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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

Case No.

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

Plaintiff,

v.

SENTINELONE, INC., TOMER
WEINGARTEN, and DAVID BERNHARDT,

Defendants.

1 Plaintiff Sakari Johansson (“Plaintiff”), individually and on behalf of all others similarly
2 situated, by and through his attorneys, alleges the following upon information and belief, except as
3 to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s
4 information and belief is based upon, among other things, his counsel’s investigation, which
5 includes without limitation: (a) review and analysis of regulatory filings made by SentinelOne,
6 Inc. (“SentinelOne” or the “Company”) with the United States (“U.S.”) Securities and Exchange
7 Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and
8 disseminated by SentinelOne; and (c) review of other publicly available information concerning
9 SentinelOne.

10 **NATURE OF THE ACTION AND OVERVIEW**

11 1. This is a class action on behalf of persons and entities that purchased or otherwise
12 acquired SentinelOne securities between June 1, 2022 and June 1, 2023, inclusive (the “Class
13 Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of
14 1934 (the “Exchange Act”).

15 2. SentinelOne is a cybersecurity company that claims to have pioneered the world’s
16 first AI-powered Extended Detection and Response (“XDR”) platform to make cybersecurity
17 defense truly autonomous. The Company claims its Singularity Platform instantly defends against
18 cyberattacks, performing at a faster speed, greater scale, and higher accuracy than otherwise
19 possible from humans. The Company’s fiscal year 2023 ended January 31, 2023.

20 3. SentinelOne claims that its “Annualized Recurring Revenue” or “ARR” is a key
21 business metric. The Company defines ARR as “the annualized revenue run rate of our
22 subscription and capacity contracts at the end of a reporting period, assuming contracts are
23 renewed on their existing terms for customers that are under contracts with us.”

24 4. On June 1, 2023, after the market closed, SentinelOne published a press release
25 titled “SentinelOne Announces First Quarter Fiscal Year 2024 Financial Results.” Therein, the
26 Company disclosed that “[a]s a result of a change in methodology and correction of historical
27 inaccuracies, which we further describe in our letter to shareholders, we made a one-time
28 adjustment to ARR of \$27.0 million or approximately 5% of total ARR.” The Company also

1 revised its fiscal year 2024 revenue guidance downward to a range of \$590 million to \$600 million
2 from a range of \$631 million to \$640 million. In a shareholder letter published the same day,
3 SentinelOne further explained that “we . . . discovered historical upsell and renewal recording
4 inaccuracies relating to ARR on certain subscription and consumption contracts, which are now
5 corrected” and that “[w]e are applying a comparable estimated adjustment to the remaining
6 quarters in fiscal year 23, which we believe is a reasonable approximation of the impact in those
7 periods.”

8 5. On this news, SentinelOne’s stock price fell \$7.28 per share, or more than 35%, to
9 close at \$13.44 per share on June 2, 2023.

10 6. Throughout the Class Period, Defendants made materially false and/or misleading
11 statements, as well as failed to disclose material adverse facts about the Company’s business,
12 operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the
13 Company lacked effective internal controls over accounting and financial reporting; (2) that, as a
14 result, the Company’s ARR was overstated; (3) that, as a result, the Company’s guidance was
15 overstated; and (4) that, as a result of the foregoing, Defendant’s positive statements about the
16 Company’s business, operations, and prospects were materially misleading and/or lacked a
17 reasonable basis.

18 **JURISDICTION AND VENUE**

19 7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange
20 Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17
21 C.F.R. § 240.10b-5).

22 8. This Court has jurisdiction over the subject matter of this action pursuant to 28
23 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

24 9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and
25 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the
26 alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts
27 charged herein, including the dissemination of materially false and/or misleading information,

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1 occurred in substantial part in this Judicial District. In addition, the Company’s principal executive
2 offices are located in this District.

3 10. In connection with the acts, transactions, and conduct alleged herein, Defendants
4 directly and indirectly used the means and instrumentalities of interstate commerce, including the
5 United States mail, interstate telephone communications, and the facilities of a national securities
6 exchange.

7 **PARTIES**

8 11. Plaintiff Sakari Johansson, as set forth in the accompanying certification,
9 incorporated by reference herein, purchased SentinelOne securities during the Class Period, and
10 suffered damages as a result of the federal securities law violations and false and/or misleading
11 statements and/or material omissions alleged herein.

12 12. Defendant SentinelOne is incorporated under the laws of Delaware with its
13 principal executive offices located in Mountain View, California. SentinelOne’s Class A common
14 stock trades on the New York Stock Exchange (“NYSE”) under the symbol “S.”

