation and Development has proposed a new "crypto-asset reporting framework" and amendments to the existing rules for reporting crypto assets under the global "common reporting standard" that might apply to our international operations. These new rules might give rise to potential liabilities or disclosure requirements, and implementation of these requirements might significantly impact our operations and result in increased costs.

Our launch of the Crypto Wallets feature, which allows customers to deposit and withdraw cryptocurrencies to and from our platform, could result in loss of customer assets, customer disputes, and other liabilities, which could harm our reputation and adversely impact trading volumes and transaction-based revenues.

We recently began to allow customers to deposit and withdraw cryptocurrencies to and from our platform. User testing of this Crypto Wallets feature had been ramping up since the fourth quarter of 2021 and enrollment opened in April 2022 (other than in Hawaii, Nevada, and New York, where regulatory applications are still pending). Crypto Wallets transfers are processed using Robinhood's general custodial wallets in which we hold cryptocurrencies on behalf of customers; when transactions are completed, coins are allocated to and from individuals' accounts in our customer records.

Crypto Wallets transfers initiated by users are subject to a heightened risk of user error. Under blockchain protocol, recording a transfer of cryptocurrency on the blockchain involves both the private key

of the sending wallet and the unique public key of the receiving wallet. Such keys are strings of alphanumeric characters. In order for a customer to receive cryptocurrency on our platform, the customer will need to arrange for the owner of an external source wallet to "sign" a transaction with the private key of that external wallet, directing a transfer of the cryptocurrency to our receiving Robinhood wallet by inputting the public key (which we will provide to the customer) of our Robinhood wallet. Similarly, in order to withdraw cryptocurrency from our platform, the customer will need to provide us with the public key of the external wallet to which the cryptocurrency is to be transferred, and we will "sign" the transaction using the private key of our Robinhood wallet. Some crypto networks might require additional information to be provided in connection with any transfer of cryptocurrency to or from our platform. A number of errors could occur in the process of depositing or withdrawing cryptocurrencies to or from our platform, such as typos, mistakes, or the failure to include information required by the blockchain network. For instance, a user might include typos when entering our wallet's public key or the desired recipient's public key when depositing to and withdrawing from our platform, respectively. Alternatively, a user could mistakenly transfer cryptocurrencies to a wallet address that he or she does not own or control, or for which the user has lost the private key. In addition, each wallet address is compatible only with the underlying blockchain network on which it is created. For instance, a Bitcoin wallet address can be used to send and receive Bitcoin only. If any Ethereum, Dogecoin, or other cryptocurrency is sent to a Bitcoin wallet address, for example, or if any of the other foregoing errors occur, such cryptocurrencies could be permanently and irretrievably lost with no means of recovery. Although our account agreement disclaims responsibility for losses caused by customer errors, such incidents could result in customer disputes, damage to our brand and reputation, legal claims against us, and financial liabilities.

Additionally, allowing customers to deposit and withdraw cryptocurrencies to and from our platform increases the risk that our platform might be exploited to facilitate illegal activity such as fraud, gambling, money laundering, tax evasion, and scams. Crypto Wallets transfers will also expose us to heightened risks related to potential violations of trade sanctions, including OFAC regulations, and anti-money laundering and counter-terrorist financing laws, which among other things impose strict liability for transacting with prohibited persons. We engage blockchain analytics vendors to help determine whether the external wallets involved in our transfers are controlled by persons on prohibited lists or involved in fraudulent or illegal activity. However, fraudulent and illegal transactions and prohibited status could be difficult or impossible for us and our vendors to detect in some 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 significant liabilities and reputational harm for us and could cause cryptocurrency trading volumes and transaction-based revenues to decline.

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

Most blockchain protocols, including Bitcoin and Ethereum, are open source. Any user can download the software, modify it and then propose that users and miners of Bitcoin, Ethereum or other blockchain protocols adopt the modification. When a modification is introduced and a substantial majority of miners consent to the modification, the change is implemented and the Bitcoin, Ethereum or other blockchain protocol networks, as applicable, remain 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 impacted blockchain protocol network and respective 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, Ethereum or other blockchain protocol network, as applicable, running simultaneously, but with each split network's cryptocurrency lacking interchangeability.

Both Bitcoin and Ethereum protocols have been subject to "forks" recently that resulted in the creation of new networks, including, among others, Bitcoin Cash, Bitcoin SV, Bitcoin Diamond, Bitcoin Gold and Ethereum Classic. Some of these forks have caused fragmentation among platforms as to the correct

naming convention for forked cryptocurrencies. Due to the lack of a central registry or rulemaking body in the cryptocurrency market, no single entity has the ability to dictate the nomenclature of forked cryptocurrencies, causing disagreements and a lack of uniformity among platforms on the nomenclature of forked cryptocurrencies, and which results in further confusion to customers as to the nature of cryptocurrencies they hold on platforms. In addition, several of these forks were contentious and as a result, participants in certain communities might harbor ill will towards other communities. As a result, certain community members might take actions that adversely impact the use, adoption and price of Bitcoin, Ethereum or any of their forked alternatives.

Furthermore, forks can lead to disruptions of networks and our information technology systems, cybersecurity attacks, replay attacks, or security weaknesses, any of which can further lead to temporary or even permanent loss of customer cryptocurrencies. For instance, when the Ethereum and Ethereum Classic networks split in July 2016, replay attacks, in which transactions from one network were rebroadcast on the other network to achieve "double-spending," plagued platforms that traded Ethereum through at least October 2016, resulting in significant losses to some cryptocurrency platforms. Another possible result of a fork is an inherent decrease in the level of security due to the splitting of some mining power across networks, making it easier for a malicious actor to exceed 50% of the mining power of that network. Such disruption and loss could cause our company to be exposed to liability, even in circumstances where we have no intention of supporting a cryptocurrency compromised by a fork.

Moreover, we might not wish to or be able to support a cryptocurrency resulting from the fork of a network which might cause our customers to lose confidence in us or reduce their engagement on our platform. In assessing whether we will support a cryptocurrency resulting from the fork of a network, among our top priorities is to safeguard our customer's assets, and we spend extensive time designing, building, testing, reviewing and auditing our systems to check whether the cryptocurrencies we support remain safe and secure. There are several considerations that we consider as part of a general cryptocurrency approval policy (including security or infrastructure concerns that might arise with the integration of any new cryptocurrency into the technical infrastructure that allows us to secure customer cryptocurrencies and to transact securely in corresponding blockchains), which might operate to limit our ability to support forks. Further, we generally do not support a forked cryptocurrency that does not have support from a majority of the affiliated third-party miner and developer community.

Whether we are obligated to provide services for a new and previously unsupported cryptocurrency is a question of contract, as recognized in recent published rulings of the California appellate courts and federal district courts. The user agreement each customer enters into in order to trade cryptocurrencies on our platform clearly indicates that we have the sole discretion to determine whether we will support a forked network and the approach to such forked cryptocurrencies and that we may temporarily suspend trading for a cryptocurrency whose network is undergoing a fork without advanced notice to the customer. Regardless of the foregoing, we might in the future be subject to claims by customers arguing that they are entitled to receive certain forked cryptocurrencies by virtue of cryptocurrencies that they hold with us. If any customers succeed on a claim that they are entitled to receive the benefits of a forked cryptocurrency that we do not or are unable to support, we might be required to pay significant damages, fines or other fees to compensate customers for their losses.

Any inability to maintain adequate relationships with third-party banks and market makers with respect to, and any inability to settle customer trades related to, our cryptocurrency offerings, would disrupt our ability to offer cryptocurrency trading to customers.

We rely on third-party banks and market makers to provide cryptocurrency products and services to our 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 us and our customers and direct settlements between us and our market makers after customer trades are executed. Accordingly, we rely on third-party banks to facilitate cash settlements with customers' brokerage accounts and we rely on the ability of market makers to complete cryptocurrency settlements with us to obtain cryptocurrency for

customer accounts. In addition, we must maintain cash assets in our bank accounts sufficient to meet the working capital needs of our business, which includes deploying available working capital to facilitate cash settlements with our customers and market makers (as well as maintaining the minimum capital required by regulators). If we, third-party banks, or market makers have operational failures and cannot perform and facilitate our routine cash and cryptocurrency settlement transactions, we will be unable to support normal trading operations on our cryptocurrency trading platform and these disruptions could have an adverse impact on our business, financial condition, and results of operations. Similarly, if we fail to maintain cash assets in our bank accounts sufficient to meet the working capital needs of our business and necessary to complete routine cash settlements related to customer trading activity, such failure could impair our ability to support normal trading operations on our cryptocurrency platform, which could cause cryptocurrency trading volumes and transaction-based revenues to decline significantly.

We might also be harmed by the loss of any of our banking partners and market makers. As a result of the many regulations applicable to cryptocurrencies or the risks of cryptocurrencies generally, many financial institutions have decided, and other financial institutions might in the future decide, not to provide bank accounts (or access to bank accounts), payments services, or other financial services to companies providing cryptocurrency products, including us. If we or our market makers cannot maintain sufficient relationships with the banks that provide these services, if banking regulators restrict or prohibit banking of cryptocurrency businesses, or if these banks impose significant operational restrictions, it could be difficult for us to find alternative business partners for our cryptocurrency offerings, which would disrupt our business and could cause cryptocurrency trading volumes and transaction-based revenues to decline significantly.

From time to time, we might encounter technical issues in connection with changes and upgrades to the underlying networks of supported cryptocurrencies, which could cause revenues to decline and expose us to potential liability for customer losses.

Any number of technical changes, software upgrades, soft or hard forks, cybersecurity incidents or other changes to the underlying blockchain networks might 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 might no longer be able to support such cryptocurrency, our customers' assets might be frozen or lost, the security of our hot or cold wallets might be compromised and our platform and technical infrastructure might be affected, all of which could cause trading volumes and transaction-based revenue to decline and expose us to potential liability for customer losses.

Risks Related to RHY's Products and Services

The RHY spending account and Robinhood Cash Card subject us to risks related to bank partnerships and FDIC and other regulatory obligations.

We offer spending accounts at RHY (in connection with a partnership with a national bank), and we have also partnered, on a non-exclusive basis, with Sutton Bank ("Sutton"), an Ohio-chartered bank, pursuant to a license from Mastercard International Incorporated, to offer the Robinhood Cash Card through RHY. Under the terms of our program agreement with Sutton, Robinhood Cash Card accounts for our users are opened and maintained by Sutton. We act as the service provider to, among other things, facilitate communication between our users and Sutton for which we receive compensation from Sutton. Our partner banks are members of the Federal Deposit Insurance Corporation ("FDIC").

We believe our record keeping for our users' funds held in Robinhood Cash Card accounts at Sutton and held in spending accounts at our partner bank, comply with all applicable requirements for each participating user's deposits to be eligible for FDIC insurance coverage, up to the applicable maximum deposit insurance amount. However, if the FDIC were to disagree, the FDIC might not recognize users' claims as covered by deposit insurance in the event of bank failure and bank receivership proceedings

under the Federal Deposit Insurance Act. If the FDIC were to determine that our users' RHY funds held at our partner banks are not covered by deposit insurance, participating users might decide to withdraw their funds, which could adversely affect our brand and our business. Due to the fact that we are deemed a service-provider to our partner banks, we are subject to audit standards for third-party vendors in accordance with bank regulatory guidance and examinations by federal bank regulatory authorities and the CFPB.

As a result of the stored value spending account program and the Robinhood Cash Card, RHY is subject to federal and state consumer protection laws and regulations, including the Electronic Fund Transfer Act and Regulation E as implemented by the CFPB. Violations of any of these requirements could result in the assessment of significant actual damages or statutory damages or penalties (including treble damages in some instances) and plaintiffs' attorneys' fees.

Use of our payments services for illegal activities or improper purposes could harm our business.

The highly automated nature of, and liquidity offered by, our payments services make us and our customers a target for illegal or improper uses, including scams and fraud directed at our stored value account and Robinhood Cash Card customers, money laundering, terrorist financing, sanctions evasion, illegal online gambling, fraudulent sales of goods or services, illegal telemarketing activities, illegal sales of prescription medications or controlled substances, piracy of software, movies, music, and other copyrighted or trademarked goods (in particular, digital goods), bank fraud, child pornography, human trafficking, prohibited sales of alcoholic beverages or tobacco products, securities fraud, pyramid or ponzi schemes, or the facilitation of other illegal or improper activity. Moreover, certain activity that is legal in one jurisdiction might be illegal in another jurisdiction, and a customer might be found responsible for intentionally or inadvertently importing or exporting illegal goods, resulting in liability for us. Owners of intellectual property rights or government authorities might seek to bring legal action against providers of payments solutions, including RHY, that are peripherally involved in the sale of infringing or allegedly infringing items. While we invest in measures intended to prevent and detect illegal activities on payments platform, these measures require continuous improvement and might not be effective in detecting and preventing illegal activity or improper uses.

Any illegal or improper uses of our payments platform by our users might subject us to claims, individual and class action lawsuits, and government and regulatory requests, inquiries, or investigations that could result in liability, restrict our operations, require us to change our business practices, harm our reputation, increase our costs, and negatively impact our business. For example, government enforcement or regulatory authorities could seek to impose additional restrictions or liability on us arising from the use of our payments platform for illegal or improper activity, and our failure to detect or prevent such use. Illegitimate transactions can also prevent us from satisfying our contractual obligations to our third-party partners, which might cause us to be in breach of our obligations.

Risks Related to Our Intellectual Property

Any failure to obtain, maintain, protect, defend or enforce our intellectual property rights could adversely affect our business.

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. The steps we take to protect our intellectual property rights might 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, obtain trademark protection and when to rely upon trade secret protection, and the approach we select might ultimately prove to be inadequate. We will not be able to protect our intellectual property rights, however, if we do not detect unauthorized

use of our intellectual property rights. We also might fail to maintain or be unable to obtain adequate protections for some of our intellectual property rights in the United States and some non-U.S. countries, and our intellectual property rights might 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. In addition, 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. Our trademarks might also be opposed, contested, circumvented or found to be unenforceable, weak or invalid, and we might 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.

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. However, we might not have any such agreements in place with some of the parties who have developed intellectual property on our behalf and/or with some of the parties that have or might have had access to our confidential information, know-how, and trade secrets. Even where these agreements are in place, they might be insufficient or breached, or might 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 might 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. 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 could 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 might 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 might arise as to the rights in related or resulting know-how and inventions.

In addition, we might need to expend significant resources to apply for, maintain, enforce and monitor our intellectual property rights and such efforts might be ineffective and could result in substantial costs and diversion of resources. An adverse outcome in any such litigation or proceedings might expose us to a loss of our competitive position, significant liabilities, and damage to our brand, or require us to seek licenses that might not be available on commercially acceptable terms, if at all.

We have been, and might in the future be, subject to claims that we violated 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 might not be aware that our products or services are infringing, misappropriating or otherwise violating third-party intellectual property rights and such third parties might bring claims alleging such infringement, misappropriation or violation. 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 might 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 might 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.

From time to time, our competitors or other third parties might 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 might 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.

Some of our products and services contain open source software, which could 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 (as well as in some of our internally developed systems) and we 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 might 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 proprietary 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 might 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 license terms could harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours.

Risks Related to Finance, Accounting and Tax Matters

Covenants in our credit agreements could 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 might enter into additional agreements for other borrowing in the future. These agreements contain various restrictive covenants, including, among other things, minimum liquidity and tangible net worth 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 might restrict our current and future operations, 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 that could cause us to be unable to comply. The credit agreements provide that our breach or failure to satisfy some of these 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 might 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 might be inadequate or expensive.

We are subject to claims in the ordinary course of business. These claims can 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 might 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, crime and fidelity bond insurance. Our insurance coverage is expensive and maintaining or expanding our insurance coverage might have an adverse effect on our results of operations and financial condition.

Our insurance coverage is subject to terms such as deductibles, coinsurance, limits and policy exclusions, as well as risk of counterparty denial of coverage, default or insolvency, and might be insufficient to protect us against all losses and costs stemming from operational and technological failures. 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 might not be fully or even partially covered by insurance. Furthermore, continued insurance coverage might not be available to us in the future on economically reasonable terms, or at all. 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. and foreign tax laws and policies could adversely impact our financial condition and results of operations.

We are subject to complex and evolving U.S. and foreign tax laws and regulations, which might 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 might differ from the amounts recorded in our consolidated financial statements and any such difference could 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, from time to time, proposals are introduced in the U.S. Congress and state legislatures to impose new taxes on a broad range of financial transactions, including transactions that occur on our platform, such as the buying and selling of stocks, derivative transactions, and cryptocurrencies. 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-based revenues. While it is difficult to assess the impact the proposed taxes could have on us, any financial transaction tax implemented in any jurisdiction in which we operate could materially and adversely affect our business, financial condition, or results of operations, and as a retail brokerage we could be impacted to a greater degree than other market participants.

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

As of December 31, 2021, we have net operating loss carryforwards (“NOLs”) available to reduce future taxable income. However, 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 any companies that we acquire in the future may be subject to limitations. For these reasons, we might not be able to utilize our NOLs, even if we maintain profitability.

We track certain operational metrics, which are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics could harm our reputation, adversely affect our stock price, and result in litigation.

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 any independent third party and which might differ from estimates or similar metrics published by other 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 might 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 might 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 Class A 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 could be significantly harmed, the trading price of our Class A common stock could decline and we might be subject to stockholder litigation, which could be costly.

We are directly and indirectly exposed to fluctuations in interest rates.

Fluctuations in interest rates could adversely impact our customers' general spending levels and ability and willingness to invest through our platform. Additionally, some of our products, such as our brokerage cash sweep service 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 might 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. Fluctuations in interest rates might also adversely impact our 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 might negatively impact our net income.

