



Robinhood Markets, Inc.

Earnings Presentation Third Quarter 2023

November 7, 2023

Disclaimers

This Presentation Relates to Robinhood's Broader Earnings Announcement Disclosures

This presentation accompanies the third quarter of 2023 earnings announcement webcast of Robinhood Markets, Inc. (including its consolidated subsidiaries, "we," "Robinhood," or the "Company") and should be read together with Robinhood's earnings announcement press release and Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (the "Q3 2023 10-Q"). Hyperlinks to our Q3 2023 10-Q, webcast, and press release can be found together with these slides on Robinhood's investor relations website at investors.robinhood.com.

Key Performance Metrics

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

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

This presentation includes financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Our non-GAAP financial measures include adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA"), Adjusted EBITDA Margin, Adjusted Operating Expenses, and Net Income (Loss) and Earnings Per Share ("EPS") Prior to a \$104M Regulatory Accrual Recorded in Q3 2023 (as defined in the Appendix). Definitions, explanations, and reconciliations to the most comparable GAAP financial measures can be found in the Appendix.

Cautionary Note Regarding Forward-Looking Statements

This presentation and the related webcast contain forward-looking statements regarding our expected financial performance and our strategic and operational plans, including (among others) statements regarding our 2023 roadmap; That we continue to innovate and scale recent launches, that we plan to make targeted growth investments in marketing and product launches including for the UK, Futures, and Credit Card; that we anticipate some short-term elevated legal expenses as we work to resolve historical matters; that we are well positioned to continue deploying capital; that we believe the strength of our balance sheet gives us the flexibility to run our business while investing for future growth; that we will continue to look to drive growth and shareholder value by allocating capital across organic growth, M&A, and shareholder returns; that following Q3 2023 earnings, MAUs will be reported on a quarterly basis; that we believe the need and opportunity for innovation in financial service outside the US is even greater than it is domestically; that we believe we can grow into one of the largest and most profitable financial companies in the world; that we believe very strongly that small groups of highly motivated and talented people can out-execute incumbents with over 10x the headcount and resources; that Robinhood becoming the most important financial relationship for a large portion of our customers will lead to a healthier and more diversified business; that we've got something special planned for Gold customers that you will hear more about this early next year; that we're getting closer to unveiling our futures offering, and we have been hard at work building what we believe is the best designed futures product, particularly on mobile; that we believe we have a real opportunity to expand the futures market, take share and build a nine figure revenue business over time; that we believe our business can evolve into one where the majority of our customer base is outside the U.S. in the years to come; that our customers in the UK will benefit from Robinhood 24 Hour Market and other platform enhancements; that Robinhood 24 Hour Market will be available in the UK at launch; that we'll launch brokerage operations in the UK in the coming weeks; that we look forward to eliminating commissions in the UK market, just like we did in the US; that we will also launch crypto trading in the EU in the coming weeks; that we have long-term potential to innovate for our customers, grow assets, gain market share, and continue to disrupt our industry; that we believe we have a good shot of delivering record annual revenue in 2023; that we're optimistic that the continued strength of customer net deposits and long term market appreciation will be a powerful tailwind for our business over time; that we want to serve more of our customers' financial needs, become #1 in Active Trading, and expand internationally; that we will continue to push on our fixed costs where we can; that we think we have a good path to higher levels of profitability over time, and we look forward to sharing our progress as we go; that if the current levels of securities lending and free credit balances continue, we anticipate Q4 net interest revenue will be roughly \$20 million lower than Q3 levels; that looking beyond Q4, we have a much more constructive outlook for Net Interest revenue, as we continue to attract customer cash and Net Deposits, enroll customers in Securities Lending, and prepare to grow our credit card business; that we are planning for Q4 Adjusted Opex in the range of \$375 to \$395 million, which slightly lowers the midpoint of our full-year outlook and brings our 2023 Adjusted Opex range to \$1.435 to \$1.455 billion and that this full-year outlook has us on track to save around \$75 million from our 2022 level; that as we scale our business over the coming years, we are focused on driving SBC closer to 10% of revenue; that looking ahead to Q4, we're lowering our 2023 SBC outlook again by an additional \$50 million and that our updated outlook for full-year 2023 SBC is a range of \$860 to \$880 million, which implies a Q4 range of \$70 to \$90 million; that we believe we have a huge opportunity ahead of us; and that we believe we can deliver new capabilities and enhance customer experience while producing great financial outcomes for our shareholders, as well as other statements about our FY 2023 financial outlook. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "believe," "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "estimate," "predict," "potential" or "continue" or the negative of these words or similar expressions that concern our expectations, strategy, plans or intentions. Our forward-looking statements are subject to a number of known and unknown risks, uncertainties, assumptions, and other factors that may cause our actual future results, performance, or achievements to differ materially from any future results expressed or implied in this presentation and the related webcast. Reported results should not be considered an indication of future performance. Factors that contribute to the uncertain nature of our forward-looking statements include, among others: our limited operating experience at our current scale; the difficulty of managing our business effectively, including the size of our workforce, and the risk of continued declining or negative growth; the fluctuations in our financial results and key metrics from quarter to quarter; our reliance on transaction-based revenue, including payment for order flow ("PFOF"), and the risk of new regulation or bans on PFOF and similar practices; our exposure to fluctuations in interest rates and rapidly changing interest rate environments; the difficulty of raising additional capital (to provide liquidity needs and support business growth and objectives) on reasonable terms, if at all; the need to maintain capital levels required by regulators and self-regulatory organizations; the risk that we might mishandle the cash, securities, and cryptocurrencies we hold on behalf of customers, and our exposure to liability for processing, operational, or technical errors in clearing functions; the impact of negative publicity on our brand and reputation; the risk that changes in business, economic, or political conditions that impact the global financial markets, or a systemic market event, might harm our business; our dependence on key employees and a skilled workforce; the difficulty of complying with an extensive, complex, and changing regulatory environment and the need to adjust our business model in response to new or modified laws and regulations; the possibility of adverse developments in pending litigation and regulatory investigations; the effects of competition; our need to innovate and invest in new products and services in order to attract and retain customers and deepen their engagement with us in order to maintain growth; our reliance on third parties to perform some key functions and the risk that processing, operational or technological failures could impair the availability or stability of our platform; the risk of cybersecurity incidents, theft, data breaches, and other online attacks; the difficulty of processing customer data in compliance with privacy laws; our need as a regulated financial services company to develop and maintain effective compliance and risk management infrastructures; the volatility of cryptocurrency prices and trading volumes; the risk that our platform and services could be exploited to facilitate illegal payments; and the risk that substantial future sales of Class A common stock in the public market, or the perception that they may occur, could cause the price of our stock to fall. Because some of these risks and uncertainties cannot be predicted or quantified and some are beyond our control, you should not rely on our forward-looking statements as predictions of future events. More information about potential risks and uncertainties that could affect our business and financial results can be found in Part II, Item 1A of our Q3 2023 10-Q, as well as in our other filings with the Securities and Exchange Commission ("SEC"), all of which are available on the SEC's web site at www.sec.gov. Moreover, we operate in a very competitive and rapidly changing environment; new risks and uncertainties may emerge from time to time, and it is not possible for us to predict all risks nor identify all uncertainties. The events and circumstances reflected in our forward-looking statements might not be achieved and actual results could differ materially from those projected in the forward-looking statements. Except as otherwise noted, all forward-looking statements in this presentation are made as of the date of this presentation and the related webcast, November 7, 2023, and are based on information and estimates available to us at this time. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Except as required by law, Robinhood assumes no obligation to update any of the statements in this presentation and the related webcast whether as a result of any new information, future events, changed circumstances, or otherwise. You should view this presentation and the related webcast with the understanding that our actual future results, performance, events, and circumstances might be materially different from what we expect.

Trademarks

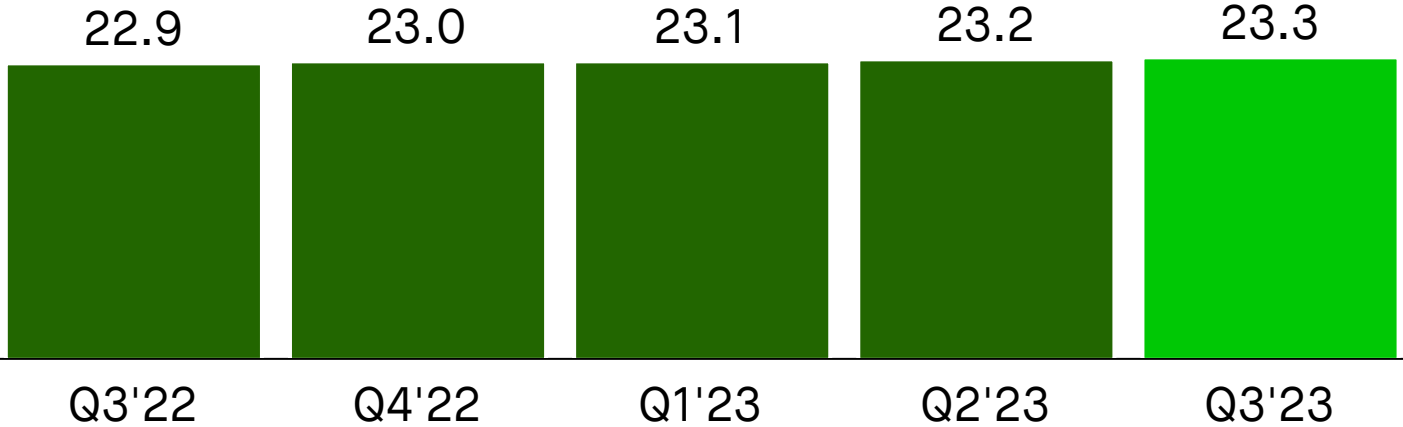
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Q3 2023 Business Results Highlights

Net Cumulative Funded Accounts (NCFA)*

in millions

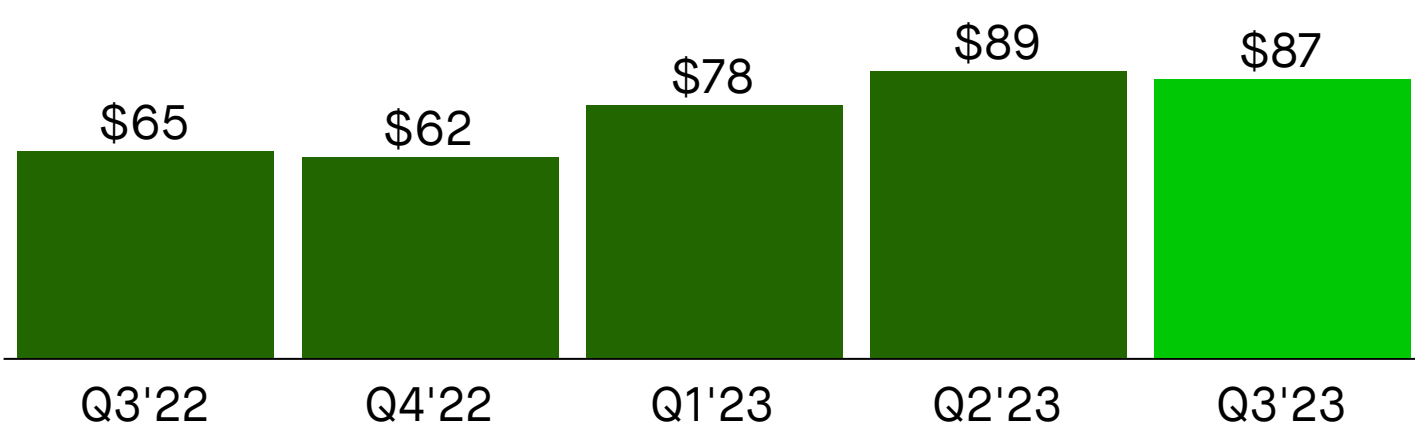
+360k year-over-year +120k sequential



Assets Under Custody (AUC)

