

Risk Factors Comparison 2025-02-18 to 2024-02-27 Form: 10-K

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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 Annual Report, including our 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 Annual 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 might not grow in line with historical rates. • We have ~~limited~~ **expanded and continue to expand our operating operations experience at rapidly, including continuing to introduce new products and services on our current scale platforms as well as geographic expansion**, which subjects us to a number of uncertainties, risks, and difficulties that could adversely affect our business.
- Our results of operations and other operating metrics fluctuate from quarter to quarter, which makes these metrics difficult to predict. • We ~~In most full year periods since our inception, we~~ **In most full year periods since our inception, we** have incurred operating losses ~~in the past~~ and might not be profitable in the future.
- 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 ~~or disruption in the services provided by~~ **or disruption in the services provided by** 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.
- We are directly and indirectly exposed to fluctuations in interest rates, and rapidly changing interest rate environments ~~have in the past and~~ **have in the past and** could ~~in the future~~ **in the future** reduce our net interest revenues and otherwise result in reduced profitability.
- 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.
- 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 has been and might continue to 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.
- We ~~currently~~ ~~recently started operating~~ **operate** in certain international markets and plan to further expand our international operations, which exposes us to significant new risks, and our international expansion efforts might not succeed.
- 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, instability, and other potential flaws due to software errors, design defects, and other processing, 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.
- We are incorporating AI technologies into some of our products and processes. These technologies may present business, compliance, and reputational risks.
- 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 or fourth- 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 most 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, and we may not effectively identify, prevent or mitigate cryptocurrency market risks, any of which would adversely affect the success of our business, financial condition and results of operations.
- ~~Any~~ **In the United States, 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.
- 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-platforms**. • **The offering of consumer credit cards through Robinhood Credit increases our exposure to customer defaults and credit risk and could result in losses**. • Our support for Crypto Transfers, Robinhood Wallet, Robinhood Connect, the Robinhood Cash Card, Robinhood Credit, Spending Account, and other payments and spending services increases the risk that our **platform-platforms** could be exploited to facilitate illegal payments, potentially resulting in loss of customer assets, customer disputes, and other liabilities, which could harm our reputation and adversely impact trading volumes and transaction-based revenues. • **Substantial future issuances or sales of shares of our Class A common stock in the public market could result in significant dilution to our stockholders and such issuances or sales, or the perception that they may occur, could 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 Founders' Voting Agreement (as defined below) 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 grown rapidly since our founding. However, the circumstances that accelerated the growth of our business in the past, including an extended period of general macroeconomic growth in the U. S., as well as growth in the financial services and technology industries, have slowed in recent years and may not exist in the future. 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. We might experience declines in the growth of our business (or negative growth) as a result of a number of factors, including slowing demand for our **platform-platforms**, insufficient growth in the number of customers that utilize our **platform-platforms**, declines in the level of usage of our **platform-platforms** by existing customers, 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 have, in some instances, and could continue to reduce financial activity and the maturation of our business, among others. **We also may not realize the intended benefits of acquisitions of, or investments in, other companies, products or technologies intended to grow our business**. Any failure to successfully address these risks and challenges as we encounter them, will negatively affect our growth. If our revenue growth rate continues to decline, investors' perceptions of our business and the trading price of our Class A common stock could be adversely affected. We have expanded **and continue to expand** our operations rapidly, including continuing to introduce new products and services **in-on** our **platform-platforms as well as geographic expansion**, and have **limited operating experience at our current scale**, which makes it difficult to evaluate our current business and future prospects, and subjects us to a number of uncertainties, including our ability to plan for, model, and manage potential future growth and risks. **For example** As a result of the general downturn in economic conditions and the U. S. equity markets in 2022, we **announced two have undertaken multiple** restructurings in **recent years** April 2022 (the "April 2022 Restructuring") and August of 2022 (the "August 2022 Restructuring") that impacted approximately 1, 100 employees **including significant workforce reductions**, and scaled back hiring plans. **These actions were driven by a general downturn in economic and market conditions. While these steps were taken to improve operational efficiency, there can be no assurance that further restructuring or workforce reductions will not be necessary in the future.** As part of our ongoing efforts in the normal course of business, we **also** continuously evaluate whether we are appropriately staffed to be cost efficient. From time to time we have reduced our staff in certain departments as we saw increased productivity and opportunities for greater efficiency under a leaner operating model while continuing to deliver great service and innovation for our customers. Such efforts to control costs have in the past resulted, and might in the future continue to result in reduced productivity and deteriorating workforce morale, which can cause our business initiatives to suffer. However, if market conditions improve, we also face a risk that renewed business growth could strain our existing resources, or that we are not able to effectively scale up in response, 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. We have also encountered, and will continue to encounter, risks and difficulties frequently experienced by 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. **Additionally, as our business operations continue to expand, we have had and may continue to have difficulties meeting customer demand and expectations.** We might fail to adequately address these and other challenges we may face, and our business might be adversely affected if we do not manage these risks successfully. Our results of operations are heavily reliant on the level of trading activity on our **platform-platforms** 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, **or futures (which includes options on futures, swaps, and event contracts ("Futures"))** which can cause our trading volumes to fluctuate; • fluctuations

in interest rates; • increases in marketing, sales, compensation (for example, due to increased hiring competition for highly skilled personnel), 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 (“ SBC ”) and asset impairments; • the success of our expansion into new markets **or acquisitions**; • trading volume and the prevailing trading prices for cryptocurrencies, which can be highly volatile; • ceasing support for certain cryptocurrencies on our **RHC** platform that the SEC or a court has asserted or determined are securities or proactively removing certain cryptocurrencies because they share similarities with such cryptocurrencies; • 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 public health threats (including pandemics such as COVID- 19), 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. ~~In~~

We generated positive full year GAAP net income for the first time in 2024. However, in most full year periods since our inception, we have incurred operating losses. ~~We~~ ~~Although we have had two quarters of positive GAAP net income in 2023 and we generated higher net revenues for 2023 compared to each of 2019 through 2022, we reported a GAAP net loss for full year 2023 and we~~ might not be able to **maintain or** increase our revenue and / **or maintain** or further reduce our operating expenses by sufficient amounts to **continue to** generate positive **GAAP** net income **on a quarterly or yearly basis** in the future. A large portion 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, **currently** 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. **For example, the SEC’ s recently adopted final rules (the “ September 2024 Final Rules ”) to, among other things, adopt an additional minimum pricing increment, or “ tick size, ” for the quoting of certain national market system (“ NMS ”) stocks under Rule 612 of Regulation NMS, reduce the access fee caps for protected quotations under Rule 610 of Regulation NMS and enhance the transparency of better priced orders. While the SEC granted a partial stay of the effectiveness of the final rules in December 2024 pending the completion of judicial review of the petition for review, it did not stay the effective date of the quote transparency rules. The quote transparency rules will make the information about smaller- sized orders publicly available and result in the contraction of spreads across several securities, which we expect will lead to a decrease in the PFOF earned from such orders once the rules go into effect in November 2025.** In addition, the regulatory landscape involving cryptocurrencies is subject to change and is experiencing rapid evolution, and future regulatory actions or policies, including for instance, the assertion of jurisdiction by domestic and foreign regulators and governments over cryptocurrency and cryptocurrency markets, 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. In addition, to the extent that the SEC or a court asserts or determines that any cryptocurrencies supported by our **RHC** platform are securities, we might not continue to facilitate trading of those cryptocurrencies **in the U. S.** (including ceasing support for **certain** such cryptocurrencies on our **RHC** platform) or it might cause us to proactively remove certain cryptocurrencies from our **RHC** platform because they share similarities with such cryptocurrencies. 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 **are often** not documented under binding contracts **(as is generally the case with market makers in equities and options)**. 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. For instance, in May 2023, two prominent market makers announced their respective decisions to limit their offerings in cryptocurrency trading within the United States. **Although we have established relationships with third- party exchanges that may provide additional access to market makers that are able to execute cryptocurrency trades, Without without** additional market makers supporting cryptocurrencies entering the industry in the United States, the risk that we may be unable to find suitable market makers to support cryptocurrencies is increasingly heightened. **Additionally, this risk is heightened for brokerage orders executed outside of regular market hours through Robinhood 24 Hour Market, as currently all brokerage trades executed overnight are routed through one market maker — Virtu Financial, Inc. (“ Virtu ”). If Virtu becomes unwilling or unable to do business with us in the future, we may be unable to find additional market makers to support Robinhood 24 Hour Market, which could negatively impact our transaction- based revenue.** Furthermore, if **any of our** market makers decide to alter our fee structure, our transaction- based revenue could significantly decrease . **Additionally, disruptions in the services provided by market makers, whether due to technical malfunctions, operational mishaps, or financial instability of the market makers, or external factors such as regulatory changes or market volatility, have in the past, and may in the future impair our ability to execute our client’ s orders. Should a market maker experience downtime or diminished performance, particularly during peak trading hours, our ability to execute customer orders could be compromised and could have an adverse impact on our business, financial condition, and results of operations.** 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 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 below), and since July 2023, we have been cooperating with an investigation being conducted by the New York Attorney General concerning brokerage execution quality. We also face the 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. For instance, in December 2022, the SEC proposed four separate equity market structure rules (the “ December 2022 Rule Proposals ”) related to (i) best execution; (ii) order competition, including requiring certain retail equity orders to be exposed in auctions before being internalized; (iii) order execution disclosure; and (iv) order tick size and access fee caps. **In March 2024, the SEC adopted amendments to enhance order execution disclosures under Rule 605 of Regulation NMS, which will apply for the first time to RHF and RHS beginning in December 2025. In September 2024, the SEC also adopted rules related to order tick size and access fee caps (the “ Tick Size and Access Fee Cap Rules ”). Beginning in December 2025, the Order Execution Disclosure Rules will require brokers, including RHF and RHS, to make new, publicly available execution quality disclosures that will allow customers, regulators, academics, the press and others to compare execution quality between brokers. Execution quality of brokers may vary based on the trading characteristics of the broker’s customers, including, but not limited to, the average number of shares traded, the types of securities (e. g., large cap, small cap, more liquid or less liquid, average spread size, etc.), what types of orders customers submit (e. g., market or limit) and when customers place their trades (e. g., market open, during the regular session or market close). Depending on how our order execution quality compares to other brokers, we could be subject to negative press or critical academic studies that could result in regulatory scrutiny or civil actions which could harm our brand and reputation. Beginning in November 2025, the Tick Size and Access Fee Cap Rules will make information about smaller- sized orders publicly available and is likely to result in the contraction of spreads across many securities, which we expect will lead to a decrease in the PFOF earned from such orders.** Although these **final and remaining** proposed rules related to market structure design do not ban PFOF, ~~they~~ **the remaining December 2022 Rule Proposals** introduce new requirements around “ conflicted transactions, ” and **will** if adopted as proposed, they would have the indirect effect of making PFOF more difficult or impossible to earn and condensing the revenues we could theoretically earn. Any new or heightened PFOF regulation, including the **September 2024 Final Rules and the remaining** December 2022 Rule Proposals if adopted as proposed, ~~could~~ **will** result in increased compliance costs and otherwise **could** materially decrease our transaction- based revenue, might make it more difficult for us to expand our **platform platforms** 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 a 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 (**as defined below in Note 16- Commitments & Contingencies to our consolidated financial statements in this Annual Report**), 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 or market structure design have generated and might continue to generate negative publicity associated with PFOF. For example, the intra- day trading price of our Class A common stock fell as much as 5. 3 % on December 14, 2022, the day the December 2022 Rule Proposals were announced. 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 makers 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 platforms** . 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. **RHC is in the process of allowing customers to choose a fee- based model in lieu of our current liquidity provider rebate- based model (under which RHC receives payments akin to PFOF from liquidity providers) for cryptocurrency orders. This shift may lead to negative publicity due to potential differences in total costs for customers under the two models. Depending on the nature of these cost differences, concerns might arise about (i) the use of PFOF with respect to other asset classes like equities and options and / or (ii) the replacement of liquidity provider rebates by customer fees for orders in cryptocurrency routed for execution via exchanges. Any negative publicity associated with adopting this model may have an adverse impact on our business, financial condition and results of operations.** A large portion of our revenue

