Risk Factors Comparison 2023-12-22 to 2022-12-08 Form: 10-K

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You should carefully consider the following risks and other information in this Form 10- K in evaluating Hewlett Packard Enterprise and its common stock. Any of the following risks could materially and adversely affect our results of operations or financial condition. The following risk factors should be read in conjunction with Part II, Item 7, ~~"~~ **"** Management' s Discussion and Analysis of Financial Condition and Results of Operation ~~"~~ **"** and the Consolidated Financial Statements and related notes in Part II, Item 8, ~~"~~ **"** Financial Statements and Supplementary Data ~~"~~ **"** of this Form 10- K. Business and Operational Risks ~~We are unable~~ **If we cannot successfully execute our go-** to ~~predict the extent to which the~~ **- market strategy, including our** ongoing ~~global COVID~~ **transition to an aaS consumption** - **based** ~~19 pandemic, or other outbreaks, epidemics, pandemics, or public health crises may adversely impact our~~ business **model, our business,** ~~operations~~ - **operating results** , **and** financial performance **may suffer** ~~and results of operations~~ . **Our long** ~~For the past two years, the COVID~~ - **term strategy** ~~19 pandemic and efforts to control its~~ - **is focused on leveraging our portfolio** ~~spread have significantly curtailed the movement~~ of ~~people~~ **hardware** , ~~goods~~ **software,** and services ~~worldwide, including in most or~~ **as we deliver global edge- to- cloud platform as- a- service to help customers accelerate outcomes by unlocking value from** all of ~~the~~ **their data** ~~regions in which we sell our products and services and conduct our business operations. The pandemic has resulted in~~ , ~~and may~~ **everywhere. We** continue ~~to or~~ **our transition to** ~~at a later time result in, a global slowdown of economic activity, including travel restrictions, prohibitions of non- essential activities in some cases, disruption and~~ - **an aaS company, to provide our entire portfolio through** ~~shutdown of businesses and greater uncertainty in global financial markets. Our operations have been affected by~~ a range of **subscription and consumption** ~~external factors related to the COVID~~ - ~~19 pandemic~~ **based, pay- per- use, and aaS offerings. We will also continue to provide our hardware and software in a capital expenditure and license- based model, giving our customers choices in consuming HPE products and services. To successfully execute this strategy and transition, we must continue to improve cost structure, align sales coverage with strategic goals, improve channel execution and strengthen our capabilities in our areas of strategic focus, while continuing to pursue new product innovation** that **builds** ~~are not within our control, including the various restrictions imposed by cities, counties, states and countries~~ on our ~~employees~~ **strategic capabilities in areas such as edge computing** , ~~customers~~ **hybrid cloud** , ~~partners~~ **artificial intelligence, data center networking, network security** and **high** ~~suppliers designed to limit the spread of COVID~~ - ~~19~~ **performance compute** . **We must make sufficient long** ~~Although the immediate impacts of the COVID~~ - **term investments in strategic growth areas** ~~19 pandemic have been assessed and mitigated~~ , **such** ~~the ultimate extent of the impact of the pandemic, including~~ as ~~a result of possible subsequent outbreaks of COVID- 19~~ **developing, obtaining, and protecting appropriate intellectual property and committing significant R & D and other resources before knowing whether** ~~or~~ **our projections** ~~of new variants thereof and measures taken in response thereto,~~ will **reasonably** ~~depend on future developments, which remain highly uncertain and cannot currently be predicted. Based on employee vaccination rates and public health guidance, we have begun a return to most HPE offices on a hybrid basis for most employees, adhering to any government requirements in effect~~ **reflect** ~~locally. We continue to monitor the situation, including cases within our workforce, and will take action to adjust office attendance policies as circumstances warrant in order to protect the health and safety of employees, contractors, and others who visit our sites. Vaccination requirements or other risk mitigation strategies for site entry and other activities remain in effect in many countries where it is legally permissible to implement such a requirement (s), though discretion to implement such policies has been returned to local executive leadership. The pandemic and its uneven recovery have adversely affected, continue to adversely affect, and we expect may continue to adversely affect, our business, in a variety of ways, including by restricting our operations and sales, marketing and distribution efforts; and disrupting the supply chains of hardware products. In addition, as the COVID- 19 pandemic has disrupted the operations of our customers~~ - **customer** ~~, partners, and suppliers, there have been, and there may continue to be, delays of hardware product shipments from our vendors and out of our manufacturing and logistics operations worldwide as a result of capacity issues. While capacity shortages are beginning to show signs of recovery, they may nevertheless persist, adversely disrupting our business. Additionally, concerns over the economic impact of the COVID- 19 pandemic have caused extreme volatility in financial and other capital markets, which has adversely impacted, and may continue to adversely impact, our stock price, our ability to access capital markets, and our ability to fund liquidity needs. Outbreaks, epidemics, pandemics, or public health crises may in the future adversely affect, among other things,~~ demand for our **solutions. Should such** ~~products and services; our operations and sales, marketing, and distribution~~ efforts **fail to** ~~; the supply chains of hardware products~~ **produce** ~~and components;~~ **actionable insights,** ~~our~~ - **or** ~~research and development capabilities;~~ our ~~engineering,~~ **offerings not perform as** ~~design~~ **designed or promised** , ~~and manufacturing processes; and~~ **we may be unable to manage or complete** ~~other~~ -- **the** ~~important~~ **transition successfully or in a timely manner, not realize all of the anticipated benefits of the transition (even if we complete it), and our** business ~~activities. Outbreaks, epidemics, pandemics, or public health crises may also result in our restriction or suspension of international and / or domestic travel, prohibitions of non- essential activities in some cases, and limit our in- person activities within HPE and with customers. Such outbreaks, epidemics, pandemics, or public health crises may also present operational challenges, such as unanticipated disruptions in services provided through our localized physical infrastructure, which can in turn curtail the functioning of critical components of our IT systems, and adversely affect our ability to fulfill orders, provide services, respond to customer requests and maintain our worldwide business operations. The negative impacts of the global COVID- 19 pandemic or other outbreaks, epidemics, pandemics, or public health crises on the broader global economy and related impacts on our or our customers' business~~

~~operations and demand for our products and services will depend on future developments and actions taken in response to such events, which are highly uncertain and cannot be predicted. Additional impacts and risks that we are not currently aware of may arise. We are similarly unable to predict the full extent of the impact of the COVID- 19 pandemic or other outbreaks, epidemics, pandemics, or public health crises on our customers, partners, and suppliers. To the extent the COVID- 19 pandemic or other outbreaks, epidemics, pandemics, or public health crises adversely affect our business,~~ results **and** ~~of operations,~~ financial condition ~~, and stock price, they may also have the effect of heightening many~~ - **may** of the other risks described in this...... channels and customers. Our operations could be adversely affected ~~if manufacturing~~ **. Furthermore** , ~~logistics~~ **such incremental capital requirements may negatively impact cash flows in the near term, and may require us to dedicate additional resources, including sales and marketing costs. The process of improving** ~~or~~ **our** ~~other~~ **HPE GreenLake edge- to- cloud platform' s aaS solutions and enhancing existing hardware, software, and cloud- based solutions is complex, costly, and uncertain, and any failure by us to anticipate customers' changing needs and emerging technological trends accurately, to invest sufficiently in strategic growth areas, or to otherwise successfully execute this strategy could significantly harm our market share, results of** operations **, and financial performance. Having developed a cloud platform product** in ~~these locations are disrupted for~~ **HPE GreenLake, we must be able to continue to scale quickly, while also managing costs and preserving margins, which means accurately forecasting volumes, mixes of products, and configurations that meet customer requirements, which we may not succeed at doing. Our HPE GreenLake edge- to- cloud platform faces competition from peer companies with their own cloud platform offerings, and** any ~~reason~~ **delay in the development, production, or marketing of a new product, service or solution** , including **new** ~~natural disasters, IT system failures~~ **features of the HPE GreenLake edge- to- cloud platform** , ~~military actions~~ **could result in** ~~or~~ **our offerings** ~~economic, business, labor, environmental, public health, regulatory, or political issues. Other critical business operations and some of our suppliers are located in California and Asia, near major earthquake faults known for seismic activity. The ultimate impact on us, our significant suppliers and our general infrastructure of~~ being **late** ~~located near vulnerable locations is continuing~~ to ~~be assessed~~ **reach the market, which could further harm our competitive position** . ~~Our transition~~ **Furthermore, we anticipate needing** to ~~a~~ **continually adapt our go- to- market structure with new sales and marketing approaches, to better align with the** software consumption- based business model **. Changing our go- to- market structure** may ~~adversely~~ affect **employee compensation models and ultimately our ability to retain employees. There is no assurance that we will be able to successfully implement these adjustments in a timely** ~~our~~ - **or** ~~business~~ **cost- effective manner** , ~~operating results and free cash flow~~ **or that we will be able to realize all or any of the expected benefits from them** . ~~We~~ **These solutions generally** are **multiyear agreements** ~~currently transitioning to an as- a- service company~~ , ~~providing our entire portfolio through a range~~ **which result in recurring revenue streams over the term** of **the arrangement. As customer demand for our** software consumption- based ~~, pay- per- use and as- a- service offerings. We will also continue to provide our hardware and software in a capital expenditure and license- based model, ultimately giving our customers choices in consuming HPE products and services in a traditional or as- a- service offering. Such business model changes entail significant risks and uncertainties, and we may be unable to complete the transition to a software consumption- based business model or manage the transition successfully and in a timely manner, and our ability to accurately forecast our future operating results may be adversely affected. Additionally, we may not realize all of the anticipated benefits of the software consumption transition, even if we successfully complete the transition. The transition to a software consumption- based business model also means that our historical results, especially those achieved before we began the transition, may not be indicative of our future results. Further, as customer demand for our software consumption- based business model~~ offerings increases, we will experience differences in the timing of revenue recognition between our traditional offerings (for which revenue is generally recognized at the time of delivery) and our **aaS** ~~as- a- service~~ offerings (for which revenue is generally recognized ratably over the term of the arrangement). ~~In addition~~ **As such** , **our financial results and growth depend, in part, on customers continuing to purchase our services and solutions over** the **contract life on the agreed terms. Additionally,** transition to **this** ~~an as- a- service company is expected to require incremental capital requirements, resulting in a negative impact to cash flows in the near term, and may require us to dedicate additional resources, including sales and marketing costs. Furthermore, we anticipate needing to continually adapt our go- to- market structure, to better align with the software consumption- based~~ business model **also means that** ~~. We must adapt~~ our **historical results** ~~sales processes for new sales and marketing approaches~~ , ~~including~~ **especially** those ~~required by~~ **from before the transition, may not be indicative of future results, which may adversely affect** our ~~shift~~ **ability** to ~~software consumption- based~~ **accurately forecast our future operating results. Further, these contracts allow customers to take actions, such as requesting rate reductions, reducing the use of our** services and **solutions** ~~other changes resulting from the pandemic. Changing our~~ - **or** ~~go- to- market structure~~ **terminating a contract early, which** may **adversely** affect ~~employee compensation models and ultimately our ability to retain employees. There is no assurance that we will be able to successfully implement these