in billions

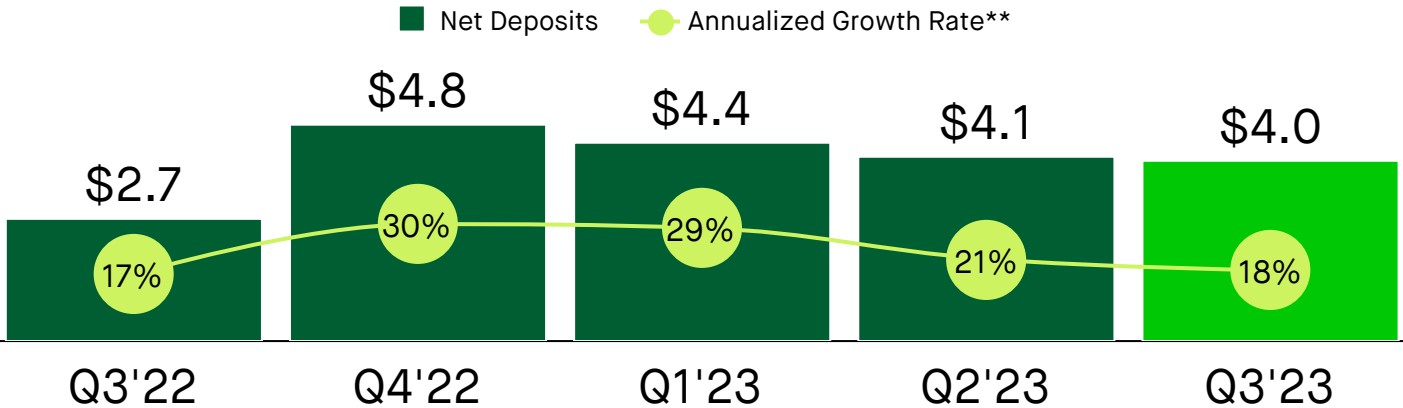
+34% year-over-year (2%) sequential



Net Deposits

in billions

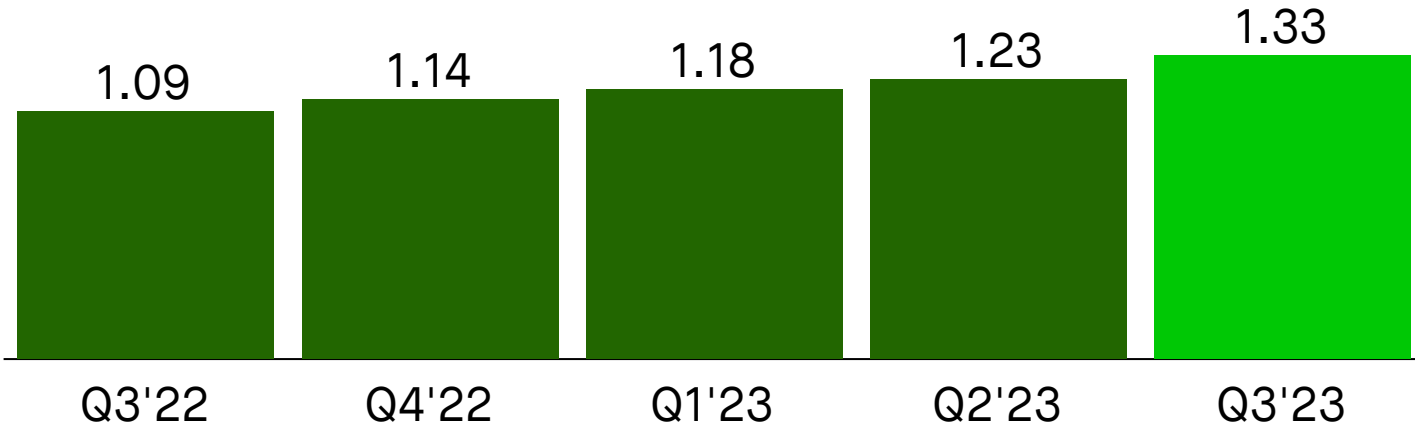
\$17.3B LTM 27% LTM growth



Gold Subscribers

in millions

+240k year-over-year +100k sequential

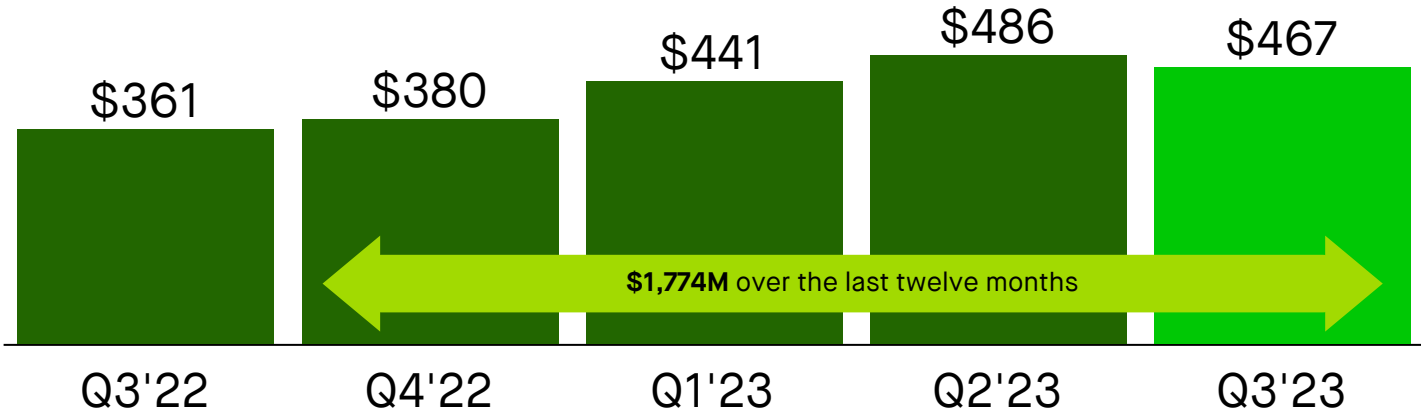


Q3 2023 Financial Results Highlights

Total Net Revenues

in millions

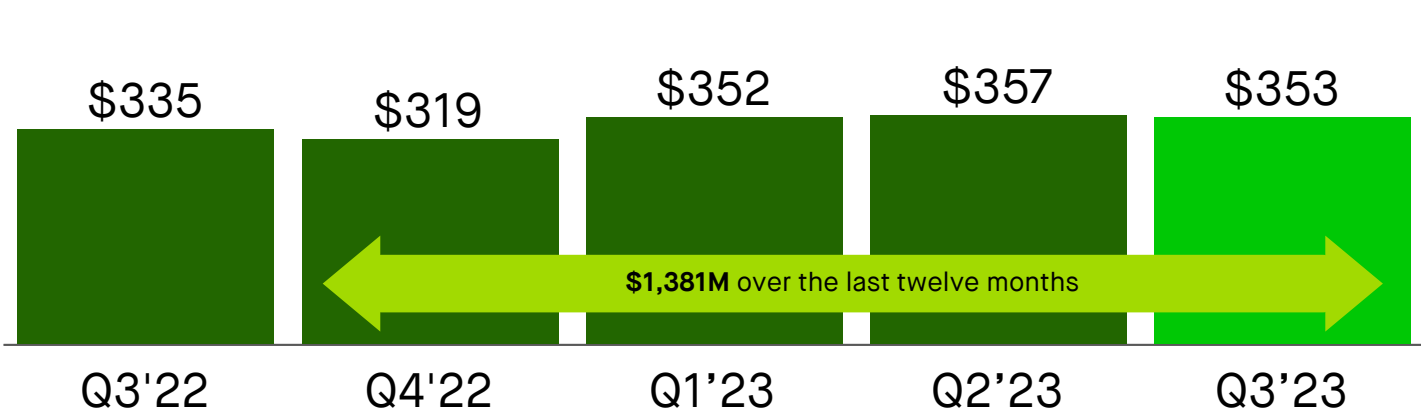
+29% year-over-year (4%) sequential



Adjusted Operating Expenses

in millions

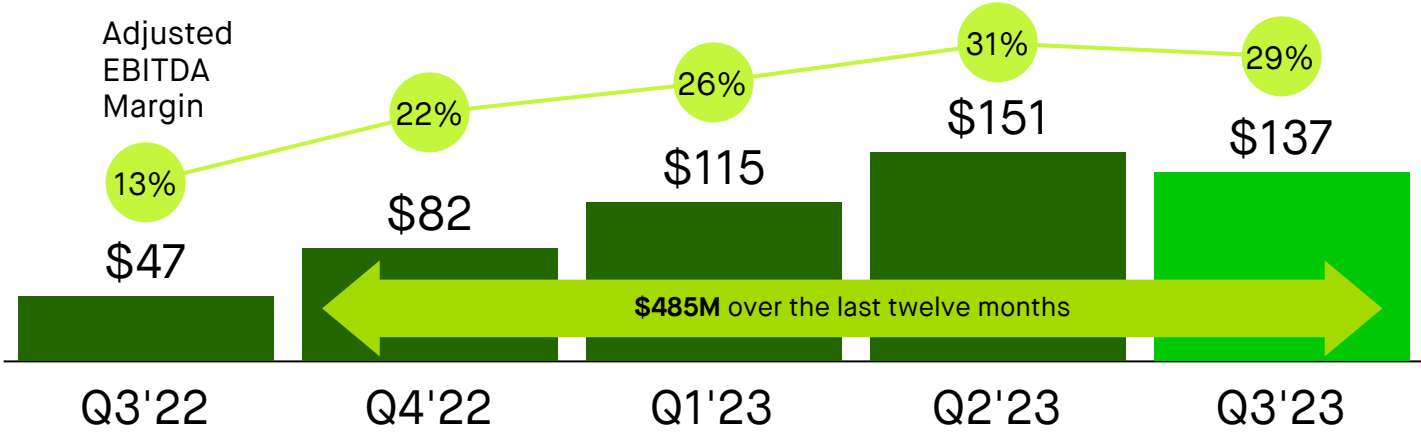
+5% year-over-year (1%) sequential



Adjusted EBITDA

in millions

+191% year-over-year (9%) sequential



Net Income (Loss)

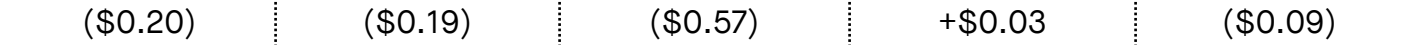
in millions

+\$90 year-over-year (\$110) sequential



Earnings per Share (EPS)

+\$0.11 year-over-year (\$0.12) sequential



We continue to deliver on our aggressive roadmap

- Brokerage
- Crypto
- Money
- Corporate Events



Robinhood Announces Sherwood Media, LLC

January



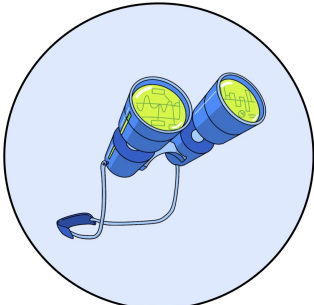
Robinhood Wallet available to iOS customers globally

March



Introducing Robinhood Connect

April



Stock Screeners available to all customers

May



The Robinhood 24 Hour Market is Here¹

May



Robinhood Signs Agreement to Acquire X1²

June



Higher yields on Gold cash sweep³

July



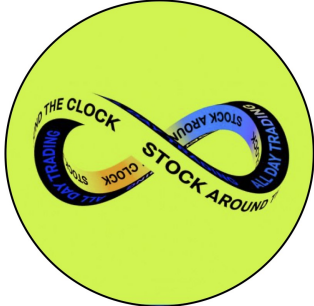
Higher Retirement match for Gold customers

August



Robinhood Wallet adds support for Bitcoin and Dogecoin, enables Ethereum swaps

August



New symbols added to 24 Hour Market⁴

September

Q1'23

Q2'23

Q3'23

(1) Robinhood 24 Hour Market was made available to 100% of customers in July 2023.
 (2) X1 transaction closed on July 3, 2023 for ~\$104 million in cash, comprised of an estimated entity value of ~\$90 million and net cash of ~\$14 million.
 (3) Up to 4.90% from 4.65%.
 (4) Added 9 symbols in August 2023 and 43 in September 2023, bringing total to 95 symbols.

We have delivered several products in 2023 and continue to innovate and scale recent launches

2023 Roadmap

Deeper Relationships

- Retirement ✓
- Gold ✓
- Credit Card¹ ✓
- Advisory

Active Traders

- Stock Screeners ✓
- 24 Hour Market ✓
- Futures

New Growth Opportunities

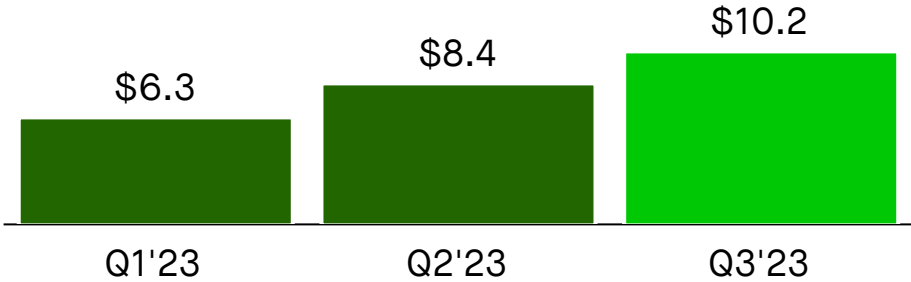
- Robinhood Connect ✓
- Robinhood Wallet ✓
- Sherwood Media ✓
- UK Expansion