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 of 2002 (the "Sarbanes-Oxley Act") and related rules of the SEC require, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. 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 could 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 are 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 might 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 might arise. Further, weaknesses in our disclosure controls and internal control over financial reporting could 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 could 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 are required in our periodic reports filed with the SEC. As a newly public company, however, we are not required to comply fully with the SEC's rules that implement Section 404 of the Sarbanes-Oxley Act until our second Annual Report on Form 10-K, which we expect to file in February 2023. In particular, we are not required to provide an annual management report on the effectiveness of our internal control over financial reporting and our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until such time. Ineffective disclosure controls and procedures or internal control over financial reporting could harm our business, cause investors to lose confidence in the accuracy and completeness of our reported financial and other information, and result in us becoming subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, any of which would likely have a negative effect on the trading price of our Class A common stock and have a material and adverse effect on our business, results of operations, financial condition and prospects. In addition, if we are unable to continue to meet these requirements, we might not be able to remain listed on the Nasdaq.

Risks Related to Our Class A Common Stock

The trading price for our Class A common stock has been and might continue to be volatile and you could lose all or part of your investment.

The trading price of our Class A common stock has been and might continue to be highly volatile and could continue to be subject to fluctuations in response to one or more of the risk factors described in this report, many of which are beyond our control. For example, on the day after our October 26, 2021 quarterly earnings release, the closing price of our Class A common stock fell by more than 10%. These fluctuations could cause you to lose all or part of your investment in our Class A common stock since you might be unable to sell your shares at or above the price you paid. From our IPO in July 2021 through March 2022, the intra-day trading prices of our Class A common stock ranged from a low of $9.93 to a high of $85.00 per share. Additional factors that could have a significant effect on the trading price of our Class A common stock include:

- 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; and

- the extent to which retail and other individual investors (as distinguished from institutional investors), including our customers, invest in our Class A common stock, which might result in increased volatility.

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, if the market price of our Class A common stock is above the level that investors determine is reasonable for our Class A common stock, some investors might attempt to short our Class A common stock, which would create additional downward pressure on the trading price of our Class A common stock.

Substantial future issuances and sales of shares of our Class A common stock in the public market could result in significant dilution to our stockholders and cause the trading price of our Class A common stock to fall.

As of April 5, 2022, our founders and their related entities hold approximately 15% of our outstanding common stock (and, as described in the following risk factor, over 50% of the voting power of our outstanding capital stock). If our founders or other significant stockholders sell, or indicate an intent to sell, large amounts of stock in the public market, or the perception that these sales might occur, could cause the trading price of our Class A common stock to decline substantially.

Similarly, significant numbers of shares are subject to future issuance including under outstanding warrants held by pre-IPO investors and under outstanding stock options and RSUs held by employees and other service providers, and significant numbers of additional shares are available for award grant purposes under our 2021 Plan and for issuance under our ESPP. All of these shares will become eligible for sale in the public market upon exercise, vesting, or settlement, as applicable (and to the extent granted in the discretion of our board of directors, in the case of shares available for grant). Moreover, to fund the tax withholding and remittance obligations arising in connection with future vesting and settlement of RSUs, we currently intend to have most holders of such RSUs, including our founders, sell a portion of such shares into the market on the applicable settlement date, with the proceeds of such sales delivered to us for remittance to the relevant taxing authorities. These and any future issuances of shares of our capital stock, or of securities convertible into or exercisable for our capital stock could depress the market price of our Class A common stock and result in a significant dilution for stockholders.

We have authorized more capital stock in recent years to provide additional stock options and RSUs to our employees and to permit for the consummation of equity and equity-linked financings and might continue to do so in the future. Our employee headcount has increased significantly in the past few years so the amount of dilution due to awards of equity-based compensation to our employees could be substantial. Further, any sales of our Class A common stock (including shares of Class A common stock issuable upon conversion of our Class B common stock, as stock options are exercised, or as RSUs are settled) might 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 Class A common stock to fall and make it more difficult for you to sell shares of our Class A common stock.

Further pursuant to the equity exchange right agreements entered into between us and each of our founders in connection with our IPO, each of our founders has a right (but not an obligation) to require us to exchange, for shares of Class B common stock, any shares of Class A common stock received by them upon the vesting and settlement of pre-IPO RSUs (the "Equity Exchange Rights"). Any exercise by our founders of these Equity Exchange Rights will dilute the voting power of holders of our Class A common stock.

The multi-class structure of our common stock has the effect of concentrating voting power with our founders, which limits your ability to influence the outcome of matters submitted to our stockholders for approval. In addition, the Founders' Voting Agreement and any future issuances of our Class C common stock could prolong the duration of our founders' voting control.

Our Class A common stock has one vote per share, our Class B common stock has 10 votes per share, and our Class C common stock has no voting rights, except as otherwise required by law. Our founders and certain of their related entities together hold all of the issued and outstanding shares of our Class B common stock. Accordingly, Mr. Tenev, who is also our CEO, President, and a director, and Mr. Bhatt, who is also our Chief Creative Officer and a director, collectively with their related entities hold over 50% of the voting power of our outstanding capital stock. As a result, our founders have the ability to determine or significantly influence any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our Amended and Restated Certificate of Incorporation (our "Charter") and our Amended and Restated Bylaws (our "Bylaws"), and the approval of any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction.

In addition, our founders and certain of their related entities ("Founder Affiliates") have entered into a voting agreement (the "Founders' Voting Agreement") in which they have agreed, among other things, (i) to vote all of the shares of our common stock held by such founder or Founder Affiliate for the election of each founder to, and against the removal of each founder from, our board of directors, (ii) to vote together in the election of other directors generally, subject to deferring to the decision of the nominating and corporate governance committee in the event of any disagreement between the founders, (iii) effective upon a founder's death or disability, to grant a voting proxy to the other founder with respect to shares of our common stock held by the deceased or disabled founder or over which he was entitled to vote (or direct the voting) immediately prior to his death or disability, and (iv) to grant each other rights of first offer in the event of proposed transfers that would otherwise cause Class B shares to convert into Class A shares under our Charter. The Founders' Voting Agreement has the effect of concentrating voting power in our founders (or either one of them).

Our founders might have interests that differ from yours and might vote in a way with which you disagree and which may be adverse to your interests. Therefore, the founders' concentrated voting control might have the effect of delaying, preventing or deterring a change in control of our Company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our Company, and might ultimately affect the market price of our Class A common stock. Further, the separation between voting power and economic interests could cause conflicts of interest between our founders and our other stockholders, which might result in our founders undertaking, or causing us to undertake, actions that would be desirable for our founders but would not be desirable for our other stockholders.

We have no current plans to issue shares of our Class C common stock. Because the shares of our Class C common stock have no voting rights, except as required by law, if we issue Class C common stock in the future, the voting control of our founders could be maintained for a longer period of time than would be the case if we issued Class A common stock rather than Class C common stock.

Our multi-class structure might depress the trading price of our Class A common stock.

In recent years some index providers have announced restrictions on including companies with multi-class share structures in some of their indices. For example, in July 2017, FTSE Russell announced that it plans to require new constituents of its indices to have greater than 5% of the company's voting rights in the hands of public stockholders, and S&P Dow Jones announced that it will no longer admit companies with multi-class share structures to certain of its indices. Affected indices include the Russell 2000 and the S&P Composite 1500, which is comprised of S&P 500, S&P MidCap 400 and S&P SmallCap 600. Also in October 2018, MSCI (a leading stock index provider) announced its decision to reduce the weighting of equity securities "with unequal voting structures" in some of its indices. Under such announced policies,

the multi-class structure of our common stock would make us ineligible for inclusion in some indices and, as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track those indices would not invest in our Class A common stock. Such restrictive policies might depress our valuation, as compared to similar companies that are included in the indices, particularly if such policies become more widespread. Given the sustained flow of investment funds into passive strategies that seek to track indices, exclusion from popular stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

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

Our Charter and our Bylaws contain, and Delaware law contains, provisions that might 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, such as a classified board, limitations on the ability of stockholders to take action by written consent, and the ability of our board to designate the terms of preferred stock and authorize its issuance without stockholder approval. 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 might 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 might elect to sell their shares in Robinhood and the trading price of our Class A common stock could decrease. These and other provisions of our Charter, our Bylaws and the Delaware General Corporation Law could have the effect of delaying or deterring a change in control, which might limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock and might also affect the price that some investors are willing to pay for our Class A common stock.

In addition, a third party attempting to acquire us or a substantial position in our Class A common stock might be delayed or ultimately prevented from doing so by change in ownership or control regulations to which certain of our regulated subsidiaries are subject. For example, 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 and similar approval from the U.K. Financial Conduct Authority, which regulates our U.K. authorized broker-dealer subsidiary (which does not currently do business), must be obtained in connection with any transaction resulting in a person or entity holding, directly or indirectly, 10% or more of the equity or voting power of a U.K. authorized person or the parent of a U.K. authorized person. These and any other applicable regulations relating to changes in control of us or our regulated subsidiaries could further have the effect of delaying or deterring a change in control of us.

The exclusive forum provisions of our Charter could limit our stockholders' ability to choose the judicial forum for some types of lawsuits against us or our directors, officers, or employees.

Our Charter provides 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 a number of types of actions or proceedings 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 also provides 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 might 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 might 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. If a court were to find the exclusive forum provisions in our Charter to be inapplicable or unenforceable in an action, we might incur additional costs associated with resolving the dispute in other jurisdictions, which could adversely affect our results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Sales of Unregistered Securities

From January 1, 2022 through March 31, 2022 we did not sell any shares of Class A common stock (or other equity securities of Robinhood Markets, Inc.) that were not registered under the Securities Act.

Use of IPO Proceeds

As previously disclosed, our total net proceeds from the sale of Class A common stock by us in the IPO were approximately $2.05 billion after deducting the underwriting discounts and commissions. We used a portion of the net proceeds we received in the IPO to repay borrowings made under our revolving lines of credit (which borrowing were utilized to fund tax withholdings due prior to the IPO closing as a result of RSU settlements in connection with the pricing of our IPO).

We intend to use the remaining IPO proceeds for working capital, capital expenditures, and general corporate purposes, which may include acquisitions, investments in the business to drive product expansion and other additional features to our platforms, and satisfying our general capital needs (including capital requirements imposed by regulators and SROs and cash deposit and collateral requirements under the rules of the DTC, NSCC, and OCC).

The expected use of net proceeds from the IPO represents our intentions based upon our present plans and business conditions. We cannot predict with certainty all of the particular uses for the proceeds of the IPO or the amounts that we will actually spend on the uses set forth above. Accordingly, our management will have broad discretion in the application of the net proceeds we received from the IPO, 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 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.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBIT INDEX

The documents listed below are filed (or furnished, as noted) as exhibits to this Quarterly Report on Form 10-Q:

Exhibit Number	Description	Incorporated by Reference			Filed Herewith
		Form*	Filing Date	Exhibit	
3.1	Amended and Restated Certificate of Incorporation of Robinhood Markets, Inc., dated August 2, 2021 (our "Charter")	8-K	2021-08-02	3.1	
3.2	Amended and Restated Bylaws of Robinhood Markets, Inc., dated February 24, 2022 (our "Bylaws")	10-K	2022-02-24	3.2	
4.1	Form of Class A Common Stock Certificate of Robinhood Markets, Inc.	S-1/A	2021-07-19	4.1	
4.2	Form of ten-year Warrant to Purchase Stock of Robinhood Markets, Inc., issued to multiple investors on February 12, 2021	S-1	2021-07-01	4.2	
10.1	Form of Indemnification Agreement (VC Fund-Affiliated Director)				X
10.2	Joinder Agreement, dated December 13, 2021 by Bhatt Family LLC, becoming party to the Voting Agreement, dated July 26, 2021, among Robinhood Markets, Inc., Baiju Bhatt, Vladimir Tenev, and certain related entities				X
10.3+	Offer Letter between Robinhood Markets, Inc. and Gretchen Howard, dated November 16, 2018				X
10.4+	Offer Letter between Robinhood Markets, Inc. and Aparna Chennapragada, dated February 18, 2021				X
10.5.1+	Offer Letter between Robinhood Markets, Inc. and Christina Smedley, dated July 4, 2020				X
10.5.2+	Separation Agreement between Robinhood Markets, Inc. and Christina Smedley, dated August 21, 2021				X
10.6+	Form of Stock Option Agreement for Employees and Non-Employee Directors (including the Notices of Grant) under the Robinhood Markets, Inc. 2021 Omnibus Incentive Plan				X
10.7	Amended and Restated Credit Agreement, dated as of April 11, 2022, among Robinhood Securities, LLC, as borrower, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent	8-K	2022-04-14	10.1	
31.1	CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act				X
31.2	CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act				X
32.1‡	CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act				X
32.2‡	CFO Certification pursuant to Section 906 of the Sarbanes-Oxley Act				X
101.INS	iXBRL (Inline eXtensible Business Reporting Language) Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				X
101.SCH	iXBRL Taxonomy Extension Schema Document				X

101.CAL	iXBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	iXBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	iXBRL Taxonomy Extension Label Linkbase Document.	X
101.PRE	iXBRL Taxonomy Extension Presentation Linkbase Document.	X
104	Cover Page Interactive Data File (contained in Exhibit 101)	X

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* File number is 001-40691 except that the S-1 (and S-1/A) file number is 333-257602.

\+ Indicates a management contract or compensatory plan.

‡ The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Robinhood Markets, Inc. under the Securities Act of 1933, as amended, or the Securities Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the Registrant has duly signed this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Menlo Park, California, on May 6, 2022.

Robinhood Markets, Inc.

By:	/s/ Vladimir Tenev
Name:	Vladimir Tenev
Title:	Co-Founder, Chief Executive Officer and President

By:	/s/ Jason Warnick
Name:	Jason Warnick
Title:	Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*

Exhibit 10.1

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made and entered into as of [●], 2022 between Robinhood Markets, Inc., a Delaware corporation (the "Company"), and [●] ("Indemnitee").

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors and officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will use commercially reasonable efforts to maintain on an ongoing basis, at its sole expense, liability insurance to protect, from certain liabilities, persons serving on the Board and the board of directors of the Company's subsidiaries. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums, with higher retentions and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Amended and Restated Certificate of Incorporation of the Company (as amended from time to time, the "Certificate of Incorporation") and the Amended and Restated Bylaws of the Company (as amended from time to time, the "Bylaws") require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("DGCL"). The Bylaws and Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws and Certificate of Incorporation of the Company and any resolutions adopted pursuant thereto, and

shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

WHEREAS, Indemnitee does not regard the protection available under the Bylaws and Certificate of Incorporation and the Company's insurance as adequate in the present circumstances, and may not be willing to serve as a director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified as set forth herein;

WHEREAS, Indemnitee is a representative of or affiliated with: [●] (the foregoing, together with any affiliated venture capital funds and the general partners, managing members or other control persons and/or any affiliated management companies, the "VC Funds", and each, individually, a "VC Fund"); and

WHEREAS, Indemnitee has certain rights to indemnification and/or insurance provided by the VC Funds, which Indemnitee and the VC Funds intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein, with the Company's acknowledgement and agreement to the foregoing being a material condition to Indemnitee's willingness to serve on the Board.

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as a director from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section l(a) if, by reason of such person's Corporate Status (as hereinafter defined), the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses (as hereinafter defined), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person, or on such person's behalf, in connection with such Proceeding or any claim, issue or matter therein, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of such person's Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee, or on the Indemnitee's behalf, in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law,

as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section 1(c) and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

(d) Indemnification of Appointing Stockholder. Recognizing that Indemnitee is or was affiliated with one or more VC Funds that has invested in the Company (an "Appointing Stockholder"), the Company hereby agrees that if (i) the Appointing Stockholder is, or is threatened to be made, a party to or a participant in any Proceeding, and (ii) the Appointing Stockholder's involvement in the Proceeding results from any claim based on or related to the Indemnitee's service to the Company as a director or other fiduciary of the Company, the Appointing Stockholder will be entitled to indemnification hereunder for Expenses to the same extent as Indemnitee (and for the avoidance of doubt, only if Indemnitee also is or would have been so entitled to indemnification), and the terms of this Agreement as they relate to procedures for indemnification of Indemnitee and advancement of Expenses shall apply to any such indemnification of Appointing Stockholder.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such Proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not, without the prior written consent of Indemnitee (not to be unreasonably, withheld, conditioned or delayed), enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), in which the Indemnitee is or could reasonably become a party, or which potentially or actually imposes any Expenses, liabilities, exposure or burden on Indemnitee unless (i) such settlement solely involves the payment of money or performance of any obligation by persons other than Indemnitee and includes an unconditional, full release of Indemnitee by all relevant parties from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters and (ii) the Company has fully indemnified the Indemnitee with respect to, and held Indemnitee harmless from and against, all Expenses and liabilities incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with or related to any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding, without regard to Indemnitee's ultimate entitlement to indemnification, and such advancement of Expenses shall continue until such time (if any) as there is a final non-appealable judicial determination by a court of competent jurisdiction that Indemnitee is not entitled to indemnification against such Expenses. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or

be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined by a court of competent jurisdiction pursuant to a final non-appealable judicial determination that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free and made without regard to Indemnitee's financial ability to repay such Expenses.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods: (i) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors (or by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors), even though less than a quorum or (B) if there are no Disinterested Directors or if the Disinterested Directors so direct, by Independent Counsel in a written opinion to the Disinterested Directors, a copy of which shall be delivered to Indemnitee, or (ii) if a Change in Control shall have occurred, (A) by Independent Counsel in a written opinion to the Disinterested Directors, a copy of which shall be delivered to Indemnitee, or (B) if Indemnitee so directs and the Disinterested Directors so accept, by a majority vote of Disinterested Directors (or by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors), even though less than a quorum (the party making such determination, the "Determining Party").