adjustments in a timely or~~ **our recurring revenue and profitability** ~~cost- effective manner, or that we will be able to realize all or any of the expected benefits from such adjustments~~ . Further, our software consumption offerings could subject us to increased risk of liability related to the provision of services as well as operational, technical, legal or other costs. We depend on third- party suppliers, and our financial results could suffer if we fail to manage our supplier relationships properly. Our operations depend on our ability to anticipate our needs for components, products **,** and services, as well as our suppliers ~~'~~ **'** abilities to deliver sufficient quantities of quality components, products **,** and services at reasonable prices and in time for us to meet critical schedules for the delivery of our own products and services. Given the wide variety of solutions that we offer, the large and diverse distribution of our suppliers and contract manufacturers, and the long lead times required to manufacture, assemble **,** and deliver certain solutions, problems **have, from time to time in the past, arisen, and** could **in the future** arise **,** in production, planning **,** and inventory management that could ~~seriously~~ harm our business. In addition, our ongoing efforts to optimize the efficiency of our supply chain could cause supply disruptions and be more expensive, time- consuming **,** and resource- intensive than expected. Furthermore, certain of our suppliers **have at times decided, and** may **in the future** decide **,** to discontinue conducting business with us. Other supplier problems that we **have faced, and** could **again** face **in the future,** include component shortages, excess supply, and contractual, relational **,** and labor risks, each of which is described below. • Component shortages. We have been ~~and are currently~~ experiencing delays and shortages of certain components as a result of strong demand and capacity constraints ~~due~~ **caused by insufficient capacity** to ~~economic changes resulting~~ **meet unanticipated demand** from **emerging markets** ~~the COVID- 19 pandemic, disruptions in the operations of component suppliers~~ , and other problems experienced by suppliers or problems faced during the transition to new suppliers. ~~As~~ **Though we have seen easing of industry- wide supply constraints, we expect discreet constraints to continue, the duration of which remains uncertain. In the past, we have experienced** shortages or delays ~~persist~~ , ~~the~~ **which led to higher** ~~price~~ **prices** of certain components ~~has increased,~~ and ~~we may be exposed~~ - **exposure** to quality issues and delivery delays **, which may occur again in the future** . We may not be able to secure enough components at reasonable prices ~~or~~ **,** of acceptable quality **, or at all,** to build products or provide services in a timely manner in the quantities needed or according to our specifications. Accordingly, our business and financial performance could suffer ~~if we~~ **from a** ~~lose~~ **loss of** time- sensitive sales, ~~incur~~ additional freight costs **incurred,** or ~~are unable~~ **the inability** to pass on price increases to our customers. If we cannot adequately address supply issues, we ~~might~~ **may** have to reengineer some product or service offerings, which could result in further costs and delays. • Excess supply. In order to secure components for our products or services, at times we may make advance payments to suppliers or enter into long term agreements, non- ~~cancelable~~ **cancellable** commitments, or other inventory management arrangements with vendors. In addition, we may purchase components strategically in advance of demand to take advantage of favorable pricing or to address concerns about the availability of future components. If we fail to anticipate customer demand properly, a temporary oversupply could result in excess or obsolete components, which **has at times adversely impacted and** could **in the future** adversely ~~affect~~ **impact** our business and financial performance. • Contractual terms. As a result of binding long- term price or purchase commitments with vendors, we may be obligated to purchase components or services at prices that are higher than those available in the current market and be limited in our ability to respond to changing market conditions. If we commit to purchasing components or services for prices in excess of the then- current market price, we may be at a disadvantage to competitors who have access to components or services at lower prices, our gross margin could suffer, and we could incur ~~additional~~ charges relating to inventory obsolescence ~~. Any of these developments could adversely affect our future results of operations and financial condition~~ . • Contingent workers. We also rely on third- party suppliers for the provision of contingent workers, and our failure to manage our use of such workers effectively could adversely affect our results of operations. We have been exposed to various legal claims relating to the status of contingent workers in the past and could face similar claims in the future. We may be subject to shortages, oversupply or fixed contractual terms relating to contingent workers. Our ability to manage the size ~~of,~~ and ~~costs~~ - **cost of our** ~~associated with, the~~ contingent workforce may be subject to additional constraints imposed by local laws. • Single- source suppliers. We obtain certain components from single- source suppliers due to technology, availability, price, quality, scale **,** or customization needs **. Certain of such suppliers have, in the past decided, and may in the future decide, to discontinue manufacturing components used in our products, which may cause us to discontinue certain products, incur additional costs to redesign our products so as not to incorporate such discontinued components, or incur time and expense to find replacement suppliers** . Replacing a single- source supplier **has at times delayed, and** could delay **,** production of some products as replacement suppliers may initially be unable to meet demand or be subject to other output limitations. For some components, such as customized components, alternative sources either may not exist or may be unable to produce the quantities of those components necessary to satisfy our production requirements. In addition, we sometimes purchase components from single- source suppliers under short- term agreements that contain favorable pricing and other terms but that may be unilaterally modified or terminated by the supplier with limited notice and with little or no penalty. The performance of such single- source suppliers under those agreements (and the renewal or extension of those agreements upon similar terms) may affect the quality, quantity, and price of our components. The loss of a single- source supplier, the deterioration of our relationship with a single- source supplier, or any unilateral modification to the contractual terms under which we are supplied components by a single- source supplier could adversely affect our business and financial performance. ~~While~~ **System security risks, data protection incidents, cyberattacks and systems integration issues could disrupt our internal operations** ~~our~~ - **or** ~~restructuring plans~~ **IT services provided to customers, and any such disruption could reduce our revenue, increase our expenses, damage our reputation, and adversely affect our stock price. As a leading technology firm, we** are ~~substantially complete~~ **exposed to attacks from criminals** , **nation state actors** ~~their implementation periods are ongoing~~ , **malicious insiders,** and ~~it~~ **activist hackers (collectively, “ malicious parties ”) who have at times been able to circumvent or bypass our cyber security measures. Although some of these attacks have caused disruptions or exposure of information, so far, these attacks have not resulted in material impacts to HPE, nor have any of HPE’ s consumers, customers, or employees informed HPE that these attacks resulted in material harm to them. It** is possible that **future attacks may result in material misappropriation, system disruptions or shutdowns, malicious alteration, or destruction of our confidential or personal information or that of third parties. Further, there has been an increase in the frequency and sophistication of such attacks, and** we **expect** ~~actors and activist hackers (collectively," malicious parties") who have been able to circumvent or bypass our cyber security measures.Although some of~~ these **activities** ~~attacks have caused disruptions or exposure of information,so far,these attacks have not resulted in material losses~~ to **continue** ~~HPE,nor have any of HPE' s consumers,customers,or employees informed HPE that these attacks resulted in material harm~~ to **increase** ~~them.It is possible that future attacks may result in material misappropriation,system disruptions or shutdowns,malicious alteration,or destruction of our confidential or personal information or that of third parties~~ .Malicious parties also may be able to develop and deploy viruses,worms,ransomware,and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products,including within our cloud- based environments and offerings **.Further,cyber- attacks or incidents have in the past gone,and could in the future go,undetected in our environments for a period of time.Given our broad and diverse network environment,resource limitations,and operational constraints,we have in the past failed,and may in the future fail,to patch certain security vulnerabilities in time to prevent successful disruptions of our infrastructure or expose information** .Malicious parties may compromise our manufacturing supply chain and the systems or networks of other third parties on whom we rely,and as such,may embed malicious software or hardware in our products **,thereby** ~~for use in~~ compromising our customers.Geopolitical tensions or conflicts,such as the ongoing ~~conflict~~ **conflicts** between Russia and Ukraine **or Israel and Hamas** ,may create a heightened risk of such cyberattacks or exacerbate system vulnerabilities, **considering** ~~especially in light of~~ our **continued** hybrid work environment.In addition,sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture,including flaws that could unexpectedly interfere with the operation of the system.The costs **associated with cybersecurity tools and infrastructure and fierce competition for scarce cybersecurity and IT talent have at times limited,and may in the future limit,our ability** to ~~us to~~ **efficiently identify,** eliminate **,** or ~~alleviate~~ **remediate** cyber or ~~other security problems,including bugs,viruses,worms,malicious software programs,and~~ other security vulnerabilities **or problems or enact changes to minimize the attack surface of our network.Furthermore** , ~~could be significant,and~~ our efforts to address these problems may not ~~achieve between Russia and Ukraine,may create a heightened risk of such cyberattacks or exacerbate system vulnerabilities,especially in light of our hybrid work environment.In addition,sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture,including flaws that could unexpectedly interfere with the operation of the system.The costs to us to eliminate or alleviate cyber or other security problems,including bugs,viruses,worms,malicious software programs,and other security vulnerabilities,could be significant,and our efforts to address these problems may not~~ be successful and could result in interruptions,delays,cessation of service,and loss of existing or potential customers that may impede our sales,manufacturing,distribution or other critical functions. **Additional impacts from cybersecurity incidents could include remediation costs to our customers,suppliers,or distributors,such as liability for stolen assets or information,repairs of system damage,and incentives for continued business;lost revenue resulting from the unauthorized use of proprietary information or the failure to retain or attract business partners following an incident;increased insurance premiums;and damage to our competitiveness,stock price,and long- term shareholder value.