Continued innovation and scaling of recent product launches

Fully Paid Securities Lending

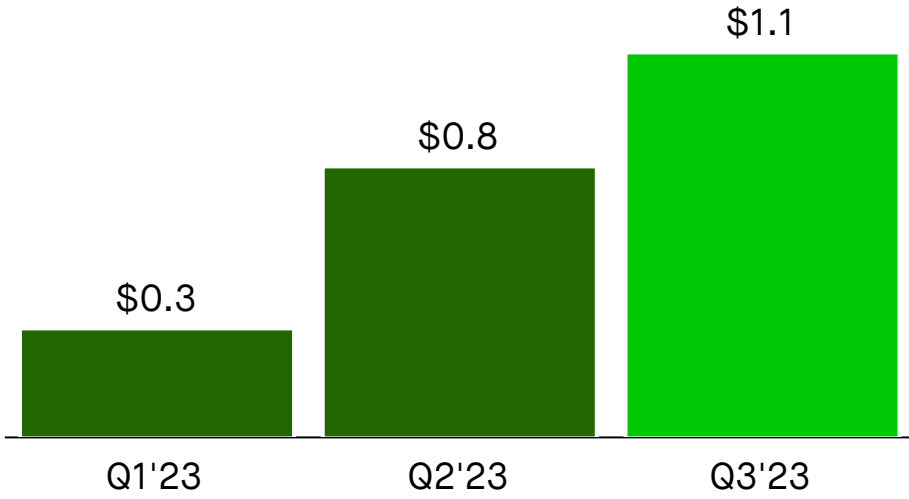
~\$55M annualized Q3 net revenue²

Enrolled Equity AUC *end of period, in billions*



Retirement AUC

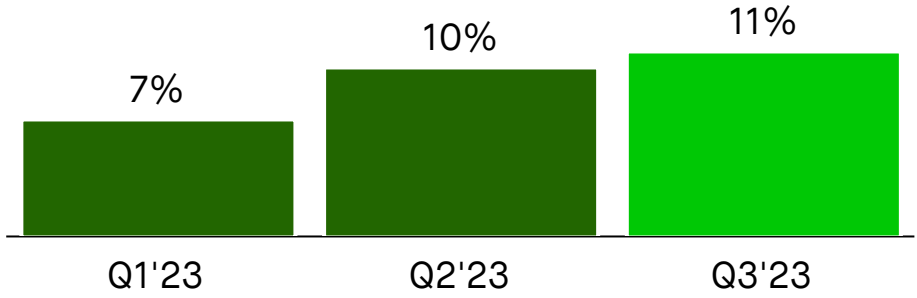
end of period, in billions



Instant Withdrawals

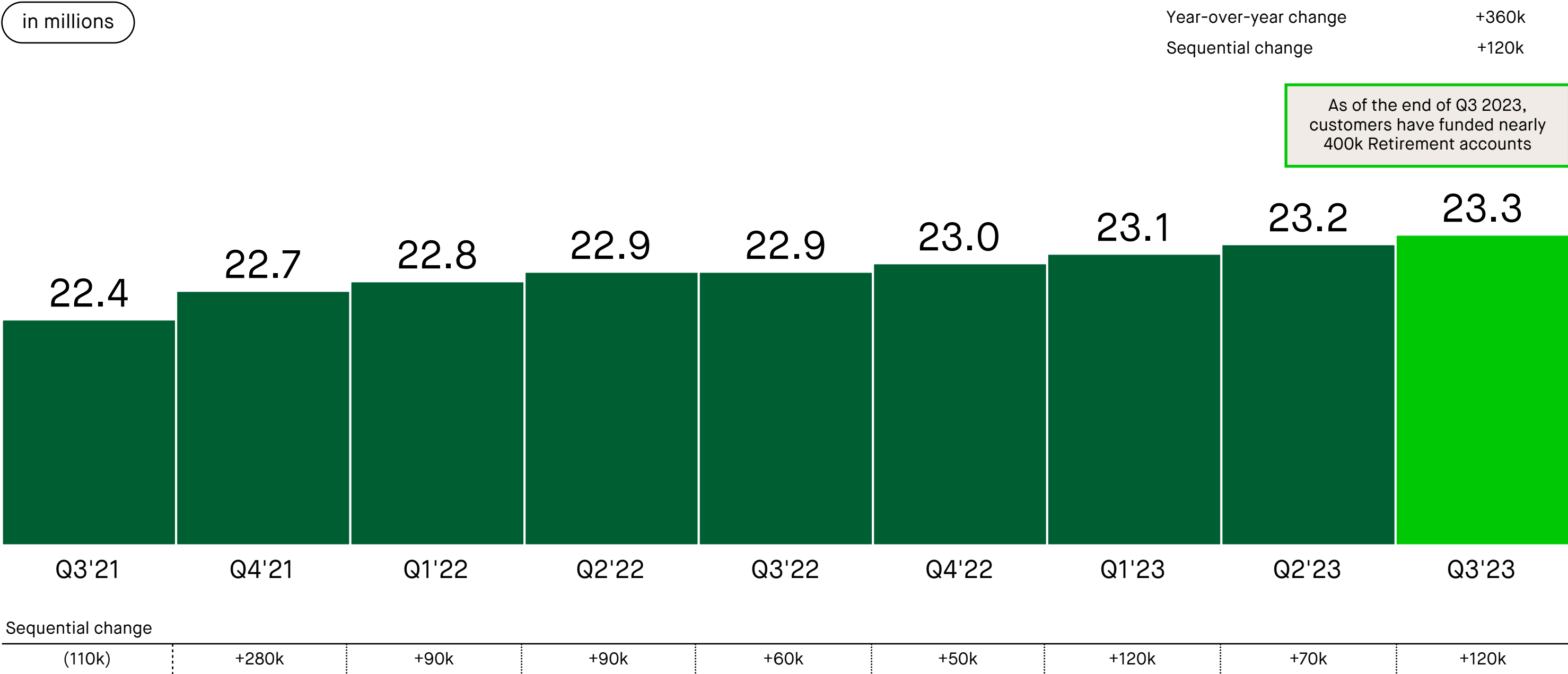
~\$40M annualized Q3 revenue²

Share of total withdrawals³



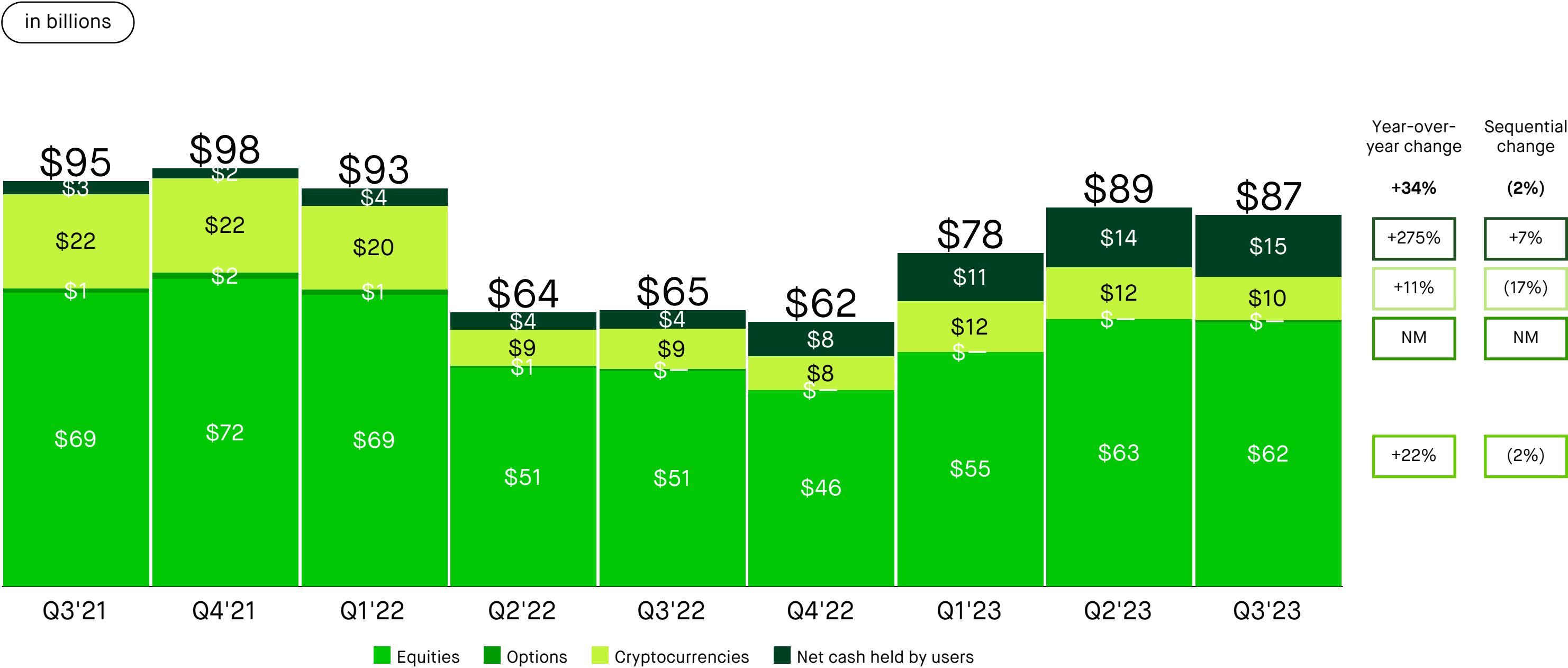
(1) Acquired X1 (now "Robinhood Credit") in a transaction closed on July 3, 2023 for ~\$104 million in cash, comprised of an estimated entity value of ~\$90 million and net cash of ~\$14 million.
 (2) Annualized Q3 revenue = Q3 2023 revenue x 4.
 (3) Defined as instant withdrawal volumes / total withdrawal volumes.

Net Cumulative Funded Accounts (NCFA)¹ increased by ~360 thousand year-over-year to 23.3 million in Q3

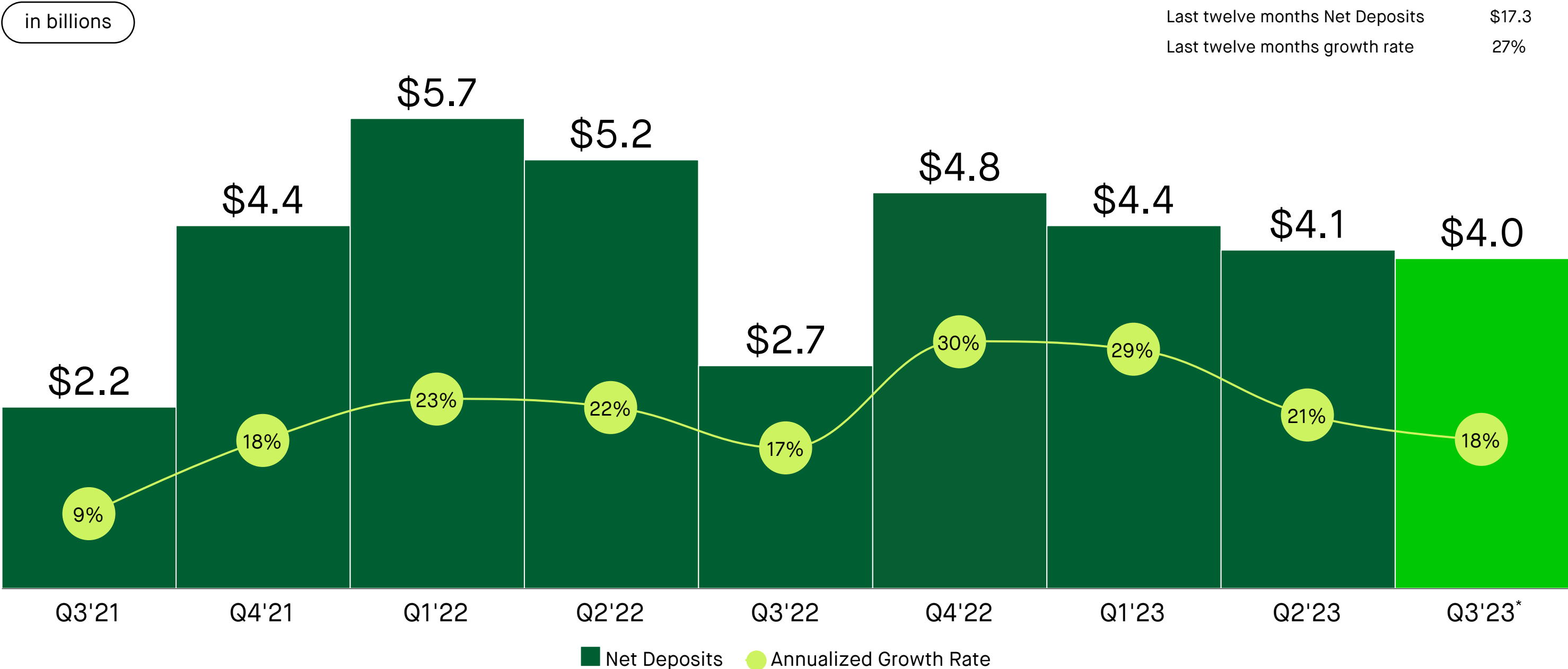


(1) Net Cumulative Funded Accounts (NCFA) only includes unique users and does not reflect existing customers opening multiple accounts, including Retirement accounts. Q3 2023 reflects ~30k additional NCFA as a result of the acquisition of X1 (now "Robinhood Credit"). Please refer to the Appendix for full definition.

Assets Under Custody (AUC) increased 34% year-over-year to \$87 billion in Q3, primarily due to continued Net Deposits and higher equity valuations

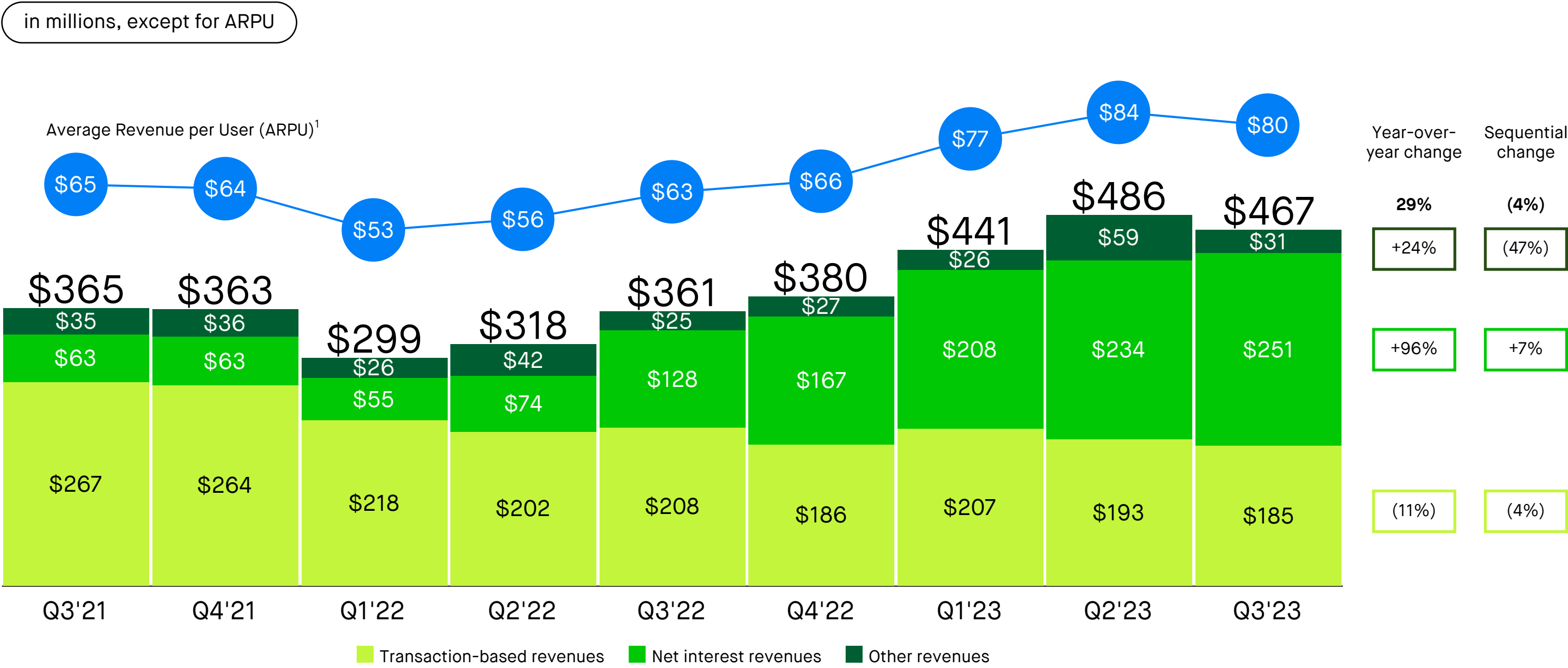


Net Deposits annualized growth rate was 18% in Q3 and 27% over the last twelve months

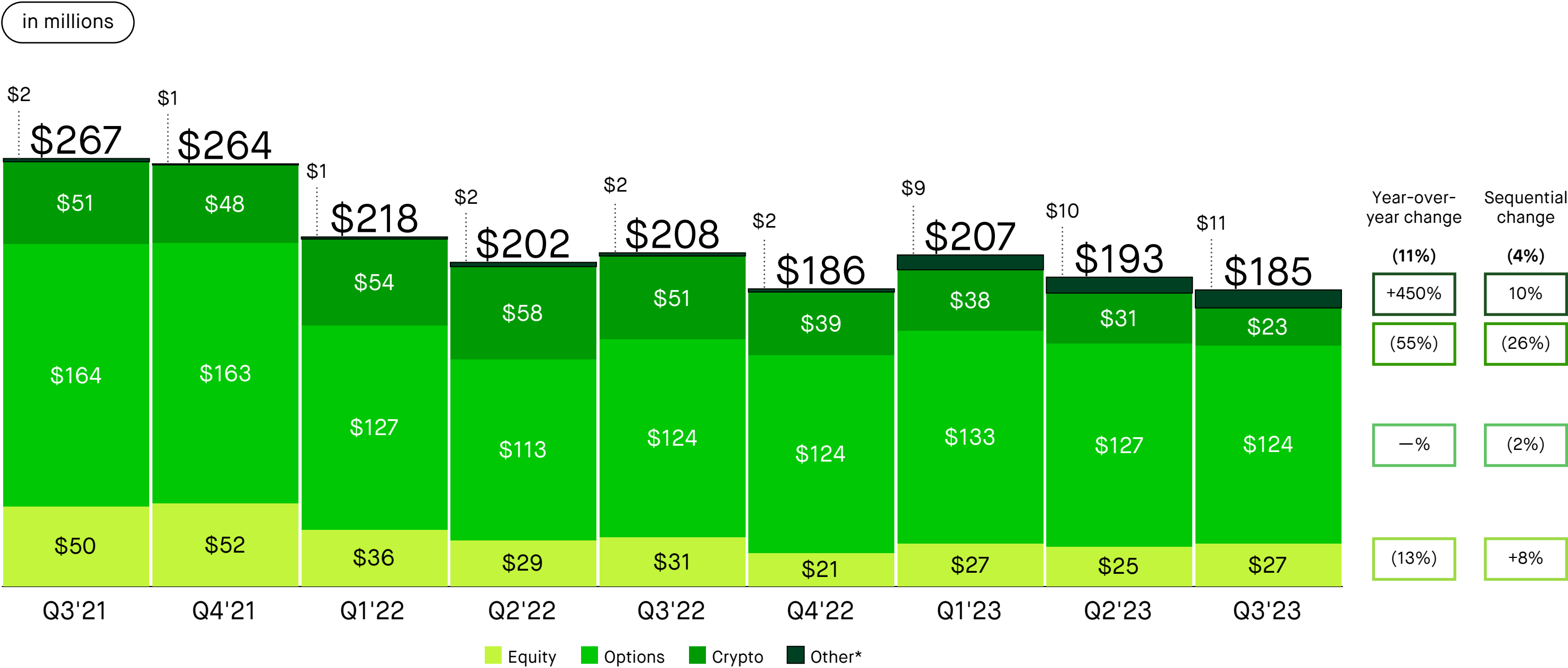


* Q3 2023 Net Deposits of \$4.0B included the net effect of ~\$375M ACATS In and ~\$420M ACATS Out. Automated Customer Account Transfer Service ("ACATS") is a system that automates and standardizes procedures for the transfer of assets in a customer account from one brokerage firm and/or bank to another. Refer to definitions in the Appendix for details on growth rate calculations.

