SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission file number 000-25711

EXTREME NETWORKS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**77-0430270**
[State or other jurisdiction of incorporation or organization]	**[I.R.S Employer Identification No.]**
6480 Via Del Oro, San Jose, California	**95119**
[Address of principal executive office]	**[Zip Code]**

Registrant's telephone number, including area code: (408) 579-2800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	EXTR	NASDAQ Global Select Market

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "an emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

As of February 2, 2021, the registrant had 123,812,438 shares of common stock, $0.001 par value per share, outstanding.

EXTREME NETWORKS, INC.

FORM 10-Q

QUARTERLY PERIOD ENDED

December 31, 2020

INDEX

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

(Unaudited)

	December 31, 2020	June 30, 2020
ASSETS		
Current assets:		
Cash	$ 183,969	$ 193,872
Accounts receivable, net of allowance for doubtful accounts of $1,335 and $1,212, respectively	128,242	122,727
Inventories	49,830	62,589
Prepaid expenses and other current assets	41,257	35,019
Total current assets	403,298	414,207
Property and equipment, net	55,974	58,813
Operating lease right-of-use assets, net	45,087	51,274
Intangible assets, net	51,748	68,394
Goodwill	331,159	331,159
Other assets	58,571	55,241
Total assets	$ 945,837	$ 979,088
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt, net of unamortized debt issuance costs of $2,463 and $2,484, respectively	$ 18,912	$ 16,516
Accounts payable	53,677	48,439
Accrued compensation and benefits	62,212	50,884
Accrued warranty	13,073	14,035
Current portion of operating lease liabilities	19,226	19,196
Current portion of deferred revenue	198,291	190,226
Other accrued liabilities	56,851	58,525
Total current liabilities	422,242	397,821
Deferred revenue, less current portion	110,844	100,961
Long-term debt, less current portion, net of unamortized debt issuance costs of $5,934 and $7,165, respectively	328,941	394,585
Operating lease liabilities, less current portion	42,059	50,238
Deferred income taxes	2,650	2,334
Other long-term liabilities	21,176	27,751
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Convertible preferred stock, $0.001 par value, issuable in series, 2,000 shares authorized; none issued	—	—
Common stock, $0.001 par value, 750,000 shares authorized; 130,180 and 127,114 shares issued, respectively; 123,583 and 120,517 shares outstanding, respectively	130	127
Additional paid-in-capital	1,055,719	1,035,041
Accumulated other comprehensive loss	(2,670)	(6,378)
Accumulated deficit	(992,141)	(980,279)
Treasury stock at cost: 6,597 and 6,597 shares, respectively	(43,113)	(43,113)
Total stockholders' equity	17,925	5,398
Total liabilities and stockholders' equity	$ 945,837	$ 979,088

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net revenues:				
Product	$ 165,845	$ 190,492	$ 327,241	$ 375,626
Service and subscription	76,283	76,980	150,689	147,352
Total net revenues	242,128	267,472	477,930	522,978
Cost of revenues:				
Product	74,005	91,387	147,400	182,778
Service and subscription	27,931	27,414	55,320	54,286
Total cost of revenues	101,936	118,801	202,720	237,064
Gross profit:				
Product	91,840	99,105	179,841	192,848
Service and subscription	48,352	49,566	95,369	93,066
Total gross profit	140,192	148,671	275,210	285,914
Operating expenses:				
Research and development	49,186	55,380	98,710	114,496
Sales and marketing	66,732	75,436	131,057	146,793
General and administrative	16,360	15,098	32,821	30,080
Acquisition and integration costs	—	8,994	1,975	24,919
Restructuring and related charges, net of reversals	695	6,622	1,696	12,759
Amortization of intangibles	1,506	2,377	3,298	4,307
Total operating expenses	134,479	163,907	269,557	333,354
Operating income (loss)	5,713	(15,236)	5,653	(47,440)
Interest income	82	477	200	1,144
Interest expense	(6,068)	(6,234)	(12,731)	(11,398)
Other expense, net	(954)	(748)	(1,841)	(190)
Loss before income taxes	(1,227)	(21,741)	(8,719)	(57,884)
Provision for income taxes	1,823	1,797	3,143	3,392
Net loss	$ (3,050)	$ (23,538)	$ (11,862)	$ (61,276)
Basic and diluted loss per share:	$ (0.02)	$ (0.20)	$ (0.10)	$ (0.51)
Shares used in per share calculation - basic and diluted	123,264	119,555	122,485	119,891

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

(Unaudited)

	Three Months Ended		Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net loss	$ (3,050)	$ (23,538)	$ (11,862)	$ (61,276)
Other comprehensive income (loss), net of tax:				
Interest rate swap derivatives designated as hedging instruments:				
Unrealized losses on derivative instruments	(120)	—	(293)	—
Reclassification adjustment related to derivative instruments	226	—	386	—
Net decrease from derivatives designated as hedging instruments.	106	—	93	—
Change in unrealized losses on available for sale securities	—	7	—	—
Net change in foreign currency translation adjustments	2,160	879	3,615	(12)
Other comprehensive income (loss), net of tax:	2,266	886	3,708	(12)
Total comprehensive loss	$ (784)	$ (22,652)	$ (8,154)	$ (61,288)

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands) (Unaudited)

	Common Stock		Additional Paid-In-Capital	Accumulated Other Comprehensive Loss	Treasury Stock		Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			Shares	Amount		
Balance at September 30, 2019	123,864	$ 124	$ 1,003,268	$ (3,371)	(2,366)	$ (15,000)	$ (891,172)	$ 93,849
Net loss	—	—	—	—	—	—	(23,538)	(23,538)
Other comprehensive income	—	—	—	886	—	—	—	886
Issuance of common stock from equity incentive plans, net of tax	752	1	(1,229)	—	—	—	—	(1,228)
Equity forward contract	—	—	(4,821)	—	—	—	—	(4,821)
Repurchase of stock	—	—	—	—	(3,850)	(25,179)	—	(25,179)
Share-based compensation	—	—	10,958	—	—	—	—	10,958
Balance at December 31, 2019	124,616	$ 125	$ 1,008,176	$ (2,485)	(6,216)	$ (40,179)	$ (914,710)	$ 50,927
Balance at June 30, 2019	121,538	$ 122	$ 986,772	$ (2,473)	(2,366)	$ (15,000)	$ (853,434)	$ 115,987
Net loss	—	—	—	—	—	—	(61,276)	(61,276)
Other comprehensive loss	—	—	—	(12)	—	—	—	(12)
Issuance of common stock from equity incentive plans, net of tax	3,078	3	2,903	—	—	—	—	2,906
Stock awards granted in connection with acquisition	—	—	3,530	—	—	—	—	3,530
Equity forward contract	—	—	(4,821)	—	—	—	—	(4,821)
Repurchase of stock	—	—	—	—	(3,850)	(25,179)	—	(25,179)
Share-based compensation	—	—	19,792	—	—	—	—	19,792
Balance at December 31, 2019	124,616	$ 125	$ 1,008,176	$ (2,485)	(6,216)	$ (40,179)	$ (914,710)	$ 50,927
Balance at September 30, 2020	129,532	$ 130	$ 1,046,921	$ (4,936)	(6,597)	$ (43,113)	$ (989,091)	$ 9,911
Net loss	—	—	—	—	—	—	(3,050)	(3,050)
Other comprehensive income	—	—	—	2,266	—	—	—	2,266
Issuance of common stock from equity incentive plans, net of tax	648	—	(1,297)	—	—	—	—	(1,297)
Share-based compensation	—	—	10,095	—	—	—	—	10,095
Balance at December 31, 2020	130,180	$ 130	$ 1,055,719	$ (2,670)	(6,597)	$ (43,113)	$ (992,141)	$ 17,925
Balance at June 30, 2020	127,114	$ 127	$ 1,035,041	$ (6,378)	(6,597)	$ (43,113)	$ (980,279)	$ 5,398
Net loss	—	—	—	—	—	—	(11,862)	(11,862)
Other comprehensive income	—	—	—	3,708	—	—	—	3,708
Issuance of common stock from equity incentive plans, net of tax	3,066	3	2,281	—	—	—	—	2,284
Share-based compensation	—	—	18,397	—	—	—	—	18,397
Balance at December 31, 2020	130,180	$ 130	$ 1,055,719	$ (2,670)	(6,597)	$ (43,113)	$ (992,141)	$ 17,925

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended	
	December 31, 2020	December 31, 2019
Cash flows from operating activities:		
Net loss	$ (11,862)	$ (61,276)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	12,471	14,251
Amortization of intangible assets	16,646	17,772
Reduction in carrying amount of right-of-use asset	8,072	8,477
Provision for doubtful accounts	143	626
Share-based compensation	18,397	19,792
Deferred income taxes	628	801
Non-cash restructuring and impairment charges	—	7,622
Non-cash interest expense	2,171	1,982
Other	3,195	735
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(5,658)	25,751
Inventories	6,340	3,157
Prepaid expenses and other assets	(3,740)	(274)
Accounts payable	4,913	(9,070)
Accrued compensation and benefits	10,984	(3,036)
Operating lease liabilities	(10,116)	(9,051)
Deferred revenue	17,949	6,181
Other current and long-term liabilities	(7,762)	(2,529)
Net cash provided by operating activities	62,771	21,911
Cash flows from investing activities:		
Capital expenditures	(8,039)	(9,438)
Business acquisitions, net of cash acquired	—	(219,458)
Maturities and sales of investments	—	45,249
Net cash used in investing activities	(8,039)	(183,647)
Cash flows from financing activities:		
Borrowings under Term Loan	—	199,500
Payments on debt obligations	(64,500)	(24,950)
Loan fees on borrowings	—	(10,514)
Equity forward contract	—	(4,821)
Repurchase of common stock	—	(25,179)
Proceeds from issuance of common stock, net of tax withholding	2,284	2,906
Payment of contingent consideration obligations	(1,021)	(2,206)
Deferred payments on an acquisition	(2,000)	(2,000)
Net cash (used in) provided by financing activities	(65,237)	132,736
Foreign currency effect on cash	602	(193)
Net decrease in cash	(9,903)	(29,193)
Cash at beginning of period	193,872	169,607
Cash at end of period	$ 183,969	$ 140,414

See accompanying notes to the condensed consolidated financial statements.

1. Description of Business and Basis of Presentation

Extreme Networks, Inc., together with its subsidiaries (collectively referred to as “Extreme” or the “Company”), is a leader in providing software-driven networking solutions for enterprise customers. The Company conducts its sales and marketing activities on a worldwide basis through distributors, resellers and the Company’s field sales organization. Extreme was incorporated in California in 1996 and reincorporated in Delaware in 1999.

The unaudited condensed consolidated financial statements of Extreme included herein have been prepared under the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted under such rules and regulations. The condensed consolidated balance sheet at June 30, 2020 was derived from audited financial statements as of that date but does not include all disclosures required by generally accepted accounting principles for complete financial statements. These interim financial statements and notes should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2020.

The unaudited condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments that, in the opinion of management, are necessary for a fair presentation of the results of operations and cash flows for the interim periods presented and the financial condition of Extreme at December 31, 2020. The results of operations for the three and six months ended December 31, 2020 are not necessarily indicative of the results that may be expected for fiscal 2021 or any future periods.

Fiscal Year

The Company uses a fiscal calendar year ending on June 30. All references herein to “fiscal 2021” or “2021” represent the fiscal year ending June 30, 2021. All references herein to “fiscal 2020” or “2020” represent the fiscal year ended June 30, 2020.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of Extreme and its wholly owned subsidiaries. All inter-company accounts and transactions have been eliminated.

The Company predominantly uses the United States Dollar as its functional currency. The functional currency for certain of its foreign subsidiaries is the local currency. For those subsidiaries that operate in a local functional currency environment, all assets and liabilities are translated to United States Dollars at current month end rates of exchange and revenues and expenses are translated using the monthly average rate.

Accounting Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

2. Summary of Significant Accounting Policies

For a description of significant accounting policies, see Note 2, Summary of Significant Accounting Policies, to the consolidated financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2020. There have been no material changes to the Company’s significant accounting policies since the filing of the Annual Report on Form 10-K.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses* (Topic 326). The standard changes the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded. It replaces the existing incurred loss impairment model with an expected loss model. It also requires credit losses related to available-for-sale debt securities to be recognized as an allowance for credit losses rather than as a reduction to the carrying value of the securities. ASU 2016-13 was effective for fiscal years beginning after December 15, 2019. The Company adopted the standard on July 1, 2020 and the impact of the adoption was not material to the Company's condensed consolidated financial statements as credit losses are not expected to be significant based on historical collection trends, the financial condition of payment partners, and external market factors.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*, which removes, modifies and adds various disclosure requirements around the topic in order to clarify and improve the cost-benefit nature of disclosures. For example, disclosures around transfers between fair value hierarchy levels will be removed and further detail around changes in unrealized gains and losses for the period and unobservable inputs determining Level 3 fair value measurements will be added. This standard was effective for fiscal years beginning after December 15, 2019, including interim periods within the fiscal year. The standard was adopted on July 1, 2020 and did not have a material impact on the Company’s financial statements upon adoption.

In August 2018, the FASB issued ASU 2018-15, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40*), which aligns the requirements for capitalizing implementation costs incurred in a service contract hosting arrangement with those of developing or obtaining internal-use software. This standard was effective for fiscal years beginning after December 15, 2019, including interim periods within the fiscal year. The standard was adopted on July 1, 2020 and did not have a material impact on the Company’s financial statements upon adoption.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, *Income taxes – Simplifying the Accounting for Income Taxes (Topic 740*), which reduces the complexity of accounting for income taxes including the removal of certain exceptions to the general principles of ASC 740, *Income Taxes*, and simplification in several other areas such as accounting for franchise tax (or similar tax) that is partially based on income. This standard is effective for fiscal years beginning after December 15, 2020, including interim periods within the fiscal year, which is the Company’s fiscal year 2022, beginning on July 1, 2021. The Company is currently evaluating the impact the new standard will have on its consolidated financial statements and related disclosures.

3. Revenues

The Company accounts for revenues in accordance with ASU 2014-09, *Revenue from Contracts from Customers (Topic 606)*, which the Company adopted on July 1, 2017. The Company derives the majority of its revenues from sales of its networking equipment, with the remaining revenues generated from sales of services and subscriptions, which primarily includes maintenance contracts and software subscriptions delivered as software as a service (“SaaS”) and additional revenues from professional services, and training for its products. The Company sells its products and maintenance contracts direct to customers and to partners in two distribution channels, or tiers. The first tier consists of a limited number of independent distributors that stock its products and sell primarily to resellers. The second tier of the distribution channel consists of non-stocking distributors and value-added resellers that sell directly to end-users. Products and services may be sold separately or in bundled packages.

Revenue Recognition

Performance Obligations. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Topic 606. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Certain of the Company’s contracts have multiple performance obligations, as the promise to transfer individual goods or services is separately identifiable from other promises in the contracts and, therefore, is distinct. For contracts with multiple performance obligations, the Company allocates the contract’s transaction price to each performance obligation based on its relative standalone selling price. The stand-alone selling prices are determined based on the prices at which the Company separately sells these products. For items that are not sold separately, the Company estimates the stand-alone selling prices using other observable inputs.

The Company’s performance obligations are satisfied at a point in time or over time as the customer receives and consumes the benefits provided. Substantially all of the Company’s product sales revenues are recognized at a point in time. Substantially all of the Company’s service, subscription, and SaaS revenues are recognized over time. For revenues recognized over time, the Company uses an input measure, days elapsed, to measure progress.

On December 31, 2020, the Company had $309.1 million of remaining performance obligations, which are primarily comprised of deferred maintenance and SaaS revenues. The Company expects to recognize approximately 40 percent of its deferred revenue as revenue in fiscal 2021, an additional 34 percent in fiscal 2022 and 26 percent of the balance thereafter.

Contract Balances. The timing of revenue recognition, billings and cash collections results in billed accounts receivable and deferred revenue in the condensed consolidated balance sheets. Services provided under renewable support arrangements of the Company are billed in accordance with agreed-upon contractual terms, which are either billed fully at the inception of contract or at periodic intervals (e.g., quarterly or annually). The Company sometimes receives payments from its customers in advance of services being provided, resulting in deferred revenues. These liabilities are reported on the condensed consolidated balance sheets on a contract-by-contract basis at the end of each reporting period.

Revenue recognized for the three months ended December 31, 2020 and 2019 that was included in the deferred revenue balance at the beginning of each period was $68.8 million and $67.2 million, respectively. Revenue recognized for the six months ended December 31, 2020 and 2019 that was included in the deferred revenue balance at the beginning of each period was $120.5 million and $90.9 million, respectively.

Contract Costs. The Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. Management expects that commission fees paid to sales representatives as a result of obtaining service contracts and contract renewals are recoverable and therefore the Company's condensed consolidated balance sheets included capitalized balances in the amount of $9.2 million and $8.1 million at December 31, 2020 and June 30, 2020, respectively. Capitalized commission fees are amortized on a straight-line basis over the average period of service contracts of approximately three years, and are included in "Sales and marketing" in the accompanying condensed consolidated statements of operations. Amortization recognized during the three months ended December 31, 2020 and 2019, was $1.2 million and $1.5 million, respectively. Amortization recognized during the six months ended December 31, 2020 and 2019, was $2.5 million and $3.0 million, respectively.

Estimated Variable Consideration. There were no material changes in the current period to the estimated variable consideration for performance obligations which were satisfied or partially satisfied during previous periods.

Revenues by Category

The following table sets forth the Company's revenues disaggregated by sales channel and geographic region based on the customer's ship-to locations (in thousands):

	Three Months Ended					
	December 31, 2020			December 31, 2019		
	Distributor	Direct	Total	Distributor	Direct	Total
Americas:						
United States	$ 46,506	$ 58,744	$ 105,250	$ 60,111	$ 61,622	$ 121,733
Other	8,950	3,648	12,598	8,204	5,563	13,767
Total Americas	55,456	62,392	117,848	68,315	67,185	135,500
EMEA	69,602	34,220	103,822	64,717	44,257	108,974
APAC	2,793	17,665	20,458	6,007	16,991	22,998
Total net revenues	$ 127,851	$ 114,277	$ 242,128	$ 139,039	$ 128,433	$ 267,472

	Six Months Ended					
	December 31, 2020			December 31, 2019		
	Distributor	Direct	Total	Distributor	Direct	Total
Americas:						
United States	$ 107,176	$ 116,091	$ 223,267	$ 130,089	$ 123,967	$ 254,056
Other	17,191	7,738	24,929	12,219	10,562	22,781
Total Americas	124,367	123,829	248,196	142,308	134,529	276,837
EMEA	117,131	67,796	184,927	123,846	73,891	197,737
APAC	7,844	36,963	44,807	15,120	33,284	48,404
Total net revenues	$ 249,342	$ 228,588	$ 477,930	$ 281,274	$ 241,704	$ 522,978

For the three months ended December 31, 2020 the Company reflected 11% of its revenues from the Netherlands and 11% of its revenues from Germany. For the six months ended December 31, 2020 the Company reflected 10% of its revenues from the Netherlands and 10% of its revenue from Germany. No other foreign country accounted for 10% or more of revenue for the three and six months ended December 31, 2020 or 2019.