comes from interest income earned from our corporate cash and investment portfolio, our securities lending activities, cash sweep, and from interest- rate sensitive assets, including receivables from users' margin- borrowing and other assets underlying the customer balances we hold on our balance sheets as customer accounts. Interest rates are the key driver of our net interest income and are subject to many factors beyond our control. **As Reductions in interest rates have negatively impacted increased starting in 2022, interest income has contributed an increasing share of our total net revenues, net income (loss), and cash flows, prior to any income tax effects. Reductions in interest rates and a return to a low interest rate environment would negatively impact (and the Federal Reserve lowering interest rates since September 2024 has and will negatively impact)** our total net revenues, net income (loss), and cash flows, prior to any income tax effects, and adversely impact our customers' returns on their cash deposits. Changes to the level or mix of interest earning balances could also negatively impact our total net revenues, net income (loss), and cash flows, prior to any tax income effects, if customers react to the rising interest rate environment by moving cash that would have otherwise been spent on services or products with higher revenue potential for Robinhood into Robinhood accounts that offer customers high interest rates. For a more detailed discussion of interest rate risk and an estimate of how hypothetical 50, 100 or 150 basis point increases or decreases in interest rates to the period end balances of our interest-earning assets and liabilities could affect our total net revenues, net income (loss), and cash flows, prior to any income tax effects, see "Quantitative and Qualitative Disclosures about Market Risk — Interest Rate Risk" elsewhere in this report. Higher interest rates also 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, meet minimum credit card payments, 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 (loss). Fluctuations in interest rates could adversely impact our customers' general spending levels and ability and willingness to invest and spend through our **platform platforms**. 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. **We have As previously disclosed, in the past December 2019 and 2020, we settled a FINRA disciplinary action and an and SEC continue to be subject to investigation investigations**, respectively, that related to our best execution practices. We face **additional investigations and / or** 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, receipt of PFOF 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. For instance, one of the **remaining** December 2022 Rule Proposals relates to best execution and proposes to enhance the existing regulatory framework concerning the duty of best execution by, among other things, requiring additional policies and procedures for broker- dealers engaging in certain conflicted transactions with retail customers. 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 regulations could have a material adverse impact on our business and one of our primary sources 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 and FINRA 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. Despite these resources, 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. We might be adversely affected **in the future** by regulatory changes related to our obligations with regard to capital maintenance requirements. For example, in **July December 2023 2024**, the SEC **proposed adopted** amendments to the broker- dealer customer protection rule (SEC Rule 15c3- 3) to require certain broker- dealers to compute their customer and broker- dealer reserve deposit requirements, and to make any required deposits, daily rather than weekly. **These Any such amendments could, which require broker- dealer compliance by December 2025, will** make it more difficult for us to comply with **these regulations our obligations with regard to capital maintenance requirements**. Additionally, there is **not no** definitive guidance on whether or how these rules may apply to cryptocurrencies, and we might be adversely affected in the future if the SEC determines that they do. **See the discussion of SEC Staff Accounting Bulletin 121 ("SAB 121") below in "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."** 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 DTC, **National Securities Clearing Corporation ("NSCC")**, and 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 **(defined below)**. 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. **We also need to hold capital and make deposits with respect to certain event contracts in accordance with applicable CFTC regulations and ForecastEx, LLC, Kalshi Klear LLC, and KalshiEx LLC's Rulebooks for Robinhood Derivatives, LLC.** A reduction in our liquidity position could reduce our customers' confidence in us, which could result in the withdrawal of customer assets and loss of customers, or could cause us to fail to satisfy broker-dealer or other regulatory capital guidelines, which may result in immediate suspension of securities activities, regulatory prohibitions against certain business practices, increased regulatory inquiries and reporting requirements, increased costs, fines, penalties or other sanctions, including suspension or expulsion by the SEC, FINRA or other SROs or state regulators, and could ultimately lead to the liquidation of our broker-dealers or other regulated entities. Factors which 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 and / or excessive withdrawals or redemptions, or a suspension of redemptions or withdrawals of customer assets. We might also need additional capital to continue to support our business and any future growth and to 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 **the income tax withholding and remittance obligations that arise upon the vesting and / or settlement of our outstanding restricted stock units ("RSUs"), and** 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. 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 platforms**, and our customers, even if factually incorrect or based on isolated incidents. We receive a high volume of media coverage, which 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 platforms**, such as the **service outages on our stock trading platform on March 2-3, 2020 and March 9, 2020 (the "March 2020 Outages")**, the **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")**, or the **data security incident we experienced in November 2021 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")** **(as defined in Note 16- Commitments & Contingencies to our consolidated financial statements in this Annual Report)** 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 (defined below). 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 platforms**; • 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 or partners as well as complaints or negative publicity about such individuals or companies; • future restructurings or any similar such reductions or activities in the future; • any repeat imposition of temporary trading restrictions (similar to our Early 2021 Trading Restrictions as defined below), or any outright failure to meet our deposit requirements; • litigation involving, or regulatory actions, **settlements**, or investigations **involving** into, our **platform platforms** or our business; • **regulators requesting or requiring us to cease offering specific products or services**; • any failures to comply with legal, tax and regulatory requirements; • any perceived or actual weakness in our financial strength or liquidity; • any regulatory action **or settlement** that results in changes to, or prohibits us from offering, certain features, products or services; • any new policies, features, products, or services, or changes to our policies, features, products, 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; • negative responses by customers or regulators to our business model or to particular features, products or services; • a failure to adapt to new or changing customer preferences; • **our decision to offer products viewed by some as controversial; • our inability to successfully expand into new markets or make**

successful acquisitions of, or investments in, other companies, products or technologies; • a prolonged weakness in popular equities or cryptocurrencies specifically or in U. S. **or international** equity and cryptocurrency markets generally, or a sustained downturn in the U. S. **or international** economy **economies ;** • **negative claims or publicity involving our culture or businesses, regardless of whether such claims are accurate** ; 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 Customers (~~previously Net Cumulative Funded Accounts, see Part II, Item 7 of this Annual Report, “ Key Performance Metrics ”~~), 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. For instance, on November 8, 2022 (the day that FTX Trading Ltd. (“ FTX ”), a major international cryptocurrency exchange, halted all non- fiat customer withdrawals from its platform), the intra- day trading price of our Class A common stock fell as much as 18 %. ~~And~~ **Additionally**, in December 2022, shortly after FTX filed for bankruptcy on November 11, 2022, and following the bankruptcies of several other major cryptocurrency trading venues and lending platforms earlier in 2022, including Three Arrows Capital, Ltd., Voyager Digital Holdings, Inc., and Celsius Network LLC (“ Celsius ”) (collectively, the “ 2022 Crypto Bankruptcies ”), we received an investigative subpoena from the SEC regarding, among other topics, RHC’s cryptocurrency listings, custody of cryptocurrencies, and platform operations. We could incur substantial losses from our cash and investment accounts if one or more of the financial institutions that we use fails or is taken over by the FDIC. We maintain cash and investment accounts, as well as restricted cash as certificates of deposits for facility leases and other contractual obligations, at multiple financial institutions in amounts that are significantly in excess of the limits insured by the FDIC. In spring 2023, certain U. S. banks failed and were taken over by the FDIC (the “ 2023 Banking Events ”). If any of the financial institutions where we hold significant deposits were to fail or be taken over by the FDIC, our ability to access such accounts has in the past and could be in the future temporarily or permanently limited, which could adversely affect our business. In particular, while we have taken steps to help ensure that the loss of all or a significant portion of any uninsured amount would not have an adverse effect on our ability to pay our operational expenses or make other payments, the failure of a financial institution where we hold significant deposits has in the past and may in the future require us to move funds to another bank, which could cause a temporary delay in making payments to our vendors and employees, or under other contractual arrangements, and cause other operational inconveniences. Additionally, any losses or delay in access to funds as a result of such events could have a material adverse effect on our ability to meet contractual obligations, earnings, financial condition, cash flows, and stock price. As we are a financial services company, our business, results of operations, and reputation are directly and indirectly affected by elements beyond our control, such as economic and political conditions including unemployment rates, inflation, tax and interest rates, geopolitical conflicts, such as the Russian invasion of Ukraine and recent ongoing events in the Middle East, financial market volatility (such as we ~~previously~~ experienced during the COVID- 19 pandemic **or may experience due to recent trade policy shifts such as the potential imposition or escalation of tariffs implemented by the United States, Canada or other governments**), significant increases in the volatility or trading volume of particular securities ~~or~~, cryptocurrencies **, or Futures** (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, actual events or concerns involving liquidity, defaults, or non- performance by third- party financial institutions or transactional counterparties (such as the 2023 Banking Events), changes in volume of securities ~~or~~, cryptocurrencies **, or Futures** trading generally (such as the bear markets that developed for equities and crypto in the second quarter of 2022 and continued into 2023 (the “ 2022 Bear Markets ”)), changes in the markets in which such transactions occur (such as following the 2022 Crypto Bankruptcies), and changes in how such transactions are processed. These elements can arise suddenly and the full impact of such conditions could have an adverse effect on our business results or remain uncertain indefinitely. Because a large percentage of our customers are first time investors, we might be disproportionately affected by declines in investor confidence caused by adverse economic conditions. A prolonged market weakness, such as a slowdown causing reduced trading volume in securities, derivatives, or cryptocurrency markets, has resulted, and could result in the future in reduced revenues and adversely affect our business, financial condition, and results of operations. ~~For example, as a result of the 2022 Bear Markets, for fiscal year 2022, our daily revenue trades for options, equities, and crypto declined by 33 %, 49 %, and 75 %, compared to fiscal year 2021.~~ 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. Additionally, concerns regarding the U. S. and / or international financial systems, such as in connection with the 2023 Banking Events, could result in less favorable commercial financing terms available to us, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on our access to credit and liquidity sources. Any of these changes could cause our future performance to be uncertain or unpredictable, and could have an adverse effect on our business and results of operations. Our **working model, which allows a subset.....** execute on our business strategy. Our future success depends, in part, on our ability to continue to identify, attract, develop, integrate and retain qualified and highly skilled personnel. In particular, our ~~Co- Founder and Chief Executive Officer (“ CEO ”), Vladimir Tenev,~~ **has** 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, **most of** these agreements have no specific duration and are terminable by either party at- will and our senior management team has experienced recent changes. 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 continues to be particularly high competition in the

