# Robinhood UK - Initial Public Offering Disclosure

While an IPO may give investors the opportunity to participate in the growth and development of a formerly private company, IPOs can be risky and speculative and may not be appropriate for every investor.

Before a company goes public, it discloses required information about its business, financial condition, risks, and management in the registration statement, typically on Form S-1 for a United States ("U.S.") based company (or a Form F-1 if the company is a non-U.S. company). These forms are filed with the Securities and Exchange Commission (the "SEC") in the U.S. and publicly available through the SEC's EDGAR. These documents are filed under U.S. securities law and have not been approved by the UK Financial Conduct Authority ("FCA").

It is important to read the prospectus because it provides information regarding the terms of the securities being offered as well as disclosure regarding the company's business and risks that are key to deciding whether the offering is an appropriate investment. ***You should obtain and carefully read the prospectus prepared by the issuer before making any investment.***

There are a variety of risks typically associated with new issue securities that may have a material and adverse effect on the price of the issuer's shares, including the following examples; you should carefully read the issuer's prospectus to understand the risks that face the particular company:

***Issuer's Limited Operating History.*** A new public company in its early stages of growth may have a limited operating history which makes it difficult to evaluate the current business, share value and future prospects. Typically, the information that can inform a decision to invest often can only be found in the prospectus.

***Volatility.*** How a company's shares perform during the first day of trading, or even during its first year, is not always indicative of long-term performance. The IPO price is determined before public trading begins and may differ significantly from the price at which the shares subsequently trade. Following the IPO, the market price for the securities may be subject to significant fluctuations due to factors including liquidity constraints, general market volatility, and other factors unrelated to the issuer's operating performance.

***No Prior Market for Common Stock.*** There is generally no public market for an issuer's common stock prior to an IPO and there is no guarantee that an active trading market will develop following the IPO. The offering price is a negotiated estimate of the company's value, which may not correlate to the trading price of the securities in the secondary market. It is possible that the closing price of the shares shortly after the IPO will be above or below the offering price. You could lose some or all of your investment.

***Allocation****.* Demand for an IPO may exceed the number of shares available. Submitting an IPO order does not guarantee that you will receive shares for your full subscription amount, or any

shares at all. Robinhood UK does not control the number of shares ultimately made available to its customers in an IPO. The number of shares made available through the IPO process is determined by the parties responsible for the IPO, not Robinhood UK.

***FX Risk***. IPO shares are priced in US dollars. Changes in exchange rates can increase or reduce the value of your investment when measured in another currency, even if the US dollar price of the shares does not change. If you convert funds into US dollars to participate in an IPO but are not allocated any shares, you may also receive less than you originally converted if you choose to convert those funds back into another currency and the exchange rate has moved against you.

***Liquidity***. There may be limited liquidity in the shares following the IPO, which could make it difficult to sell your shares at the price you expect.

***Dilution due to Additional Financing.*** A public company may need to raise funds to expand its business, acquire complementary businesses, develop new technologies, respond to competitive pressures or react to unanticipated events. If a public company raises funds through the issuance of equity or convertible securities, existing shareholders, including those who purchased in the IPO, may face substantial dilution. If a public company raises funds through the issuance of debt securities or preferred stock, the holders of those new securities would have rights, preferences and privileges senior to holders of common stock. In addition, debt financing could subject the company to interest rate fluctuations and restrictive covenants affecting the company's operations and ability to raise capital.

***Dependence on Key Personnel.*** Certain key management personnel may drive shareholder value; loss of their services could have a material adverse effect on business operations and the company's share price.

***Dependence on Key Suppliers***. Some public companies rely significantly on a limited group of suppliers to obtain product components or materials. If an issuer is unable to obtain sufficient quantities or such components or materials fail to meet specifications, delays or reductions in shipments may result

***Dependence on Limited Number of Customers.*** An issuer's primary customer base may be limited to a small number of customers, the loss of any one of which could have a material adverse effect on the issuer's business and financial condition.

***Intellectual Proprietary Rights.*** Companies that depend on licensed technologies are vulnerable to patent litigation and infringement claims which, in turn, may result in substantial diversion of resources.

***Competition.*** New issuers may face significant competition from relatively larger and more mature companies with access to greater financial, technical, and other resources.

***Rapid Technological Change.*** Public companies in manufacturing and technology sectors are susceptible to the risk that rapidly evolving technologies and shifting customer needs will render their products or technologies obsolete.

For information on investing in U.S. IPOs, see https://www.sec.gov/files/ipo-investorbulletin.pdf

Still have questions? Contact Robinhood Support

Robinhood U.K. Ltd (Robinhood UK) is a company registered in England and Wales (09908051). It is authorised and regulated by the Financial Conduct Authority (FRN: 823590). Robinhood UK is also registered with the Financial Conduct Authority for the provision of arranging or making arrangements (including receiving and transmitting orders) with a view to the execution of transactions in cryptoassets and money, under the Money Laundering Regulations. 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, securities lending and margin investing to eligible UK customers with margin accounts. In relation to margin investing, Robinhood U.K. is acting as credit broker and not a lender. Margin is provided by Robinhood Securities, LLC. Robinhood U.K. can only introduce you to Robinhood Securities, LLC for margin investing. Robinhood U.K. Ltd introduces UK customers to Robinhood Derivatives, LLC for futures investing. For IPO Access, we partner with a UK Public Offer Platform provider to give UK retail customers the opportunity to participate in eligible IPOs before shares begin trading on the public market.

Margin investing, stock lending, options and futures trading are optional products and subject to Robinhood's eligibility and appropriateness criteria. Robinhood Securities, LLC is regulated in the U.S. by the SEC and FINRA. Robinhood Derivatives, LLC is regulated by the CFTC and is an NFA member. Robinhood UK, Robinhood Securities, LLC and Robinhood Derivatives, LLC are subsidiaries of Robinhood Markets, Inc. Robinhood UK introduces UK customers to Bitstamp UK Ltd for cryptocurrency trading. Bitstamp UK Ltd is registered with the Financial Conduct Authority as a cryptoasset firm under the Money Laundering Regulations.