Customer Concentrations

The Company performs ongoing credit evaluations of its customers and generally does not require collateral in exchange for credit.

The following table sets forth customers accounting for 10% or more of the Company's net revenues for the periods indicated below:

	Three Months Ended		Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Tech Data Corporation	21%	14%	24%	15%
Jenne Corporation	11%	18%	13%	16%
Westcon Group Inc.	19%	15%	16%	13%

The following table sets forth customers accounting for 10% or more of the Company's accounts receivable balance:

	December 31, 2020	June 30, 2020
Tech Data Corporation	20%	23%
Jenne Corporation	16%	25%
Westcon Group Inc.	18%	*

* Less than 10% of accounts receivable.

4. Business Combination

Fiscal 2020 Acquisition

Aerohive Acquisition

On August 9, 2019 (the "Acquisition Date"), the Company consummated its acquisition (the "Acquisition") of all of the outstanding common stock of Aerohive Networks, Inc. ("Aerohive") pursuant to that certain Agreement and Plan of Merger entered into as of June 26, 2019. Under the terms of the Acquisition, the net consideration paid by Extreme to Aerohive stockholders was $267.1 million.

The Acquisition was accounted for using the acquisition method of accounting whereby the acquired assets and liabilities of Aerohive were recorded at their respective fair values and added to those of the Company including an amount for goodwill calculated as the difference between the acquisition consideration and the fair value of the identifiable net assets. Of the total purchase consideration, $192.6 million was allocated to goodwill, $52.5 million to identifiable intangible assets and the remainder to net tangible assets assumed. All valuations were finalized as of June 30, 2020.

The following unaudited pro forma results of operations are presented as though the Acquisition had occurred as of July 1, 2018, the beginning of fiscal 2019, after giving effect to purchase accounting adjustments relating to inventories, deferred revenue, depreciation and amortization of intangibles, acquisition and integration costs, interest income and expense and related tax effects.

The pro forma results of operations are not necessarily indicative of the combined results that would have occurred had the acquisition been consummated as of the beginning of fiscal 2019, nor are they necessarily indicative of future operating results. The unaudited pro forma results do not include the impact of synergies, nor any potential impacts on current or future market conditions which could alter the unaudited pro forma results.

The unaudited pro forma financial information for the three and six months ended December 31, 2019 combines the historical results for Extreme for such periods assuming the transaction closed on July 1, 2019, which include the results of Aerohive subsequent to the Acquisition Date, and Aerohive's historical results up to the Acquisition Date.

The following table summarizes the unaudited pro forma financial information (in thousands, except per share amounts):

	Three Months Ended December 31, 2019	Six Months Ended December 31, 2019
Net revenues	$ 268,367	$ 536,045
Net loss	$ (5,031)	$ (28,847)
Net loss per share - basic and diluted	$ (0.04)	$ (0.24)
Shares used in per share calculation - basic and diluted	119,555	119,891

5. Balance Sheet Accounts

Inventories

The Company values its inventory at the lower of cost or net realizable value. Cost is computed using standard cost, which approximates actual cost, on a first-in, first-out basis. The Company adjusts the carrying value of its inventory when conditions exist that suggest that inventory may be in excess of anticipated demand or is obsolete based upon assumptions about future demand. At the point of the loss recognition, a new, lower-cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis. Any previously written down or obsolete inventory subsequently sold has not had a material impact on gross margin for any of the periods presented.

Inventories consist of the following (in thousands):

	December 31, 2020	June 30, 2020
Finished goods	$ 43,212	$ 52,879
Raw materials	6,618	9,710
Total Inventories	$ 49,830	$ 62,589

Property and Equipment, Net

Property and equipment, net consist of the following (in thousands):

	December 31, 2020	June 30, 2020
Computers and equipment	$ 75,882	$ 73,244
Purchased software	38,177	34,015
Office equipment, furniture and fixtures	10,779	10,639
Leasehold improvements	53,421	52,317
Total property and equipment	178,259	170,215
Less: accumulated depreciation and amortization	(122,285)	(111,402)
Property and equipment, net	$ 55,974	$ 58,813

Deferred Revenue

Deferred revenue represents amounts for deferred maintenance, support, SaaS, and other deferred revenue including professional services and training when the revenue recognition criteria have not been met.

Guarantees and Product Warranties

The majority of the Company's hardware products are shipped with either a one-year warranty or a limited lifetime warranty, and software products receive a 90-day warranty. Upon shipment of products to its customers, the Company estimates expenses for the cost to repair or replace products that may be returned under warranty and accrues a liability in cost of product revenues for this amount. The determination of the Company's warranty requirements is based on actual historical experience with the product or product family, estimates of repair and replacement costs and any product warranty problems that are identified after shipment. The Company estimates and adjusts these accruals at each balance sheet date in accordance with changes in these factors.

The following table summarizes the activity related to the Company's product warranty liability during the three and six months ended December 31, 2020 and 2019 (in thousands):

	Three Months Ended		Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Balance beginning of period	$ 13,484	$ 15,988	$ 14,035	$ 14,779
Warranties assumed due to acquisitions	—	—	—	570
New warranties issued	3,056	5,539	6,135	11,461
Warranty expenditures	(3,467)	(5,318)	(7,097)	(10,601)
Balance end of period	$ 13,073	$ 16,209	$ 13,073	$ 16,209

To facilitate sales of its products in the normal course of business, the Company indemnifies its resellers and end-user customers with respect to certain matters. The Company has agreed to hold the customer harmless against losses arising for intellectual property infringement and certain other losses. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. It is not possible to estimate the maximum potential amount under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under these agreements have not had a material impact on its operating results or financial position.

Concentrations

The Company may be subject to concentration of credit risk as a result of certain financial instruments consisting of accounts receivable. The Company does not invest an amount exceeding 10% of its combined cash and cash equivalents in the securities of any one obligor or maker, except for obligations of the United States government, obligations of United States government agencies and money market accounts.

6. Fair Value Measurements

A three-tier fair value hierarchy is utilized to prioritize the inputs used in measuring fair value. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels are defined as follows:

- Level 1 Inputs - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 Inputs - quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument; and
- Level 3 Inputs - unobservable inputs reflecting the Company's own assumptions in measuring the asset or liability at fair value.

The following table presents the Company's fair value hierarchy for its financial assets and liabilities measured at fair value on a recurring basis at December 31, 2020 and June 30, 2020 (in thousands).

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Foreign currency derivatives	$ —	$ 127	$ —	$ 127
Total assets measured at fair value	$ —	$ 127	$ —	$ 127
Liabilities				
Foreign currency derivatives	$ —	$ 22	$ —	$ 22
Interest rate swaps	—	1,676	—	1,676
Acquisition-related contingent consideration obligations	—	—	1,168	1,168
Total liabilities measured at fair value	$ —	$ 1,698	$ 1,168	$ 2,866

June 30, 2020	Level 1	Level 2	Level 3	Total
Liabilities				
Foreign currency derivatives	$ —	$ 8	$ —	$ 8
Interest rate swaps	—	1,769	—	1,769
Acquisition-related contingent consideration obligations	—	—	2,167	2,167
Total liabilities measured at fair value	$ —	$ 1,777	$ 2,167	$ 3,944

Level 1 Assets and Liabilities:

The Company's financial instruments consist of cash, accounts receivable, accounts payable, and accrued liabilities. The Company states accounts receivable, accounts payable and accrued liabilities at their carrying value, which approximates fair value due to the short time to the expected receipt or payment.

Level 2 Assets and Liabilities:

The fair value of derivative instruments under the Company's foreign exchange forward contracts and interest rate swaps are estimated based on valuations provided by alternative pricing sources supported by observable inputs which is considered Level 2.

As of December 31, 2020 and June 30, 2020, the Company had foreign exchange forward contracts with notional principal amount of $22.7 million and $4.0 million, respectively. For the three and six months ended December 31, 2020, there were unrealized gains of $0.1 million and $0.1 million, respectively. For the three and six months ended December 31, 2020, there were realized gains of $0.3 million and $0.4 million, respectively. There were no foreign exchange forward contracts or related gains or losses for the three and six months ended December 31, 2019. These contracts have maturities of less than 40 days. Changes in the fair value of these foreign exchange forward contracts are included in other expense, net. See Note 13, Derivatives and Hedging, for additional information.

The fair values of the interest rate swaps are based upon inputs corroborated by observable market data which is considered Level 2. As of December 31, 2020 and as of June 30, 2020, the Company had interest rate swap contracts with the total notional amount of $200.0 million. Changes in fair value of these contracts are recorded as a component of accumulated other comprehensive loss. As of December 31, 2020 and as of June 30, 2020, these contracts had an unrealized loss of $1.7 million and $1.8 million, respectively. See Note 13, Derivatives and Hedging, for additional information.

The fair value of the borrowings under the 2019 Credit Agreement (as defined below) is estimated based on valuations provided by alternative pricing sources supported by observable inputs which is considered Level 2. Since the interest rate is variable in the 2019 Credit Agreement, the fair value approximates the face amount of the Company's indebtedness of $356.3 million and $420.8 million as of December 31, 2020, and June 30, 2020, respectively.

Level 3 Assets and Liabilities:

Certain of the Company's assets, including intangible assets and goodwill are measured at fair value on a non-recurring basis if impairment is indicated.

At December 31, 2020 and June 30, 2020, the Company reflected one liability measured at fair value of $1.2 million and $2.2 million, respectively, for contingent consideration related to a certain acquisition completed in fiscal 2018. The fair value measurement of the contingent consideration obligation is determined using Level 3 inputs. These fair value measurements represent Level 3 measurements as they are based on significant inputs not observable in the market. Changes in the value of the contingent consideration obligations is recorded in general and administrative expenses in the accompanying condensed consolidated statements of operations.

The change in the acquisition-related contingent consideration obligations is as follows (in thousands):

	Six Months Ended December 31, 2020	Six Months Ended December 31, 2019
Beginning balance	2,167	6,298
Payments	(1,021)	(2,206)
Accretion on discount	22	60
Ending balance	$ 1,168	$ 4,152

There were no transfers of assets or liabilities between Level 1, Level 2 and Level 3 during the three and six months ended December 31, 2020 and 2019. There were no impairments recorded for the three and six months ended December 31, 2020 and 2019.

The Company determines the basis of the cost of a security sold or the amount reclassified out of accumulated other comprehensive income (loss) into earnings using the specific identification method.

7. Intangible Assets

The following tables summarize the components of gross and net intangible asset balances (dollars in thousands):

	Weighted Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
December 31, 2020				
Developed technology	2.1 years	$ 156,100	$ 117,034	$ 39,066
Customer relationships	4.8 years	63,039	52,077	10,962
Backlog	— years	400	400	—
Trade names	1.0 years	10,700	9,407	1,293
License agreements	5.9 years	2,445	2,018	427
Other intangibles	— years	1,382	1,382	—
Total intangibles, net		$ 234,066	$ 182,318	$ 51,748

	Weighted Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
June 30, 2020				
Developed technology	2.4 years	$ 156,100	$ 103,806	$ 52,294
Customer relationships	4.8 years	63,039	49,598	13,441
Backlog	— years	400	400	—
Trade names	1.4 years	10,700	8,554	2,146
License agreements	5.8 years	2,445	1,932	513
Other intangibles	— years	1,382	1,382	—
Total intangibles, net		$ 234,066	$ 165,672	$ 68,394

The amortization expense of intangibles for the periods presented is summarized below (in thousands):

	Three Months Ended		Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Amortization in “Cost of revenues: Product and Service and subscription”	$ 6,649	$ 6,970	$ 13,348	$ 13,465
Amortization of intangibles in "Operations"	1,506	2,377	3,298	4,307
Total amortization expense	$ 8,155	$ 9,347	$ 16,646	$ 17,772

The amortization expense that is recognized in “Cost of revenues: Product and Service and subscription” is comprised of amortization for developed technology, license agreements and other intangibles.

8. Debt

The Company’s debt is comprised of the following (in thousands):

	December 31, 2020	June 30, 2020
Current portion of long-term debt:		
Term Loan	$ 21,375	$ 19,000
Less: unamortized debt issuance costs	(2,463)	(2,484)
Current portion of long-term debt	$ 18,912	$ 16,516
Long-term debt, less current portion:		
Term Loan	$ 334,875	$ 346,750
Revolving Facility	—	55,000
Less: unamortized debt issuance costs	(5,934)	(7,165)
Total long-term debt, less current portion	328,941	394,585
Total debt	$ 347,853	$ 411,101

In connection with the Acquisition discussed in Note 4, on August 9, 2019, the Company entered into an Amended and Restated Credit Agreement (the "2019 Credit Agreement"), by and among the Company, as borrower, several banks and other financial institutions as Lenders, BMO Harris Bank N.A., as an issuing lender and swingline lender, Silicon Valley Bank, as an Issuing Lender, and Bank of Montreal, as administrative agent and collateral agent for the Lenders.

The 2019 Credit Agreement provides for a five-year first lien term loan facility in an aggregate principal amount of $380 million and a five-year revolving loan facility in an aggregate principal amount of $75 million (the "2019 Revolving Facility"). In addition, the Company may request incremental term loans and/or incremental revolving loan commitments in an aggregate amount not to exceed the sum of $100 million plus an unlimited amount that is subject to pro forma compliance with certain financial tests. On August 9, 2019, the Company used the additional proceeds from the term loan to partially fund the Acquisition and for working capital and general corporate purposes.

At the Company's election, the initial term loan under the 2019 Credit Agreement may be made as either base rate loans or Eurodollar loans. The applicable margin for base rate loans ranges from 0.25% to 2.50% per annum and the applicable margin for Eurodollar loans ranges from 1.25% to 3.50%, in each case based on Extreme's consolidated leverage ratio. All Eurodollar loans are subject to a Base Rate of 0.00%. In addition, the Company is required to pay a commitment fee of between 0.25% and 0.40% quarterly (currently 0.40%) on the unused portion of the 2019 Revolving Facility, also based on the Company's consolidated leverage ratio. Principal installments are payable on the new term loan in varying percentages quarterly starting December 31, 2019 and to the extent not previously paid, all outstanding balances are to be paid at maturity. The 2019 Credit Agreement is secured by substantially all of the Company's assets.

The 2019 Credit Agreement requires the Company to maintain certain minimum financial ratios at the end of each fiscal quarter. The 2019 Credit Agreement also includes covenants and restrictions that limit, among other things, the Company's ability to incur additional indebtedness, create liens upon any of its property, merge, consolidate or sell all or substantially all of its assets. The 2019 Credit Agreement also includes customary events of default which may result in acceleration of the payment of the outstanding balance.

On April 8, 2020, the Company entered into the first amendment to the 2019 Credit Agreement (the "First Amendment") to waive certain terms and financial covenants of the 2019 Credit Agreement through July 31, 2020. On May 8, 2020, the Company entered into the second amendment to the 2019 Credit Agreement (the "Second Amendment") which supersedes the First Amendment and provides certain revised terms and financial covenants through March 31, 2021. Subsequent to March 31, 2021, the original terms and financial covenants under the 2019 Credit Agreement will resume in effect. The Second Amendment requires the Company to maintain certain minimum cash requirements and certain financial metrics at the end of each fiscal quarter through March 31, 2021. Under the terms of the Second Amendment, the Company is not permitted to exceed $55.0 million in its outstanding balance under the 2019 Revolving Facility, the applicable margin for Eurodollar rate will be 4.5%, and the Company is restricted from pursuing certain activities such as incurring additional debt, stock repurchases, making acquisitions or declaring a dividend, until the Company is in compliance with the original covenants of the 2019 Credit Agreement.

On November 3, 2020, The Company and its lenders entered into the Third Amendment to increase the sublimit for letters of credit to $20.0 million. On December 8, 2020, the Company and its lenders entered into the fourth amendment to the 2019 Credit Agreement (the "Fourth Amendment"), to waive and amend certain terms and financial covenants within the 2019 Credit Agreement through March 31, 2021.

Financing costs incurred in connection with obtaining long-term financing are deferred and amortized over the term of the related indebtedness or credit agreement. During the year ended June 30, 2020, the Company incurred $10.5 million of deferred financing costs in conjunction with the 2019 Credit Agreement and $1.5 million of deferred financing costs from the amendments, and continues to amortize $1.6 million of debt issuance costs as of August 9, 2019 that were associated with the previous facility. The interest rate as of December 31, 2020 was 4.65%.

Amortization of deferred financing costs included in "Interest expense" in the accompanying condensed consolidated statements of operations totaled $0.8 million and $0.7 million for the three months ended December 31, 2020 and 2019, and totaled $1.5 million and $1.1 million for the six months ended December 31, 2020 and 2019.

During the six months ended December 31, 2020, the Company repaid $55.0 million against its 2019 Revolving Facility's outstanding balance of $55.0 million and has no remaining outstanding balance at December 31, 2020. The Company has $55.0 million of availability under the 2019 Revolving Facility as of December 31, 2020.

The Company had $8.8 million of outstanding letters of credit as of December 31, 2020.

9. Commitments and Contingencies

Purchase Commitments

The Company currently has arrangements with contract manufacturers and suppliers for the manufacture of its products. Those arrangements allow the contract manufactures to procure long lead-time component inventory based upon a rolling production forecast provided by the Company. The Company is obligated to purchase long lead-time component inventory that its contract manufacturer procures in accordance with the forecast, unless the Company gives notice of order cancellation outside of applicable component lead-times. As of December 31, 2020, the Company had commitments to purchase $38.0 million of inventory and other services.

Legal Proceedings

The Company may from time to time be party to litigation arising in the course of its business, including, without limitation, allegations relating to commercial transactions, business relationships or intellectual property rights. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources. Litigation in general, and intellectual property in particular, can be expensive and disruptive to normal business operations. Moreover, the results of legal proceedings are difficult to predict.