San Francisco Bay Area for software engineers, computer scientists and other technical personnel. Given our heavy emphasis on SBC, the **declines in performance of** our stock price (which make previously granted SBC less valuable) **has in the past had, and could continue to** have exacerbated the difficulty of, **a significant impact on our ability to recruiting--- recruit, retaining--- retain**, and **motivating motivate** highly skilled personnel. Additionally, **our working model** the Return to Office policy may negatively impact our ability to retain and recruit highly skilled personnel, especially to the extent other companies continue to allow more flexible remote working models. Attrition and workforce reorganizations and reductions have also and might continue to adversely affect our reputation among job seekers, demoralize our remaining employees, and result in a loss of institutional know- how, reduced productivity, slower customer service response, reduced effectiveness of internal compliance and risk- mitigation programs, and cancellations of or delays in completing new product developments and other strategic projects. For example, in the periods immediately following **our recent** the April 2022 Restructuring **restructurings** and **August 2022 Restructuring**, we experienced higher rates of voluntary employee attrition and declines in reported employee job satisfaction. 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 of innovation. We have invested substantial time and resources in building our team. As we continue to expand internationally, we will face new challenges to maintain our corporate culture of innovation among a larger number of geographically dispersed and remote employees, as well as other service providers. Failure to preserve our company culture could harm our ability to retain and recruit personnel. If we are unable to attract, integrate, retain, or effectively replace 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 have made and might continue to make acquisitions of, or investments in, specialized employees or other compatible companies, products, or technologies. We also have entered into and might continue to enter into relationships with other businesses in order to expand our products and services. Negotiating these transactions can be time- consuming, difficult, and expensive. **Our**, and our ability to close these transactions might be subject to third- party approvals **and customary closing conditions**, such as governmental and other regulatory approvals, **some of** which are beyond our control, and may take longer than expected to be obtained, if at all. **For example If pending transactions are not completed**, in April 2022 we **have** signed a definitive agreement to acquire Ziglu Limited (“Ziglu”), a U. K.- based electronic money institution and crypto asset firm. However, as a result of prolonged regulatory uncertainty, after careful consideration, we notified Ziglu of the termination of the agreement in February 2023. **In connection with the past and could** termination of the agreement, we took a \$ 12 million impairment charge, **in addition the future be subject** to suffering losses from legal fees and other expenses. Additionally, because we had expected Ziglu’s team and technology to help accelerate our international expansion, the termination of the deal has **as well as impairment charges** delayed our plans to expand our operations in Europe, particularly with respect to cryptocurrency trading. In general, our efforts to grow through acquisitions are subject to the risks that we might be unable to find suitable acquisition or investment candidates or to complete acquisitions on favorable terms or in a timely manner, if at all. Moreover, these kinds of acquisitions or investments can result in unforeseen operating difficulties and expenditures prior to and following closing, including disrupting our ongoing operations, diverting management from their primary responsibilities, subjecting us to additional liabilities **and / or compliance obligations**, 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, products, and technologies successfully or face challenges in doing so, or effectively manage the combined business following the acquisition. Moreover, the anticipated benefits of any acquisition or investment might not be realized, the acquisition or investment might not perform in accordance with expectations, 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 currently only offer select services to the public outside the United States in certain jurisdictions, including brokerage services in the ~~UK~~ **U. K. through Robinhood U. K., Ltd.**, crypto services in ~~some countries~~ **select jurisdictions** in the EU ~~through RHEU~~, and our Robinhood Wallet, which is available in over 150 countries and offered through ~~RHNC~~ **our Cayman Islands subsidiary, Robinhood Non- Custodial Ltd.** **We expect that our pending acquisition of Bitstamp, if completed, will help us accelerate our international expansion, including across the EU, in the U. K. and in certain other countries**. We intend to continue expanding our operations outside of the United States. International expansion requires significant resources and management attention and subjects us to additional regulatory, economic, operational, and political risks on top of 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, money transmitter, 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 exposure to foreign fraud vectors; • 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 and anti- corruption laws, such as the FCPA and equivalent anti- money laundering and sanctions rules and 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, tax, 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; • double 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 designed 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. These risks may be amplified as we continue to expand our operations internationally and increase our exposure to foreign fraud vectors. **working model, which** allows a subset of our employees to work remotely, subjects us to heightened operational risks. We currently have a **remote work policy, under which a** large segment of **our** employees **who work remotely and** are not required to come into the office on a daily basis **, although since September 2023, most employees living within 35 miles of any of our offices are expected to work in- office at least three days a week (the " Return to Office policy "). Employees who do not live within 35 miles of any of our offices continue to be allowed to work remotely full- time**. Allowing **our** employees to work remotely subjects us to heightened operational risks. For example, technologies in our employees' homes might not be as robust or effective as in our offices and could lead to lower productivity and / or increased vulnerability to cybersecurity attacks or other privacy or data security incidents. There is no guarantee that the data security and privacy safeguards we have put in place will be completely effective or that we will not encounter risks associated with employees accessing company data and systems remotely. ~~Additionally, in June 2024 FINRA' s new Residential Supervisory Location Designation Rule became effective, under which the homes of certain of our employees who work remotely could be treated as " residential supervisory locations " subject to inspections on a regular periodic schedule, which in turn has required certain operational changes and compliance adjustments. Non- compliance with the Residential Supervisory Location Designation Rule could subject us to fines, penalties or enforcement actions.~~ We also face challenges due to the need to operate with a dispersed and remote workforce, as well as increased costs related to business continuity initiatives. Allowing for remote work has **also in the past** made and **may might** continue to make it more difficult for us to preserve our corporate culture of innovation and our employees might have decreased opportunities to collaborate in meaningful ways. Further, we cannot guarantee that requiring a subset of employees to work in- office, or allowing certain employees to continue to work remotely, will not have a negative impact on employee morale or productivity. Any failure to overcome the challenges presented by our ~~working model~~ **Return to Office policy and remote work policy** could harm our future success, including our ability to retain and recruit personnel, innovate and operate effectively, maintain product development velocity, and execute on our **business strategy.**

Our Risks Related to Regulation and Litigation We are subject to a wide variety of local, state, federal, and international laws, regulations, licensing schemes, and industry standards in the United States, the UK, the EU and in other countries and regions 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, financial services, money transmission, the origination, marketing, servicing, and collection of consumer debt, foreign exchange, payments services **and products** (such as payment processing ~~and~~, settlement services **, and credit cards**), cryptocurrency **, derivatives**, trading in shares and fractional shares, fraud detection, consumer protection, anti- money laundering, escheatment, sanctions regimes and export controls, data privacy, data protection, data security, as well as climate risk and environmental impact, including with respect to disclosure of ~~GHG~~ **greenhouse gas** emissions and other metrics related to climate change. The substantial costs and uncertainties related to complying with these **laws and** 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. For example, ~~since~~ **after** launching Sherwood Media, our media subsidiary dedicated to providing news and information about the markets, economics, business, technology, and the culture of money), we ~~have~~ received inquiries from FINRA regarding Sherwood Media' s relationship to RHF. **In addition, after**

announcing in March 2024 the launch of the Robinhood Gold Card, which is currently offered via invitation only through Robinhood Credit exclusively to Gold Subscribers and provides rewards via the Robinhood Gold Credit Card Rewards Program, we received requests for information from the Massachusetts Securities Division (“MSD”) related to the Robinhood Gold subscription service and the Robinhood Gold Card. RHF also received requests for information from the MSD after we began to offer certain event contracts in October 2024. 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. For instance, since we began to offer event contracts, the CFTC has been in the process of appealing the U. S. District Court for the District of Columbia’s decision in *KalshiEx LLC v. Commodity Futures Trading Commission*, and should the CFTC succeed on appeal, we may not be able to continue to offer certain event contracts and potentially could be subject to adverse litigation and regulatory actions for doing so. In addition, the CFTC has proposed a rule amendment that has not been finalized — if adopted by the CFTC as proposed, we would likely be prohibited from offering election event contracts (similar to the ones we offered in November 2024) in the future. Our ability to offer certain products may also be impacted by actions taken by government regulators. There is a risk that regulators could request or require us to cease offering specific products or services. Such regulatory actions could lead to the suspension or termination of product offerings, which may result in increased compliance costs, financial losses and negative publicity. For example, in February 2025, the CFTC formally requested that RHD “not permit customers to access” sports event contracts “until staff can complete a review,” leading us to suspend the rollout of this product. 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 and FCM Regulation Regulations. As broker-dealers, our subsidiaries RHF and RHS are subject to extensive regulation by federal and state regulators and SROs, and are subject to laws and regulations covering all aspects of the securities industry. Federal and state 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. Our subsidiary RHD, a registered FCM with the CFTC, is also subject to extensive regulation by federal and state regulators and SROs related to offering our customers Futures products. 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 DOJ may institute civil or criminal proceedings against us for violating applicable laws, rules, or regulations. Money-Transmitter Regulation As money transmitters, certain of our subsidiaries are subject to regulation, primarily at the state level. We are also subject to regulation by the Consumer Financial Protection Bureau (“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 movement 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. From time to time, we have been and currently are 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 DOJ, SEC or, FINRA, the CFTC and The National Futures Association or other federal agencies such as OFAC, the FDIC or CFPB, and state regulatory agencies, such as the Massachusetts Securities Division (“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 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 (defined below), 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 **United States Attorney's Office for the Northern District of California ("USAO ")**, the DOJ, Antitrust Division, the **Staff of the SEC (the "SEC staff 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 **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. We are cooperating with these investigations and examinations. • **In August On January 10, 2022-2025**, we settled an NYDFS **SEC Enforcement advised us in writing that it had closed its** investigation into the Early 2021 Trading Restrictions under which we paid a monetary penalty of \$ 30 million and engaged an **and any contemporaneous employee** independent compliance consultant. • Since March 2023, we have reached settlements with over 30 state regulators, including, for example, the Alabama Securities Commission, the California Department of Financial Protection and Innovation, the Colorado Division of Securities, the Delaware Department of Justice- Investor Protection Unit, the New Jersey Bureau of Securities, the South Dakota Division of Insurance, and the Texas State Securities Board regarding investigations related to RHF's options trading and related customer communications and displays, options and margin trading approval process, the March 2020 Outages, and customer support issues prior to June 2020, under which we have agreed to pay a monetary penalty of \$ 200, 000 per state. We anticipate potential additional state settlements as part of a multi-state settlement related to these issues totaling up to approximately \$ 10 million. • In January 2024, we settled a matter with the MSD related to supervision of certain product features and marketing strategies, the **service outages on our U. S. stock trading platform on March 2- 3, 2020 and March 9, 2020 (the "March 2020 Outages ")**, and our options trading approval process, **and as well as** the November 2021 Data Security Incident, under which we paid a \$ 7. 5 million fine and **agreed to engage engaged** an independent consultant to review, among other things, implementation of the FINRA independent's recommendations, policies and procedures regarding certain application features, and cybersecurity measures. • **In August 2024, we settled a matter with the California Attorney General's Office related to among other things, certain disclosures by RHC and delivery of customers' cryptocurrency assets under California Corporations Code Sections 29520 and 29505 during the period January 2018 through April 2022. We paid a monetary penalty of \$ 3. 9 million. • In January 2025, we settled multiple matters with the SEC (including investigations into Regulation SHO, the timeliness of our broker- dealers' suspicious activity reporting (" SAR ") filings, electronic blue sheet submissions, various brokerage recordkeeping issues, the November 2021 Data Security Incident, and Regulation S- ID violations) (together, the " January 2025 SEC Settlement ") in which RHF and RHS paid a penalties totaling \$ 45 million, and agreed to certain undertakings.** These and other proceedings, some of which are described in Note ~~17-16~~ - Commitments & Contingencies -to our consolidated financial statements in this Annual 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, **a particular cryptocurrency's status as a " security, "** 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, in connection with the August 2022 NYDFS settlement, we engaged an independent consultant to perform a comprehensive evaluation of our compliance program and remediation efforts with respect to identified deficiencies and violations. The independent consultant ~~2~~ **s-completed its** evaluation ~~is still ongoing~~, and **made** resulted in a **recommendation recommendations** to implement enhancements in certain areas identified in the settlement, which **will** require significant effort to implement. Additionally, while we now offer select services and products in certain countries outside the United States, we are not currently licensed, authorized, or registered in ~~any~~ every jurisdiction (and in some cases are not licensed in every state). Under the terms of our customer agreements, we currently offer services only to citizens and permanent residents with a legal address within those jurisdictions where we are authorized and registered, and our application includes features designed to block access to our services from unauthorized jurisdictions. However, to the extent a customer accesses our application or services outside of jurisdictions where we have obtained required governmental licenses and authorization, we face a risk of becoming subject to regulations in that local jurisdiction. A regulator's **investigation as to whether, or** conclusion that we are servicing customers in its jurisdiction without being appropriately licensed, registered, or authorized **has in the past and could in the future** result in fines or other enforcement actions **or settlements**. **Recent For example, in December 2024, we were required to pay fines and entered into consent orders with the Nebraska Department of Banking and Finance and the Massachusetts Division**