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) hereof, Independent Counsel shall be

selected as provided in this Section 6(c), and the selecting party shall promptly provide written notice of such selection to the other party hereto. If a Change in Control shall not have occurred, Independent Counsel shall be selected by the Disinterested Directors. If a Change in Control shall have occurred, Independent Counsel shall be selected by Indemnitee. In either event, within ten (10) days after receipt of written notice from the applicable selecting party of the selection of Independent Counsel, the other party may deliver to the selecting party a written objection to such selection; provided, however, that such objection may be asserted only on the ground that Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 17(f) hereof, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made, (i) Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection

is without merit and (ii) the selecting party may select a new Independent Counsel and the other party shall have an additional ten (10) days after receipt of written notice of such selection to object. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court of Chancery for resolution of any objection which shall have been made to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay the reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with its acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed and regardless of whether Indemnitee is ultimately determined to be entitled to indemnification hereunder.

(d) In making a determination with respect to entitlement to indemnification hereunder, the Determining Party shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 6(a) hereof. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or with respect to any criminal action or proceeding, to not have had a reasonable cause to believe such Indemnitee's conduct was unlawful for purposes of indemnification under this Agreement if Indemnitee's action is based on the records or books of account of the Enterprise (as hereinafter defined), including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, or with respect to any criminal action or proceeding, Indemnitee did not have a reasonable cause to believe such Indemnitee's conduct was unlawful. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the Determining Party shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such sixty (60)-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if

the Determining Party in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto.

(g) Indemnitee shall cooperate with the Determining Party, including providing to the Determining Party upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Determining Party shall act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the Determining Party shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) In addition, Indemnitee shall reasonably cooperate with the Company in connection with the Proceeding, including providing the Company with such information as may be reasonably appropriate.

(i) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that a Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(j) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(k) Indemnitee shall have the sole right and obligation to control the defense or conduct of any claim or Proceeding with respect to Indemnitee, except that Indemnitee shall not make any admission or effect any settlement with respect to any such Proceeding without the Company's prior written consent (not to be unreasonably withheld, conditioned or delayed). The Company shall not, without the prior written consent of Indemnitee (not to be unreasonably withheld, conditioned or delayed), enter into any settlement of any Proceeding in which the Indemnitee is or could reasonably become a party or which potentially or actually imposes any Expenses, liabilities, exposure or burden on Indemnitee unless (i) such settlement solely involves the payment of money or performance of any obligation by persons other than Indemnitee and includes an unconditional, full release of Indemnitee by all relevant parties from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters and (ii) the Company has fully indemnified the Indemnitee with respect to, and held Indemnitee harmless from and against, all Expenses and liabilities incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification. Indemnitee shall commence such proceeding seeking an adjudication within
180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 7(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on Indemnitee's behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 17 of this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders, a resolution of directors or otherwise, of the Company. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company shall use commercially reasonable efforts to obtain and maintain an insurance policy or policies providing liability insurance for directors serving on the Board and the board of directors of the Company's subsidiaries in an aggregate amount and on such other terms and conditions as are reasonable and customary for a publicly listed company with a market capitalization comparable to the Company. The Company shall give prompt notice of the commencement of any claim or Proceeding to the director and officer liability insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable actions to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such claim or Proceeding in accordance with the terms of such policies.

(c) The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by the VC Funds. The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the VC Funds to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Certificate of Incorporation or Bylaws of the Company (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the VC Funds, and (iii) that it irrevocably waives, relinquishes and releases the VC Funds from any and all claims against the VC Funds for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the VC Funds on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the VC Funds shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the VC Funds are express third party beneficiaries of the terms of this Section 8(c).

(d) Except as provided in paragraph (c) above, in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the VC Funds), who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) Except as provided in paragraph (c) above, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(f) Except as provided in paragraph (c) above, the Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise.

9. Duration of Agreement. Due to the uncertain application of any statutes of limitations that may govern any Proceeding, this Agreement and all obligations of the Company contained herein shall be of indefinite duration. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as a director or officer of or in any other capacity for, the Company or any other Person at the Company's request. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

10. Security. To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

11. Authorization. Each of the Company and Indemnitee has all requisite authority and capacity to execute and deliver this Agreement and any and all instruments necessary or appropriate to effectuate fully the terms and conditions contained herein and the transactions contemplated here by. This Agreement has been duly authorized by all necessary action on the part of the Company and its stockholders, and this Agreement has been duly executed and delivered by each of the Company and Indemnitee and constitutes a valid and legally binding obligation of the Company and Indemnitee, respectively, enforceable in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, examinership, fraudulent transfer, reorganization, liquidation, dissolution, moratorium and other similar laws affecting or relating to creditors' rights generally and subject to general principles of equity.

12. No Violations. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby by each of the Company and Indemnitee shall violate any law, the result of which would prevent the Company or Indemnitee, as applicable, from consummating the transactions contemplated hereby or result in a breach of constitute a default under, result in the acceleration of, create in any party the rights to accelerate, terminate, modify or cancel, or require any notice under, any contract to which each of the Company and Indemnitee is a party or by which each of the Company and

Indemnitee is bound or to which any of the Company's assets is subject, the result of which would prevent the consummation of the transactions contemplated hereby.

13. No Consents. No permit, authorization, order, consent or approval of or by, or any notification of or filing with, any person (governmental or private) is required in connection with the execution delivery and performance by the Company of this Agreement or the consummation by the Company of the transactions contemplated hereby that has not been obtained.

14. No Action or Proceeding. There is no action, suit, proceeding or investigation pending or threatened against each of the Company and Indemnitee that question the validity of this Agreement or their respective rights to enter into this Agreement or to consummate the transactions contemplated hereby.

15. Mutual Drafting. Each party has cooperated in the negotiation, drafting and preparation of this Agreement. Accordingly, in the event an ambiguity or question of intent or interpretation with respect to any term or provision of this Agreement arises, the language in all parts of this Agreement shall in all cases be construed as mutually chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) This Agreement shall in all respects be deemed to be effective as of the date that Indemnitee first became a director of the Company.

17. Definitions. For purposes of this Agreement:

(a) A "Change in Control" shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the total voting power represented by the Company's then outstanding Voting Securities, (ii) during any period of two (2) consecutive years, (A) individuals who at the beginning of such period constitute the Board and (B) any new director whose appointment by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved (other than, in the case of this clause (B), individuals that are initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board), cease for any reason to constitute a majority of the Board, or (iii) the stockholders of the Company approve a merger or

consolidation of the Company with any other entity, other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 50% of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of transactions) all or substantially all of the Company's assets.

(b) "Corporate Status" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company.

(c) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(d) "Enterprise" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

(e) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(f) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(g) "Proceeding" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal,

administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of Indemnitee's Corporate Status, by reason of any action taken by Indemnitee or of any inaction on Indemnitee's part while acting in Indemnitee's Corporate Status; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his rights under this Agreement.

(h) "Voting Securities" shall mean any securities which vote generally in the election of directors.

18. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

19. Modification and Waiver. Except as expressly provided herein with respect to changes in applicable law that broaden the rights of Indemnitee to be indemnified by the Company, no supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

20. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

21. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee's signature hereto.

(b) To the Company at:

Robinhood Markets, Inc.
85 Willow Road
Menlo Park, CA 94025
Attn: Office of the Corporate Secretary

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

22. Identical Counterparts. This Agreement may be executed and delivered (including by facsimile or .PDF transmission) in two or more counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

24. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of, relating to, or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of, relating to, or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

ROBINHOOD MARKETS, INC.

By: _____
[●]
[●]

INDEMNITEE

_____

Address: _____

_____

Signature Page to Robinhood Markets, Inc
Indemnification Agreement

Exhibit 10.2

Joinder Agreement

The undersigned is executing and delivering this Joinder Agreement pursuant to the Voting Agreement, dated as of July 26, 2021 (as it may be amended, modified, restated or supplemented from time to time, the "Voting Agreement"), by and among (a) Baiju Bhatt and Vladimir Tenev (together, the "Individual Founders"), (b) the Founder Affiliates (as defined in the Voting Agreement) from time to time party thereto and (c) solely for purposes of Sections 3(c), 6, 7, 8 and 9 thereof, Robinhood Markets, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Company"). Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Voting Agreement.

The undersigned hereby acknowledges that it has reviewed and understands the Voting Agreement. By executing and delivering this Joinder Agreement to the Individual Founders and the Company, the undersigned hereby agrees to become a party to, be bound by and comply with the provisions of the Voting Agreement in the same manner as if the undersigned were an original signatory to the Voting Agreement, including the grant of irrevocable proxies by the undersigned pursuant to Section 3 of the Voting Agreement. From and after the undersigned's execution and delivery of this Joinder Agreement, the undersigned shall be deemed a Founder Affiliate of Baiju Bhatt for all purposes of the Voting Agreement.

Accordingly, the undersigned has executed and deliver this Joinder Agreement as of DECEMBER 13, 2021.

BHATT FAMILY LLC

By: /s/ Adrienne Sussman
Name: Adrienne Sussman
Title: Manager of Bhatt Family LLC

Exhibit 10.3

3200 Ash Street
Palo Alto, CA 94306

November 16, 2018

JOB OFFER LETTER

Dear Gretchen:

Robinhood Markets, Inc. (the "Company") is pleased to offer you employment on the following terms:

Position

Your initial title will be Vice President of Operations, 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 $1,400,000, payable in four equal installments. The first installment will be paid in the first payroll period following your commencement of employment with the Company, less applicable payroll withholdings and deductions. You will earn this bonus 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, 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 first anniversary of your first date of employment, the Company will pay the second bonus installment in the first paycheck after your first anniversary. 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 second anniversary of your first date of employment, the Company will pay the third bonus installment in the first paycheck after your second anniversary. If your employment with the Company is terminated for any reason during your second year of employment, you will not be eligible for the third installment.

If you are employed with the Company on the third anniversary of your first date of employment, the Company will pay the fourth and final bonus installment in the first paycheck after your third anniversary. If your employment with the Company is terminated for any reason during your third year of employment, you will not be eligible for the fourth installment.

Each bonus installment will be payable in accordance with the Company's standard payroll practice and subject to applicable withholding taxes.

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.

Equity Compensation

Subject to the approval of the Company's Board of Directors or its Compensation Committee, you will be granted an option to purchase shares of the Company's Common Stock corresponding to a target face value of $4,000,000 based on the company's most recent preferred share issuance (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 applicable equity compensation plan. 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 agreements.

Subject to the approval of the Company's Board of Directors or its Compensation Committee, you will be granted restricted stock units of the Company's Common Stock corresponding to a target value of $4,000,000 (the "RSUs"). 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.

In the event that you are promoted to Chief Operating Officer and hold this title on the date of any change of control of the Company, the Options and RSUs will be subject to accelerated vesting upon such change of control.

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.

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 16, 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 January 1, 2019.

Very truly yours,

Robinhood Markets Inc.

/s/ Baiju Prafulkumar Bhatt

By: Baiju Prafulkumar Bhatt Title: Co-President

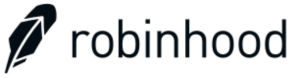
I have read and accept this employment offer:

/s/ Gretchen Howard

Signature of Employee

Dated: 11/16/2018

Exhibit 10.4



85 Willow Road
Menlo Park, CA 94025

February 18, 2021

Dear Aparna:

Congratulations! We're delighted to offer you employment at Robinhood Markets, Inc. ("Robinhood" or the “Company”). We hope you'll join us in our mission to democratize finance for all.

You will join us as Chief Product Officer initially reporting to Vlad Tenev, working in Menlo Park. Your starting annual salary will be $550,000, less applicable taxes, deductions and withholdings. This annual salary will be subject to review and may be increased from time to time, but not reduced unless part of a salary reduction applicable to all other C-Team executives of the Company. Your salary is contingent upon you working in Menlo Park within 30 days after Robinhood has lifted its mandatory work from home order for your work location. You will be paid every two weeks on Robinhood’s regularly scheduled pay dates. Your first day of work at Robinhood will be your “Start Date.” We currently anticipate that your Start Date will be April 6, 2021, or another date mutually agreed upon in writing (such actual start date of employment, the “Start Date”).

Incentive Bonus. To the extent the Company provides incentive bonuses to its C-Team executives generally, you will be entitled to participate in any such bonus program on similar terms.

Sign-On Bonus. You will receive a sign-on bonus of $1,000,000 less applicable taxes, deductions and withholdings, within 30 days following your Start Date, provided you are continuously employed with Robinhood through that date. This sign-on bonus is an advance payment to assist you in transitioning into your new role and is not earned until you complete one year of employment at Robinhood. If your employment terminates for any reason other than an Involuntary Termination (as defined below) before the one year anniversary of your Start Date, you will be required to repay a pro rata portion of your sign-on bonus to Robinhood (based on the number of days that you were employed at Robinhood and divided by 365) on or before your last day of employment.

Equity. We will recommend to Robinhood's Board of Directors (the "Board") that you be granted 1,935,484 restricted stock units for Robinhood's Common Stock ("RSUs"). In addition, if the Company completes another financing round (for clarity, this shall not include a Change in Control or IPO transaction) after the date hereof and before the earlier of (i) the Start Date, or (ii) 60-days after the date of this later, in which the Company's post-money valuation decreases, then we will recommend that your RSU grant be increased such that the aggregate value of your RSUs is unchanged from the initial value of the RSUs specified in the first sentence of this paragraph above based on the then current preferred share price. Vesting of the RSUs requires satisfaction of two vesting conditions: a time-based vesting condition and a liquidity-based condition. You will vest in the RSUs over four years with 25% of the number of shares vesting on the 1st of the month of your one year anniversary of your Start Date with the Company, and then 6.25% vesting on the 1st of the month of each quarterly anniversary thereafter, until the grant is fully vested, subject to you continuing in employment or service with the Company through each respective vesting date. Earned RSUs vest and become stock owned by you only after the Company shares are generally liquid, meaning after the Company has been acquired or six months after an initial public offering. The RSUs will be subject to the terms and conditions of the Company's 2020 Equity Incentive Plan and a restricted stock unit agreement between you and the Company. The grant of such RSUs is subject to the Board's approval and this promise to recommend such approval is not a promise of compensation and is not intended to create any obligation on the part of Robinhood. Further details on any specific RSU grant to you will be provided upon approval of such grant by the Board. The number of RSUs is contingent upon you starting at Robinhood by April 6, 2021, or another date mutually agreed upon in writing.

Termination of Service. In the event of your cessation of employment, you will be entitled to receive your Accrued Benefits (as defined below). In addition, subject to the requirements of subsection (b) below, you will be entitled to the following additional payments and benefits:

(a) In the event that your employment ends due to an Involuntary Termination during the Change in Control Period, then Robinhood will recommend to the Board of Directors (to be approved at the time of grant) that all of your then outstanding and unvested RSUs and any other equity awards of the Company will automatically be deemed to have satisfied the time-based vesting condition with respect to 100% of the then unvested shares underlying such awards as of the date of your Involuntary Termination; provided, that any performance-based vesting criteria (including the achievement of any liquidity conditions, but for clarity, the RSUs described herein will not be subject to any performance-based vesting criteria other than the liquidity conditions) will be treated in accordance with the applicable award agreement or the Plan governing the terms of such equity award and provided, further, if you remain employed with the Company through the closing of the Change in Control and if the

successor to the Company or any affiliate of such successor does not agree to assume, substitute or otherwise continue the RSUs and any other Company at the time of a Change in Control (and if offered new or continued employment with such acquirer or successor, you do not voluntarily resign without Good Reason), then 100% of the then unvested shares underlying such awards shall fully vest immediately prior to, and contingent upon, the consummation of such Change in Control.

(b) You will not be eligible for the benefits described in this section (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 no later than 5 days following the date of termination (the "Release"), and such Release becomes effective, on or before the 60th day following the date of the Involuntary Termination.

(c) In the event of an Involuntary Termination of your employment, you shall be entitled to a severance payment equal to 6 months of your annual salary at the time of such Involuntary Termination, as well as a payment equal to the premium costs for you and your eligible dependents to continue healthcare coverage under COBRA for 6 months. Any severance pay due hereunder shall be paid in a single lump sum within 30 days of the date the Release becomes effective of your employment.

(d) In the event of an Involuntary Termination of your employment before you reach the one-year vesting cliff of your new hire RSU grant outlined in this letter, then in addition to the benefits outlined in paragraph (c) above, Robinhood will also recommend to the Board of Directors (to be approved at the time of grant) that all of your then outstanding and unvested RSUs and any other equity awards of the Company will automatically be deemed to have satisfied the time-based vesting condition with respect to 25% of the then unvested shares underlying such awards as of the date of your Involuntary Termination, within 30 days of the date the Release becomes effective of your employment.

Section 409A.

(a) *Separation from Service.* For purposes of this offer 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 Internal Revenue Code ("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 offer 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) *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 offer 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 offer letter will be paid as otherwise provided herein.

(c) *Other*. For purposes of Section 409A of the Code, each payment that is paid pursuant to this offer letter is hereby designated as a separate payment. The parties intend that all payments made or to be made under this offer letter comply with, or are exempt from, the requirements of Section 409A so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to so comply or be so exempt.

Section 280G; Limitation on Payments. Notwithstanding anything in this offer letter to the contrary, if any payment or distribution to you pursuant to this offer 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 paragraph will be final, binding, and conclusive upon all parties.

Employee Benefits. You'll have access to Robinhood benefits offerings. Summary details of these plans will be sent separately, and you will be required to complete an enrollment process to activate your benefits after your Start Date. Robinhood may modify your benefits from time to time as it deems necessary. You will also be included in coverage under Robinhood's Directors and Officers Liability Insurance program.

Proprietary Information and Inventions Agreement. In order to work at Robinhood, we need you to read, complete, and sign the Proprietary Information and Invention Assignment Agreement during your onboarding process. This, among other things, prohibits unauthorized use or disclosure of Robinhood's confidential information or any third party proprietary and confidential information. To review the Proprietary Information and Invention Assignment Agreement prior to signing the offer letter, please reach out to your recruiter to receive a copy.