In accordance with applicable accounting guidance, the Company records accruals for certain of its outstanding legal proceedings, investigations or claims when it is probable that a liability will be incurred, and the amount of loss can be reasonably estimated. The Company evaluates, at least on a quarterly basis, developments in legal proceedings, investigations or claims that could affect the amount of any accrual, as well as any developments that would result in a loss contingency to become both probable and reasonably estimable. When a loss contingency is not both probable and reasonably estimable, the Company does not record a loss accrual. However, if the loss (or an additional loss in excess of any prior accrual) is at least a reasonable possibility and material, then the Company would disclose an estimate of the possible loss or range of loss, if such estimate can be made, or disclose that an estimate cannot be made. The assessment whether a loss is probable or a reasonable possibility, and whether the loss or a range of loss is estimable, involves a series of complex judgments about future events. Even if a loss is reasonably possible, the Company may not be able to estimate a range of possible loss, particularly where (i) the damages sought are substantial or indeterminate, (ii) the proceedings are in the early stages, or (iii) the matters involve novel or unsettled legal theories or a large number of parties. In such cases, there is considerable uncertainty regarding the ultimate resolution of such matters, including the amount of any possible loss, fine or penalty. Accordingly, for current proceedings, except as noted below, the Company is currently unable to estimate any reasonably possible loss or range of possible loss. However, an adverse resolution of one or more of such matters could have a material adverse effect on the Company's results of operations in a particular quarter or fiscal year.

All currency conversions in this Legal Proceedings section are as of December 31, 2020.

XR Communications, LLC d/b/a Vivato Technologies v. Extreme Networks, Inc. Patent Infringement Suit

On April 19, 2017, XR Communications, LLC (“XR”) (d/b/a Vivato Technologies) filed a patent infringement lawsuit against the Company in the Central District of California. The operative Second Amended Complaint asserts infringement of U.S. Patent Nos. 7,062,296, 7,729,728, and 6,611,231 based on the Company’s manufacture, use, sale, offer for sale, and/or importation into the United States of certain access points and routers supporting multi-user, multiple-input, multiple-output technology. XR seeks unspecified damages, on-going royalties, pre- and post-judgment interest, and attorneys’ fees. In 2018, the Court stayed the case pending a resolution by the Patent Trial and Appeal Board (“PTAB”) of inter partes review (“IPR”) petitions filed by several defendants in other XR-related patent lawsuits challenging the validity of the asserted patents. The PTAB previously invalidated all asserted claims of the ’296 patent and ’728 patent and has found the challenged claims of the ’231 patent not invalid in view of the prior art asserted in the IPR instituted against that patent. The Federal Circuit Court ruled for XR on November 25, 2020 in Cisco’s appeal of the ‘231 PTAB decision, and a status conference has been set for February 22, 2021. The Company believes the claims are without merit and intends to defend them vigorously.

Orckit IP, LLC v. Extreme Networks, Inc., Extreme Networks Ireland Ltd., and Extreme Networks GmbH

On February 1, 2018, Orckit IP, LLC (“Orckit”) filed a patent infringement lawsuit against the Company and its Irish and German subsidiaries in the District Court in Dusseldorf, Germany. The lawsuit alleges direct and indirect infringement of the German portion of European Patent EP 1 958 364 B1 (“EP ’364”) based on the offer, distribution, use, possession and/or importation into Germany of certain network switches that equipped with the ExtremeXOS operating system. Orckit is seeking injunctive relief, accounting, and an unspecified declaration of liability for damages and costs of the lawsuit. On January 28, 2020, the Court rendered a decision in the infringement case in favor of the Company. The matter is proceeding through the appellate process, pursuant to the appeal filed by Orckit on March 13, 2020.

On April 23, 2019, Orckit filed an extension of the patent infringement complaint against the Company and its Irish and German subsidiaries in the District Court in Dusseldorf, Germany. With this extension, Orckit alleges infringement of the German portion of European Patent EP 3 068 077 B1 ("EP '077") based on the offer, distribution, use, possession and/or importation into Germany of certain network switches that the Company no longer sells in Germany. Orckit is seeking injunctive relief, accounting and sales information, and a declaration of liability for damages as well as costs of the lawsuit. On October 13, 2020, and the Court issued an infringement decision against the Company and granted to Orckit the right to enforce an injunction against the Company. The Company filed a notice of appeal on November 12, 2020 and the matter is proceeding through the appellate process.

The Company filed a nullity action related to the EP '364 patent on May 3, 2018, and one related to the EP '077 patent on October 31, 2019. Both cases were filed in the Federal Patent Court in Munich and seek to invalidate the asserted patents. Both nullity actions are proceeding.

The Company believes that all claims in both cases filed by Orckit are without merit and intends to defend them vigorously.

Shenzhen Dunjun Technology Ltd. v. Aerohive Networks (Hangzhou) Ltd.; Aerohive Networks, Inc.; and Yunqing Information Technology (Shenzhen) Ltd.

On June 20, 2019, Shenzhen Dunjun Technology Ltd. filed a patent infringement lawsuit against Aerohive Networks, Inc. ("Aerohive"), a Chinese subsidiary of the Company, and Yunqing Information Technology (Shenzhen) Ltd. in the Shenzhen Intermediate People's Court in China. The lawsuit alleges infringement of a Chinese patent and seeks damages of RMB 10.0 million (USD $1.5 million). A first and second hearing in the trial were held and the Court subsequently ordered the parties to retain a third-party appraisal center to analyze and report to the Court on various technical aspects of the case and has set out the scope of the appraisal. The appraisal has not been conducted yet, and the Court has not issued a decision. The Company believes that the claims are without merit and intends to defend them vigorously.

DataCloud Technologies, LLC. v. Extreme Networks, Inc.

On June 5, 2020, DataCloud Technologies, LLC ("DataCloud") filed a patent infringement lawsuit against the Company in the District of Delaware. The lawsuit alleges direct infringement of four U.S. patents. DataCloud seeks injunctive relief, monetary damages, interest, and attorneys' fees. DataCloud amended the complaint on November 13, 2020, asserting claims of direct, induced, and willful infringement of four new patents, and has petitioned to file a second amended complaint by February 12, 2021. Given the uncertainty of litigation and the preliminary stage of the case, Extreme cannot estimate at this time the possible loss or range of loss that may result from this action.

American Patents LLC v. Extreme Networks, Inc.

On August 14, 2020, American Patents LLC filed a patent infringement lawsuit against the Company in the Western District of Texas. The complaint alleged direct and indirect infringement of certain U.S. patents and seeks injunctive relief, unspecified damages, on-going royalties, pre- and post-judgment interest, and attorneys' fees. The parties have settled the case for a non-material amount, and the case was dismissed on November 16, 2020.

SNMP Research, Inc. and SNMP Research International, Inc. v. Broadcom Inc., Brocade Communications Systems LLC, and Extreme Networks, Inc.

On October 26, 2020, SNMP Research, Inc. and SNMP Research International, Inc. (collectively, "SNMP") filed a lawsuit against the Company in the Eastern District of Tennessee for copyright infringement, alleging that the Company was not properly licensed to use their software. SNMP is seeking actual damages and profits attributed to the infringement, as well as equitable relief. Given the uncertainty of litigation and the preliminary stage of the case, Extreme cannot estimate at this time the possible loss or range of loss that may result from this action.

Hanger Solutions, LLC v. Extreme Networks, Inc.

On January 14, 2021, Hanger Solutions, LLC ("Hanger") filed a patent infringement lawsuit against the Company in the District of Delaware. The complaint alleges infringement of three U.S. patents. Given the uncertainty of litigation and the preliminary stage of the case, Extreme cannot estimate at this time the possible loss or range of loss that may result from this action.

Indemnification Obligations

Subject to certain limitations, the Company may be obligated to indemnify its current and former directors, officers and employees. These obligations arise under the terms of its certificate of incorporation, its bylaws, applicable contracts, and applicable law. The obligation to indemnify, where applicable, generally means that the Company is required to pay or reimburse, and in certain circumstances the Company has paid or reimbursed, the individuals' reasonable legal expenses and possibly damages and other liabilities incurred in connection with certain legal matters. The Company also procures Directors and Officers liability insurance to help cover its defense and/or indemnification costs, although its ability to recover such costs through insurance is uncertain. While it is not possible to estimate the maximum potential amount that could be owed under these governing documents and agreements due to the Company's limited history with prior indemnification claims, indemnification (including defense) costs could, in the future, have a material adverse effect on the Company's consolidated financial position, results of operations and cash flows.

10. Stockholders' Equity

Stockholders' Rights Agreement

On April 26, 2012, the Company entered into an Amended and Restated Rights Agreement between the Company and Computershare Shareholder Services LLC as the rights agent (as amended, the "Restated Rights Plan"). The Restated Rights Plan governs the terms of each right ("Right") that has been issued with respect to each share of common stock of Extreme Networks. Each Right initially represents the right to purchase one one-thousandth of a share of the Company's Preferred Stock.

The Company's Board of Directors (the "Board") adopted the Restated Rights Plan to preserve the value of deferred tax assets, including net operating loss carry forwards of the Company, with respect to its ability to fully use its tax benefits to offset future income which may be limited if the Company experiences an "ownership change" for purposes of Section 382 of the Internal Revenue Code of 1986 as a result of ordinary buying and selling of shares of its common stock. Following its review of the terms of the plan, the Board decided it was necessary and in the best interests of the Company and its stockholders to enter into the Restated Rights Plan. Each year since 2013 the Board and stockholders have approved an amendment providing for a one-year extension of the term of the Restated Rights Plan. The Board unanimously approved an amendment to the Restated Rights Plan on May 8, 2020, to extend the Restated Rights Plan through May 31, 2021, which was ratified by the stockholders of the Company at the annual meeting of stockholders on November 5, 2020.

Equity Incentive Plan

The Board unanimously approved an amendment to the Extreme Networks, Inc. Amended and Restated 2013 Equity Incentive Plan (the "2013 Plan") to increase the maximum number of available shares by 7.0 million shares. The amendment was approved by the stockholders at the Company's annual meeting of stockholders held on November 7, 2019.

Employee Stock Purchase Plan

The Board unanimously approved an amendment to the 2014 Employee Stock Purchase Plan (the "ESPP") to increase the maximum number of shares that will be available for sale thereunder by 7.5 million shares. The amendment was approved by the stockholders of the Company at the annual meeting of stockholders held on November 8, 2018.

Common Stock Repurchases

On November 2, 2018, the Company announced the Board had authorized management to repurchase up to $60.0 million of the Company's common stock over a two-year period from the date of authorization. Purchases may be made from time to time through any means including, but not limited to, open market purchases and privately negotiated transactions. In February 2020, the Board increased the authorization to repurchase by $40.0 million to $100.0 million and extended the period for repurchase for three years from February 5, 2020. A maximum of $30.0 million of the Company's common stock may be repurchased in any calendar year.

There were no shares repurchased during the three and six months ended December 31, 2020.

11. Employee Benefit Plans

Shares Reserved for Issuance

The Company had the following reserved shares of common stock for future issuance as of the dates noted (in thousands):

	December 31, 2020	June 30, 2020
2013 Equity Incentive Plan shares available for grant	6,149	13,118
Employee stock options and awards outstanding	12,478	10,396
2014 Employee Stock Purchase Plan	5,913	7,364
Total shares reserved for issuance	24,540	30,878

Share-based Compensation Expense

Share-based compensation expense recognized in the condensed consolidated financial statements by line item caption is as follows (in thousands):

	Three Months Ended		Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cost of product revenues	$ 314	$ 402	$ 572	$ 652
Cost of service and subscription revenues	439	505	811	852
Research and development	2,694	3,260	4,966	5,695
Sales and marketing	3,239	3,511	5,886	7,230
General and administrative	3,409	2,801	6,162	4,884
Integration costs	—	479	—	479
Total share-based compensation expense	$ 10,095	$ 10,958	$ 18,397	$ 19,792

Stock Options

The following table summarizes stock option activity for the six months ended December 31, 2020 (in thousands, except per share and contractual term):

	Number of Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Options outstanding at June 30, 2020	2,922	$ 4.95	3.09	$ 1,688
Granted	—	—		
Exercised	(19)	4.39		
Cancelled	(600)	5.30		
Options outstanding at December 31, 2020	2,303	$ 4.87	3.33	$ 4,653
Vested and expected to vest at December 31, 2020	2,303	$ 4.87	3.33	$ 4,653
Exercisable at December 31, 2020	1,262	$ 3.50	1.89	$ 4,274

The fair value of each stock option grant under the 2013 Plan is estimated on the date of grant using the Black-Scholes-Merton option valuation model. The expected term of options granted is derived from historical data on employee exercise and post-vesting employment termination behavior. The risk-free rate is based upon the estimated life of the option and the U.S. Treasury yield curve in effect at the time of grant. Expected volatility is based on the historical volatility on the Company's stock. There were no stock options granted during the six months ended December 31, 2020. The average fair value of the stock options granted during the six months ended December 31, 2019 was $3.52.

Stock Awards

Stock awards may be granted under the 2013 Plan on terms approved by the Compensation Committee of the Board. Stock awards generally provide for the issuance of restricted stock units ("RSUs") including performance or market-condition RSUs which vest over a fixed period of time or based upon the satisfaction of certain performance criteria or market conditions. The Company recognizes compensation expense on the awards over the vesting period based on the awards' fair value as of the date of grant. The Company does not estimate forfeitures, but accounts for them as incurred.

The following table summarizes stock award activity for the six months ended December 31, 2020 (in thousands, except grant date fair value):

	Number of Shares	Weighted- Average Grant Date Fair Value	Aggregate Fair Market Value
Non-vested stock awards outstanding at June 30, 2020	7,474	$ 6.83	
Granted	5,703	4.70	
Released	(2,342)	7.24	
Cancelled	(660)	9.37	
Non-vested stock awards outstanding at December 31, 2020	10,175	$ 5.37	$ 70,104
Vested and expected to vest at December 31, 2020	9,709	$ 5.32	$ 66,864

The RSU's granted under the 2013 plan vest over a period of time, generally one-to-three years, and are subject to participant's continued service to the Company. The stock awards granted during the six months ended December 31, 2020 included 1.6 million RSUs including the market condition awards discussed below to named executive officers and directors.

Fiscal 2021 Awards

On July 27, 2020, the Compensation Committee of the Board granted 0.5 million RSUs with vesting based on market conditions ("MSU") to certain of the Company's executive officers. These MSUs will vest based on the Company's total shareholder return ("TSR") relative to the TSR of the Russell 2000 Index ("Index"). The MSU award represents the right to receive a target number of shares of common stock up to 150% of the original grant. The MSUs vest based on the Company's TSR relative to the TSR of the Index over performance periods from August 15, 2020 through August 15, 2023, subject to the grantees' continued service through the certification of performance.

Level	Relative TSR	Shares Vested
Below Threshold	TSR is less than the Index by more than 37.5 percentage points	0%
Threshold	TSR is less than the Index by 37.5 percentage points	25%
Target	TSR equals the Index	100%
Maximum	TSR is greater than the Index by 25 percentage points or more	150%

Total shareholder return is calculated based on the average closing price for the 30-trading days prior to the beginning and end of the performance periods. Performance is measured based on three periods, with the ability for up to one-third of target shares to vest after years 1 and 2 and the ability for up to the maximum of the full award to vest based on the full 3-year TSR less any shares vested based on 1 and 2 year periods. Linear interpolation is used to determine the number of shares vested for achievement between target levels.

The grant date fair value of each MSU was determined using the Monte-Carlo simulation model. The weighted-average grant-date fair value of these MSU was $5.32. The assumptions used in the Monte-Carlo simulation included the expected volatility of 69%, risk-free rate of 0.18%, no expected dividend yield, expected term of 3 years and possible future stock prices over the performance period based on the historical stock and market prices. The Company recognizes the expense related to these MSUs on a graded-vesting method over the estimated term.

Fiscal 2018 and 2019 Awards

During fiscal 2019 and 2018, the Company approved the grant of 0.6 million shares underlying stock awards each year in the form of restricted stock units with certain performance conditions ("PSUs") to named executive officers and other vice president level employees. These PSUs would vest once the Company's U.S. GAAP earnings aggregates at least $0.09 per share over two consecutive quarters exclusive of the PSU related share-based compensation expense (the "Performance Thresholds"). Upon satisfying the Performance Thresholds, the PSUs will vest with respect to the same number of RSUs that have vested which were granted on the same date and thereafter will vest on the same schedule as the RSUs, subject to continued service to the Company. If the Performance Thresholds are not met by the third anniversary of the grant date for each award, that award is canceled. The PSUs issued in fiscal 2018 expired and were cancelled during the three and six months ended December 31, 2020 without the achievement of the Performance Thresholds. During the three and six months ended December 31, 2020 and 2019 the Performance Thresholds for outstanding performance PSUs issued in fiscal 2019 were not deemed probable to be achieved, and as such, no compensation expense was recorded in either reporting period.

Employee Stock Purchase Plan

The fair value of each share purchase option under the ESPP is estimated on the date of grant using the Black-Scholes-Merton option valuation model with the weighted average assumptions noted in the following table. The expected term of the ESPP represents the term of the offering period of each option. The risk-free rate is based upon the estimated life and on the U.S. Treasury yield curve in effect at the time of grant. Expected volatility is based on the historical volatility on the Company's stock.

There were 1.5 million and 1.2 million shares issued under the ESPP during the six months ended December 31, 2020 and 2019, respectively. The following assumptions were used to determine the grant-date fair values of the ESPP shares during the following periods:

	Employee Stock Purchase Plan Six Months Ended	
	December 31, 2020	December 31, 2019
Expected life	0.5 years	0.5 years
Risk-free interest rate	0.12%	1.85%
Volatility	119%	43%
Dividend yield	—%	—%

The weighted-average grant-date fair value of shares issued under the ESPP during the six months ended December 31, 2020 and 2019 was $2.23 and $2.02, respectively.

12. Information about Segments and Geographic Areas

The Company operates in one segment, the development and marketing of network infrastructure equipment and related software. The Company conducts business globally and is managed geographically. Revenues are attributed to a geographical area based on the ship-to location of its customers. The Company operates in three geographical areas: Americas, which includes the United States, Canada, Mexico, Central America and South America; EMEA, which includes Europe, Russia, Middle East and Africa; and APAC which includes Asia Pacific, South Asia, India, Australia and Japan. The Company's chief operating decision maker, who is its CEO, reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance.

See Note 3, Revenues, for the Company's revenues by geographic regions and channel based on the customer's ship-to location.

The Company's long-lived assets are attributed to the geographic regions as follows (in thousands):

Long-lived Assets	December 31, 2020	June 30, 2020
Americas	$ 161,396	$ 177,443
EMEA	33,052	39,477
APAC	16,932	16,802
Total long-lived assets	$ 211,380	$ 233,722

13. Derivatives and Hedging

Interest Rate Swaps

The Company is exposed to interest rate risk on its debt. The Company enters into interest rate swap contracts to effectively manage the impact of fluctuations of interest rate changes on its outstanding debt which has floating interest rate. The Company does not enter into derivative contracts for trading or speculative purposes.

