



Robinhood Markets, Inc.

Earnings Presentation Fourth Quarter 2023

February 13, 2024

Disclaimers

This Presentation Relates to Robinhood’s Broader Earnings Announcement Disclosures

This presentation accompanies the fourth quarter and full year 2023 earnings announcement webcast of Robinhood Markets, Inc. (including its consolidated subsidiaries, “we,” “Robinhood,” or the “Company”) and should be read together with Robinhood’s earnings announcement press release. Hyperlinks to our fourth quarter and full year 2023 webcast, and press release can be found together with these slides on Robinhood’s investor relations website at investors.robinhood.com.

Key Performance Metrics

This presentation includes key performance metrics that our management uses to help evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions. Our key performance metrics include Funded Customers, Monthly Active Users (“MAU”), Assets Under Custody (“AUC”), Net Deposits, and Average Revenue Per User (“ARPU”). Definitions of performance metrics can be found in the appendix to this presentation (the “Appendix”).

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

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

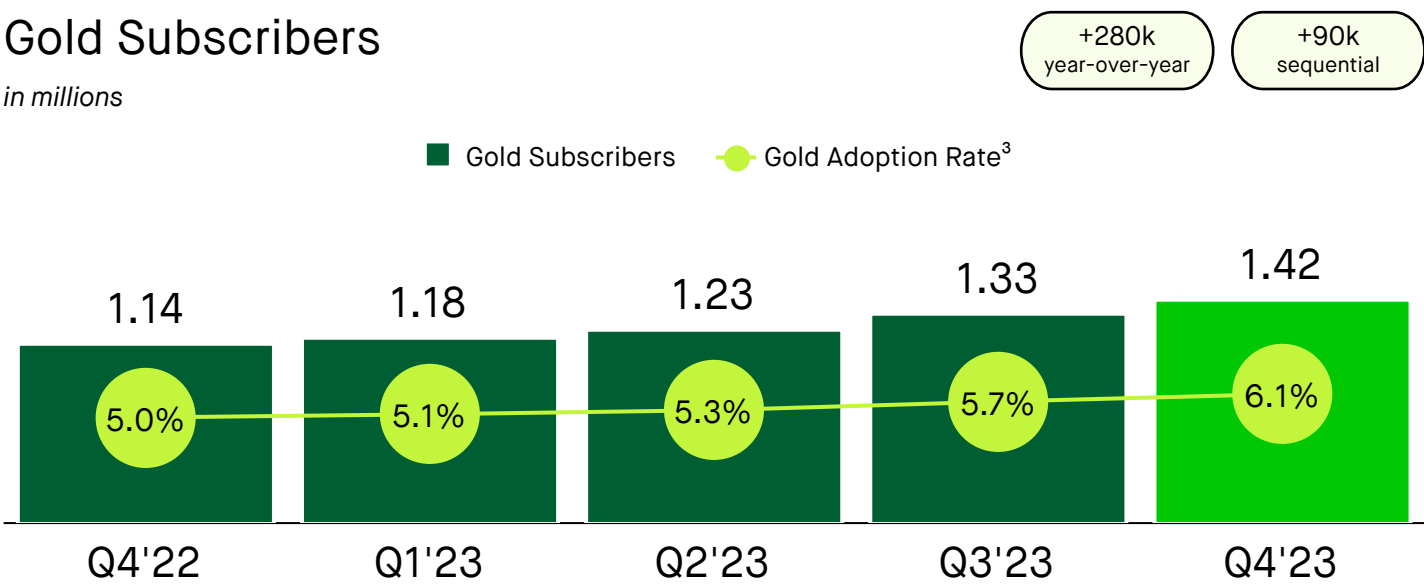
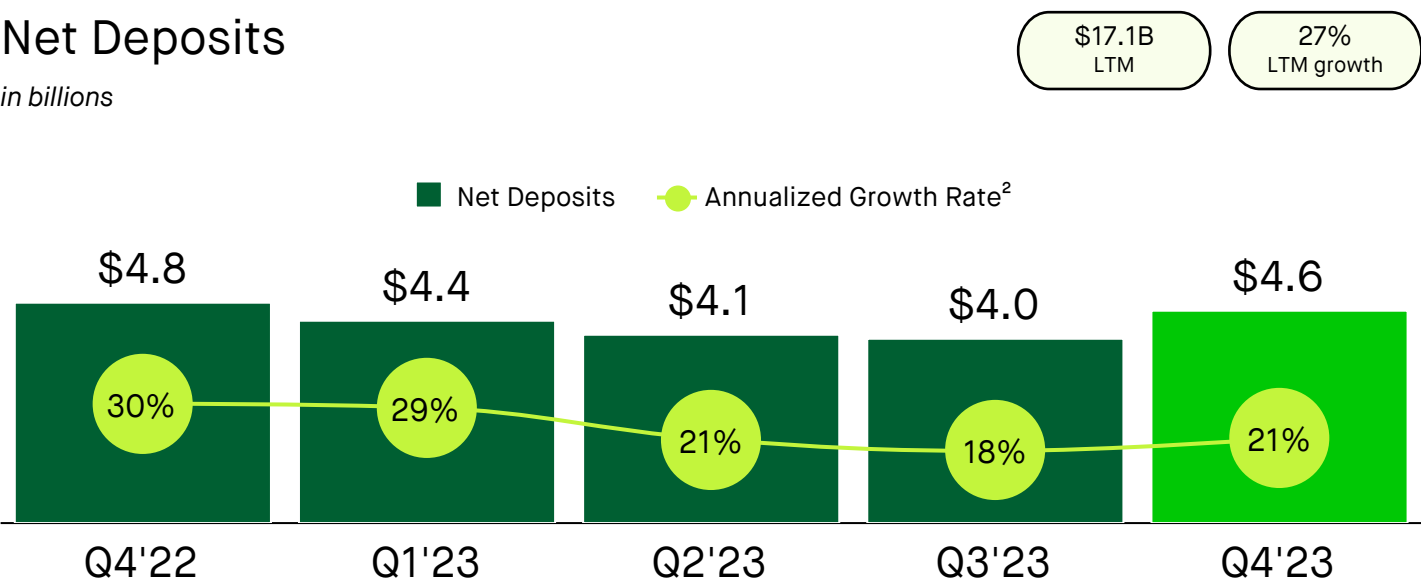
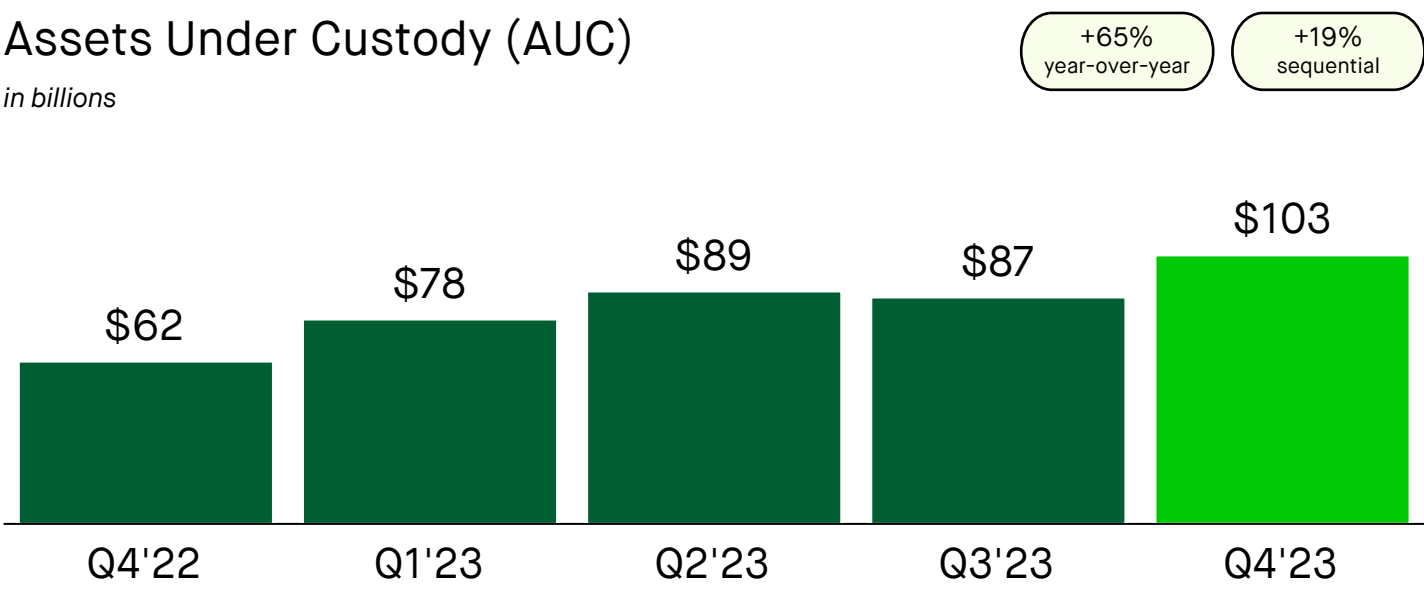
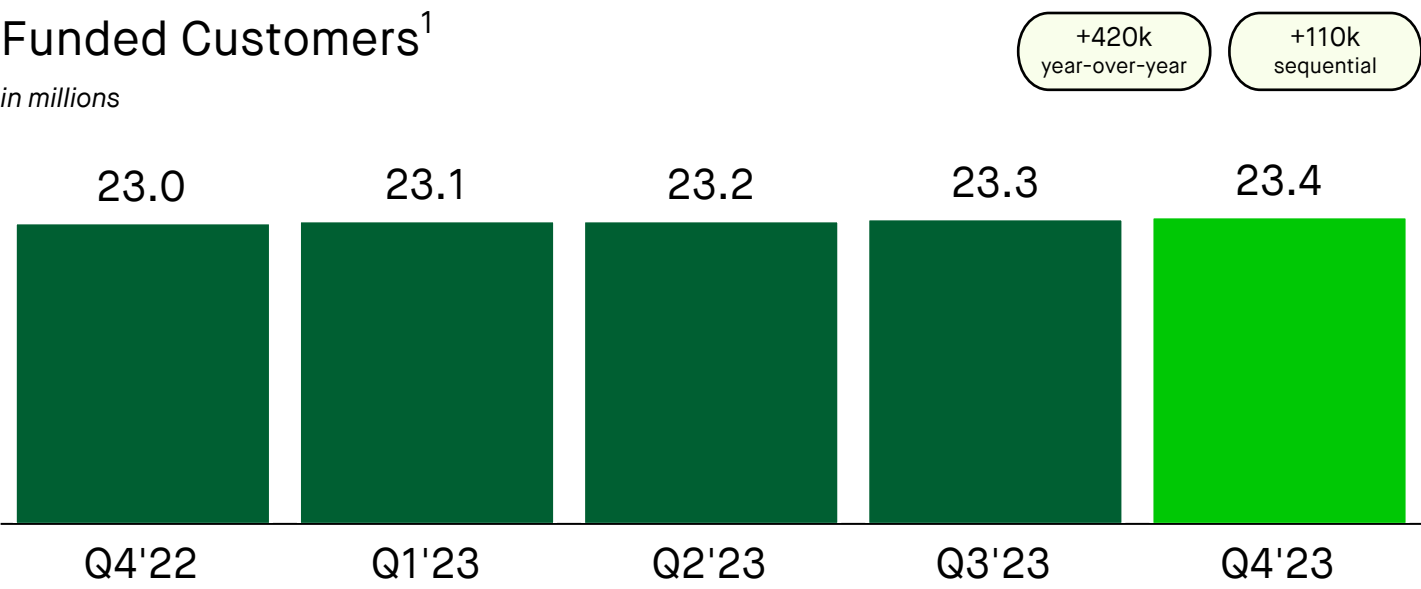
Cautionary Note Regarding Forward-Looking Statements

This presentation and the related webcast contain forward-looking statements regarding our expected financial performance and our strategic and operational plans, including (among others) statements regarding regarding our 2024 product roadmap; that we have designed a 2024 expense plan to drive another year of profitable growth, including investing for growth across new products, features, and international expansion, and reducing costs in our existing business; all statements regarding our 2024 expense outlook and related reconciliations; that we are well positioned to continue deploying capital; that we believe the strength of our balance sheet gives us the flexibility to run our business while investing for future growth; that we will continue to drive growth and shareholder value by allocating capital across organic growth, M&A, and shareholder returns; that starting in January 2024, we will align our Net Deposits definition with market practice by including dividend and interest inflows and Gold fee and margin interest outflows; that we aim to continue delivering profitable growth in 2024; that we’re focused on driving net deposits even higher by improving our user experience and value proposition; that we think our newer Funded Customer Cohorts starting with higher balances provides a strong foundation for sustainable long-term asset growth; that we’re working to take our Gold adoption rate even higher as we keep improving the value proposition; that Robinhood Credit represents another opportunity for us to diversify our business and introduce new products to our customers; that we look forward to sharing more about our plans for new credit cards for Robinhood customers soon; that we aim to deliver another year of revenue growth and margin expansion - by continuing to invest across new products, features, marketing, and international - while getting more efficient in our existing businesses - and all-in managing our headcount growth to low single digits; that as rates move, we do not anticipate a significant change to the yield we earn on cash sweeps; that we think 2024 is the year when we’ll see interest rates shift from being a headwind for our business growth into a tailwind; that we have a lot of momentum to start the new year; that we remain focused on driving profitable growth for shareholders - as we work to maximize EPS and free cash flow - in 2024 and the years to come; that we are going to continue to invest in our user experience on mobile; that we will be launching a more feature-rich professional offering on the web for active traders; that we’re also working on expanding our selection of tradable assets, in particular with index options and futures coming later this year; that we plan to keep investing to make Robinhood Gold even more valuable for our customers and build off the early success of our Retirement offering; that we also plan to launch new products like credit cards and add new account types such as joint accounts; that we’re working to build more of the full Robinhood product suite for our international customers; that we’re excited by the opportunity to continue growing Robinhood significantly from here, and we have a ton of momentum to start 2024, as well as other statements about our FY 2024 financial outlook. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “believe,” “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “estimate,” “predict,” “potential” or “continue” or the negative of these words or similar expressions that concern our expectations, strategy, plans or intentions. Our forward-looking statements are subject to a number of known and unknown risks, uncertainties, assumptions, and other factors that may cause our actual future results, performance, or achievements to differ materially from any future results expressed or implied in this presentation and the related webcast. Reported results should not be considered an indication of future performance. Factors that contribute to the uncertain nature of our forward-looking statements include, among others: our limited operating experience at our current scale; the difficulty of managing our business effectively, including the size of our workforce, and the risk of continued declining or negative growth; the fluctuations in our financial results and key metrics from quarter to quarter; our reliance on transaction-based revenue, including payment for order flow (“PFOF”), and the risk of new regulation or bans on PFOF and similar practices; our exposure to fluctuations in interest rates and rapidly changing interest rate environments; the difficulty of raising additional capital (to provide liquidity needs and support business growth and objectives) on reasonable terms, if at all; the need to maintain capital levels required by regulators and self-regulatory organizations; the risk that we might mishandle the cash, securities, and cryptocurrencies we hold on behalf of customers, and our exposure to liability for processing, operational, or technical errors in clearing functions; the impact of negative publicity on our brand and reputation; the risk that changes in business, economic, or political conditions that impact the global financial markets, or a systemic market event, might harm our business; our dependence on key employees and a skilled workforce; the difficulty of complying with an extensive, complex, and changing regulatory environment and the need to adjust our business model in response to new or modified laws and regulations; the possibility of adverse developments in pending litigation and regulatory investigations; the effects of competition; our need to innovate and invest in new products 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 processing, operational or technological failures could impair the availability or stability of our platform; the risk of cybersecurity incidents, theft, data breaches, and other online attacks; the difficulty of processing customer data in compliance with privacy laws; our need as a regulated financial services company to develop and maintain effective compliance and risk management infrastructures; the volatility of cryptocurrency prices and trading volumes; the risk that our platform and services could be exploited to facilitate illegal payments; and the risk that substantial future sales of Class A common stock in the public market, or the perception that they may occur, could cause the price of our stock to fall. Because some of these risks and uncertainties cannot be predicted or quantified and some are beyond our control, you should not rely on our forward-looking statements as predictions of future events. More information about potential risks and uncertainties that could affect our business and financial results can be found in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (our “Q3 2023 10-Q”), as well as in our other filings with the Securities and Exchange Commission (“SEC”), all of which are available on the SEC’s web site at www.sec.gov. Moreover, we operate in a very competitive and rapidly changing environment; new risks and uncertainties may emerge from time to time, and it is not possible for us to predict all risks nor identify all uncertainties. The events and circumstances reflected in our forward-looking statements might not be achieved and actual results could differ materially from those projected in the forward-looking statements. Except as otherwise noted, all forward-looking statements in this presentation are made as of the date of this presentation and the related webcast, February 13, 2024, and are based on information and estimates available to us at this time. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Except as required by law, Robinhood assumes no obligation to update any of the statements in this presentation and the related webcast whether as a result of any new information, future events, changed circumstances, or otherwise. You should view this presentation and the related webcast with the understanding that our actual future results, performance, events, and circumstances might be materially different from what we expect. All fourth quarter and full year 2023 financial information in this Presentation is preliminary, based on our estimates and subject to completion of our financial closing procedures. Final results for the full year, which will be reported in our Annual Report on Form 10-K for the year ended December 31, 2023 (our “2023 10-K”), may vary from the information in this Presentation. In particular, until our financial statements are issued in our 2023 10-K, we may be required to recognize certain subsequent events (such as in connection with contingencies or the realization of assets) which could affect our final results.

Trademarks

“Robinhood” and the Robinhood feather logo are registered trademarks of Robinhood Markets, Inc. All other names are trademarks and/or registered trademarks of their respective owners.