** We manage and store various proprietary information **,intellectual property,** and sensitive or confidential data relating to our business.In addition,our business may process,store **,** and transmit customer data,including commercially sensitive and personal data,subject to the European General Data Protection Regulation,the California Consumer Privacy Act, ~~the California Privacy Rights Act,~~ and other privacy laws **and regulations related to the handling of personal data** .With our business increasingly providing **aaS** ~~as- a- service~~ offerings,malicious parties could target such services,potentially resulting in an increased risk of compromise of customer data and regulatory exposure.Incidents involving our cyber or physical security measures or the accidental loss,inadvertent disclosure,or unapproved dissemination of proprietary information, **intellectual property,or** sensitive,confidential,or personal data about us,our clients,or our customers,including the potential loss or disclosure of such ~~information or~~ data as a result of fraud,trickery,or other forms of deception,could expose us,our customers **,** or the individuals affected to a risk of loss or misuse of this information ~~,~~ **;** result in regulatory fines,litigation,and potential liability for us ~~,~~ **;** damage our brand and reputation ~~,~~ **;** or otherwise harm our business.We also could lose existing or potential customers of services or other IT solutions or incur significant expenses in connection with our customers ~~'~~ **’** system failures or any actual or perceived security vulnerabilities in our products and services.In addition,the cost and operational consequences of managing an incident and implementing further data protection measures could be significant **.Additionally,we have at times experienced,and may experience,other security issues that are not results of any action or attack from malicious parties,whether due to employee or insider error or malfeasance,system errors or vulnerabilities in our or other parties’ systems** .Portions of our IT infrastructure also have experienced,and may experience,interruptions,delays **,** or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time.We may not be successful in implementing new systems and transitioning data,which could cause business disruptions and be more expensive,time- consuming,disruptive **,** and resource intensive.Furthermore,our data centers depend on predictable and reliable energy and networking capabilities,the cost or availability of which could be adversely affected or disrupted by a variety of factors,including but not limited to the effects of climate change.Such disruptions could adversely impact our ability to fulfill orders and respond to customer requests and interrupt other processes.Delayed sales,lower margins,or lost customers resulting from these ~~disruptions~~ **events** could reduce our revenue,increase our expenses ~~,damage our reputation~~ ,and adversely affect our **reputation and** stock price. ~~If~~ **While** we **seek** ~~cannot successfully execute our go-~~ to **identify** ~~- market strategy~~ and **remediate vulnerabilities in our** ~~continue to develop,manufacture and market innovative~~ products,services, ~~and solutions~~ **IT systems** , ~~our business~~ **controls,** and ~~financial performance~~ **software that could be exploited by any malicious parties,we** may **not be** ~~suffer.Our long- term strategy is focused on leveraging our portfolio of hardware~~ --- **aware of** ~~,software and services as we deliver global edge- to- cloud platform as~~ all ~~of the expected benefits of~~ such ~~restructuring plans. We~~ **vulnerabilities, and we** have ~~announced~~ **at times failed,** and **may fail,to anticipate,detect,identify,and / or remediate such vulnerabilities before they are exploited.There is no guarantee that a series** of **issues may not be determined to be material in** the **aggregate at a future date even if they may not be material individually at** ~~other~~ -- **the time** ~~risks described in this Part I,Item 1A~~ of **their occurrence** ~~this Form 10- K~~ .Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.Our worldwide operations and supply chain could be disrupted by natural or human- induced disasters including,but not limited to,earthquakes;tsunamis;floods;hurricanes,cyclones or typhoons;fires;other extreme weather conditions;power or water shortages;telecommunications failures;materials scarcity and price volatility;terrorist acts,civil unrest,conflicts or wars;and

~~medical~~ **health** epidemics or pandemics.The impacts and frequency of any of the above could ~~furthermore~~ be **further** exacerbated by climate change,particularly in countries where we operate that ~~have limited infrastructure and disaster recovery resources.We are predominantly self- insured to mitigate the impact of most catastrophic events.Although it is impossible to completely predict the occurrences or consequences of any such events,forecasting~~ have **limited infrastructure and disaster recovery resources. While** ~~been implementing, restructuring plans, including the HPE Next initiative (whereby~~ we are ~~simplifying~~ **predominantly self- insured to mitigate the impact of most catastrophic events, the occurrence of business disruptions could, among other impacts, harm our revenue, profitability, and financial condition; adversely affect our competitive position; increase our costs and expenses; make it difficult** ~~our~~ - **or impossible to provide** ~~operating model and streamlining~~ our offerings ~~, business processes~~ **to our customers or to receive components from our suppliers; create delays** and ~~business systems)~~ **inefficiencies in our supply chain; or require substantial expenditures** and **recovery time** ~~the cost optimization and prioritization plan,~~ in order to **fully resume** ~~realign our cost structure due to the changing nature of our business and to achieve operating~~ **operations** ~~efficiencies that we expect~~ **. Public health crises, such as the COVID- 19 pandemic, and the measures taken in response** to ~~reduce costs~~ **such events have in the past negatively impacted, and may again in the future negatively impact, our operations and workforce** , as well as ~~simplify~~ **those of** our **partners** ~~organizational structure~~ , **customers** ~~upgrade our IT infrastructure~~ and ~~redesign~~ **suppliers. Additionally, concerns over the economic impact of such events have, from time to time, caused increased volatility in financial and other capital markets, adversely impacting our stock price, our ability to access the capital markets, and our ability to fund liquidity needs, and may do so again in the future. The negative impacts of any such events on** business ~~processes. While~~ **operations and demand for** our ~~restructuring plans~~ **offerings will depend on future developments and actions taken in response to such events, which may be outside our control, highly uncertain, and cannot be predicted at this time. The manufacture of product components, the final assembly of our products and other critical operations** are ~~substantially complete~~ **concentrated in certain geographic locations** , **including** ~~their~~ -- **the** ~~implementation periods~~ **United States, Puerto Rico, Czech Republic, Mexico, China, Malaysia, Taiwan, South Korea, and Singapore. We also rely on major logistics hubs, which** are ~~ongoing,~~ **strategically located near manufacturing facilities in the major regions** and ~~it is possible that we may not~~ **in proximity to HPE’ s distribution channels and customers. Other critical business operations and some of our suppliers are located in California and Asia, near major earthquake faults known for seismic activity. Our operations could** be **adversely affected if manufacturing, logistics,** ~~able to maintain all the cost savings and benefits that were attained in connection with our~~ - **or** ~~restructurings. Additionally~~ **other operations in these locations are disrupted for any reason, including those enumerated above** , as **they have been in** ~~a result of restructuring initiatives, we may experience a loss of continuity, loss of accumulated knowledge and / or inefficiency during transitional periods. Reorganization and restructuring can require a significant amount of management and other~~ -- **the** ~~employees' time~~ **past by natural disasters** and ~~focus~~ **public health issues in the United States** , **Puerto Rico,** ~~which may divert attention from operating~~ and ~~growing~~ **China. To the extent such disruptions adversely affect** our business ~~. If we fail to sustain all of the expected benefits of restructuring~~ , **results of operations** ~~it could have a material adverse effect on our competitive position, business~~ , financial condition, ~~results of operations~~ and **stock price** ~~cash flows. For more information about our restructuring plans~~ , ~~the~~ **they** ~~HPE Next initiative and~~ **may also have the effect of heightening many of the** ~~the~~ **other risks described** ~~cost optimization and prioritization plan, see Note 3," Transformation Programs", to the Consolidated Financial Statements~~ in **this** Item ~~8~~ **1A** of Part ~~II~~ **I of this Form 10- K** . Any failure by us to identify, manage and complete acquisitions and subsequent integrations, divestitures and other significant transactions successfully could harm our financial results, business and prospects. As part of our strategy, we may acquire businesses, divest businesses or assets, enter into strategic alliances and joint ventures, and make investments to further our business (collectively, ~~"~~ **“** business combination and investment transactions ~~"~~ **”**), and also handle any post- closing issues, such as integration. For example, **among other acquisitions and subsequent integrations, in June 2023, we acquired Athonet, a private cellular network technology provider, in May 2023, we acquired OpsRamp, Inc., an IT operations management company, in March 2023, we acquired Axis Security, a cloud security provider,** in September 2020, we acquired Silver Peak Systems, Inc., an SD- WAN industry leader and in September 2019, we acquired Cray Inc., a global supercomputer leader. In April 2017 and September 2017, we spun off our Enterprise Services and Software businesses, respectively. See also the risk factors below under the heading ~~"~~ **“** Risks Related to Prior Separations. ~~"~~ **”** Risks associated with business combination and investment transactions include the following, any of which could adversely affect our financial results, including our effective tax rate: • We may not successfully combine product or service offerings or fully realize all of the anticipated benefits of any particular business combination and investment transaction, which may result in (1) failure to retain employees, customers, distributors, and suppliers; (2) increase in unanticipated delays or failure to meet contractual obligations which may cause financial results to differ from expectations; and (3) significant increase in costs and expenses, including those related to severance pay, early retirement costs, employee benefit costs, charges from the elimination of duplicative facilities and contracts, inventory adjustments, assumed litigation and other liabilities, legal, accounting and financial advisory fees, and required payments to executive officers and key employees under retention plans. • Our ability to conduct due diligence with respect to business combination and investment transactions, and our ability to evaluate the results of such due diligence, is dependent upon the veracity and completeness of statements and disclosures made or actions taken by third parties or their representatives. We may fail to identify significant issues with the acquired company ~~'~~ **’** s product quality, financial disclosures, accounting practices or internal control deficiencies or all of the factors necessary to estimate reasonably accurate costs, timing and other matters. • In order to complete a business combination and investment transaction, we may issue common stock, potentially creating dilution for our existing stockholders or we may enter into financing arrangements, which could affect our liquidity and financial condition. • For an acquisition or other combination, the acquisition partner may have differing or inadequate cybersecurity and data protection controls, which could impact our exposure to data security incidents and potentially increase anticipated costs or time to integrate the business. • Business combination and investment transactions may lead to litigation, which could impact our financial condition and results of operations. • We have incurred and will incur additional depreciation and amortization expense over the useful lives of certain assets acquired in connection with business combination and investment transactions and, to the extent that the value of goodwill or intangible assets acquired in connection with a business combination and investment transaction becomes impaired, we may be required to incur additional material charges relating to the impairment of those assets. • For a divestiture, we may encounter difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner, or we may dispose of a business at a price or on terms that are less desirable than we had anticipated. • The impact of divestitures on our revenue growth may be larger than projected, as we may experience greater dis- synergies than expected. If we do not satisfy pre- closing conditions and necessary regulatory and governmental approvals on acceptable terms, it may prevent us from completing the transaction. Dispositions may also involve continued financial involvement in the divested business, such as through continuing equity ownership, guarantees, indemnities or other financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside of our control could affect our future financial results. • Our certificate of incorporation and bylaws could make it difficult or discourage an acquisition of Hewlett Packard Enterprise if our Board of Directors deems it to be undesirable. Provisions such as indemnification, meeting requirements, and blank check stock authorizations could deter or delay hostile takeovers, proxy contests, or changes in control or management of Hewlett Packard Enterprise. Management ~~'~~**’**s attention or other resources may be diverted during business combination and investment transactions and further impacted if we fail to successfully complete or integrate business combination and investment transactions that further our strategic objectives. System security risks, data protection incidents...... may experience brand or reputational harm. If we fail to manage the distribution of our products and services properly, our business and financial performance could suffer. We use a variety of distribution methods to sell our products and services around the world, including both direct and indirect ~~(distributors and resellers)~~ sales to **end- users** ~~enterprise accounts and consumers~~ . Successfully managing the interaction of our direct and indirect channel efforts to reach various potential customer segments for our products and services is a complex process. Moreover, since each distribution method has distinct risks and gross margins, our failure to implement the most advantageous balance in the delivery model for our products and services could adversely affect our revenue and gross margins and therefore our profitability. Our financial results could be materially adversely affected due to distribution channel conflicts or if the financial conditions of our channel partners were to weaken. Our results of operations may be adversely affected by any conflicts that might arise between our various distribution channels or the loss or deterioration of any alliance or distribution arrangement. Moreover, some of our wholesale distributors may have insufficient financial resources and may not be able to withstand changes in business conditions, including economic weakness, industry consolidation, and market trends. ~~Many of our significant distributors operate on narrow margins and have been negatively affected by business pressures in the past.