15 13. Defendant Tomer Weingarten (“Weingarten”) was the Company’s Chief Executive
16 Officer (“CEO”) at all relevant times.

17 14. Defendant David Bernhardt (“Bernhardt”) was the Company’s Chief Financial
18 Officer (“CFO”) at all relevant times.

19 15. Defendants Weingarten and Bernhardt (collectively the “Individual Defendants”),
20 because of their positions with the Company, possessed the power and authority to control the
21 contents of the Company’s reports to the SEC, press releases and presentations to securities
22 analysts, money and portfolio managers and institutional investors, i.e., the market. The
23 Individual Defendants were provided with copies of the Company’s reports and press releases
24 alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and
25 opportunity to prevent their issuance or cause them to be corrected. Because of their positions and
26 access to material non-public information available to them, the Individual Defendants knew that
27 the adverse facts specified herein had not been disclosed to, and were being concealed from, the
28

1 public, and that the positive representations which were being made were then materially false
2 and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

3 SUBSTANTIVE ALLEGATIONS

4 Background

5 16. SentinelOne is a cybersecurity company that claims to have pioneered the world's
6 first AI-powered Extended Detection and Response ("XDR") platform to make cybersecurity
7 defense truly autonomous. The Company claims its Singularity Platform instantly defends against
8 cyberattacks, performing at a faster speed, greater scale, and higher accuracy than otherwise
9 possible from humans.is a bank holding company and financial holding company.

10 17. SentinelOne claims that its "Annualized Recurring Revenue" or "ARR" is a key
11 business metric. The Company defines ARR as "the annualized revenue run rate of our
12 subscription and capacity contracts at the end of a reporting period, assuming contracts are
13 renewed on their existing terms for customers that are under contracts with us."

14 Materially False and Misleading Statements

15 18. The Class Period begins on June 1, 2022. On that day, SentinelOne issued a press
16 release titled "SentinelOne Announces First Quarter Fiscal Year 2023 Financial Results." Therein,
17 the Company, in relevant part, stated:

18 SentinelOne, Inc. (NYSE: S) today announced financial results for the first
19 quarter of fiscal year 2023 ended April 30, 2022.

20 "Our Q1 results demonstrate the combination of a robust demand environment for
21 our leading cybersecurity platform and impressive execution across the board. We
22 once again sustained triple-digit growth with significant margin expansion, added
23 a record number of new customers, and exited the quarter with an extremely
24 strong pipeline," said Tomer Weingarten, CEO of SentinelOne. "We're raising
25 our revenue guidance to nearly triple-digit growth again this fiscal year, which
26 now includes our acquisition of Attivo Networks."

27 "Our platform unit economics and highly efficient business model uniquely
28 position us to pair hyper growth with meaningful margin expansion and our first
quarter results clearly demonstrate this success," said Dave Bernhardt, CFO of
SentinelOne. "I'm most proud of our record gross margins, which expanded
double digits year-over-year. This really showcases the strong combination of our
expanding product portfolio, data-enabled efficiencies, and operational excellence
across SentinelOne."

Letter to Shareholders

1 We have also published a letter to shareholders on the Investor Relations section
2 of our website at investors.sentinelone.com. The letter provides further discussion
3 of our results for the first quarter of fiscal year 2023 as well as our full fiscal year
4 2023 financial outlook.

5 **First Quarter Fiscal 2023 Highlights**

6 *(All metrics are compared to the first quarter of fiscal year 2022 unless otherwise
7 noted)*

- 8 • **Total revenue** increased 109% to \$78.3 million, compared to \$37.4
9 million.
- 10 • **Annualized recurring revenue (ARR)** increased 110% to \$339.0 million
11 as of April 30, 2022.
- 12 • **Total customer count** grew over 55% to over 7,450 customers as of April
13 30, 2022. Customers with ARR over \$100K grew 113% to 591 as of April
14 30, 2022. Dollar-based net revenue retention rate was a record 131%.
- 15 • **Gross margin:** GAAP gross margin was 65%, compared to 51%. Non-
16 GAAP gross margin was 68%, compared to 53%.
- 17 • **Operating margin:** GAAP operating margin was (115)%, compared to
18 (165)%. Non-GAAP operating margin was (73)%, compared to (127)%.
- 19 • **Cash, cash equivalents and short-term investments** were \$1.6 billion as
20 of April 30, 2022.