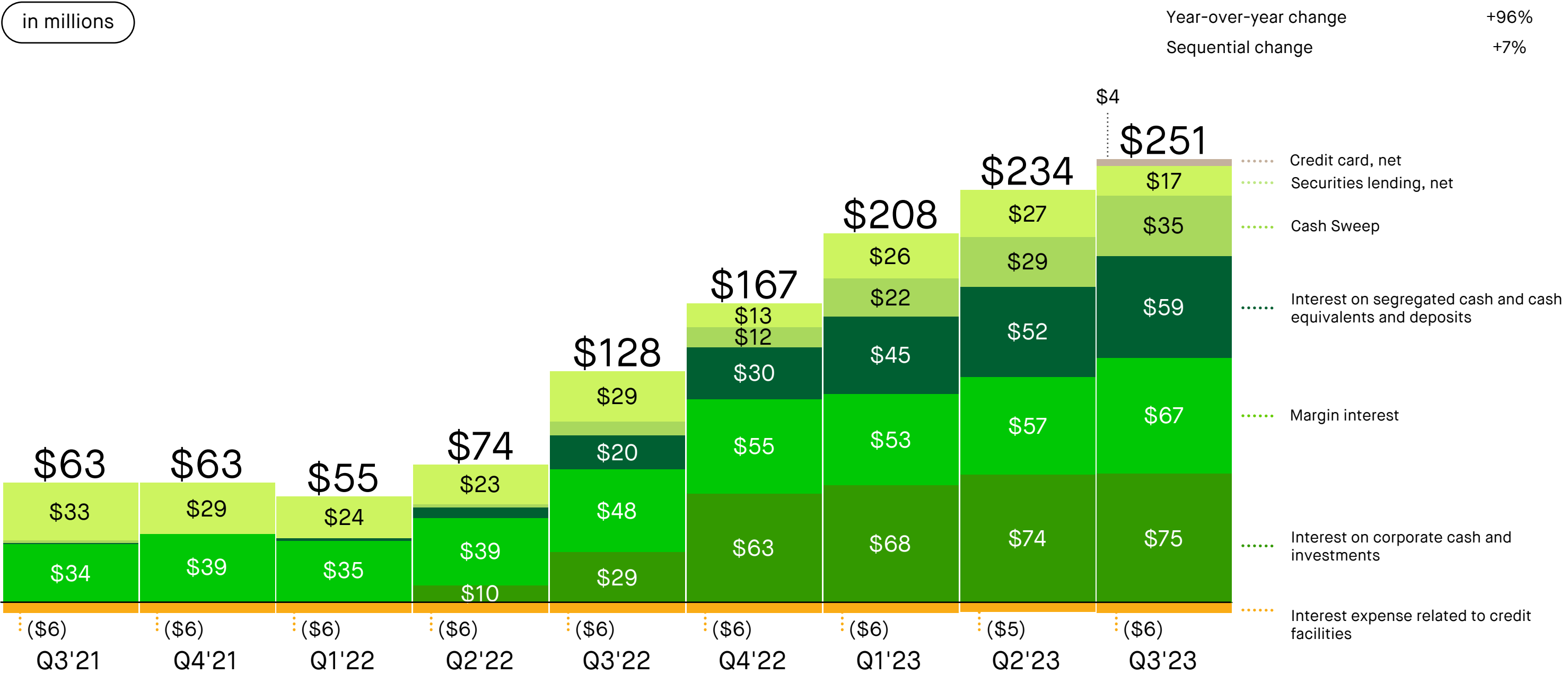
Total net revenues were up 29% year-over-year to \$467 million in Q3, and ARPU was \$80



Transaction-based revenues were down 11% year-over-year to \$185 million in Q3, primarily due to lower crypto notional volumes



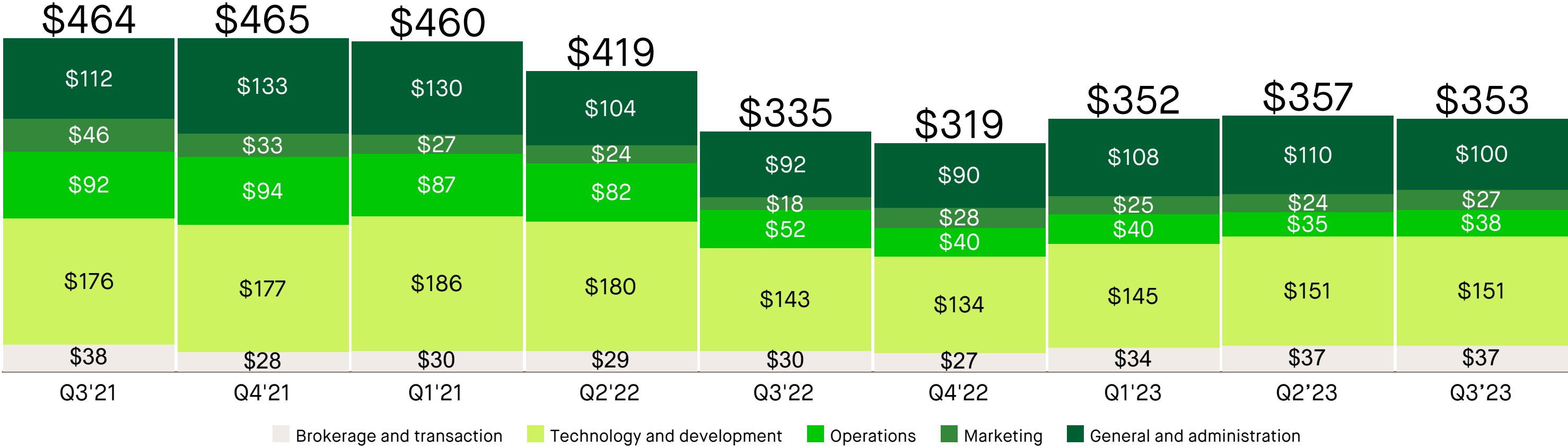
Net interest revenues were up 96% year-over-year to \$251 million in Q3



Adjusted Operating Expenses increased 5% year-over-year to \$353 million in Q3

in millions

Year-over-year change +5%
Sequential change (1%)

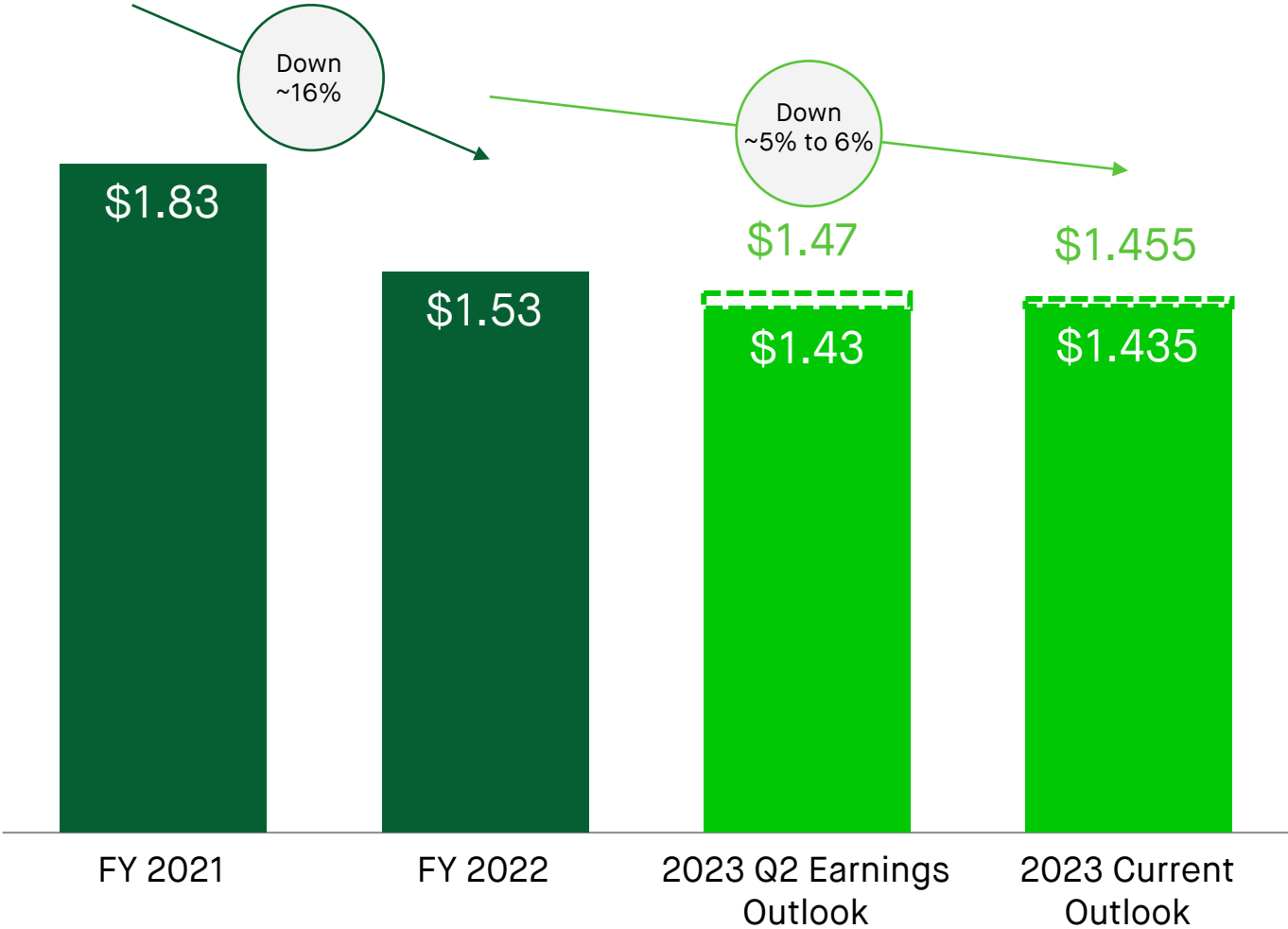


Share-based compensation*

\$1,244 \$318 \$220 \$164 \$110 \$160 \$598 \$109 \$83

We are lowering our full-year 2023 outlook for Adjusted Operating Expenses as a result of continued expense progress

Adjusted Operating Expenses *in billions*

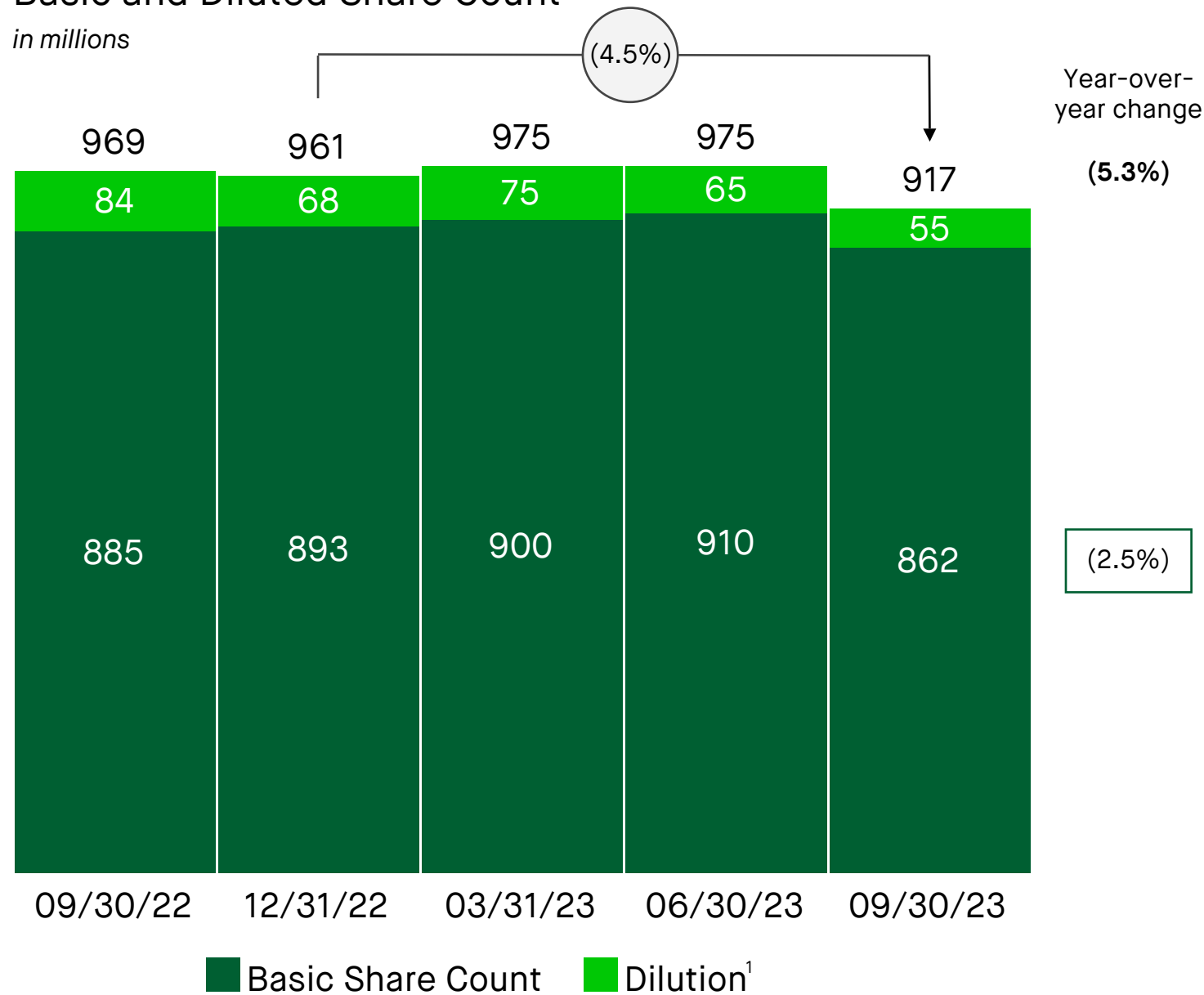


- Our prior full-year 2023 outlook for Adjusted Operating Expenses (previously Operating Expenses prior to SBC) was ~\$1.43 to ~\$1.47 billion.
- Q3 Adjusted Operating Expenses of \$353 million came in below our outlook range as a result of our continued expense progress.
- In Q4, we are planning for Adjusted Operating Expenses in the range of ~\$375 million to ~\$395 million.
- This lowers the midpoint of our full-year 2023 Adjusted Operating Expenses outlook range by \$5 million, which moves to ~\$1.435 billion to ~\$1.455 billion.

Diluted share count has decreased by more than 4% YTD as we continue to closely manage share-based compensation and purchased 55M+ shares in Q3