of Banks in connection with prior unlicensed activity. Previous 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 previously** made statements about our business and that of other broker- dealers **signaling and signaled** an increased focus on new or additional laws or regulations that, if acted upon, could impact our business. **Over For instance, three-- the former SEC 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 had previously** indicated that he had instructed the **staff of the SEC Staff** to study, and in some cases make rulemaking recommendations to the SEC **or had otherwise discussed:** regarding, a variety of market issues and practices, including PFOF, digital engagement practices, 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. In December 2022, the SEC proposed the December 2022 Rule Proposals, which relate to (i) best execution, (ii) order competition, (iii) order execution disclosure, and (iv) order tick size and fee caps. The SEC issued a request for information and public comment on digital engagement practices by broker- dealers and investment advisers in August 2021. In his April 2023 testimony before the U. S. House of Representatives Committee on Financial Services, Chair Gensler stated that he had asked the SEC staff to make recommendations for rule proposals addressing~~ conflicts that can arise from the use of predictive analytics, in particular conflicts that may arise to the extent advisors or brokers are optimizing their own interests as well as others ; **the use of mobile app features such as rewards, bonuses, push notifications and other prompts and that such prompts could promote behavior that is not in the interest of the customer, such as excessive trading, and whether expanded enforcement mechanisms are necessary; and digital engagement practices.** ~~On In July 26, 2023, the SEC proposed new rules (the “ July 2023 Rule Proposals ”) that would impose new obligations on registered broker- dealers and investment advisers with respect to their use of certain covered technologies when interacting with investors ~~if and while the former SEC Chair had indicated that the SEC Staff was considering re- proposing modified versions of these rules, if~~ adopted as originally proposed, the July 2023 Rule Proposals may require us to modify, limit or discontinue our use of certain technologies and product features — and could significantly change the way that we interact with existing and prospective customers — which may adversely impact our business and revenues .~~ **The current SEC may revise or withdraw some of these proposals. Additionally, from time to time, we have received requests from regulators, including from the SEC, regarding our collection and uses of customer data and related disclosures.** In addition, in 2022, FINRA issued a regulatory notice requesting comment on complex products and options including “ whether the current regulatory framework ... 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. Also, 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. In February 2023, FINRA provided updated guidance about firms’ practices related to their acquisition of customers through social media channels, as well as firms’ sharing of customers’ usage information with affiliates and non- affiliated third parties. In light of this updated guidance, we narrowed the scope of our social media influencer and affiliate publisher programs. Any additional 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. 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. 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, securities litigation 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. Litigation matters brought against us have in the past and might in the future 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. For more information about the legal proceedings in which we are currently involved, see Note **17-16**- Commitments & Contingencies ; to our consolidated financial statements in this Annual Report. 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, 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 and foreign** 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, and similar laws and regulations. Regulators in the United States continue to increase their scrutiny of compliance with these obligations. For example, in August 2022, we settled an NYDFS investigation of our cryptocurrency business related primarily to anti- money laundering and cybersecurity- related issues, under which we paid a monetary penalty of \$ 30 million and engaged an independent compliance consultant **and in January 2025, as part of the January 2025 SEC Settlement, RHF and RHS paid penalties totaling \$ 13 million for violations of the timeliness of our broker- dealers' compliance with SAR filing requirements from January 2020 through March 2022**. Although our operations are currently concentrated in the United States, we **have expanded recently started expanding** our operations outside of the United States. As we have started to expand internationally, we have 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 have started to, and will continue to, revise and expand our compliance program, including the procedures we use to verify the identity of our customers and to **conduct ongoing monitor monitoring of our customers and their** transactions on our **system systems**, 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 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, **consumer financial service providers** 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, no account minimums, and IRA match since their introduction on our **platform platforms** 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. We have experienced customer growth in recent years **(and significant growth in 2020 and 2021 in particular)**, including a significant fraction of new customers, often more than 50 %, who have told us that Robinhood is their first brokerage account. Our 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, which could cause the trading price of our Class A common stock to decline significantly. **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, 2021, and 2022, and since 2023 we have started to increase our investment in paid marketing channels. 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; • **a shift in pricing models, including allowing customers to choose a fee-based model for cryptocurrency orders;** • ineffective marketing efforts or a reduction in marketing activity; • certain of 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 (such as the **bear markets that developed for equities and crypto in the second quarter of 2022 and continued into 2023 (the "2022 Bear Markets")**); • rising inflation resulting in less disposable income for our customers to invest; • 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-platforms~~ or with our ceasing support for cryptocurrencies on our **RHC** platform that the SEC or a court has asserted or determined are securities or our proactively removing certain cryptocurrencies from our **RHC** platform because they share similarities with such cryptocurrencies. Our customers may choose to cease using our ~~platform-platforms~~, 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 (defined below) 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 transfers of \$ 0.5 billion, involving 1.2 % of AUC from approximately 24,000 accounts during each quarter of 2020 on average.** 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 have introduced and might continue to 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 **(for instance, event contracts)**. Our efforts have been and might continue to be inhibited by industry-wide standards, legal restrictions, incompatible customer expectations, demands, and preferences, or third-party intellectual property rights. Our efforts to innovate have been and might continue to also be delayed or blocked by new or enhanced regulatory scrutiny or technical complications. Incorporating new technologies into our products and services, **or realizing the intended benefits of acquisitions of, or investments in, other companies, products or technologies,** has required and might continue to 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. Our international expansion efforts may increase these risks as we expect to adapt our product and service offerings to reflect local regulatory requirements, customer preferences, and other location-specific factors, as discussed in " — Risks Related to Our Business — We **currently recently started operating operate** in certain international markets and plan to further expand our international operations, which exposes us to significant new risks, and our international expansion efforts might not succeed." Risks Related to Our **Platform-Platforms**, Systems, and Technology 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-platforms~~. 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 have in the past and might in the future 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-platforms~~, 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, the Q4 2022 Processing Error (defined below), 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, resulting in a loss of \$ 57 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. Media outlets have in the past and might in the