~~ Considerable trade receivables that are not covered by collateral or credit insurance are outstanding with our distribution channel partners. Revenue from indirect sales could suffer, and we could experience disruptions in distribution, if our distributors ~~'~~**’** financial conditions, abilities to borrow funds in the credit markets or operations weaken. Our inventory management is complex, as we continue to sell a significant mix of products through distributors. We must manage both owned and channel inventory effectively, particularly with respect to sales to distributors, which involves forecasting demand and pricing challenges. Distributors ~~may increase~~ **have in the past adjusted** orders during periods of product shortages, **and may do so in the future, in addition to** ~~cancel~~ **cancelling** orders if their inventory is too high or ~~delay~~ **delaying** orders in anticipation of new products. Distributors also may adjust their orders in response to the supply of our products and the products of our competitors and seasonal fluctuations in end- user demand. Our reliance upon indirect distribution methods may reduce our visibility into demand and pricing trends and issues, and therefore make forecasting more difficult. If we have excess or obsolete inventory, we may have to reduce our prices and write down inventory. Moreover, our use of indirect distribution channels may limit our willingness or ability to adjust prices quickly and otherwise to respond to pricing changes ~~by competitors~~ . We also may have limited ability to estimate future product rebate redemptions in order to price our products effectively. In order to be successful, we must attract, retain, train, motivate, develop, and transition key employees, and failure to do so could seriously harm us. In order to be successful, we must attract, retain, train, motivate, develop, and transition qualified executives and other key employees, including those in managerial, technical, development, sales, marketing, and IT support positions. In order to attract and retain executives and other key employees in a competitive marketplace, we must provide a competitive compensation package, including cash ~~-~~and equity- based compensation **. These are particularly important considering our recent segment realignment, as we shift our growth strategy to capture the market opportunity presented by hybrid cloud** . Certain equity- based incentive awards for certain executives contain conditions relating to our stock price performance and our long- term financial performance that make the future value of those awards uncertain. If the anticipated value of such equity- based incentive awards does not materialize, if our equity- based compensation otherwise ceases to be viewed as a valuable benefit, if our total compensation package is not viewed as being competitive, or if we do not obtain the stockholder approval needed to continue granting equity- based incentive awards in the amounts we believe are necessary, our ability to attract, retain, and motivate executives and key employees could be weakened. Our failure to successfully hire executives and key employees or the loss of any executives and key employees could have a significant impact on our operations **and our ability to execute our strategy** . Further, changes in our management team may be disruptive to our business, and any failure to successfully transition and assimilate key new hires or promoted employees could adversely affect our business and results of operations. As competition for highly skilled employees in our industry has grown increasingly intense, we have experienced, and may ~~continue to~~ **in the future** experience, higher than anticipated levels of employee attrition **, which has resulted in increased costs to hire new employees with the desired skills and may do so again in the future. In addition, significant or prolonged turnover or revised hiring priorities may negatively impact our operations and culture, as well as our ability to successfully maintain our processes and**

procedures, including due to the loss of historical, technical, and other expertise . These risks to attracting and retaining the necessary talent may be exacerbated by recent labor constraints and inflationary pressures on employee wages and benefits. Failure to meet ESG expectations or standards or achieve our ESG goals could adversely affect our business, results of operations, financial condition, or stock price. There has been an increased focus from regulators and stakeholders on ESG matters ~~, including greenhouse gas emissions and climate- related risks; diversity, equity, and inclusion; responsible sourcing and supply chain; human rights and social responsibility; and corporate governance and oversight~~ . Given our commitment to ESG, we actively manage these issues and have established and publicly announced certain goals, commitments, and targets which we may refine or even expand further in the future. These goals, commitments, and targets reflect our current plans and aspirations **, are based on available data and estimates,** and are not guarantees that we will be able to achieve them. **Moreover, actions or statements that we may take based on expectations, assumptions, or third- party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. Initiatives to address such ESG issues may be costly and may not have the desired effect.** Evolving stakeholder expectations and our efforts and ability to manage these issues ~~, provide updates on them,~~ and accomplish our goals, commitments, and targets present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which may be outside of our control or could have ~~a material~~ adverse ~~impact~~ **impacts** on our business, including on our ~~reputation and~~ stock price. Further, there is uncertainty around the accounting standards and climate- related disclosures associated with emerging laws and reporting requirements and the related costs to comply with the emerging regulations. Our failure or perceived failure to achieve our ESG goals, maintain ESG practices, or comply with emerging ESG regulations that meet evolving regulatory or stakeholder expectations could harm our reputation, adversely impact our ability to attract and retain customers and talent, and expose us to increased scrutiny from the investment community and enforcement authorities. Our reputation also may be harmed by the perceptions that our stakeholders have about our action or inaction on **certain** ESG-related issues **, or because they may disagree with our goals and initiatives** . Damage to our reputation and loss of brand equity may reduce demand for our products and services and thus have an adverse effect on our future financial ~~results~~ **performance** , as well as require additional resources to rebuild our reputation **.** Issues in the development and use of artificial intelligence may result in reputational harm or liability.We currently incorporate AI capabilities into certain of our offerings,and our research into and continued development of such capabilities remain ongoing.As with many innovations,AI presents risks,challenges,and unintended consequences that could affect its adoption,and therefore our business.AI algorithms **and training methodologies** may be flawed ~~.Datasets may be insufficient or contain biased information~~ .Ineffective or inadequate AI development or deployment practices by us or others could result in incidents that impair the acceptance of AI solutions or cause harm to individuals or society.These deficiencies and other failures of AI systems could subject us to competitive harm,regulatory action,legal liability,and brand or reputational harm. ~~Some AI scenarios present ethical issues,and while we aim to use AI ethically and attempt to predict and anticipate ethical issues presented by its use,we may be unsuccessful in identifying or resolving issues before they arise.~~ If we enable or offer AI solutions that are controversial because of their impact on human rights,privacy,employment,or other social,economic, **or political issues,we may experience competitive,brand,or reputational harm or legal and / or regulatory action.Further,incorporating AI gives rise to litigation risk and risk of non- compliance and unknown cost of compliance,as AI is** ~~and~~ **an emerging technology for which the legal and regulatory landscape is not fully developed (including potential liability for breaching intellectual property or privacy rights or laws). While new AI initiatives, laws, and regulations are emerging and evolving, what they ultimately will look like remains uncertain, and our obligation to comply with them could entail significant costs, negatively affect our business, or entirely limit our ability to incorporate certain AI capabilities into our offerings. Additionally, leveraging AI capabilities to potentially improve internal functions and operations presents further risks and challenges. While we aim to use AI ethically and attempt to identify and mitigate ethical or legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. The use of AI to support business operations carries inherent risks related to data privacy and security, such as intended, unintended, or inadvertent transmission of proprietary or sensitive information, as well as challenges related to implementing and maintaining AI tools, such as developing and maintaining appropriate datasets for such support. Further, dependence on AI without adequate safeguards to make certain business decisions may introduce additional operational vulnerabilities by impacting our relationships with customers, partners, and suppliers; by producing inaccurate outcomes based on flaws in the underlying data; or other unintended results. Risks arising from climate change and the transition to a lower- carbon economy may impact our business Climate change serves as a risk multiplier that could increase both the frequency and severity of natural disasters that may affect our worldwide business operations and those of suppliers and customers. Our corporate headquarters is located in Spring, Texas, which suffers from floods, hurricanes, and other extreme weather, and a portion of our research and development activities are located in California, which suffers from drought conditions and catastrophic wildfires, each affecting the health and safety of our employees. In California, to mitigate wildfire risk, electric utilities have, at times periodically deployed, and may in the future, periodically deploy public safety power shutoffs, which affect electricity reliability to our facilities and our communities. Certain sites located in the United States, Middle East, China, and India experience exposure to extreme heat and water stress, which could potentially jeopardize the health and well- being of our employees, consequently impacting our operations. While we seek to mitigate the business risks associated with climate change through site selection, infrastructure technological investments and robust environmental programs, this may require us to incur substantial costs, and we may be unsuccessful in doing so as there are inherent climate- related risks wherever business is conducted. Furthermore, climate change may reduce the availability or increase the cost of insurance for these negative impacts of natural disasters by contributing to an increase in the incidence and severity of such natural disasters. The increasing concern**

over climate change could also ~~reduce~~ **result in transition risks, such as shifting customer preferences** ~~our~~ - **or** ~~stock~~ **compliance risks from changing regulatory and legal requirements. Changing customer preferences may result in increased demands for sustainable solutions, products, and services, which may cause us to incur additional costs, invest more in R & D, or make other changes to other operations to respond to such demands, which could adversely affect our financial results. We may also confront higher electricity** ~~price~~ **prices as** ~~to compete effectively across numerous factors.Any delay in~~ the ~~development~~ **grid decarbonizes** , ~~production~~ **and higher costs** ~~or~~ **for** ~~marketing of a new product~~ **supplies or components that comply with certain environmental regulatory thresholds** , ~~service~~ **potentially impacting** ~~or~~ **our margins or** ~~solution,including new features of~~ the **pricing of** ~~HPE GreenLake edge- to- cloud platform,could result in~~ our offerings ~~being late~~ **.If we fail** to ~~reach~~ **manage** ~~the~~ **these** ~~market~~ **and other transition risks in an effective manner** , **customer demand for** ~~which could further harm~~ our ~~competitive position~~ **solutions,products,and services could diminish,and our profitability could suffer** .If we cannot continue to produce quality products and services,our reputation,business **,** and financial performance may suffer.In the course of conducting our business,we must adequately address quality issues associated with our products,services,and solutions,including defects in our engineering,design,and manufacturing processes and unsatisfactory performance under service contracts,as well as defects in third- party components included in our products and unsatisfactory performance or even malicious acts by third- party contractors or subcontractors or their employees.In order to address quality issues,we work extensively with our customers and suppliers and engage in product testing to determine the causes of problems and to develop and implement appropriate solutions.However,the products,services,and solutions that we offer are complex,and our regular testing and quality control efforts