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 offer letter and the other agreements referenced in this letter, you represent that your working for

Robinhood will not violate any agreement between you and your current or past employers.

At-Will Employment. Your employment with Robinhood will 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 Robinhood's VP of People or President.

Robinhood Policies. Our policies matter. As an employee of Robinhood, you will be expected to comply with the policies in our Employee Handbook, Code of Ethics and other policies applicable to your employment.

Indemnification. During the term of your employment and thereafter, Robinhood agrees that it shall indemnify you and provide you with Directors & Officers liability insurance coverage to the same extent that it indemnifies and/or provides such insurance coverage to other most senior executive officers.

Outside Activities. You may engage in civic and not-for-profit activities and serve on the boards of directors or serve as a consultant to non-competitive private or public entities; provided, in each case that such activities do not materially interfere with the performance of your duties to Robinhood or raise an actual or perceived conflict of interest. You will disclose any such outside activities to the Company, and Robinhood will work with you to address any actual or perceived conflict when possible.

Eligibility to Work in the United States. When you begin employment with Robinhood, please bring appropriate documentation to verify your authorization to work in the United States. Robinhood may not employ anyone who cannot provide documentation showing that they are legally authorized to work in the United States.

Registration Requirement For FINRA Registered Representatives. If applicable, this offer is contingent upon a successful review and acceptance of your Form U4 so that you become an associated person of Robinhood Securities, LLC or Robinhood Financial LLC (as applicable). This will require the completion and submission of a Form U4 (available at: https://www.finra.org/sites/default/files/form-u4.pdf), and fingerprinting within 30 days following the filing of your Form U4 (deadline currently extended due to the current stay at home orders).

In order for us to submit your Form U4 and access any relevant information relating to your prior registration with FINRA, you are required to sign an authorization for WebCRD review as well as a Form U4 Arbitration Acknowledgement. Robinhood will review and verify your past employment in WebCRD and when made available your

most recent U5 information. Your employment is contingent upon verification of the information provided and Robinhood's assessment of references and past employers. If you were previously registered with the NFA, you will be required to submit CFTC Form 8-T.

In connection with becoming an associated person of Robinhood Securities, LLC or Robinhood Financial LLC (as applicable), additional forms will be separately provided to you requesting that you disclose all of your outside business activities as well as any outside brokerage accounts. Your employment is contingent upon Robinhood's review of the information provided as well as your agreement, if applicable, to any specific conditions or limitations as Robinhood may deem necessary.

Background Check. This offer is contingent upon (and you may not start employment until) the successful completion of your background check, which includes fingerprinting and an OFAC screening due to regulatory requirements. Due to the current stay at home orders, we are extending your time to be fingerprinted until approved fingerprinting agencies are reopened in your area. We expect our employees to operate with the highest integrity, to be accurate and honest in providing information in the application, interview, and hiring process, and to disclose any information that may prevent or interfere with prompt licensing (if applicable to the job). Robinhood reserves the right to rescind this offer or terminate employment due to an unsatisfactory background check, adverse disclosure events reported on a Form U4/U5 (if applicable), or any inaccurate or undisclosed information in connection with the application, interview, or hiring process.

Arbitration Agreement. You will also be asked to sign a Mutual Agreement To Arbitrate. Arbitration is a process of private dispute resolution, and in the unlikely event that there is a dispute between you and Robinhood, Robinhood would like to submit the dispute to arbitration. Please read the agreement for more information.

Entire Agreement. This offer 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.

Accepting this Offer. To accept this offer, please sign and date this letter. We would love to hear from you sooner, but we will give you until February 22, 2021 to accept, unless we mutually agree in writing to a later deadline. We can't wait for you to join our team!

Sincerely,

Robinhood Markets, Inc.

/s/ Vlad Tenev

By: Vlad Tenev
President and Co-Founder

I have read and accept this employment offer.

/s/ Aparna Chennapragada

Signature

February 20, 2021
Date

APPENDIX

DEFINITIONS

Capitalized terms not otherwise defined in the offer 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 material breach by you of any material written agreement between you and Robinhood, which breach causes material harm to Robinhood; (iii) failure by you to comply with Robinhood's material 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 in connection with conducting (or impacting your ability to conduct) your job responsibilities to the Company; (vi) a willful continuing failure by you to perform lawfully assigned duties from the Chief Executive Officer or the Board (other than as a result of disability) 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), (iii) and (vii), 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 non- compliance, 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, (iii) the dissolution, liquidation or winding up of Robinhood, or (iv) the consummation of a transaction, or series of related transactions, in which any person becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50% of the Company's then outstanding voting securities (for clarity, if any "person" is considered to already be in effective control of the Company, the acquisition of additional control of the Company by the same person will not be considered to cause a Change in Control. The foregoing notwithstanding, neither (A) a merger or consolidation of Robinhood, (B) sale of securities under clause (iv) above nor (C) 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 title, duties, authority, responsibilities or reporting relationship (including, without limitation, for clarity, a requirement that you no longer report to the Chief Executive Officer or the Board) provided however that this shall not apply as a result of a change in your reporting relationship as a result of a Change in Control; (ii) a 10% or more reduction in your base salary; (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; (iv) Robinhood's material breach of any obligations under any written agreement or covenant with you; or (v) Robinhood's failure to grant the RSUs or pay the sign-on bonus pursuant to the terms set forth in this offer letter. 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.

NOTICE OF OPTION AWARD

ROBINHOOD MARKETS, INC.
2021 OMNIBUS INCENTIVE PLAN

Unless otherwise defined herein, capitalized terms used in this Notice of Option Award (this "***Notice of Grant***") shall have the same meanings ascribed to them in the Robinhood Markets, Inc. 2021 Omnibus Incentive Plan (the "***Plan***"). All references to the "Platform" in this Notice of Grant or in the Option Agreement attached hereto as Annex A (the "***Option Agreement***") shall be interpreted as the equity management software currently in use by the Company.

The Participant named below has been granted an option to purchase Shares (the "***Option***"), subject to the terms and conditions set forth in the Plan, this Notice of Grant and the Option Agreement. The Option shall be credited to a separate book-entry account maintained for the Participant on the books of the Company.

Participant Name: ***See Platform***

Address: ***See Platform***

Total Number of Shares: ***See Platform***

Exercise Price per Share: ***See Platform***

Type of Option: ***See Platform***

Grant Date: ***See Platform***

Vesting Commencement Date: ***See Platform***

Expiration Date: ***The option shall expire at 1:00 p.m. pacific time on the seventh (7th) annual anniversary of the Grant Date.***
Vesting: [Vesting schedule to be specified by the Administrator at time of grant] (each such date, a "***Vesting Date***"); provided that the Participant remains continuously in active service with the Company or one of its Affiliates from the Grant Date through such Vesting Date. Employment or service for only a portion of a vesting period prior to a Vesting Date, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided below.

Certain Limitations on Incentive Stock Options: The Option is intended to be an Incentive Stock Option or a Nonstatutory Stock Option, as designated on the Platform. The Participant and the Company acknowledge and agree that the Exercise Price is equal to at least one hundred percent (100%) of the Fair Market Value per Share on the Grant Date; provided that, if the Option is designated as an Incentive Stock Option and granted to Participant who, on the Grant Date, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the Exercise Price is equal to at least one hundred and ten percent (110%) of the Fair Market Value per Share on the Grant Date. If the Option is designated as an Incentive Stock Option, it shall nevertheless be deemed to be a Nonstatutory Stock Option to the extent required by the $100,000 annual limitation under Section 422(d) of the Code or as otherwise required by Section 421 or 422 of the Code or Section 7(b) of the Plan.

Termination of Service and Post-Termination Exercise Period:

(a) Termination of Service due to Death or Disability. If, on or prior to an applicable Vesting Date, the Participant's service with the Company and its Affiliates terminates (i) due to the Participant's Disability or (ii) due to the Participant's death, then the portion of the Option that would have otherwise become vested within two years following such termination shall vest in full as of the date of such termination. Notwithstanding the foregoing, the maximum value of Awards and other awards granted pursuant to the 2020 Plan, the Company's 2013 Stock Plan or any future equity plans that may be adopted by the Company that become vested and exercisable in the event of a termination due to the Participant's Disability or death will not exceed $10 million in the aggregate, as determined by the Administrator in its sole discretion. Any portion of the Option that vests pursuant to this clause (a) shall remain exercisable for the period set forth in clause (c) below. For the avoidance of doubt, this clause (a) shall not apply to any death or Disability of the Participant occurring after the date of termination of the Participant's service for any reason.

(b) Other Termination of Service. If, prior to the final Vesting Date, the Participant's service with the Company and its Affiliates terminates for any reason other than as set forth in clause (a) above (including any termination of service by the Participant for any reason, or by the Company and its Affiliates with or without Cause), then any unvested portion of the Option shall be cancelled immediately after such termination and the Participant shall not be entitled to exercise any such unvested portion of the Option or receive any payments with respect thereto.

A transfer of the Participant's employment or service from one business group, including corporate groups, or Affiliate of the Company to another business group or Affiliate of the Company shall not be considered a termination of the Participant's service with the Company and its Affiliates. The Participant's service with the Company and its Affiliates shall be deemed to terminate as of the date the Participant is no longer actively providing services to the Company or any of its Affiliates (regardless of the reason for the termination and whether or not later found to be invalid or in breach of Applicable Laws or the terms of the Participant's employment or other service agreement, if any) and shall not, subject to Applicable Laws, be extended by any required notice period (e.g., garden leave).

(c) Post-Termination Exercise Period. Unless otherwise determined by the Administrator, if the Participant's service with the Company and its Affiliates terminates for any reason, the Participant (or the Participant's designated beneficiary, as applicable) may exercise the Option to the extent vested and exercisable on the date of such termination within the following periods: (i) three months following a termination other than as a result of the Participant's death or Disability; (ii) 12 months following a termination due to the Participant's Disability (in the case of Options intended to be Incentive Stock Options, as defined in Section 22(e) of the Code); and (iii) 12 months following a termination due to the Participant's death; provided, however, that, in no event shall the Option be exercisable after the Expiration Date.

(d) No Notification of Exercise Periods. Participant is responsible for keeping track of these exercise periods following Participant's termination of service for any reason. The Company will not provide further notice of such periods.

Leaves of Absence:

(a) Vesting May be Paused during Leaves of Absence in Accordance with Company Policy. Subject to compliance with all Applicable Laws, as determined by the Administrator in its sole discretion, in the event the Participant takes a bona fide leave of absence that was approved by the Company or its applicable Affiliate in writing or to which the Participant is entitled by Applicable Laws (an "***Authorized Leave***"), each Vesting Date that has not occurred

as of the commencement of the Authorized Leave shall be delayed if and to the extent provided in the Company's leave of absence and equity vesting policy as in effect from time to time (the "***LOA Vesting Policy***") or as otherwise approved by the Administrator, but not beyond the Expiration Date (and any portion of the Option (whether vested or unvested) that remains outstanding at the Expiration Date shall be automatically forfeited by the Participant). For the avoidance of doubt, the LOA Vesting Policy may provide that vesting continues for a fixed portion of the Authorized Leave and is paused for the remainder of the Authorized Leave (and the fixed portion of such Authorized Leave during which vesting continues may differ as between different types of leave). In addition, if the Option is designated as an Incentive Stock Option, it shall nevertheless be deemed to be a Nonstatutory Stock Option to the extent it is exercised more than three months after the Participant has been on an Authorized Leave for more than three months, unless the Participant's right to reemployment following such Authorized Leave was provided for by Applicable Laws or contract.

(b) Award Terminates at end of Authorized Leave unless Participant Returns to Work. Subject to the immediately preceding paragraph (a), for purposes of the Option, the Participant's service shall not be deemed terminated while the Participant is on an Authorized Leave. However, the Participant's service with the Company and its Affiliates shall be deemed to terminate at the end of such Authorized Leave unless the Participant promptly returns to active service. The Administrator shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the Option (including whether the Participant may still be considered to be providing services while on a leave of absence).

Maximum Term: The term of this Option award ends on the Expiration Date, or such earlier date as provided in this Notice of Grant or the Option Agreement. For the avoidance of doubt, any portion of the Option (whether vested or unvested) that remains outstanding and unexercised after 1:00 p.m. pacific time on the Expiration Date shall be automatically forfeited by the Participant.

Market Standoff: The Participant agrees that in connection with any registered public offering of securities of the Company (an "***Offering***"), the Participant shall not sell or otherwise dispose of any Shares acquired under the Plan without the prior written consent of the Company or the underwriters managing such Offering, as applicable, for a period of time (not to exceed one-hundred eighty (180) days) following the pricing date of such Offering, as agreed to by the Company and such management underwriters (which restricted period may be extended in the event the Company issues an earnings release or material news or a material event relating to the Company occurs or announces that it will issue an earnings release, in each case, during the last seventeen (17) days of the restricted period), subject to all restrictions and exceptions as the Company and such managing underwriters may agree to for employee-stockholders generally. In order to enforce the foregoing, the Company shall have the right to impose, or direct any third party administering the Plan to impose, stop transfer instructions with respect to the Shares until the end of such restricted period.

Miscellaneous:

The Participant understands that this Notice of Grant is subject to the terms and conditions of both the Plan and the Option Agreement, each of which are incorporated herein by reference. The Participant has received and has had an opportunity to review the Plan, the Company's most recent prospectus that describes the Plan, and the Option Agreement and agrees to be bound by all the terms and provisions of the Plan and the Option Agreement.

By the Participant's acceptance hereof (whether written, electronic or otherwise), the Participant agrees, to the fullest extent permitted by law, that in lieu of receiving documents in paper format, the Participant accepts the electronic delivery of any documents the Company, or

any third party involved in administering the Plan which the Company may designate, may deliver in connection with this grant (including the Plan, the Option Agreement, this Notice of Grant, account statements, prospectuses, prospectus supplements, annual and quarterly reports, and all other communications and information) whether via the Company's intranet or the internet site of another such third party or via email, or such other means of electronic delivery specified by the Company. Furthermore, the Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan, this Notice of Grant and the Option Agreement.

The Participant confirms acceptance of this award by clicking the "Accept" (or similar wording) button on the award acceptance screen of the Participant's Plan account at www.ETRADE.com. If the Participant wishes to reject this award, the Participant must so notify the Company's stock plan administrator in writing to stock-admin@robinhood.com no later than sixty (60) days after the Grant Date. If within such sixty (60) day period the Participant neither affirmatively accepts nor affirmatively rejects this award, the Participant will be deemed to have accepted this award at the end of such sixty (60) day period pursuant to the terms and conditions set forth in this Notice of Grant, the Option Agreement, and the Plan.

NOTICE OF OPTION AWARD
(FOR NON-EMPLOYEE DIRECTORS)

ROBINHOOD MARKETS, INC.
2021 OMNIBUS INCENTIVE PLAN

Unless otherwise defined herein, capitalized terms used in this Notice of Restricted Stock Unit Award (this "***Notice of Grant***") shall have the same meanings given to them in the Robinhood Markets, Inc. 2021 Omnibus Incentive Plan (the "***Plan***"). All references to the "Platform" in this Notice of Grant or in the Option Agreement attached hereto as Annex A (the "***Option Agreement***") shall be interpreted as the equity management software currently in use by the Company.

The Participant named below has been granted an option to purchase Shares (the "***Option***"), subject to the terms and conditions set forth in the Plan, this Notice of Grant and the Option Agreement. The Option shall be credited to a separate book-entry account maintained for the Participant on the books of the Company. For the avoidance of doubt, any references in the Option Agreement to an employer, an employment relationship or an employment agreement do not apply to the Participant and shall be interpreted accordingly.

Participant Name: ***See Platform***

Address: ***See Platform***

Total Number of Shares: ***See Platform***

Exercise Price per Share: ***See Platform***

Type of Option: ***Nonstatutory Stock Option***

Grant Date: ***See Platform***

Vesting Commencement Date: ***See Platform***

Expiration Date: ***The option shall expire at 1:00 p.m. pacific time on the tenth (10th) annual anniversary of the Grant Date.***
Vesting: [Vesting schedule to be specified by the Administrator at time of grant] (each such date, a "***Vesting Date***"); provided that the Participant remains continuously in active service with the Company or one of its Affiliates from the Grant Date through such Vesting Date.

Termination of Service and Post-Termination Exercise Period: If, prior to the final Vesting Date, the Participant's service with the Company and its Affiliates terminates for any reason, then any unvested portion of the Option shall be cancelled immediately after such termination and the Participant shall not be entitled to receive any payments with respect thereto. Service for only a portion of a vesting period prior to a Vesting Date, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of services as provided herein.

Unless otherwise determined by the Administrator, if the Participant's service with the Company and its Affiliates terminates for any reason, the Participant (or the Participant's designated beneficiary, as applicable) may exercise the Option to the extent vested and exercisable on the date of such termination within the following periods: (i) three months following a termination other than as a result of the Participant's death or Disability; (ii) 12 months following a

termination due to the Participant's Disability; and (iii) 12 months following a termination due to the Participant's death; provided, however, that, in no event shall the Option be exercisable after the Expiration Date.

Participant is responsible for keeping track of these exercise periods following Participant's termination of service for any reason. The Company will not provide further notice of such periods.

Maximum Term: The term of this Option award ends on the Expiration Date, or such earlier date as provided in this Notice of Grant or the Option Agreement. For the avoidance of doubt, any portion of the Option (whether vested or unvested) that remains outstanding and unexercised after 1:00 p.m. pacific time on the Expiration Date shall be automatically forfeited by the Participant.

Change in Control: Notwithstanding any provision contained in this Notice of Grant, the Plan or the Option Agreement to the contrary, if, prior to the applicable Vesting Date, a Change in Control occurs, the Option, to the extent unvested, shall vest and become exercisable in full.