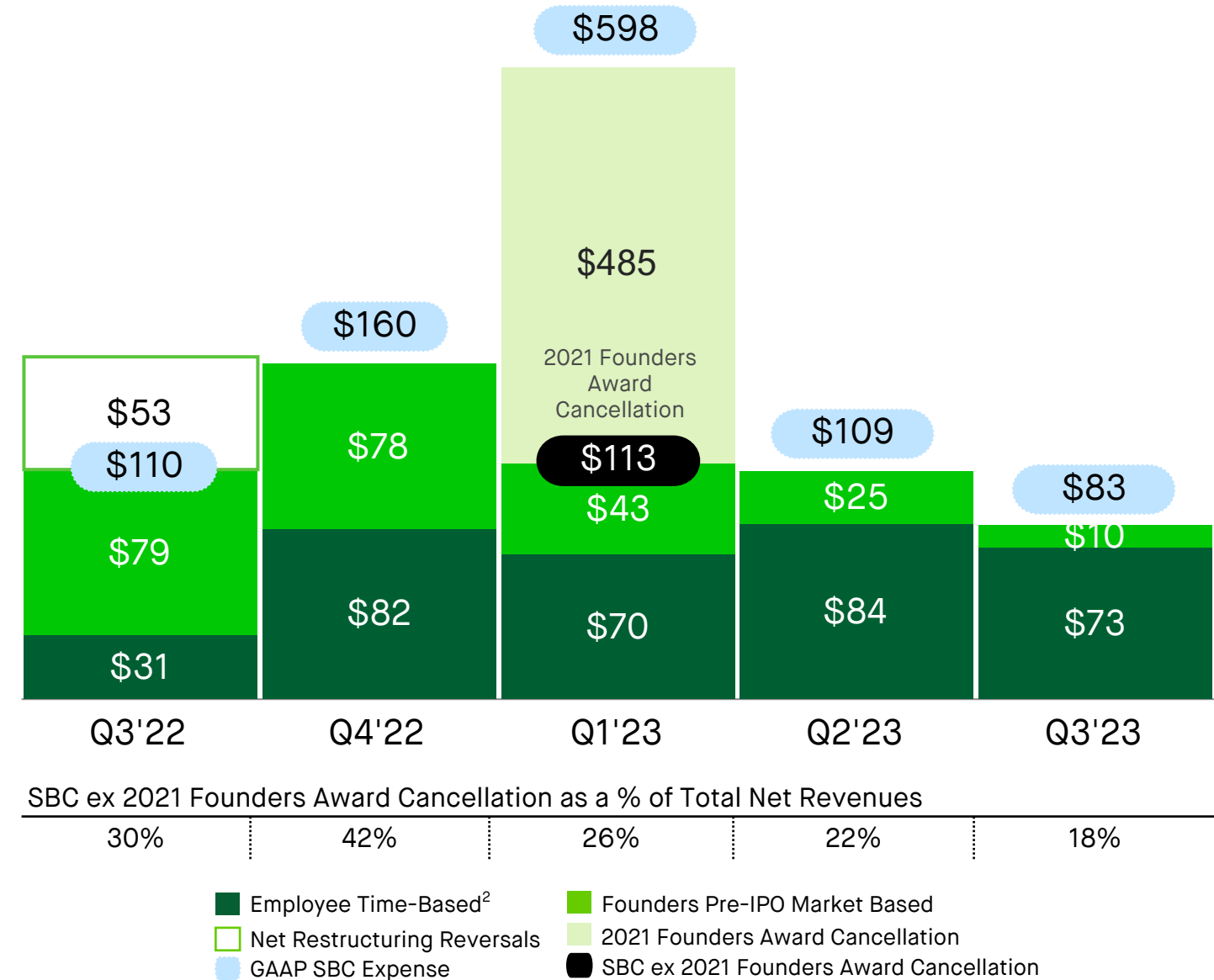
Basic and Diluted Share Count

in millions



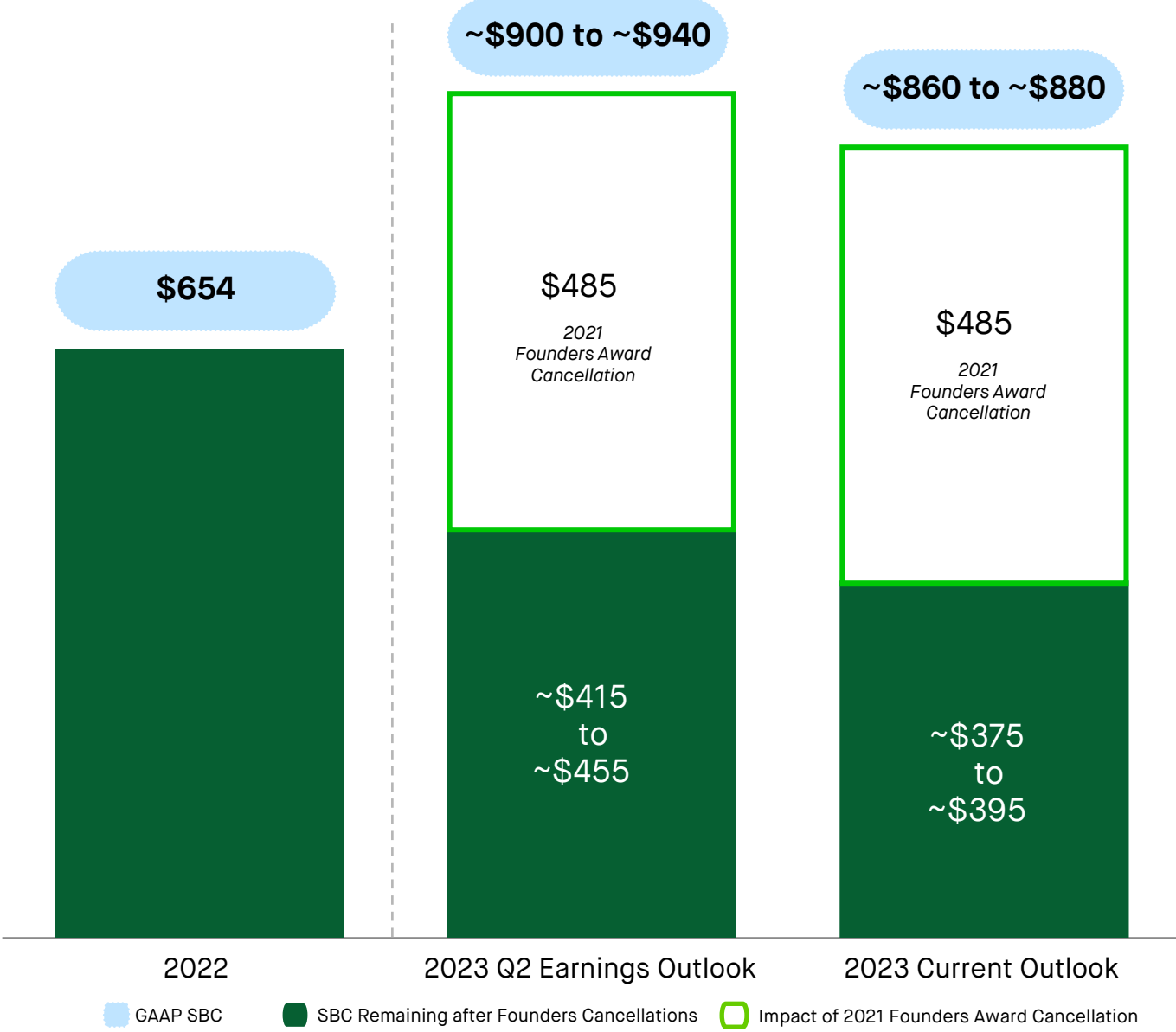
Share-Based Compensation Expense

in millions



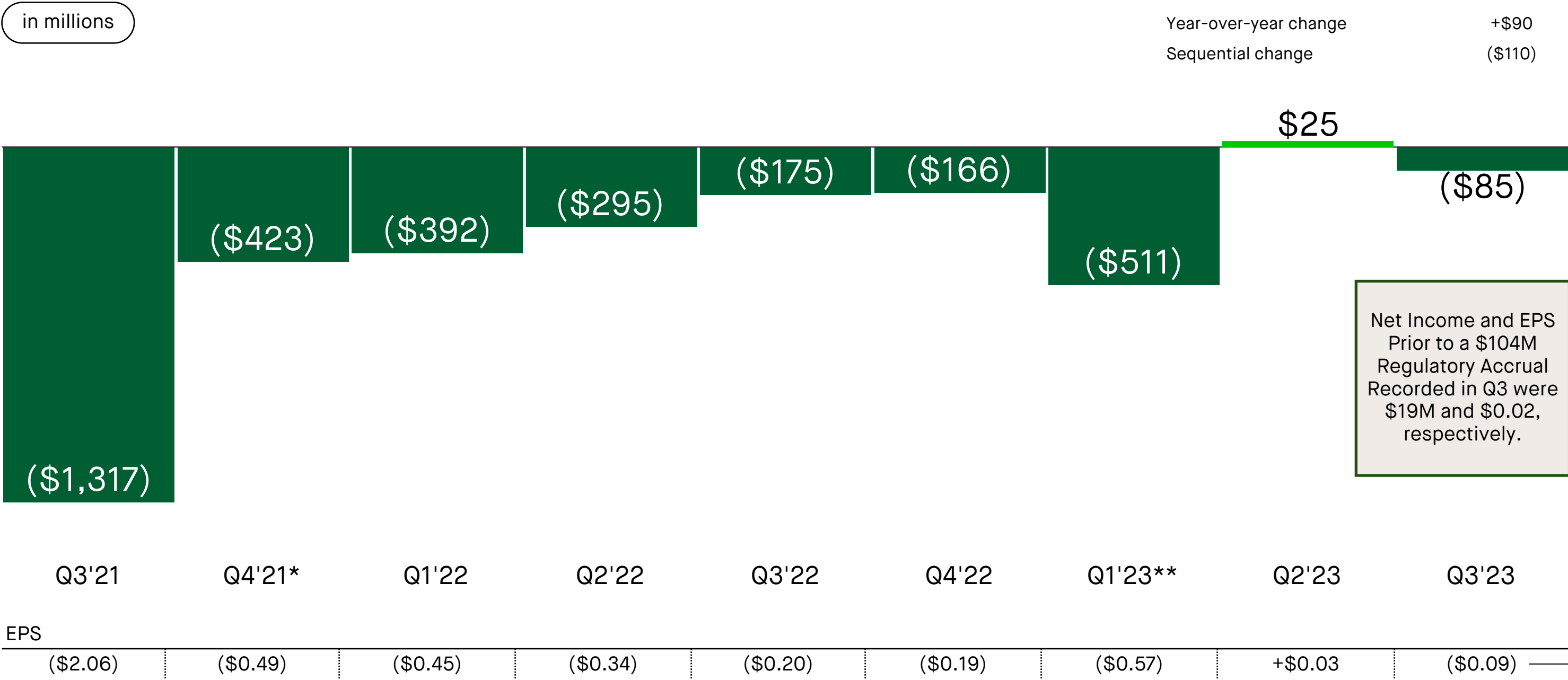
We are lowering our outlook for full-year 2023 share-based compensation expense once again as we continue to get more efficient and drive SBC lower

Share-Based Compensation Expense in millions



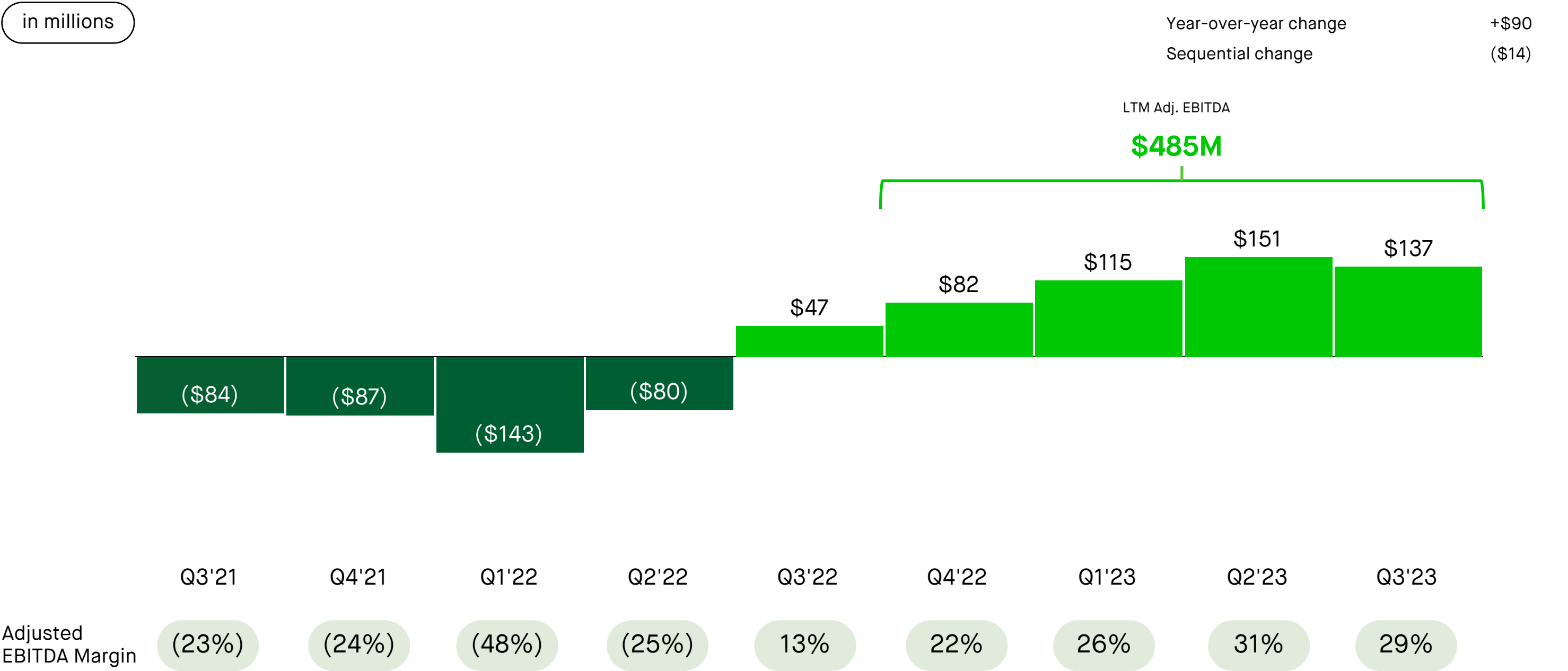
- Our original full-year 2023 SBC outlook (provided at Q4 2022 Earnings) was ~\$955 to ~\$1,035 million. This included the 2021 Founders Award Cancellation (\$485 million) that would lower SBC by up to \$50 million per quarter starting in Q2 2023.
- We've continued to get more efficient throughout the year. As such, we are lowering our SBC guidance by an additional \$50 million, a total improvement of \$125M from our initial full-year 2023 outlook.
- We now expect full-year 2023 SBC to be in the range of ~\$860 to ~\$880 million, which implies a range of ~\$70 to ~\$90 million for the fourth quarter of 2023.

GAAP net loss was \$85 million in Q3; Net income prior to a \$104M regulatory accrual was \$19M



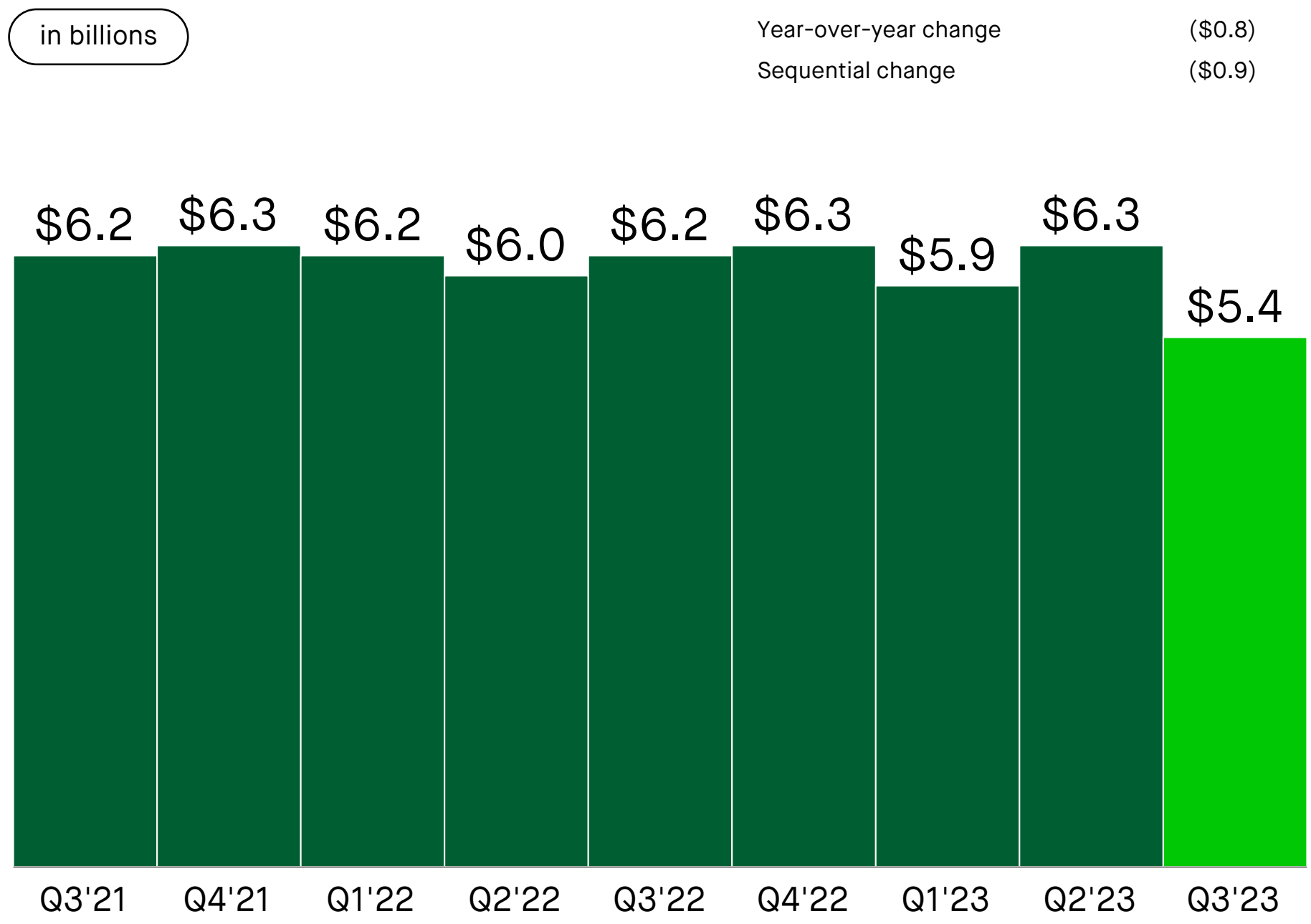
* Q3 2021 included losses of \$25 million for changes in fair value of our convertible notes and warrant liability due to mark-to-market adjustments. Q3 2021 also included \$1,245 million in share-based compensation of which \$1,008 million was recognized upon our IPO.
 ** Q1 2023 included \$485 million charge related to the 2021 Founders Award Cancellation.
 Net Income Prior to a \$104M Regulatory Accrual Recorded in Q3 and EPS Prior to a \$104M Regulatory Accrual Recorded in Q3 are non-GAAP financial measures. Refer to the Appendix for the reconciliations of Net Income Prior to a \$104M Regulatory Accrual in Q3 and EPS Prior to a \$104M Regulatory Accrual in Q3 to the most directly comparable GAAP measures, net income (loss) and earnings per share.