21 19. On the same day, June 1, 2022, the Company filed its quarterly report for the first
22 quarter of its 2023 fiscal year, ended April 30, 2022. Therein, the Company reported that “ARR
23 grew 110% year-over-year to \$339.0 million as of April 30, 2022, primarily due to high growth in
24 the number of new customers purchasing our subscriptions and to additional purchases by existing
25 customers.” The report also stated that as of April 30, 2022, the Company’s “disclosure controls
26 and procedures were effective at the reasonable assurance level.”

27 20. On August 31, 2022, SentinelOne issued a press release titled “SentinelOne
28 Announces Second Quarter Fiscal Year 2023 Financial Results.” Therein, the Company, in
relevant part, stated:

SentinelOne, Inc. (NYSE: S) today announced financial results for the second
quarter of fiscal year 2023 ended July 31, 2022.

*“We delivered hyper growth and outperformance across all aspects of our
business in Q2 - ARR, revenue, customer growth, net retention, and margins,”*
said Tomer Weingarten, CEO of SentinelOne. “I’m proud of our team’s execution
despite an evolving macro environment. Through Singularity XDR, we’re
delivering what enterprises need the most: best-in-class protection and superior
platform value.”

1 “Our business momentum remains extremely strong. We once again delivered a
2 combination of triple-digit growth while steadily moving towards long term
3 profitability. ARR growth accelerated to 122% and non-GAAP operating margins
4 expanded 42 percentage points year-over-year,” said Dave Bernhardt, CFO of
SentinelOne. “We’re raising our full-year growth expectations above and beyond
our Q2 outperformance.”

5 **Letter to Shareholders**

6 We have also published a letter to shareholders on the Investor Relations section
7 of our website at investors.sentinelone.com. The letter provides further discussion
8 of our results for the second quarter of fiscal year 2023 as well as our full fiscal
year 2023 financial outlook.

9 **Second Quarter Fiscal 2023 Highlights**

10 *(All metrics are compared to the second quarter of fiscal year 2022 unless*
11 *otherwise noted)*

- 12 • **Total revenue** increased 124% to \$102.5 million, compared to \$45.8
13 million.
- 14 • **Annualized recurring revenue (ARR)** increased 122% to \$438.6 million
15 as of July 31, 2022.
- 16 • **Total customer count** grew about 60% to over 8,600 customers as of July
17 31, 2022. Customers with ARR over \$100K grew 117% to 755 as of July
18 31, 2022. Dollar-based net revenue retention rate was a record 137%.
- 19 • **Gross margin:** GAAP gross margin was 65%, compared to 59%. Non-
GAAP gross margin was 72%, compared to 62%.
- 20 • **Operating margin:** GAAP operating margin was (106)%, compared to
21 (147)%. Non-GAAP operating margin was (57)%, compared to (98)%.
- 22 • **Cash, cash equivalents and short-term investments** were \$1.2 billion as
23 of July 31, 2022.

24 21. On the same day, August 31, 2022, the Company filed its quarterly report for the
25 second quarter of its 2023 fiscal year, ended July 31, 2022. Therein, the Company reported that
26 “ARR grew 122% year-over-year to \$438.6 million as of July 31, 2022, primarily due to high
27 growth in the number of new customers purchasing our subscriptions and to additional purchases
28 by existing customers.” The report also stated that as of July 31, 2022, the Company’s “disclosure
controls and procedures were effective at the reasonable assurance level.”

29 22. On December 6, 2022, SentinelOne issued a press release titled “SentinelOne
Announces Third Quarter Fiscal Year 2023 Financial Results.” Therein, the Company, in relevant
part, stated:

1 SentinelOne, Inc. (NYSE: S) today announced financial results for the third
2 quarter of fiscal year 2023 ended October 31, 2022.

3 “*We once again delivered triple digit revenue and ARR growth* fueled by strong
4 adoption of our Singularity XDR platform across endpoint, cloud, and identity.
5 Cybersecurity is mission-critical, and our Singularity platform is purpose built for
6 leading protection allowing us to deliver superior platform value,” said Tomer
7 Weingarten, CEO of SentinelOne. “We’re focused on enhancing productivity and
8 continuing to take market share in a dynamic environment.”

9 “We maintained the Rule of 60 again in Q3’2023. These results continue to
10 signify our ability to maintain a balance between compelling top line growth and
11 improved progress towards our long-term profitability targets,” said Dave
12 Bernhardt, CFO of SentinelOne.

13 Letter to Shareholders

14 We have also published a letter to shareholders on the Investor Relations section
15 of our website at investors.sentinelone.com. The letter provides further discussion
16 of our results for the third quarter of fiscal year 2023 as well as our full fiscal year
17 2023 financial outlook.