Market Standoff: The Participant agrees that in connection with any registered public offering of securities of the Company (an "***Offering***"), the Participant shall not sell or otherwise dispose of any Shares acquired under the Plan without the prior written consent of the Company or the underwriters managing such Offering, as applicable, for a period of time (not to exceed one-hundred eighty (180) days) following the pricing date of such Offering, as agreed to by the Company and such management underwriters (which restricted period may be extended in the event the Company issues an earnings release or material news or a material event relating to the Company occurs or announces that it will issue an earnings release, in each case, during the last seventeen (17) days of the restricted period), subject to all restrictions and exceptions as the Company and such managing underwriters may agree to for director-stockholders generally. In order to enforce the foregoing, the Company shall have the right to impose, or direct any third party administering the Plan to impose, stop transfer instructions with respect to the Shares until the end of such restricted period.

Miscellaneous:

The Participant understands that this Notice of Grant is subject to the terms and conditions of both the Plan and the Option Agreement, each of which are incorporated herein by reference. Participant has received and has had an opportunity to review the Plan, the Option Agreement, and the Company's most recent prospectus that describes the Plan, and agrees to be bound by all the terms and provisions of the Plan and the Option Agreement.

By the Participant's acceptance hereof (whether written, electronic or otherwise), the Participant agrees, to the fullest extent permitted by law, that in lieu of receiving documents in paper format, the Participant accepts the electronic delivery of any documents the Company, or any third party involved in administering the Plan which the Company may designate, may deliver in connection with this grant (including the Plan, the Option Agreement, this Notice of Grant, account statements or other communications or information) whether via the Company's intranet or the internet site of another such third party or via email, or such other means of electronic delivery specified by the Company.

The Participant may confirm acceptance of this award by signing below or by clicking the "Accept" (or similar wording) button on the award acceptance screen of the Participant's Plan account at www.ETRADE.com. If the Participant wishes to reject this award, the Participant must so notify the Company's stock plan administrator in writing to stock-admin@robinhood.com no later than sixty (60) days after the Grant Date. If within such

sixty (60) day period the Participant neither affirmatively accepts nor affirmatively rejects this award, the Participant will be deemed to have accepted this award at the end of such sixty (60) day period pursuant to the terms and conditions set forth in this Notice of Grant, the Option Agreement, and the Plan.

PARTICIPANT	**ROBINHOOD MARKETS, INC.**
	By: __ Name: Title:
__	

ANNEX A

OPTION AGREEMENT

ROBINHOOD MARKETS, INC.
2021 OMNIBUS INCENTIVE PLAN

The Participant has been granted an option to purchase Shares (the "***Option***"), subject to the terms, restrictions and conditions of the Robinhood Markets, Inc. 2021 Omnibus Incentive Plan, as amended from time to time (the "***Plan***"), the Notice of Option Award (the "***Notice of Grant***") and this Option Agreement (this "***Agreement***"). Unless otherwise defined herein, capitalized terms used in this Agreement shall have the same meanings given to them in the Plan.

1. Exercise.

(a) Procedure for Exercise. The Participant (or the Participant's representative, if applicable) may exercise the Option to the extent it is vested (for the purchase of whole Shares only) by (i) written or electronic notice, complying with the applicable procedures established by the Company, specifying the election to exercise the Option, the number of Shares for which it is being exercised and the form of payment and (ii) delivering payment, in a form permissible under Section 1(b), equal to the aggregate Exercise Price due for the number of Shares being acquired (together with any applicable withholding taxes determined under Section 2). In the event that the Option is being exercised by the Participant's representative, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise the Option.

(b) Payment of Exercise Price. The Participant authorizes the Company, the Employer and its Affiliates, or their respective agents, at their discretion, to satisfy payment of the aggregate Exercise Price by one or a combination of the following:

(i) withholding Shares that otherwise would be issued to the Participant when the Participant's Option is exercised;

(ii) withholding from proceeds of the sale of Shares, through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent);

(iii) requiring the Participant to make a payment in cash or by check; or

(iv) any other method of withholding approved by the Company and to the extent required by Applicable Laws or the Plan, approved by the Administrator;

and in each case, under such rules as may be established by the Administrator and in compliance with the Company's insider trading policy and 10b5-1 trading plan policy, if applicable.

(c) Issuance of Shares. After satisfying all requirements for exercise of the Option (or any portion thereof), including satisfying the Participant's withholding obligations in connection with the Tax-Related Items (as defined below), the Company shall cause to be issued (and evidenced in the books of the Company) the Shares for which the Option has been exercised. Such Shares shall be registered in the name of the Participant, the Participant's authorized assignee, or the Participant's legal representative. Until the issuance of the Shares has been entered into the books and records of the Company or a duly authorized transfer agent of the Company, no right to vote, receive dividends or any other right as a stockholder will exist with respect to such Shares.

2. Taxes.

(a) Responsibility for Taxes. The Participant acknowledges that, regardless of any action taken by the Company or, if different and applicable, his or her employer (the "***Employer***"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable or deemed applicable to the Participant ("***Tax-Related Items***") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option or the underlying Shares, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends thereon; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, he or she acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

(b) Tax Withholding. In this regard, the Participant authorizes the Company, the Employer and its Affiliates, or their respective agents, at their discretion, to satisfy any applicable withholding obligations or rights with respect to all Tax-Related Items by one or a combination of the following:

(i) withholding from the Participant's wages or other cash compensation payable to the Participant by the Company or its Affiliates;

(ii) withholding Shares that otherwise would be issued to the Participant when the Participant's Option is exercised;

(iii) withholding from proceeds of the sale of Shares, through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent);

(iv) requiring the Participant to make a payment in cash or by check;

(v) reducing the amount of any cash otherwise payable to the Participant with respect to the Option; or

(vi) any other method of withholding approved by the Company and to the extent required by Applicable Laws or the Plan, approved by the Administrator;

and in each case, under such rules as may be established by the Administrator and in compliance with the Company's insider trading policy and 10b5-1 trading plan policy, if applicable.

The Company may withhold or account for Tax-Related Items by considering minimum statutory withholding rates or other applicable withholding rates, including up to the maximum applicable rate for the Participant's jurisdiction(s). If the maximum applicable rate for the

Participant's jurisdiction(s) is used in connection with the withholding methods described in (ii) or (iii) above, the Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the withholding obligation for Tax-Related Items is satisfied by withholding in Shares as described in (ii) above, for tax purposes, the Participant will be deemed to have received the full number of Shares, notwithstanding that a number of the Shares are held back solely for the purpose of satisfying the Tax-Related Items.

The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

3. Data Privacy Consent. The Participant hereby declares that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Personal Data (as defined below) by the Company and the transfer of Personal Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described herein.

(a) ***Declaration of Consent. The Participant understands that he or she must review the following information about the processing of Personal Data by or on behalf of the Company or, if different, the Employer as described in this Agreement and any materials related to the Participant's eligibility to participate in the Plan and declare his or her consent. As regards the processing of the Participant's Personal Data in connection with the Plan, the Participant understands that the Company is the controller of his or her Personal Data.***

(b) ***Data Processing and Legal Basis. The Company collects, uses and otherwise processes certain information about the Participant for purposes of implementing, administering and managing the Plan. The Participant understands that this information may include, without limitation, the Participant's name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company or its Affiliates, details of all equity awards or any other entitlement to Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor (the "Personal Data"). The legal basis for the processing of the Participant's Personal Data, where required, is the Participant's consent.***

(c) ***Stock Plan Administration Service Providers. The Participant understands that the Company transfers his or her Personal Data, or parts thereof, to E*Trade Corporate Financial Services, Inc. and E*Trade Securities LLC (collectively, "E*Trade"), an independent service provider based in the U.S., which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select different service providers and share the Participant's Personal Data with such different service providers that serve the Company in a similar manner. The Company's service providers will open an account for the Participant to receive and trade Shares acquired under the Plan and the Participant may be asked to agree on separate terms and data processing practices with the service provider, which is a condition of any ability to participate in the Plan.***

(d) ***International Data Transfers. The Company and, as of the date hereof, any third parties assisting in the implementation, administration and management of the Plan, such as E*Trade, are based in the U.S. If the Participant is located outside the U.S., the Participant's country may have enacted data privacy laws that are different from the laws of the U.S. The Company's legal basis for the transfer of Personal Data is the Participant's consent.***

(e) ***Data Retention. The Company will process the Participant's Personal Data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan, or to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws. In the latter case, the Participant understands and acknowledges that the Company's legal basis for the processing of his or her Personal Data would be compliance with the relevant laws or regulations. When the Company no longer needs Personal Data for any of the above purposes, the Participant understands that the Company will remove it from its systems.***

(f) ***Voluntariness and Consequences of Denial/Withdrawal of Consent. The Participant understands that any participation in the Plan and the Participant's consent are purely voluntary. The Participant may deny or later withdraw his or her consent at any time, with future effect and for any or no reason. If the Participant denies or later withdraws his or her consent, the Company cannot offer participation in the Plan or grant equity awards to the Participant or administer or maintain such awards, and the Participant will not be eligible to participate in the Plan. The Participant further understands that denial or withdrawal of his or her consent would not affect the Participant's employment or other service relationship and that the Participant would merely forfeit the opportunities associated with the Plan.***

(g) ***Data Subject Rights. The Participant understands that data subject rights regarding the processing of personal data vary depending on Applicable Laws and that, depending on where the Participant is based and subject to the conditions set out in the Applicable Laws, the Participant may have, without limitation, the rights to (i) inquire whether and what kind of Personal Data the Company holds about the Participant and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data about the Participant that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing, (iv) request the Company to restrict the processing of the Participant's Personal Data in certain situations where the Participant feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and (vi) request portability of the Participant's Personal Data that he or she has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Personal Data is based on consent or the Participant's employment or other service relationship and is carried out by automated means. In case of concerns, the Participant also may have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, the Participant's rights, the Participant understands he or she should contact his or her local human resources representative.***

4. Rights as a Stockholder. The Participant shall not be deemed for any purpose, nor have any of the rights or privileges of, a stockholder of the Company in respect of any Shares subject to the Option unless, until and to the extent that (a) the Company shall have issued and delivered to the Participant the Shares subject to the exercised Option and (b) the Participant's name shall have been entered as a stockholder of record with respect to such Shares on the books of the Company. The Company shall cause the actions described in clauses (a) and (b) of the preceding sentence to occur promptly following satisfaction of all requirements for exercise as contemplated by Section 1, subject to compliance with Applicable Laws.

5. Incorporation by Reference, Etc. The provisions of the Plan and the Notice of Grant are hereby incorporated herein by reference. Except as otherwise expressly set forth herein or in the Notice of Grant, this Agreement and the Notice of Grant shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations

promulgated by the Administrator from time to time pursuant to the Plan. The Administrator shall have final authority to interpret and construe the Plan, the Notice of Grant and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and his or her legal representative in respect of any questions arising under the Plan or this Agreement. Without limiting the foregoing, the Participant acknowledges that the Option and any Shares acquired upon exercise of the Option are subject to provisions of the Plan under which, in certain circumstances, an adjustment may be made to the number of Shares subject to the Option, the Exercise Price and any Shares acquired upon exercise of the Option.

6. Compliance with Applicable Laws. The granting, vesting and exercise of the Option, and any other obligations of the Company under this Agreement, shall be subject to all Applicable Laws as may be required. The Administrator shall have the right to impose such restrictions on the Option as it deems reasonably necessary or advisable under applicable Federal or non-U.S. securities laws, the rules and regulations of any stock exchange or market upon which Shares are then listed or traded, and/or any blue sky, state securities or non-U.S. exchange control or other laws applicable to such Shares. It is expressly understood that the Administrator is authorized to administer, construe and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Participant. The Participant agrees to take all steps the Administrator or the Company determines are reasonably necessary to comply with all applicable provisions of Federal and state securities law (and any other Applicable Laws) in exercising his or her rights under this Agreement.

7. Nature of Grant. By accepting the Option and participating in the Plan, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if Options have been granted in the past;

(c) all decisions with respect to future Options or other grants, if any, will be at the sole discretion of the Company;

(d) the Option grant and the Participant's participation in the Plan shall not create a right to an employment or other service relationship with the Company;

(e) the Participant is voluntarily participating in the Plan;

(f) the Option and the Shares subject to the Option, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) unless otherwise agreed with the Company in writing, the Shares, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of a Subsidiary of the Company;

(h) the Option and the Shares subject to the Option, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(i) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the termination of the Participant's employment or service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or providing services, or the terms of his or her employment or other service agreement, if any), or pursuant to Section 8 of this Agreement; and

(k) neither the Company, the Employer nor any other Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

8. Clawback. The Option and/or the Shares acquired upon exercise of the Option shall be subject (including on a retroactive basis) to clawback, recoupment, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement) to the extent required by the Clawback Policy or Applicable Laws (including, without limitation, Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act).

9. Miscellaneous.

(a) Transferability. The Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a "***Transfer***") by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under the Plan. Any attempted Transfer of the Option contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Option, shall be null and void and without effect. Additionally, the Company may require (in its sole discretion) that any Shares acquired upon exercise of the Option shall be held at a brokerage firm or on a brokerage platform specified by the Company until such Shares are disposed of by the Participant or such earlier date determined by the Company.

(b) Amendment. The Administrator at any time, and from time to time, may amend the terms of this Agreement; provided, however, that the rights of the Participant shall not be materially adversely affected without the Participant's written consent.

(c) Waiver. Any right of the Company or its Affiliates contained in this Agreement may be waived in writing by the Administrator. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(d) General Assets. All amounts credited in respect of the Option to the book-entry account under this Agreement shall continue for all purposes to be part of the general assets of the Company. The Participant's interest in such account shall make the Participant only a general, unsecured creditor of the Company.

(e) Notices. All notices, requests, consents and other communications to be given hereunder to any party shall be deemed to be sufficient if contained in a written instrument and shall be deemed to have been duly given when delivered in person, by telecopy, by nationally

recognized overnight courier, or by first-class registered or certified mail, postage prepaid, addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by the addressee to the addresser:

(i) if to the Company, to:

Robinhood Markets, Inc.
85 Willow Road
Menlo Park, California 94025
United States of America
Attention: Stock Plan Administrator

(ii) if to the Participant, to the Participant's home address on file with the Company. Notices may also be delivered to the Participant through the Company's inter-office or electronic mail system, at any time he or she is employed by or providing services to the Company or any of its Affiliates.

All such notices, requests, consents and other communications shall be deemed to have been delivered in the case of personal delivery or delivery by telecopy, on the date of such delivery, in the case of nationally recognized overnight courier, on the next business day, and in the case of mailing, on the third business day following such mailing if sent by certified mail, return receipt requested.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Continued Service. Nothing contained in this Agreement will confer upon the Participant any right with respect to continuing the Participant's relationship as a Service Provider, nor will they interfere in any way with the Participant's right or the right of the Company (or any of its Affiliates) to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

(h) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

(i) Language. The Participant acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable the Participant to understand the provisions of this Agreement and the Plan. If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(j) Country-Specific Appendix. Notwithstanding any provisions in this Agreement, to the extent applicable, the Option grant shall be subject to any additional terms and conditions set forth in any appendix to this Agreement applicable to the Participant's country. Moreover, if the Participant relocates to a country outside the United States, additional terms and conditions for such country may apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. In such event, the appendix shall constitute part of this Agreement.

(k) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Option and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(l) Insider Trading/Market Abuse. The Participant acknowledges that, depending on the applicable jurisdictions, including the United States and the Participant's jurisdiction, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect his or her ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (*e.g.*, Options, restricted stock units) or rights linked to the value of Shares (*e.g.*, phantom awards, futures, Dividend Equivalents) during such times as the Participant is considered to have "inside information" regarding the Company as defined in the laws or regulations in the applicable jurisdictions. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before he or she possessed inside information. Furthermore, the Participant could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them otherwise to buy or sell securities. Keep in mind third parties includes fellow Service Providers. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Participant is responsible for complying with any restrictions and should speak to his or her personal advisor on this matter.

(m) Exchange Control, Foreign Asset/Account and/or Tax Reporting. Depending upon the country to which laws the Participant is subject, the Participant have certain foreign asset/account and/or tax reporting requirements that may affect his or her ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends or Dividend Equivalents or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside the Participant's country of residence. The Participant's country may require that the Participant report such accounts, assets or transactions to the applicable authorities in his or her country. The Participant also may be required to repatriate cash received from participating in the Plan to his or her country within a certain period of time after receipt. The Participant is responsible for knowledge of and compliance with any such regulations and should speak with his or her personal tax, legal and financial advisors regarding same.

(n) Fractional Shares. In lieu of issuing a fraction of a Share, if applicable, the Company shall be entitled to pay to the Participant an amount equal to the Fair Market Value of such fractional share.

(o) Beneficiary. To the extent permitted by the Administrator, the Participant may file with the Administrator a written designation of a beneficiary on such form as may be prescribed by the Administrator and may, from time to time, amend or revoke such designation. If no beneficiary is designated (or permitted to be designated), if the designation is ineffective, or if the beneficiary dies before the balance of the Participant's benefit is paid, the balance shall be paid to the Participant's estate. Notwithstanding the foregoing, however, the Participant's beneficiary shall be determined under applicable state (or other) law if such state (or other) law does not recognize beneficiary designations under Awards of this type and is not preempted by laws which recognize the provisions of this Section 9(o).

(p) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company or any of its Affiliates and their successors and assigns, and of the

Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(q) Limitation of Liability. The Participant agrees that any liability of the officers, the Committee, the Board and the Administrator to the Participant under this Agreement shall be limited to those actions or failure to take actions which constitute self-dealing, willful misconduct or recklessness.

(r) Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State. For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of San Mateo County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE PLAN OR THIS AGREEMENT.

(s) Signature and Acceptance. This Agreement shall be deemed to have been accepted and signed by the Participant and the Company as of the Grant Date upon the Participant's acceptance of the Notice of Grant (including online acceptance or deemed acceptance as set forth in the Notice of Grant).