At the inception date of the derivative contract, the Company performs an assessment of these contracts and has designated these contracts as cash flow hedges. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreement without exchange of the underlying notional amount. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, by performing qualitative and quantitative assessment, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items. Changes in the fair value of a derivative that is qualified, designated and highly effective as a cash flow hedge are recorded in other comprehensive income (loss). When it is determined that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, the Company discontinues hedge accounting prospectively. In accordance with ASC 815 "Derivatives and Hedging," the Company may prospectively discontinue the hedge accounting for an existing hedge if the applicable criteria are no longer met, the derivative instrument expires, is sold, terminated or exercised or if the Company removes the designation of the respective cash flow hedge. In those circumstances, the net gain or loss remains in accumulated other comprehensive income (loss) and is reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings, unless the forecasted transaction is no longer probable in which case the net gain or loss is reclassified into earnings immediately.

During fiscal 2020, the Company entered into multiple interest rate swap contracts, designated as cash flow hedges, to hedge the variability of cash flows in interest payments associated with the Company's various tranches of floating-rate debt. As of December 31, 2020, the total notional amount of these interest rate swaps was $200.0 million and had maturity dates through April 2023. As of December 31, 2020, these contracts had an unrealized loss of $1.7 million which is recorded in "Accumulated other comprehensive loss" with the associated liability in "Other accrued liabilities" in the condensed consolidated balance sheets and other financial statements. Cash flows associated with periodic settlements of interest rate swaps are classified as operating activities in the condensed consolidated statement of cash flows. The Company did not have any interest rate swaps as of or for the six months ended December 31, 2019. Realized gains and losses are recognized as they accrue in interest expense. Amounts reported in accumulated other comprehensive loss related to these cash flow hedges are reclassified to interest expense over the life of the swap contracts. The Company estimates that $1.0 million will be reclassified to interest expense over the next twelve months. The classification and fair value of these cash flow hedges are discussed in Note 6, Fair Value Measurements.

Foreign Exchange Forward Contracts

The Company uses derivative financial instruments to manage exposures to foreign currency. The Company's objective for holding derivatives is to use the most effective methods to minimize the impact of these exposures. The Company does not enter into derivatives for speculative or trading purposes. The fair value of the Company's derivatives in a gain position are recorded in "Prepaid expenses and other current assets" and derivatives in a loss position are recorded in "Other accrued liabilities" in the accompanying condensed consolidated balance sheets. Changes in the fair value of derivatives are recorded in "Other income (expense), net" in the accompanying condensed consolidated statements of operations. The Company enters into foreign exchange forward contracts to mitigate the effect of gains and losses generated by foreign currency transactions related to certain operating expenses and re-measurement of certain assets and liabilities denominated in foreign currencies. These derivatives do not qualify as hedges. Unrealized gains recorded in the condensed consolidated statement of operations from these transactions during the three and six months ended December 31, 2020 were $0.1 million and $0.1 million, respectively. Realized gains and losses recorded in the condensed consolidated statement of operations from these transactions during the three and six months ended December 31, 2020 were $0.3 million and $0.4 million, respectively. There were no related gains and losses for the six months ended December 31, 2019 as the Company did not have any foreign exchange forward contracts at December 31, 2019.

As of December 31, 2020, foreign exchange forward contracts had a notional principal amount of $22.7 million. These contracts have maturities of less than 40 days. Changes in the fair value of these foreign exchange forward contracts are offset largely by remeasurement of the underlying assets and liabilities.

The Company recognized total foreign currency losses of $1.3 million and $0.8 million for the three months ended December 31, 2020 and 2019, respectively related to the change in fair value of foreign currency denominated assets and liabilities. The Company recognized total foreign currency losses of $2.4 million and $0.2 million for the six months ended December 31, 2020 and 2019, respectively related to the change in fair value of foreign currency denominated assets and liabilities.

14. Restructuring Charges, Net of Reversals, Impairment, and Related Charges.

The Company recorded $0.7 million and $1.7 million of restructuring charges, net of reversals and impairments during the three and six months ended December 31, 2020, respectively. Total restructuring charges included severance, benefits, and equipment relocation charges of $0.4 million and $1.1 million, as well as facility related charges of $0.3 million and $0.6 million for the three and six months ended December 31, 2020, respectively. Severance and benefit restructuring charges consisted primarily of additional employee severance and benefit expenses incurred under the reduction-in-force action initiated in the third quarter of fiscal 2020 (the "2020 Plan") to reduce operating costs and enhance financial flexibility as a result of disruptions caused by the COVID-19 global pandemic. With the reduction and realignment of the headcount under the 2020 Plan, the Company is relocating certain of its lab test equipment to third-party consulting companies. The Company has incurred $9.2 million of charges under the 2020 Plan through December 31, 2020. The Company expects to incur additional equipment related relocation expenses of $0.8 million and expects to substantially complete these activities by the first half of fiscal 2022. The facility restructuring charges included additional facilities expenses related to previously impaired facilities.

The Company recorded $6.6 million and $12.8 million of restructuring charges, net of reversals and impairment during the three and six months ended December 31, 2019, respectively. The charges included $3.9 million and $7.9 million, respectively, for the impairment of right-of-use assets related to facilities which the Company has exited, and $2.7 million and $4.9 million, respectively for and employee severance and benefit expenses incurred under the Company's restructuring plans initiated in prior years which were completed as of the end of fiscal 2020.

Restructuring liabilities related to severance, benefits, and equipment relocation obligations are recorded in "Other accrued liabilities" in the accompanying condensed consolidated balance sheets. The following table summarizes the activity related to the severance, benefits, and equipment relocation liabilities during the three and six months ended December 31, 2020 (in thousands):

	Three Months Ended		Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	Severance and Other		Severance and Other	
Balance at beginning of period	$ 302	$ 2,137	$ 2,219	$ 3,559
Period charges	475	3,284	1,247	5,879
Period reversals	(78)	(596)	(128)	(1,005)
Period payments	(518)	(3,957)	(3,157)	(7,565)
Balance at end of period	$ 181	$ 868	$ 181	$ 868

15. Income Taxes

For the three months ended December 31, 2020 and 2019, the Company recorded an income tax provision of $1.8 million and $1.8 million, respectively. For the six months ended December 31, 2020 and 2019, the Company recorded an income tax provision of $3.1 and $3.4 million, respectively.

The income tax provisions for the three and six months ended December 31, 2020 and 2019, consisted of (1) taxes on the income of the Company's foreign subsidiaries, (2) foreign withholding taxes, (3) tax expense associated with the establishment of a U.S. deferred tax liability for amortizable goodwill resulting from the acquisition of Enterasys Networks, Inc., the wireless local area network business from Zebra Technologies Corporation, the Campus Fabric Business from Avaya and the Data Center Business from Brocade, and (4) state taxes in jurisdictions where the Company has no remaining state net operating losses ("NOLs"). The interim income tax provisions for the three and six months ended December 30, 2020 and 2019 were calculated using the discrete effective tax rate method as allowed by Accounting Standards Codification ("ASC") 740-270-30-18, "Income Taxes – Interim Reporting." The discrete method is applied when the application of the estimated annual effective tax rate is impractical because it is not possible to reliably estimate the annual effective tax rate. The discrete method treats the year to date period as if it was the annual period and determines the income tax expense or benefit on that basis. The Company believes that, at this time, the use of this discrete method is more appropriate than the annual effective tax rate method as (i) the estimated annual effective tax rate method is not reliable due to the high degree of uncertainty in estimating annual pretax earnings and (ii) the Company's ongoing assessment that the recoverability of certain U.S. and Irish deferred tax assets is not more likely than not.

On December 27,2020 the Consolidated Appropriations Act ("CAA"), 2021 was signed into law in the United States. Along with providing funding for normal government operations, the bill provides for additional COVID-19 focused relief in part, in the form of modification and extension of certain CARES Act provisions (discussed below) as well as modification and extension of other traditional tax provisions. The Company has reviewed the provisions of the CAA and has determined there is no material impact on the Company's current or deferred tax position.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law in the United States. The CARES Act, among other things, includes modifications to net operating loss carryforward provisions and the net interest expense deduction, and deferment of employer social security tax payments. The Company has evaluated the provisions of the CARES Act and how certain elections may impact its financial position and results of operations, and determined the enactment of the CARES Act did not have a material impact to the Company's income tax provision for the three and six months ended December 31, 2020, or to the Company's net deferred tax assets as of December 31, 2020.

The Company has provided a full valuation allowance against all of its U.S. federal and state deferred tax assets as well as a portion of the deferred tax assets in Ireland. A valuation allowance is determined by assessing both negative and positive evidence to determine whether it is "more likely than not" that deferred tax assets are recoverable; such assessment is required on a jurisdiction by jurisdiction basis. The Company's inconsistent earnings in recent periods, including a cumulative loss over the last three years, coupled with its difficulty in forecasting future revenue trends and the cyclical nature of its business represent sufficient negative evidence to require full valuation allowances against its U.S. federal and state net deferred tax assets as well as a portion of the deferred tax assets in Ireland. These valuation allowances will be evaluated periodically and can be reversed partially or in whole if business results and the economic environment have sufficiently improved to support realization of some or all of the Company's deferred tax assets.

On August 9, 2019, the Company completed its acquisition of Aerohive. This acquisition was treated as a non-taxable stock acquisition and, therefore, Extreme Networks will have carryover tax basis in the assets and liabilities acquired. During the fourth quarter of fiscal 2020 following the acquisition of Aerohive, the Company realigned the Aerohive related non U.S. intellectual property rights to correspond with the Company’s global operating model. This transaction resulted in recognition of a $75.0 million U.S. tax gain which was fully consumed by existing NOLs and the intangibles transferred are being amortized over 10 years for Irish statutory purposes.

The Company had $24.2 million of unrecognized tax benefits as of December 31, 2020. If fully recognized in the future, $0.5 million would impact the effective tax rate and $23.7 million, would result in adjustments to deferred tax assets and corresponding adjustments to the valuation allowance with no impact to the effective tax rate. The Company does not anticipate any events to occur during the next twelve months that would materially reduce the unrealized tax benefit as currently stated in the Company’s balance sheet.

The Company’s policy is to accrue interest and penalties related to the underpayment of income taxes as a component of tax expense in the accompanying condensed consolidated statements of operations.

In general, the Company’s U.S. federal income tax returns are subject to examination by tax authorities for fiscal years 2001 forward due to net operating losses and the Company's state income tax returns are subject to examination for fiscal years 2000 forward due to net operating losses. The Company is not currently under audit in any material jurisdictions.

16. Net Loss Per Share

Basic net loss per share is calculated by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Dilutive income per share is calculated by dividing net income by the weighted average number of shares of common stock used in the basic net loss per share calculation plus the dilutive effect of shares subject to repurchase, options and unvested RSUs.

The following table presents the calculation of net loss per share of basic and diluted (in thousands, except per share data):

	Three Months Ended		Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Net loss	$ (3,050)	$ (23,538)	$ (11,862)	$ (61,276)
Weighted-average shares used in per share calculation - basic and diluted	123,264	119,555	122,485	119,891
Net loss per share - basic and diluted	$ (0.02)	$ (0.20)	$ (0.10)	$ (0.51)

The following securities were excluded from the computation of net loss per diluted share of common stock for the periods presented as their effect would have been anti-dilutive (in thousands):

	Three Months Ended		Six Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Options to purchase common stock	2,156	3,177	2,345	3,037
Restricted stock units	9,553	10,378	9,003	9,862
Employee Stock Purchase Plan shares	1,324	1,500	1,040	1,500
Total shares excluded	13,033	15,055	12,388	14,399

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This quarterly report on Form 10-Q, including the following sections, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including in particular, our expectations regarding market demands, customer requirements and the general economic environment, future results of operations, and other statements that include words such as "may," "will," "should," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," "continue" and similar expressions. These forward-looking statements involve risks and uncertainties. We caution investors that actual results may differ materially from those projected in the forward-looking statements as a result of certain risk factors identified in the section entitled "Risk Factors" in this Quarterly Report on Form 10-Q for the second quarter ended December 31, 2020, our Annual Report on Form 10-K for the fiscal year ended June 30, 2020, and other filings we have made with the Securities and Exchange Commission. These risk factors, include, but are not limited to: fluctuations in demand for our products and services; a highly competitive business environment for network switching equipment; our effectiveness in controlling expenses; the possibility that we might experience delays in the development or introduction of new technology and products; customer response to our new technology and products; fluctuations in the global economy, including political, social, economic, currency and regulatory factors (such as the outbreak of COVID-19); risks related to pending or future litigation; a dependency on third parties for certain components and for the manufacturing of our products and our ability to receive the anticipated benefits of acquired businesses.

Business Overview

The following discussion is based upon our unaudited condensed consolidated financial statements included elsewhere in this Report. In the course of operating our business, we routinely make decisions as to the timing of the payment of invoices, the collection of receivables, the manufacturing and shipment of products, the fulfillment of orders, the purchase of supplies, and the building of inventory and service parts, among other matters. Each of these decisions has some impact on the financial results for any given period. In making these decisions, we consider various factors including contractual obligations, customer satisfaction, competition, internal and external financial targets and expectations, and financial planning objectives. For further information about our critical accounting policies and estimates, see the "Critical Accounting Policies and Estimates" section included in this "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Extreme is a leader in providing cloud-driven networking solutions for enterprise, data center, and service provider customers. Providing a combined end-to-end solution from the Internet of Things ("IoT") edge to the cloud, Extreme designs, develops, and manufactures wired and wireless network infrastructure equipment as well as designs and develops a leading cloud networking platform and application portfolio using cloud management, machine learning, and artificial intelligence to deliver network policy, analytics, security, and access controls. Extreme cloud-driven technologies provide flexibility and scalability in deployment, management, and licensing of networks globally, and the global cloud footprint provides service to over 50,000 customers and over 10 million daily users across the world including some of the world's leading names in business, hospitality, retail, transportation and logistics, education, government, healthcare, and manufacturing. We derive substantially all of our revenues from the sale of our networking equipment, software subscriptions, and related maintenance contracts.

Key elements of our strategy and differentiation include:

- **Creating effortless networking solutions that allow all of us to advance.** We believe that progress is achieved when we connect—allowing us to learn, understand, create, and grow. We make connecting simple and easy with effortless networking experiences that enable all of us to advance how we live, work and share.

- **Provide a differentiated end-to-end cloud architecture.** Cloud networking is projected to be the fastest growing segment of the networking industry and technologies have evolved significantly over the past decade. We believe we deliver a combination of innovation, reliability, and security with the leading end-to-end cloud management platform powered by machine learning ("ML") and artificial intelligence ("AI") that spans from the IoT edge to the enterprise data center. Key characteristics of our cloud architecture include:

    - A robust cloud management platform that delivers visibility, intelligence, and assurance from the IoT edge to the core.
    - Cloud Choice for customers: solution available on all major cloud providers (Amazon Web Services ("AWS"), Google Cloud Platform ("GCP") and Microsoft Azure)
    - Unlimited Network Data plans for the length of the cloud subscription to improve an organization's ability to make smarter, more effective business decisions.
    - Consumption Flexibility: offer a range of financing and network purchase options. Our value-based subscription tiers (Connect, Pilot, etc.) provide customers with flexibility to grow as they go, as well as offer pool-able and portable licenses that can be transferred between products (AP's, switches etc.) at one fixed price.

- ○ "No 9's" Reliability and Resiliency to ensure business continuity for our customers
- ○ Zero-Trust Security and Privacy (ISO 27001 Security Certified)

- **Enable a common fabric to simplify and automate the network.** Fabric technologies virtualize the network infrastructure (decoupling network services from physical connectivity) which enables network services to be turned up faster, with lower likelihood of error. They make the underlying network much easier to design, implement, manage and troubleshoot.
- **End to End Portfolio.** Our cloud-driven solutions provide visibility, control and strategic intelligence from the edge to the data center, across networks and applications. Our solutions include wired switching, wireless switching, wireless access points, Wireless Local Area Network ("WLAN") controllers, routers, and an extensive portfolio of software applications that deliver AI-enhanced access control, network and application analytics, as well as network management. All can be managed, assessed and controlled from a single pane of glass on premises or from the cloud.
- **Offer customers choice: cloud or on-premises.** We leverage the cloud where it makes sense for our customers and provide on-premises solutions where customers need it and also have a solution for those that want to harness the power of both. Our hybrid approach gives our customers options to adapt the technology to their business. At the same time, all of our solutions have visibility, control and strategic information built in, all tightly integrated with a single view across all of the installed products. Our customers can understand what's going on across the network and applications in real time – who, when, and what is connected to the network, which is critical for bring your own device ("BYOD") and IoT usage.
- **Provide high-quality "in-house" customer service and support.** We seek to enhance customer satisfaction and build customer loyalty through high-quality service and support. This includes a wide range of standard support programs to the level of service our customers require, from standard business hours to global 24-hour-a-day, 365-days-a-year real-time responsive support.
- **Extend switching and routing technology leadership.** Our technological leadership is based on innovative switching, routing and wireless products, the depth and focus of our market experience and our operating systems - the software that runs on all of our networking products. Our products reduce operating expenses for our customers and enable a more flexible and dynamic network environment that will help them meet the upcoming demands of IoT, mobile, and cloud.
- **Expand Wi-Fi technology leadership.** Wireless is today's network access method of choice and every business must deal with scale, density and BYOD challenges. The network edge landscape is changing as the explosion of mobile devices increases the demand for mobile, transparent, and always-on wired to wireless edge services. The unified access layer requires distributed intelligent components to ensure that access control and resiliency of business services are available across the entire infrastructure and manageable from a single console. We are at a technology inflection point with the pending migration from Wi-Fi 5 solutions to Wi-Fi 6 (802.11ax), focused on providing more efficient access to the broad array of connected devices. We believe we have the industry's broadest Wi-Fi 6 wireless portfolio providing intelligence for the wired/wireless edge and enhanced by our cloud architecture with machine learning and AI-driven insights.
- **Offer a superior quality of experience.** Our network-powered application analytics provide actionable business insights by capturing and analyzing context-based data about the network and applications to deliver meaningful intelligence about applications, users, locations and devices. With an easy to comprehend dashboard, our applications help businesses turn their network into a strategic business asset that helps executives make faster and more effective decisions.
- **Expand market penetration by targeting high-growth market segments.** Within the Campus, we focus on the mobile user, leveraging our automation capabilities and tracking WLAN growth. Our Data Center approach leverages our product portfolio to address the needs of public and private Cloud Data Center providers. We believe that cloud networking compound annual growth rate will continue to outpace the compound annual growth rate for on-premises managed networking. Our focus is on expanding our technology foothold in the critical cloud networking segment to accelerate not only cloud management adoption, but also subscription-based licensing (SaaS) consumption.
- **Leverage and expand multiple distribution channels.** We distribute our products through select distributors, a large number of resellers and system-integrators worldwide, as well as several large strategic partners. We maintain a field sales force to support our channel partners and to sell directly to certain strategic accounts. As an independent networking vendor, we seek to provide products that, when combined with the offerings of our channel partners, create compelling solutions for end-user customers.