future learn of our plans for features 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. For example, this occurred in September 2021 prior to our launch announcement for our crypto transfers feature (“Crypto Transfers”). 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-platforms 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-platforms, especially as our platform-platforms and product offerings become more complex and our customer base grows. **For instance, we have needed and will continue to need to have adequate capacity and infrastructure on our platform with respect to the rollout, offering, and settlement of event contracts.** 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-platforms. 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-platforms and technical infrastructure might be affected. In addition, surges in trading volume on our platform-platforms 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, we experienced (i) the March 2020 Outages, which resulted in some of our customers being unable to buy and sell securities and other financial products on our U. S. trading platform for a period of time, and (ii) **the partial service outages and degraded service on our RHC 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 ”)**, which resulted in some of our customers being unable to buy and sell cryptocurrencies for a period of time. Our platform-platforms has have 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, as well as cash 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.~~ 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. In addition, our customer service team from time to time experiences backlogs responding to customer support requests. These backlogs have compounded when we have experienced any market outages, provider network disruptions, or platform outages or errors, including, for example, in connection with the March 2020 Outages and the April- May 2021 Disruptions, and may compound in the future as a result of such events. 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-platforms 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. For example, from time to time we have experienced delays in our ability to launch products or update features on our platform-platforms as a result of prolonged app store review processes. 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-platforms and those changes might be unfavorable to us and our customers’ use of our platform-platforms. 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. If our customers choose to not update our app to the latest version, or if it is otherwise difficult for them to access or use our app on their mobile devices, or if they 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. In addition, if our customers use older versions of our app it may result in customer complaints and regulatory inquiries that could lead to arbitration claims or regulatory sanctions. We rely on certain third- party computer systems or third- party service providers, including several cloud technology providers such as Amazon Web Services (on which we primarily rely to deliver our services to customers on our ~~platform~~ **platforms**), internet service providers, payment services providers, market and third- party data providers, regulatory services providers, clearing systems, market makers, **exchanges, facilitators of cryptocurrency staking services for RHEU customers, alternative trading systems (such as Blue Oceans ATS, LLC (“BOATS ”) with respect to Robinhood 24 Hour Market),** exchange systems, **(such as ForecastEx, LLC and KalshiEx LLC, with respect to certain event contracts)**, 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~~ **platforms**, facilitate trades by our customers, provide the technology we use to manage some of our cryptocurrency custody, transfer, and settlement operations —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 processing, 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. **For example, after BOATS, the trading venue that primarily supports overnight trading on Robinhood 24 Hour Market (8: 00 pm- 4: 00 am ET), experienced disruptions during the overnight trading session on August 4- 5, 2024, we received requests for information from certain regulators.** We currently use machine learning and AI to improve our products and processes in ~~limited certain~~ circumstances, such as to increase the efficiency of our in- app chat support **and our, customer support workflows,** fraud detection systems, and **software coding optimization, as well as to improve the customer experience in our newsfeed. This is also via our acquisition of Pluto Capital, an AI powered investment research platform, and we** have plans to **continue to** expand our use of AI in the future. Our research and development of such technology **also** remains ongoing. As with many new and emerging technologies, AI presents numerous risks and challenges that could adversely affect our business. If we fail to keep pace with rapidly evolving AI technological developments, especially in the financial technology sector, our competitive position and business results may suffer. At the same time, use of AI has recently become the source of significant media attention and political debate. The introduction **and use** of AI technologies, particularly generative AI, into new or existing offerings may result in new or expanded risks and liabilities, including due to enhanced governmental or regulatory scrutiny, litigation, compliance issues, ethical concerns, confidentiality or security risks, as well as other factors that could adversely affect our business, reputation, and financial results. For example, AI technologies can lead to unintended consequences, including generating content that appears correct but is factually inaccurate, misleading or otherwise flawed, or that results in unintended biases and discriminatory outcomes, which could negatively impact our customers, harm our reputation and business, and expose us to liability. Laws, regulations or industry standards that develop in response to the use of AI may be burdensome or may restrict our ability to use, develop, or deploy AI, particularly generative AI technologies, in our products or processes, **or our efforts to expand our business. For example, EU’ s AI Act, which became effective on August 1, 2024, governs the development, marketing and use of AI in the EU and could impose significant additional costs on us to comply or significant fines for failing to comply.** We **also** use AI technologies from third parties, which may include open source software. If we are unable to maintain rights to use these AI technologies on commercially reasonable terms, we may be forced to acquire or develop alternate AI technologies, which may limit or delay our ability to provide competitive offerings and may increase our costs. These AI technologies also may incorporate data from third- party sources, which may expose us to risks associated with data rights and protection. The legal and regulatory landscape surrounding AI technologies is rapidly evolving and uncertain, including with respect to intellectual property ownership and license rights, cybersecurity, and data protection laws, among others, and has not **yet** been **yet**-fully addressed by courts or regulators. The use, development, or adoption of AI technologies into our products may result in exposure to claims by third parties of copyright infringement or other intellectual property misappropriation, which may require us to pay compensation or license fees to third parties. The evolving legal, regulatory and compliance framework for AI technologies may also impact our ability to protect our own data and intellectual property against infringing use. Risks Related to Cybersecurity and Data Privacy 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 and contractor theft or misuse, denial- of- service attacks, and sophisticated nation- state and nation- state- supported actors engaging in attacks. The operation of our **platform platforms** 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. 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 **and have**. 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 **previous security incidents** 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 platforms** 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, there is an increased risk that we might experience cybersecurity- related incidents as a result of any of our employees, service providers, or 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, our safety and security measures might be insufficient to prevent damage to, or interruption or breach of, our information systems, data (including personal data), and operations. For example, we experienced **such as** 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.~~ Furthermore, 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. Our ability to monitor, and our resources to optimize integration with, third- party service providers' data security practices are also limited. These third- party risks might be exacerbated as our resources are spread across multiple public cloud service providers. 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. For example, **the massive in late October 2024, nearly a cyberattack occurred on our Newsroom in which a cyberattacker gained access two- to our Newsroom website, control of which is subcontracted to a third party vendor, for a limited number of hours. The cyberattack did not result in any unauthorized access of customer information. In addition, in December 2024, a cyberattack occurred at Cyberhaven, a data protection company we utilize as a third- year long party vendor, cybersecurity creating the potential for attackers to steal sensitive data through a malicious version of a Google Chrome extension. Although we do not believe at this time that this third party vulnerability impacted us, the** attack against SolarWinds Corp., known as the SUNBURST attack, highlights the growing risk from cybersecurity threats against **trusted third- party service providers** software which can lead to thousand of customers' data being compromised. 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. Additionally, we could also be exposed to information security vulnerabilities or failures at third parties' common suppliers or vendors (known as " fourth parties ") that could also impact the security of our data, and we may not be able to effectively directly monitor or mitigate such fourth- party risks, in particular as such risks relate to the use of common suppliers or vendors by the third parties that perform functions and services for us and our limited ability to assess the fourth party' s operational controls. For example, in January 2023, unauthorized posts were made on our social media accounts, which were all removed within minutes. Based on a preliminary investigation, we believe the source of the incident was a compromise at a third- party vendor. In addition, 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. A core aspect of our business is the reliability and security of our **platform platforms**. 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 or fourth- 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. **While we maintain cybersecurity insurance, our coverage may be insufficient to cover all liabilities resulting from a cybersecurity incident. We cannot be certain that our insurance coverage will be adequate to address the results of regulatory or civil investigations or any liabilities resulting from a cybersecurity incident, that adequate insurance will be available to us on economically reasonable terms, or that our insurer will cover all cybersecurity incident- related claims. The successful assertion of one or more significant claims against us or changes in our cybersecurity insurance coverage, premiums, or deductibles may adversely affect our reputation, business, financial condition or results of operations.** 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 (e) of the Federal Trade Commission Act and state laws such as the California Consumer Privacy Act, which provides consumers with the right to know what personal data is being collected, know whether their personal data is sold or disclosed and to whom and opt out of the sale of their personal data, among other rights. We also face particular privacy, data security and data protection risks in connection with our expansion into the U. K. and the EU and other jurisdictions in connection with the General Data Protection Regulation, **the Digital Operational Resilience Act, the ePrivacy Directive (including its national implementations),** 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 **17-16** - Commitments & Contingencies, to our consolidated financial statements in this Annual Report) and may 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, **and as part of the January 2025 SEC Settlement, RHF and RHS paid penalties for violating Regulation S- P**. 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 The SEC, FINRA, and various state regulators have stringent rules or proposed 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 a reserves~~ **reserve account to ensure customer securities are protected and accessible, even in cases of firm insolvency**. Our failure to maintain the required net capital levels **and protect customer assets** could **potentially** 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 (for instance, the SEC has proposed amendments to Rule 15c3-3 as discussed above), 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. **For example, in December 2024, the SEC adopted proposed amendments to Rule 15c3-3, which require certain broker- dealers, including RHF and RHS, by December 2025 to increase the frequency with which they perform computations of the net cash they owe to customers and other broker- dealers from weekly to daily.** A large operating loss or charge against net capital could have adverse effects on our ability to maintain or expand our business. 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-previous and continued expanded operating operations experience at our current scale,** evolving business, and unpredictable periods of 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 for identifying, monitoring, and managing 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 geographies, 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, in December 2022, RHF and RHS received investigative requests from the SEC Division of Enforcement regarding their record keeping and preservation practices, including use of personal devices for brokerage communications. **RHF and RHS settled the SEC's investigation into these practices as part of the January 2025 SEC Settlement, paying penalties totaling \$ 8 million and agreeing to complete an internal audit review of electronic communications retention.** 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) **could lead to** 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) **have led to, and could in the future lead to** the risk of, fines or other actions by regulators. For example, **as part of the Q4 January 2022-2025 Processing Error SEC Settlement, RHS settled investigations with the SEC related to suspicious activity reporting, identity theft protection, unauthorized access to Robinhood systems, off- channel communications, retention of brokerage data, failure to maintain certain templated customer communications, electronic blue sheets submissions and Regulation SHO in connection with fractional share trading and stock lending, which resulted in RHS paying a combined monetary penalties of \$ 57-33.5 million loss and we have received requests for information from FINRA staff related to this matter.** All customers can place limit orders to buy whole shares of certain of the most traded **exchange- traded funds** ETFs and individual stocks – 24 hours a day, five days a week, through Robinhood 24 Hour Market. Offering U. S. stock trading overnight has heightened risks related to our clearing and execution activities as we do not have previous experience operating or staffing our systems for around- the- clock coverage and may not be able to accurately anticipate the volume of trading activity that will occur **outside of regular market hours. Overnight trading on Robinhood 24 Hour Market is primarily supported by BOATS, a trading venue that replicates the role that stock exchanges play during extended-regular market hours.** If BOATS becomes unwilling or unable to do business with us or one of our market makers in the future, we may be unable to find another trading platform to support Robinhood 24 Hour Market, which could negatively impact our transaction- based revenue and generate negative publicity. **Additionally, any disruptions in the services provided by BOATS, whether due to technical malfunctions, operational mishaps, or external factors such as regulatory changes or market volatility, have in the past, and may in the future impair our ability to execute our client's orders. Should BOATS experience downtime or diminished performance (as it has in the past and could again in the future), particularly during overnight trading hours, our ability to execute customer orders through Robinhood 24 Hour Market could be compromised and could have an adverse impact on our business, financial condition, results of operations, and / or brand and reputation. For example, on August 5, 2024, BOATS did not open for overnight trading and as a result, Robinhood customers were unable to execute any trades during that overnight session.** Our clearing operations also require a commitment of our capital and, despite safeguards implemented through both manual and automated controls, involve risks of losses due to the potential failure of our customers or counterparties 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 designed 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 securities. 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. We also lend and borrow securities in connection with our broker- dealer business. In accordance with regulatory guidelines, we hold cash as collateral when we lend securities, and likewise, we collateralize our borrowings of securities by depositing cash 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 lending or 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 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.

Additionally, RHD is obligated to establish and maintain an appropriate Residual Interest Targeted Amount (“ RITA ”), which is the amount of RHD’ s own capital held in segregation in excess of the amount required to be segregated based on customer positions. RHD also maintains additional firm capital in segregation greater than the established RITA amount, (i. e., excess segregated funds). If the aggregate customer margin deficiency amount on any day exceeds the excess segregated funds amount to the point where RHD breaches its RITA, RHD would be in violation of CFTC rules and would potentially be subject to monetary penalties, sanctions, or other disciplinary actions for failing to maintain an appropriate RITA. 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. 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. 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. For example, ~~in September 2023~~, the North American Securities Association (“ NASAA ”) (an association of state securities administrators) **has** proposed revisions to the NASAA model rule regarding Dishonest or Unethical Business Practices of Broker- Dealers and Agents, which are intended to address Regulation Best Interest and other developments in the securities industry. 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. The SEC’ s July 2023 Rule Proposals, if adopted as **originally** proposed, would impose new requirements with respect to our use of a wide range of covered technologies when we are engaging or communicating with existing and prospective customers. If adopted as **originally** proposed, the proposals may require us to modify, limit or discontinue our use of certain technologies and product features — and would introduce new regulatory considerations or requirements that would apply to our communications and interactions with existing and prospective customers, including to the extent we provide investment advice or recommendations to them. We also provide customers with a variety of educational materials, investment tools, and financial news and information, such as our “ Snacks ” newsletter (which is offered by Sherwood Media), the suite of other editorial offerings that we expect Sherwood Media **has launched and will continue** to launch ~~throughout this year~~, and the Robinhood Investment **Investor** Index. Additionally, Robinhood Gold members have access to stock research reports prepared by our third- party collaborator, Morningstar, Inc. and Level II market data from Nasdaq. 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 our editorial offerings, including Snacks) are construed as constituting investment advice or recommendations, we have been and could be in the future 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 certain of our product features and marketing strategies amount to investment recommendations. ~~See Note 17—Commitments & Contingencies, to our consolidated financial statements in this Annual 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, news and information, or digital engagement practices are determined to constitute investment advice or recommendations and to the extent those 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 we expand our cryptocurrency product and service offerings, the risks associated with failing to safeguard and manage cryptocurrencies we hold on behalf of our customers increase. 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 settled 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 and require physical access controls. We do not utilize third-party custodians for settled cryptocurrencies, but we do ~~utilize~~ **integrate proprietary technology from a third-party provider industry-standard vendor into the systems we use to support the** ~~manage some of our cryptocurrency~~ custody, transfer and settlement operations **to our wallets**. In general, the overwhelming majority of cryptocurrency coins on our ~~platform~~ **platforms** are held in cold storage, though some coins are held in hot wallets to support day-to-day operations. As a public company, we are required to comply with the Sarbanes-Oxley Act of 2002. As part of this, we are required to establish and maintain adequate internal control over financial reporting and evaluate the effectiveness of our internal control over financial reporting. ~~This includes the user cryptocurrencies safeguarding obligation and the asset related to user cryptocurrencies safeguarding obligation on our consolidated balance sheets in our audited financial statements which represents our obligation to safeguard crypto-assets held in our custody on behalf of our users.~~ The effectiveness of our internal control over financial reporting and our financial statements and related notes are audited by Ernst & Young LLP, our independent registered public accounting firm. Under blockchain protocol, in order to access or transfer cryptocurrency stored in a wallet, we need to use a private key. We maintain backup copies of our private keys in multiple separate locations and we have several layers of cybersecurity defense in place to protect our omnibus wallets. However, to the extent any private keys are lost, destroyed, unable to be accessed by us, or otherwise compromised and all of their backups are lost, 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 may 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 ("BSV") network, allowing them to spend coins they did not have and prevent transactions from completing. 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 some or all of their losses, subjecting us to significant financial losses. Because many insurance carriers do not provide insurance coverage for crypto-related risks, comprehensive coverage for such events is not readily available on commercially reasonable terms. Our current coverage is limited and may not cover the extent of loss, nor the nature of such loss, in which case we may be liable for the full amount of losses suffered, which could be greater than all of our remaining assets. The total value of cryptocurrencies under our control on behalf of customers is significantly greater than the current total value of insurance coverage that would compensate us in the event of theft or other loss of such assets. Furthermore, the term of our current insurance policy expires in the third quarter of ~~2024~~ **2025**, with our option to renew annually or for the carrier to terminate coverage with advance written notice. Any loss of our insurance coverage would impede our ability to mitigate any losses our customers might suffer if we are unable to access private keys. Additionally, any such security compromises or any business continuity issues affecting our cryptocurrency market makers might affect the ability or willingness of our customers to trade or hold cryptocurrencies on our ~~platform~~ **platforms**, might result in litigation and regulatory enforcement actions, and could harm customer trust in us and our products generally. The prices of most cryptocurrencies are 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 (including as a result of the 2022 Bear Markets), 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 have occurred and are likely to occur again in the future 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. For example, in connection with the 2022 Crypto Bankruptcies, the prices of coins such as Bitcoin, Ethereum, and Solana significantly decreased. • Regulatory measures, if any, that affect the use and value of cryptocurrencies or regulatory or judicial assertions or determinations that certain cryptocurrencies are securities. • 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 over the long term, 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 several 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 platforms~~. The listing ~~committee~~ **committees** of Robinhood Crypto **RHC and RHEU** ~~conducts~~ **conduct** regular reviews of the cryptocurrencies available on our ~~platform platforms~~ to ensure that they continue to meet our requirements under our internal policies and procedures **(collectively, the "Crypto Listing Frameworks")** for continued support on our ~~platform platforms~~ and ~~possesses~~ **possess** the authority to delist and cease support for any asset based on various factors. Ceasing support for a cryptocurrency with substantial market interest (or if our consideration to cease supporting such a cryptocurrency becomes known) has in the past exposed, and may continue to expose us to negative attention, adversely impacting our business, including revenue loss from no longer supporting a cryptocurrency or customer reaction to such a decision. For instance, in the past we have encountered an influx of customer complaints related to our decisions to cease support for certain cryptocurrencies. 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. Although the 2022 Crypto Bankruptcies did not have any material impact on our business — and neither our board of directors nor management have to date identified any material gaps or weaknesses with respect to our existing risk management processes and policies in light of recent cryptocurrency market conditions — we remain subject to cryptocurrency market risks. If we are unable to effectively identify, prevent or mitigate such risks, the success of our business, our financial condition and results of our operations may be adversely affected. As part of our overall risk management processes, ~~our~~ **management Enterprise Risk Committee** (the "ERC"), which comprises senior leaders of the Company, including the CEO, Chief Financial Officer ("CFO"), Chief Legal, Compliance and Corporate Affairs Officer ("CLO"), CSO, Vice President of Risk and Audit, and Chief Brokerage Officer and General Manager of Brokerage ("CBO"), among others, reviews on at least a quarterly basis risks that are escalated by the Company's Enterprise Risk Management ("ERM") ~~team function~~. ERM maintains a risk taxonomy and a scoring methodology design to ensure risks are evaluated in a clear and transparent manner; and ~~further escalates~~ **partners with various front-line risk teams and risk owners across Robinhood to foster consistent risk management practices across Robinhood. In particular, the ERM team provides governance over risk management practices and reports** top risks to the Safety, Risk and Regulatory Committee of the board of directors (the "Safety Committee"), along with planned mitigants and monitoring procedures. The Safety Committee reviews management's ~~procedures~~ **exercise of its responsibility** to identify, assess, manage, monitor and mitigate material risks not **specifically** allocated to the board of directors or another ~~of its~~ **committee committees**. In addition to RHC-level processes, entity-level risk teams affiliated with our operating subsidiaries, including one at RHC, perform ongoing risk operations, including risk and control self-assessments and maintaining risk and control registers. As management identifies operational risks, the entity-level risk team tracks the risk drivers and planned mitigating measures and escalates such risks, as needed, to ~~the~~ **ERM team**. In light of events in 2022, including the 2022 Crypto Bankruptcies, cryptocurrency market risks were identified as a top risk to the Company and management has accordingly implemented certain measures, including enhanced monitoring for cryptocurrency markets (such