18 Third Quarter Fiscal 2023 Highlights

19 *(All metrics are compared to the third quarter of fiscal year 2022 unless
20 otherwise noted)*

- 21 • **Total revenue** increased 106% to \$115.3 million, compared to \$56.0
22 million.
- 23 • **Annualized recurring revenue (ARR) increased 106% to \$487.4 million
24 as of October 31, 2022.**
- 25 • **Total customer count** grew about 55% to over 9,250 customers as of
26 October 31, 2022. Customers with ARR over \$100,000 grew nearly 100%
27 to 827 as of October 31, 2022. Dollar-based net revenue retention rate was
28 134%.
- **Gross margin:** GAAP gross margin was 64%, compared to 64%. Non-
GAAP gross margin was 71%, compared to 67%.
- **Operating margin:** GAAP operating margin was (90)%, compared to
(120)%. Non-GAAP operating margin was (43)%, compared to (69)%.
- **Cash, cash equivalents, and investments** were \$1.2 billion as of October
31, 2022.

23. On the same day, December 6, 2022, the Company filed its quarterly report for the
third quarter of its 2023 fiscal year, ended October 31, 2022. Therein, the Company reported that
“ARR grew 106% year-over-year to \$487.4 million as of October 31, 2022, primarily due to high
growth in the number of new customers purchasing our subscriptions and to additional purchases

1 by existing customers.” The report also stated that as of October 31, 2022, the Company’s
2 “disclosure controls and procedures were effective at the reasonable assurance level.”

3 24. On March 14, 2023, SentinelOne issued a press release titled “SentinelOne
4 Announces Fourth Quarter Fiscal Year 2023 Financial Results.” Therein, the Company, in
5 relevant part, stated:

6 **Fourth Quarter Fiscal 2023 Highlights**

7 *(All metrics are compared to the fourth quarter of fiscal year 2022 unless
8 otherwise noted)*

- 9 • **Total revenue** increased 92% to \$126.1 million, compared to \$65.6
10 million.
- 11 • **Annualized recurring revenue (ARR) increased 88% to \$548.7 million
12 as of January 31, 2023.**
- 13 • **Total customer count** grew about 50% to over 10,000 customers as of
14 January 31, 2023. Customers with ARR over \$100,000 grew 74% to 905
15 as of January 31, 2023. Dollar-based net revenue retention rate remained
16 above 130%.
- 17 • **Gross margin:** GAAP gross margin was 68%, compared to 63%. Non-
18 GAAP gross margin was 75%, compared to 66%.
- 19 • **Operating margin:** GAAP operating margin was (79)%, compared to
20 (108)%. Non-GAAP operating margin was (35)%, compared to (66)%.
- 21 • **Cash, cash equivalents, and investments** were \$1.2 billion as of January
22 31, 2023.

23 **Full Year Fiscal 2023 Highlights**

24 *(All metrics are compared to fiscal year 2022 unless otherwise noted)*

- 25 • **Total revenue** increased 106% to \$422.2 million, compared to \$204.8
26 million.
- 27 • **Gross margin:** GAAP gross margin was 66%, compared to 60%. Non-
28 GAAP gross margin was 72%, compared to 63%.
- **Operating margin:** GAAP operating margin was (95)%, compared to
(130)%. Non-GAAP operating margin was (49)%, compared to (85)%

(Bold and italics emphasis added.)

25 25. In the press release, the Company also reported fiscal year 2024 (ending January
26 31, 2024) revenue guidance of between \$631 million and \$640 million.

27 26. On March 29, 2023, the Company filed its annual report for the fourth quarter and
28 full year 2023, ended January 31, 2023. Therein, the Company reported that “ARR grew 88%

1 year-over-year to \$548.7 million for fiscal 2023, primarily due to high growth in the number of
2 new customers purchasing our subscriptions and to additional purchases by existing customers.” It
3 also stated that the Company’s “internal control over financial reporting was effective as of
4 January 31, 2023.”

5 27. The above statements identified in ¶¶ 18-26 were materially false and/or misleading
6 and failed to disclose material adverse facts about the Company’s business, operations, and
7 prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company lacked
8 effective internal controls over accounting and financial reporting; (2) that, as a result, the
9 Company’s ARR was overstated; (3) that, as a result, the Company’s guidance was overstated;
10 and (4) that, as a result of the foregoing, Defendant’s positive statements about the Company’s
11 business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

12 Disclosures at the End of the Class Period

13 28. On June 1, 2023, after the market closed, SentinelOne published a press release
14 titled “SentinelOne Announces First Quarter Fiscal Year 2024 Financial Results.” Therein, the
15 Company stated that “[a]s a result of a change in methodology and correction of historical
16 inaccuracies . . . [SentinelOne] made a one-time adjustment to ARR of \$27.0 million[.]”
17 Specifically, the Company, in relevant part, stated:

18 **First Quarter Fiscal Year 2024 Highlights**

19 *(All metrics are compared to the first quarter of fiscal year 2023 unless otherwise
20 noted)*

- 21 • **Total revenue** increased 70% to \$133.4 million, compared to \$78.3 million.
- 22 • **Annualized recurring revenue (ARR)** increased 75% to \$563.6 million
23 as of April 30, 2023. *As a result of a change in methodology and
24 correction of historical inaccuracies, which we further describe in our
25 letter to shareholders, we made a one-time adjustment to ARR of \$27.0
26 million or approximately 5% of total ARR, which we reflected in our
27 total ARR as of April 30, 2023. ARR for the prior period in fiscal 2023
28 has been adjusted based on the same percentage adjustment rate
identified in the first quarter of fiscal 2024.*
- **Total customer count** grew approximately 43% to over 10,680 customers
as of April 30, 2023. Customers with ARR over \$100,000 grew 61% to
917 as of April 30, 2023. Dollar-based net revenue retention rate (NRR)

1 remained above 125%. Customers with ARR over \$100,000 and NRR
2 reflect the adjustment to ARR described above.

- 3 • **Gross margin:** GAAP gross margin was 68%, compared to 65%. Non-
4 GAAP gross margin was 75%, compared to 68%.
- 5 • **Operating margin:** GAAP operating margin was (86)%, compared to
6 (115)%. Non-GAAP operating margin was (38)%, compared to (73)%.
- 7 • **Cash, cash equivalents, and investments** were \$1.1 billion as of April
8 30, 2023.

(Bold and italicized emphasis added.)

9 29. In its press release, the Company also revised its fiscal year 2024 revenue guidance
10 downward to a range of \$590 million to \$600 million.

11 30. The same day, SentinelOne published a shareholder letter further explaining the
12 ARR corrections. In relevant part, the Company stated in the investor letter:

13 **Annualized Recurring Revenue (ARR) & Revenue**

14 ARR grew 75% year-over-year to \$564 million at the end of Q1, which reflects
15 the one-time adjustment to both the current and the prior year period. In light of
16 the current macro environment, we expect these lower usage and consumption
17 trends to persist. Due to this new dynamic, we have changed the methodology for
18 calculating ARR for consumption and usage-based agreements to reflect
19 committed contract values. This provides a cleaner view of growth for fiscal 24
20 and beyond. By making this change now, we expect ARR and revenue to be more
21 closely aligned. *As we reviewed the methodology, we also discovered historical
22 upsell and renewal recording inaccuracies relating to ARR on certain
23 subscription and consumption contracts, which are now corrected.*

*Overall, this adjustment resulted in a one-time ARR reduction of \$27 million or
20 approximately 5% of ARR, resulting in Q4 fiscal '23 ending ARR of \$522
21 million. We are applying a comparable estimated adjustment to the remaining
22 quarters in fiscal year 23, which we believe is a reasonable approximation of
23 the impact in those periods.* This adjustment did not impact historical revenue or
total bookings.

(Bold and italicized emphasis added.)

24 31. On this news, SentinelOne's stock price fell \$7.28 per share, or more than 35%, to
25 close at \$13.44 per share on June 2, 2023.

26 **CLASS ACTION ALLEGATIONS**

27 32. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
28 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that

1 purchased or otherwise acquired SentinelOne securities between June 1, 2022 and June 1, 2023,
2 inclusive, and who were damaged thereby (the “Class”). Excluded from the Class are Defendants,
3 the officers and directors of the Company, at all relevant times, members of their immediate
4 families and their legal representatives, heirs, successors, or assigns, and any entity in which
5 Defendants have or had a controlling interest.

6 33. The members of the Class are so numerous that joinder of all members is
7 impracticable. Throughout the Class Period, SentinelOne’s shares actively traded on the NYSE.
8 While the exact number of Class members is unknown to Plaintiff at this time and can only be
9 ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or
10 thousands of members in the proposed Class. Millions of SentinelOne shares were traded publicly
11 during the Class Period on the NYSE. Record owners and other members of the Class may be
12 identified from records maintained by SentinelOne or its transfer agent and may be notified of the
13 pendency of this action by mail, using the form of notice similar to that customarily used in
14 securities class actions.

15 34. Plaintiff’s claims are typical of the claims of the members of the Class as all
16 members of the Class are similarly affected by Defendants’ wrongful conduct in violation of
17 federal law that is complained of herein.