- **Maintain and extend our strategic relationships.** We have established strategic relationships with a number of industry-leading vendors to both, provide increased and enhanced routes to market, and collaboratively develop unique solutions.

Key Financial Metrics

During the second quarter of fiscal 2021, we achieved the following results:

- Net revenues of $242.1 million compared to $267.5 million in the second quarter of fiscal 2020.

- Product revenues of $165.8 million compared to $190.5 million in the second quarter of fiscal 2020.
- Service and subscription revenues of $76.3 million compared to $77.0 million in the second quarter of fiscal 2020.
- Total gross margin of 57.9% of net revenues compared to 55.6% of net revenues in the second quarter of fiscal 2020.
- Operating income of $5.7 million compared to operating loss of $15.2 million in the second quarter of fiscal 2020.
- Net loss of $3.1 million compared to net loss of $23.5 million in the second quarter of fiscal 2020.

During the first six months of fiscal 2021, we reflected the following results:

- Cash flows provided by operating activities of $62.8 million compared to $21.9 million in the six months ended December 31, 2019.
- Cash of $184.0 million as of December 31, 2020 compared to $193.9 million as of June 30, 2020.

Events relating to COVID-19

A novel strain of coronavirus emerged in December 2019. This coronavirus, now known as COVID-19, spread around the world and resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns and was declared a pandemic in March 2020. COVID-19 has had and we expect will continue to have an adverse effect on our results of operations due to supply chain disruptions and reduced demand for our products. Because of this, we realigned our operations and recorded severance and benefits charges of $5.8 million during the third quarter of our fiscal 2020. Although we expect to reduce research and development and sales and marketing costs for the year ended June 30, 2021 compared to the year ended June 30, 2020, given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, we cannot further reasonably estimate the impact of the COVID-19 pandemic on our future results of operations or financial position. See also Part II, Item 1A – Risk Factors.

Net Revenues

The following table presents net product and service and subscription revenues for the periods presented (dollars in thousands):

	Three Months Ended				Six Months Ended			
	December 31, 2020	December 31, 2019	$ Change	% Change	December 31, 2020	December 31, 2019	$ Change	% Change
Net revenues:								
Product	$ 165,845	$ 190,492	$ (24,647)	(12.9)%	$ 327,241	$ 375,626	$ (48,385)	(12.9)%
Percentage of net revenues	*68.5%*	*71.2%*			*68.5%*	*71.8%*		
Service and subscription	76,283	76,980	(697)	(0.9)%	150,689	147,352	3,337	2.3%
Percentage of net revenues	*31.5%*	*28.8%*			*31.5%*	*28.2%*		
Total net revenues	$ 242,128	$ 267,472	$ (25,344)	(9.5)%	$ 477,930	$ 522,978	$ (45,048)	(8.6)%

Product revenues decreased $24.6 million or 12.9% for the three months ended December 31, 2020, as compared to the corresponding period of fiscal 2020. Product revenues decreased $48.4 million or 12.9% for the six months ended December 31, 2020, as compared to the corresponding period of fiscal 2020. The product revenues decline was primarily due to the continued impact of the global outbreak of COVID-19 across all geographies.

Service and subscription revenues decreased $0.7 million, or 0.9% for the three months ended December 31, 2020 as compared to the corresponding period in fiscal 2020. Service and subscription revenues increased $3.3 million, or 2.3% for the six months ended December 31, 2020 as compared to the corresponding period in fiscal 2020. The decrease in services and subscription revenue for the three months ended December 31, 2020 was primarily due to the continued impact of the global outbreak of COVID-19 across all geographies, partially offset by increased subscription revenue. The increase in service and subscription revenues for the six months ended December 31, 2020 was primarily due to growth in subscription revenues.

The following table presents the product and service and subscription, gross profit and the respective gross profit percentages for the periods presented (dollars in thousands):

	Three Months Ended				Six Months Ended			
	December 31, 2020	December 31, 2019	$ Change	% Change	December 31, 2020	December 31, 2019	$ Change	% Change
Gross profit:								
Product	$ 91,840	$ 99,105	$ (7,265)	(7.3)%	$ 179,841	$ 192,848	$ (13,007)	(6.7)%
Percentage of product revenues	55.4%	52.0%			55.0%	51.3%		
Service and subscription	48,352	49,566	(1,214)	(2.4)%	95,369	93,066	2,303	2.5%
Percentage of service and subscription revenues	63.4%	64.4%			63.3%	63.2%		
Total gross profit	$ 140,192	$ 148,671	$ (8,479)	(5.7)%	$ 275,210	$ 285,914	$ (10,704)	(3.7)%
Percentage of net revenues	57.9%	55.6%			57.6%	54.7%		

Product gross profit decreased $7.3 million or 7.3% for the three months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The decrease in product gross profit was primarily due to lower revenues. This was partially offset by lower distribution charges of $2.3 million, which were mainly due to decreased tariffs, lower expensing of the fair value step-up of inventories acquired from Aerohive of $3.4 million, lower warranty costs of $2.5 million and more favorable manufacturing costs due to cost reduction efforts including a reduction in product costs.

Product gross profit decreased $13.0 million or 6.7% for the six months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The decrease in product gross profit was primarily due to lower revenues. This was partially offset by lower excess and obsolete inventory charges of $3.8 million, lower expensing of the fair value step-up of inventories acquired from Aerohive of $7.3 million, lower warranty costs of $5.4 million and more favorable manufacturing costs due to cost reduction efforts including a reduction in product costs.

Service and subscription gross profit decreased $1.2 million or 2.4% for the three months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The decrease was primarily due to lower service and subscription revenues and increased cloud service costs and higher personnel costs, partially offset by reduced return costs.

Service and subscription gross profit increased $2.3 million or 2.5% for six months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The increase was primarily due to higher service and subscription revenues and reduced return costs, partially offset by higher personnel costs and increased cloud service costs.

Operating Expenses

The following table presents operating expenses for the periods presented (dollars in thousands):

	Three Months Ended				Six Months Ended			
	December 31, 2020	December 31, 2019	$ Change	% Change	December 31, 2020	December 31, 2019	$ Change	% Change
Research and development	$ 49,186	$ 55,380	$ (6,194)	(11.2)%	$ 98,710	$ 114,496	$ (15,786)	(13.8)%
Sales and marketing	66,732	75,436	(8,704)	(11.5)%	131,057	146,793	(15,736)	(10.7)%
General and administrative	16,360	15,098	1,262	8.4%	32,821	30,080	2,741	9.1%
Acquisition and integration costs	—	8,994	(8,994)	(100.0)%	1,975	24,919	(22,944)	(92.1)%
Restructuring and related charges, net of reversals	695	6,622	(5,927)	(89.5)%	1,696	12,759	(11,063)	(86.7)%
Amortization of intangibles	1,506	2,377	(871)	(36.6)%	3,298	4,307	(1,009)	(23.4)%
Total operating expenses	$ 134,479	$ 163,907	$ (29,428)	(18.0)%	$ 269,557	$ 333,354	$ (63,797)	(19.1)%

Research and Development Expenses

Research and development expenses consist primarily of personnel costs (which consist of compensation, benefits and share-based compensation), consultant fees and prototype expenses related to the design, development, and testing of our products.

Research and development expenses decreased by $6.2 million or 11.2% for the three months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The decrease in research and development expenses was due to a $6.6 million decrease in personnel costs primarily due to lower headcount as a result of the cost reduction actions taken in fiscal 2020, a $1.8 million decrease in facility and information technology costs, a $1.7 million decrease in software licenses and engineering project costs and a $0.3 million decrease in travel and other expenses, partially offset by a $4.2 million increase in professional and contractor fees.

Research and development expenses decreased by $15.8 million or 13.8% for the six months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The decrease in research and development expenses was due to a $16.1 million decrease in personnel costs primarily due to lower headcount as a result of the cost reduction actions taken in fiscal 2020, a $3.0 million decrease in facility and information technology costs, a $2.6 million decrease in software licenses and engineering project costs and a $0.8 million decrease in travel and other expenses, partially offset by a $6.7 million increase in professional and contractor fees.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of personnel costs (which consist of compensation, benefits and share-based compensation), as well as trade shows and promotional expenses.

Sales and marketing expenses decreased by $8.7 million or 11.5% for the three months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The decrease in sales and marketing expenses was primarily due to a $1.8 million decrease in personnel costs, a $3.5 million decrease in travel costs due to COVID-19, a $1.2 million decrease in professional and recruiting fees, a $0.8 million decrease in software and equipment related costs and a $1.4 million decrease in other expenses primarily marketing and sales promotions costs.

Sales and marketing expenses decreased by $15.7 million or 10.7% for the six months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The decrease in sales and marketing expenses was primarily due to a $4.0 million decrease in personnel costs, a $6.6 million decrease in travel costs due to COVID-19, a $2.6 million decrease in professional and recruiting fees, a $1.1 million decrease in software and equipment related costs and a $1.4 million decrease in other expenses primarily sales promotions costs.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel costs (which consist of compensation, benefits and share-based compensation), legal and professional service costs, travel and facilities and information technology costs.

General and administrative expenses increased by $1.3 million or 8.4% for the three months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The increase in general and administrative expenses was primarily due to a $2.1 million increase in personnel costs primarily compensation expenses and a $1.5 million increase in facility and information technology costs, partially offset by a $1.1 million decrease in software and equipment related costs, a $0.6 million decrease in legal and professional fees and a $0.6 million decrease in travel and other expenses.

General and administrative expenses increased by $2.7 million or 9.1% for the six months ended December 31, 2020, as compared to the corresponding period in fiscal 2020. The increase in general and administrative expenses was primarily due to a $3.0 million increase in personnel costs primarily compensation expenses and a $2.1 million increase in facility and information technology costs, partially offset by a $1.0 million decrease in software and equipment related costs, a $0.4 million decrease in legal and professional fees and a $1.0 million decrease in travel and other expenses.

Acquisition and Integration Costs

During the three months ended December 31, 2020, we did not incur any acquisition and integration costs. During the six months ended December 31, 2020 we incurred $2.0 million of acquisition and integration costs. Acquisition and integration costs for the six months ended December 31, 2020 consisted primarily of additional professional fees for system integration and financial services related to the Aerohive acquisition which are now complete.

During the three and six months ended December 31, 2019, we incurred $9.0 million and $24.9 million, respectively of acquisition and integration costs including a $6.8 million compensation charge for certain Aerohive Executives' stock awards which were accelerated due to change-in-control and termination provisions included in the Executives' employment contracts. Other acquisition and integration costs consisted primarily of professional fees for financial and legal advisory services and severance charges for Aerohive employees.

Restructuring Charges, Net of Reversals and Impairment

For the three and six months ended December 31, 2020, we recorded restructuring charges of $0.7 million and $1.7 million, respectively. We continued our cost reduction initiative began in the third quarter of fiscal 2020 and recorded related severance, benefits, and equipment relocation charges of $0.4 million and $1.1 million, respectively, related to the 2020 Plan. In addition, we had facility-related charges of $0.3 million and $0.6 million, respectively, related to our previously impaired facilities.

For the three months ended December 31, 2019, we recorded restructuring charges of $6.6 million. The charges consisted primarily of excess facility charges of $3.9 million for impairment of right-of-use assets related mainly to our Milpitas, California facilities. Additionally, we continued our reduction-in-force initiative begun in the fourth quarter of fiscal 2019 and we recorded severance and benefits charges of $2.7 million. For the six months ended December 31, 2019, we recorded restructuring charges of $12.8 million. The charges consisted primarily of excess facility charges of $7.9 million for impairment of right-of-use assets related to our Milpitas California, South San Jose California, and Salem, New Hampshire facilities. Additionally, we continued our reduction-in-force initiative begun in the fourth quarter of fiscal 2019 and we recorded severance and benefits charges of $4.9 million.

Amortization of Intangibles

During the three months ended December 31, 2020 and 2019, we recorded $1.5 million and $2.4 million, respectively, of operating expenses for amortization of intangibles in the accompanying condensed consolidated statements of operations. The decrease was primarily due to lower amortization related to certain acquired intangibles from previous acquisitions becoming fully amortized.

During the six months ended December 31, 2020 and 2019, we recorded $3.3 million and $4.3 million, respectively, of operating expenses for amortization of intangibles in the accompanying condensed consolidated statements of operations. The decrease was primarily due to lower amortization related to certain acquired intangibles from previous acquisitions becoming fully amortized, partially offset by an increase from full period amortization of acquired intangibles from the Aerohive acquisition.

Interest Expense

During the three months ended December 31, 2020 and 2019, we recorded $6.1 million and $6.2 million, respectively, in interest expense. The decreases in interest expense were primarily driven by lower average loan balances for the three months ended December 31, 2020 under our 2019 Credit Agreement.

During the six months ended December 31, 2020 and 2019, we recorded $12.7 million and $11.4 million, respectively, in interest expense. The increases in interest expense were primarily driven by higher average loan balances for the six months ended December 31, 2020 under our 2019 Credit Agreement.

Other Expense, Net

During the three months ended December 31, 2020 and 2019, we recorded other expense, net of $1.0 million and $0.7 million, respectively. During the six months ended December 31, 2020 and 2019, we recorded other expense, net of $1.8 million and $0.2 million, respectively. The changes for the three and six months ended December 31, 2020 was primarily due to foreign exchange losses from the revaluation of certain assets and liabilities denominated in foreign currencies into U.S. Dollars.

Provision for Income Taxes

For the three months ended December 31, 2020 and 2019, we recorded an income tax provision of $1.8 million and $1.8 million, respectively. For the six months ended December 31, 2020 and 2019, we recorded an income tax provision of $3.1 million and $3.4 million, respectively.

The income tax provisions for the three and six months ended December 31, 2020 and 2019 consisted of (1) taxes on the income of our foreign subsidiaries, (2) foreign withholding taxes, (3) tax expense associated with the establishment of a U.S. deferred tax liability for amortizable goodwill resulting from the acquisition of Enterasys Networks, Inc., the WLAN Business, the Campus Fabric Business and the Data Center Business, and (4) state taxes in jurisdictions where we have no remaining state net operating losses.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements and the related notes included elsewhere in this Report are prepared in accordance with accounting principles generally accepted in the United States. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted under SEC rules and regulations. The preparation of these unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. In many instances, we could have reasonably used different accounting estimates, and in other instances changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from the estimates made by our management. On an ongoing basis, we evaluate our estimates and assumptions. To the extent that there are material differences between these estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

As discussed in Part II, Item 7, *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* of our Annual Report on Form 10-K for the year ended June 30, 2020, we consider the following accounting policies to be the most critical in understanding the judgments that are involved in preparing our consolidated financial statements:

- *Revenue Recognition*
- *Inventory Valuation and Purchase Commitments*

There have been no changes to our critical accounting policies since the filing of our last Annual Report on Form 10-K.

New Accounting Pronouncements

See Note 2 of the accompanying condensed consolidated financial statements for a full description of new accounting pronouncements, including the respective expected dates of adoption and effects on results of operations and financial condition.

Liquidity and Capital Resources

The following table summarizes information regarding our cash (in thousands):

	December 31, 2020	June 30, 2020
Cash	$ 183,969	$ 193,872

As of December 31, 2020, our principal sources of liquidity consisted of cash of $184.0 million and accounts receivable, net of $128.2 million, and available borrowings under our five-year 2019 Revolving Facility of $55.0 million. Our principal uses of cash include the purchase of finished goods inventory from our contract manufacturers, payroll and other operating expenses related to the development and marketing of our products, purchases of property and equipment, and repayments of debt and related interest. We believe that our $184.0 million of cash at December 31, 2020, our cash flow from operations, and the availability of borrowings from the 2019 Revolving Facility will be sufficient to fund our planned operations for at least the next 12 months.

On November 2, 2018, our Board of Directors announced that it had authorized management to repurchase up to $60.0 million of its shares of common stock for two years from the date of authorization, of which $15.0 million was used for repurchases in fiscal 2019 and $30.0 million was used for repurchases in fiscal 2020. Purchases may be made from time to time in the open market or in privately negotiated transactions. The manner, timing and amount of any future purchases will be determined by our management based on their evaluation of market conditions, stock price, Extreme's ongoing determination that it is the best use of available cash and other factors. The repurchase program does not obligate Extreme to acquire any shares of its common stock, may be suspended or terminated at any time without prior notice and will be subject to regulatory considerations. There were no repurchases in the three and six months ended December 31, 2020.

In connection with the acquisition of Aerohive as discussed in Note 4 of the accompanying condensed consolidated financial statements, as of August 9, 2019, we amended the 2018 Credit Agreement, which is no longer outstanding, and entered into the 2019 Credit Agreement, by and among us, as borrower, several banks and other financial institutions as Lenders, BMO Harris Bank N.A., as an issuing lender and swingline lender, Silicon Valley Bank, as an Issuing Lender, and Bank of Montreal, as administrative agent and collateral agent for the Lenders. The 2019 Credit Agreement provides for a five-year first lien term loan facility in an aggregate principal amount of $380.0 million and a five-year revolving loan facility in an aggregate principal amount of $75.0 million ("2019 Revolving Facility"). In addition, we may request incremental term loans and/or incremental revolving loan commitments in an aggregate amount not to exceed the sum of $100.0 million plus an unlimited amount that is subject to pro forma compliance with certain financial tests. On August 9, 2019, we used the proceeds to partially fund the acquisition of Aerohive and for working capital and general corporate purposes.

At our election, the initial term loan (the "Initial Term Loan") under the 2019 Credit Agreement may be made as either base rate loans or Eurodollar loans. The applicable margin for base rate loans ranges from 0.25% to 2.50% per annum and the applicable margin for Eurodollar loans ranges from 1.25% to 3.50%, in each case based on Extreme's Consolidated Leverage Ratio. All Eurodollar loans are subject to a Base Rate floor of 0.00%. The 2019 Credit Agreement is secured by substantially all of our assets.

The 2019 Credit Agreement requires us to maintain certain minimum financial ratios at the end of each fiscal quarter. The 2019 Credit Agreement also includes covenants and restrictions that limit, among other things, our ability to incur additional indebtedness, create liens upon any of our property, merge, consolidate or sell all or substantially all of our assets. The 2019 Credit Agreement also includes customary events of default which may result in acceleration of the outstanding balance.

Financial covenants under the 2019 Credit Agreement require us to maintain a minimum consolidated fixed charge and consolidated leverage ratio at the end of each fiscal quarter through maturity. The 2019 Credit Agreement also includes covenants and restrictions that limit, among other things, our ability to incur additional indebtedness, create liens upon any of our property, merge, consolidate or sell all or substantially all of our assets. The 2019 Credit Agreement also includes customary events of default which may result in acceleration of the outstanding balance.