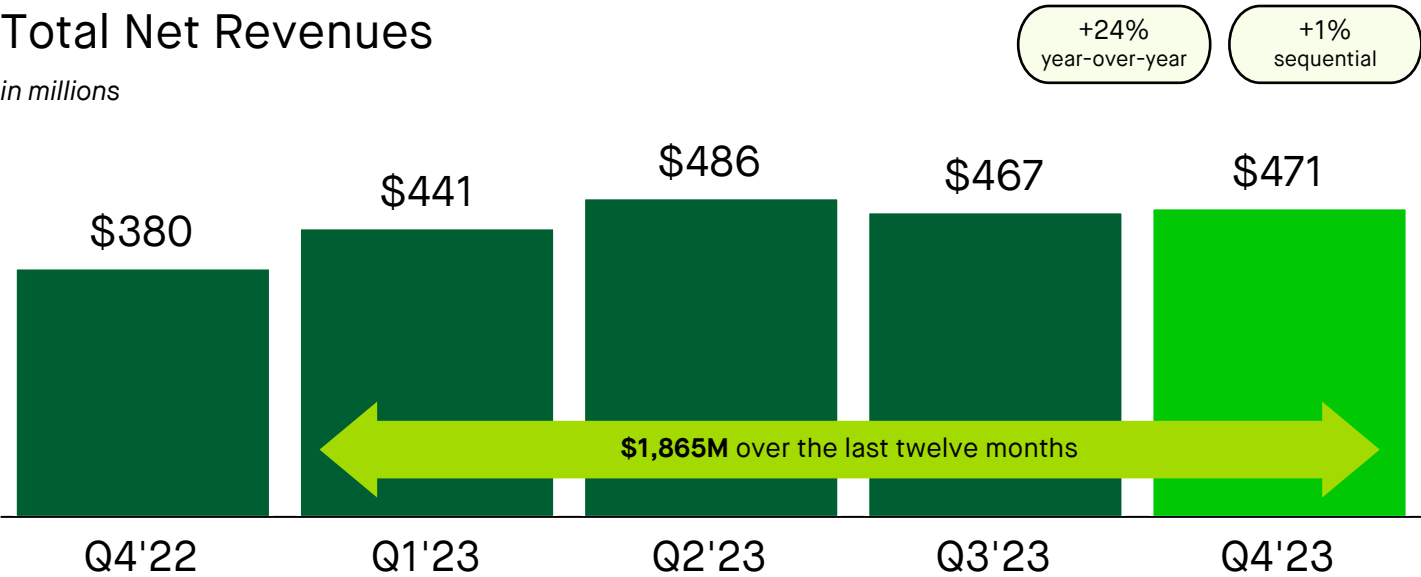
Q4 2023 Business Results Highlights



Q4 2023 Financial Results Highlights

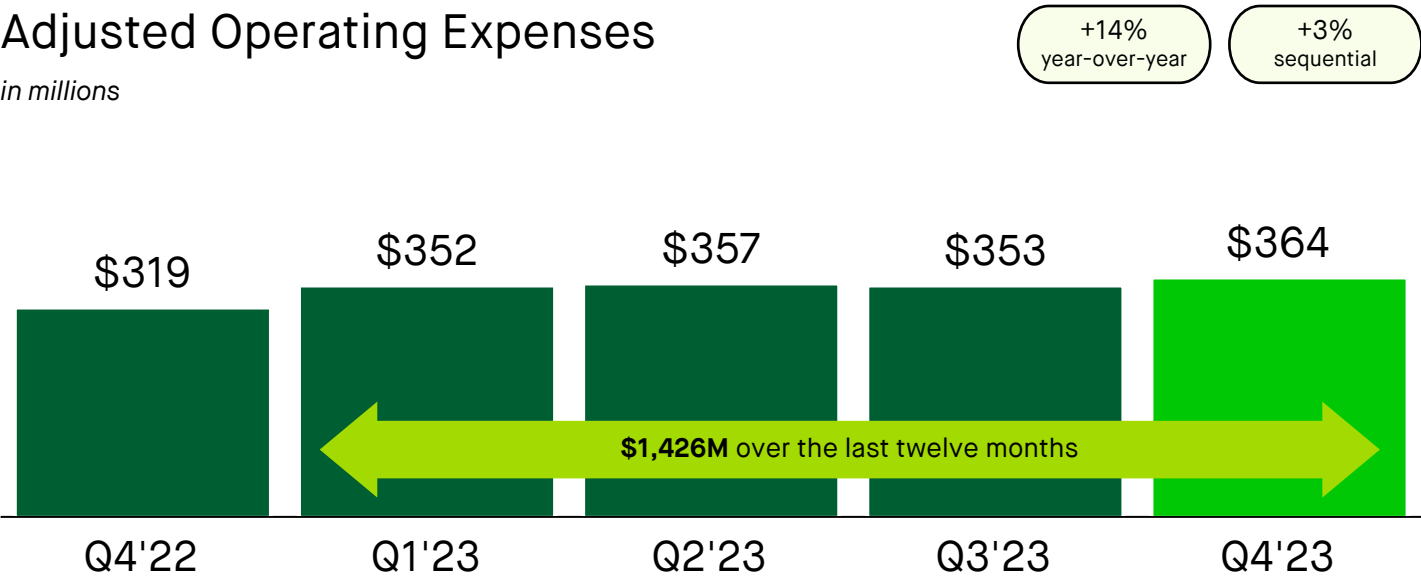
Total Net Revenues

in millions



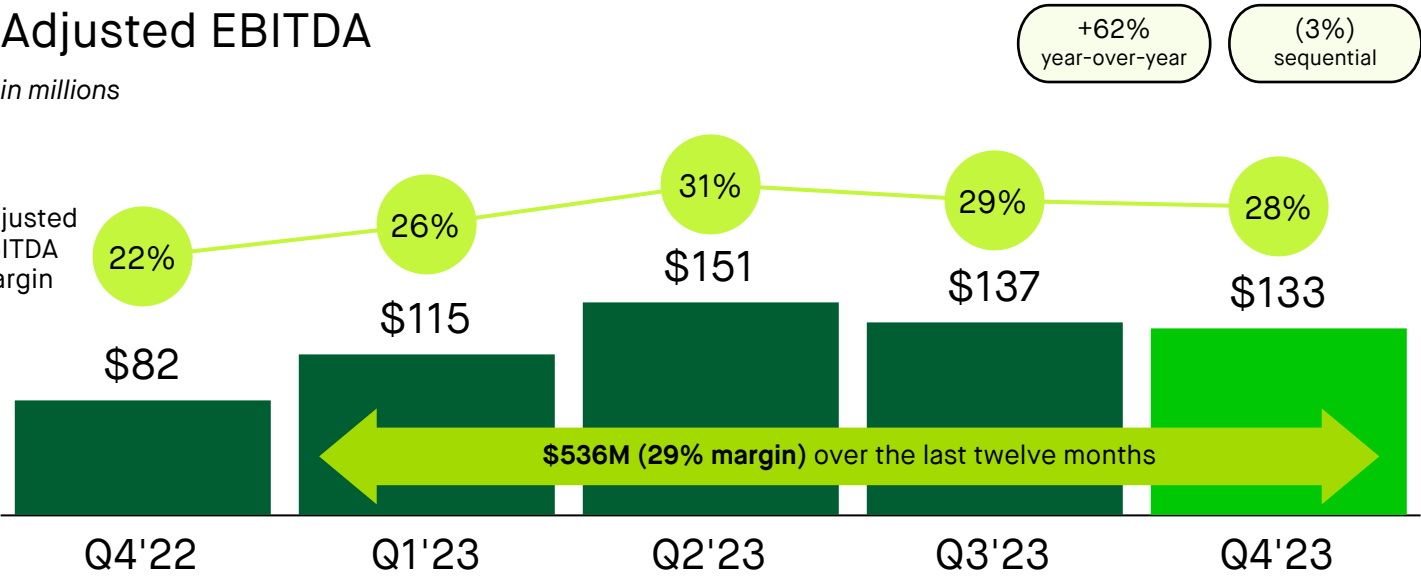
Adjusted Operating Expenses

in millions



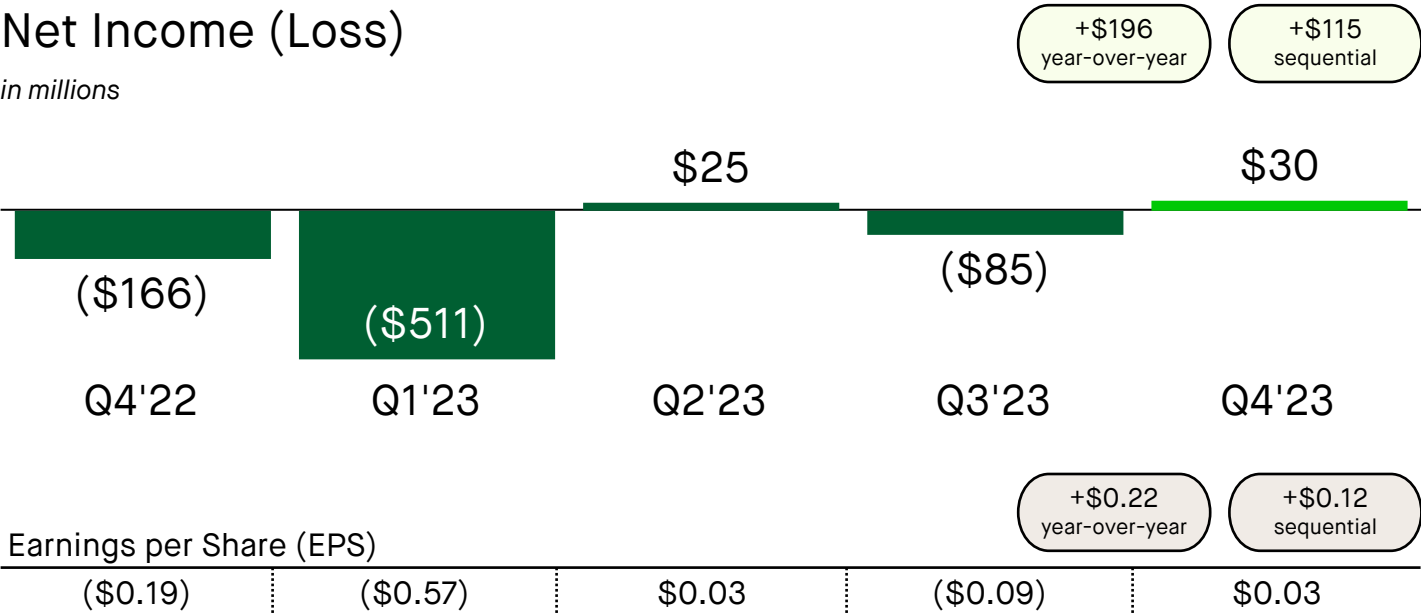
Adjusted EBITDA

in millions

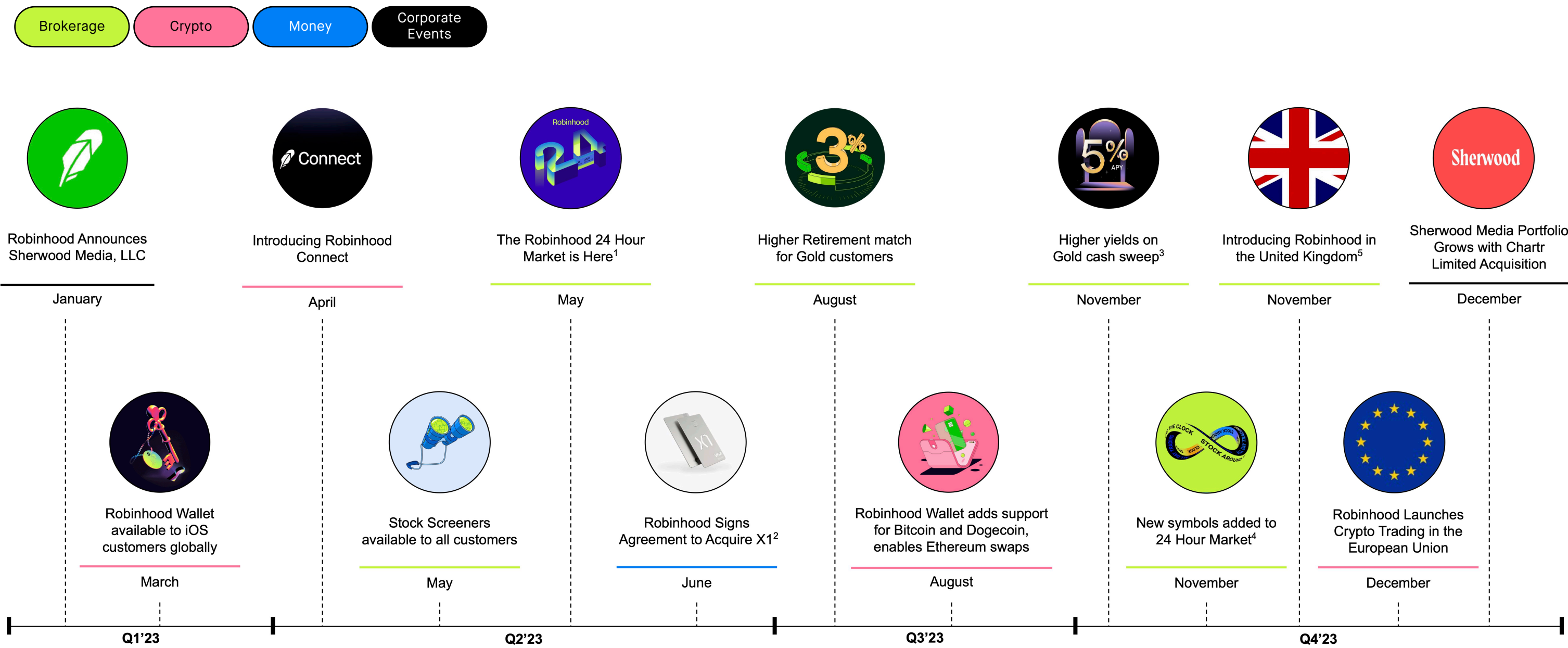


Net Income (Loss)

in millions



We had strong product velocity in 2023

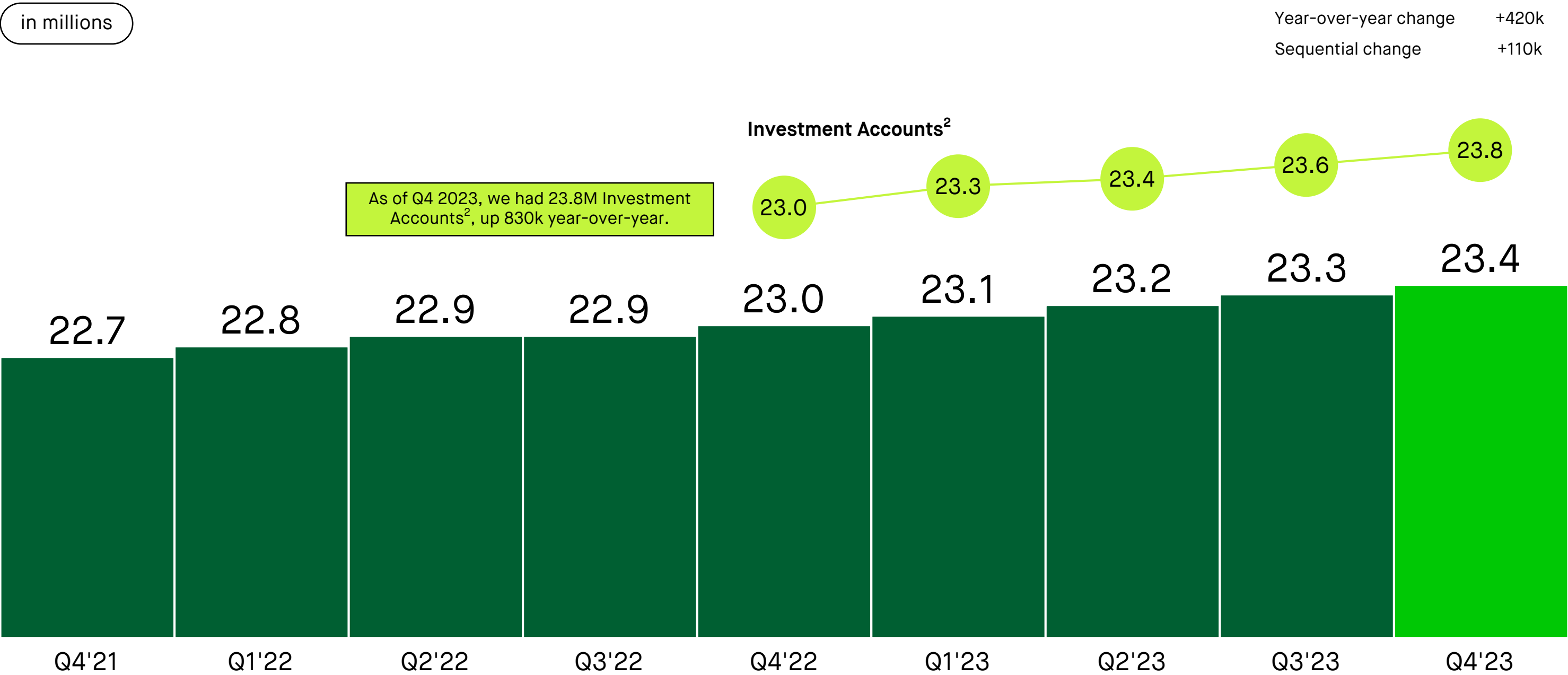


(1) Robinhood 24 Hour Market was made available to 100% of customers in July 2023.
(2) X1 transaction closed on July 3, 2023, for ~\$104 million in cash, comprised of an estimated entity value of ~\$90 million and net cash of ~\$14 million.
(3) Up to 5.0% from 4.90%.
(4) More than doubled the number of symbols available to trade on 24 Hour Market in November 2023, bringing total to over 220 as of the end of Q4 2023.
(5) Began rolling out brokerage services in the United Kingdom via a waitlist launched in November 2023.