18 35. Plaintiff will fairly and adequately protect the interests of the members of the Class
19 and has retained counsel competent and experienced in class and securities litigation.

20 36. Common questions of law and fact exist as to all members of the Class and
21 predominate over any questions solely affecting individual members of the Class. Among the
22 questions of law and fact common to the Class are:

23 (a) whether the federal securities laws were violated by Defendants’ acts as
24 alleged herein;

25 (b) whether statements made by Defendants to the investing public during the
26 Class Period omitted and/or misrepresented material facts about the business, operations, and
27 prospects of SentinelOne; and

28

1 (c) to what extent the members of the Class have sustained damages and the
2 proper measure of damages.

3 37. A class action is superior to all other available methods for the fair and efficient
4 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
5 damages suffered by individual Class members may be relatively small, the expense and burden of
6 individual litigation makes it impossible for members of the Class to individually redress the
7 wrongs done to them. There will be no difficulty in the management of this action as a class
8 action.

9 **UNDISCLOSED ADVERSE FACTS**

10 38. The market for SentinelOne's securities was open, well-developed and efficient at
11 all relevant times. As a result of these materially false and/or misleading statements, and/or
12 failures to disclose, SentinelOne's securities traded at artificially inflated prices during the Class
13 Period. Plaintiff and other members of the Class purchased or otherwise acquired SentinelOne's
14 securities relying upon the integrity of the market price of the Company's securities and market
15 information relating to SentinelOne, and have been damaged thereby.

16 39. During the Class Period, Defendants materially misled the investing public, thereby
17 inflating the price of SentinelOne's securities, by publicly issuing false and/or misleading
18 statements and/or omitting to disclose material facts necessary to make Defendants' statements, as
19 set forth herein, not false and/or misleading. The statements and omissions were materially false
20 and/or misleading because they failed to disclose material adverse information and/or
21 misrepresented the truth about SentinelOne's business, operations, and prospects as alleged herein.

22 40. At all relevant times, the material misrepresentations and omissions particularized
23 in this Complaint directly or proximately caused or were a substantial contributing cause of the
24 damages sustained by Plaintiff and other members of the Class. As described herein, during the
25 Class Period, Defendants made or caused to be made a series of materially false and/or misleading
26 statements about SentinelOne's financial well-being and prospects. These material misstatements
27 and/or omissions had the cause and effect of creating in the market an unrealistically positive
28 assessment of the Company and its financial well-being and prospects, thus causing the

1 Company's securities to be overvalued and artificially inflated at all relevant times. Defendants'
2 materially false and/or misleading statements during the Class Period resulted in Plaintiff and
3 other members of the Class purchasing the Company's securities at artificially inflated prices, thus
4 causing the damages complained of herein when the truth was revealed.

5 **LOSS CAUSATION**

6 41. Defendants' wrongful conduct, as alleged herein, directly and proximately caused
7 the economic loss suffered by Plaintiff and the Class.

8 42. During the Class Period, Plaintiff and the Class purchased SentinelOne's securities
9 at artificially inflated prices and were damaged thereby. The price of the Company's securities
10 significantly declined when the misrepresentations made to the market, and/or the information
11 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,
12 causing investors' losses.

13 **SCIENTER ALLEGATIONS**

14 43. As alleged herein, Defendants acted with scienter since Defendants knew that the
15 public documents and statements issued or disseminated in the name of the Company were
16 materially false and/or misleading; knew that such statements or documents would be issued or
17 disseminated to the investing public; and knowingly and substantially participated or acquiesced
18 in the issuance or dissemination of such statements or documents as primary violations of the
19 federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by
20 virtue of their receipt of information reflecting the true facts regarding SentinelOne, their control
21 over, and/or receipt and/or modification of SentinelOne's allegedly materially misleading
22 misstatements and/or their associations with the Company which made them privy to confidential
23 proprietary information concerning SentinelOne, participated in the fraudulent scheme alleged
24 herein.

25 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

26 **(FRAUD-ON-THE-MARKET DOCTRINE)**

27 44. The market for SentinelOne's securities was open, well-developed and efficient at
28 all relevant times. As a result of the materially false and/or misleading statements and/or failures

1 to disclose, SentinelOne's securities traded at artificially inflated prices during the Class Period.
2 On September 12, 2022, the Company's stock price closed at a Class Period high of \$29.33 per
3 share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's
4 securities relying upon the integrity of the market price of SentinelOne's securities and market
5 information relating to SentinelOne, and have been damaged thereby.