(t) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

Exhibit 10.5.1

July 4, 2020

Dear Christina:

Congratulations! We're delighted to offer you employment at Robinhood Markets, Inc. ("Robinhood" or the “Company”). We hope you'll join us in our mission to democratize finance for all.

You will join us as a Chief Marketing Officer initially reporting to Baiju Prafulkumar, working in Menlo Park. Your starting annual salary will be $400,000, less applicable taxes, deductions and withholdings**.** You will be paid semi-monthly on Robinhood’s regularly scheduled pay dates. Your first day of work at Robinhood will be your “Start Date.” We currently anticipate that your Start Date will be September 15, 2020, or another date mutually agreed upon in writing.

Sign-On Bonus. You will receive a sign-on bonus of $215,000 less applicable taxes, deductions and withholdings, in two equal installments. The first installment will be paid to you within 30 days following your Start Date, provided you are continuously employed with Robinhood through that date. This first installment of your sign-on bonus is an advance payment to assist you in transitioning into your new role and will be earned on a pro-rata basis over the first 12 months of your employment at Robinhood. If your employment terminates for any reason other than an Involuntary Termination (as defined below) before the one year anniversary of your Start Date, you will be required to repay a pro rata portion of the first installment of your sign-on bonus to Robinhood (based on the number of full calendar months you were employed at Robinhood as of your termination date) within sixty (60) days following your last day of employment**.** The second installment will be paid to you within 30 days following the 1-year anniversary of your Start Date, provided you are continuously employed with Robinhood through that date. This second installment of your sign-on bonus is an advance payment and will be earned on a pro-rata basis over the second 12 months of your employment. If your employment terminates for any reason other than an Involuntary Termination after you received your second installment but before your two year anniversary of your Start Date, you will be required to repay a pro rata portion of the second installment of your sign-on bonus to Robinhood (based on the number of full calendar months you were employed at Robinhood between your first and second anniversary dates) within sixty (60) days following your last day of employment.

Equity. We will recommend to Robinhood’s Board of Directors (the “Board”) that you be granted you an award of restricted stock units for Robinhood’s Common Stock (“RSUs”) valued at $9,500,000 as of the grant date. The number of RSUs will be calculated on the grant date based on the purchase price of the Company’s most recent round of preferred stock, as determined by the Board in its sole discretion. Vesting of the RSUs requires satisfaction of two vesting conditions: a time-based vesting condition and a liquidity- based condition. You will vest in the RSUs over four years with 25% of the number of shares vesting on the 1st of the month of your one year anniversary with the Company, and then 6.25% vesting on the 1st of the month of each quarterly anniversary thereafter, until the grant is fully vested, subject to you continuing in employment or service with the Company through each respective vesting date. Earned RSUs vest and become stock owned by you only after the

Company shares are generally liquid, meaning after the Company has been acquired or six months after an initial public offering. The RSUs will be subject to the terms and conditions of the Company's 2020 Equity Incentive Plan and a restricted stock unit agreement between you and the Company. The grant of such RSUs is subject to the Board's approval and this promise to recommend such approval is not a promise of compensation and is not intended to create any obligation on the part of Robinhood. Further details on any specific RSU grant to you will be provided upon approval of such grant by the Board.

Termination of Service. In the event of your cessation of employment, you will be entitled to receive your Accrued Benefits (as defined below). In addition, subject to the requirements of subsection (b) below, you will be entitled to the following additional payments and benefits:

(a) In the event that your employment ends due to an Involuntary Termination during the Change in Control Period, then your outstanding and unvested RSUs granted pursuant to this offer letter will automatically be deemed to have satisfied the time-based vesting condition with respect to 100% of the shares underlying such award as of the date of your Involuntary Termination; provided that, except as set forth herein, 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.

(b) You will not be eligible for the benefits described in this paragraph (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, substantially in the form attached hereto as Exhibit A (the "Release"), and such Release becomes effective, on or before the 60th day following the date of the Involuntary Termination.

(c) In the event of Involuntary Termination of your employment, or if Robinhood revokes this Offer Letter prior to the Start Date, in either case prior to the achievement of the time based vesting of the first 25% of the RSU grant described above, you shall be entitled to a severance payment equal to 6 months of your annual salary at the time of such Involuntary Termination, as well as a payment equal to the premium costs for you and your eligible dependents to continue healthcare coverage under COBRA for 6 months. In the event of Involuntary Termination of your employment at any time thereafter, you shall be entitled to a severance payment equal to 3 months of your annual salary at the time of such Involuntary Termination, as well as a payment equal to the premium costs for you and your eligible dependents to continue healthcare coverage under COBRA for 3 months. Any severance pay due hereunder shall be paid in a single lump sum within 30 days of the date the Release becomes effective of your employment.

Section 409A.

(a) *Separation from Service.* For purposes of this offer 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 Internal Revenue Code ("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 offer 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) *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 offer 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 offer letter will be paid as otherwise provided herein.

Section 280G; Limitation on Payments. Notwithstanding anything in this offer letter to the contrary, if any payment or distribution to you pursuant to this offer 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 paragraph will be final, binding, and conclusive upon all parties.

Withholding Taxes. All payments made pursuant to this offer 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.

Employee Benefits. You'll have access to Robinhood benefits offerings. Summary details of these plans will be sent separately, and you will be required to complete an enrollment process to activate your benefits after your Start Date. Robinhood may modify your benefits from time to time as it deems necessary.

Proprietary Information and Inventions Agreement. In order to work at Robinhood, we need you to read, complete, and sign the enclosed Proprietary Information and Invention Assignment Agreement, which, among other things, prohibits unauthorized use or disclosure of Robinhood's confidential information or any third party proprietary and confidential information.

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 offer letter and the

other agreements referenced in this letter, you represent that your working for Robinhood will not violate any agreement between you and your current or past employers.

At-Will Employment. Your employment with Robinhood will 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 Robinhood’s VP of People or President.

Robinhood Policies. Our policies matter. As an employee of Robinhood, you will be expected to comply with the policies in our Employee Handbook, Code of Ethics and other policies applicable to your employment, in each case as provided to you in writing.

Indemnification. During the term of your employment and thereafter, Robinhood agrees that it shall indemnify you and provide you with Directors & Officers liability insurance coverage to the same extent that it indemnifies and/or provides such insurance coverage to the Board members and other most senior executive officers.

Outside Activities. You may engage in civic and not-for-profit activities, and serve on the boards of directors or serve as a consultant to non-competitive private or public companies; provided, in each case that such activities do not materially interfere with the performance of your duties to Robinhood or raise an actual or perceived conflict of interest.

Eligibility to Work in the United States. When you begin employment with Robinhood, please bring appropriate documentation to verify your authorization to work in the United States. Robinhood may not employ anyone who cannot provide documentation showing that they are legally authorized to work in the United States.

Registration Requirement For FINRA Registered Representatives. If applicable, this offer is contingent upon a successful review and acceptance of your Form U4 so that you become an associated person of Robinhood Securities, LLC or Robinhood Financial LLC (as applicable). This will require the completion and submission of a Form U4 (available at: https://www.finra.org/sites/default/files/form-u4.pdf), and fingerprinting within 30 days following the filing of your Form U4 (deadline currently extended due to the current stay at home orders).

In order for us to submit your Form U4 and access any relevant information relating to your prior registration with FINRA, you are required to sign an authorization for WebCRD review as well as a Form U4 Arbitration Acknowledgement. Robinhood will review and verify your past employment in WebCRD and when made available your most recent U5 information. Your employment is contingent upon verification of the information provided and Robinhood’s assessment of references and past employers. If you were previously registered with the NFA, you will be required to submit CFTC Form 8-T.

In connection with becoming an associated person of Robinhood Securities, LLC or Robinhood Financial LLC (as applicable), additional forms will be separately provided

to you requesting that you disclose all of your outside business activities as well as any outside brokerage accounts. Your employment is contingent upon Robinhood's review of the information provided as well as your agreement, if applicable, to any specific conditions or limitations as Robinhood may deem necessary.

Background Check. This offer is contingent upon (and you may not start employment until) the successful completion of your background check, which includes fingerprinting and an OFAC screening due to regulatory requirements. Due to the current stay at home orders, we are extending your time to be fingerprinted until approved fingerprinting agencies are reopened in your area. We expect our employees to operate with the highest integrity, to be accurate and honest in providing information in the application, interview, and hiring process, and to disclose any information that may prevent or interfere with prompt licensing (if applicable to the job). Robinhood reserves the right to rescind this offer or terminate employment due to an unsatisfactory background check, adverse disclosure events reported on a Form U4/U5 (if applicable), or any inaccurate or undisclosed information in connection with the application, interview, or hiring process.

Arbitration Agreement. You will also be asked to sign a Mutual Agreement To Arbitrate. Arbitration is a process of private dispute resolution, and in the unlikely event that there is a dispute between you and Robinhood, Robinhood would like to submit the dispute to arbitration. Please read the agreement for more information.

Entire Agreement; Amendment. This offer 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. The terms set forth in this Offer Letter shall not be changed, altered, modified or amended, except by a written agreement that (i) explicitly states the intent of both parties hereto to supplement the terms herein and (ii) is signed by both parties hereto.

Accepting this Offer. To accept this offer, please sign and date this letter. We would love to hear from you sooner, but we will give you until July 6, 2020 to accept, unless we mutually agree in writing to a later deadline. We can't wait for you to join our team!

Very truly yours,

Robinhood Markets Inc.

/s/ Baiju Prafulkumar Bhatt Title: Co-President

I have read and accept this employment offer.

/s/ Christina Smedley McCarthy

Christina Smedley McCarthy

APPENDIX

DEFINITIONS

Capitalized terms not otherwise defined in the offer 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 non-compliance, 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.

EXHIBIT A

FORM OF RELEASE

Dear Name:

This letter (the "Agreement") confirms the agreement between you and Robinhood Markets, Inc. (the "Company"), regarding your separation from employment.

1. **Separation.** Your last day of work and your employment termination date is [INSERT DATE] (the "Separation Date").

2. **Final Wages.** On the Separation Date or the next regular payday following the Separation Date (as applicable), the Company will pay you all salary and accrued, unused vacation, earned through the Separation Date, less standard payroll deductions and withholdings. You are entitled to this payment even if you don't sign this Agreement.

3. **Separation Payment.** Although the Company has no policy requiring payment of severance and you are not otherwise entitled to receive any severance from the Company, in consideration for you executing and not revoking this Agreement, returning an executed copy within the time frame requested at the end of this letter, and complying with the terms of this Agreement, the Company will pay you a lump sum separation payment of [$AMOUNT] (the "Separation Payment"). This Separation Payment will be paid to you within 30 days of the Company's receipt of this signed Agreement. The Separation Payment will be included on an applicable W-2 Form issued by the Company.

4. **Health Insurance.** Your health insurance coverage will terminate on the last day of the month of the Separation Date. At that time, you will be eligible to continue your group health insurance benefits at your own expense, subject to the terms and conditions of the benefit plan(s), federal and state COBRA laws, and, as applicable, state insurance laws. You will receive additional information regarding your right to elect continued coverage under COBRA in a separate communication. It will be your sole responsibility to timely elect COBRA and to make all applicable payments to continue your group health insurance coverage.

5. **Release of All Claims.** In consideration for receiving the Separation Payment described in Section 3, which you acknowledge you are not otherwise entitled to receive, you hereby release, waive, acquit and forever discharge the Company and its past and present officers, directors, employees, investors, shareholders, agents, administrators, attorneys, predecessors, successors, parent entities, subsidiaries, divisions, assigns, and affiliates (the "Released Parties"), of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys' fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way related to agreements, events, acts, omissions, or conduct occurring at any time prior to and including the date you sign this Agreement (the "Released Claims"). The Released Claims include, without limitation: any and all claims arising from or relating to your employment relationship with the Company and the termination of that relationship; any and all claims for wrongful discharge of employment, termination in violation of public policy, constructive discharge, negligent hiring, retention or supervision, breach of contract, both express and implied, breach of a covenant of good faith and fair dealing, both express and implied, promissory estoppel, unjust enrichment, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, and conversion; any and all claims for wages, bonuses, commissions, overtime, vacation pay, severance pay, or any other form of compensation of any kind, as to which you have considered and agree that there is a good-faith dispute as to whether such wages are due, and, based on this good-faith dispute, you release and waive any and all claims regarding any alleged unpaid wages and any corresponding penalties, interest, or attorneys' fees, in exchange for the Separation Payment

provided in this Agreement; any and all claims for discrimination, harassment, and retaliation; and any all claims for attorneys' fees and costs.

The Released Claims also include, without limitation, any and all claims arising under any federal, state or municipal constitution, statute, regulation, ordinance, and common law, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, 42 U.S.C. section 1981, the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act, the Family and Medical Leave Act, the California Constitution, the California Labor Code, the Private Attorneys General Act (Labor Code § 2698 *et seq*.), any applicable California Industrial Welfare Commission Wage Order, the California Fair Employment and Housing Act, the California Family Rights Act, the Pregnancy Disability Leave law, the Healthy Workplaces Healthy Families Act of 2014, California Business and Professions Code section 17200, and, where applicable, the Florida Civil Rights Act, the Florida Whistleblower Act, the Florida False Claims Act, the Florida Minimum Wage Act, the Colorado Anti-Discrimination Act, the Colorado Wage Act, and the Colorado Wage Protection Act.

The Released Claims do not include claims which may not be released without judicial or government supervision; claims for workers' compensation benefits or unemployment insurance benefits; claims raising under this Agreement; any claims related to vested rights under the Company's 401(k) plan; or any rights or claims that cannot be waived as a matter of law.

You agree that the release set forth above shall be and remain in effect in all respects as a complete general release as to the matters released. You represent and warrant that you have not assigned or given away any of the Released Claims.

6. **Waiver of Unknown Claims.** In granting the release herein, you understand and agree that this Agreement includes a release of all claims known or unknown, suspected or unsuspected, and your release of claims is intended to release all Released Claims you may have against the Released Parties, even if you are not aware of them, and even if knowledge of the existence of the claims would have materially affected your acceptance of this Agreement. Accordingly, you hereby expressly waive the protection of California Civil Code Section 1542 and any other analogous rule or principle of law. Section 1542 of the California Civil Code states:

"**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**"

7. **ADEA Waiver.** You understand and hereby expressly acknowledge that, by entering into this Agreement, you are knowingly and voluntarily waiving and releasing any and all rights you may have arising under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990 ("ADEA") which have arisen on or before the date of execution of this Agreement("ADEA Waiver"), and that the consideration given for the foregoing waiver is in addition to anything of value to which you were already entitled. You further acknowledge and agree that you have been advised by this writing, as required by the ADEA that: (a) you have had at least twenty-one (21) calendar days within which to consider this release before executing it (although you may choose to voluntarily execute this release earlier); (b) you are aware of the contents and significance of all the provisions of this Agreement and knowingly and voluntarily agree to the terms of this Agreement and intend to be legally bound by them; (c) you have seven (7) full calendar days within which to revoke this Agreement after it is executed by you, and agree that this Agreement shall not become effective or enforceable until this seven-day revocation period has ended; (d) to revoke this Agreement, you must notify the Company, in writing, and such notification must be received no later than 5:00 p.m. on the seventh day following the date you sign this Agreement, addressed to: [NAME. ADDRESS] with a copy by email to [EMAIL ADDRESS]); (e) you have been advised in writing to have this Agreement reviewed by counsel prior to signing it; and (f) rights or claims under the ADEA that may arise

after the date this Agreement is signed are not waived. You agree that any modifications, material or otherwise, made to this Agreement do not restart or affect in any manner the original 21-day consideration period provided in this paragraph.

8. **Tax Matters.** You and the Company intend that all payments made under this Agreement are exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, the regulations and other guidance there under and any state law of similar effect (collectively "Section 409A") so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt. In no event will the Company reimburse you for any taxes or other penalties that may be imposed on you as a result of Section 409A and you shall indemnify the Company for any liability that arises as a result of Section 409A.

9. **Expense Reimbursement.** You agree that, within ten (10) days of the Separation Date, you will submit your final documented expense reimbursement statement reflecting any business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for your reasonable and necessary business expenses pursuant to its regular business practice. You agree and acknowledge that you have no other unreimbursed business expenses arising out of your employment with the Company.

10. **Return of Company Property.** By signing below, you certify that, as of the Separation Date, you have returned to the Company and have not retained any Company property in your possession or control, including, without limitation, equipment, documents (in paper and electronic form), credit cards, phone cards, and any Company property that you stored in electronic form or media (including, but not limited to, any Company property stored on your personal computer, USB drives or in a cloud environment). If you discover after the Separation Date that you have retained any Company property, including but not limited to Company proprietary or confidential documents, information, or other Company property, you agree, immediately upon discovery, to contact the Company and make arrangements to promptly return the documents or information. Your timely return of all such Company documents, information, and other property is a condition precedent to your receipt of the Separation Payment provided under this Agreement.

11. **Continuing Obligations.** You acknowledge your continuing obligations under your Proprietary Information and Inventions Agreement entered into by and between you and the Company (the "Confidentiality Agreement"), which, among other things, prohibits disclosure of any confidential or proprietary information of the Company and solicitation of Company employees. A copy of your Confidentiality Agreement is attached hereto as **Attachment A**.

Notwithstanding any provisions in this Agreement or your Confidentiality Agreement related to the unauthorized use or disclosure of trade secrets, you are hereby notified that, pursuant to the Defend Trade Secrets Act of 2016, you cannot be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law. You also may not be held so liable for such disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, individuals who file a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

12. **Confidentiality.** You agree to hold the existence of this Agreement and its provisions in strict confidence and will not publicize or disclose the existence or terms of this Agreement in any manner whatsoever; *provided, however,* that you may disclose the existence or the terms of this Agreement in confidence: (a) to your immediate family; (b) to your attorney, accountant, auditor, tax preparer, or financial advisor to render services to you; (c) to enforce the terms of the Agreement, or (d) as otherwise required by law or to engage in Protected Activity (as described in Section 16).