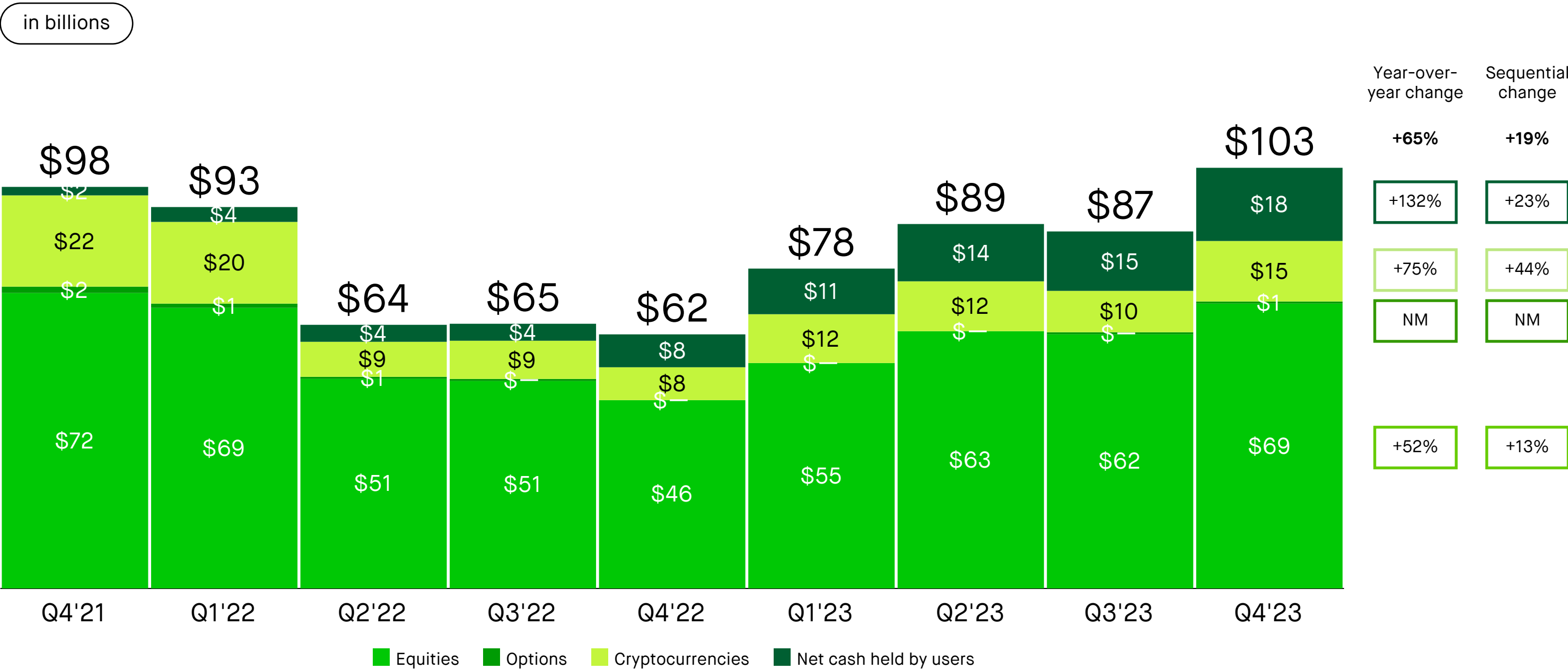
2024 Product Roadmap

	Winning the Active Trader market	Increasing Wallet Share	Expanding Internationally
Products	<ul style="list-style-type: none">• Professional trader offering on the web• Index options• Futures	<ul style="list-style-type: none">• Gold and Retirement enhancements• Credit card• Additional account types	<ul style="list-style-type: none">• UK brokerage• EU crypto• Expanded product suite
Measures	<ul style="list-style-type: none">• Equity market share• Options market share• Crypto market share	<ul style="list-style-type: none">• Net Deposits• Gold subscriptions	<ul style="list-style-type: none">• International as a % of new Funded Customers• International as a % of total Funded Customers

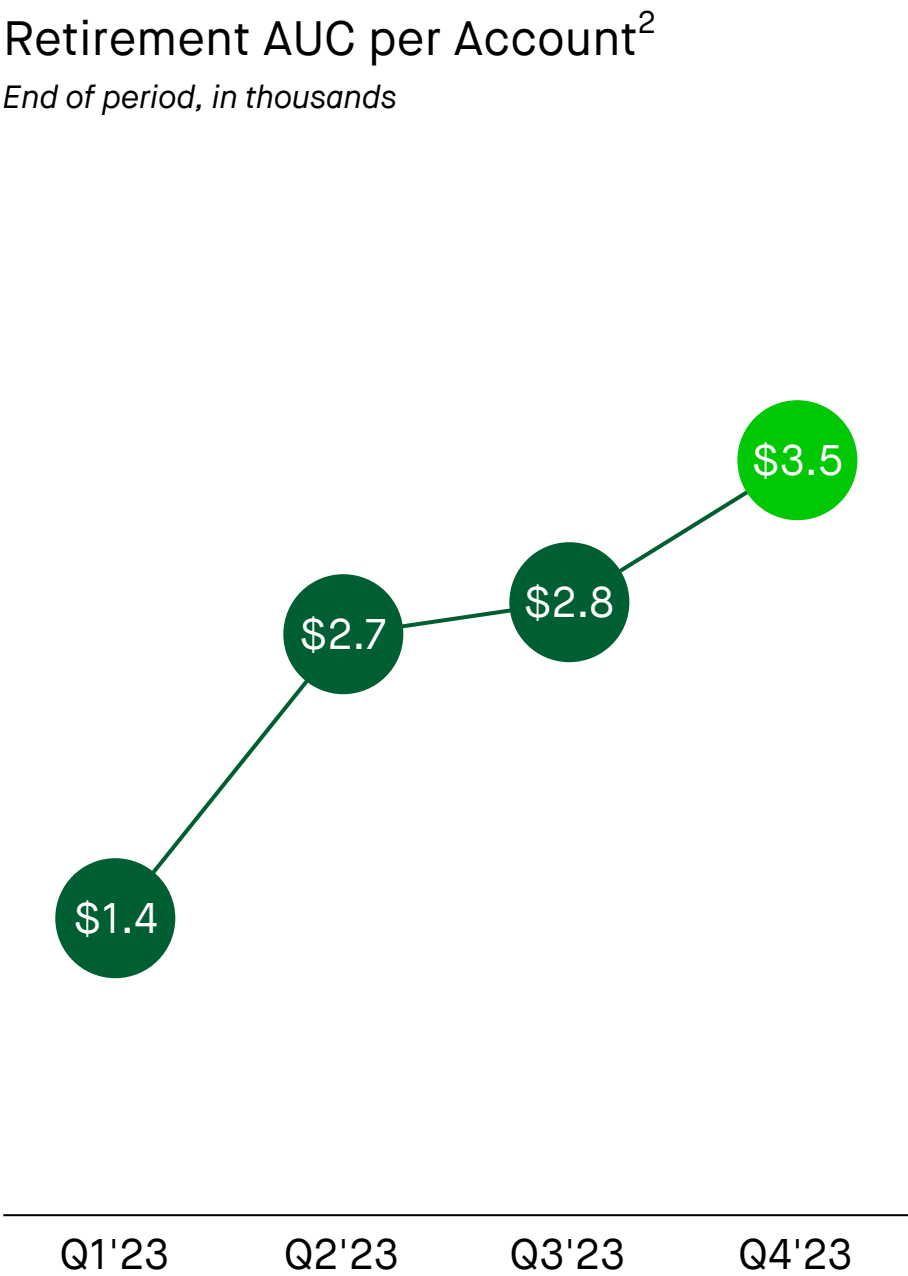
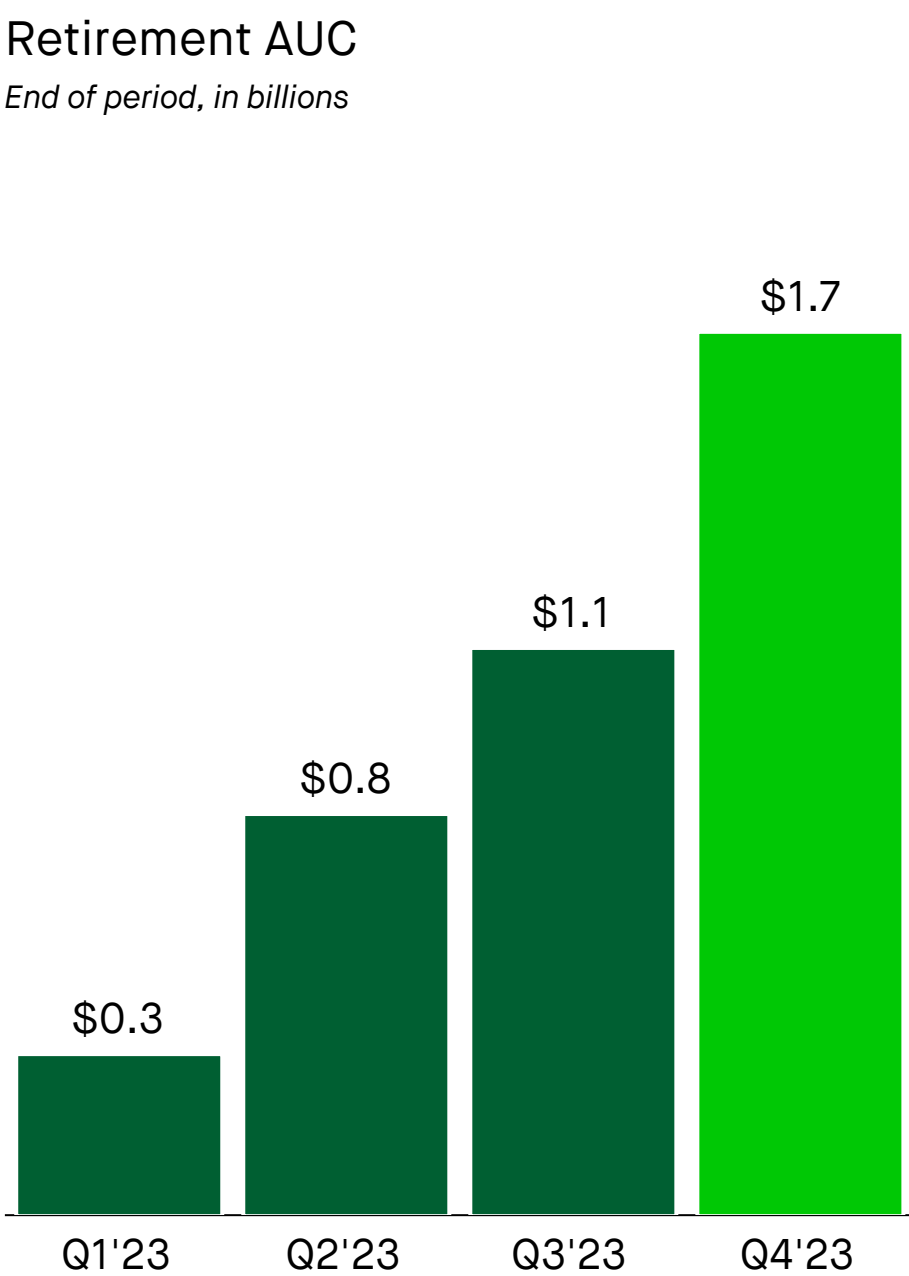
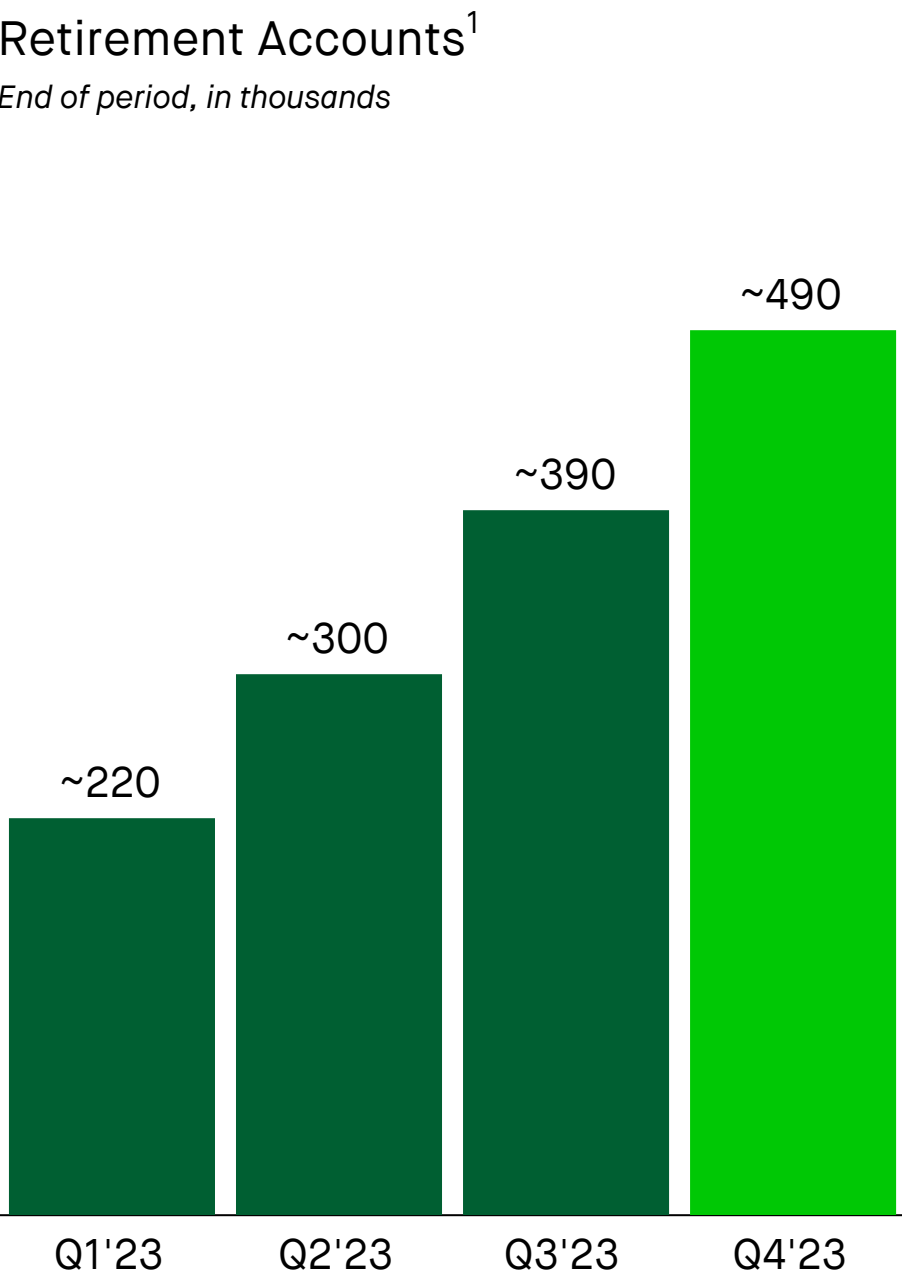
Funded Customers¹ increased by ~420 thousand year-over-year to 23.4 million in Q4



Assets Under Custody (AUC) increased 65% year-over-year to \$103 billion in Q4, primarily due to continued Net Deposits and higher equity valuations