may not be effective in controlling or detecting all quality issues or errors,particularly with respect to faulty components manufactured by third parties.If we are unable to determine the cause,find an appropriate solution or offer a temporary fix (or ~~"~~ **“** patch ~~"~~ **”**) to address quality issues with our products,we may delay shipment to customers,which could delay revenue recognition and receipt of customer payments and could adversely affect our revenue,cash flows,and profitability.In addition,after products are delivered,quality issues may require us to repair or replace such products.Addressing quality issues can be expensive and may result in additional warranty,repair,replacement **,** and other costs,adversely affecting our financial performance.If new or existing customers have difficulty operating our products or are dissatisfied with our services or solutions,our results of operations could be adversely affected,and we could face possible claims if we fail to meet our customers' expectations.In addition,quality issues can impair our relationships with new or existing customers and adversely affect our brand and reputation,which could ~~,in turn,~~ adversely affect our results of operations ~~.Issues in the~~ . Industry Risks We operate in an intensely competitive industry, and competitive pressures could harm our business and financial performance **. Our ability to implement solutions for our customers, anticipate and respond to rapid and continuing changes in technology (such as cloud-, AI-, and security- related offerings, which are continually evolving), and develop new service offerings or incorporate technological improvements into our offerings that meet current and prospective customers’ needs, as well as evolving industry standards, is critical to our competitiveness and success** . We encounter aggressive competition from numerous and varied competitors in all areas of our business, and our competitors have targeted and are expected to continue targeting our key market segments. We compete primarily on the basis of our technology, innovation, performance, price, quality, reliability, brand, reputation, distribution, **portfolio of** ~~product~~ **products ,** ~~range and~~ ease of use, account relationships, customer training, service and support, and security of our offerings. If our products, services, support, and cost structure do not enable us to compete successfully based on any of those criteria, our results of operations and business prospects could be harmed. We have a large portfolio of products and services and must allocate our financial, personnel **,** and other resources across all of our products and services while competing with companies that have smaller portfolios or specialize in one or more of our product or service lines. As a result, we may invest less in certain areas of our business than our competitors do, and our competitors may have greater financial, technical, and marketing resources available to them compared to the resources allocated to our products and services that compete against ~~their~~ **theirs** ~~products~~ **. If we do not sufficiently invest in new technologies, successfully adapt to industry developments** and **changing demand, and evolve and expand our business at sufficient speed and scale to keep pace with the demands of the markets we** ~~services~~ --- **serve, we may be unable to develop and maintain a competitive advantage and execute on our growth strategy, which would adversely affect our business, results of operations, and financial condition** . Industry consolidation may also affect competition by creating larger, more homogeneous **,** and potentially stronger competitors in the markets in which we operate. Additionally, our competitors may affect our business by entering into exclusive arrangements with our existing or potential customers or suppliers. Companies with whom we have vertical relationships in certain areas may be or become our competitors in other areas. In addition, companies with whom we have vertical relationships also may acquire or form relationships with our competitors, which could reduce their business with us. If we are unable to effectively manage these complicated relationships with vertical partners, our business and results of operations could be adversely affected. We face aggressive price competition and may continue to do so. As a consequence of inflation and higher supply chain and manufacturing costs, we have ~~been increasing~~ **in the past increased** the prices of many of our products and services to maintain or improve our revenue and gross margin **, and may do so again in the future** . In addition, competitors who have a greater presence in some of the lower- cost markets in which we compete, or who can obtain better pricing, more favorable contractual terms and conditions, or more favorable allocations of products and components during periods of limited supply may be able to offer lower prices than we are able to offer. Our cash flows, results of operations, and financial condition may be adversely affected by these and other industry- wide pricing pressures. Because our business model is based on providing innovative and high- quality products and services, we may spend a proportionately greater amount of our revenues on ~~research and development~~ **R & D** than some of our competitors. If we cannot proportionately decrease our cost structure (apart from ~~research and development~~ **R & D** expenses) on a timely basis in response to competitive price pressures ~~, our gross margin and, therefore~~ , our profitability could be adversely affected. In addition, if our pricing and other facets of our offerings are not sufficiently competitive, or if there is an adverse reaction to our product decisions, we may lose market share in certain areas, which could adversely affect our financial performance and business prospects. Even if we are able to maintain or increase market share for a particular product, its financial performance could decline because the product is in a maturing industry or market segment or contains technology that is becoming obsolete. For example, our Storage business unit is experiencing the effects of a market transition towards software defined and public cloud, which has led to a decline in demand for our traditional storage products. Financial performance could decline due to increased competition from other types of products. International Risks Due to the international nature of our business, political or economic changes and the laws and regulatory regimes applying to international transactions or other factors could harm our future revenue, costs and expenses, and financial condition. Our business and financial performance depend significantly on worldwide economic conditions and the demand for technology hardware, software **,** and services in **, and continued access to,** the markets in which we compete. Economic weakness and uncertainty ~~may~~ **and constrained spending on network and enterprise infrastructure have in the past** adversely ~~affect~~ **affected the** demand for our products, services, and solutions ~~, may~~ **. These have** ~~result~~ **resulted** in increased expenses due to higher allowances for doubtful accounts and potential goodwill and asset impairment charges, and ~~may make~~ **made** it more difficult for us to manage inventory and make accurate forecasts of revenue, gross margin, cash flows, and expenses **, and may have such effects again in the future. Such factors, including how long such conditions may persist, among others, may negatively impact the evenness or volume of demand for our products and services, potentially resulting in impacts similar to those mentioned above, though the precise extent of such impacts cannot be accurately predicted** . Economic weakness and uncertainty could cause our expenses to vary materially from our expectations. Any financial turmoil affecting the banking system and financial markets **,** or any significant financial services institution failures could negatively impact our treasury operations, as the financial condition of such parties may deteriorate rapidly and without notice in times of market volatility and disruption. ~~Poor financial performance of asset markets combined with lower interest rates and the adverse effects of fluctuating currency exchange rates could lead to higher pension and post- retirement benefit expenses.~~ Interest and other expenses **have varied, and** could **continue to** vary **,** materially from expectations depending on changes in interest rates, borrowing costs, currency exchange rates, ~~and~~ costs of hedging activities and the fair value of derivative instruments. For example, in response to increasing inflation, the U. S. Federal Reserve, along with central banks around the world, have been raising interest rates ~~and~~ **,** signaled expectations of additional rate increases **, and have indicated these rates may remain higher for longer** . It is difficult to predict the impact of such events on us, our third- party partners **,** ~~or~~ **our** customers **,** or economic markets more broadly, which have been and will continue to be highly dependent upon the actions of governments and businesses in response to macroeconomic events, and the effectiveness of those actions. Such actions **have impacted, and** may **further** impact our ability, desire, or the timing of seeking funding for various investment opportunities. Economic downturns also may lead to restructuring actions and associated expenses. Further, ~~ongoing~~ **reduced** U. S. federal government spending ~~priorities~~ may limit demand for our products, services, and solutions from organizations that receive funding from the U. S. government, and could negatively affect macroeconomic conditions in the United States, which could further reduce demand for our products, services, and solutions. Our business and financial performance also could be adversely affected by changes in U. S. trade policy, U. S. export controls and sanctions, and U. S. regulations concerning imports, as well as international laws and regulations relating to global trade. Current U. S. government trade policy includes the imposition of tariffs on certain foreign goods, including information and communication technology products. These measures have materially increased costs for certain goods imported into the United States. ~~This~~ **As a result, our business has in the past been impacted by forced material price increases, which** in turn ~~could require~~ **resulted in price increases for our offerings, which subsequently limited demand or reduced margins for our offerings, all of which may impact** us **again from time** to **time** ~~materially increase prices to our customers which may reduce demand, or, if we are unable to increase prices, result~~ in **the future** ~~lowering our margin on products sold~~ . **Additionally** ~~U. S. government trade policy has resulted in, and could result in more~~ , U. S. trading partners **may** ~~adopting~~ --- **adopt** ~~responsive~~ **their own** trade ~~policy~~ **policies** making it more difficult or costly for us to export our products to those countries. Similarly, changes in regulations relating to exports could prevent us from exporting products to certain locations or customers entirely. In addition, changes in requirements relating to making foreign direct investments could increase our cost of doing business in certain jurisdictions, prevent us from shipping products to particular countries or markets, affect our ability to obtain favorable terms for components, increase our operating costs or lead to penalties or restrictions. Sales outside the United States constituted approximately ~~67~~ **64** % of our net revenue in fiscal ~~2022~~ **2023** . ~~Our~~ **As such, our** future business and financial performance could suffer due to a variety of international factors **in addition to those otherwise already disclosed** , including: • ongoing **uncertainties as a result of** instability or changes in ~~a country' s or region' s economic or political~~ **geopolitical** conditions, including ~~inflation, recession, interest rate fluctuations, and actual or anticipated~~ military or political conflicts, **such as those** ~~including uncertainties and instability in economic and market conditions~~ caused by the ~~COVID- 19 pandemic, the~~ ongoing ~~conflict~~ **conflicts** between Russia and Ukraine ~~,~~ **or Israel** and **Hamas (the potential escalation or geographic expansion of which could heighten other risks identified in this report), or** the relationship between China and the U. S. **(which could, among other things, impact the enforceability of certain contracts or the timing and form of certain payments)** ; • inflationary pressures, such as those the market is currently experiencing, which **have increased, and** may **continue to** increase **,** costs for materials, supplies, and services; • adverse or uncertain macroeconomic conditions, including **a rising interest rate environment and** fears of a **potential** global economic downturn or recession **, which have at times in the past slowed customer demand for our products and services, and may do so again in the future** ; • network security, privacy, and data sovereignty concerns, which could make foreign customers reluctant to purchase products and services from U. S.