13. **Nondisparagement.** Other than as provided in Section 16 or if you are compelled by a valid subpoena or court order, you will not make any false, disparaging, negative, or derogatory remarks regarding the Company or any other Released Party or its or their products,

services, business processes, procedures, methods, policies, practices, standards of business conduct, or research and development.

14. **Cooperation.** You agree to fully cooperate with and make yourself readily available to the Company, the Company's internal legal counsel and the Company's advisers, experts, consultants and outside legal counsel, as the Company may request, to assist the Company in any matter regarding the Company and its subsidiaries and parent companies, including giving truthful testimony in any litigation (whether the Company is a plaintiff, defendant or third party witness, including without limit, any litigation regarding regulatory enforcement matters), potential litigation or any internal investigation or any administrative, regulatory, judicial or quasi-judicial proceedings. Other than as provided in Section 16 below, you further agree not to assist any party in maintaining any lawsuit or any other claims against the Company or any of its affiliates or officers, directors or employees, nor shall you induce or encourage any person or entity to do so, and you agree that you will not provide any confidential information to anyone concerning the Company, its business or any of its affiliates or officers, directors or employees, unless compelled to do so by valid subpoena or other court order, and in such case only after first notifying the Company sufficiently in advance of such subpoena or court order to reasonably allow the Company an opportunity to object to same.

15. **Legal Representation Paid by the Company.** You agree, absent any conflict of interest between you and the Company, to be represented by the Company's legal counsel in connection with any litigation, potential litigation or any internal investigation or administrative, regulatory, judicial or quasi-judicial proceedings claim, action, proceeding or demand against the Company or you that arises out of your employment with the Company or in connection with the performance of your duties on behalf of the Company during your employment with the Company. If a conflict of interest arises between you and the Company in any such matter, the Company agrees to pay reasonable attorneys' fees for separate legal counsel to represent you if such separate legal counsel is acceptable to the Company; provided, however, that this obligation shall not extend to (a) any attorneys' fees arising out of any breach by you of this Agreement or any other written agreement between you and the Company or any Company written policy to which you were subject during your employment with the Company, (b) your recklessness, gross negligence or willful misconduct, (c) any attorneys' fees incurred in connection with any claim, action, proceeding or demand initiated or brought by you and not by way of defense, or (d) any attorneys' fees paid directly to you by an insurer under a policy of liability insurance maintained by the Company, its affiliate, you or any other party.

16. **Protected Activity.** You understand that nothing in this Agreement prohibits you from engaging in any Protected Activity, which for purposes of this Agreement means filing a charge or complaint, or otherwise disclosing relevant information to or communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board, but does not include the disclosure of any Company attorney-client privileged communications. This Agreement does not prevent the disclosure of factual information relating to claims of sexual assault, sexual harassment, harassment or discrimination based on sex, or retaliation for filing a claim of sexual assault. You understand that you are not required to obtain prior authorization from the Company or to inform the Company prior to engaging in any Protected Activity.

17. **Arbitration and Applicable Law**. In the event that a dispute arises concerning the interpretation or enforcement of this Agreement, or any other related matter, you agree that any such dispute (except that brought by the Equal Employment Opportunity Commission, the National Labor Relations Board, or other comparable federal, state, or local agency) shall be submitted to binding arbitration before JAMS under its Employment Arbitration Rules & Procedures. A copy of the JAMS Employment Arbitration Rules and Procedures can be found online at www.jamsadr.com/rules-employment-arbitration/. There shall be one arbitrator appointed in accordance with said rules. The arbitration will take place in the county in which you last worked for the Company. The Federal Arbitration Act shall govern the enforceability of this arbitration agreement. Otherwise, the Agreement shall be construed according to the laws of the state in which you were last employed by the Company, without giving effect to any choice of law rules or principles that may result in the application of the laws of any jurisdiction other than that of that
state. The arbitrator's award may be enforced by a court of competent jurisdiction.

18. **Miscellaneous.** You and the Company agree that this Agreement constitutes the entire agreement between you and the Company and any affiliate of the Company regarding the subject matter of this Agreement, and that this Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. You acknowledge that you have entered into this Agreement without reliance on any promise or representation, written or oral, other than those expressly contained herein, and that it supersedes any other such promises, warranties or representations. The Agreement shall be binding upon you and the Company, and each of your respective heirs, personal representatives, successors and assigns, but neither this Agreement nor any right hereunder shall be assignable by you without the written consent of the Company. You agree that this Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement. Execution of a facsimile copy or scanned image shall have the same force and effect as execution of an original, and a facsimile signature or scanned image of a signature shall be deemed an original and valid signature. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this will not affect any other provision of this Agreement and the provision in question shall be modified by the court so as to be rendered enforceable.

19. **Effective Date**. If you accept this Agreement, please sign and date the enclosed copy of this Agreement in the space provided below and return it to [NAME], [TITLE], by email to [EMAIL ADDRESS] within 21 days of the date of this Agreement. This Agreement shall be effective as of the eighth (8th) day after it is executed by you ("the Effective Date"), provided you have not revoked it in writing before that date.

Robinhood Markets, Inc.

By: __

Accepted and Agreed:

Employee Name

Date:__

Exhibit 10.5.2

August 21, 2021

Christina Smedley

Dear Christina:

This letter (the "***Agreement***" or "***Separation Agreement***") confirms the agreement between you and Robinhood Markets, Inc. (the "***Company***"), regarding your separation from employment.

1. **Separation.** If you do not execute this Agreement then your last day as an employee of the Company will be September 17, 2021. If you do execute this Agreement, and allow it to become effective, then as additional consideration outlined in Paragraph 3, your last day as an employee of the Company will be January 3, 2022. For purposes of clarity, your last day as an employee of the Company will be referred to as your "Separation Date."

2. **Final Wages.** On the Separation Date, the Company will pay you all salary and accrued, unused vacation, earned through the Separation Date, less standard payroll deductions and withholdings. You are entitled to this payment even if you do not sign this Agreement.

3. **Separation Benefits.** In consideration for you executing this Agreement within the time frame requested at the end of this Agreement, complying with the terms of this Agreement, this Agreement becoming effective, and you timely executing and not revoking the Reaffirmation Agreement (as defined below), the Company will provide the following Separation Benefits:

   (a) Your Separation Date will be January 3, 2022. From September 17, 2021 through January 3, 2022 (the "***Transition Period***") you will not be required to attend regular meetings or to perform your regular job duties, but you will remain available to the Company for transition services on an as needed basis to promote an orderly transition of your role and responsibilities when such services are requested by the company's c-team members. During the Transition Period, you will continue to receive your regular salary, and will remain a "service provider" of the Company and will continue to vest in the time based vesting portion of your existing equity awards. As of September 17, 2021, you will no longer serve or act as the Company's Chief Marketing and Communications Officer and you will not be considered a Section 16 Officer.

   (b) After your Separation Date and as additional consideration for signing this Agreement and the Reaffirmation of Separation Agreement and General Release attached hereto as Attachment B (the "***Reaffirmation Agreement***") and allowing both to become effective, the Company will pay you a lump sum severance of four million dollars ($4,000,000), which is inclusive of an amount sufficient for you to purchase COBRA health continuation coverage should you elect such coverage (collectively, the "***Separation Payment***"). This Separation Payment will be paid to you within 30 days after your Separation Date if you sign and do not revoke this Agreement and the Reaffirmation Agreement. The Separation Payment will be less applicable taxes and deductions and will be included on an applicable W-2 Form issued by the Company. This Separation Payment will be inclusive of, and fully satisfy the severance obligations contained in

the Company's Change in Control and Severance Plan for Key Employees effective March 10, 2021; and

(c) As additional consideration for executing this Agreement and allowing it to become effective, the Company will pay the second installment of your sign-on bonus totaling one hundred seven thousand five hundred dollars ($107,500), less applicable taxes and deductions no later than October 22, 2021, and will release you from any obligation to repay any portion of your sign-on bonus.

4. **Health Insurance.** Your health insurance coverage will terminate on the last day of the month of the Separation Date. At that time, you will be eligible to continue your group health insurance benefits at your own expense, subject to the terms and conditions of the benefit plan(s), federal and state COBRA laws, and, as applicable, state insurance laws. You will receive additional information regarding your right to elect continued coverage under COBRA in a separate communication. It will be your sole responsibility to timely enroll in COBRA and to make all applicable payments to continue your group health insurance coverage.

5. **Release of All Claims.** In consideration for receiving the Separation Benefits described in Section 3, which you acknowledge you are not otherwise entitled to receive, you hereby release, waive, acquit and forever discharge the Company and its past and present officers, directors, employees, investors, shareholders, agents, administrators, attorneys, predecessors, successors, parent entities, subsidiaries, divisions, assigns, and affiliates (the "***Released Parties***"), of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys' fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way related to agreements, events, acts, omissions, or conduct occurring at any time prior to and including the date you sign this Agreement (the "***Released Claims***"). The Released Claims include, without limitation: any and all claims arising from or relating to your employment relationship with the Company and the termination of that relationship; any and all claims for wrongful discharge of employment, termination in violation of public policy, constructive discharge, negligent hiring, retention or supervision, breach of contract, both express and implied, breach of a covenant of good faith and fair dealing, both express and implied, promissory estoppel, unjust enrichment, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, and conversion; any and all claims for wages, bonuses, commissions, overtime, vacation pay, severance pay, or any other form of compensation of any kind, as to which you have considered and agree that there is a good-faith dispute as to whether such wages are due, and, based on this good-faith dispute, you release and waive any and all claims regarding any alleged unpaid wages and any corresponding penalties, interest, or attorneys' fees, in exchange for the Separation Payment provided in this Agreement; any and all claims for discrimination, harassment, and retaliation; and any all claims for attorneys' fees and costs.

The Released Claims also include, without limitation, any and all claims arising under any federal, state or municipal constitution, statute, regulation, ordinance, and common law, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, 42 U.S.C. section 1981, the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act, the Family

and Medical Leave Act, the California Constitution, the California Labor Code, the Private Attorneys General Act (Labor Code § 2698 *et seq.*), any applicable California Industrial Welfare Commission Wage Order, the California Fair Employment and Housing Act, the California Family Rights Act, the Pregnancy Disability Leave law, the Healthy Workplaces Healthy Families Act of 2014, and California Business and Professions Code section 17200.

The Released Claims do not include claims which may not be released without judicial or government supervision; claims for workers' compensation benefits or unemployment insurance benefits; claims arising under this Agreement; any claims related to vested rights under the Company's 401(k) plan; or any rights or claims that cannot be waived as a matter of law.

You agree that the release set forth above shall be and remain in effect in all respects as a complete general release as to the matters released. You represent and warrant that you have not assigned or given away any of the Released Claims.

6. **Company's Representation.** The Company represents and agrees, that it has no current knowledge of any known or suspected facts supporting any underlying legal claim against you in your capacity as an employee or officer of the Company. Based on this representation, the Company affirms that it has no intent to bring any legal action against you arising from or relating to your relationship with the Company and the separation of that relationship.

7. **Waiver of Unknown Claims.** In granting the release herein, you understand and agree that this Agreement includes a release of all claims known or unknown, suspected or unsuspected, and your release of claims is intended to release all Released Claims you may have against the Released Parties, even if you are not aware of them, and even if knowledge of the existence of the claims would have materially affected your acceptance of this Agreement. Accordingly, you hereby expressly waive the protection of California Civil Code Section 1542 and any other analogous rule or principle of law. Section 1542 of the California Civil Code states:

"**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**"

8. **ADEA Waiver.** You understand and hereby expressly acknowledge that, by entering into this Agreement, you are knowingly and voluntarily waiving and releasing any and all rights you may have arising under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990 ("ADEA") which have arisen on or before the date of execution of this Agreement ("ADEA Waiver"), and that the consideration given for the foregoing waiver is in addition to anything of value to which you were already entitled. You further acknowledge and agree that you have been advised by this writing, as required by the ADEA that: (a) you have had at least twenty- one (21) calendar days within which to consider this release before executing it (although you may choose to voluntarily execute this release earlier); (b) you are aware of the contents and significance of all the provisions of this Agreement and knowingly and voluntarily agree to the terms of this Agreement and intend to be legally bound by them; (c) you have seven (7) full calendar days within which to revoke this Agreement after it is executed by you, and agree that this Agreement shall not become effective or enforceable until this seven-day revocation period has ended; (d) to revoke this Agreement, you must notify the Company, in writing, and such notification must be received no later than 5:00 p.m. on the

seventh day following the date you sign this Agreement, addressed to: Marcelo Modica with a copy by email to Marcelo.Modica@Robinhood.com; (e) you have been advised in writing to have this Agreement reviewed by counsel prior to signing it; and (f) rights or claims under the ADEA that may arise after the date this Agreement is signed are not waived. You agree that any modifications, material or otherwise, made to this Agreement do not restart or affect in any manner the original 21-day consideration period provided in this paragraph.

9. **Tax Matters.** You and the Company intend that all payments made under this Agreement are exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, the regulations and other guidance there under and any state law of similar effect (collectively "***Section 409A***") so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt. In no event will the Company reimburse you for any taxes or other penalties that may be imposed on you as a result of Section 409A and you shall indemnify the Company for any liability that arises as a result of Section 409A.

10. **Expense Reimbursement.** You agree that, within ten (10) days of the Separation Date, you will submit your final documented expense reimbursement statement reflecting any business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for your reasonable and necessary business expenses pursuant to its regular business practice. You agree and acknowledge that you have no other unreimbursed business expenses arising out of your employment with the Company.

11. **Return of Company Property.** By signing below, you certify that, as of the Separation Date, you have returned to the Company and have not retained any Company property in your possession or control, including, without limitation, equipment, documents (in paper and electronic form), credit cards, phone cards, and any Company property that you stored in electronic form or media (including, but not limited to, any Company property stored on your personal computer, USB drives or in a cloud environment). If you discover after the Separation Date that you have retained any Company property, including but not limited to Company proprietary or confidential documents, information, or other Company property, you agree, immediately upon discovery, to contact the Company and make arrangements to promptly return the documents or information.
Your timely return of all such Company documents, information, and other property is a condition precedent to your receipt of the Separation Payment provided under this Agreement.

12. **Continuing Obligations.** You acknowledge your continuing obligations under your Proprietary Information and Inventions Agreement entered into by and between you and the Company (the "Confidentiality Agreement"), which, among other things, prohibits disclosure of any confidential or proprietary information of the Company and solicitation of Company employees. A copy of your Confidentiality Agreement is attached hereto as **Attachment A**.

Notwithstanding any provisions in this Agreement or your Confidentiality Agreement related to the unauthorized use or disclosure of trade secrets, you are hereby notified that, pursuant to the Defend Trade Secrets Act of 2016, you cannot be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law. You also may not be held so liable for

such disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, individuals who file a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

13. **Confidentiality.** The parties agree to hold the existence of this Agreement and its provisions in strict confidence and will not publicize or disclose the existence or terms of this Agreement in any manner whatsoever; *provided, however,* that the parties may disclose the existence or the terms of this Agreement in confidence as the case may be: (a) to your immediate family; (b) to the parties' attorney, accountant, auditor, tax preparer, or financial advisor to render services to the parties; (c) to enforce the terms of the Agreement, or (d) as otherwise required by law or to engage in Protected Activity (as described in Section 18).

14. **Non-Disparagement.** Other than what is provided in Section 18, or if compelled by a valid subpoena or court order, you will not make any false, disparaging, negative or derogatory remarks about Robinhood or any Released Party, or its or their products, services, business processes, procedures, methods, policies, practices, standards of business conduct, or research and development. In addition, the Company will instruct its founders and the current members of Robinhood's c-team that they not make any false, disparaging, negative or derogatory remarks about you. The Parties retain all rights and remedies in the event of a breach of the foregoing. In addition, in response to inquiries from prospective employers regarding your performance directed to Robinhood's Chief People Officer, the Company shall refer to its neutral reference policy and provide only your title and dates of employment.

    In furtherance of the foregoing, you agree that, for the period beginning with the Effective Date of the Agreement and ending July 3, 2023, except as required by law, you, or anyone acting on your behalf or upon your direction, may not make any material public statements (which shall include, without limitation, any statement to a member of the media, whether on or off the record or on background, publication of articles, books or similar materials and postings to the internet and/or on any social media outlet, such as Twitter and/or Facebook) which are harmful to the Company or any Released Parties concerning and/or arising out of your tenure with the Company without the prior review and written consent of the Chief People Officer of the Company. In the event of any Proven Violation of this provision, and in addition to any actual damages proven, the Company shall be entitled to liquidated damages of $50,000 for the first Proven Violation, and $250,000 for each subsequent Proven Violation (up to a maximum of 50% of the consideration provided in Paragraph 3(b) above). As used herein, a Proven Violation shall mean a final judgment by a court of competent jurisdiction (notwithstanding the Arbitration Provision set out in paragraph 20 hereof), on which available appeals have been exhausted. Notwithstanding anything herein to the contrary, this provision is not intended to, and shall be interpreted in a manner that does not, limit or restrict your Protected Rights (including pursuant to Rule 21F of the Securities Exchange Act of 1934). For the sake of clarity, the Non-disparagement provision above remains in effect after July 3, 2023 despite the terms of this paragraph terminating on that date. In addition, a truthful statement by you, responding directly to a negative statement by the Company concerning you, may be asserted in response to an alleged violation of this paragraph.