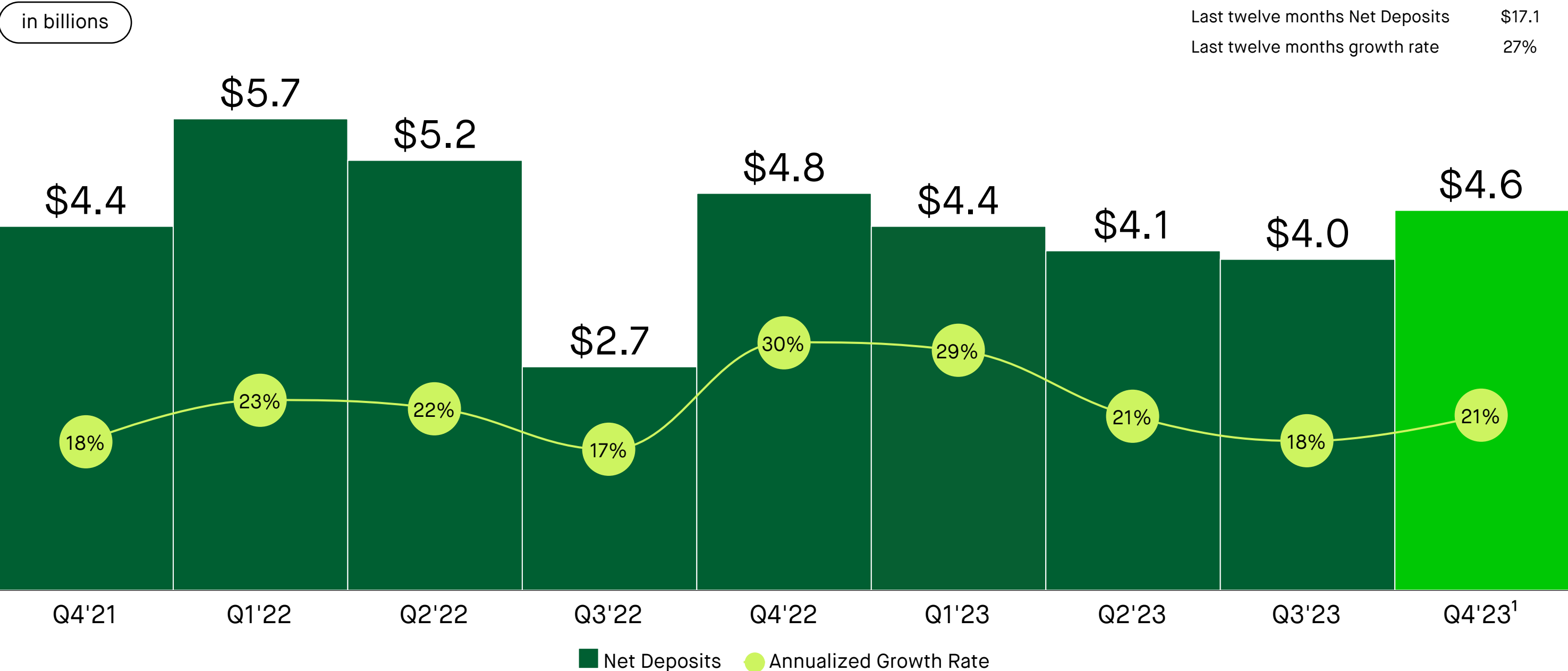


Robinhood Retirement off to a good start in first year

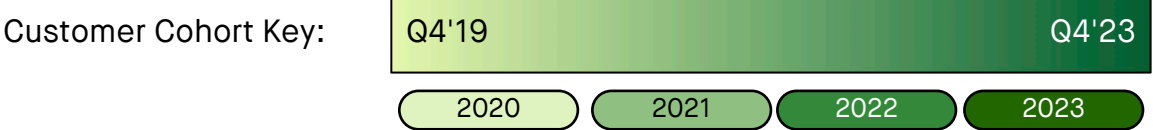
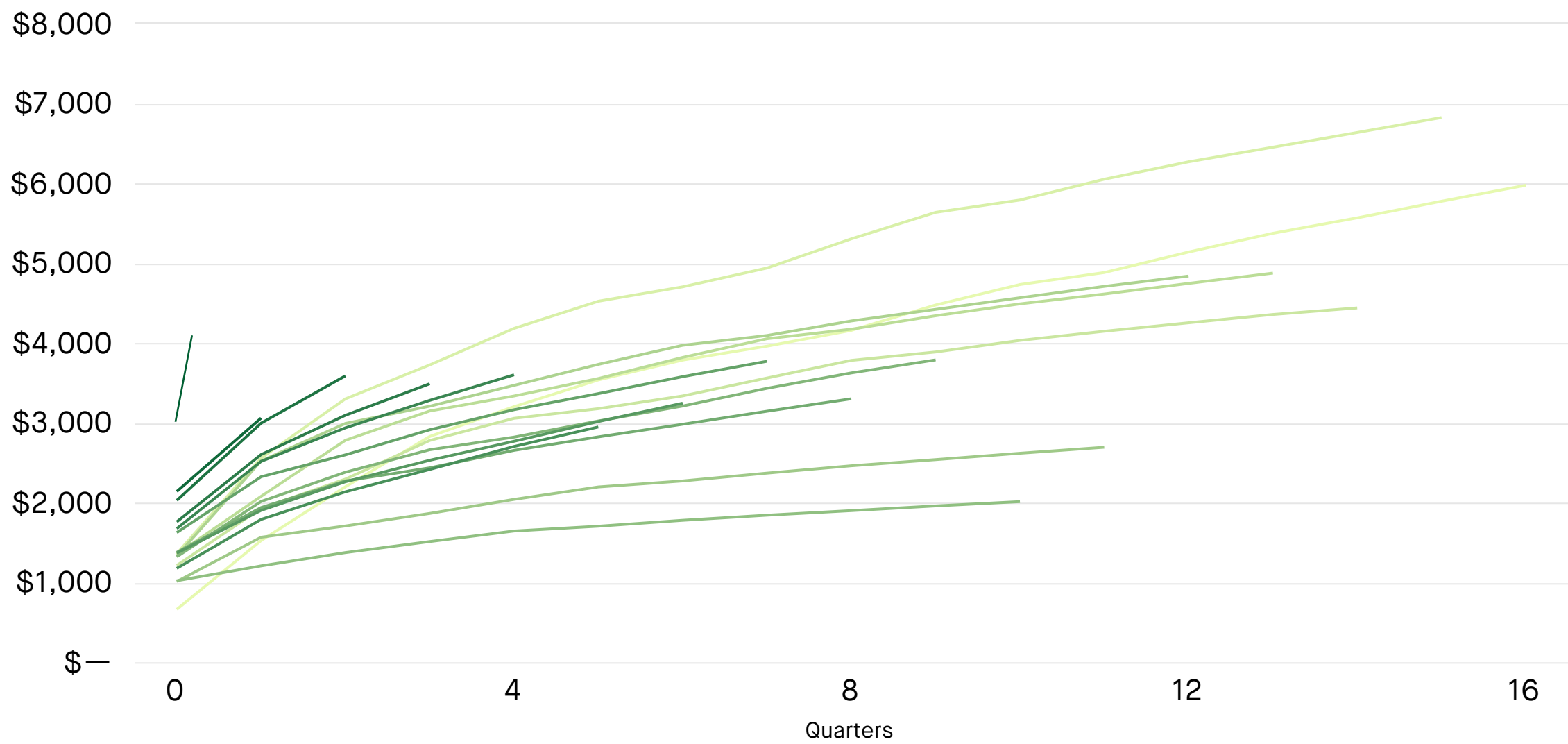


(1) Includes funded Roth individual retirement accounts and funded traditional individual retirement accounts. A Funded Customer can have more than one retirement account. As of Q4 2023, the split between Roth and traditional individual retirement accounts was ~80% / ~20%.
(2) Defined as Retirement AUC divided by Retirement Accounts for a given period.

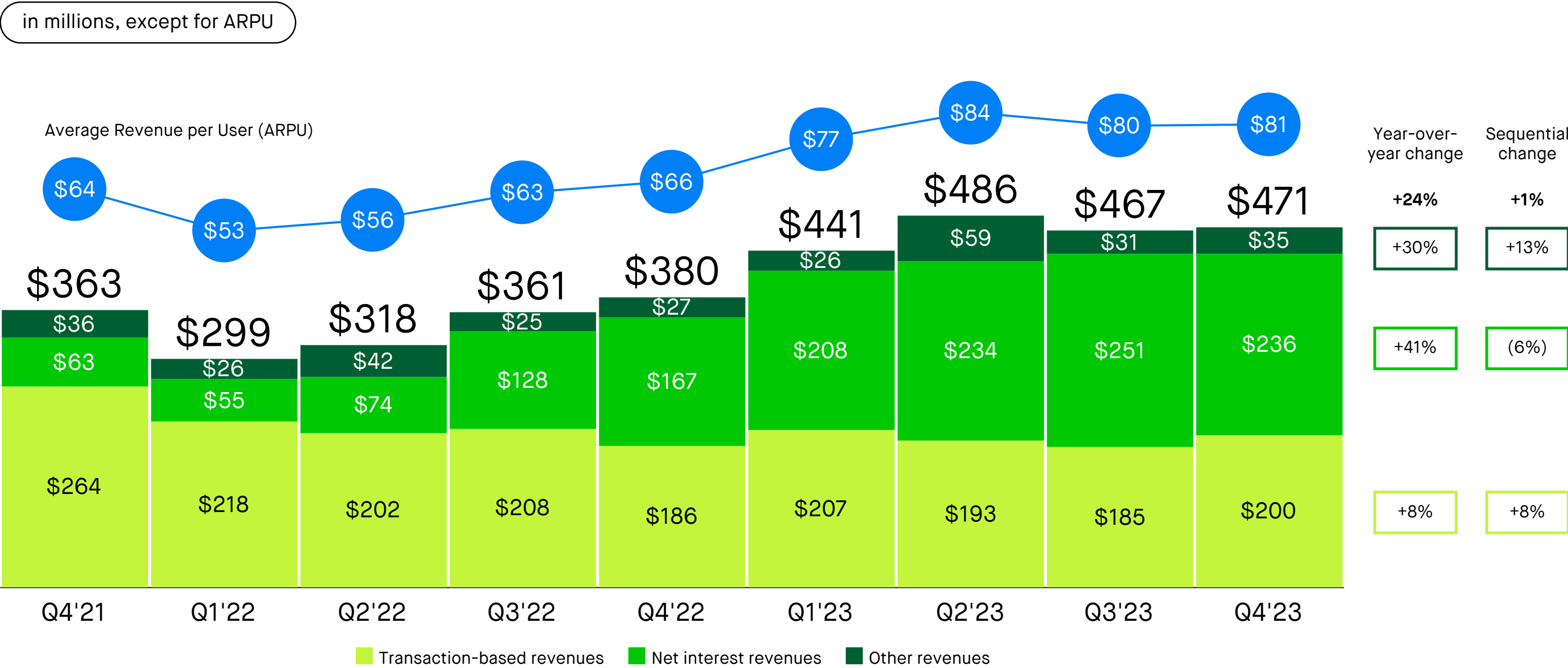
Net Deposits annualized growth rate was 21% in Q4 and 27% over the last twelve months



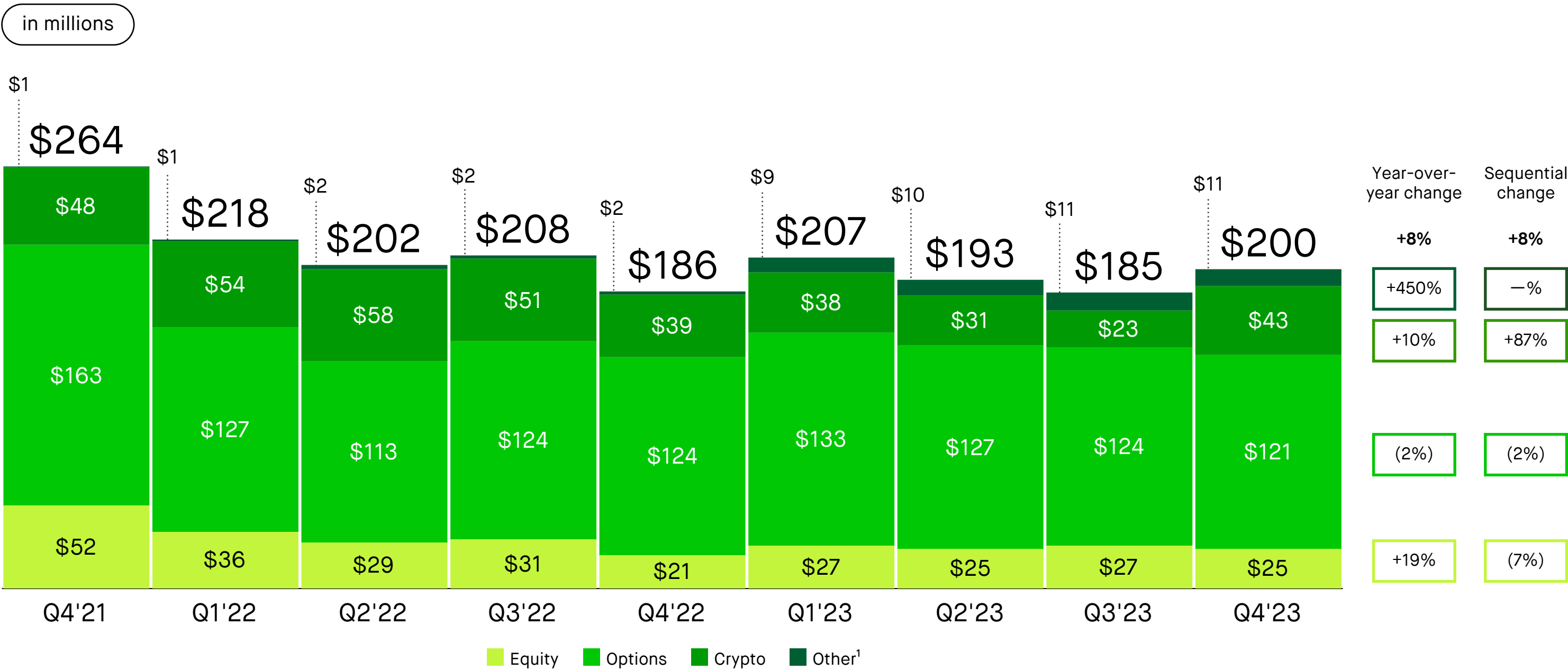
Average cumulative Net Deposits¹ tend to grow over time across our Funded Customer Cohorts², and recent cohorts' initial Net Deposits are larger



Total net revenues were up 24% year-over-year to \$471 million in Q4 and a record \$1.9 billion over the last twelve months; ARPU was \$81 in Q4

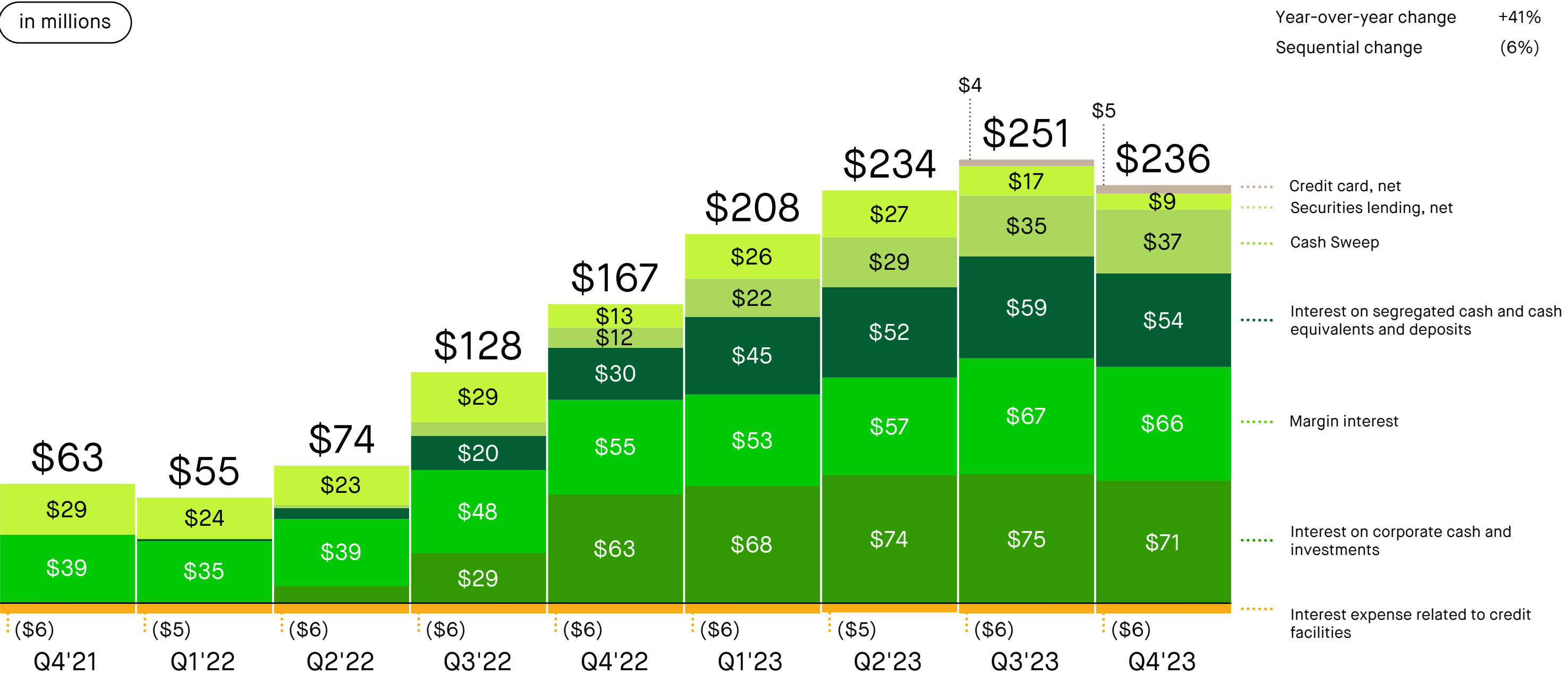


Transaction-based revenues were up 8% year-over-year to \$200 million in Q4

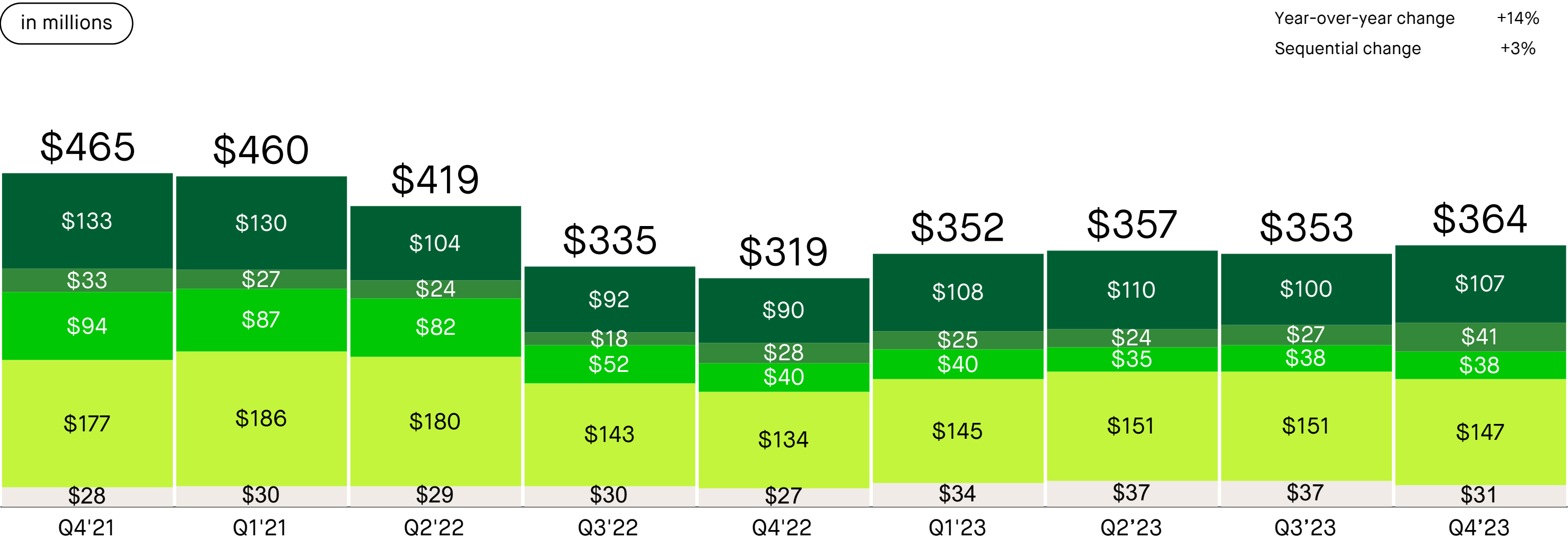


(1) 'Other' transaction-based revenues are primarily comprised of revenues related to Instant Withdrawals and Cash Card. Instant Withdrawal annualized revenues were ~\$40M in Q3 2023, and ~\$45M in Q4 2023. Annualized revenues defined as revenues in a given quarter times four.