- based technology companies; • longer collection cycles and financial instability among customers **, which could impact our ability to collect on accounts receivable and consequently recognize revenue** ; • local labor conditions and regulations, including local labor issues faced by specific suppliers and OEMs, or changes to immigration and labor law policies which may adversely impact our access to technical and professional talent; • managing our geographically dispersed workforce **, which has necessitated, and may in the future require, incurring costs to promote seamless workforce connectivity and to comply with changing laws, regulations and workers' rights councils across multiple jurisdictions** ; • differing technology standards or customer requirements **, which have required us to incur additional development and production costs to modify or adapt our offerings, and may do so again in the future** ; • local content and manufacturing requirements, which **have impacted, and** could **further** impact **,** our ability to sell into those markets; • difficulties associated with repatriating earnings in restricted countries, and changes in tax laws **, which introduces uncertainty to our results of operations and financial performance** ; and • fluctuations in freight costs, limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure at important geographic points of exit and entry for our products and shipments **, which have from time to time adversely impacted, and any of which could in the future adversely impact, our results of operations and ability to meet customer demand** . ~~The~~ **Certain of the** factors described above ~~also could~~ **have, in the past,** ~~disrupt~~ **disrupted the operations of, and adversely impacted** our product and component manufacturing and key suppliers **, customers, or vendors** located outside of the United States **, and could do so again in the future** . For example, we rely on suppliers in Asia for product assembly and manufacture **, the operations of whom are subject to local labor laws and other requirements** . ~~The~~ **Any loss of or limitations on their output or their inability to operate could have an adverse effect on our ability to timely deliver our products and services, which would in turn negatively impact our financial performance. Further, the** ongoing conflict between Russia and Ukraine ~~has~~ **and the trade sanctions imposed by the U. S., the European Union (the " EU "), and other countries in response have negatively** impacted business and financial performance in that region. HPE is proceeding with ~~an~~ **the** exit of our remaining business in Russia and Belarus **as planned; however** , **we** ~~while closely monitoring and analyzing the trade restrictions imposed against Russia and Belarus by the United States, the European Union (the " EU "), and several other jurisdictions to ensure HPE' s compliance with applicable laws. We~~ cannot provide any assurance that such exit will be efficient or uninterrupted, which may negatively impact our operational expenses ~~due to increased relocation costs or impact service delivery in such geographies~~ . We implement policies, procedures, and training designed to facilitate compliance with anti- corruption laws around the world, including the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act. But in many foreign countries, particularly in those with developing economies, people may engage in business practices prohibited by anti- corruption laws. Our employees and third parties we work with may take actions in violation of our policies, and those actions could have an adverse effect on our business and reputation. We are exposed to fluctuations in foreign currency exchange rates. Currencies other than the U. S. dollar, including the euro, the Japanese yen **,** and British pound ~~can~~ **have, from time to time, adversely impacted, and could in the future,** have an **adverse** impact on our results as expressed in U. S. dollars. Currency volatility contributes to variations in our sales of products and services in impacted jurisdictions. Fluctuations in foreign currency exchange rates **have** , **from time to time** ~~most notably the strengthening of the U. S. dollar against the euro~~ , **adversely affected, and** could **in future periods** adversely affect our revenue **recognition and our revenue** growth ~~in future periods~~ . In addition, currency variations can adversely affect **our ability to implement price increases,** margins on sales of our products in countries outside of the United States and margins on sales of products that include components obtained from suppliers located outside of the United States. From time to time, we ~~may~~ use forward contracts and options designated as cash flow hedges to protect against foreign currency exchange rate risks **, and may continue to do so in the future** . The effectiveness of our hedges depends on our ability to accurately forecast future cash flows, which is particularly difficult during periods of uncertain demand for our products and services and highly volatile exchange rates. We may incur significant losses from our hedging activities due to factors such as ~~demand~~ volatility and currency variations. In addition, certain or all of our hedging activities may be ineffective, may expire and not be renewed or may not offset any or more than a portion of the adverse financial impact resulting from currency variations. Losses associated with hedging activities also may impact our revenue and to a lesser extent our cost of sales and financial condition. Intellectual Property Risks Our financial performance may suffer if we cannot continue to develop, license, or enforce the intellectual property rights on which our businesses depend. We rely upon patent, copyright, trademark, trade secret, and other intellectual property laws in the United States, similar laws in other countries, and agreements with our employees, customers, suppliers, and other parties, to establish and maintain intellectual property rights in the products and services we sell, provide, or otherwise use in our operations. However, ~~any of~~ **from time to time** our intellectual property rights **have been challenged, infringed, or circumvented, and any of such rights** could be **further** challenged, invalidated, infringed, or circumvented ~~,~~ or such intellectual property rights may not be sufficient to permit us to take advantage of current market trends or to otherwise provide competitive advantages. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Therefore, in certain jurisdictions we may be unable to protect our proprietary technology adequately against unauthorized third- party copying or use; this, too, could adversely affect our ability to sell products or services and our competitive position. Our products and services depend in part on intellectual property and technology licensed from third parties. Much of our business and many of our products rely on key technologies developed or licensed by third parties. For example, many of our software offerings are developed using software components or other intellectual property licensed from third parties, including through both proprietary and open source licenses. These third- party software components may become obsolete, defective, or incompatible with future versions of our products, ~~or~~ our relationship with the third party may deteriorate **or cease** , or our agreements with the third party may expire or be terminated. We may face legal or business disputes with licensors that may threaten or lead to the disruption of inbound licensing relationships. In order to remain in compliance with the terms of our licenses, we must carefully monitor and manage our use of third- party software components, including both proprietary and open source license terms that may require the licensing or public disclosure of our intellectual property without compensation or on undesirable terms. Additionally, some of these licenses may not be available to us in the future on terms that are acceptable or that allow our product offerings to remain competitive. Our inability to obtain licenses or rights on favorable terms could have a material effect on our business, including our financial condition and results of operations. In addition, it is possible that as a consequence of a merger or acquisition, third parties may obtain licenses to some of our intellectual property rights or our business may be subject to certain restrictions that were not in place prior to such transaction. Because the availability and cost of licenses from third parties depends upon the willingness of third parties to deal with us on the terms we request, there is a risk that third parties who license to our competitors will either refuse to license us at all, or refuse to license us on terms equally favorable to those granted to our competitors. Consequently, we may lose a competitive advantage with respect to these intellectual property rights or we may be required to enter into costly arrangements in order to terminate or limit these rights. Third- party claims of intellectual property infringement, including patent infringement, are commonplace in **our** ~~the IT~~ industry and successful third- party claims may limit or disrupt our ability to sell our products and services. Third parties may claim that we or customers indemnified by us are infringing upon **or otherwise violating** their intellectual property rights. Patent assertion entities frequently purchase intellectual property assets for the purpose of extracting infringement settlements. If we cannot license, or replace, allegedly infringed intellectual property on reasonable terms, our operations could be adversely affected. Even if we believe that intellectual property claims are without merit, they can be time- consuming and costly to defend against and may divert management' s attention and resources away from our business. Claims of intellectual property infringement also might require us to redesign affected products, discontinue certain product offerings, enter into costly settlement or license agreements, pay costly damage awards, or face a temporary or permanent injunction prohibiting us from importing, marketing, or selling certain of our products. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable or unwilling to uphold its contractual obligations to us. Financial Risks ~~Failure~~ **Adverse developments affecting our liquidity, capital position, borrowing costs, and access** to **capital markets** ~~maintain a satisfactory credit rating~~ could adversely ~~affect~~ **impact** our ~~liquidity~~ **business** , ~~capital position~~ **financial condition** , ~~borrowing costs,~~ and **results of operations** ~~access to capital markets~~ . We currently maintain investment grade credit ratings with Moody' s Investors Service, Standard & Poor' s Ratings Services, and Fitch Ratings Services. Despite these investment grade credit ratings, any future downgrades could increase the cost of borrowing under any indebtedness we may incur, reduce market capacity for our commercial paper, or require the posting of additional collateral under our derivative contracts. Additionally, increased borrowing costs, including those arising from a credit rating downgrade, can potentially reduce the competitiveness of our financing business. There can be no assurance that we will be able to maintain our credit ratings, and any additional actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, may have a negative impact on our liquidity, capital position, and access to capital markets. **In addition, volatility and disruption in the financial sector and capital markets and other events negatively affecting macroeconomic conditions or contributing to the instability or volatility thereof, such as rising interest rates, have from time to time in the past impacted, and may in the future impact, our liquidity, capital position, and access to capital markets. Our total liquidity depends in part on the availability of funds under the revolving credit facility and our other financing agreements. The failure of any lender' s ability to fund future draws on our revolving credit facility or our other financing arrangements could reduce the amount of cash we have available for operations and additional capital for future needs. The future effects of such events are unknown and difficult to predict at this time, and could adversely affect us, our customers, financial institutions, transactional counterparties, or others with which we do business, which may in turn have adverse impacts on our current and / or projected business operations, financial condition, and our results of operations.** Our debt obligations may adversely affect our business and our ability to meet our obligations and pay dividends. In addition to our current total carrying debt, we may also incur additional indebtedness in the future. This collective amount of debt could have important adverse consequences to us and our investors, including ~~: •~~ requiring a substantial portion of our cash flow from operations to make principal and interest payments; ~~•~~ making it more difficult to satisfy other obligations; ~~•~~ increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing; ~~•~~ increasing our vulnerability to general adverse economic and industry conditions; ~~•~~ reducing the cash flows available to fund capital expenditures and other corporate purposes and to grow our business; ~~•~~ limiting our flexibility in planning for, or reacting to, changes in our business and industry; and ~~•~~ limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase our common stock. Recent quantitative tightening by the U. S. Federal Reserve, along with other central banks around the world, **have affected, and** may **continue to** affect **,** our short- term ability ~~or desire~~ to incur debt **at reasonable prices, or our desire to incur debt at all** . To the extent that we incur additional indebtedness, the risks described above could increase. In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to service our outstanding debt or to repay our outstanding debt as it becomes due, and we may not be able to borrow money, sell assets, or otherwise raise funds on acceptable terms, or at all, to service or refinance our debt. The revenue and profitability of our operations have historically varied, which makes our future financial results less predictable. Our revenue, gross margin, and profit vary among our diverse products and services, customer groups, and geographic markets and therefore, will likely be different in future periods than our historical results. Our revenue depends on the overall demand for our products and services **, which is difficult to accurately predict, varies from time to time, and may be uneven across our portfolio of offerings. Additionally, customer acceptances of delivered orders and the timing thereof can be uneven across our portfolio and can impact our ability to recognize revenue. Such variables have in the past negatively impacted our financial performance, and may do so again in the future** . Delays or reductions in IT spending by our customers or potential customers could have a material adverse effect on demand for our products and services, which could result in a significant decline in revenue. In addition, revenue declines in some of our businesses may affect revenue in our other businesses as we may lose cross- selling opportunities. Overall gross margins and profitability in any given period are dependent partially on the product, service, customer, and geographic mix reflected in that period' s net revenue. ~~The conflict between Russia and Ukraine~~