as reducing net open position limits with liquidity partners through more frequent settlement; adding additional banking and liquidity partners; monitoring on- platform trading activity, coin deposits and withdrawals; and ongoing diligence for listings and banking relationships). **The ERM team** has also provided quarterly updates to the Safety Committee with respect to such risks and responses. In addition, **RHC and RHEU maintains maintain a listing committee committees** as described above. We currently facilitate customer trades for certain cryptocurrencies that we have analyzed under applicable internal policies and procedures and **, for cryptocurrencies supported on our the RHC platform,** that we believe are not securities under U. S. federal and state securities laws. Determining whether any given cryptocurrency is a security is a highly complex, fact- driven analysis, the outcome of which is difficult to predict and may evolve over time based on changes in the cryptocurrency and its related ecosystem. Different parties may reach different conclusions about the outcome of this analysis based on the same facts. The analysis may become clearer depending on the outcome in certain cases currently pending in varying stages of litigation. The SEC **staff 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 and **its the SEC staff Staff** have taken positions that certain cryptocurrencies are “ securities ” in the context of settled or litigated enforcement actions ~~—and we do not currently support any cryptocurrencies for which the SEC or its staff has taken such a position~~. Otherwise, the SEC has not historically provided advance confirmation on the status of any particular cryptocurrency as a security **and the current presidential administration and control of Congress in the U. S. present considerable uncertainty as to cryptocurrency regulations**. While prior public statements by senior officials at the SEC indicated that the SEC does not intend to take the position that Bitcoin or Ethereum are securities (in their current forms), Bitcoin and Ethereum were the only specific cryptocurrencies as to which senior officials at the SEC had publicly expressed such a view. ~~However, Chair Gensler was quoted in a February 2023 interview as saying “[e] verything other than Bitcoin ” when discussing the SEC’ s purview with respect to cryptocurrency and in April 2023 declined to provide his view when asked if he considered Ethereum to be a security during his testimony to the U. S. House of Representatives Financial Services Committee. Moreoever, 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 **U. S.** regulators have expressed concerns about cryptocurrency platforms adding multiple new coins, some of which the regulators question might be unregistered securities ~~. In September 2022, Chair Gensler stated in a speech that he believes a vast majority of the nearly 10, 000 tokens in the crypto market are securities and reiterated this statement in his September 2022 testimony before the U. S. Senate Committee on Banking, Housing, and Urban Affairs and April 2023 testimony before the U. S. House of Representatives Committee on Financial Services .~~ 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 assert or determine that a cryptocurrency supported by our **RHC** platform is a “ security ” under U. S. law. In July 2022, the SEC filed an insider trading case against, among others, an employee of one of our competitors in which the complaint alleged that certain cryptocurrencies (none of which we currently support) were securities under the Securities Act and the Exchange Act. Additionally, in June 2023, the SEC charged Binance Holdings Ltd., and its affiliated U. S. entity, among others (collectively, “ Binance ”) and, separately, Coinbase Global, Inc., and Coinbase, Inc. (collectively, “ Coinbase ”) ~~(collectively, the “ Coinbase and Binance Charges ”)~~ with operating their respective cryptocurrency trading platforms as unregistered national securities exchanges, brokers, and clearing agencies, also alleging that certain cryptocurrencies supported on their respective platforms are securities ~~, including Cardano, Polygon, and Solana, which were supported on our platform .~~ The charges also implicated Coinbase’ s staking- as- a- service program and its non- custodial wallet. Although we have since ceased support for **certain cryptocurrencies, including Polygon, we do support** Cardano ; ~~Polygon, and Solana ; we do on our RHC platform and~~ offer the Robinhood Wallet, which is a self- custodial crypto wallet. **While the SEC’ s September 2024 memorandum of law in support of motion for leave to amend the complaint against Binance states that the SEC’ s prior use of “ crypto asset securities ” when referring to cryptocurrency assets did not mean that the SEC was referring to the “ crypto asset itself as the security ” but that the cryptocurrencies at issue were offered and sold as investment contracts (and therefore are securities), the SEC’ s approach going forward remains unclear in light of this memorandum of law in support of motion for leave to amend the complaint as well as the August 2024 decision in the SEC’ s case against Payward, Inc. and Payward Ventures, Inc. that the cryptocurrencies at issue were not themselves securities but were offered as, or sold as, investment contracts (and therefore were securities).** The outcome of these matters **and decisions by regulators not to bring enforcement actions** provides, and any other action, settlement, or related investigation by regulators, might provide, additional guidance on the legal status of cryptocurrencies as securities more generally, which has affected and might significantly affect the actual or perceived regulatory status and value of cryptocurrencies we currently support or might support in the future . **On January 21, 2025, the SEC announced that SEC Acting Chairman Mark Uyeda “ launched a crypto task force dedicated to developing a comprehensive and clear regulatory framework for crypto assets. ” The task force will be focused on helping the SEC “ draw clear regulatory lines, provide realistic paths to registration, craft sensible disclosure frameworks, and deploy enforcement resources judiciously. ” While the SEC has formed the Crypto Task Force to provide clarity on the application of the federal securities laws to the crypto asset market and to recommend practical policy measures that aim to foster innovation and protect investors, the task force has only recently begun .** From time to time, we also have received, and might in the future