On April 8, 2020, we entered into the First Amendment to waive certain terms and financial covenants of the 2019 Credit Agreement through July 31, 2020. On May 8, 2020, we entered into the Second Amendment which supersedes the First Amendment and provides certain revised terms and financial covenants effective through March 31, 2021. Subsequent to March 31, 2021, the original terms and financial covenants under the 2019 Credit Agreement will resume in effect. The Second Amendment requires us to maintain certain minimum cash requirement and certain financial metrics at the end of each fiscal quarter through March 31, 2021. Under the terms of the Second Amendment, we are not permitted to exceed $55.0 million in our outstanding balance under the 2019 Revolving Facility, the applicable margin for Eurodollar rate will be 4.5% and we are restricted from pursuing certain activities such as incurring additional debt, stock repurchases, making acquisitions or declaring a dividend, until we are in compliance with the original covenants of the 2019 Credit Agreement. On November 3, 2020, we and our lenders entered into the Third Amendment to increase the sublimit for letters of credit to $20.0 million. On December 8, 2020, the Company and its lenders entered into the Fourth amendment to waive and amend certain terms and financial covenants within the 2019 Credit Agreement through March 31, 2021. We expect to be in compliance with the original terms of the 2019 Credit Agreement prior to June 30, 2021.

We have already experienced an adverse effect on our revenues and results of operations due to the coronavirus outbreak. The full extent to which the COVID-19 outbreak impacts our results and cash flows will depend on future developments, which are highly uncertain and cannot be predicted at this time, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the virus or treat its impact, among others. Complications from the COVID-19 outbreak could have a material adverse effect on the results of our operations, financial position, and cash flows particularly if such complications have an extended duration. See also Part II, Item 1A – Risk Factors.

Key Components of Cash Flows and Liquidity

A summary of the sources and uses of cash is as follows (in thousands):

	Six Months Ended	
	December 31, 2020	**December 31, 2019**
Net cash provided by operating activities	$ 62,771	$ 21,911
Net cash used in investing activities	(8,039)	(183,647)
Net cash (used in) provided by financing activities	(65,237)	132,736
Foreign currency effect on cash	602	(193)
Net decrease in cash	$ (9,903)	$ (29,193)

Net Cash Provided by Operating Activities

Cash flows provided by operations in the six months ended December 31, 2020, were $62.8 million, including our net loss of $11.9 million and non-cash expenses of $61.7 million for items such as amortization of intangibles, share-based compensation, depreciation, reduction in carrying amount of right-of-use assets, deferred income taxes and imputed interest. Other sources of cash for the period included a decrease in inventory and increases in accounts payable, accrued compensation, and deferred revenues. This was partially offset by decreases in other current and long-term liabilities and operating lease liabilities and increases in accounts receivables and prepaid expenses and other current assets.

Cash flows provided by operations in the six months ended December 31, 2019, were $21.9 million, including our net loss of $61.3 million and non-cash expenses of $72.1 million for items such as amortization of intangibles, reduction in carrying amount of right-of-use asset, depreciation, restructuring, deferred income taxes and imputed interest. Other sources of cash for the period included a decrease in accounts receivables and inventory and increases in deferred revenues. This was partially offset by decreases in accounts payable, accrued compensation, other current and long-term liabilities, and operating lease liabilities.

Net Cash Used in Investing Activities

Cash flows used in investing activities in the six months ended December 31, 2020 were $8.0 million for the purchases of property and equipment.

Cash flows used in investing activities in the six months ended December 31, 2019 were $183.6 million, including $219.5 million for the acquisition of Aerohive (net of cash acquired), purchases of property and equipment of $9.4 million, which was partially offset by proceeds of $45.2 million related to the maturity and sales of short-term investments.

Net Cash Provided by (Used in) Financing Activities

Cash flows used in financing activities in the six months ended December 31, 2020 were $65.2 million due primarily to debt repayments of $64.5 million, payment of contingent consideration of $1.0 million, and $2.0 million for deferred payments on acquisitions. This was partially offset by $2.3 million of proceeds from the issuance of shares of our common stock under our Employee Stock Purchase Plan (our "ESPP"), exercise of stock options, net of taxes paid on vested, and released stock awards.

Cash flows provided by financing activities in the six months ended December 31, 2019 were $132.7 million due primarily to additional borrowings of $199.5 million under our 2019 Credit Agreement to partially fund our acquisition of Aerohive, $2.9 million of proceeds from the issuance of shares of our common stock under our ESPP, the exercise of stock options and net of taxes paid on vested and released stock awards. This was partially offset by debt repayments of $25.0 million, assumed from the Aerohive acquisition, payment of loan fees of $10.5 million, contingent consideration of $2.0 million, and $2.2 million for deferred payments on acquisitions. Cash flows provided by financing activities for the period also included repurchasing of our common shares valued at $25.2 million executed through an accelerated share repurchase program. In addition, related to this transaction, there was an equity forward contract related to the Company's stock of $4.8 million.

Foreign Currency Effect on Cash

Foreign currency effect on cash increased in the six months ended December 31, 2020 and 2019, primarily due to changes in foreign currency exchange rates between the U.S. Dollar and particularly the Indian Rupee, the UK Pound, and the EURO.

Contractual Obligations

The following summarizes our contractual obligations as of December 31, 2020, and the effect such obligations are expected to have on our liquidity and cash flow in future periods (in thousands):

	Payments due by Period				
	Total	**Less than 1 Year**	**1-3 years**	**3-5 years**	**More than 5 years**
Contractual obligations:					
Debt obligations	$ 356,250	$ 21,375	$ 68,875	$ 266,000	$ —
Interest on debt obligations	54,651	17,218	29,764	7,669	—
Unconditional purchase obligations	38,015	38,015	—	—	—
Contractual commitments	85,383	20,367	34,858	17,233	12,925
Lease payments on operating leases	66,852	21,442	29,666	9,708	6,036
Deferred payments for an acquisition	9,000	4,000	5,000	—	—
Contingent consideration for an acquisition	1,168	925	243	—	—
Other liabilities	956	265	529	162	—
Total contractual cash obligations	$ 612,275	$ 123,607	$ 168,935	$ 300,772	$ 18,961

The contractual obligations referenced above are more specifically defined as follows:

Debt obligations related to amounts owed under our 2019 Credit Agreement.

Unconditional purchase obligations represent the purchase of long lead-time component inventory that our contract manufacturers procure in accordance with our forecasts. We expect to honor the inventory purchase commitments within the next 12 months.

Contractual commitments to suppliers for future services.

Lease payments on operating leases represent base rents and operating expense obligations to landlords for facilities we occupy at various locations.

Deferred payments for the acquisition of the Data Center Business represent payments of $1.0 million per quarter.

Contingent consideration for an acquisition of a capital financing business in December 2017 from Broadcom, at the estimated fair value. Actual payments could be different.

Other liabilities include our commitments towards debt related fees and specific arrangements other than inventory.

The amounts in the table above exclude immaterial income tax liabilities related to uncertain tax positions as we are unable to reasonably estimate the timing of settlement.

We did not have any material commitments for capital expenditures as of December 31, 2020.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of December 31, 2020.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Sensitivity

Our exposure to market risk for changes in interest rates relates primarily to debt and foreign currencies.

Debt

At certain points in time, we are exposed to the impact of interest rate fluctuations, primarily in the form of variable rate borrowings from the 2019 Credit Agreement, which is described in Note 8, Debt, of the notes to the condensed consolidated financial statements in this quarterly report on Form 10-Q. At December 31, 2020, we had $356.3 million of debt outstanding, all of which was from the 2019 Credit Agreement. During the quarter ended December 31, 2020, the average daily outstanding amount was $380.8 million with a high of $396.0 million and a low of $356.3 million.

Cash Flow Hedges of Interest Rate Risk

In conjunction with our term loan under the 2019 Credit Agreement, we entered into interest rate swap contracts with large financial institutions. This involves the receipt of variable rate amounts from these institutions in exchange for us making fixed-rate payments without exchange of the underlying notional amount of $200.0 million of our debt. The derivative instruments hedge the impact of the changes in variable interest rates. We record the changes in the fair value of these cash flow hedges of interest rate risk in accumulated other comprehensive income (loss) until termination of the derivative agreements.

The following table presents hypothetical changes in interest expense for the quarter ended December 31, 2020, on borrowings under the 2019 Credit Agreement and interest rate swap contracts as of December 31, 2020, that are sensitive to changes in interest rates (in thousands):

	Change in interest expense given a decrease in interest rate of X bps*		Average outstanding debt	Change in interest expense given an increase in interest rate of X bps*	
Description	**(100 bps)**	**(50 bps)**	**As of December 31, 2020**	**100 bps**	**50 bps**
Debt	$ (3,808)	$ (1,904)	$ 380,785	$ 3,808	$ 1,904
Interest Rate Swaps	2,000	1,000	(200,000)	(2,000)	(1,000)
Net	$ (1,808)	$ (904)		$ 1,808	$ 904

* Underlying interest rate was 4.65% as of December 31, 2020.

Exchange Rate Sensitivity

A majority of our sales and expenses are denominated in United States Dollars. While we conduct some sales transactions and incur certain operating expenses in foreign currencies and expect to continue to do so, we do not anticipate that foreign exchange gains or losses will be significant, in part because of our foreign exchange risk management process discussed below.

Foreign Exchange Forward Contracts

We record all derivatives on the balance sheet at fair value. Changes in the fair value of derivatives are recognized in earnings as “Other expense, net”. From time to time, we enter into foreign exchange forward contracts to mitigate the effect of gains and losses generated by the foreign currency forecast transactions related to certain operating expenses and re-measurement of certain assets and liabilities denominated in foreign currencies. These derivatives do not qualify as hedges. Changes in the fair value of these foreign exchange forward contracts are offset largely by re-measurement of the underlying assets and liabilities. As of December 31, 2020, foreign exchange forward contracts had a notional principal amount of $22.7 million. Unrealized gains recorded in the condensed consolidated statement of operations from these transactions during the three and six months ended December 31, 2020 were $0.1 million and $0.1 million, respectively. Realized gains and losses recorded in the condensed consolidated statement of operations from these transactions during the three and six months ended December 31, 2020 were $0.3 million and $0.4 million, respectively. These contracts have maturities of less than 40 days. Changes in the fair value of these foreign exchange forward contracts are offset largely by re-measurement of the underlying assets and liabilities. At December 31, 2019, we did not have any forward foreign currency contracts outstanding.

Foreign currency transaction gains and losses from operations was a loss of $1.3 million and a loss of $0.8 million for the three months ended December 31, 2020 and 2019, respectively. Foreign currency transaction gains and losses from operations was a loss of $2.4 million and a loss of $0.2 million for the six months ended December 31, 2020 and 2019, respectively.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures designed to reasonably assure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, such as this Report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and to reasonably assure that such information is accumulated and communicated to our management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our CEO and CFO, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Report. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a – 15(f) and 15d – 15(f) under the Securities Exchange Act of 1934, as amended) during the three and six months ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including the CEO and CFO, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Our controls and procedures are designed to provide reasonable assurance that our control system's objective will be met, and our CEO and CFO have concluded that our disclosure controls and procedures are effective at the reasonable assurance level. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within Extreme Networks have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events. Projections of any evaluation of the effectiveness of controls in future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Notwithstanding these limitations, our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. Our CEO and CFO have concluded that our disclosure controls and procedures are, in fact, effective at the "reasonable assurance" level.

PART II. Other Information

Item 1. Legal Proceedings

For information regarding litigation matters required by this item, refer to Part I, Item 3, Legal Proceedings of our Annual Report on Form 10-K for the fiscal year ended June 30, 2020, and Note 9 to the Notes to condensed consolidated financial statements, included in Part I, Item 1 of this Report which are incorporated herein by reference.

Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended June 30, 2020, and in Part II, Item 1A, "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, which could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our common stock. There have been no material changes to our risk factors since our Annual Report on Form 10-K for the year ended June 30, 2020 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, other than as described in the updated risk factors provided below.

The coronavirus outbreak has had, and continues to have, a materially disruptive effect on our business.

A novel strain of coronavirus emerged in December 2019. This coronavirus, known as COVID-19, has spread around the world and has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. The spread of COVID-19 continues to have, a material negative impact on our business, financial condition and results of operations. Current and potential impacts include, but are not limited to, the following:

- the extended closures and slow ramp up of capacity of many factories in China, where our products and the components and subcomponents used in the manufacture of our equipment are manufactured, continue to create supply chain disruptions from time-to-time for Extreme;
- supply and transportation costs have increased, and may continue to increase, as alternate suppliers are sought;
- reductions in passenger flights have led to a backlog of freight at airport terminals, causing further disruptions to the supply chain;
- labor shortages within delivery and other industries due to extended worker absences continue to create further supply chain disruptions;
- receivables and cash flow may be negatively impacted due to, among other things, supply chain disruptions or delays in customer payments;
- demand for Extreme's products and services, including Extreme's enterprise-scale products, have been and may continue to be reduced due to, among other things, uncertainties in the global economy and financial markets, cancellation or postponement of large gatherings, reduction in office sizes, as well as reduced customer spending;
- orders or guidance to shut down non-essential businesses and for people to work from home have impacted the ability to ship products to customers and could inhibit sales opportunities; and
- reductions in earnings could increase our costs of borrowing, reduce our ability to comply with our 2019 Credit agreement covenants or make extensions of credit unavailable to us.

The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 impacts our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the speed and extent of geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in the affected areas, business closures or business disruptions and the effectiveness of actions taken in the affected areas to contain and treat the disease.

Our provision for income taxes and overall cash tax costs are affected by a number of factors, including reorganizations or restructurings of our business, jurisdictional revenue mix and changes in tax regulations or policy including recent U.S. tax legislation, all of which could materially adversely affect our business, financial condition and results of operations.

We are a multinational company subject to income tax as well as non-income-based taxes in various tax jurisdictions including Ireland, where the Company has an operating company supporting our business in most non-United States jurisdictions. Significant judgment is required to determine our worldwide provision for income taxes. In the ordinary course of business, there are many transactions where the ultimate tax determination is uncertain. Additionally, our calculations of income taxes payable currently and on a deferred basis are based on our interpretation of applicable tax laws in the jurisdictions in which we are required to file tax returns.

The Organization for Economic Co-operation and Development (OECD), an international association of 37 countries including the United States, has proposed changes to numerous long-standing tax principles. These proposals, if finalized and adopted by the associated countries, will likely increase tax uncertainty and may adversely affect our provision for income taxes. U.S. tax legislation has significantly changed the U.S. federal income taxation of U.S. corporations, including by reducing the U.S. corporate income tax rate, limiting interest deductions, permitting immediate expensing of certain capital expenditures, adopting elements of a territorial tax system, imposing a one-time transition tax (or "repatriation tax") on all undistributed earnings and profits of certain U.S.-owned foreign corporations, revising the rules governing net operating losses and the rules governing foreign tax credits, and introducing new anti-base erosion provisions. Many of these changes were effective immediately upon enactment on December 22, 2017, without any transition periods or grandfathering for existing transactions. The legislation continues to be subject to potential amendments and technical corrections, as well as interpretations and implementing regulations by the Treasury and Internal Revenue Service ("IRS"), any of which could lessen or increase certain adverse impacts of the legislation.

The Biden Administration has provided some informal guidance on what tax law changes it would support. Among other things, its proposals would raise the tax rate on both domestic and foreign income and impose a new alternative minimum tax on book income. If these proposals are ultimately enacted into legislation, they could materially impact our tax provision, cash tax liability and effective tax rate.

We have adopted transfer pricing policies between our affiliated entities. Our taxable income in any jurisdiction is dependent upon acceptance of our operational practices and intercompany transfer pricing by local tax authorities as being on an arm's length basis. Due to inconsistencies in application of the arm's length standard among tax authorities, as well as lack of comprehensive treaty-based protection, transfer pricing challenges by tax authorities could, if successful result in adjustments to prior or future years. As a result of these adjustments, we could become subject to higher taxes and our earnings and results of operations could be adversely affected in any period in which such determination is made.

Although we believe our tax estimates are reasonable, there is no assurance that the final determination of our income tax liability will not be materially different than what is reflected in our income tax provisions and accruals. Significant judgment is required to determine the recognition and measurement of tax liabilities prescribed in the relevant accounting guidance for uncertainty in income taxes. The accounting guidance for uncertainty in income taxes applies to all income tax positions, which, if resolved unfavorably, could adversely impact our provision for income taxes and our payment obligation with respect to any such taxes.

Changes in the effective tax rate including from the release of the valuation allowance recorded against our net U.S. deferred tax assets, or adverse outcomes resulting from examination of our income or other tax returns or a change in ownership, could adversely affect our business, financial condition, and results of operations.

Our future effective tax rates may be volatile or adversely affected by changes in our business or U.S. or foreign tax laws, including: the partial or full release of the valuation allowances recorded against our net U.S. and Irish deferred tax assets; expiration of or lapses in the research and development tax credit laws; transfer pricing adjustments; tax effects of stock-based compensation; or costs related to restructuring. In addition, we are subject to the examination of our income tax returns by the Internal Revenue Service, Irish Revenue, and other tax authorities globally. Although we regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes, there is no assurance that such determinations by us are in fact adequate. Changes in our effective tax rates or amounts assessed upon examination of our tax returns may have a material, adverse impact on our business, financial condition, and results of operations.

Our future effective tax rate in particular could be adversely affected by a change in ownership pursuant to Section 382 of the U.S. Internal Revenue Code. If a change in ownership occurs, it may limit our ability to utilize our net operating losses to offset our U.S. taxable income. If U.S. taxable income is greater than the change in ownership limitation, we may pay cash tax based on the amount of taxable income that exceeds the limitation after application of any available tax credits. This could have a material adverse impact on our results of operations.

On April 26, 2012, we adopted the Restated Rights Plan to help protect our assets. In general, this does not allow a stockholder to acquire more than 4.95% of our outstanding common stock without a waiver from our Board, who must take into account the relevant tax analysis relating to potential limitation of our net operating losses. Our Restated Rights Plan is effective through May 31, 2021.

System security risks, data breaches, and cyber-attacks could compromise our proprietary information, disrupt our internal operations and harm public perception of our products, which could adversely affect our business, financial condition and results of operations.