Net interest revenues were up 41% year-over-year to \$236 million in Q4

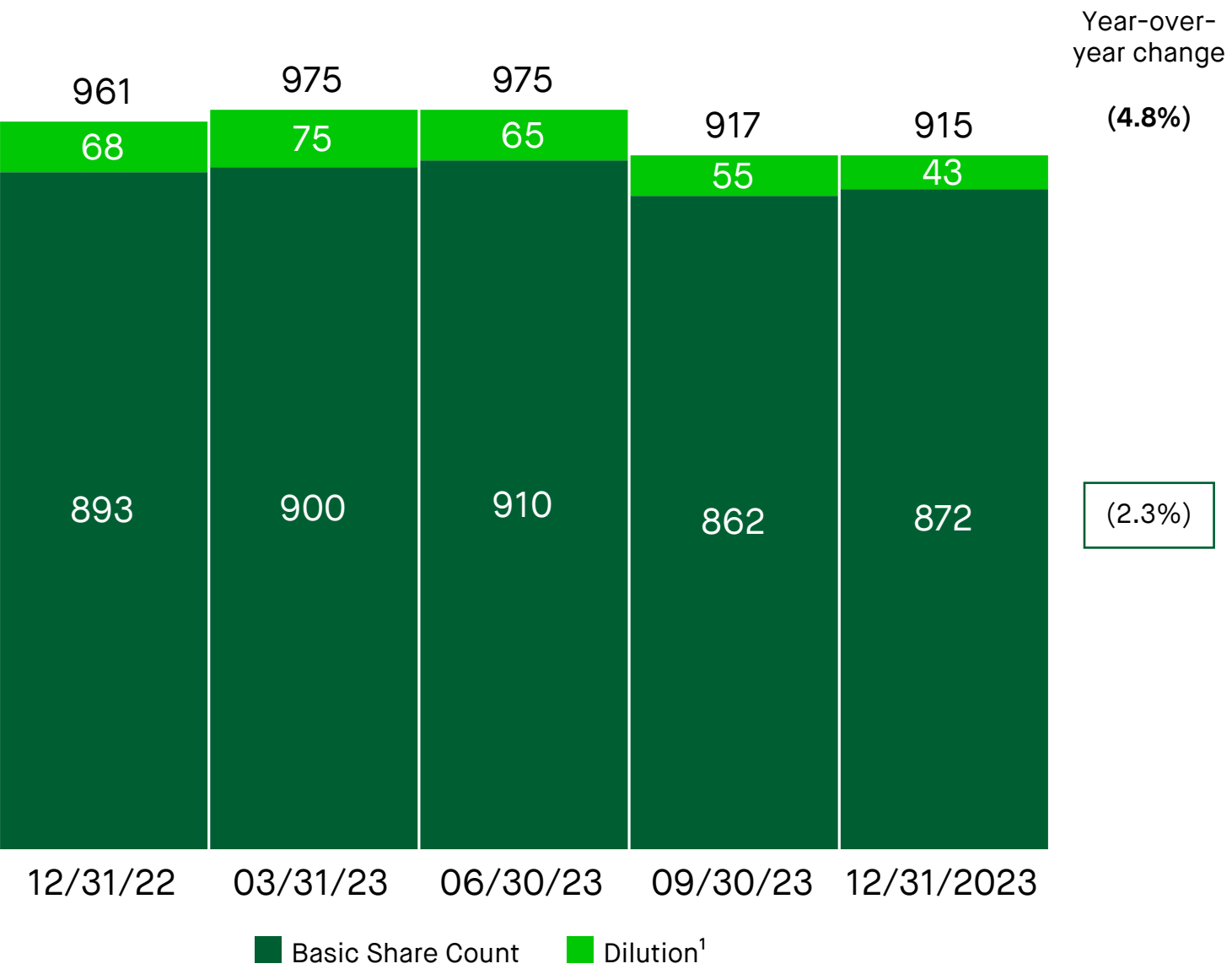


Adjusted Operating Expenses increased 14% year-over-year to \$364 million in Q4

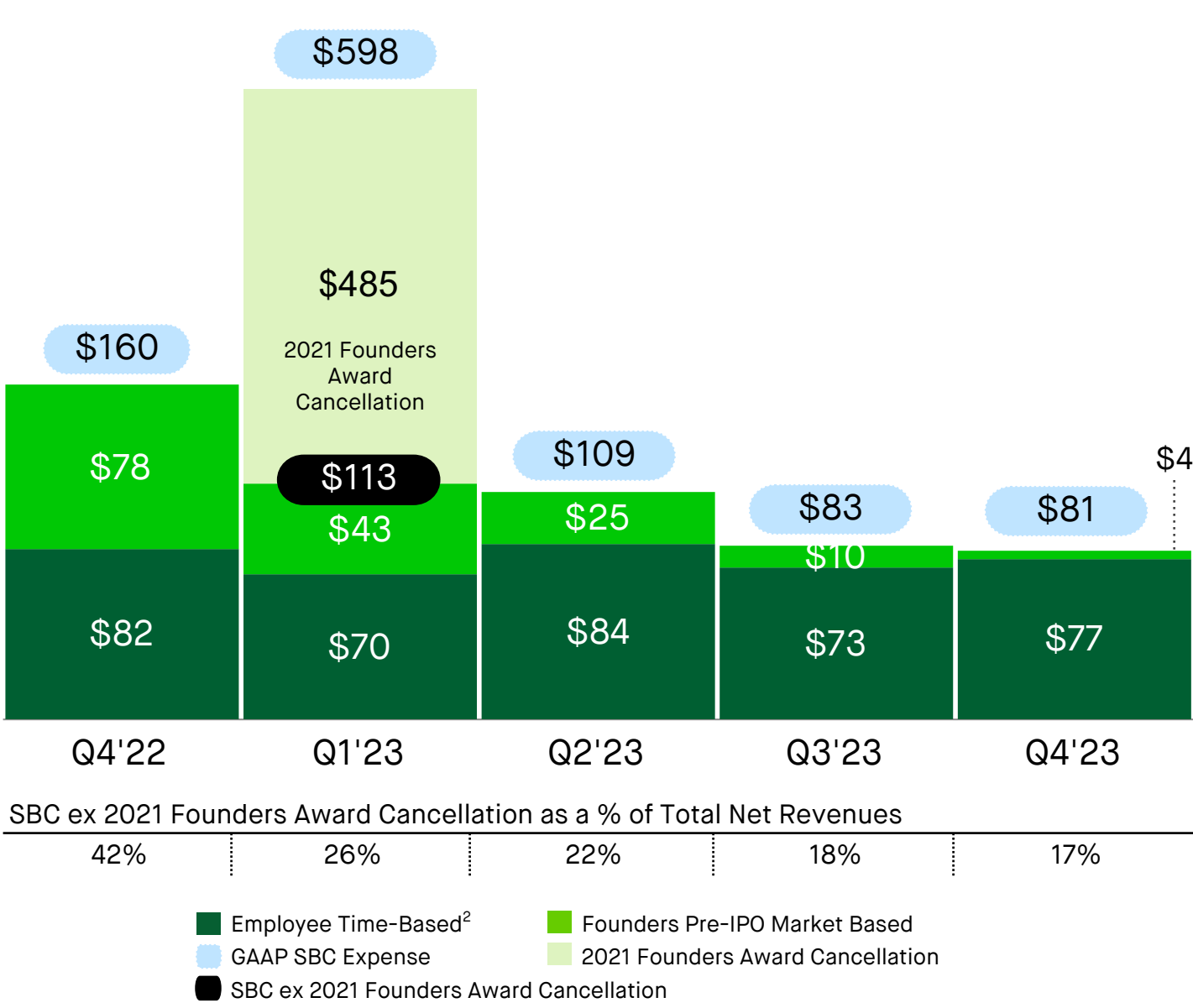


Diluted share count decreased by nearly 5% in 2023, and we anticipate dilution of 2% or less in 2024

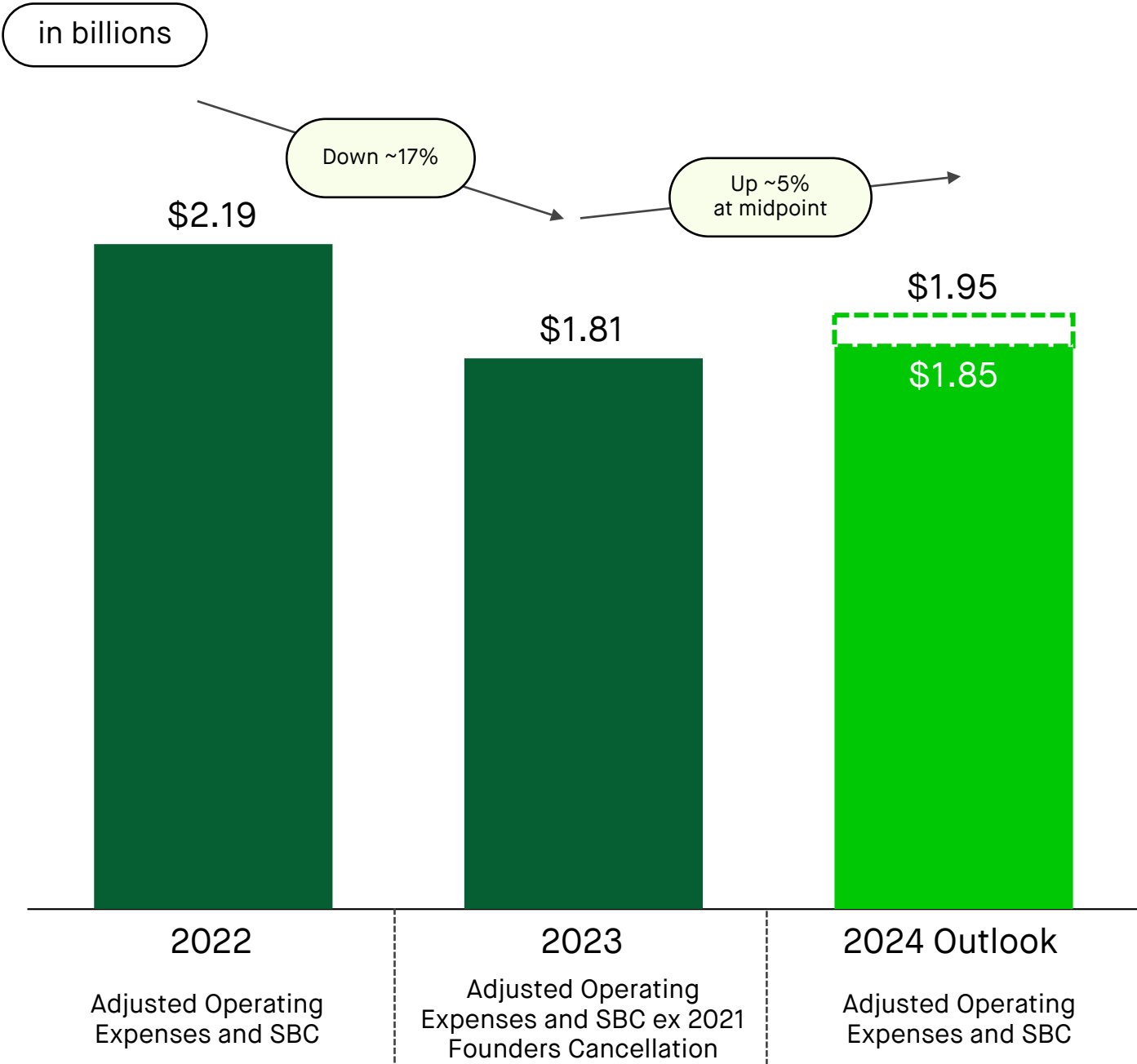
Basic and Diluted Share Count
in millions



Share-Based Compensation Expense
in millions

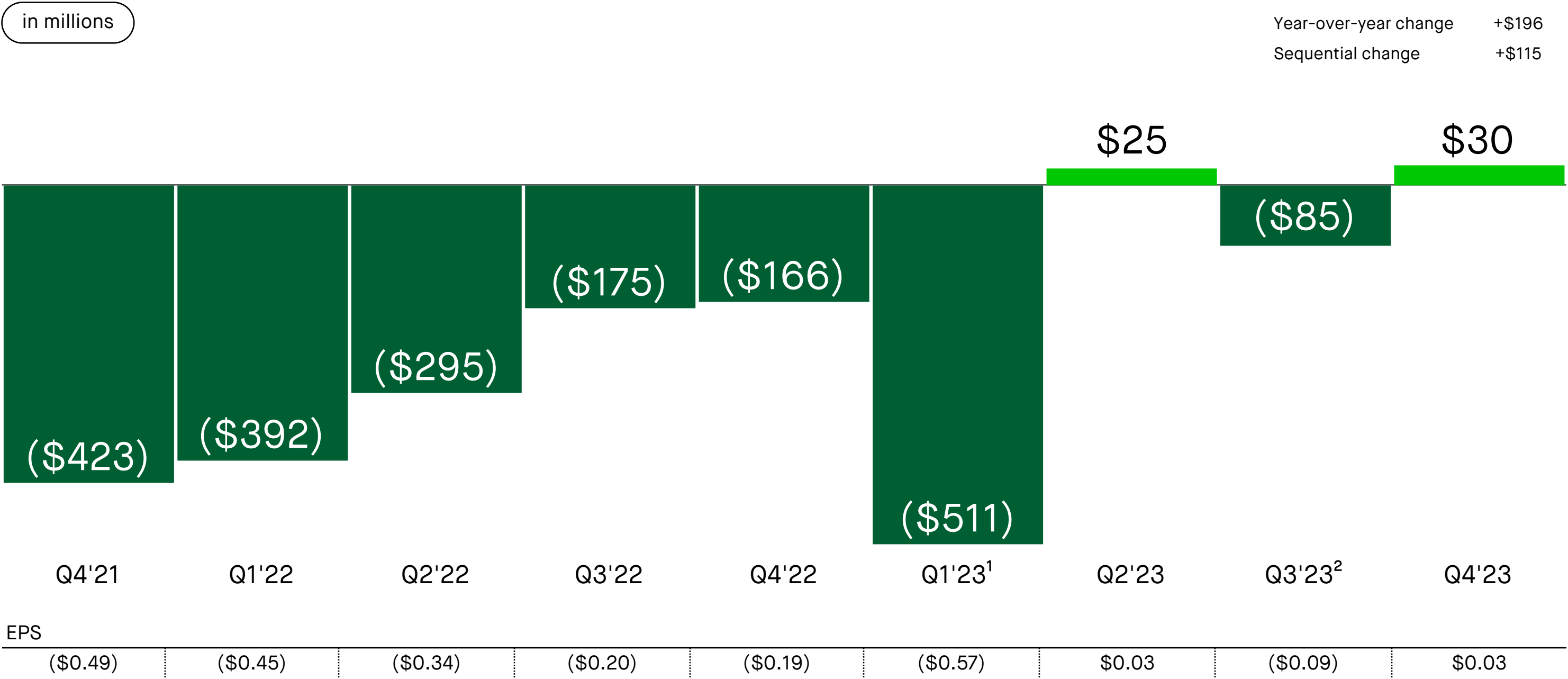


We have designed a 2024 expense plan to drive profitable growth

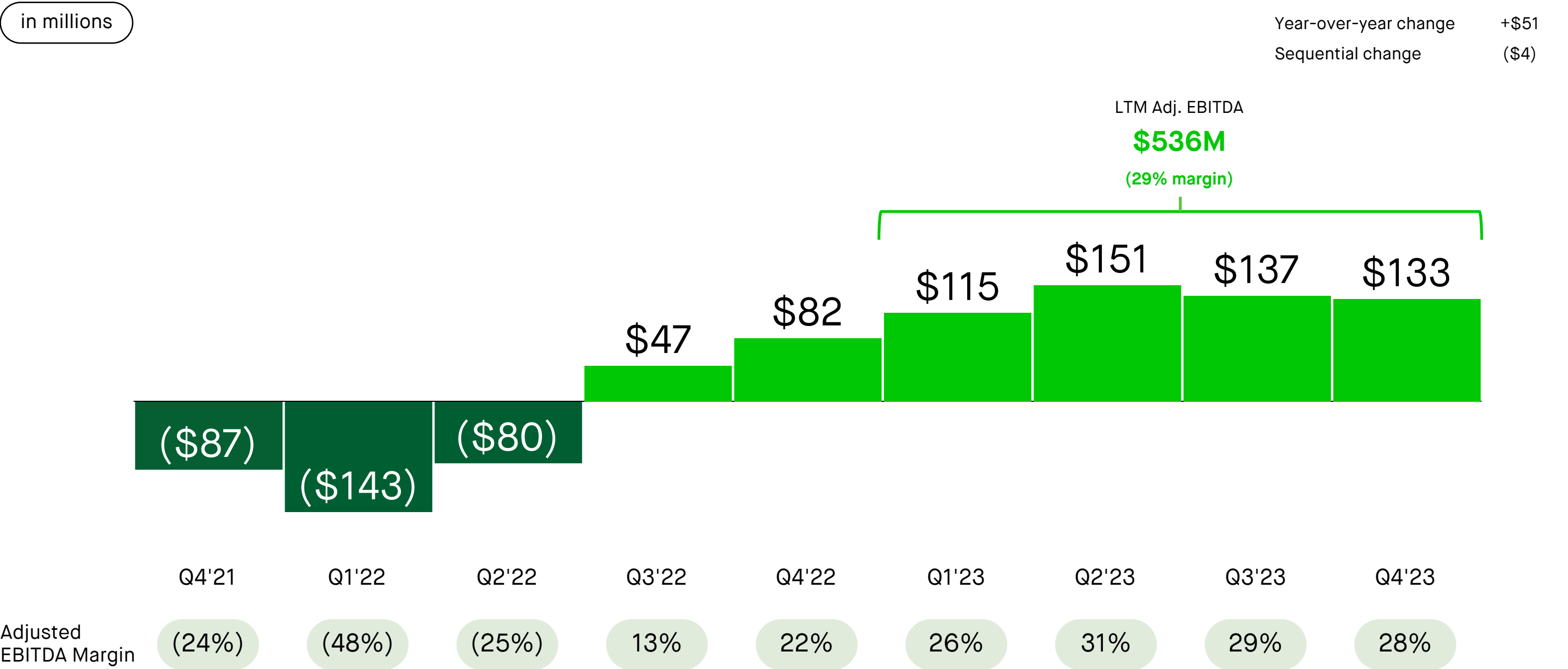


- We’ve designed a 2024 plan to drive another year of profitable growth, including:
 - Investing for growth across new products, features, and international expansion.
 - Reducing costs in our existing businesses.
- This leads to a range of ~\$1.85 to ~\$1.95 billion of combined Adjusted Operating Expenses and SBC in 2024.
 - At the midpoint, this is ~5% above 2023’s \$1.81 billion of Adjusted Operating Expenses and SBC excluding the 2021 Founders Award Cancellation.
 - This outlook does not include potential significant regulatory matters or other significant expenses whose size or timing we are unable to predict.

