



*This Low-Priced Securities Disclosure document should be read along with the Robinhood U.K. Ltd ("Robinhood UK", "we", "our", "us") customer agreement between us, you and Robinhood Securities, LLC ("RHS"). You should read it carefully and ensure you understand it fully before placing an order in a low-priced security. Please reach out to us if there is anything you do not understand. Robinhood UK is authorised and regulated by the Financial Conduct Authority (FRN: 823590).*

## **Low-Priced Securities (Penny and Sub Penny Stocks)**

The term "penny stock" generally refers to low-priced (below \$5), speculative securities of very small companies. While penny stocks generally are quoted over the counter ("OTC"), they may also trade on securities exchanges, including foreign securities exchanges. In addition, penny stocks include the securities of certain private companies with no active trading market.

## **Risks**

Investing in low-priced securities is speculative and involves considerable risk, including a higher degree of risk of losing money than other securities. Low-priced securities often exhibit high price volatility and erratic market movements and there may be a big difference between the buying price and the selling price of the securities. If they have to be sold immediately, the amount received may be much less than the amount paid for them. The price may change quickly and it may go down as well as up and it may be more difficult to buy and sell securities that are penny stocks. Often, when investors buy or sell these securities, they significantly affect the quoted price. In some cases, the liquidation of a position in a low-priced security may not be possible within a reasonable period of time and is subject to additional fees.

It may be difficult to properly value an investment in a low-priced security. Reliable information regarding issuers of low-priced securities, their prospects, or the risks associated with investing in such securities may not be available. Certain issuers of low-priced securities have no obligation to provide information to investors. Some issuers register securities with the U.S. Securities and Exchange Commission (SEC) and may provide regular reports to investors. Others however may not be required to maintain such registration or provide such reports. Securities may continue to be traded if issuers are delinquent in their reporting obligation to the SEC or other U.S. federal or state regulatory agencies.

Penny stocks have not been approved or disapproved by the SEC. The SEC has not passed upon the fairness, the merits, the accuracy or adequacy of the information contained in any prospectus or any other information provided by an issuer or a broker or a dealer of penny stocks.

Trading low-priced securities is subject to significant risks, increased regulatory requirements and oversight, and additional fees.

### **Settlement Fees for Non-DTC Eligible Securities**

For various reasons, certain low-priced securities are not Depository Trust Company (“DTC”) eligible or have had their eligibility revoked. As a result, the settlement of these physical positions can carry significant pass-through charges for our clearing firm, RHS, including execution fees, DTC fees, deposit fees, New York window fees, and transfer agent fees. These fees, which can vary and may be substantial, increase the cost that RHS passes through to you for clearing and execution.

Customers who trade non-DTC eligible securities are responsible for these charges, which may exceed 10 times the value of the trade. Orders that require executions with multiple contra-parties will result in settlement fees for each separate transaction. Neither Robinhood UK nor RHS mark up any of these fees before they are passed through to customers. These pass-through charges may not be immediately charged to a customer account following a trade in non-DTC eligible securities, as RHS may not receive notice of such fees until several weeks following the trade. Robinhood UK reserves the right to withhold funds in a customer account pending potential assessment of fees associated with trading in low-priced securities. It is your responsibility to investigate the eligibility status of a low-priced security before trading it. It is strongly recommended that you contact the specific company whose equity you intend to trade to confirm eligibility.

Robinhood U.K. Ltd (Robinhood UK) is a company registered in England and Wales (09908051) and is authorised and regulated by the Financial Conduct Authority (FRN: 823590). Robinhood UK onboards UK customers and has the lead customer relationship with UK customers in relation to their use of the Robinhood UK app and website. Robinhood UK introduces UK customers to Robinhood Securities, LLC for order routing, execution, clearing, settlement, arranging custody services and margin lending to eligible UK customers with margin accounts. Robinhood Securities, LLC is regulated in the U.S. by the SEC and FINRA. Robinhood UK and Robinhood Securities, LLC are subsidiaries of Robinhood Markets, Inc.