Adjusted EBITDA was \$137 million in Q3 and \$485 million over the last twelve months; Adjusted EBITDA Margin increased 16 points year-over-year to 29%



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

- Our balance sheet remains strong with over \$5 billion of corporate cash and investments* today, as well as ~\$3 billion in available lines of credit
- We believe the strength of our balance sheet gives us the flexibility to run our business while investing for future growth
- We will continue to look to drive growth and shareholder value by allocating capital across:
 - Organic growth
 - M&A
 - Shareholder returns
- In Q3 2023, we deployed capital into both M&A and shareholder returns:
 - **Acquired X1** for \$104 million
 - **Purchased 55M+ shares** of our stock for \$606 million



Appendix

September 2023 Monthly Metrics

Robinhood Markets, Inc. and consolidated subsidiaries
 Monthly Metrics Report for September 2023
 (unaudited)



(M - in millions, B - in billions)

	2022					2023								Change		
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Mo	Yr
User Growth (M)																
Net Cumulative Funded Accounts (NCFA) ¹	22.9	22.9	22.9	23.0	23.0	23.0	23.1	23.1	23.1	23.1	23.2	23.2	23.2	23.3	—%	2%
Engagement (M)																
Monthly Active Users (MAU)	13.3	12.2	12.5	12.5	11.4	12.0	12.0	11.8	11.5	10.6	10.8	11.0	10.6	10.3	(3%)	(16%)
Assets Under Custody (AUC) (\$B)																
Total AUC	\$71.0	\$64.6	\$70.2	\$70.2	\$62.2	\$74.7	\$74.7	\$78.4	\$77.4	\$81.8	\$88.8	\$94.5	\$89.7	\$86.5	(4%)	34%
Net Deposits	\$0.8	\$1.3	\$1.6	\$1.7	\$1.6	\$1.4	\$1.5	\$1.5	\$1.4	\$1.6	\$1.0	\$1.4	\$1.6	\$1.0	NM	NM
Trading																
Trading Days (equities and options)	23	21	21	21	21	20	19	23	19	22	21	20	23	20	(13%)	(5%)
Total Trading Volumes																
Equity (\$B)	\$66.0	\$46.5	\$46.7	\$44.7	\$38.6	\$46.0	\$57.3	\$56.8	\$38.9	\$49.4	\$66.9	\$69.2	\$59.8	\$44.2	(26%)	(5%)
Options contracts (M)	89.9	78.2	78.7	81.8	75.3	82.9	89.4	100.1	75.3	97.5	110.5	106.1	107.3	87.3	(19%)	12%
Crypto (\$B)	\$5.3	\$3.6	\$3.5	\$5.7	\$1.9	\$3.7	\$3.5	\$3.9	\$3.7	\$2.1	\$3.3	\$3.4	\$2.2	\$1.2	(45%)	(67%)
Daily Average Revenue Trades (DARTs) (M)																
Equity	1.6	1.5	1.3	1.3	1.4	1.5	1.6	1.6	1.4	1.5	1.7	1.7	1.5	1.5	—%	—%
Options	0.6	0.5	0.6	0.6	0.5	0.6	0.7	0.6	0.5	0.6	0.7	0.7	0.6	0.6	—%	20%
Crypto	0.3	0.3	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	(50%)	(67%)
Customer Margin and Cash Sweep Balances (\$B)																
Margin Book	\$4.2	\$4.1	\$3.8	\$3.5	\$3.1	\$3.0	\$3.3	\$3.1	\$3.1	\$3.1	\$3.3	\$3.4	\$3.5	\$3.6	3%	(12%)
Total Cash Sweep	\$2.6	\$3.0	\$3.8	\$5.0	\$5.8	\$7.1	\$8.0	\$8.9	\$9.6	\$11.2	\$11.9	\$12.7	\$13.3	\$13.6	2%	353%
Gold	N/A	\$1.5	\$2.5	\$3.9	\$4.8	\$6.0	\$7.1	\$8.0	\$8.8	\$10.4	\$11.1	\$11.9	\$12.6	\$12.9	2%	760%
Non-Gold	N/A	\$1.5	\$1.4	\$1.1	\$1.0	\$1.1	\$1.0	\$0.9	\$0.8	\$0.8	\$0.8	\$0.8	\$0.7	\$0.7	—%	(53%)

See Appendix for definitions.

(1) September 2023 reflects ~30k additional NCFA as a result of the acquisition of X1 (now "Robinhood Credit"). Please refer to the appendix for full definition.

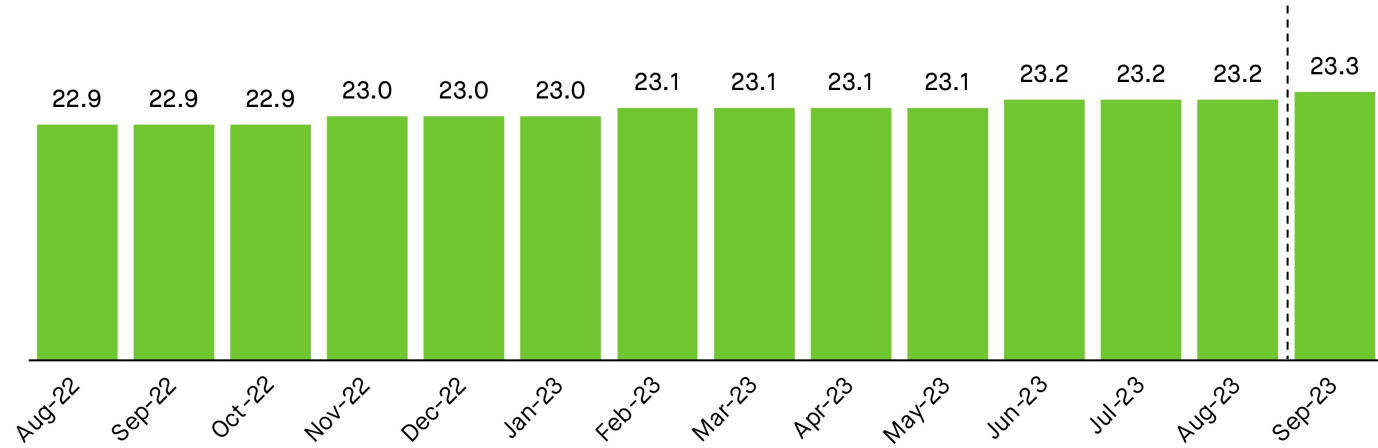
Monthly percentage change represents the most recent calendar month as compared to the immediately preceding calendar month. Yearly percentage change represents the most recent calendar month as compared to the same month of the prior year.

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

September 2023 Monthly Metrics Dashboard (1 of 2)

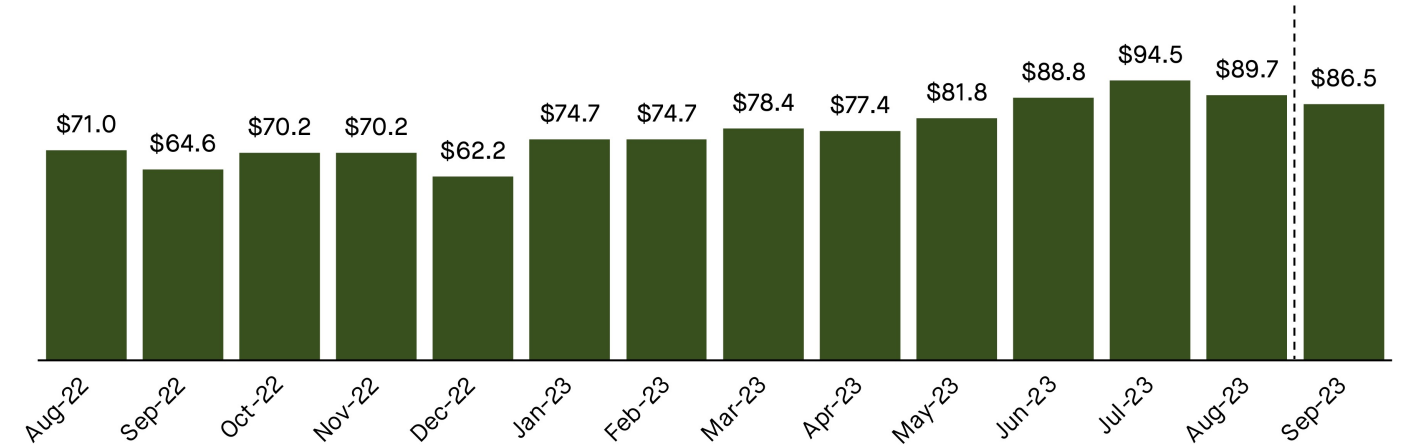
Net Cumulative Funded Accounts (NCFA)¹ *in millions*

Year-over-year
Sequential +360k
+40k



Assets Under Custody (AUC) *in billions*

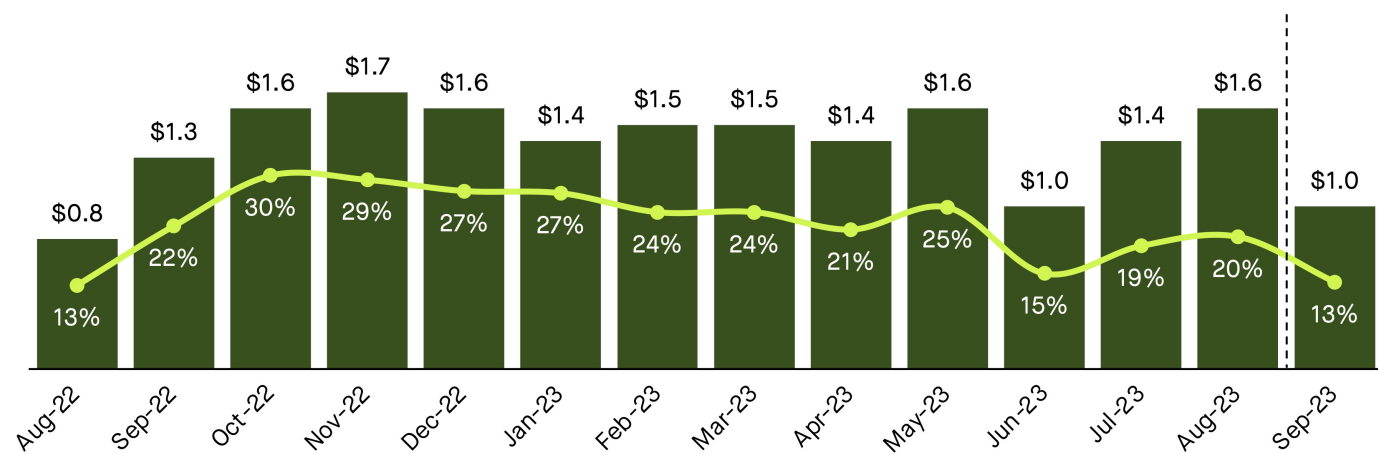
Year-over-year
Sequential +34%
(4%)



Net Deposits *in billions*

Annualized growth rate

LTM
LTM growth rate \$17.3
27%



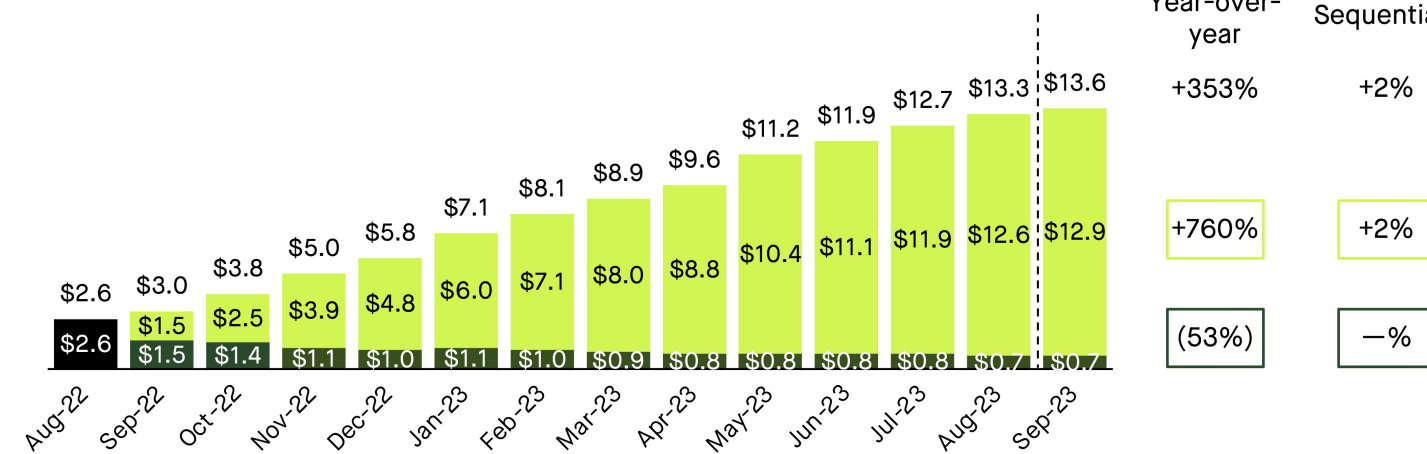
Cash Sweep Balances *in billions*

Cash Sweep

Non-Gold Cash Sweep

Gold Cash Sweep

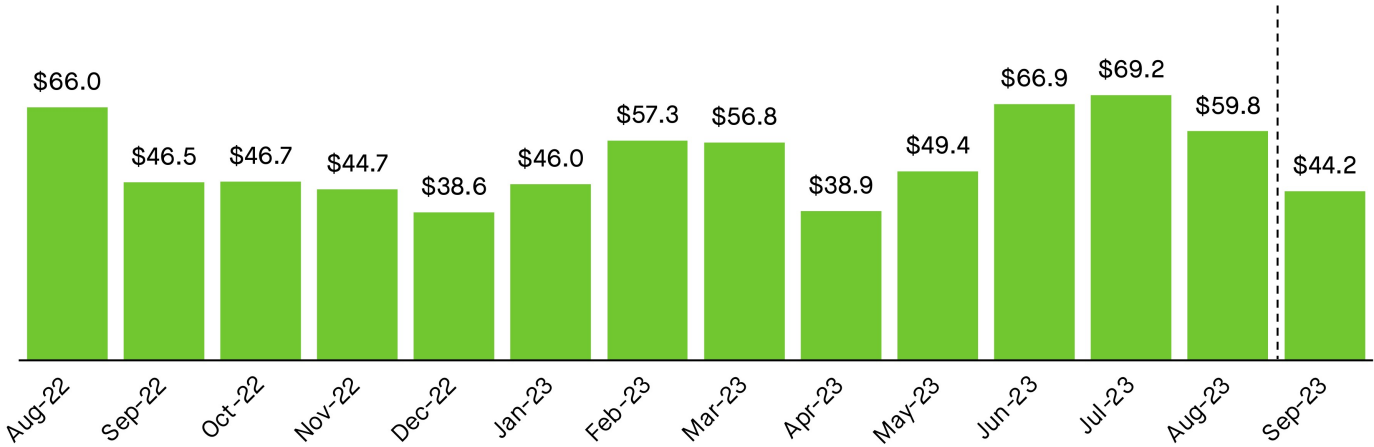
Year-over-year
Sequential +353%
+2%



September 2023 Monthly Metrics Dashboard (2 of 2)