GAAP net income was \$30 million in Q4 or \$0.03 per share

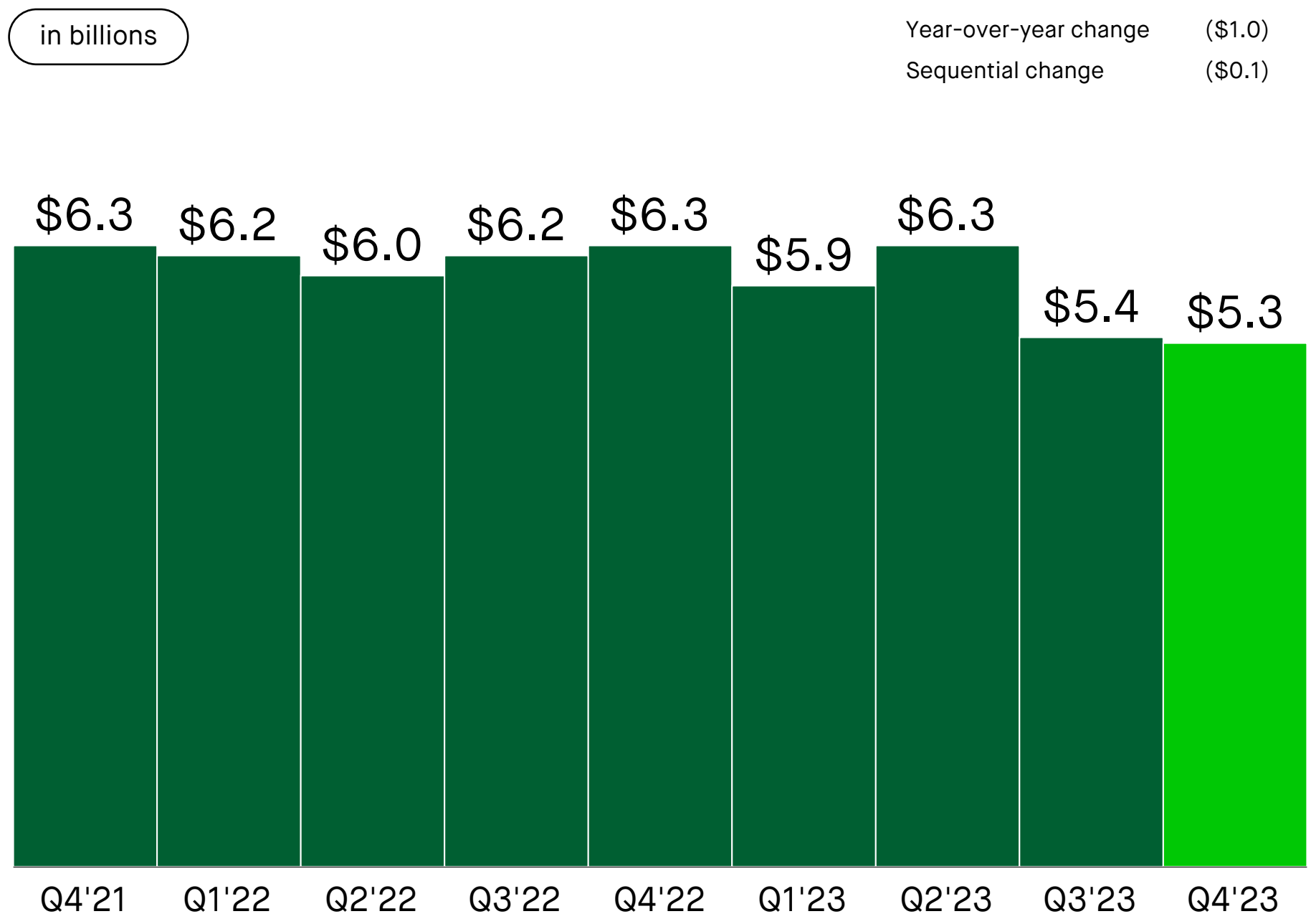


Adjusted EBITDA was \$133 million in Q4 and a record \$536 million over the last twelve months; Adjusted EBITDA Margin increased 6 points year-over-year to 28% in Q4



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

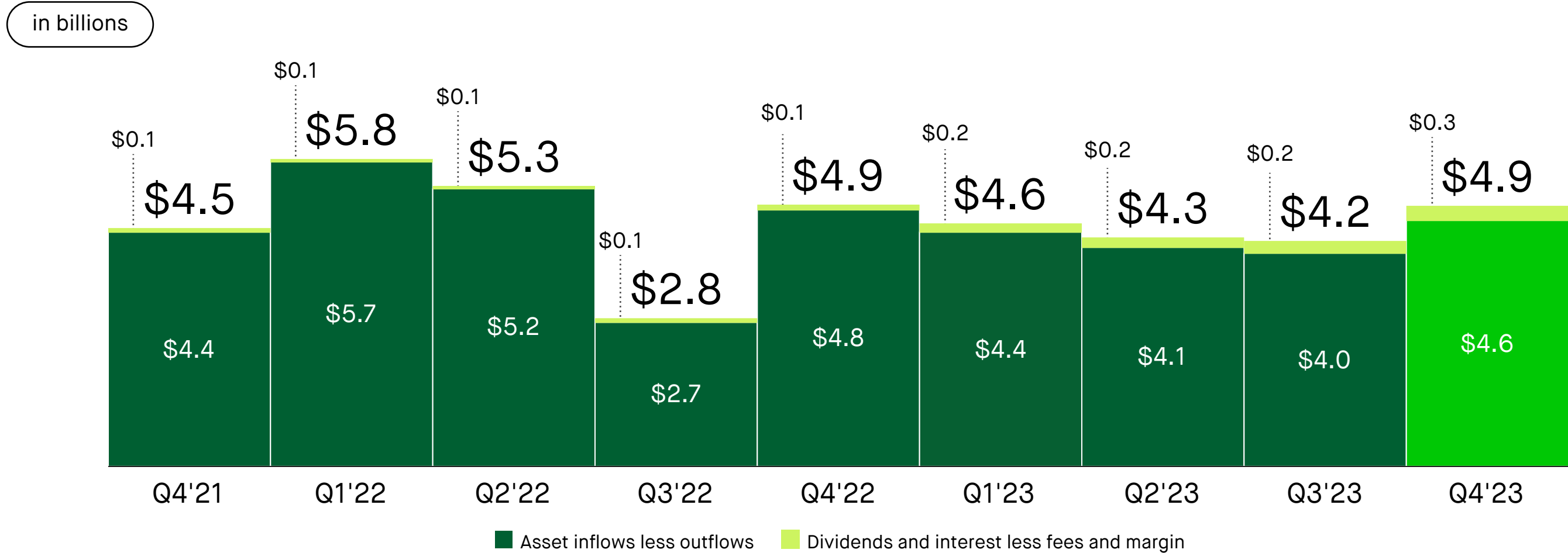
- Our balance sheet remains strong with over \$5 billion of corporate cash and investments¹ today, as well as ~\$3 billion in available lines of credit
- We believe the strength of our balance sheet gives us the flexibility to run our business while investing for future growth
- We will continue to look to drive growth and shareholder value by allocating capital across:
 - Organic growth
 - M&A
 - Shareholder returns
- In 2023, we deployed capital across all three areas:
 - **Invested in organic growth initiatives**, executing against our product roadmap
 - **Acquired X1** for \$104 million in July
 - **Purchased 55M+ shares** of Robinhood stock for \$606 million



Appendix

Starting in January 2024, we will align our Net Deposits definition with market practice by including dividend and interest inflows and Gold fee and margin interest outflows

- The below shows the effect of dividend and interest inflows and Gold fee and margin interest outflows on our historical Net Deposit figures.
- In 2023, these factors totaled \$0.9B (equivalent to roughly 1% Net Deposit growth).



December 2023 Monthly Metrics

Robinhood Markets, Inc. and Consolidated Subsidiaries
Monthly Metrics Report for December 2023
(Unaudited)



(M - in millions, B - in billions)

Funded Customer Growth (M)																
Funded Customers	23.0	23.0	23.0	23.1	23.1	23.1	23.1	23.2	23.2	23.2	23.3	23.3	23.3	23.4	-	2%
Assets Under Custody (AUC) (\$B)																
Total AUC	\$70.2	\$62.2	\$74.7	\$74.7	\$78.4	\$77.4	\$81.8	\$88.8	\$94.5	\$89.7	\$86.5	\$84.6	\$94.4	\$102.6	9%	65%
Net Deposits	\$1.7	\$1.5	\$1.4	\$1.5	\$1.5	\$1.4	\$1.6	\$1.1	\$1.4	\$1.6	\$1.0	\$1.0	\$1.4	\$2.2	NM	NM
Trading																
Trading Days (Equities and Options)	21	21	20	19	23	19	22	21	20	23	20	22	21	20	(5%)	(5%)
Total Trading Volumes																
Equity (\$B)	\$44.7	\$38.6	\$46.0	\$57.3	\$56.8	\$38.9	\$49.4	\$66.9	\$69.2	\$59.8	\$44.2	\$50.8	\$52.9	\$63.2	19%	64%
Options Contracts (M)	81.8	75.3	82.9	89.4	100.1	75.3	97.5	110.5	106.1	107.3	87.3	96.6	95.3	104.5	10%	39%
Crypto (\$B)	\$5.7	\$1.9	\$3.7	\$3.5	\$3.9	\$3.7	\$2.1	\$3.3	\$3.4	\$2.2	\$1.2	\$2.3	\$4.0	\$6.5	63%	242%
Daily Average Revenue Trades (DARTs) (M)																
Equity	1.3	1.4	1.5	1.6	1.6	1.4	1.5	1.7	1.7	1.5	1.5	1.4	1.4	1.8	29%	29%
Options	0.6	0.5	0.6	0.7	0.6	0.5	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	-	20%
Crypto	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.3	50%	50%
Customer Margin and Cash Sweep Balances (\$B)																
Margin Book	\$3.5	\$3.1	\$3.0	\$3.3	\$3.1	\$3.1	\$3.1	\$3.3	\$3.4	\$3.5	\$3.6	\$3.5	\$3.4	\$3.5	3%	13%
Total Cash Sweep	\$5.0	\$5.8	\$7.1	\$8.0	\$8.9	\$9.6	\$11.2	\$11.9	\$12.7	\$13.3	\$13.6	\$13.9	\$15.2	\$16.4	8%	183%
Gold	\$3.9	\$4.8	\$6.0	\$7.0	\$8.0	\$8.8	\$10.4	\$11.1	\$11.9	\$12.6	\$12.9	\$13.2	\$14.5	\$15.7	8%	227%
Non-Gold	\$1.1	\$1.0	\$1.1	\$1.0	\$0.9	\$0.8	\$0.8	\$0.8	\$0.8	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7	-	(30%)
Total Securities Lending Revenue (\$M)	\$8	\$10	\$13	\$17	\$15	\$18	\$15	\$15	\$17	\$17	\$10	\$11	\$11	\$12	9%	20%

We have included January 2024 metrics to provide insight into our most recent business activity. We will provide our January 2024 Monthly Metrics release in the coming weeks.

See the Appendix for definitions.

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

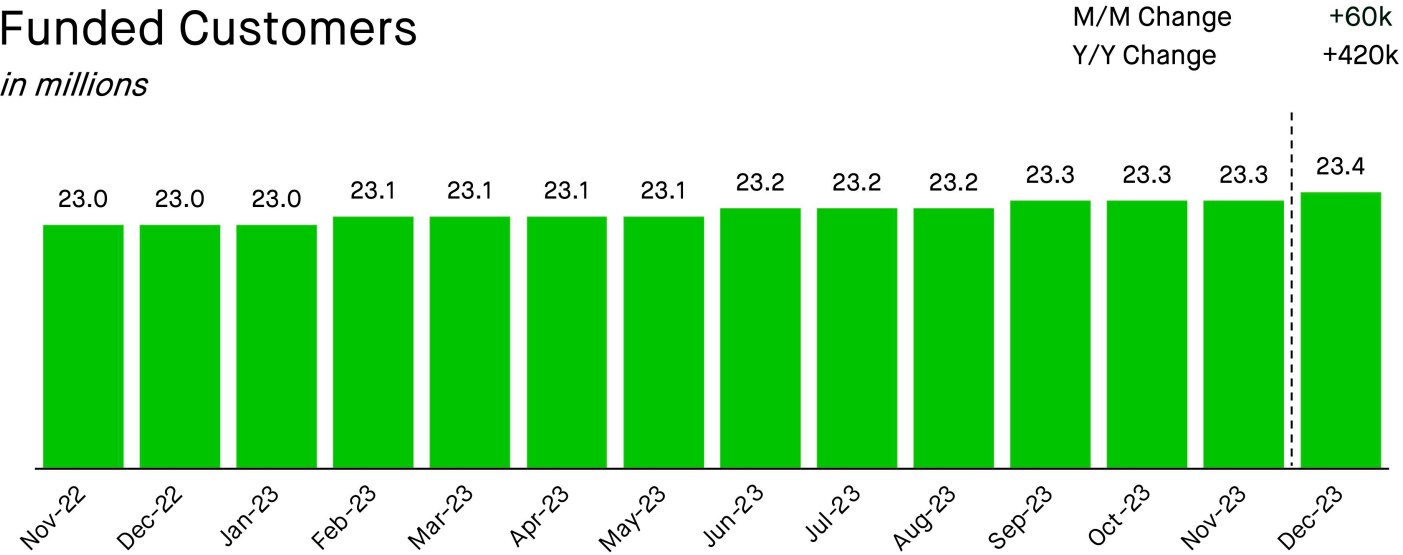
Cash Sweep balances were added as a new monthly metric in September 2022.

Total Securities Lending Revenue was added as a new monthly metric in December 2023. Total Securities Lending Revenue, which was \$34 million in Q4 2023, includes net rebates and interest on cash collateral for both margin based and fully paid securities lending.

December 2023 Monthly Metrics Dashboard

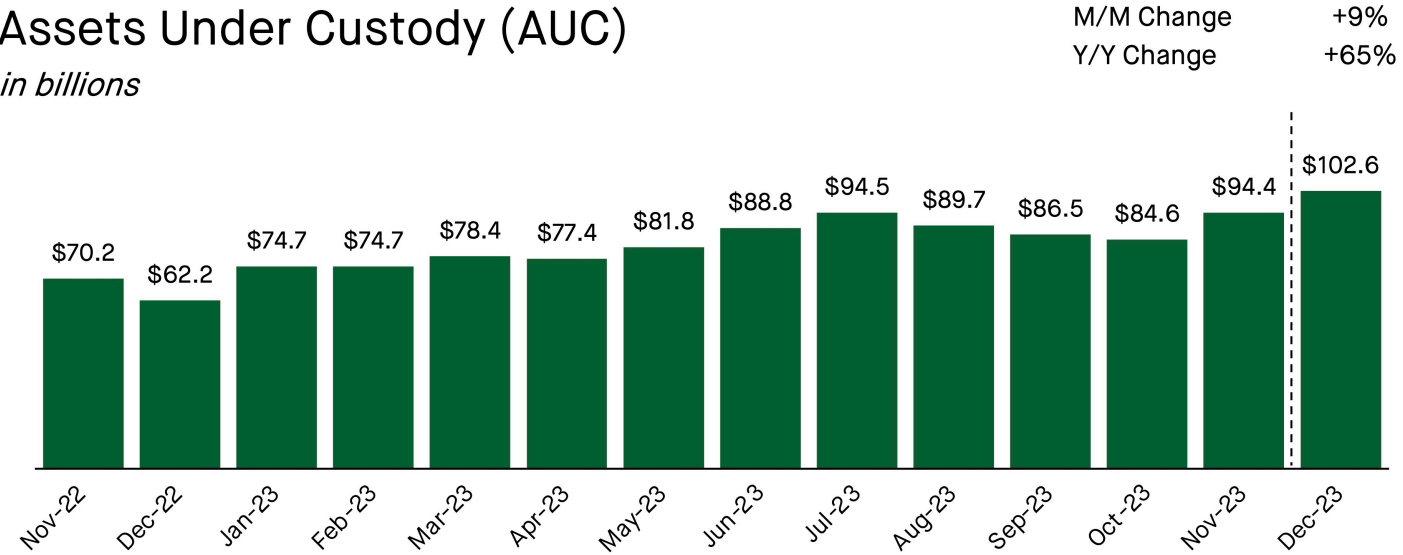
Funded Customers

in millions



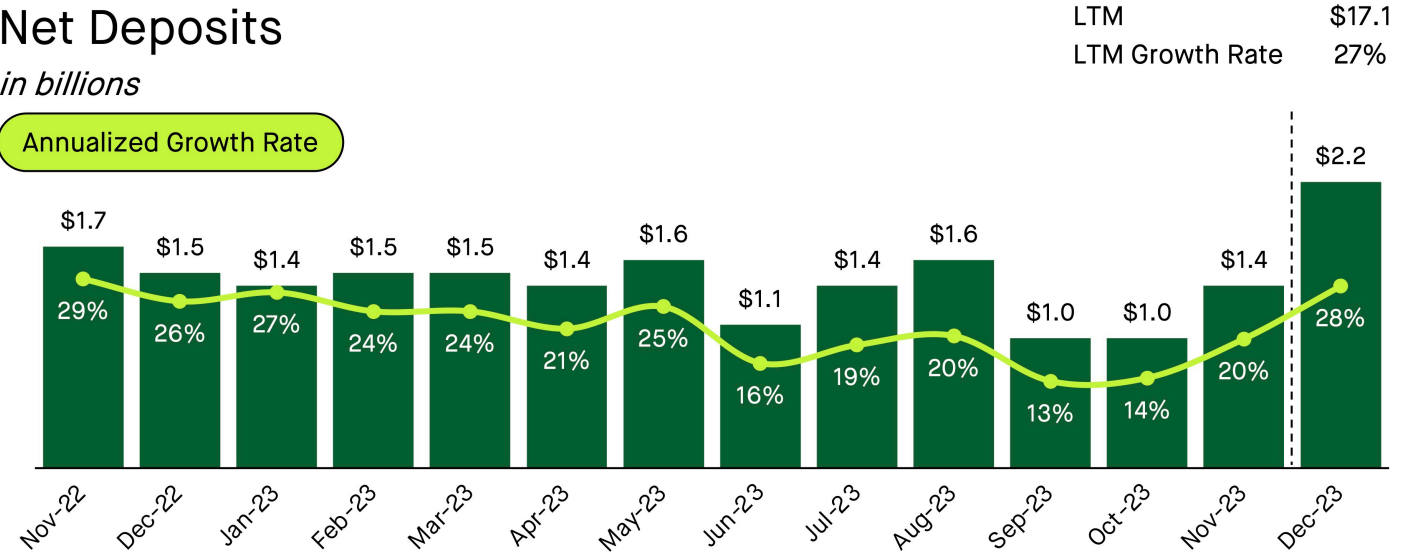
Assets Under Custody (AUC)