receive SEC inquiries regarding specific cryptocurrencies supported on our **RHC** platform and added features and since December 2022, following the 2022 Crypto Bankruptcies, we have received investigative subpoenas from the SEC regarding, among other topics, RHC's supported cryptocurrencies, custody of cryptocurrencies, and platform operations. During our discussions with the SEC Staff in the fourth quarter of 2023, the Staff asserted that they are considering whether, and may recommend that the **Commission SEC** find that, certain cryptocurrencies supported by our **RHC** platform are securities, **and in** ~~Our discussions with the SEC Staff are ongoing~~ **second quarter of 2024, we received the May 2024 Wells Notice (as defined in Note 16- Commitments & Contingencies to our consolidated financial statements in this Annual Report). The potential action related to the May 2024 Wells Notice may involve a civil injunctive action, public administrative proceeding, and / or a cease- and- desist proceeding and may seek remedies that include an injunction, a cease- and- desist order, disgorgement, pre- judgment interest, civil money penalties, and censure, revocation, and limitations on activities**. To the extent that the SEC or a court asserts or determines that any cryptocurrencies supported by our **RHC** platform are securities, that assertion or determination could prevent us from continuing to facilitate trading of those cryptocurrencies (including ceasing support for such cryptocurrencies on our **RHC** 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, including disgorgement or penalties which could be material, for failing to offer or sell the cryptocurrency in compliance with securities registration requirements, or for acting as a securities broker or dealer, national securities exchange, clearing agency, or other regulated entity 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 **RHC** 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. 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. In particular, ~~Chair Gensler noted in his April 2023 testimony that "Given that most crypto tokens are securities, it follows that many crypto intermediaries are transacting in securities and have to register with the SEC" and that crypto investors should benefit from compliance with the securities laws. In April 2023, the SEC also~~ reopened the comment period and provided supplemental information on proposed amendments to the definition of "exchange" under Exchange Act Rule 3b-16, including reiterating the applicability of existing rules to platforms that trade crypto asset securities. Additionally, 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 **RHC** 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. We continue to analyze the cryptocurrencies supported on ~~our~~ **the RHC** platform under our internal policies and procedures (collectively, our "**RHC** Crypto Listing Framework") on a periodic basis to ensure that they continue to meet our requirements for continued support on ~~our~~ **the RHC** platform which include, among other factors, that we continue to believe they are not securities under U. S. federal and state securities laws. We may make the determination to cease support for a cryptocurrency for any one or a variety of factors based on a totality of the circumstances under our **RHC** Crypto Listing Framework. However, an assertion or determination by the SEC or a court that a cryptocurrency supported by our **RHC** platform constitutes a security could also result in our determination that it is advisable to remove that and other cryptocurrencies from our **RHC** platform that have similar characteristics to the cryptocurrency that was asserted or determined to be a security. If we proactively remove certain cryptocurrencies from our **RHC** platform because the SEC or a court has asserted or determined they constitute securities or because they share similarities with such cryptocurrencies or otherwise do not meet our **RHC** Crypto Listing Framework, it has ~~(for instance, with respect to Cardano, Polygon, and Solana)~~ and could in the future negatively impact customer sentiment and our business, operating results, and financial condition, especially to the extent that our competitors continue to support such cryptocurrency on their platforms. 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. **For example, California has enacted the Digital Financial Assets Law, which requires registration for certain digital financial asset business activities. Operators must comply with its licensing requirements by July 2026. We will continue to monitor developments in state- level legislation, guidance or regulations applicable to us.** 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. **The current presidential administration and control of Congress in the U. S. also present considerable uncertainty as to future cryptocurrency regulations.** Additionally, regulation in response to the climate impact of cryptocurrency mining could negatively impact cryptocurrency trading on our **platform platforms**. The cryptocurrency accounting rules and regulations that we must comply with are complex and subject to interpretation by the ~~Financial Accounting Standards Board ("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. 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, including, for instance, the assertion of jurisdiction by domestic and foreign regulators and governments over cryptocurrency and cryptocurrency markets could limit or restrict cryptocurrency usage, custody, or trading, or the ability to convert cryptocurrencies to fiat currencies. ~~For example On May 22, Chair Gensler remarked several times in 2021~~ **2024**, and ~~2022 on the need~~ **U. S. House of Representatives passed the Financial Innovation and Technology** for further regulatory oversight of crypto trading and crypto lending platforms. Additionally in February 2023, the SEC issued a new rule proposal (the “February 2023 Custody Rule Proposal”) related to the custody of client assets by registered investment advisers, which, if adopted as proposed, would expand the existing custody rules to apply to a broad range of assets, including cryptocurrencies, and would require that any client assets be maintained by a qualified custodian. In connection with the announcement of the February 2023 Custody Rule Proposal, Chair Gensler noted that “Based upon how crypto platforms generally operate, investment advisers cannot rely on them ~~the 21st Century Act~~ as qualified custodians.” If the February 2023 Custody Rule Proposal is adopted as proposed, and we are not deemed to be a “qualified custodian,” we may be required to cease our ~~custodial crypto offerings under certain circumstances, which would have a material adverse impact~~ **provide the CFTC with new jurisdiction over digital commodities, clarify the SEC’s jurisdiction over digital assets offered as part of an investment contract, and impose disclosure, safeguarding, and operational requirements on entities required to be registered with the CFTC and / our or the SEC** business and one of our primary sources of revenue. **Additionally, Some** ~~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. **The current presidential administration and control of Congress in the U. S. also present considerable uncertainty as to such regulatory actions or policies.** 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. ~~In March 2022, the SEC staff issued SAB 121 requiring crypto platforms to recognize a liability and a corresponding asset equal to the fair value of the cryptocurrencies the entity safeguards on behalf of users. Such accounting treatment enhances the information received by investors regarding potential liabilities upon theft or loss of cryptocurrencies. But such treatment has also caused some users to question how safeguarded cryptocurrencies would be treated in a platform bankruptcy. We implemented SAB 121 for the quarter ended June 30, 2022, with retrospective application to the beginning of 2022. As a result of (and solely by virtue of) our implementation of SAB 121, the cryptocurrency we custody for users now appears on our balance sheets as an asset. In January 2023, the Bankruptcy Court for the Southern District of New York issued a ruling in In re Celsius Network LLC, that certain crypto assets held by Celsius customer accounts were the property of Celsius’ s estate and that the holders of such accounts are unsecured creditors. However, unlike the terms of our user agreement, the terms of Celsius’ s user agreement unambiguously provided that the rights to cryptocurrency held, including ownership rights, belonged to Celsius. Based on the terms of our user agreement, the structure of our crypto offerings, and applicable law, and, although we have not obtained a formal legal opinion on this matter,~~ after consultation with internal and external legal counsel, we believe that the cryptocurrency we hold in custody for users of our ~~platform platforms~~ **platform platforms** should be respected as users’ property (and should not be available to satisfy the claims of our general creditors) in the event we were to enter bankruptcy. Although we are well- capitalized, to the extent users are concerned that ~~cryptocurrencies~~ **cryptocurrencies** crypto assets might not be secure in a ~~platform~~ **platform** bankruptcy generally, their willingness to hold crypto in custodial accounts and their general interest in trading cryptocurrencies might decline. ~~There is also no definitive guidance on whether or how SAB 121 applies to broker-dealer entities in a corporate organizational structure where another, separate entity in that structure safeguards cryptocurrencies on behalf of users.~~ Furthermore, the Infrastructure Investment and Jobs Act significantly changes the tax reporting requirements applicable to brokers and holders of cryptocurrency and digital assets. On August 25, 2023, the Treasury Department and Internal Revenue Service released proposed regulations on the sale and exchange of digital assets by brokers. ~~In particular On June 28, the proposed 2024, final regulations would~~ **were released that require information reporting by digital asset brokers on certain digital asset sales or exchanges that occur on or after January 1, 2025, and** basis tracking for digital assets that are treated as “covered securities” if acquired on or after January 1, ~~2023-2026 and~~ **2026 and**, **Final regulations requiring** information reporting by **certain decentralized finance participants were published by the Treasury Department on December 27, 2024 and apply to sales or exchanges of** digital asset ~~assets~~ **brokers on certain digital asset sales or exchanges that occur** on or after January 1, ~~2025-2027~~ **2027**. The implementation of these requirements, and any further legislative changes or related guidance from the Internal Revenue Service **and the Treasury Department**, 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 published final guidance on 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 international

expansion also subjects us to additional laws, regulations, or other government or regulatory scrutiny as discussed in “ — Risks Related to Our Business — We **currently** ~~recently started operating~~ **operate** in certain international markets and plan to further expand our international operations, which exposes us to significant new risks, and our international expansion efforts might not succeed.” For example, ~~we may be~~ **the provisions of MiCA went into effect as of December 30, 2024, and RHEU is now** subject to the authorization, compliance, and disclosure regime of MiCA for crypto asset service providers (“**CASP**”) and issuers of certain crypto assets. **We must obtain a MiCA compliant CASP license in our home member state and** ~~Compliance~~ **compliance** with such regulation ~~may require~~ **requires** the implementation of new systems and processes, and updates to our policies. ~~When the provisions of MiCA take effect on December 30, 2024, we may need to have a MiCA license, or be in a position to rely on the transitional period provided by an EU member state where we have received a digital asset license while we seek MiCA registration.~~ While MiCA provides member states with the option of implementing a transitional period from December 30, 2024 to July 1, 2026, at this time, **Lithuania’s Ministry of Finance and** the Bank of Lithuania **have adopted** ~~has proposed not to offer a MiCA transitional period for registrants in Lithuania beyond December 30~~ **to June 1, 2024**. **If** ~~The relevant Lithuanian authorities are actively preparing for MiCA regulation, and the application process in Lithuania has not yet been finalized. At this time, if we are unable to obtain a MiCA registration~~ **compliant CASP license by June 1, or by 2025, we may need to cease operations in the EU. Obtaining a MiCA compliant CASP license** ~~position to rely on the transitional period in another~~ **our home** EU member state, ~~by December 30, 2024, we may be forced to cease RHEC’s operations in certain EU member states until and unless we have obtained MiCA registration, which could take longer than we expect and would adversely affect our international operations.~~ **Additionally, under recommendations from the Financial Crimes Enforcement Network, and the Financial Action Task Force, the United States and several foreign jurisdictions have imposed the Funds Travel Rule and the Funds Transfer Rule (commonly referred to collectively as the Travel Rule) on financial service providers in the cryptoeconomy. We may incur high costs to implement and comply with the Travel Rule, and could also face penalties for technical violations or lose customers if it negatively impacts customer experience.** Our Crypto Transfers, **crypto staking**, Robinhood Wallet, and Robinhood Connect features 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. In the United States, we allow customers to deposit and withdraw cryptocurrencies to and from our **RHC** platform through our Crypto Transfers feature in the states in which RHC operates (other than New York, where our regulatory application is still pending). **Since the third quarter of 2024, we also allow customers of RHEU to deposit and withdraw crypto to and from our RHEU platform.** Crypto Transfers are processed using Robinhood’s general custodial infrastructure in which we hold some cryptocurrencies on behalf of customers; when transactions are completed, coins are allocated to and from individuals’ accounts in our customer records. Additionally, **U. S.** ~~as of April 27, 2023,~~ customers have access to a ~~fiat-to-crypto on-ramp tool that developers can embed directly into their decentralized applications (“Robinhood Connect”)~~, allowing their customers to use their RHC accounts to buy and transfer crypto, and fund their self-custody wallets. Crypto 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~~ **platforms**, 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 custodial wallet by inputting the public key (which we will provide to the customer) of our custodial wallet. Similarly, in order to withdraw cryptocurrency from our ~~platform~~ **platforms**, 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 wallet. Some crypto networks might require additional information to be provided in connection with any transfer of cryptocurrency to or from our ~~platform~~ **platforms**. A number of errors could occur in the process of depositing or withdrawing cryptocurrencies to or from our ~~platform~~ **platforms**, 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 custodial wallet’s public key or the desired recipient’s public key when depositing to and withdrawing from our ~~platform~~ **platforms**, 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. **We also provide crypto staking services through our RHEU platform in which eligible RHEU customers are given the option to “stake” eligible crypto- assets. Staking allows RHEU customers to earn rewards by locking up the cryptocurrencies, subject to the network and cryptocurrency’s requirements and bonding periods, and so limits RHEU customers’ access to their funds during such time. We currently rely on and, upon customers’ instructions, delegate RHEU customers’ assets to a third-party service provider to facilitate these staking services. Some networks may further require customer assets to be transferred into smart contracts on the underlying blockchain networks not under our or anyone’s control. If our third-party service provider or any such smart contracts fail to behave as expected, suffer cybersecurity attacks, experience security issues, or encounter other problems, RHEU customers’ assets may be irretrievably lost. In addition, certain blockchain networks dictate requirements for participation in the relevant decentralized governance activity, and may impose penalties, or “slashing,” if the relevant activities are not performed correctly, such as if the staker, delegator, or baker acts maliciously on the network, “double signs” any transactions, or experience extended downtimes. If we or our third-party service provider are slashed by the underlying blockchain network, RHEU customers’ assets may be confiscated, withdrawn, or burnt by the network, resulting in losses for which we may be responsible. Furthermore, certain types of staking require**

the payment of transaction fees on the underlying blockchain network and such fees can become significant as the amount and complexity of the transaction grows, depending on the degree of network congestion and the price of the network token. If we experience a high volume of such staking requests from RHEU customers on an ongoing basis, we could incur significant costs. The technological complexity of staking mechanisms also introduces operational challenges both to us and our third- party provider, which could result in the loss of RHEU customer assets. Any of these risks could negatively impact our reputation, business, financial condition, and results of operations and discourage existing and future customers from utilizing our products and services. With Robinhood Wallet, our self- custody, web3 wallet, ~~customers-users~~ have sole access and control over their cryptocurrencies on certain networks and personally hold and maintain their private keys. Although we do not custody cryptocurrencies held in a ~~customer-user~~ 's Robinhood Wallet and do not have access to ~~customers-users~~ ' private keys, ~~customers-users~~ who lose their private keys, and thus access to their Robinhood Wallet ~~accounts-balances~~, may react negatively. Although our account agreements for Crypto Transfers and **licensing agreements for** Robinhood Wallet ~~disclaims-~~ **disclaim** responsibility for losses caused by ~~customer-user~~ errors, such incidents could result in ~~customer-user~~ 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-platforms~~ increases the risk that our ~~platform-platforms~~ might be exploited to facilitate illegal activity such as fraud, gambling, money laundering, tax evasion, and scams. Crypto Transfers, Robinhood Wallet, and Robinhood Connect 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 Crypto 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-platforms~~ 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, although such modifications might cause certain cryptocurrencies to fail our Crypto Listing ~~Framework-Frameworks~~. 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 " that resulted in the creation of new networks, including, among others, Bitcoin Cash, BSV, Bitcoin Diamond, Bitcoin Gold, Ethereum Classic, and Ethereum Proof- of- Work. 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 decide not to or not 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-platforms~~. 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 our Crypto Listing ~~Framework-Frameworks~~ (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. To the extent that we decide not to support, or to cease support of, certain forked cryptocurrencies, it could negatively impact customer sentiment and our business, operating results, and financial condition, especially to the extent that our competitors continue to support such forked cryptocurrencies on their platforms. 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-platforms** 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, market makers, **exchanges**, and liquidity providers 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, market makers, **exchanges** and liquidity providers 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-platforms** rely on direct settlements between us and our customers and direct settlements between us and our market makers, **exchanges** or liquidity providers 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 and liquidity providers 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, market makers, **exchanges** and liquidity providers (as well as maintaining the minimum capital required by regulators). If we, third- party banks, market makers, **exchanges** or liquidity providers 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-platforms** 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-platforms**, 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. For instance, in May 2023, two prominent market makers announced their respective decisions to limit their offerings in cryptocurrency trading within the United States. If we, **our exchanges** 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, if these banks impose significant operational restrictions, or if these banks were to fail or be taken over by the FDIC, such as occurred in the 2023 Banking Events, 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. We might also be harmed by the loss of any of our liquidity partners. Unlike our customers' orders for other cryptocurrencies, which are currently fulfilled by market makers, our **RHC** customers' orders for ~~USD coin~~ ("USDC"), a stablecoin backed by dollar denominated assets held by the issuer in segregated accounts with U. S. regulated financial institutions, are fulfilled directly from Circle Internet Financial, LLC ("Circle"), the original issuer and main liquidity provider of USDC. If in the future we decide to offer other stablecoins, which are cryptocurrencies designed to minimize price volatility, we may also work directly with other liquidity partners to fulfill those orders. If we cannot maintain sufficient relationships with Circle or any other liquidity providers, it could be difficult for us to find alternative liquidity partners for our stablecoin 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-platforms**. 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-platforms** 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 Our Spending and Payments Products and Services