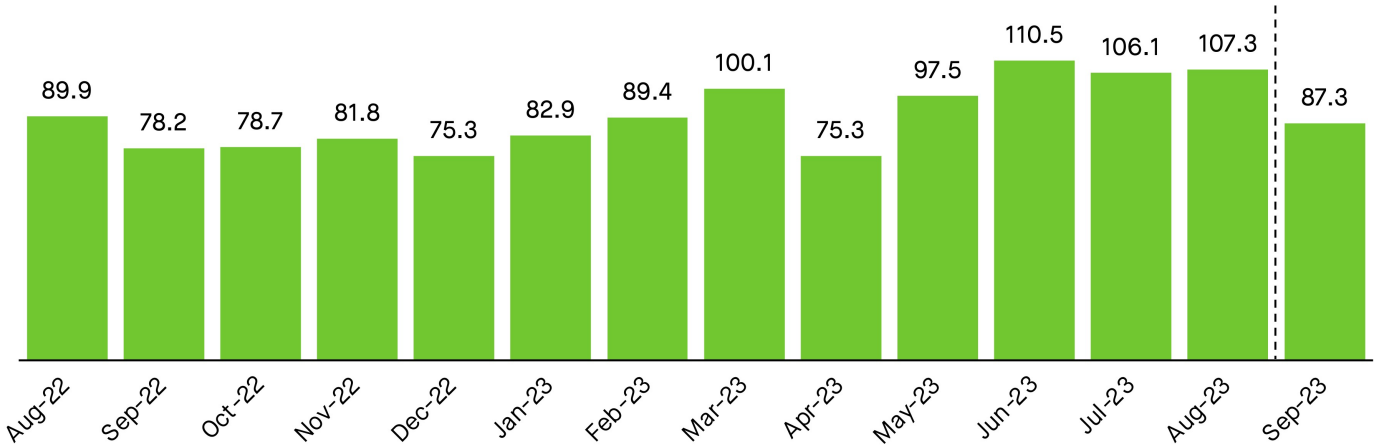
Equity Notional Volumes *in billions*

Year-over-year (5%)
Sequential (26%)



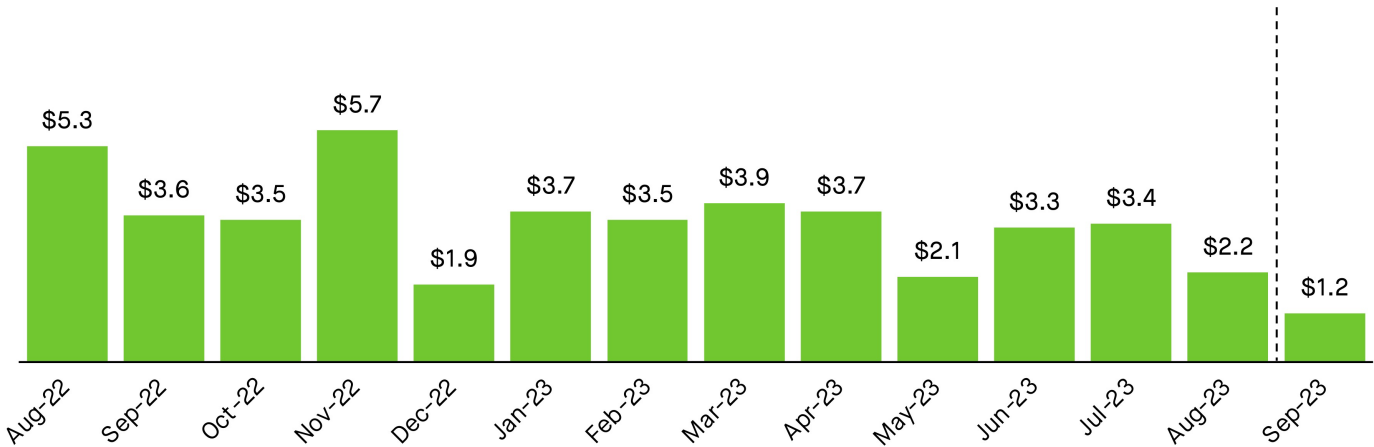
Options Contract Volumes *in millions of contracts*

Year-over-year +12%
Sequential (19%)



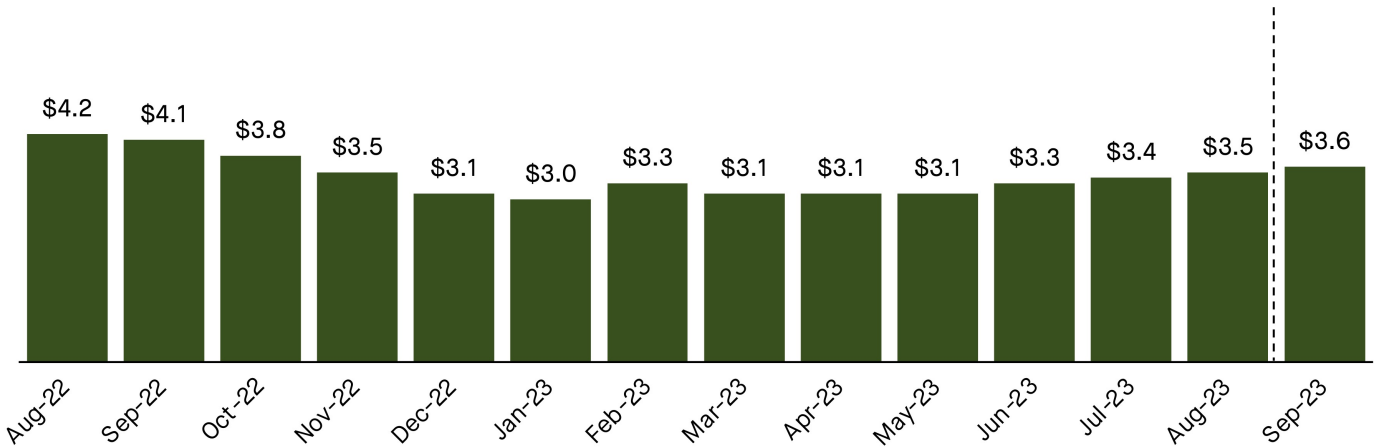
Crypto Notional Volumes *in billions*

Year-over-year (67%)
Sequential (45%)



Margin Book *in billions*

Year-over-year (12%)
Sequential +3%



Changes in Net Cumulative Funded Accounts and Assets Under Custody

Net Cumulative Funded Accounts

in millions

	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Beginning balance	22.5	22.4	22.7	22.8	22.9	22.9	23.0	23.1	23.2
New funded accounts ¹	0.7	0.8	0.5	0.4	0.3	0.2	0.3	0.2	0.3
Resurrected accounts	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Churned accounts	(0.9)	(0.7)	(0.5)	(0.4)	(0.4)	(0.2)	(0.3)	(0.2)	(0.3)
Ending balance	22.4	22.7	22.8	22.9	22.9	23.0	23.1	23.2	23.3

Assets Under Custody

in billions

	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Beginning balance	\$102.0	\$95.4	\$98.0	\$93.1	\$64.2	\$64.6	\$62.2	\$78.4	\$88.8
Net deposits	2.2	4.4	5.7	5.2	2.7	4.8	4.4	4.1	4.0
Net market gains (losses)	(8.8)	(1.8)	(10.6)	(34.1)	(2.3)	(7.2)	11.8	6.3	(6.3)
Ending balance	\$95.4	\$98.0	\$93.1	\$64.2	\$64.6	\$62.2	\$78.4	\$88.8	\$86.5

Net Cash Held by Users Reconciliation

in billions

	Q3'2021	Q4'2021	Q1'2022	Q2'2022	Q3'2022	Q4'2022	Q1'2023	Q2'2023	Q3'2023
Gold Cash Sweep	\$—	\$—	\$—	\$—	\$1.5	\$4.8	\$8.0	\$11.1	\$12.9
Non-Gold Cash Sweep	2.1	2.1	2.3	2.4	1.5	1.0	0.9	0.8	0.7
Total Cash Sweep	2.1	2.1	2.3	2.4	3.0	5.8	8.9	11.9	13.6
Free Credit Balances and Other	6.7	6.7	6.9	5.7	5.1	5.0	5.3	5.3	4.4
Total Cash held by Users	8.8	8.8	9.2	8.1	8.1	10.8	14.2	17.2	18.0
Receivables from Users	(6.2)	(6.5)	(5.4)	(4.2)	(4.0)	(3.1)	(3.0)	(3.2)	(3.5)
Net Cash Held by Users	\$2.6	\$2.3	\$3.8	\$3.9	\$4.1	\$7.7	\$11.2	\$14.0	\$14.5

Q3 2023 net buying¹ was elevated at \$3.5B, the highest level in over a year and up \$1.5B from Q2 2023.

This drove free credit balances lower in Q3 2023.

In Q4 2023 to date, Free Credit Balances and Other have increased as net buying has moderated.

Trading Volumes for Q3 2023

Equity Notional Volume up 12% q/q, driven by:

Customers placing trades +1% q/q

Notional volumes, per trader +9% q/q

Options Contracts Traded up 6% q/q, driven by:

Customers placing trades +1% q/q

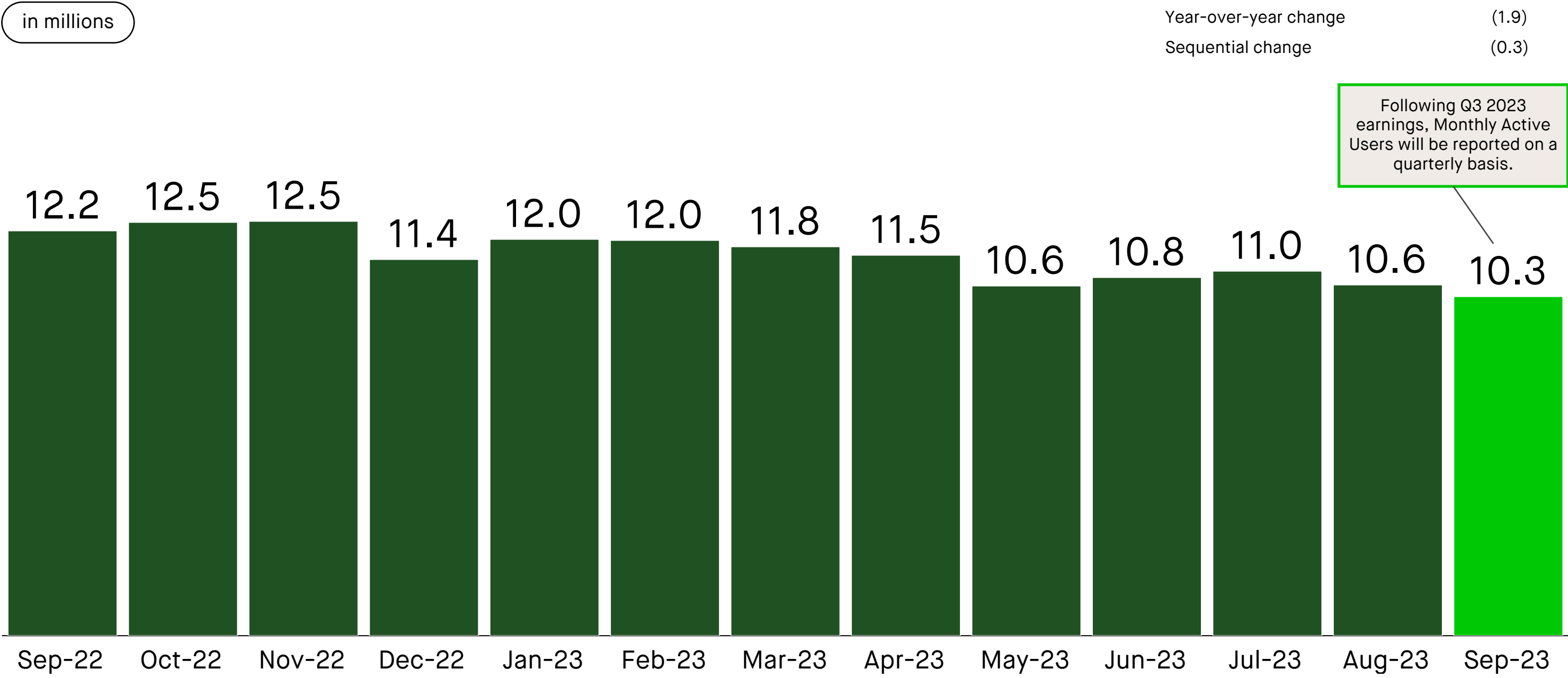
Contracts per trader +4% q/q

Crypto Notional Volume down 26% q/q, driven by:

Customers placing trades (22%) q/q

Notional volumes, per trader (7%) q/q

Monthly Active Users (MAU) were 10.3 million in Q3, down 1.9 million year-over-year



Annualized revenue per employee in Q3 was \$868k, up 75% year-over-year

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Year-over-year change	Sequential change
End of period Employee Count	3,416	2,417	2,327	2,320	2,145	2,157	(11%)	1%
Total Net Revenues (in millions)	\$318	\$361	\$380	\$441	\$486	\$467	29%	(4%)
Average Employee Count	3,654	2,917	2,372	2,324	2,233	2,151	(26%)	(4%)
Annualized revenue per employee (in thousands)*	\$348	\$495	\$641	\$759	\$871	\$868	75%	—%

Net interest revenues were \$251 million, up 96% year-over-year

in millions

	Q3'2021	Q4'2021	Q1'2022	Q2'2022	Q3'2022	Q4'2022	Q1'2023	Q2'2023	Q3'2023	Year-over-year change	Sequential change
Interest on corporate cash and investments ¹	\$—	\$1	\$1	\$10	\$29	\$63	\$68	\$74	\$75	+159%	+1%
Margin interest ²	34	39	35	39	48	55	53	57	67	+40%	+18%
Interest on segregated cash and cash equivalents and deposits ³	1	—	1	6	20	30	45	52	59	+195%	+13%
Cash sweep ⁴	1	—	—	2	8	12	22	29	35	+338%	+21%
Securities lending, net ⁵	33	29	24	23	29	13	26	27	17	(41%)	(37%)
Credit card, net ⁶	—	—	—	—	—	—	—	—	4	NM	NM
Interest expenses related to credit facilities ⁷	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(5)	(6)	—%	+20%
Total net interest revenues	\$63	\$63	\$55	\$74	\$128	\$167	\$208	\$234	\$251	+96%	+7%

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

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

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

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

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

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

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

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

Total interest earning assets were roughly flat at ~\$26B in Q3, and average yield increased by 19 bps to 3.68%

in millions

	Margin book ⁽¹⁾	Cash and deposits ⁽²⁾	Cash sweep (off-balance sheet) ⁽³⁾	Credit card, net (off-balance sheet) ⁽⁴⁾	Total interest earning assets	Securities lending, net	Interest expense related to credit facilities	Net interest revenues
September 30, 2023	\$3,580	\$8,612	\$13,563	\$197	\$25,952			
June 30, 2023	\$3,314	\$10,758	\$11,903	\$184	\$26,159			
Average ⁽⁵⁾	\$3,447	\$9,685	\$12,733	\$191	\$26,056			
Q3 2023 Revenue (Expense)	\$67	\$134	\$35	\$4	\$240	\$17	(\$6)	\$251
Q3 2023 Annualized Yield ⁽⁶⁾	7.77%	5.53%	1.10%	8.38%	3.68%			3.85%
June 30, 2023	\$3,314	\$10,758	\$11,903	\$184	\$26,159			
March 31, 2023	\$3,117	\$10,405	\$8,881	NA	\$22,403			
Average ⁽⁴⁾	\$3,216	\$10,582	\$10,392	NA	\$24,281			
Q2 2023 Revenue (Expense)	\$57	\$126	\$29	NA	\$212	\$27	(\$5)	\$234
Q2 2023 Annualized Yield ⁽⁵⁾	7.09%	4.76%	1.12%	NA	3.49%			3.85%

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

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

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

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

⁽⁵⁾ Average balance rows present a simple average of the ending balances as of each of the indicated dates for the relevant period.