15. **Cooperation.** Consistent with your reasonable availability, you agree to cooperate with and make yourself reasonably available to the Company, the Company's internal

legal counsel and the Company's advisers, experts, consultants and outside legal counsel, as the Company may request, to assist the Company in any matter regarding the Company and its subsidiaries and parent companies about which you have knowledge, including giving truthful testimony in any litigation (whether the Company is a plaintiff, defendant or third party witness, including without limit, any litigation regarding regulatory enforcement matters), potential litigation or any internal investigation or any administrative, regulatory, judicial or quasi-judicial proceedings. As part of the consideration for this cooperation agreement and as legally permitted, the Company will provide you with any materials provided to the applicable regulatory body or served in connection with the specified litigation that refers to you by name and/or position. If, following the Transition Period, you are requested to cooperate with the Company for more than ten (10) hours per calendar year, then the Company will compensate you for your time spent under this provision at a reasonable rate determined by your then compensation. If you are asked to travel in connection with this provision, the Company will pay for all travel expenses, lodging, and dining consistent with the Company's current policy for such expenses for employees. This includes supporting the Company by providing truthful testimony regarding any claims asserted by current or former employees of the Company. Other than as provided in Section 18 below, you further agree not to assist any party in maintaining any lawsuit or any other claims against the Company or any of its affiliates or officers, directors or employees, nor shall you induce or encourage any person or entity to do so, and you agree that you will not provide any Proprietary Information (as defined in the Confidentiality Agreement) to anyone concerning the Company, its business or any of its affiliates or officers, directors or employees, unless compelled to do so by valid subpoena or other court order, and in such case only after first notifying the Company sufficiently in advance of such subpoena or court order to reasonably allow the Company an opportunity to object to same.

16. **Legal Representation Paid by the Company.** You agree, absent any conflict of interest between you and the Company, to be represented by the Company's legal counsel in connection with any litigation, potential litigation or any internal investigation or administrative, regulatory, judicial or quasi-judicial proceedings claim, action, proceeding or demand against the Company or you that arises out of your employment with the Company or in connection with the performance of your duties on behalf of the Company during your employment with the Company. If it appears that a conflict of interest arises or may reasonably arise between you and the Company in any such matter, you may propose your own counsel and the Company agrees to pay reasonable attorneys' fees for such separate legal counsel to represent you if such separate legal counsel is acceptable to the Company (the Company will not unreasonably refuse appointment of your selected counsel if such a conflict arises); provided, however, that this obligation shall not extend to (a) any attorneys' fees arising out of any breach by you of this Agreement or any other written agreement between you and the Company or any Company written policy to which you were subject during your employment with the Company, (b) your recklessness, gross negligence or willful misconduct, (c) any attorneys' fees incurred in connection with any claim, action, proceeding or demand initiated or brought by you and not by way of defense, or (d) any attorneys' fees paid directly to you by an insurer under a policy of liability insurance maintained by the Company, its affiliate, you or any other party.

17. **Indemnity.** Nothing in this Agreement modifies or amends the Company's post- employment obligations to indemnify you under the terms of the Indemnification Agreement between you and the Company effective July 28, 2021.

18. **Protected Activity**. You understand that nothing in this Agreement prohibits you from engaging in any Protected Activity, which for purposes of this Agreement means filing a charge or complaint, or otherwise disclosing relevant information to or communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board, but does not include the disclosure of any Company attorney-client privileged communications. This Agreement does not prevent the disclosure of factual information relating to claims of sexual assault, sexual harassment, harassment or discrimination based on sex, or retaliation for filing a claim of sexual assault. You understand that you are not required to obtain prior authorization from the Company or to inform the Company prior to engaging in any Protected Activity.

19. **Outside Activities During Transition Period.** Before engaging in any outside business activities during the Transition Period you agree to submit an Outside Business Activity Disclosure Form describing such activities and noting any actual or potential conflicts of interest. Provided that such activity is not in the fintech industry and does not compete with Robinhood, such approvals will not be unreasonably withheld.

20. **Arbitration and Applicable Law**. In the event that a dispute arises concerning the interpretation or enforcement of this Agreement, or any other related matter, but other than a dispute specifically carved out from arbitration in paragraph 14 concerning a Proven Violation, you agree that any such dispute (except that brought by the Equal Employment Opportunity Commission, the National Labor Relations Board, or other comparable federal, state, or local agency) shall be submitted to binding arbitration before JAMS under its Employment Arbitration Rules & Procedures. A copy of the JAMS Employment Arbitration Rules and Procedures can be found online at www.jamsadr.com/rules-employment-arbitration/. There shall be one arbitrator appointed in accordance with said rules. The arbitration will take place in the county in which you last worked for the Company. The Federal Arbitration Act shall govern the enforceability of this arbitration agreement. Otherwise, the Agreement shall be construed according to the laws of the state in which you were last employed by the Company, without giving effect to any choice of law rules or principles that may result in the application of the laws of any jurisdiction other than that of that state. The arbitrator's award may be enforced by a court of competent jurisdiction.

21. **Miscellaneous.** You and the Company agree that this Agreement constitutes the entire agreement between you and the Company and any affiliate of the Company regarding the subject matter of this Agreement, and that this Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. You acknowledge that you have entered into this Agreement without reliance on any promise or representation, written or oral, other than those expressly contained herein, and that it supersedes any other such promises, warranties or representations. The Agreement shall be binding upon you and the Company, and each of your respective heirs, personal representatives, successors and assigns, but neither this Agreement nor any right hereunder shall be assignable by you without the written consent of the Company. You agree that this Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement. Execution of a facsimile copy or scanned image shall have the same force and effect as execution of an original, and a facsimile signature or scanned image of a signature shall be deemed an original and valid signature. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this will not affect any other provision of this Agreement and the provision in question shall be modified by the court so as to be rendered enforceable.

22. **Effective Date**. If you accept this Agreement, please sign and date the enclosed copy of this Agreement in the space provided below and return it to Marcelo Modica, by email or DocuSign by September 17, 2021 (the "***Expiration Date***"). This Agreement shall be effective as of the eighth (8^{th}) day after it is executed by you (the "***Effective Date***"), provided you have not revoked it in writing before that date.

I wish you good luck in your future endeavors. Sincerely,
Robinhood Markets, Inc.

By: /s/ Marcelo Modica
Marcelo Modica

Accepted and Agreed:

/s/ Christina Smedley
Christina Smedley

Date: 9/10/2021

ATTACHMENT A

CONFIDENTIALITY AGREEMENT

ATTACHMENT B
REAFFIRMATION OF SEPARATION AGREEMENT AND GENERAL RELEASE

THIS REAFFIRMATION OF SEPARATION AGREEMENT AND GENERAL RELEASE (this "***Reaffirmation Agreement***"), dated as of __, is made by and between Robinhood Markets, Inc., (the "***Company***"), and Christina Smedley ("***you***" or "***Employee***") (and together with the Company, the "***Parties***"). The Parties previously entered into a letter agreement and general release (the "***Agreement***") dated _____ where Employee's last day of employment with the Company was January 3, 2022. Employee was paid her regular wages through this date. By executing this Reaffirmation Agreement, Employee is now eligible to receive the consideration set forth in Section 3(b) of the Agreement, subject to her executing (and not revoking) this Reaffirmation Agreement, as provided below.

1. **Terms of Release Agreement.** All of the terms set forth in the Separation Agreement and General Release remain in full force and effect. Unless specifically provided to the contrary, all terms used in this Reaffirmation Agreement shall have the same meaning ascribed to them in the Agreement which it reaffirms and supplements.

2. **Supplemental Release.**

(a) Employee hereby releases, waives, acquits and forever discharges the Company and its past and present officers, directors, employees, investors, shareholders, agents, administrators, attorneys, predecessors, successors, parent entities, subsidiaries, divisions, assigns, and affiliates (the "Released Parties"), of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys' fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way related to agreements, events, acts, omissions, or conduct occurring at any time prior to and including the date you sign this Agreement (the "Released Claims"). The Released Claims include, without limitation: any and all claims arising from or relating to your employment relationship with the Company and the termination of that relationship; any and all claims for wrongful discharge of employment, termination in violation of public policy, constructive discharge, negligent hiring, retention or supervision, breach of contract, both express and implied, breach of a covenant of good faith and fair dealing, both express and implied, promissory estoppel, unjust enrichment, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, and conversion; any and all claims for wages, bonuses, commissions, overtime, vacation pay, severance pay, or any other form of compensation of any kind, as to which you have considered and agree that there is a good-faith dispute as to whether such wages are due, and, based on this good-faith dispute, you release and waive any and all claims regarding any alleged unpaid wages and any corresponding penalties, interest, or attorneys' fees, in exchange for the Separation Payment provided in this Reaffirmation Agreement; any and all claims for discrimination, harassment, and retaliation; and any all claims for attorneys' fees and costs. The Released Claims also include, without limitation, any and all claims arising under any federal, state or municipal constitution, statute, regulation, ordinance, and common law, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, 42 U.S.C. section 1981, the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act, the Family and Medical Leave Act, the California Constitution, the California Labor Code, the Private Attorneys General Act (Labor Code § 2698 *et seq.*), any applicable California Industrial Welfare Commission Wage Order, the California Fair Employment and Housing Act, the California Family Rights Act, the Pregnancy Disability Leave law, the Healthy Workplaces Healthy Families Act of 2014, and California Business and Professions Code section 17200.

(b) Employee is releasing all *known and unknown* Claims, and waiving any rights under California Civil Code Section 1542, or similar laws, which provides: **"A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

(c) The Released Claims do not include claims which may not be released without judicial or government supervision; claims for workers' compensation benefits or unemployment insurance benefits; claims raising under this Agreement; any claims related to vested rights under the Company's 401(k) plan; or any rights or claims that cannot be waived as a matter of law.

(d) Additionally, Employee acknowledges and understands that by this Reaffirmation Agreement she foregoes, among other things, any and all past and present rights to recover money damages or personal relief arising out of Employee's employment with the Company. The Parties agree that this Reaffirmation Agreement shall not preclude Employee from filing any charge with the Equal Employment Opportunity Commission, the National Labor Relations Board, or any other governmental agency or from any way participating in any investigation, hearing, or proceeding of any government agency.

3. Miscellaneous.

(a) Employee acknowledges and agrees that she has been paid all amounts that the Company or any Releasees allegedly should have paid her in the past.

(b) Employee agrees to return to the Company all Company property, including electronics, computers, files, memoranda, documents, records, copies of the foregoing, the Company-provided credit cards, keys, building passes, security passes, access or identification cards, and any other the Company property in her possession, custody or control. To the extent Employee subsequently discovers that any property and/or data identified above is still in her possession, custody or control, she agrees to return all such property and data to the Company as soon as practicable, but in no event later than ten (10) days after making such discovery. Employee agrees that she has cleared all expense accounts, repaid everything she owes to the Company or any Releasee.

4. **Review and Revocation.** Employee acknowledges that she has been given in excess of twenty-one (21) calendar days to consider the terms of this Reaffirmation Agreement. Employee further agrees that any modifications, material or otherwise, made to this Reaffirmation Agreement do not restart or affect in any manner the original twenty-one (21) calendar day consideration period. Employee shall have seven (7) calendar days from the date this Reaffirmation Agreement is originally executed to revoke her consent to the terms of this Reaffirmation Agreement. Such revocation must be in writing and sent via electronic delivery to the attention of Marcelo Modica at Marcelo.Modica@Robinhood.com. Notice of such revocation must be received within the seven (7) calendar days referenced above. In the event of such revocation, this Reaffirmation Agreement shall not become effective and Employee shall not have any rights to the consideration set forth in Section 3 of the Agreement. Provided that Employee does not revoke this Reaffirmation Agreement within such seven (7) day period, this Reaffirmation Agreement shall become effective on the eighth (8th) calendar day after the date on which Employee signs it.

****** AGREEMENT NOT TO BE SIGNED BEFORE JANUARY 3, 2022 ******

Accepted and Agreed:

_____

Christina Smedley

Date:

PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

The following confirms and memorializes an agreement that **Robinhood Markets, Inc.**, a Delaware corporation (the "Company") and I (Christina Smed) lheyavMechCaadrthsiynce the commencement of my employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that I may have had prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for my employment by Company:

1. I have not entered into, and I agree I will not enter into, any agreement either written or oral in conflict with this Agreement or my employment with Company. I will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose my own or any third party's confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company. Further, I have not retained anything containing any confidential information of a prior employer or other third party, whether or not created by me.

2. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, *sui generis* database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of my employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (which is attached as Appendix A) (collectively "Inventions") and I will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, I will also disclose anything I believe is excluded by Section 2870 so that the Company can make an independent assessment. I hereby make all assignments necessary to accomplish the foregoing. I shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. I hereby irrevocably designate and appoint Company as my agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in my behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by me. Without limiting Section 1 or Company's other rights and remedies, if, when acting within the scope of my employment or otherwise on behalf of Company, I use or disclose my own or any third party's confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and I hereby grant Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sublicensable right and license to exploit and exercise all such confidential information and intellectual property rights.

3. To the extent allowed by law, paragraph 2 includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively "Moral Rights"). To the extent I retain any such Moral Rights under applicable law, I hereby ratify and consent to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. I will confirm any such ratifications, consents and agreements from time to time as requested by Company.

4. I have listed on the attached Exhibit A (Prior Inventions) all inventions relating in any way to Company's business or demonstrably anticipated research and development or business, that were conceived, reduced to practice, created, derived, developed or made by me alone or jointly with others prior to the commencement of my employment, and

to which I retain any ownership rights or interest (collectively referred to as the "Prior Inventions"). I represent that I have no rights in any Inventions other than those Prior Inventions listed on Exhibit A. If nothing is listed on Exhibit A, I represent that there are no Prior Inventions as of the date of this Agreement. I grant to Company and Company's designees a royalty-free, transferable, irrevocable, worldwide, fully paid-up license (with rights to sublicense through multiple tiers of sublicensees) to fully use, practice and exploit all patent, copyright, moral right, mask work, trade secret and other intellectual property rights relating to any Prior Inventions that I incorporate, or permit to be incorporated, in any Inventions that I, solely or jointly with others, create, derive, conceive, develop, make or reduce to practice within the scope of my employment by Company. Notwithstanding the foregoing, I will not incorporate, or permit to be incorporated, any Prior Inventions into any Inventions of the Company without Company's prior written consent.

5. I agree that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) I develop, learn or obtain during the term of my employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute "Proprietary Information." I will hold in confidence and not disclose or, except within the scope of my employment, use any Proprietary Information. However, I shall not be obligated under this paragraph with respect to information I can document is or becomes readily publicly available without restriction through no fault of mine. Upon termination of my employment, I will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that I may keep my personal copies of (i) my compensation records, (ii) materials distributed to shareholders generally and (iii) this Agreement. I also recognize and agree that I have no expectation of privacy with respect to Company's telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored at any time without notice.

6. Until one year after the term of my employment, I will not encourage or solicit any employee or consultant of Company to leave Company for any reason (except for the bona fide firing of Company personnel within the scope of my employment).

7. I agree that during the term of my employment with Company (whether or not during business hours), I will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and I will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

8. I agree that this Agreement is not an employment contract for any particular term and that I have the right to resign and Company has the right to terminate my employment at will, at any time, for any or no reason, with or without cause. In addition, this Agreement does not purport to set forth all of the terms and conditions of my employment, and, as an employee of Company, I have obligations to Company which are not set forth in this Agreement. However, the terms of this Agreement govern over any inconsistent terms and can only be changed by a subsequent written agreement signed by the President of Company.

9. I agree that my obligations under paragraphs 2, 3, 4, 5 and 6 of this Agreement shall continue in effect after termination of my employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on my part, and that Company is entitled to communicate my obligations under this Agreement to any

future employer or potential employer of mine. My obligations under paragraphs 2, 3, 4 and 5 also shall be binding upon my heirs, executors, assigns, and administrators and shall inure to the benefit of Company, its subsidiaries, successors and assigns.

10. Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of **[**California**]** without regard to the conflict of laws provisions thereof. I further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by me is void. I also understand that any breach of this Agreement will cause irreparable harm to Company for which damages would not be an adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

11. If Company waives any term, provision or breach by me of this Agreement, such waiver will not be effective unless it is in writing and signed by Company. No waiver will constitute a waiver of any other or subsequent breach by me. This Agreement may be modified only if both Company and I consent in writing.

I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND AND ACCEPT THE OBLIGATIONS WHICH IT IMPOSES UPON ME WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ME TO INDUCE ME TO SIGN THIS AGREEMENT. I SIGN THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY ME.

(signatures appear on next page)

Date
July 8, 2020

Employee

/s/ Christina Smedley McCarthy
Signature

Christina Smedley McCarthy
Name

Accepted and Agreed to:

ROBINHOOD MARKETS, INC.

By: __

Name:

Title:

APPENDIX A

California Labor Code Section 2870. **Application of provision providing that employee shall assign or offer to assign rights in invention to employer.**

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for his employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

EXHIBIT A

Prior Inventions

N/A

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vladimir Tenev, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Robinhood Markets Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2022

/s/ Vladimir Tenev
Vladimir Tenev
Chief Executive Officer

Exhibit 31.2

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jason Warnick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Robinhood Markets Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2022

/s/ Jason Warnick
Jason Warnick
Chief Financial Officer

Exhibit 32.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U. S. C. SECTION 1350, AS
ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, I, Vladimir Tenev, hereby certify that, to the best of my knowledge, Robinhood Markets, Inc.'s Quarterly Report on Form 10-Q for the period ended March 31, 2022 (the Report), as filed with the Securities and Exchange Commission on May 6, 2022, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Robinhood Markets, Inc.

Date: May 6, 2022

/s/ Vladimir Tenev

Vladimir Tenev

Chief Executive Officer

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U. S. C. SECTION 1350, AS
ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, I, Jason Warnick, hereby certify that, to the best of my knowledge, Robinhood Markets, Inc.'s Quarterly Report on Form 10-Q for the period ended March 31, 2022 (the Report), as filed with the Securities and Exchange Commission on May 6, 2022, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Robinhood Markets, Inc.

Date: May 6, 2022

/s/ Jason Warnick

Jason Warnick

Chief Financial Officer