~~and the trade sanctions imposed by the U. S., the EU, and other countries in response have negatively impacted our operations and financial performance in both countries. There could be additional negative impacts to our net revenues, earnings, and cash flows should the situation escalate beyond its current scope, including, among other potential impacts, economic recessions in certain neighboring countries or globally, due to inflationary pressures and supply chain cost increases or the geographic proximity of the war relative to the rest of Europe.~~ Furthermore, the relationship between China and the U. S., and any subsequent action that may be taken by either country, may ~~negatively impact~~ **significantly vary the results** our operations and financial performance **from that region** . There could be additional uncertainty surrounding the enforceability of contract obligations, as well as the timing and form of payments from China. Competition, lawsuits, investigations, increases in component and manufacturing costs that we are unable to pass on to our customers, component supply disruptions, and other risks affecting our businesses may have a significant impact on our overall gross margin and profitability. Variations in **our** fixed cost structure and gross margins across business units and product portfolios **, have from time to time led to, and** may lead to significant operating profit volatility on a quarterly or annual basis **in the future** . In addition, newer geographic market opportunities may be relatively less profitable due to our investments associated with entering those markets and local pricing pressures, and we may have difficulty establishing and maintaining the operating infrastructure necessary to support the high growth rate associated with some of those markets. Market trends, industry shifts, competitive pressures, commoditization of products, increased component or shipping costs, regulatory impacts, and other factors **have from time to time resulted in, and** may **in the future** result in **,** reductions in revenue or pressure on gross margins of certain segments in a given period, which may lead to adjustments to our operations. Moreover, our efforts to address the challenges facing our business could increase the level of variability in our financial results because the rate at which we are able to realize the benefits from those efforts may vary from period to period. Our uneven sales cycle and supply chain disruptions make planning and inventory management difficult and future financial results less predictable. In some of our businesses, our quarterly sales have periodically reflected a pattern in which a disproportionate percentage of each quarter' s total sales occurs towards the end of the quarter. This uneven sales pattern makes predicting revenue, earnings, cash flow from operations, and working capital for each financial period difficult, increases the risk of unanticipated variations in our quarterly results and financial condition, and places pressure on our inventory management and logistics systems. If predicted demand is substantially greater than orders, there may be excess inventory ~~.~~ **; and** ~~Alternatively~~ **alternatively** , if orders substantially exceed predicted demand, we may not be able to fulfill all of the orders received in each quarter and such orders may be canceled **, all of which we experienced from time to time in the past and may do so again in the future** . Depending on when they occur in a quarter, developments such as a systems failure, component pricing movements, component shortages, or global logistics disruptions, **have in the past adversely impacted, and** could **in the future** adversely impact **,** our inventory levels and results of operations in a manner that is disproportionate to the number of days in the quarter affected. We experience some seasonal trends in the sale of our products that also **have produced, and** may **in the future** produce **,** variations in our quarterly results and financial condition. Many of the factors that create and affect seasonal trends are beyond our control. Separately, **periodic** supply chain shortages and constraints have, in some instances, resulted in **, and may result in,** increases to the costs of production of our hardware products that we **have, at times, not been able to, and** may **, in the future,** not be able to pass on to our customers. We have, in some instances, responded to such constraints by committing to higher inventory purchases and balances relative to our historical positions in order to secure manufacturing capacity. While these measures have been taken to shorten lead times to deliver products to customers, they may also result in excess or obsolete components in the future if the demand for our products is less than we anticipate, which could adversely affect our business and financial performance. We make estimates and assumptions in connection with the preparation of our Consolidated Financial Statements and any changes to those estimates and assumptions could adversely affect our results of operations. In connection with the preparation of our Consolidated Financial Statements, we use certain estimates and assumptions based on historical experience and other factors. Our most critical accounting estimates are described in the section entitled ~~"~~ **“** Management' s Discussion and Analysis of Financial Condition and Results of Operations. ~~"~~ **”** In addition, as discussed in Note 1, ~~"~~ **“** Overview and Summary of Significant Accounting Policies — Use of Estimates ~~"~~ **”** and Note 17, ~~"~~ **“** Litigation and Contingencies, ~~"~~ **”** to our Consolidated Financial Statements in Item 8 of Part II, we make certain estimates, including decisions related to provisions for legal proceedings and other contingencies. While we believe that these estimates and assumptions are reasonable under the circumstances, they are subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change or prove to have been incorrect, it could adversely affect our results of operations. Regulatory **and Government** Risks Our business is subject to various federal, state, local and foreign laws and regulations that could result in costs or other sanctions that adversely affect our business and results of operations. We are subject to various federal, state, local, and foreign laws and regulations ~~such as those concerning environmental protection~~ **. Laws and regulations may change in ways that will require us to modify our business model and objectives or affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs or prohibiting them outright** . For example **, as a result of laws and regulations concerning the environment** , we face increasing complexity related to product design **, safety and compliance** ; the use of regulated, hazardous, and scarce materials; the **management, movement and disposal of hazardous substances and waste; the** associated energy consumption and efficiency related to **operations and** the use of products **, services, and solutions** ; the **discharge of pollutants into the air and water; the** transportation and shipping of products **and other materials** ; **supply chain due diligence, and** climate change **, emissions and sustainability- related** regulations **and reporting requirements; the use of AI capabilities in our offerings** ; and the reuse, recycling and / or disposal of products and their components at end- of- use or useful life **and associated operational or financial responsibility,** as we adjust to new and future requirements relating to our transition to a more circular economy. A significant portion of our hardware revenues come from international sales. Any changes to current environmental legal requirements, such as the EU' s Restriction of Hazardous Substances Directive, the EU' s Waste Electrical and Electronic

Equipment Directive, China' s ~~regulation~~ **Administrative Measure** on **the** ~~Management Methods for Controlling~~ ---- **Control of** Pollution Caused by Electronic Information Products, the EU' s **Ecodesign Directive and product- specific implementing measures (including** Lot 9 ~~regulation~~ on **servers and online data storage** ~~product~~ **products** ~~energy efficiency~~ **), the evolving EU and US right to repair legal landscape** , and India' s regulation on e- waste collection and recycling, among others, may increase our cost of doing business internationally and impact our hardware revenues from the EU, **U. S.,** China, India and / or other countries proposing or adopting similar environmental legal requirements. In addition, other ESG- related laws, regulations, treaties, and similar initiatives and programs are being proposed, adopted, and implemented throughout the world (including, but not limited to ~~,~~ the ~~European Commission' s~~ **EU Corporate Sustainability Reporting Directive, the EU Taxonomy, and the** ~~proposal~~ **proposed** ~~on~~ **EU** Corporate Sustainability Due Diligence **Directive**). If we were to violate or become liable under environmental or certain ESG- related laws or if our products become non- compliant with such laws or market access requirements, it could result in loss of market access or limit offerings in those markets or our customers may refuse to purchase our products, and we could incur costs or face other sanctions, such as restrictions on our products entering certain jurisdictions, fines, and / or civil or criminal sanctions. Environmental regulations may also impact the availability and cost of energy or emissions related to energy consumption which may increase our cost of manufacturing and / or the cost of powering and cooling owned IT infrastructures. In addition, our business is subject to an ever- growing number of laws addressing privacy and information security. In particular, we face an increasingly complex regulatory environment as we adjust to new and future requirements relating to the security of our offerings. The increase in **aaS** ~~as- a- service~~ offerings may also be impacted by data localization and international data transfer requirements under various privacy laws, including those arising from the Schrems II ruling in Europe. If we were to violate or become liable under laws or regulations associated with privacy or security, we could incur substantial costs or **be exposed to** ~~face other sanctions. Our~~ potential ~~exposure includes~~ regulatory fines ~~and~~ **,** civil or criminal sanctions **,** third- party claims **,** and reputational damage. ~~Failure~~ **Jurisdictions in which we have significant operations and assets, such as the U. S., China, India, and the E. U., each have exercised and continue** to ~~comply~~ **exercise significant influence over many aspects of their domestic economies including, but not limited to fair competition, tax practices, anti- corruption, anti- trust, price controls and international trade, which have had and may continue to have an adverse effect on our business operations and financial condition. Contracts** with **federal, state, provincial, and local** ~~government~~ **governments** ~~contracting regulations could~~ **are subject to a number of challenges and risks that may** adversely ~~affect~~ **impact** our business ~~and results of operations~~ . Our contracts with federal, state, provincial, and local governmental customers are subject to various government procurement laws and regulations, required contract provisions, and other requirements relating to contract formation, administration, and performance, as well as **local content,** manufacturing ~~content~~ **,** and security requirements. Any violation of government contracting laws and regulations or contract terms could result in the imposition of various civil and criminal penalties, which may include termination of contracts, forfeiture of profits, suspension of payments and fines, treble damages, and suspension from future government contracting. Such failures could also cause reputational damage to our business. In addition, we will continue to be subject to qui tam litigation brought by private individuals on behalf of the government relating to our government contracts. If we are suspended or disbarred from government work or if our ability to compete for new government contracts is adversely affected, our financial performance could suffer **. Government contracts impose additional challenges and risks to our sales efforts. Government demand and payment for our products and services may be impacted by public sector budgetary cycles and funding authorizations, including in connection with an extended federal government shutdown, with funding reductions, or delays adversely affecting public sector demand for our products and services. Such developments could result in material payment delays, payment reductions, or contract terminations by our governmental customers, which in turn may adversely impact the results of operations and financial condition of government contractors with whom we conduct business. This may cause those government contractors to become unable to meet their obligations under contracts with us** .