6 45. During the Class Period, the artificial inflation of SentinelOne's shares was caused
7 by the material misrepresentations and/or omissions particularized in this Complaint causing the
8 damages sustained by Plaintiff and other members of the Class. As described herein, during the
9 Class Period, Defendants made or caused to be made a series of materially false and/or misleading
10 statements about SentinelOne's business, prospects, and operations. These material misstatements
11 and/or omissions created an unrealistically positive assessment of SentinelOne and its business,
12 operations, and prospects, thus causing the price of the Company's securities to be artificially
13 inflated at all relevant times, and when disclosed, negatively affected the value of the Company
14 shares. Defendants' materially false and/or misleading statements during the Class Period resulted
15 in Plaintiff and other members of the Class purchasing the Company's securities at such
16 artificially inflated prices, and each of them has been damaged as a result.

17 46. At all relevant times, the market for SentinelOne's securities was an efficient
18 market for the following reasons, among others:

19 (a) SentinelOne shares met the requirements for listing, and was listed and
20 actively traded on the NYSE, a highly efficient and automated market;

21 (b) As a regulated issuer, SentinelOne filed periodic public reports with the
22 SEC and/or the NYSE;

23 (c) SentinelOne regularly communicated with public investors via established
24 market communication mechanisms, including through regular dissemination of press releases on
25 the national circuits of major newswire services and through other wide-ranging public
26 disclosures, such as communications with the financial press and other similar reporting services;
27 and/or

28

1 (d) SentinelOne was followed by securities analysts employed by brokerage
2 firms who wrote reports about the Company, and these reports were distributed to the sales force
3 and certain customers of their respective brokerage firms. Each of these reports was publicly
4 available and entered the public marketplace.

5 47. As a result of the foregoing, the market for SentinelOne’s securities promptly
6 digested current information regarding SentinelOne from all publicly available sources and
7 reflected such information in SentinelOne’s share price. Under these circumstances, all purchasers
8 of SentinelOne’s securities during the Class Period suffered similar injury through their purchase
9 of SentinelOne’s securities at artificially inflated prices and a presumption of reliance applies.

10 48. A Class-wide presumption of reliance is also appropriate in this action under the
11 Supreme Court’s holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),
12 because the Class’s claims are, in large part, grounded on Defendants’ material misstatements
13 and/or omissions. Because this action involves Defendants’ failure to disclose material adverse
14 information regarding the Company’s business operations and financial prospects—information
15 that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to
16 recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable
17 investor might have considered them important in making investment decisions. Given the
18 importance of the Class Period material misstatements and omissions set forth above, that
19 requirement is satisfied here.

20 **NO SAFE HARBOR**

21 49. The statutory safe harbor provided for forward-looking statements under certain
22 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint.
23 The statements alleged to be false and misleading herein all relate to then-existing facts and
24 conditions. In addition, to the extent certain of the statements alleged to be false may be
25 characterized as forward looking, they were not identified as “forward-looking statements” when
26 made and there were no meaningful cautionary statements identifying important factors that could
27 cause actual results to differ materially from those in the purportedly forward-looking statements.
28 In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-

1 looking statements pleaded herein, Defendants are liable for those false forward-looking
2 statements because at the time each of those forward-looking statements was made, the speaker
3 had actual knowledge that the forward-looking statement was materially false or misleading,
4 and/or the forward-looking statement was authorized or approved by an executive officer of
5 SentinelOne who knew that the statement was false when made.

6 **FIRST CLAIM**

7 **Violation of Section 10(b) of The Exchange Act and**

8 **Rule 10b-5 Promulgated Thereunder**

9 **Against All Defendants**

10 50. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
11 set forth herein.

12 51. During the Class Period, Defendants carried out a plan, scheme and course of
13 conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing
14 public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and
15 other members of the Class to purchase SentinelOne's securities at artificially inflated prices. In
16 furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant,
17 took the actions set forth herein.

18 52. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made
19 untrue statements of material fact and/or omitted to state material facts necessary to make the
20 statements not misleading; and (iii) engaged in acts, practices, and a course of business which
21 operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to
22 maintain artificially high market prices for SentinelOne's securities in violation of Section 10(b)
23 of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the
24 wrongful and illegal conduct charged herein or as controlling persons as alleged below.

25 53. Defendants, individually and in concert, directly and indirectly, by the use, means
26 or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a
27 continuous course of conduct to conceal adverse material information about SentinelOne's
28 financial well-being and prospects, as specified herein.