In the ordinary course of business, we store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners on our networks. In addition, we store sensitive or classified information through cloud-based services that may be hosted by third parties and in data center infrastructure maintained by third parties. The secure maintenance of this information is critical to our operations and business strategy. Increasingly, companies, including us, are subject to a wide variety of attacks on their networks and/or cloud-based services on an ongoing basis. Despite our security measures, our supply chain, information technology and infrastructure may be vulnerable to penetration or attacks by computer programmers and hackers, or breached due to employee error, malfeasance or other disruptions. In addition, as a provider of products and services to governments, our products and services may be the targets of cyber-attacks that attempt to sabotage or otherwise disable them, or our cybersecurity and other products and services ultimately may not be able to effectively detect, prevent, or protect against or otherwise mitigate losses from all cyber-attacks. Any such breach could compromise our products, networks or cloud-based services, creating system disruptions or slowdowns and exploiting security vulnerabilities of our products, and the information stored as part of our operations could be accessed, publicly disclosed, lost or stolen, which could subject us to liability to our customers, suppliers, business partners and others, could require significant management attention and resources, could result in the loss of business, regulatory actions and potential liability, and could cause us reputational and financial harm. 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 "bugs" and other problems that could unexpectedly interfere with the operation of our networks. This can be true even for “legacy” products that have been determined to have reached an end of life engineering status but will continue to operate for a limited amount of time.

If an actual or perceived breach of network security occurs in our products, network or in the network of a customer of our networking products, regardless of whether the breach is attributable to our products, the market perception of the effectiveness of our products could be harmed. In addition, the economic costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software systems and security vulnerabilities could be significant and may be difficult to anticipate or measure. Because the techniques used by computer programmers and hackers, many of whom are highly sophisticated and well-funded, to access or sabotage networks change frequently and generally are not recognized until after they are used, we may be unable to anticipate or immediately detect these techniques. This could impede our sales, manufacturing, distribution or other critical functions, which could adversely affect our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds - Not Applicable

Item 3. Defaults Upon Senior Securities - Not Applicable

Item 4. Mine Safety Disclosures - Not Applicable

Item 5. Other Information - Not Applicable

Item 6. Exhibits

(a) Exhibits:

Exhibit Number	Description of Document	Incorporated by Reference			Filed Herewith
		Form	Filing Date	Number	
10.45	Third Amendment to the Amended and Restated Credit Agreement dated as of November 3, 2020, by and among Extreme Networks, Inc., the Lenders party thereto, and the Bank of Montreal, as administrative and collateral agent for the Lenders.				X
10.46	Fourth Amendment to the Amended and Restated Credit Agreement dated as of December 8, 2020, by and among Extreme Networks, Inc., the Lenders party thereto, and the Bank of Montreal, as administrative and collateral agent for the Lenders.				X
31.1	Section 302 Certification of Chief Executive Officer.				X
31.2	Section 302 Certification of Chief Financial Officer.				X
32.1*	Section 906 Certification of Chief Executive Officer.				X
32.2*	Section 906 Certification of Chief Financial Officer.				X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).				

* Furnished herewith. Exhibits 32.1 and 32.2 are being furnished and shall not be deemed to be “filed” for purposes of section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, nor shall such exhibits be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise specifically stated in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EXTREME NETWORKS, INC.
(Registrant)

/s/ REMI THOMAS
Remi Thomas
Executive Vice President, Chief Financial Officer
(Principal Accounting Officer)

February 9, 2021

THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Third Amendment"), dated as of November 3, 2020, by and among EXTREME NETWORKS, INC., a Delaware corporation (the "Borrower"), the Lenders party hereto, and BANK OF MONTREAL ("BMO"), as administrative and collateral agent for the Lenders (in such capacities, the "Administrative Agent"). All capitalized terms used herein (including in this preamble) and not otherwise defined herein shall have the respective meanings provided such terms in the Credit Agreement referred to below.

RECITALS

WHEREAS, the Borrower, the Administrative Agent, BMO Harris Bank, N.A., as an Issuing Lender and Swingline Lender, Silicon Valley Bank, as an Issuing Lender, and the various lenders party thereto (each, a "Lender" and collectively, the "Lenders") are party to that certain Amended and Restated Credit Agreement, dated as of August 9, 2019, as amended by the First Amendment and Limited Waiver, dated as of April 8, 2020, and the Second Amendment, dated as of May 8, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, on the terms and conditions specified in this Third Amendment, the Borrower, the Administrative Agent and the Lenders party hereto (constituting the Required Lenders) agree to amend the Credit Agreement in the manner described in Section 1 below; and

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is acknowledged by the parties hereto, it is agreed:

Section 1. Amendment to Credit Agreement.

(a) Effective as of the Effective Date, the Schedules to the Credit Agreement are amended by replacing Schedule 1.1A with a new Schedule 1.1A in the form attached hereto as Exhibit A.

(b) Effective as of the Effective Date, the definition of "L/C Commitment" in Section 1.1 of the Credit Agreement shall be amended and restated to read in its entirety as follows:

""***L/C Commitment***": as to any L/C Lender, the obligation of such L/C Lender, if any, to purchase an undivided interest in the Issuing Lenders' obligations and rights under and in respect of each Letter of Credit (including to make payments with respect to draws made under any Letter of Credit pursuant to Section 3.5(b)) in an aggregate principal amount not to exceed the amount set forth under the heading "L/C Commitment" opposite such L/C Lender's name on Schedule 1.1A or in the Assignment and Assumption pursuant to which such L/C Lender becomes a party hereto, as the amount of any such obligation may be (i) changed from time to time pursuant to the terms hereof, or (ii) limited by restrictions on availability set forth herein (including Sections 2.4 and 3.1(a)). For the avoidance of doubt, (x) as of the Third Amendment Effective Date, the original amount of the Total L/C Commitments is $20,000,000, subject to the availability limitations set forth herein, (y) the Total L/C Commitments are a sublimit of, and not in addition to, the Total Revolving Commitments, and (z) the aggregate amount of the respective L/C Commitments of the Lenders shall not exceed the amount of the Total L/C Commitments at any time."

(c) Effective as of the Effective Date, the definition of "Total L/C Commitments" in Section 1.1 of the Credit Agreement shall be amended and restated to read in its entirety as follows:

""***Total L/C Commitments***": at any time, the sum of all L/C Commitments at such time, as the same may be reduced from time to time pursuant to Section 2.9 or 3.5(b). The initial amount of the Total L/C Commitments on the Third Amendment Effective Date is $20,000,000, which Total L/C Commitments are part of, and not in addition to, the Revolving Commitments."

(d) Effective as of the Effective Date, the following new definitions are hereby added in their appropriate alphabetical order to Section 1.1 of the Credit Agreement:

""***Third Amendment***": the Third Amendment to Amended and Restated Credit Agreement, dated as of November 2, 2020, among the Borrower, the Lenders party thereto, and the Administrative Agent."

""***Third Amendment Effective Date***": the Effective Date as defined in the Third Amendment."

Section 2. Conditions to Effectiveness of this Third Amendment. This Third Amendment shall become effective as of the date (such date, the "Effective Date") upon which each of the following conditions precedent shall have been satisfied or waived:

(a) Signing of Third Amendment. The Administrative Agent shall have received (i) a copy of this Third Amendment, duly executed and delivered by the Borrower, the Administrative Agent, the Required Lenders, and each Issuing Lender and (ii) a copy of the attached Acknowledgement, duly executed and delivered by each Guarantor and grantor of Collateral.

(b) Expenses. The Borrower shall have paid to the Administrative Agent, solely to the extent invoiced to the Borrower at least one Business Day prior to the Effective Date, all costs and expenses specified in Section 5(b) below or that are otherwise due and payable to the Administrative Agent and the Lenders on or prior to the Effective Date in accordance with Section 10.5 of the Credit Agreement.

(c) Representations and Warranties. As of the Effective Date, immediately after giving effect to this Third Amendment, each of the representations and warranties made by each Loan

Party and Enterasys in or pursuant to this Third Amendment and each other Loan Document (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, on and as of the Effective Date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all respects or all material respects, as required, as of such earlier date.

(d) Absence of Defaults. As of the Effective Date, immediately after giving effect to this Third Amendment, no event shall have occurred and be continuing that would constitute a Default or an Event of Default.

Section 3. Representations and Warranties. To induce the Administrative Agent and the Lenders to enter into this Third Amendment, the Borrower represents and warrants to the Administrative Agent and each Lender, as to itself, each of its Subsidiaries and each other Loan Party, as applicable, on the Effective Date that:

(a) Each Loan Party and Enterasys has the power and authority, and the legal right, to make, deliver and perform this Third Amendment and the attached Acknowledgment.

(b) Each Loan Party and Enterasys has taken all necessary organizational action to authorize the execution, delivery and performance of this Third Amendment and the attached Acknowledgment.

(c) No Governmental Approval or consent or authorization of, filing with, notice to or other act by or in respect of, any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Third Amendment and the attached Acknowledgment.

(d) Each of this Third Amendment and the attached Acknowledgment has been duly executed and delivered on behalf of each Loan Party party thereto or Enterasys, as applicable.

(e) Each of this Third Amendment and the attached Acknowledgment constitutes a legal, valid and binding obligation of each Loan Party party thereto or Enterasys, as applicable, enforceable against each such Loan Party or Enterasys, as applicable, in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles and principles of good faith and fair dealing (whether enforcement is sought by proceedings in equity or at law).

(f) As of the Effective Date, immediately after giving effect to this Third Amendment, each of the representations and warranties made by each Loan Party and Enterasys in or pursuant to each Loan Document (i) that is qualified by materiality is true and correct, and (ii) that is not qualified by materiality, is true and correct in all material respects, in each case, on and as of the Effective Date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all respects or all material respects, as required, as of such earlier date.

Section 4. Acknowledgments and Affirmations of the Borrower. The Borrower hereby expressly acknowledges the terms of this Third Amendment and confirms and reaffirms, as of the date hereof, (i) the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Third Amendment, and (ii) its grant of Liens on the Collateral to secure the Obligations pursuant to the Security Documents; provided that, on and after the effectiveness of this Third Amendment, each reference in each of the Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as modified hereby. Except as herein otherwise specifically provided in this Third Amendment, all provisions of the Credit Agreement and the Loan Documents shall remain in full force and effect and be unaffected hereby.

Section 5. Miscellaneous.

(a) Binding Effect. This Third Amendment shall be binding upon and inure to the benefit of the parties hereto and to the benefit of their respective successors and assigns permitted by the terms of the Loan Documents. No third party beneficiaries are intended in connection with this Third Amendment.

(b) Costs and Expenses. The Borrower hereby agrees to pay to the Administrative Agent on demand the reasonable and documented out-of-pocket costs and expenses of the Administrative Agent, and the reasonable and documented out-of-pocket fees and disbursements of counsel to the Administrative Agent, in connection with the negotiation, preparation, execution and delivery of this Third Amendment and any other documents to be delivered herewith.

(c) Loan Document. This Third Amendment shall constitute a Loan Document.

(d) Counterparts. This Third Amendment may be executed by one or more of the parties to this Third Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Third Amendment by facsimile or other electronic mail transmission shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Third Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(e) Entire Agreement. This Third Amendment and the other Loan Documents represent the entire agreement of the Borrower, the other Loan Parties, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or therein.

(f) Notices. All notices under this Third Amendment shall be given in accordance with Section 10.2 of the Credit Agreement.

(g) Severability. Any provision of this Third Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(h) Governing Law. This Third Amendment and any claims, controversy, dispute or causes of actions arising therefrom (whether in contract or tort or otherwise) shall be construed in accordance with and governed by the law of the State of New York.

(i) Jurisdiction; Jury Trial Waiver. Section 10.14 of the Credit Agreement shall be applicable to this Third Amendment as if set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

BORROWER:

EXTREME NETWORKS, INC.,
as the Borrower

By: /s/ Remi Thomas
Name: Remi Thomas
Title: CEO

ADMINISTRATIVE AGENT:

BANK OF MONTREAL,
as the Administrative Agent

By: /s/ Jeff LaRue
Name: Jeff LaRue
Title: Vice President

[Signature Page to Third Amendment to Amended and Restated Credit Agreement]

LENDERS:

BMO HARRIS BANK N.A.,
as an Issuing Lender, the Swingline Lender, and a Lender

By: /s/ Jeff LaRue
Name: Jeff LaRue
Title: Vice President

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Hormuz Kapadia
Name: Hormuz Kapadia
Title: Authorized Officer

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Molly Daniello
Name: Molly Daniello
Title: Director

SILICON VALLEY BANK,
as an Issuing Lender and a Lender

By: /s/ Jonathan Wolter
Name: Jonathan Wolter
Title: Director

MUFG UNION BANK, N.A.,
as a Lender

By: /s/ Matthew Antioco
Name: Matthew Antioco
Title: Director

[Signature Page to Third Amendment to Amended and Restated Credit Agreement]

CITIZENS BANK, N.A.,
as a Lender

By: /s/ Darran Wee
Name: Darran Wee
Title: Senior Vice President

BBVA USA,
as a Lender

By: /s/ Chris Dowler
Name: Chris Dowler
Title: Senior Vice President

REGIONS BANK,
as a Lender

By: /s/ Bruce Randolph
Name: Bruce Randolph
Title: Director

[Signature Page to Third Amendment to Amended and Restated Credit Agreement]

BANK OF THE WEST,
as a Lender

By: /s/ Scott Bruni
Name: Scott Bruni
Title: Director

UMPQUA BANK,
as a Lender

By: /s/ Michael McCutchin
Name: Michael McCutchin
Title: Senior Vice President

CITY NATIONAL BANK,
as a Lender

By: /s/ Raed Alfayoumi
Name: Raed Alfayoumi
Title: Senior Vice President

CADENCE BANK N.A.,
as a Lender

By: /s/ Steven Prichett
Name: Steven Prichett
Title: EVP

HUNTINGTON NATIONAL BANK,
as a Lender

By: /s/ Ryan Benefiel
Name: Ryan Benefiel
Title: Assistant Vice President

SIEMENS FINANCIAL SERVICES, INC.,
as a Lender

By: /s/ W. D. Jentsch
Name: W. D. Jentsch
Title: VP

By: /s/ Pratik Patel
Name: Pratik Patel
Title: Authorized Signatory

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Mahesh Mohan
Name: Mahesh Mohan
Title: Authorized Signatory

ACKNOWLEDGMENT

as of November 3, 2020

Each of the undersigned hereby expressly acknowledges and agrees to the terms of the Third Amendment to Amended and Restated Credit Agreement (the "Third Amendment") to which this Acknowledgment is attached and confirms and reaffirms, as of the date hereof, (i) the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to the Third Amendment, (ii) its guarantee, if any, under the Guarantee and Collateral Agreement; and (iii) its grant of Liens on the Collateral to secure the Obligations pursuant to the Security Documents; provided that, on and after the effectiveness of the Third Amendment, each reference in each of the Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as modified by the Third Amendment.

Each of the undersigned hereby expressly acknowledges and agrees that except as herein otherwise specifically provided in the Third Amendment, all provisions of the Credit Agreement and the other Loan Documents shall remain in full force and effect and be unaffected hereby.

ENTERASYS NETWORKS, INC.,
a Delaware corporation

By: /s/ Katayoun Motiey
Name: Katayoun Motiey
Title: Chief Administrative Officer & General Counsel

AEROHIVE NETWORKS, INC.,
a Delaware corporation

By: /s/ Katayoun Motiey
Name: Katayoun Motiey
Title: Chief Administrative Officer & General Counsel

EXTREME NETWORKS IRELAND HOLDING LIMITED, an Irish company limited by shares

By: /s/ Remi Thomas
Name: Remi Thomas
Title: CFO

Exhibit A

AMENDED SCHEDULE 1.1A

SCHEDULE 1.1A

THIRD AMENDMENT INITIAL TERM COMMITMENTS

Lender	Initial Term Commitment	Term Percentage
BMO Capital Markets	$58,461,538.47	15.384615387%
JPMorgan Chase Bank, N.A.	$45,934,065.93	12.087912087%
Bank of America, N.A.	$45,934,065.93	12.087912087%
Silicon Valley Bank	$45,934,065.93	12.087912087%
MUFG Union Bank, N.A.	$41,758,241.77	10.989010992%
Citizens Bank, N.A.	$21,714,285.71	5.714285713%
BBVA USA	$21,714,285.71	5.714285713%
Regions Bank	$21,714,285.71	5.714285713%
Bank of the West	$21,714,285.71	5.714285713%
UMPQUA BANK	$12,527,472.53	3.296703297%
City National Bank	$10,857,142.86	2.857142858%
Cadence Bank N.A.	$8,351,648.35	2.197802197%
Huntington National Bank	$8,351,648.35	2.197802197%
Siemens Financial Services, Inc.	$8,351,648.35	2.197802197%
Goldman Sachs Bank USA	$6,681,318.69	1.758241761%
Total	**$380,000,000.00**	**100.000000000%**

THIRD AMENDMENT REVOLVING COMMITMENTS

Lender	Revolving Commitment	Revolving Percentage
BMO Capital Markets	$11,538,461.53	15.384615373%
JPMorgan Chase Bank, N.A.	$9,065,934.07	12.087912093%
Bank of America, N.A.	$9,065,934.07	12.087912093%
Silicon Valley Bank	$9,065,934.07	12.087912093%
MUFG Union Bank, N.A.	$8,241,758.23	10.989010973%
Citizens Bank, N.A.	$4,285,714.29	5.714285720%
BBVA USA	$4,285,714.29	5.714285720%
Regions Bank	$4,285,714.29	5.714285720%
Bank of the West	$4,285,714.29	5.714285720%
UMPQUA BANK	$2,472,527.47	3.296703293%

City National Bank	$2,142,857.14	2.857142853%
Cadence Bank N.A.	$1,648,351.65	2.197802200%
Huntington National Bank	$1,648,351.65	2.197802200%
Siemens Financial Services, Inc.	$1,648,351.65	2.197802200%
Goldman Sachs Bank USA	$1,318,681.31	1.758241747%
Total	**$75,000,000.00**	**100.000000000%**

THIRD AMENDMENT
L/C COMMITMENTS
(which is a sublimit of, and not in addition to, the Revolving Commitments)

Lender	L/C Commitments	L/C Percentage
BMO Harris Bank N.A.	$3,076,923.07	15.384615373%
JPMorgan Chase Bank, N.A.	$2,417,582.42	12.087912093%
Bank of America, N.A.	$2,417,582.42	12.087912093%
Silicon Valley Bank	$2,417,582.42	12.087912093%
MUFG Union Bank, N.A.	$2,197,802.19	10.989010973%
Citizens Bank, N.A.	$1,142,857.14	5.714285720%
BBVA USA	$1,142,857.14	5.714285720%
Regions Bank	$1,142,857.14	5.714285720%
Bank of the West	$1,142,857.14	5.714285720%
UMPQUA BANK	$659,340.66	3.296703293%
City National Bank	$571,428.57	2.857142853%
Cadence Bank N.A.	$439,560.44	2.197802200%
Huntington National Bank	$439,560.44	2.197802200%
Siemens Financial Services, Inc.	$439,560.44	2.197802200%
Goldman Sachs Bank USA	$351,648.35	1.758241747%
Total	**$20,000,000.00**	**100.000000000%**

THIRD AMENDMENT
SWINGLINE COMMITMENT
(which is a sublimit of, and not in addition to, the Revolving Commitments)

Lender	Swingline Commitment	Exposure Percentage
BMO Harris Bank N.A.	$5,000,000.00	100.000000000%
Total	**$5,000,000.00**	**100.000000000%**

FOURTH AMENDMENT AND LIMITED WAIVER

THIS FOURTH AMENDMENT AND LIMITED WAIVER TO THE AMENDED AND RESTATED CREDIT AGREEMENT (this "Fourth Amendment and Waiver"), dated as of December 8, 2020, by and among EXTREME NETWORKS, INC., a Delaware corporation (the "Borrower"), the Lenders party hereto, and BANK OF MONTREAL ("BMO"), as administrative and collateral agent for the Lenders (in such capacities, the "Administrative Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower, the Administrative Agent, BMO Harris Bank, N.A., as an Issuing Lender and Swingline Lender (as such terms are defined in the Credit Agreement referenced below), Silicon Valley Bank, as an Issuing Lender, and the various lenders party thereto (each, a "Lender" and collectively, the "Lenders") are party to that certain Amended and Restated Credit Agreement, dated as of August 9, 2019, as amended by the First Amendment and Limited Waiver, dated as of April 8, 2020, the Second Amendment, dated as of May 8, 2020, and the Third Amendment, dated as of November 3, 2020 (the "Existing Credit Agreement"; the Existing Credit Agreement, as modified by this Fourth Amendment and Waiver and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has notified the Administrative Agent that it has failed to maintain an aggregate amount of Worldwide Cash of the Borrower and its consolidated Subsidiaries of at least $120,000,000 as of the close of business on the last day of each of the calendar months ended October 31, 2020 and November 30, 2020, and each such failure constitutes a breach of the financial covenant contained in Section 7.1(c) of the Existing Credit Agreement;

WHEREAS, the Borrower has requested that the Agent and the Lenders waive the Specified Breaches (as defined below) and the Specified Events of Default (as defined below);

WHEREAS, on the terms and conditions specified in this Fourth Amendment and Waiver, the Agent and the Lenders party hereto (constituting the Required Lenders) are willing to waive the Specified Breaches and the Specified Events of Default;

WHEREAS, on the terms and conditions specified in this Fourth Amendment and Waiver, the Borrower, the Administrative Agent and the Lenders party hereto (constituting the Required Lenders) agree to amend the Existing Credit Agreement in the manner described in Section 2 below; and

WHEREAS, the parties hereto agree that the execution and delivery of this Fourth Amendment and Waiver by the Borrower shall constitute a notice which satisfies the requirements of Section 6.7(a) of the Credit Agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

Section 1. Acknowledgment of Specified Events of Default; Limited Waiver.