Unanticipated changes in our tax provisions, the adoption of new tax legislation or exposure to additional tax liabilities could affect our financial performance. We are subject to income and other taxes in the United States and numerous foreign jurisdictions. Our tax liabilities are affected by the amounts we charge in intercompany transactions for inventory, services, licenses, funding, and other items. We are subject to ongoing tax audits in various jurisdictions. Tax authorities may disagree with our intercompany charges, cross- jurisdictional transfer pricing or other matters, and may assess additional taxes as a result. There can be no assurance that we will accurately predict the outcomes of these audits, and the amounts ultimately paid upon resolution of audits could be materially different from the amounts previously included in our income tax expense and therefore could have a material impact on our tax provision, net income and cash flows. In addition, our effective tax rate in the future could be adversely affected by changes to our operating structure, changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws, and the discovery of new information in the course of our tax return preparation process. The carrying value of our deferred tax assets is dependent on our ability to generate future taxable income. The Organisation for Economic Co- operation and Development, an international association of ~~34~~ **38** countries including the United States, has proposed changes to numerous long- standing tax principles ~~. These proposals~~ , **namely** ~~if finalized and adopted by the associated countries~~ , ~~would~~ **its Pillar Two framework, which** ~~impose~~ **imposes** a global minimum corporate tax rate of 15 % **. In December 2022** , **the EU member states adopted a directive that implements the Pillar Two framework, which is expected to be enacted into the national laws of the EU member states by December 31, 2023. Certain countries in which we operate have enacted legislation to adopt the Pillar Two framework (e. g., United Kingdom and Korea), and several other countries are also considering changes to their tax laws to implement this framework. The first component of the Pillar Two framework is expected to be effective for us in fiscal 2025 with a second component expected to be effective in fiscal 2026. When and how this framework is adopted or enacted by the various countries in which we do business** could increase tax complexity and uncertainty ~~,~~ and may adversely

affect our provision for income taxes **in the U.S.and non- U.S.jurisdictions.** On August 16,2022,the U.S.government enacted the Inflation Reduction Act of 2022 (the “ Inflation Reduction Act ”) into law,which includes a new corporate alternative minimum tax (the ~~"~~“Corporate AMT ~~"~~”),beginning in fiscal 2024,of 15 % on the adjusted financial statement income (“ AFSI ”) of corporations with average AFSI exceeding $ 1.0 billion over a three- year period ~~and an excise tax of 1 % tax on the fair market value of net stock repurchases made after December 31,2022.The impact of this provision will be dependent on the extent of share repurchases made in future periods~~ .We **expect** ~~are evaluating the Corporate AMT and its potential impact on our future~~ U.S. **cash** tax ~~expense,~~ **to increase in the short term as a result of the Corporate AMT but do not expect the effective tax rate to be impacted as the Corporate AMT is expected to be recovered as a credit in future years** . During fiscal 2019, we executed a Termination and Mutual Release Agreement which terminated our Tax Matters Agreement with HP Inc. Because we now have limited indemnity rights from HP Inc., we potentially bear more economic risk for certain potential unfavorable tax assessments. On August 16, 2022, the...... financial position and results of operations. The stock distribution in either or both of the completed separations of our former Enterprise Services business and our former Software segment could result in significant tax liability, and DXC Technology Company or Micro Focus International plc (as applicable) may in certain cases be obligated to indemnify us for any such tax liability imposed on us. The completed separations and mergers of our former Enterprise Services business with DXC Technology Company (~~"~~“DXC ~~"~~”) (the ~~"~~“Everett Transaction ~~"~~” or ~~"~~“Everett ~~"~~”) and our Software Segment with Micro Focus International plc (~~"~~“Micro Focus ~~"~~”) (the ~~"~~“Seattle Transaction ~~"~~” or ~~"~~“Seattle ~~"~~”) were conditioned upon the receipt of an opinion from outside counsel regarding the qualification of (i) the relevant distribution and related transactions as a ~~"~~“reorganization ~~"~~” within the meaning of Sections 368 (a), 361 and 355 of the Internal Revenue Code of 1986 (the ~~"~~“Code ~~"~~”) ~~;~~ and (ii) the relevant merger as a ~~"~~“reorganization ~~"~~” within the meaning of Section 368 (a) of the Code. While the Seattle Transaction generally qualified for tax- free treatment for us, Seattle SpinCo and Micro Focus, the acquisition of Seattle SpinCo by Micro Focus resulted in the recognition of gain (but not loss) for U. S. persons who received Micro Focus American Depositary Shares in the Software separation. Each opinion of outside counsel was based upon and relied on, among other things, certain facts and assumptions, as well as certain representations, statements and undertakings of us, Everett SpinCo and CSC, or us, Seattle SpinCo and Micro Focus, as applicable. If any of these representations, statements or undertakings are, or become, inaccurate or incomplete, or if any party breaches any of its covenants in the relevant separation documents, the relevant opinion of counsel may be invalid and the conclusions reached therein could be jeopardized. Notwithstanding the opinions of counsel, the Internal Revenue Service (the ~~"~~“IRS ~~"~~”) could determine that either or both of the distributions should be treated as a taxable transaction if it determines that any of the facts, assumptions, representations, statements or undertakings upon which the relevant opinion of counsel was based are false or have been violated, or if it disagrees with the conclusions in the opinion of counsel. An opinion of counsel is not binding on the IRS and there can be no assurance that the IRS will not assert a contrary position. If the distribution of Everett SpinCo or Seattle SpinCo, as applicable, together with certain related transactions, failed to qualify as a transaction that is generally tax- free, for U. S. federal income tax purposes, under Sections 355 and 368 (a) (1) (D) of the Code, in general, we would recognize taxable gain as if we had sold the stock of Everett SpinCo or Seattle SpinCo, as applicable, in a taxable sale for its fair market value, and our stockholders who receive Everett SpinCo shares or Seattle SpinCo shares in the relevant distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. We obtained private letter rulings from the IRS regarding certain U. S. federal income tax matters relating to the separation of our Enterprise Services business and Software Segment. Those rulings concluded that certain transactions in those separations are generally tax- free for U. S. federal income tax purposes. The conclusions of the IRS private letter rulings were based, among other things, on various factual assumptions we have authorized and representations we have made to the IRS. If any of these assumptions or representations are, or become, inaccurate or incomplete, the validity of the IRS private letter rulings may be affected. Notwithstanding the foregoing, we incurred certain tax costs in connection with the completed separation of our former Enterprise Services business and Software Segment, including non- U. S. tax expenses resulting from the completed separation of our former Enterprise Services business and Software Segment in multiple non- U. S. jurisdictions that do not legally provide for tax- free separations, which may be material. If the completed separation of our former Enterprise Services business or Software Segment (including certain internal transactions undertaken in anticipation of those separations) are determined to be taxable for U. S. federal income tax purposes, we, our stockholders that are subject to U. S. federal income tax and / or DXC and / or Micro Focus could incur significant U. S. federal income tax liabilities. Under the tax matters agreements entered into by us with Everett SpinCo and CSC, and with Seattle SpinCo and Micro Focus, Everett SpinCo and Seattle SpinCo generally would be required to indemnify us for any taxes resulting from the relevant separation (and any related costs and other damages) to the extent such amounts resulted from (i) certain actions taken by, or acquisitions of capital stock of, Everett SpinCo or Seattle SpinCo, as applicable (excluding actions required by the documents governing the relevant separation), or (ii) any breach of certain representations and covenants made by Everett SpinCo or Seattle SpinCo, as applicable. Any such indemnity obligations could be material. We continue to face a number of risks related to our separation from HP Inc., our former parent, including those associated with ongoing indemnification obligations, which could adversely affect our financial condition and results of operations, and shared use of certain intellectual property rights, which could in the future adversely impact our reputation. In connection with our separation from HP Inc. on November 1, 2015 (the ~~"~~“Separation ~~"~~”), Hewlett Packard Enterprise and HP Inc. entered into several agreements that determine the allocation of assets and liabilities between the companies following the Separation and include any necessary indemnifications related to liabilities and obligations. In these agreements, HP Inc. agreed to indemnify us for certain liabilities, and we agreed to indemnify HP Inc. for certain liabilities, including cross- indemnities that are designed and intended to place financial responsibility for the obligations and liabilities of our business with us, and financial responsibility for the obligations and liabilities of HP Inc.' s business with HP Inc. We may be obligated to fully indemnify HP Inc. for certain liabilities under the Separation agreements or HP Inc. may not be able to fully cover their indemnification obligations to us under the same Separation agreements. Each of these risks could negatively affect our business, financial position, results of operations, and cash flows. In addition, the terms of the Separation also include licenses and other arrangements to provide for certain ongoing use of intellectual property in the operations of both businesses. For example, through a joint brand holding structure, both Hewlett Packard Enterprise and HP Inc. retain the ability to make ongoing use of certain variations of the legacy Hewlett- Packard and HP branding, respectively. As a result of this continuing shared use of the legacy branding there is a risk that conduct or events adversely affecting the reputation of HP Inc. could also adversely affect ~~the~~ **our** reputation ~~of Hewlett Packard Enterprise~~ . General Risks Our stock price has fluctuated and may continue to fluctuate, which may make future prices of our stock difficult to predict. Investors should not rely on recent or historical trends to predict future stock prices, financial condition, results of operations, or cash flows. Our stock price, like that of other technology companies, can be volatile and can be affected by, among other things, speculation, coverage, or sentiment in the media or the investment community; the announcement of new, planned or contemplated products, services, technological innovations, acquisitions, divestitures, or other significant transactions by us or our competitors; developments in our transformation programs or in our transition to an as- a- service business model; our quarterly financial results and comparisons to estimates by the investment community or financial outlook provided by us; the financial results and business strategies of our competitors; inflation; market volatility or downturns caused by outbreaks, epidemics, pandemics, geopolitical tensions or conflicts, or other macroeconomic dynamics; developments relating to pending investigations, claims, and disputes; or the timing and amount of our share repurchases. General or industry specific market conditions or stock market performance or domestic or international macroeconomic and geopolitical factors unrelated to **our** ~~Hewlett Packard Enterprise' s~~ performance also may affect the price of **our** ~~Hewlett Packard Enterprise' s~~ stock. Volatility in the price of our securities could result in the filing of securities class action litigation matters, which could result in substantial costs and the diversion of management time and resources. ~~30~~