Our spending and payments products and services subject us to risks related to bank partnerships, FDIC pass-through insurance and other regulatory obligations. We offer a Spending Account (in connection with a partnership with J. P. Morgan Chase Bank, N. A.), 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. 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. Additionally, Robinhood branded credit cards are issued by Coastal Bank, a Washington-chartered bank, pursuant to a partnership with Visa U. S. A. Inc. Our partner banks are members of the FDIC. We believe our record keeping for our users' funds held in Robinhood Cash Card accounts at Sutton and held in a Spending

Account at our other partner bank complies with all applicable requirements for each participating user's deposits to be eligible for FDIC pass-through 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' 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, we are subject to federal and state consumer protection laws and regulations, including the Electronic Fund Transfer Act and Regulation E as implemented by the CFPB. As a result of Robinhood Credit, we are also subject to **a number of state licensing and other regulatory requirements and to** payment card association operating rules, including data security rules and certification requirements, which could change or be reinterpreted to make it difficult or impossible for us to comply. **Robinhood Credit is in the process of acquiring licenses in all states where required to do so. Failure to obtain or maintain these licenses, failure to comply with these rules or requirements, or conducting such activity without a license**, as well as any breach, compromise, or failure to otherwise detect or prevent fraudulent activity involving our data security systems, could result in our being liable for card issuing banks' costs, and subject to **regulatory fines and higher transaction fees, penalties, or criminal charges. For example, in December 2024, Robinhood Credit paid a penalty of \$ 200, 000 to the Massachusetts Division of Banks for previously engaging in the business of a third party loan servicer in Massachusetts without the appropriate registration**. 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. ~~Offering Robinhood Credit increases our exposure to customer defaults and credit risk and could result in losses.~~ We market consumer credit cards, **such as the Robinhood Gold Card**, originated by our partner bank, Coastal Bank, pursuant to the Program Agreement, and indemnify Coastal Bank for certain losses under the Program Agreement. We partner with Coastal Bank to develop proprietary scoring models and other analytical techniques that are designed to set terms and credit limits to appropriately compensate for credit risk in connection with selecting customers, managing accounts and establishing terms and credit limits. The revenue generated from the Program Agreement **and the extent of credit losses incurred**, as well as **our ability to offer competitive features such as the extent of credit losses incurred Robinhood Gold Card Rewards Program**, depends in part on managing credit risk while attracting new customers with profitable usage patterns. The models and approaches used to manage credit risk may not accurately predict future charge-offs and our ability to avoid high charge-off rates also may be adversely affected by general economic conditions including unemployment, the availability of consumer credit and the competitive environment, as well as events that may be difficult to predict, such as a general downturn in economic conditions (like the one that occurred in 2022) or public health threats (like the COVID- 19 pandemic). ~~A~~ **Additionally, if any of these factors make it economically unfeasible for us to continue to offer the Robinhood Gold Card Rewards Program and we cease to offer such rewards, it might make Robinhood Credit products less desirable to customers. Any** material increase in credit losses and defaults **or inability to retain existing or attract new Robinhood Credit customers** could have adverse effects on our financial condition and results of operations. Use of our spending and payments services for illegal activities or improper purposes could harm our business. The highly automated nature of, and liquidity offered by, our spending and payments services to move money make us and our customers a target for illegal or improper uses, including scams and fraud directed at our stored value Spending Account, Robinhood Cash Card, and Robinhood Credit 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 Robinhood, 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 with respect to our spending and payments services, 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 spending and payments services 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 spending and payments services 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 or copyright 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 agreements relating to confidentiality and invention assignments, 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, **or marketing materials** 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 offer a different solution, 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 can be ambiguous, vague, or subject to various interpretations, especially given the absence of controlling case law in the U. S. or other courts. Additionally, we may open source some of our own proprietary source code and / or may make contributions to open source software. There is a risk that our proprietary software or contributions may be used in such a manner that we may need to enforce our rights to ownership of such open source software, including seeking proper usage, compliance with our license terms, or through litigation. Any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of license terms, or failure to enforce our ownership rights over the use of our proprietary source code 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 certain 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 use a combination of third-party insurance and self-insurance mechanisms, including a wholly owned captive insurance subsidiary. 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, 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 processing, operational, and technological failures. Furthermore, for certain lines of coverage, 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 material 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 tax liabilities. We are, and may in the future become, 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 have an adverse impact on our business, result of operations, financial condition and cash flows. Our determination of our tax liability is subject to review by applicable tax authorities. The determination of our tax liabilities requires significant judgment and, in the ordinary course of business, there are transactions and calculations where the ultimate tax determination is complex and uncertain. Although we believe our determinations are reasonable, the ultimate amount of our tax obligations owed might differ from the amounts recorded in our financial statements in the event of a review by applicable tax authorities and any such difference could have an adverse effect on our results of operations. Tax authorities might also disagree with certain positions we have taken or might take in the future, which could subject us to additional tax liabilities. Our corporate structure and associated transfer pricing policies also contemplate future growth in international markets, and consider the functions, risks, and assets of various entities involved in intercompany transactions. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. In addition, from time to time, proposals are introduced in the U. S. Congress and state legislatures, as well as by foreign governments, to impose new taxes on a broad range of financial transactions, including transactions that occur on our platform platforms, such as the buying and selling of stocks, derivative transactions, and cryptocurrencies. If enacted, such financial transaction taxes could increase the cost to customers of investing or trading on our platform platforms 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. 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. We also are subject to non- income taxes, such as payroll, sales, use, value- added, net worth, excise, goods and services, and property taxes in the United States and various foreign jurisdictions. Specifically, we might be subject to " digital service taxes" or new allocations of tax as a result of increasing efforts by certain jurisdictions to tax cross border activities that might not have been subject to tax under existing international tax principles. Companies such as ours could be adversely impacted by such taxes. Our ability to use our net operating losses to offset future taxable income could be subject to certain limitations. As of December 31, ~~2023~~ **2024**, we have **U. S. federal, state and non- U. S.** net operating loss carryforwards (" NOLs ") available to reduce future taxable income **subject to certain limitations**. ~~However, under~~ **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 . **In addition, there may be periods during which the use of NOLs is suspended or otherwise limited. For instance, for state income tax purposes, a California franchise tax law change limits the usability of California state NOLs to offset California taxable income in taxable years beginning on or after January 1, 2024 and before January 1, 2027.** For these reasons, we might not be able to utilize our NOLs, even if we maintain profitability. Our tax information reporting obligations are subject to change. Although we believe we are compliant with the tax reporting and withholding requirements with respect to our customers' transactions in the jurisdictions in which we operate, various U. S., state or foreign tax authorities might significantly change applicable tax reporting requirements or disagree with the exact application of new or existing requirements. If the taxing authorities determine that we are not in compliance with our tax reporting or withholding requirements with respect to customer asset transactions, we may be exposed to additional withholding obligations, which could increase our compliance costs and result in penalties. 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 Funded Customers, **AUC Assets Under Custody**, **Net Deposits**, and **MAU Gold Subscribers**, 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 Funded Customers (~~formerly 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~~ **platforms** ~~is~~ **are** 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. 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 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. 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 November 8, 2022 (the day that FTX halted all non- fiat customer withdrawals from its platform) the intra- day trading price of our Class A common stock fell as much as 18 %, and on December 14, 2022 (the day the December 2022 Rule Proposals were announced), the intra- day trading prices of our Class A common stock fell as much as 5.3 %. 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. 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 ; • 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; and • media coverage related to certain individuals and entities identified as having owned our stock, and any speculation related to plans to dispose of their holdings. 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 or sales of shares of our Class A common stock in the public market could result in significant dilution to our stockholders and such issuances or sales, or the perception that they may occur, could cause the trading price of our Class A common stock to fall. As of December 31, 2023-2024, our founders and their related entities hold approximately 15-14 % 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- **initial public offering (“ 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 **(as defined in Note 13- Common Stock and Stockholders' Equity to our consolidated financial statements in this Annual Report)** and for issuance under our Employee Share Purchase Plan **(“ 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.

There are no guarantees that we will repurchase shares under the Repurchase Program or that the Repurchase Program will result in increased shareholder value. On May 28, 2024, Robinhood announced that its board of directors approved a share repurchase program (the “ Repurchase Program ”) authorizing the Company to repurchase up to \$ 1 billion of its outstanding Class A common stock to return value to

shareholders. In July 2024, Robinhood began to execute on the Repurchase Program and as of December 31, 2024, has made share repurchases of \$ 257 million under the Repurchase Program. While the Repurchase Program does not have an expiration date, the Company's management continues to expect to complete the Repurchase Program over a period of two to three years. The timing and amount of repurchase transactions will be determined by the Company from time to time at its discretion based on its evaluation of market conditions, share price, and other factors, and repurchase transactions may be made using a variety of methods, such as open market share repurchases, including the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, or other financial arrangements or transactions. The Repurchase Program does not obligate the Company to acquire any particular amount of Class A common stock, and the Repurchase Program may be suspended or discontinued at any time at the Company's discretion. As a result, there is no guarantee with respect to the timing or amount of any future share repurchases, or that we will repurchase the full amount authorized under the Repurchase Program. Other factors, including changes in tax or securities laws, such as the U. S. Inflation Reduction Act of 2022 which imposes a corporate excise tax of 1 % on net stock repurchases, could also impact our stock repurchases. There are a number of ways in which the Repurchase Program could fail to result in enhanced shareholder value. For example, any failure to repurchase stock after we have announced our intention to do so may negatively impact the trading price of our Class A common stock. The existence of the Repurchase Program could also cause our stock price to trade higher than it otherwise would and could potentially reduce the market liquidity for our stock. The trading price of our Class A common stock could decline below the levels at which we repurchased shares and short- term stock price fluctuations could reduce the effectiveness of the Repurchase Program. Any announcement of a pause in, or termination of, the Repurchase Program may also result in a decrease in the trading price of our Class A common stock. Furthermore, there is no guarantee that our stock repurchases will be able to successfully mitigate the dilutive effect of the equity awards we grant to our employees. Additionally, repurchasing our Class A common stock will reduce the amount of cash, cash equivalents and marketable securities we have available to fund working capital, capital expenditures, capital preserving investments, strategic acquisitions or business opportunities, and other general corporate purposes, and there are no guarantees that the Repurchase Program will result in increased shareholder value. Furthermore, the timing and amount of any repurchases, if any, will be subject to liquidity, market and economic conditions, compliance with applicable legal requirements and other relevant factors. If we are unable to, or choose not to, repurchase shares under the Repurchase Program, this may have a negative impact on the perception of the Company as an investment opportunity by shareholders or investment analysts, which may in turn negatively impact the trading price 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 (" Founder Affiliates ") 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 Chair of our board of directors, 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 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). 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. 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. 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 of directors 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 **FCA Financial Conduct Authority**, which regulates our U. K. authorized broker-dealer subsidiary, 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 **of 1933, as amended (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.