(a) The Borrower acknowledges and agrees that it has failed to maintain an aggregate amount of Worldwide Cash of the Borrower and its consolidated Subsidiaries of at least $120,000,000 as of the close of business on the last day of each of the calendar months ended October 31, 2020 and November 30, 2020, and each such failure constitutes a breach of the financial covenant contained in Section 7.1(c) of the Credit Agreement (collectively, the "Specified Breaches").

(b) Subject to the terms and conditions contained in this Fourth Amendment and Waiver, the Agent and the Lenders party hereto hereby waive the Specified Breaches and the following Events of Default (collectively, the "Specified Events of Default"):

(i) any existing Event of Default arising under Section 8.1(c) of the Existing Credit Agreement resulting from the Specified Breaches;

(ii) any existing Event of Default arising under Section 8.1(c) of the Existing Credit Agreement resulting from the failure to timely deliver any notice required under Section 6.7(a) of the Credit Agreement of the Events of Default described in the foregoing clause (i) and any Defaults arising as a result of the Specified Breaches; and

(iii) solely relating to (x) the Specified Breaches and any Defaults resulting therefrom and (y) the Events of Default described in the foregoing clauses (i) and (ii), any existing Event of Default arising under Section 8.1(b) of the Existing Credit Agreement resulting from any representation, warranty, or other statement made by the Borrower or any of its Subsidiaries that no Default or Event of Default has occurred and is continuing.

Section 2. Amendments to Existing Credit Agreement.

(a) Effective as of the Effective Date, the following new definitions are hereby added in their appropriate alphabetical order to Section 1.1 of the Existing Credit Agreement:

"***Liquidity***": as of any date of determination, the sum of (a) the aggregate amount of Worldwide Cash of the Borrower and its consolidated Subsidiaries plus (b) the Available Revolving Commitments in an aggregate principal amount not to exceed $55,000,000.

(b) Effective as of the Effective Date, Section 6.1(c)(ii)(B) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

"an unaudited report showing the aggregate amount of Worldwide Cash (or, for December 2020, January 2021, February 2021, and March 2021, Liquidity rather than Worldwide Cash) of the Borrower and its consolidated Subsidiaries, as of the close of business on the last day of such calendar month"

(c) Effective as of the Effective Date, Section 7.1(c) of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

> "Minimum Monthly Cash; Minimum Monthly Liquidity. During the Suspension Period, (i) permit, as of the close of business on the last day of each of April, May, June, July and August 2020, the aggregate amount of Worldwide Cash of the Borrower and its consolidated Subsidiaries on such day, determined on a consolidated basis, to be less than \$90,000,000, (ii) permit, as of the close of business on the last day of September 2020, the aggregate amount of Worldwide Cash of the Borrower and its consolidated Subsidiaries on such day, determined on a consolidated basis, to be less than \$110,000,000, (iii) permit, as of the close of business on the last day of each of October 2020 and November 2020, the aggregate amount of Worldwide Cash of the Borrower and its consolidated Subsidiaries on each such day, determined on a consolidated basis, to be less than \$120,000,000, (iv) permit, as of the close of business on the last day of December 2020, the aggregate amount of Liquidity on such day, determined on a consolidated basis, to be less than \$120,000,000 and (v) permit, as of the close of business on the last day of each of January 2021, February 2021 and March 2021, the aggregate amount of Liquidity on each such day, determined on a consolidated basis, to be less than \$130,000,000."

Section 3. Conditions to Effectiveness of this Fourth Amendment and Waiver. This Fourth Amendment and Waiver shall become effective as of the date (such date, the "Effective Date") upon which each of the following conditions precedent shall have been satisfied or waived:

(a) Signing of Waiver. The Administrative Agent shall have received (i) a copy of this Fourth Amendment and Waiver, duly executed and delivered by the Borrower, the Administrative Agent and the Required Lenders and (ii) a copy of the attached Acknowledgement, duly executed and delivered by each Guarantor and grantor of Collateral.

(b) Fees and Expenses. The Borrower shall have paid to the Administrative Agent, solely to the extent invoiced to the Borrower at least one Business Day prior to the Effective Date, all costs and expenses specified in Section 7(b) below or that are otherwise due and payable to the Administrative Agent and the Lenders on or prior to the Effective Date in accordance with Section 10.5 of the Credit Agreement.

(c) Representations and Warranties. As of the Effective Date, immediately after giving effect to this Fourth Amendment and Waiver, each of the representations and warranties made by each Loan Party and Enterasys in or pursuant to this Fourth Amendment and Waiver and each other Loan Document (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, on and as of the Effective Date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all respects or all material respects, as required, as of such earlier date.

(d) Absence of Defaults. As of the Effective Date, immediately after giving effect to this Fourth Amendment and Waiver, no event shall have occurred and be continuing that would constitute a Default or an Event of Default.

Section 4. Representations and Warranties. To induce the Administrative Agent and the Lenders to enter into this Fourth Amendment and Waiver, the Borrower represents and warrants to the Administrative Agent and each Lender, as to itself, each of its Subsidiaries and each other Loan Party, as applicable, on the Effective Date that:

(a) Each Loan Party and Enterasys has the power and authority, and the legal right, to make, deliver and perform this Fourth Amendment and Waiver and the attached Acknowledgment.

(b) Each Loan Party and Enterasys has taken all necessary organizational action to authorize the execution, delivery and performance of this Fourth Amendment and Waiver and the attached Acknowledgment.

(c) No Governmental Approval or consent or authorization of, filing with, notice to or other act by or in respect of, any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Fourth Amendment and Waiver and the attached Acknowledgment.

(d) Each of this Fourth Amendment and Waiver and the attached Acknowledgment has been duly executed and delivered on behalf of each Loan Party party hereto or Enterasys, as applicable.

(e) Each of this Fourth Amendment and Waiver and the attached Acknowledgment constitutes a legal, valid and binding obligation of each Loan Party party thereto or Enterasys, as applicable, enforceable against each such Loan Party or Enterasys, as applicable, in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles and principles of good faith and fair dealing (whether enforcement is sought by proceedings in equity or at law).

(f) As of the Effective Date, immediately after giving effect to this Fourth Amendment and Waiver, each of the representations and warranties made by each Loan Party and Enterasys in or pursuant to each Loan Document (i) that is qualified by materiality is true and correct, and (ii) that is not qualified by materiality, is true and correct in all material respects, in each case, on and as of the Effective Date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all respects or all material respects, as required, as of such earlier date.

(g) The aggregate amount of Worldwide Cash of the Borrower and its consolidated Subsidiaries as of the close of business on the last day of the calendar months ended October 31, 2020 and November 30, 2020 is at least $118,600,000 and $105,000,000, respectively.

Section 5. Acknowledgments and Affirmations of the Borrower. The Borrower hereby expressly acknowledges the terms of this Fourth Amendment and Waiver and confirms and reaffirms, as of the date hereof, (i) the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Fourth Amendment and Waiver, and (ii) its grant of Liens on the Collateral to secure the Obligations pursuant to the Security Documents; provided that, on and after the effectiveness of this Fourth Amendment and Waiver, each reference in each of the Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as modified hereby. Except as herein otherwise specifically provided in this Fourth Amendment and Waiver, all provisions of the Credit Agreement shall remain in full force and effect and be unaffected hereby.

Section 6. Specific and Limited Nature of the Fourth Amendment and Waiver. Each of the Loan Parties is hereby notified that irrespective of (i) any waivers previously granted by the Administrative Agent or the Lenders regarding the Credit Agreement and the other Loan Documents, (ii) any previous failures or delays of the Administrative Agent or the Lenders in exercising any right, power or privilege under the Credit Agreement or the other Loan Documents or (iii) any previous failures or delays of the Administrative Agent or the Lenders in the monitoring or in the requiring of compliance by any Loan Party with the duties, obligations, and agreements of any Loan Party in the Credit Agreement and the other Loan Documents, hereafter, each Loan Party will be expected to comply with its duties, obligations and agreements under the Credit Agreement and the other Loan Documents. Except as expressly provided in Section 1 of this Fourth Amendment and Waiver, nothing contained in this Fourth Amendment and Waiver or any other communication between the Administrative Agent and/or Lenders and the Loan Parties shall be a waiver of any past, present or future violation, Default or Event of Default of the Loan Parties under the Credit Agreement or any other Loan Documents. Similarly, each of the Administrative Agent and the Lenders hereby expressly reserves any rights, privileges, and remedies under the Credit Agreement and each other Loan Document that the Administrative Agent or the Lenders may have with respect to any violation, Default or Event of Default, and any failure by the Administrative Agent or the Lenders to exercise any right, privilege or remedy as a result of the violation set forth above shall not directly or indirectly in any way whatsoever (A) impair, prejudice or otherwise adversely affect the rights of the Administrative Agent or any Lender, except as set forth herein, at any time to exercise any right, privilege or remedy in connection with the Credit Agreement or any other Loan Documents, (B) amend or alter any provision of the Credit Agreement or any other Loan Documents or any other contract or instrument, or (C) constitute any course of dealing or other basis for altering any obligation of the Loan Parties or any rights, privilege or remedy of the Administrative Agent or the Lenders under the Credit Agreement or any other Loan Documents or any other contract or instrument. Nothing in this Fourth Amendment and Waiver shall be construed to be a consent by the Administrative Agent or any Lender to any prior, existing or future violations of the Credit Agreement or any other Loan Document or to any other transaction involving the Loan Parties, other than the Specified Breach and Specified Event of Default, subject to the conditions specified in this Fourth Amendment and Waiver.

Section 7. Miscellaneous.

(a) Binding Effect. This Fourth Amendment and Waiver shall be binding upon and inure to the benefit of the parties hereto and to the benefit of their respective successors and assigns permitted by the terms of the Loan Documents. No third party beneficiaries are intended in connection with this Fourth Amendment and Waiver.

(b) Costs and Expenses. The Borrower hereby agrees to pay to the Administrative Agent on demand the reasonable and documented out-of-pocket costs and expenses of the Administrative Agent, and the reasonable and documented out-of-pocket fees and disbursements of counsel to the Administrative Agent, in connection with the negotiation, preparation, execution and delivery of this Fourth Amendment and Waiver and any other documents to be delivered herewith.

(c) Loan Document. This Fourth Amendment and Waiver shall constitute a Loan Document.

(d) Counterparts. This Fourth Amendment and Waiver may be executed by one or more of the parties to this Fourth Amendment and Waiver on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Fourth Amendment and Waiver by facsimile or other electronic mail transmission shall be effective as delivery of a manually executed counterpart hereof. The words “execution,” “execute”, “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Fourth Amendment and Waiver and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(e) Entire Agreement. This Fourth Amendment and Waiver and the other Loan Documents represent the entire agreement of the Borrower, the other Loan Parties, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or therein.

(f) Notices. All notices under this Fourth Amendment and Waiver shall be given in accordance with Section 10.2 of the Credit Agreement.

(g) Severability. Any provision of this Fourth Amendment and Waiver that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(h) Governing Law. This Fourth Amendment and Waiver and any claims, controversy, dispute or causes of actions arising therefrom (whether in contract or tort or otherwise) shall be construed in accordance with and governed by the law of the State of New York.

(i) Jurisdiction; Jury Trial Waiver. Section 10.14 of the Credit Agreement shall be applicable to this Fourth Amendment and Waiver as if set forth herein.

[*Signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment and Waiver to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

BORROWER:

EXTREME NETWORKS, INC.,
as the Borrower

By: /s/ Remi Thomas
Name: Remi Thomas
Title: CEO

[Signature Page to Fourth Amendment and Waiver]

ADMINISTRATIVE AGENT:

BANK OF MONTREAL,
as the Administrative Agent

By: /s/ Michael Kus
Name: Michael Kus
Title: Managing Director

[Signature Page to Fourth Amendment and Waiver]

LENDERS:

BMO HARRIS BANK N.A.,
as an Issuing Lender, the Swingline Lender, and a Lender

By: /s/ Michael Kus
Name: Michael Kus
Title: Managing Director

SILICON VALLEY BANK,
as an Issuing Lender

By: /s/ Jonathan Wolter
Name: Jonathan Wolter
Title: Director

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Hormuz Kapadia
Name: Hormuz Kapadia
Title: Authorized Officer

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Molly Daniello
Name: Molly Daniello
Title: Director

[Signature Page to Fourth Amendment and Waiver]

MUFG UNION BANK, N.A.,
as a Lender

By: /s/ Matthew Antioco
Name: Matthew Antioco
Title: Director

BBVA USA,
as a Lender

By: /s/ Chris Dowler
Name: Chris Dowler
Title: Senior Vice President

REGIONS BANK,
as a Lender

By: /s/ Bruce Randolph
Name: Bruce Randolph
Title: Director

BANK OF THE WEST,
as a Lender

By: /s/ Scott Bruni
Name: Scott Bruni
Title: Director

UMPQUA BANK,
as a Lender

By: /s/ Michael McCutchin
Name: Michael McCutchin
Title: Senior Vice President

[Signature Page to Fourth Amendment and Waiver]

CITY NATIONAL BANK,
as a Lender

By: /s/ Raed Alfayoumi
Name: Raed Alfayoumi
Title: Senior Vice President

HUNTINGTON NATIONAL BANK,
as a Lender

By: /s/ Ryan Benefiel
Name: Ryan Benefiel
Title: Assistant Vice President

SIEMENS FINANCIAL SERVICES, INC.,
as a Lender

By: /s/ Maria Levy
Name: Maria Levy
Title: Vice President

SIEMENS FINANCIAL SERVICES, INC.,
as a Lender

By: /s/ Philip Marrone
Name: Philip Marrone
Title: Vice President

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Vinay Menon
Name: Vinay Menon
Title: Authorized Signatory

[Signature Page to Fourth Amendment and Waiver]

ACKNOWLEDGMENT

as of December 8, 2020

Each of the undersigned hereby expressly acknowledges and agrees to the terms of the Limited Waiver (the "Waiver") to which this Acknowledgment is attached and confirms and reaffirms, as of the date hereof, (i) the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to the Waiver, (ii) its guarantee, if any, under the Guarantee and Collateral Agreement; and (iii) its grant of Liens on the Collateral to secure the Obligations pursuant to the Security Documents; provided that, on and after the effectiveness of the Waiver, each reference in each of the Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as modified by the Waiver.

Each of the undersigned hereby expressly acknowledges and agrees that except as herein otherwise specifically provided in the Fourth Amendment and Waiver, all provisions of the Credit Agreement and the other Loan Documents shall remain in full force and effect and be unaffected hereby.

ENTERASYS NETWORKS, INC.,

a Delaware corporation

By: /s/ Katayoun Motiey
Name: Katayoun Motiey
Title: Director

AEROHIVE NETWORKS, INC.,

a Delaware corporation

By: /s/ Remi Thomas
Name: Remi Thomas
Title: CFO

EXTREME NETWORKS IRELAND HOLDING LIMITED, an Irish company limited by shares

By: /s/ Remi Thomas
Name: Remi Thomas
Title: Director

[Signature Page to Fourth Amendment and Waiver]

Exhibit 31.1

SECTION 302 CERTIFICATION OF EDWARD B. MEYERCORD III
AS CHIEF EXECUTIVE OFFICER

I, Edward B. Meyercord III, certify that:

1. I have reviewed this Form 10-Q of Extreme Networks, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent function):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:February 9, 2021

/s/ EDWARD B. MEYERCORD III
Edward B. Meyercord III
President and Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION OF REMI THOMAS
AS CHIEF FINANCIAL OFFICER

I, Remi Thomas, certify that:

1. I have reviewed this Form 10-Q of Extreme Networks, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:February 9, 2021

/s/ REMI THOMAS
Remi Thomas
Executive Vice President, Chief Financial Officer
(Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION OF EDWARD B. MEYERCORD III AS CHIEF EXECUTIVE OFFICER, PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Extreme Networks, Inc. on Form 10-Q for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, in the capacities and on the date specified below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 9, 2021

/s/ EDWARD B. MEYERCORD III
Edward B. Meyercord III
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF REMI THOMAS AS CHIEF FINANCIAL OFFICER, PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Extreme Networks, Inc. on Form 10-Q for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacities and on the date specified below, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 9, 2021

/s/ REMI THOMAS
Remi Thomas
Executive Vice President, Chief Financial Officer
(Principal Accounting Officer)