1 54. Defendants employed devices, schemes and artifices to defraud, while in
2 possession of material adverse non-public information and engaged in acts, practices, and a course
3 of conduct as alleged herein in an effort to assure investors of SentinelOne's value and
4 performance and continued substantial growth, which included the making of, or the participation
5 in the making of, untrue statements of material facts and/or omitting to state material facts
6 necessary in order to make the statements made about SentinelOne and its business operations and
7 future prospects in light of the circumstances under which they were made, not misleading, as set
8 forth more particularly herein, and engaged in transactions, practices and a course of business
9 which operated as a fraud and deceit upon the purchasers of the Company's securities during the
10 Class Period.

11 55. Each of the Individual Defendants' primary liability and controlling person liability
12 arises from the following facts: (i) the Individual Defendants were high-level executives and/or
13 directors at the Company during the Class Period and members of the Company's management
14 team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and
15 activities as a senior officer and/or director of the Company, was privy to and participated in the
16 creation, development and reporting of the Company's internal budgets, plans, projections and/or
17 reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the
18 other defendants and was advised of, and had access to, other members of the Company's
19 management team, internal reports and other data and information about the Company's finances,
20 operations, and sales at all relevant times; and (iv) each of these defendants was aware of the
21 Company's dissemination of information to the investing public which they knew and/or
22 recklessly disregarded was materially false and misleading.

23 56. Defendants had actual knowledge of the misrepresentations and/or omissions of
24 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to
25 ascertain and to disclose such facts, even though such facts were available to them. Such
26 defendants' material misrepresentations and/or omissions were done knowingly or recklessly and
27 for the purpose and effect of concealing SentinelOne's financial well-being and prospects from the
28 investing public and supporting the artificially inflated price of its securities. As demonstrated by

1 Defendants' overstatements and/or misstatements of the Company's business, operations, financial
2 well-being, and prospects throughout the Class Period, Defendants, if they did not have actual
3 knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain
4 such knowledge by deliberately refraining from taking those steps necessary to discover whether
5 those statements were false or misleading.

6 57. As a result of the dissemination of the materially false and/or misleading
7 information and/or failure to disclose material facts, as set forth above, the market price of
8 SentinelOne's securities was artificially inflated during the Class Period. In ignorance of the fact
9 that market prices of the Company's securities were artificially inflated, and relying directly or
10 indirectly on the false and misleading statements made by Defendants, or upon the integrity of the
11 market in which the securities trades, and/or in the absence of material adverse information that
12 was known to or recklessly disregarded by Defendants, but not disclosed in public statements by
13 Defendants during the Class Period, Plaintiff and the other members of the Class acquired
14 SentinelOne's securities during the Class Period at artificially high prices and were damaged
15 thereby.

16 58. At the time of said misrepresentations and/or omissions, Plaintiff and other
17 members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff
18 and the other members of the Class and the marketplace known the truth regarding the problems
19 that SentinelOne was experiencing, which were not disclosed by Defendants, Plaintiff and other
20 members of the Class would not have purchased or otherwise acquired their SentinelOne
21 securities, or, if they had acquired such securities during the Class Period, they would not have
22 done so at the artificially inflated prices which they paid.

23 59. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act
24 and Rule 10b-5 promulgated thereunder.

25 60. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the
26 other members of the Class suffered damages in connection with their respective purchases and
27 sales of the Company's securities during the Class Period.

28

1 **SECOND CLAIM**

2 **Violation of Section 20(a) of The Exchange Act**

3 **Against the Individual Defendants**

4 61. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
5 set forth herein.

6 62. Individual Defendants acted as controlling persons of SentinelOne within the
7 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level
8 positions and their ownership and contractual rights, participation in, and/or awareness of the
9 Company's operations and intimate knowledge of the false financial statements filed by the
10 Company with the SEC and disseminated to the investing public, Individual Defendants had the
11 power to influence and control and did influence and control, directly or indirectly, the decision-
12 making of the Company, including the content and dissemination of the various statements which
13 Plaintiff contends are false and misleading. Individual Defendants were provided with or had
14 unlimited access to copies of the Company's reports, press releases, public filings, and other
15 statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were
16 issued and had the ability to prevent the issuance of the statements or cause the statements to be
17 corrected.

18 63. In particular, Individual Defendants had direct and supervisory involvement in the
19 day-to-day operations of the Company and, therefore, had the power to control or influence the
20 particular transactions giving rise to the securities violations as alleged herein, and exercised the
21 same.

22 64. As set forth above, SentinelOne and Individual Defendants each violated Section
23 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their
24 position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the
25 Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and
26 other members of the Class suffered damages in connection with their purchases of the
27 Company's securities during the Class Period.

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PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.