in billions



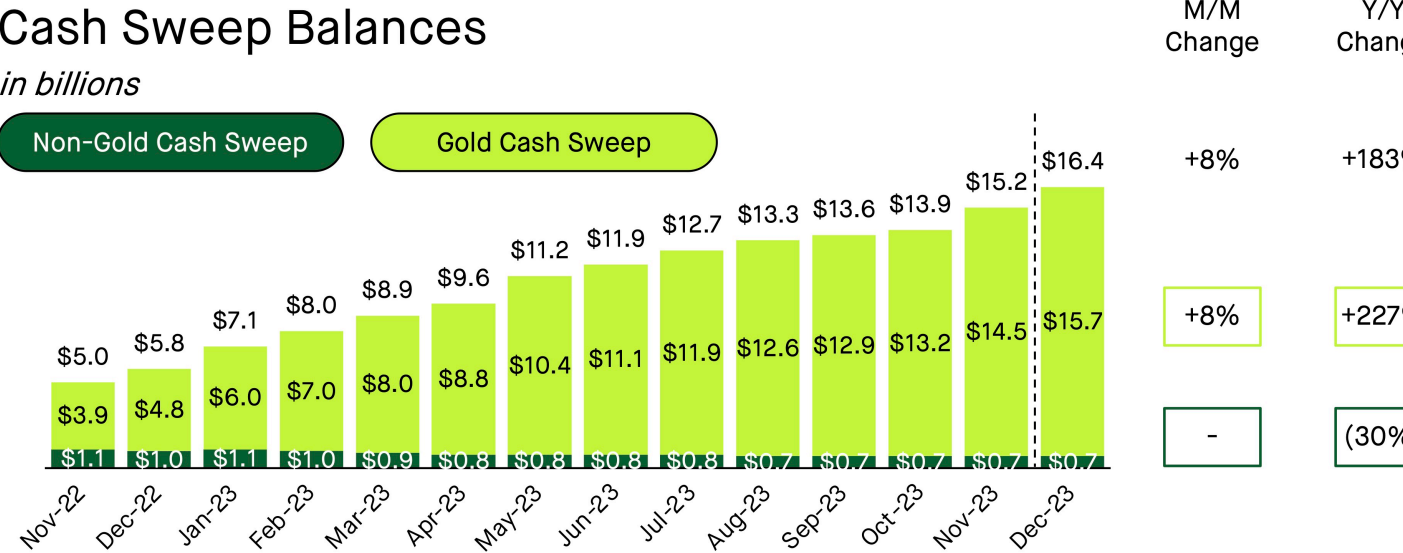
Net Deposits

in billions



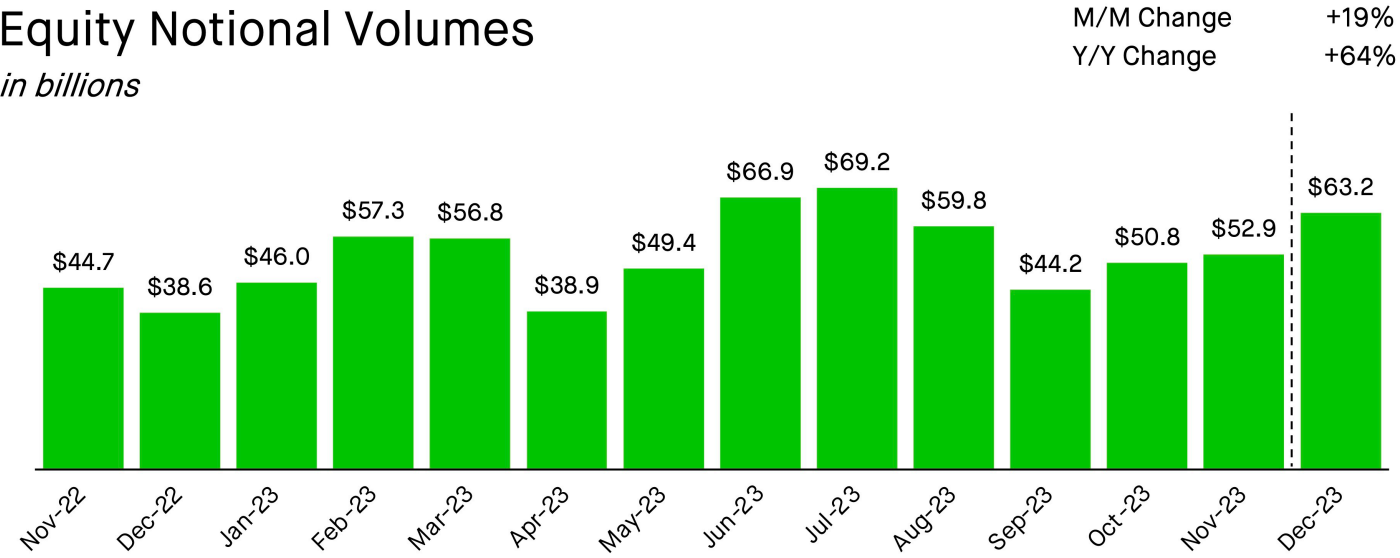
Cash Sweep Balances

in billions

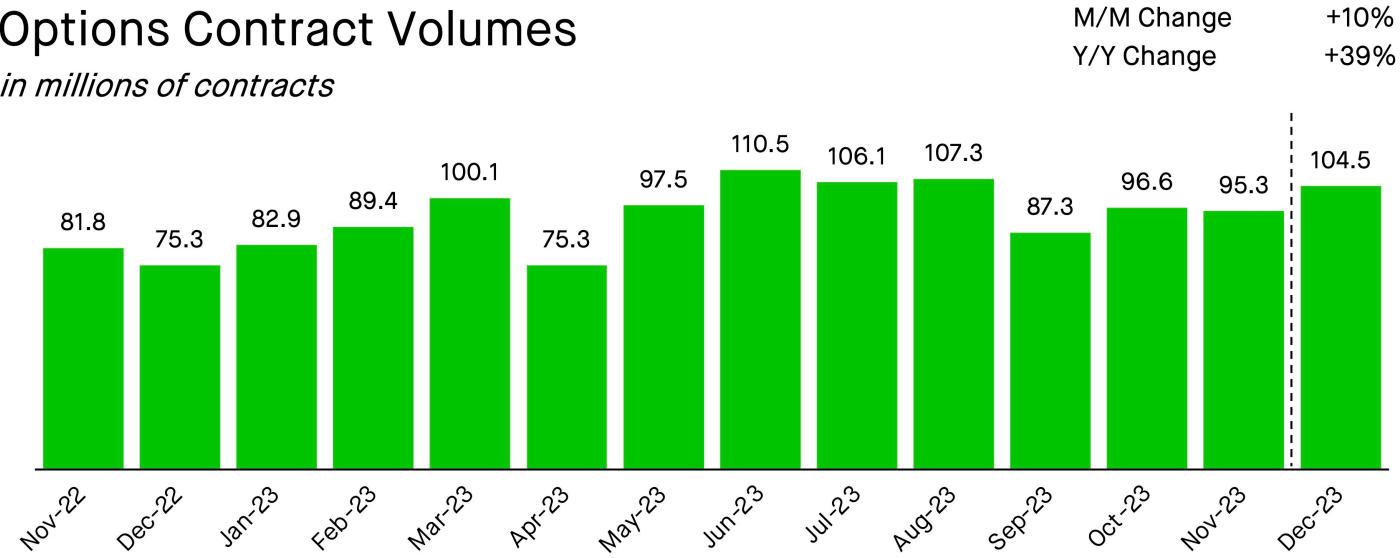


December 2023 Monthly Metrics Dashboard (Continued)

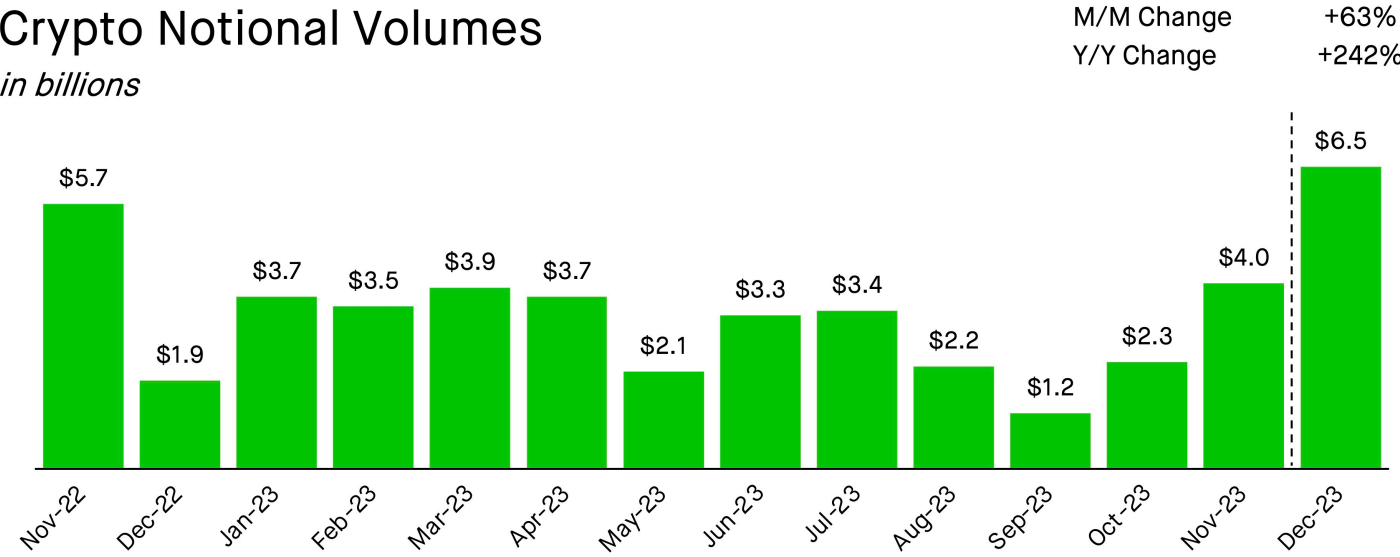
Equity Notional Volumes
in billions



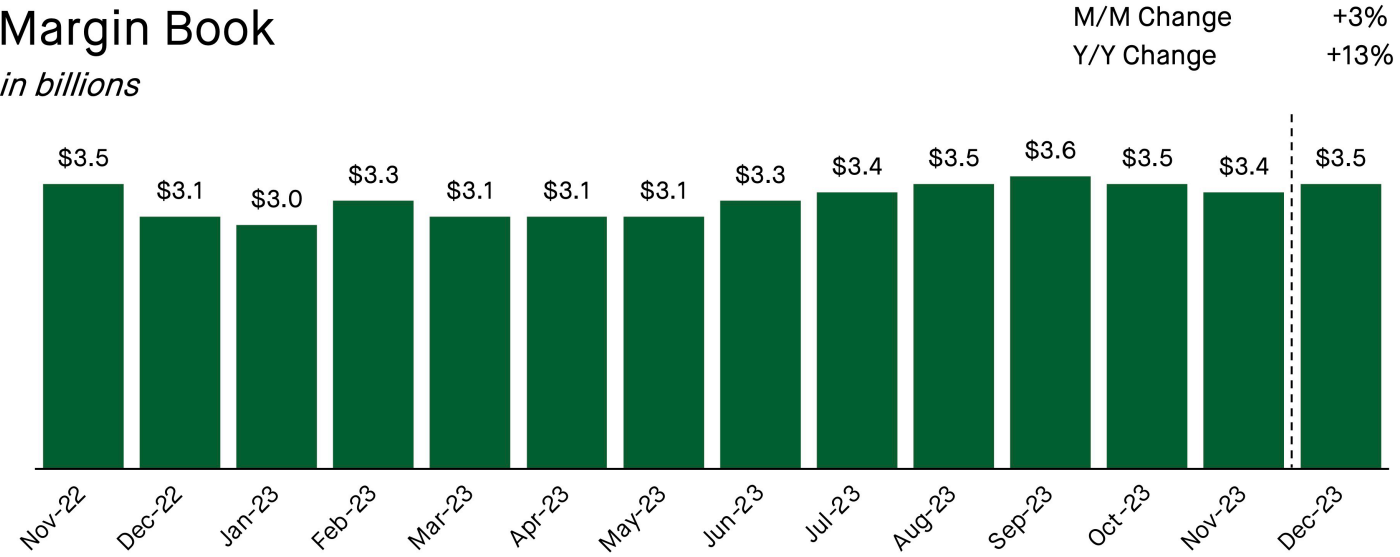
Options Contract Volumes
in millions of contracts



Crypto Notional Volumes
in billions



Margin Book
in billions



Changes in Funded Customers and Assets Under Custody

Funded Customers										in millions
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	
Beginning Funded Customers	22.4	22.7	22.8	22.9	22.9	23.0	23.1	23.2	23.3	
New Customers	0.8	0.5	0.4	0.3	0.2	0.3	0.2	0.3	0.3	
Resurrected Customers	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Churned Customers	(0.7)	(0.5)	(0.4)	(0.4)	(0.2)	(0.3)	(0.2)	(0.3)	(0.3)	
Ending Funded Customers	22.7	22.8	22.9	22.9	23.0	23.1	23.2	23.3	23.4	

Assets Under Custody										in billions
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	
Beginning balance	\$95.4	\$98.0	\$93.1	\$64.2	\$64.6	\$62.2	\$78.4	\$88.8	\$86.5	
Net deposits	4.4	5.7	5.2	2.7	4.8	4.4	4.1	4.0	4.6	
Net market gains (losses)	(1.8)	(10.6)	(34.1)	(2.3)	(7.2)	11.8	6.3	(6.3)	11.5	
Ending balance	\$98.0	\$93.1	\$64.2	\$64.6	\$62.2	\$78.4	\$88.8	\$86.5	\$102.6	

Net Cash Held by Users Reconciliation

in billions									
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Gold Cash Sweep	\$—	\$—	\$—	\$1.5	\$4.8	\$8.0	\$11.1	\$12.9	\$15.7
Non-Gold Cash Sweep	2.1	2.3	2.4	1.5	1.0	0.9	0.8	0.7	0.7
Total Cash Sweep	2.1	2.3	2.4	3.0	5.8	8.9	11.9	13.6	16.4
Free Credit Balances and Other	6.7	6.9	5.7	5.1	5.0	5.3	5.3	4.4	4.9
Total Cash held by Users	8.8	9.2	8.1	8.1	10.8	14.2	17.2	18.0	21.3
Receivables from Users	(6.5)	(5.4)	(4.2)	(4.0)	(3.1)	(3.0)	(3.2)	(3.5)	(3.4)
Net Cash Held by Users	\$2.3	\$3.8	\$3.9	\$4.1	\$7.7	\$11.2	\$14.0	\$14.5	\$17.9

Trading Volumes for Q4 2023

Equity Notional Volume down
4% Q/Q, driven by:

Customers placing trades
(3%) Q/Q

Notional volume per trader
(1%) Q/Q

Options Contracts Traded
down 1% Q/Q, driven by:

Customers placing trades
(9%) Q/Q

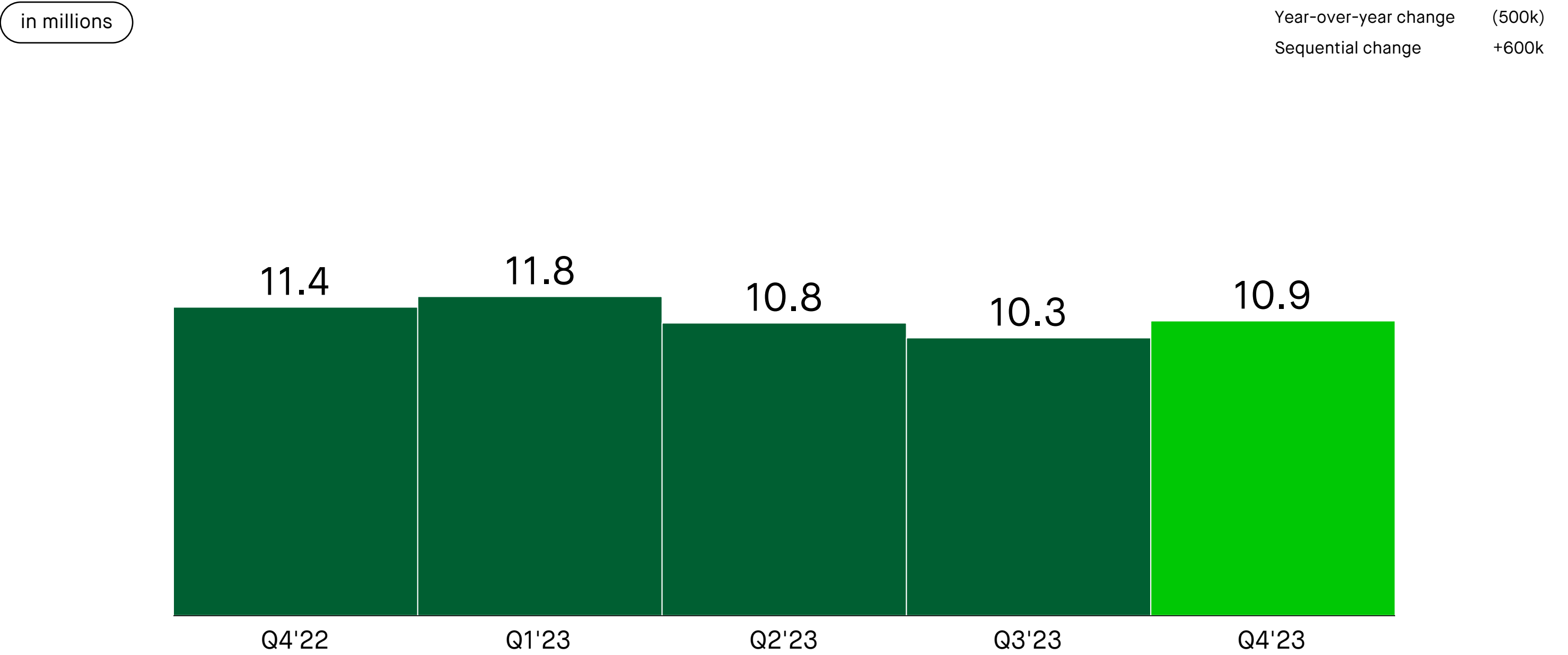
Contracts per trader
+8% Q/Q

Crypto Notional Volume up
89% Q/Q, driven by:

Customers placing trades
+20% Q/Q

Notional volume per trader
+58% Q/Q

Monthly Active Users (MAU) decreased by ~500 thousand year-over-year to 10.9 million in Q4



Annualized revenue per employee was \$867k in Q4, up 35% year-over-year

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Year-over-year change	Sequential change
End of period Employee Count	2,417	2,327	2,320	2,145	2,157	2,189	(6%)	1%
Total Net Revenues (in millions)	\$361	\$380	\$441	\$486	\$467	\$471	+24%	+1%
Average Employee Count	2,917	2,372	2,324	2,233	2,151	2,173	(8%)	+1%
Annualized revenue per employee (in thousands) ¹	\$495	\$641	\$759	\$871	\$868	\$867	+35%	—%

Net interest revenues were \$236 million in Q4, up 41% year-over-year

in millions											
	Q4'2021	Q1'2022	Q2'2022	Q3'2022	Q4'2022	Q1'2023	Q2'2023	Q3'2023	Q4'2023	Year-over-year change	Sequential change
Interest on corporate cash and investments ¹	\$1	\$1	\$10	\$29	\$63	\$68	\$74	\$75	\$71	+13%	(5%)
Margin interest ²	39	35	39	48	55	53	57	67	66	+20%	(1%)
Interest on segregated cash and cash equivalents and deposits ³	—	1	6	20	30	45	52	59	54	+80%	(8%)
Cash sweep ⁴	—	—	2	8	12	22	29	35	37	+208%	+6%
Securities lending, net ⁵	29	24	23	29	13	26	27	17	9	(31%)	(47%)
Credit card, net ⁶	—	—	—	—	—	—	—	4	5	NM	+25%
Interest expenses related to credit facilities ⁷	(6)	(6)	(6)	(6)	(6)	(6)	(5)	(6)	(6)	—%	—%
Total net interest revenues	\$63	\$55	\$74	\$128	\$167	\$208	\$234	\$251	\$236	+41%	(6%)

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

- (1) Interest on corporate cash and investments - Interest earned on corporate cash and cash equivalents and investments.
- (2) Margin interest - Interest paid by customers on margin balances.
- (3) Interest on segregated cash and cash equivalents and deposits - Interest earned on cash and cash equivalents segregated under federal and other regulations, which includes cash collateral for Margin Securities Lending program, and deposits with clearing organizations.
- (4) Cash sweep - Interest earned on off-balance sheet Cash Sweep balances.
- (5) Securities lending, net - Revenue from the Margin Securities Lending program and the Fully-Paid Securities Lending program (net of Fully-Paid Securities Lending revenue shared with participating customers).
- (6) Credit card, net - Primarily comprised of interest earned on customer credit card loan balances net of interest paid to financing partners.
- (7) Interest expenses related to credit facilities - Interest payments related to Robinhood's credit facilities.

Total interest earning assets grew to ~\$30B in Q4, and average yield decreased by 26 bps sequentially to 3.35%, primarily due to an increased mix of cash sweep balances

in millions								
	Margin book ⁽¹⁾	Cash and deposits ⁽²⁾	Cash sweep (off-balance sheet) ⁽³⁾	Credit card, net (off-balance sheet) ⁽⁴⁾	Total interest earning assets	Securities lending, net	Interest expense related to credit facilities	Net interest revenues
December 31, 2023	\$3,458	\$10,107	\$16,352	\$205	\$30,122			
September 30, 2023	\$3,580	\$9,102	\$13,563	\$197	\$26,442			
Average ⁽⁵⁾	\$3,490	\$9,412	\$14,737	\$202	\$27,841			
Q4 2023 Revenue (Expense)	\$66	\$125	\$37	\$5	\$233	\$9	(\$6)	\$236
Q4 2023 Annualized Yield ⁽⁶⁾	7.56%	5.31%	1.00%	9.90%	3.35%			3.39%
September 30, 2023	\$3,580	\$9,102	\$13,563	\$197	\$26,442			
June 30, 2023	\$3,314	\$10,758	\$11,903	\$184	\$26,159			
Average ⁽⁵⁾	\$3,458	\$10,057	\$12,870	\$192	\$26,577			
Q3 2023 Revenue (Expense)	\$67	\$134	\$35	\$4	\$240	\$17	(\$6)	\$251
Q3 2023 Annualized Yield ⁽⁶⁾	7.75%	5.33%	1.09%	8.33%	3.61%			3.78%

⁽¹⁾ Margin Book is the aggregate outstanding margin loan balances receivable.

⁽²⁾ Includes cash and cash equivalents, cash segregated under federal and other regulations, deposits with clearing organizations and investments.

⁽³⁾ Cash Sweep is an off-balance-sheet amount. Robinhood earns a net interest spread on Cash Sweep balances based on the interest rate offered by the partner banks less the interest rate given to users as stated in our program terms.

⁽⁴⁾ Credit card, net is an off-balance sheet amount, which represents customer principal amounts funded by Coastal Bank under the program agreement. Under the program agreement, Robinhood Credit collects interest from customers that carry a balance and pays interest on the amount funded by Coastal Bank, with the difference between those amounts resulting in net interest revenue. The balance for June 30, 2023 and annualized yield is based on X1's (now "Robinhood Credit") acquisition date of July 3, 2023. Refer to Note 3 - Business Combinations of our unaudited condensed consolidated financial statements in our Q3 2023 10-Q for more information.

⁽⁵⁾ Average balance rows represent the simple average of month-end balances in a given period. For example, in Q4 2023, average of month-end balances of September, October, November, and December 2023.

⁽⁶⁾ Annualized yield is calculated by annualizing revenue/expense for the given period then dividing by the applicable average asset balance.

Total securities lending revenue increased by 36% year-over-year to \$34 million in Q4, and fully paid securities lending grew to 35% of total securities lending

in millions

	Q4'2022	Q1'2023	Q2'2023	Q3'2023	Q4'2023	Year-over-year change	Sequential change
<i>Total securities lending revenue, including interest on cash collateral</i>							
Securities lending, net (shown on p. 14)	\$13	\$26	\$27	\$17	\$9	(31%)	(47%)
Interest on cash collateral for margin based securities lending (included in interest on segregated cash and cash equivalents and deposits on p. 14)	\$12	\$19	\$21	\$27	\$25	+108%	(7%)
Total securities lending revenue	\$25	\$45	\$48	\$44	\$34	+36%	(23%)
<i>Breakdown of Total Securities Lending Revenue</i>							
Margin based securities lending*	\$20	\$34	\$34	\$30	\$22	+10%	(27%)
Margin based as a percentage of total	80%	76%	71%	68%	65%		
Fully paid securities lending, net*	\$5	\$11	\$14	\$14	\$12	+140%	(14%)
Fully paid as a percentage of total	20%	24%	29%	32%	35%		
<i>Fully Paid Securities Lending Metrics</i>							
Enrolled Investment Accounts (end of period, in millions)	0.9	1.2	1.4	1.8	2.2	+144%	+22%
Enrolled Equity AUC (end of period, in billions)	\$4.5	\$6.3	\$8.4	\$10.2	\$14.0	+211%	+37%

Fully diluted shares decreased by nearly 8% year-over-year as we continue to closely manage share-based compensation and purchased 55M+ shares in Q3

	Price per Class A share	\$8.14	\$9.71	\$9.98	\$9.73	\$12.74	
(in millions, except prices and percentages)	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2023	Year-over-year growth
Class A shares outstanding	764.9	772.7	782.4	735.6	745.4		
Class B shares outstanding	127.9	127.5	127.3	127.0	126.8		
Basic shares	892.8	900.2	909.7	862.6	872.2		(2.3%)
Employee time-based RSUs outstanding	56.1	63.6	54.7	44.9	34.6		
Founders' pre-IPO market-based RSUs outstanding and eligible to vest	0.8	0.7	0.6	0.5	0.3		
Employee stock options outstanding (in-the-money) ¹	10.8	10.1	10.1	9.2	7.7		
Diluted shares ²	960.5	974.6	975.1	917.2	914.8		(4.8%)
Founders' pre-IPO market-based RSUs outstanding but not eligible to vest ³	57.7	57.7	22.1	22.1	22.1		
Employee stock options (all at \$14.15/share) outstanding (out-of-the-money)	4.5	4.5	4.5	4.5	4.5		
Investor warrants (all at \$26.60/share) outstanding (out-of-the-money)	14.3	14.3	14.3	14.3	14.3		
Fully diluted shares ²	1,037.0	1,051.1	1,016.0	958.1	955.7		(7.8%)

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

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

(3) The Founders' pre-IPO market-based RSUs become eligible to vest if our trailing 60-trading-day average daily VWAP reaches the following price points by 12/31/2025: \$50.75 - 8.3M shares; \$101.50 - 13.8M shares.

Financial Outlook for Adjusted Operating Expenses and SBC Reconciliation

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

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

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

Adjusted Operating Expenses Reconciliation

in millions

	Q4'2021	Q1'2022	Q2'2022	Q3'2022	Q4'2022	Q1'2023	Q2'2023	Q3'2023	Q4'2023
Total operating expenses (GAAP)	\$783	\$690	\$610	\$535	\$534	\$950	\$466	\$540	\$445
Less: SBC									
SBC Excluding 2021 Founders Award Cancellation	318	220	164	110	160	113	109	83	81
2021 Founders Award Cancellation	—	—	—	—	—	485	—	—	—
Less: Significant legal and tax settlements and reserves	—	10	10	—	—	—	—	104	—
Less: Q4 2022 Processing Error	—	—	—	—	57	—	—	—	—
Less: Restructuring Charges	—	—	17	90	(2)	—	—	—	—
Adjusted Operating Expenses (Non-GAAP)	\$465	\$460	\$419	\$335	\$319	\$352	\$357	\$353	\$364

Adjusted Operating Expenses Reconciliation

in millions

Operating expenses (GAAP)	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Brokerage and transaction	\$29	\$31	\$30	\$33	\$85	\$36	\$39	\$39	\$32
Technology and development	282	268	245	185	180	199	207	202	197
Operations	98	91	86	65	43	42	36	41	40
Marketing	42	32	23	19	29	26	25	28	43
General and administration	332	268	226	233	197	647	159	230	133
Total operating expenses	\$783	\$690	\$610	\$535	\$534	\$950	\$466	\$540	\$445
SBC	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Brokerage and transaction	\$1	\$1	\$1	\$2	\$1	\$2	\$2	\$2	\$1
Technology and development	105	82	59	25	46	54	56	51	50
Operations	4	4	1	—	3	2	1	3	2
Marketing	9	5	(2)	—	1	1	1	1	2
General and administration	199	128	105	83	109	539	49	26	26
Total SBC	\$318	\$220	\$164	\$110	\$160	\$598	\$109	\$83	\$81
Significant legal and tax settlements and reserves	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
General and administration	\$—	\$10	\$10	\$—	\$—	\$—	\$—	\$104	\$—
Total significant legal and tax settlements and reserves	\$—	\$10	\$10	\$—	\$—	\$—	\$—	\$104	\$—
Q4 2022 Processing Error	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Brokerage and transaction	\$—	\$—	\$—	\$—	\$57	\$—	\$—	\$—	\$—
Total Q4 2022 Processing Error	\$—	\$—	\$—	\$—	\$57	\$—	\$—	\$—	\$—
Restructuring charges	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Brokerage and transaction	\$—	\$—	\$—	\$1	\$—	\$—	\$—	\$—	\$—
Technology and development	—	—	6	17	—	—	—	—	—
Operations	—	—	3	13	—	—	—	—	—
Marketing	—	—	1	1	—	—	—	—	—
General and administration	—	—	7	58	(2)	—	—	—	—
Total restructuring charges	\$—	\$—	\$17	\$90	(\$2)	\$—	\$—	\$—	\$—
Adjusted Operating Expenses (Non-GAAP)	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Brokerage and transaction	\$28	\$30	\$29	\$30	\$27	\$34	\$37	\$37	\$31
Technology and development	177	186	180	143	134	145	151	151	147
Operations	94	87	82	52	40	40	35	38	38
Marketing	33	27	24	18	28	25	24	27	41
General and administration	133	130	104	92	90	108	110	100	107
Total Adjusted Operating Expenses	\$465	\$460	\$419	\$335	\$319	\$352	\$357	\$353	\$364

Adjusted EBITDA and Adjusted EBITDA Margin Reconciliations

in millions

	Q4'2021	Q1'2022	Q2'2022	Q3'2022	Q4'2022	Q1'2023	Q2'2023	Q3'2023	Q4'2023	FY'2023
Net income (loss)	(\$423)	(\$392)	(\$295)	(\$175)	(\$166)	(\$511)	\$25	(\$85)	\$30	(\$541)
Net margin ¹	(117%)	(131%)	(93%)	(48%)	(44%)	(116%)	5%	(18%)	6%	(29%)
Add: Interest expenses related to credit facilities	6	6	6	6	6	6	5	6	6	23
Add: Provision for (benefit from) income taxes	3	1	1	1	(2)	2	(3)	10	(1)	8
Add: Depreciation and amortization	9	12	17	15	17	20	15	19	17	71
EBITDA (Non-GAAP)	(\$405)	(\$373)	(\$271)	(\$153)	(\$145)	(\$483)	\$42	(\$50)	\$52	(\$439)
Add: SBC excluding 2021 Founders Award Cancellation	318	220	164	110	160	113	109	83	81	386
Add: 2021 Founders Award Cancellation	—	—	—	—	—	485	—	—	—	485
Add: Impairment of Ziglu equity securities	—	—	—	—	12	—	—	—	—	—
Add: Restructuring charges	—	—	17	90	(2)	—	—	—	—	—
Add: Significant legal and tax settlements and reserves	—	10	10	—	—	—	—	104	—	104
Add: Q4 2022 Processing Error	—	—	—	—	57	—	—	—	—	—
Adjusted EBITDA (Non-GAAP)	(\$87)	(\$143)	(\$80)	\$47	\$82	\$115	\$151	\$137	\$133	\$536
Adjusted EBITDA Margin (Non-GAAP) ²	(24%)	(48%)	(25%)	13%	22%	26%	31%	29%	28%	29%

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

Definitions

Performance Metrics

Before Q4 2023, we referred to Funded Customers as Net Cumulative Funded Accounts. As our business has grown and we have added additional account types (such as retirement accounts), we have relabeled this metric (and made conforming changes throughout other definitions) to clarify that it measures unique individuals (rather than accounts), although the calculation remains the same and does not affect amounts reported in prior periods. Additionally, beginning in Q4 2023, Robinhood Credit users are included in our calculation of MAU, although we are not restating amounts in prior periods as the impact to those figures was immaterial.

Funded Customers

We define a Funded Customer as a unique person who has at least one account with a Robinhood entity and, within the past 45 calendar days (a) had an account balance that was greater than zero (excluding amounts that are deposited into a Funded Customer account by the Company with no action taken by the unique person) or (b) completed a transaction using any such account.

New Funded Customer

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

Resurrected Customer

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

Churned Customer

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

Monthly Active Users (“MAU”)

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

Assets Under Custody (“AUC”)

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

Net Deposits

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. Starting in January 2024, Net Deposits include dividend and interest inflows and Robinhood Gold subscription fees and margin interest outflows, although we will not restate amounts in prior periods as the impact to those figures was immaterial.

Notional Trading Volume

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

Options Contracts Traded

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

Average Revenue Per User (“ARPU”)

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

Daily Average Revenue Trades (“DARTs”)

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

Growth Rate and Annualized Growth Rate with respect to Net Deposits

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

Margin Book

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

Cash Sweep

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

Free Credit Balances and Other

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

Net Cash Held by Users

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

Revenue per Employee

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

Definitions (continued)

Non-GAAP Financial Measures

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

Adjusted EBITDA

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

Adjusted EBITDA Margin

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

Adjusted Operating Expenses

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

Adjusted Operating Expenses and SBC

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

Adjusted Operating Expenses and SBC excluding the 2021 Founders Award Cancellation

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

SBC excluding the 2021 Founders Award Cancellation

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

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

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

2021 Founders Award Cancellation: In February 2023, we cancelled the 2021 Market-Based RSUs granted to our co-founders of 35.5 million unvested shares. We recognized a one-time \$485 million SBC expense related to the cancellation during the year ended December 31, 2023.

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

2024 Outlook

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