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

Total securities lending revenue increased by 22% year-over-year to \$44 million in Q3, and fully paid securities lending grew to 32% of total securities lending

in millions

	Q3'2022	Q4'2022	Q1'2023	Q2'2023	Q3'2023	Year-over-year change	Sequential change
<i>Total securities lending revenue, including interest on cash collateral</i>							
Securities lending, net (shown on p. 12)	\$29	\$13	\$26	\$27	\$17	(41%)	(37%)
Interest on cash collateral for margin based securities lending (included in interest on segregated cash and cash equivalents and deposits on p. 12)	\$7	\$12	\$19	\$21	\$27	+286%	+29%
Total securities lending revenue	\$36	\$25	\$45	\$48	\$44	+22%	(8%)
<i>Breakdown of Total Securities Lending Revenue</i>							
Margin based securities lending*	\$32	\$20	\$34	\$34	\$30	(6%)	(12%)
<i>Margin based as a percentage of total</i>	89%	80%	76%	71%	68%		
Fully paid securities lending, net*	\$4	\$5	\$11	\$14	\$14	+250%	—%
<i>Fully paid as a percentage of total</i>	11%	20%	24%	29%	32%		

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

	Price per Class A share	\$10.10	\$8.14	\$9.71	\$9.98	\$9.73	
(in millions, except prices and percentages)	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	September 30, 2023	Year-over-year growth
Class A shares outstanding	756.8	764.9	772.7	782.4	735.6		
Class B shares outstanding	128.0	127.9	127.5	127.3	127.0		
Basic shares	884.8	892.8	900.2	909.7	862.6		(2.5%)
Employee time-based RSUs outstanding	71.9	56.1	63.6	54.7	44.9		
Founders' pre-IPO market-based RSUs outstanding and eligible to vest	0.9	0.8	0.7	0.6	0.5		
Employee stock options outstanding (in-the-money) ¹	11.4	10.8	10.1	10.1	9.2		
Diluted shares²	969.0	960.5	974.6	975.1	917.2		(5.3%)
Founders' pre-IPO market-based RSUs outstanding but not eligible to vest ³	57.7	57.7	57.7	22.1	22.1		
Employee stock options (all at \$14.15/share) outstanding (out-of-the-money)	4.5	4.5	4.5	4.5	4.5		
Investor warrants (all at \$26.60/share) outstanding (out-of-the-money)	14.3	14.3	14.3	14.3	14.3		
Fully diluted shares²	1,045.5	1,037.0	1,051.1	1,016.0	958.1		(8.4%)

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

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

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

Financial Outlook for Adjusted Operating Expenses Reconciliation

	Year Ended December 31, 2021 <i>(in millions)</i>	Year Ended December 31, 2022 <i>(in millions)</i>	Prior Financial Outlook ² for the Year Ending December 31, 2023 <i>(in millions)</i>	Current Financial Outlook for the Year Ending December 31, 2023 <i>(in millions)</i>
Total operating expenses (GAAP)	\$3,456	\$2,369	\$2,330 - \$2,410	\$2,399 - \$2,439
Less: SBC				
2021 Founders Award Cancellation	NA	NA	485	485
SBC Excluding 2021 Founders Award Cancellation ¹	1,572	654	415 - 455	375 - 395
Less: Restructuring charges	—	105	—	—
Less: Q4 2022 Processing Error	—	57	—	—
Less: Significant legal and tax settlements and reserves	55	20	—	104
Adjusted Operating Expenses (Non-GAAP)	\$1,829	\$1,533	\$1,430 - \$1,470	\$1,435 - \$1,455

(1) 2022 amounts include an aggregate benefit of \$77 million from share-based compensation net reversals in connection with the April 2022 and August 2022 Restructurings.

(2) Prior Financial Outlook (previously for Operating Expenses prior to SBC) was provided on August 2nd, 2023 during Q2 2023 earnings.

Adjusted Operating Expenses Reconciliation

in millions

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

Adjusted Operating Expenses Reconciliation

in millions

Operating expenses (GAAP)	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Brokerage and transaction	\$44	\$29	\$31	\$30	\$33	\$85	\$36	\$39	\$39
Technology and development	679	282	268	245	185	180	199	207	202
Operations	108	98	91	86	65	43	42	36	41
Marketing	87	42	32	23	19	29	26	25	28
General and administration	790	332	268	226	233	197	647	159	230
Total operating expenses	\$1,708	\$783	\$690	\$610	\$535	\$534	\$950	\$466	\$540
SBC	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Brokerage and transaction	\$6	\$1	\$1	\$1	\$2	\$1	\$2	\$2	\$2
Technology and development	503	105	82	59	25	46	54	56	51
Operations	16	4	4	1	—	3	2	1	3
Marketing	41	9	5	(2)	—	1	1	1	1
General and administration	678	199	128	105	83	109	539	49	26
Total SBC	\$1,244	\$318	\$220	\$164	\$110	\$160	\$598	\$109	\$83
Significant legal and tax settlements and reserves	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
General and administration	\$—	\$—	\$10	\$10	\$—	\$—	\$—	\$—	\$104
Total significant legal and tax settlements and reserves	\$—	\$—	\$10	\$10	\$—	\$—	\$—	\$—	\$104
Q4 2022 Processing Error	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Brokerage and transaction	\$—	\$—	\$—	\$—	\$—	\$57	\$—	\$—	\$—
Total Q4 2022 Processing Error	\$—	\$—	\$—	\$—	\$—	\$57	\$—	\$—	\$—
Restructuring charges	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Brokerage and transaction	\$—	\$—	\$—	\$—	\$1	\$—	\$—	\$—	\$—
Technology and development	—	—	—	6	17	—	—	—	—
Operations	—	—	—	3	13	—	—	—	—
Marketing	—	—	—	1	1	—	—	—	—
General and administration	—	—	—	7	58	(2)	—	—	—
Total restructuring charges	\$—	\$—	\$—	\$17	\$90	(\$2)	\$—	\$—	\$—
Adjusted Operating Expenses (Non-GAAP)	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Brokerage and transaction	\$38	\$28	\$30	\$29	\$30	\$27	\$34	\$37	\$37
Technology and development	176	177	186	180	143	134	145	151	151
Operations	92	94	87	82	52	40	40	35	38
Marketing	46	33	27	24	18	28	25	24	27
General and administration	112	133	130	104	92	90	108	110	100
Total Adjusted Operating Expenses	\$464	\$465	\$460	\$419	\$335	\$319	\$352	\$357	\$353

Adjusted EBITDA and Adjusted EBITDA Margin Reconciliations

in millions

	Q3'2021	Q4'2021	Q1'2022	Q2'2022	Q3'2022	Q4'2022	Q1'2023	Q2'2023	Q3'2023
Net income (loss)	(\$1,317)	(\$423)	(\$392)	(\$295)	(\$175)	(\$166)	(\$511)	\$25	(\$85)
Net margin ¹	(361%)	(117%)	(131%)	(93%)	(48%)	(44%)	(116%)	5%	(18%)
Add: Interest expenses related to credit facilities	6	6	6	6	6	6	6	5	6
Add: Provision for (benefit from) income taxes	(50)	3	1	1	1	(2)	2	(3)	10
Add: Depreciation and amortization	8	9	12	17	15	17	20	15	19
EBITDA (non-GAAP)	(\$1,353)	(\$405)	(\$373)	(\$271)	(\$153)	(\$145)	(\$483)	\$42	(\$50)
Add: 2021 Founders Award Cancellation	—	—	—	—	—	—	485	—	—
Add: SBC excluding 2021 Founders Award Cancellation	1,244	318	220	164	110	160	113	109	83
Add: Change in fair value of convertible notes and warrant liability	25	—	—	—	—	—	—	—	—
Add: Impairment of Ziglu equity securities	—	—	—	—	—	12	—	—	—
Add: Restructuring charges	—	—	—	17	90	(2)	—	—	—
Add: Significant legal and tax settlements and reserves	—	—	10	10	—	—	—	—	104
Add: Q4 2022 Processing Error	—	—	—	—	—	57	—	—	—
Adjusted EBITDA (Non-GAAP)	(\$84)	(\$87)	(\$143)	(\$80)	\$47	\$82	\$115	\$151	\$137
Adjusted EBITDA Margin (Non-GAAP) ²	(23%)	(24%)	(48%)	(25%)	13%	22%	26%	31%	29%

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

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

Net Income (Loss) and Earnings per Share (EPS) Prior to a \$104M Regulatory Accrual Recorded in Q3 Reconciliations

	Q3'2023 Net Loss <i>(in millions)</i>	Q3'2023 EPS
Net Income (Loss) and EPS (GAAP)	(\$85)	(\$0.09)
Less: Impact of a \$104M regulatory accrual recorded in Q3	(\$104)	(0.11)
Net Income (Loss) and EPS Prior to a \$104M Regulatory Accrual Recorded in Q3 (Non-GAAP)	\$19	\$0.02

Definitions

Performance Metrics

Net Cumulative Funded Accounts ("NCFA")

We define "Net Cumulative Funded Accounts" as New Funded Accounts less Churned Accounts plus Resurrected Accounts (each as defined below). We define a "New Funded Account" as a Robinhood Account into which the user makes an initial deposit, money transfer or asset transfer, of any amount, during the relevant period. We define a "Robinhood Account" as a unique log-in that provides the account user access to any and all of the products offered on the Robinhood platform, with the exception of Robinhood Credit. A Robinhood Account is considered "Churned" if it was ever a New Funded Account whose account balance (measured as the fair value of assets in the account less any amount due from the user and excluding certain Company-initiated Credits) drops to or below zero for at least 45 consecutive calendar days. Negative balances typically result from Fraudulent Deposit Transactions (as defined below) and unauthorized debit card use, and less often, from margin loans. "Company-initiated Credits" are amounts that are deposited into a Robinhood Account by the Company with no action taken by the user. Examples of Company-initiated Credits excluded for purposes of identifying Churned Accounts and Resurrected Accounts are price correction credits, related interest adjustments, and fee adjustments. "Fraudulent Deposit Transactions" occur when users initiate deposits into their accounts, make trades on our platform using a short-term extension of credit from us, and then repatriate or reverse the deposits, resulting in a loss to us of the credited amount. A Robinhood Account is considered "Resurrected" in a stated period if it was a Churned Account as of the end of the immediately preceding period and its balance (excluding certain Company-initiated Credits) rises above zero. Accounts held by Robinhood Credit customers who a) had a credit balance or transaction during Q3 2023 and b) did not already have a Robinhood Account, are also considered New Funded Accounts.

Monthly Active Users ("MAU")

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

Assets Under Custody ("AUC")

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

Net Deposits

We define "Net Deposits" as all cash deposits and asset transfers received from customers, net of reversals, customer cash withdrawals, and other assets transferred out of our platform (assets transferred in or out include debit card transactions, Automated Customer Account Transfer Service ("ACATS") transfers, and custodial crypto wallet transfers) for a stated period.

Notional Trading Volume

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

Options Contracts Traded

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

Average Revenue per User ("ARPU")

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

Daily Average Revenue Trades ("DARTs")

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

Growth Rate and Annualized Growth Rate with respect to Net Deposits

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

Margin Book

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

Cash Sweep

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

Free Credit Balances and Other

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

Net Cash Held by Users

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

Revenue per Employee

Revenue per Employee is calculated by multiplying the quarterly total net revenues by 4 and dividing by average employee count for the quarter.

Definitions (continued)

Non-GAAP Financial Measures

We collect and analyze operating and financial data to evaluate the health of our business, allocate our resources and assess our performance. In addition to total net revenues, net income (loss) and other results under GAAP, we utilize Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Expenses, and Net Income (Loss) and EPS Prior to \$104M Regulatory Accrual Recorded in Q3. This non-GAAP financial information is presented for supplemental informational purposes only, should not be considered a substitute for or superior to financial information presented in accordance with GAAP and may be different from similarly titled non-GAAP measures used by other companies. Reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are provided in this Appendix.

Adjusted EBITDA

Adjusted EBITDA is defined as net income (loss), excluding (i) interest expenses related to credit facilities, (ii) provision for (benefit from) income taxes, (iii) depreciation and amortization, (iv) share-based compensation, (v) change in fair value of convertible notes and warrant liability, (vi) significant legal and tax settlements and reserves, and (vii) other significant gains, losses, and expenses (such as impairments, restructuring charges, and business acquisition- or disposition-related expenses) that we believe are not indicative of our ongoing results.

The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature, or because the amount and timing of these items are unpredictable, are not driven by core results of operations and render comparisons with prior periods and competitors less meaningful. We believe Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our business performance. Moreover, Adjusted EBITDA is a key measurement used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting.

Adjusted EBITDA Margin

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

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

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

2021 Founders Award Cancellation: The February 2023 cancellation of co-founders Vlad Tenev and Bajju Bhatt's 2021 pre-IPO market based restricted stock awards, which consisted of 35.5 million unvested shares and resulted in a one-time \$485 million non-cash accounting charge.

Adjusted Operating Expenses

Adjusted Operating Expenses is defined as GAAP total operating expenses minus (i) share-based compensation (or SBC), (ii) significant legal and tax settlements and reserves, and (iii) other significant expenses (such as impairments, restructuring charges, and business acquisition- or disposition-related expenses) that we believe are not indicative of our ongoing expenses. The amount and timing of the excluded items are unpredictable, are not driven by core results, of operations, and render comparisons with prior periods less meaningful. We believe Adjusted Operating Expenses provides useful information to investors and others in understanding and evaluating our results of operations, as well as providing a useful measure for period-to-period comparisons of our cost structure. Adjusted Operating Expenses is used by our management internally to make operating decisions, including those related to operating expenses, evaluate performance, and perform strategic planning and annual budgeting. In August 2023, the Company's expense outlook included total operating expenses prior to SBC for full-year 2023, which was defined as the applicable GAAP operating expense line item minus the SBC included within such line item.

Net Income (Loss) and EPS Prior to a \$104M Regulatory Accrual Recorded in Q3

Net Income (Loss) Prior to a \$104M Regulatory Accrual Recorded in Q3 is defined as GAAP Net Income (Loss) minus the impact of a \$104M Regulatory Accrual Recorded in Q3 2023. EPS Prior to a \$104M Regulatory Accrual Recorded in Q3 is defined as GAAP Earnings Per Share (EPS) minus the impact of a \$104M Regulatory Accrual Recorded in Q3 2023. We believe these non-GAAP measures provide useful information for investors and others in understanding and evaluating our performance, as well as providing a useful measure for period-to-period comparisons of our performance.

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