

UNITED STATES
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 September 30, 2023

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

[State or other jurisdiction
of incorporation or organization]

77-0430270

[I.R.S. Employer
Identification No.]

2121 RDU Center Drive, Suite 300,
Morrisville, North Carolina

[Address of principal executive offices]

27560

[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 (§-232.405 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 "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

As of October 27, 2023, the registrant had 129,613,829 shares of common stock, \$0.001 par value per share, outstanding.

EXTREME NETWORKS, INC.
FORM 10-Q
QUARTERLY PERIOD ENDED
September 30, 2023

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PART I. CONDENSED CONSOLIDATED FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements (Unaudited)

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

(Unaudited)

	September 30, 2023	June 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 224,434	\$ 234,826
Accounts receivable, net	131,511	182,045
Inventories	100,823	89,024
Prepaid expenses and other current assets	75,688	70,263
Total current assets	532,456	576,158
Property and equipment, net	46,336	46,448
Operating lease right-of-use assets, net	43,942	34,739
Intangible assets, net	13,857	16,063
Goodwill	392,955	394,755
Other assets	76,968	73,544
Total assets	\$ 1,106,514	\$ 1,141,707
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt, net of unamortized debt issuance costs of \$675 and \$674, respectively	\$ 9,325	\$ 34,326
Accounts payable	80,003	99,724
Accrued compensation and benefits	51,997	71,367
Accrued warranty	12,164	12,322
Current portion of operating lease liabilities	10,783	10,847
Current portion of deferred revenue	292,925	282,475
Other accrued liabilities	71,521	64,440
Total current liabilities	528,718	575,501
Deferred revenue, less current portion	232,500	219,024
Long-term debt, less current portion, net of unamortized debt issuance costs of \$2,239 and \$2,409, respectively	185,261	187,591
Operating lease liabilities, less current portion	40,718	31,845
Deferred income taxes	7,673	7,747
Other long-term liabilities	3,162	3,247
Commitments and contingencies (Note 8)		
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; 146,264 and 143,629 shares issued, respectively; 129,530 and 127,775 shares outstanding, respectively	146	144
Additional paid-in-capital	1,164,589	1,173,744
Accumulated other comprehensive loss	(16,096)	(13,192)
Accumulated deficit	(827,322)	(855,998)
Treasury stock at cost, 16,734 and 15,854 shares, respectively	(212,835)	(187,946)
Total stockholders' equity	108,482	116,752
Total liabilities and stockholders' equity	\$ 1,106,514	\$ 1,141,707

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	
	September 30, 2023	September 30, 2022
Net revenues:		
Product	\$ 253,483	\$ 206,276
Subscription and support	99,654	91,413
Total net revenues	353,137	297,689
Cost of revenues:		
Product	108,536	99,763
Subscription and support	31,665	31,218
Total cost of revenues	140,201	130,981
Gross profit:		
Product	144,947	106,513
Subscription and support	67,989	60,195
Total gross profit	212,936	166,708
Operating expenses:		
Research and development	58,016	50,989
Sales and marketing	91,920	78,382
General and administrative	23,873	18,547
Acquisition and integration costs	—	390
Restructuring and related charges	2,717	481
Amortization of intangible assets	511	523
Total operating expenses	177,037	149,312
Operating income	35,899	17,396
Interest income	1,226	392
Interest expense	(4,318)	(3,826)
Other income, net	432	371
Income before income taxes	33,239	14,333
Provision for income taxes	4,563	1,748
Net income	\$ 28,676	\$ 12,585
Basic and diluted income per share:		
Net income per share – basic	\$ 0.22	\$ 0.10
Net income per share – diluted	\$ 0.21	\$ 0.09
Shares used in per share calculation – basic	128,782	130,289
Shares used in per share calculation – diluted	133,463	132,933

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	Three Months Ended	
	September 30, 2023	September 30, 2022
Net income	\$ 28,676	\$ 12,585
Other comprehensive loss:		
Derivatives designated as hedging instruments:		
Change in unrealized gains and losses on interest rate swaps	—	299
Reclassification adjustment related to interest rate swaps	—	(276)
Net change from derivatives designated as hedging instruments	—	23
Net change in foreign currency translation adjustments	(2,904)	(2,138)
Other comprehensive loss	(2,904)	(2,115)
Total comprehensive income	<u>\$ 25,772</u>	<u>\$ 10,470</u>

See accompanying notes to condensed consolidated financial statements.

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

	Common Stock		Additional Paid-	Accumulated Other	Treasury Stock		Accumulat	Total
	Shares	Amount	In-Capital	Comprehensive Loss	Shares	Amount	ed Deficit	Stockholders' Equity
Balance at June 30, 2022	139,742	\$ 140	\$ 1,115,416	\$ (3,055)	(10,479)	\$ (88,086)	\$ (934,072)	\$ 90,343
Net income	—	—	—	—	—	—	12,585	12,585
Other comprehensive loss	—	—	—	(2,115)	—	—	—	(2,115)
Issuance of common stock from equity incentive plans, net of tax withholdings	1,964	2	(4,001)	—	—	—	—	(3,999)
Share-based compensation	—	—	13,789	—	—	—	—	13,789
Balance at September 30, 2022	<u>141,706</u>	<u>142</u>	<u>\$ 1,125,204</u>	<u>\$ (5,170)</u>	<u>(10,479)</u>	<u>\$ (88,086)</u>	<u>\$ (921,487)</u>	<u>\$ 110,603</u>
Balance at June 30, 2023	143,629	\$ 144	\$ 1,173,744	\$ (13,192)	(15,854)	\$ (187,946)	\$ (855,998)	\$ 116,752
Net income	—	—	—	—	—	—	28,676	28,676
Other comprehensive loss	—	—	—	(2,904)	—	—	—	(2,904)
Issuance of common stock from equity incentive plans, net of tax withholdings	2,635	2	(29,074)	—	—	—	—	(29,072)
Repurchase of stock	—	—	—	—	(880)	(24,889)	—	(24,889)
Share-based compensation	—	—	19,919	—	—	—	—	19,919
Balance at September 30, 2023	<u>146,264</u>	<u>\$ 146</u>	<u>\$ 1,164,589</u>	<u>\$ (16,096)</u>	<u>(16,734)</u>	<u>\$ (212,835)</u>	<u>\$ (827,322)</u>	<u>\$ 108,482</u>

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended	
	September 30, 2023	September 30, 2022
Cash flows from operating activities:		
Net income	\$ 28,676	\$ 12,585
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,865	4,953
Amortization of intangible assets	1,944	4,128
Reduction in carrying amount of right-of-use asset	2,931	3,063
Provision for doubtful accounts	75	23
Share-based compensation	19,919	13,789
Deferred income taxes	(65)	(85)
Non-cash interest expense	266	552
Other	(144)	(3,595)
Changes in operating assets and liabilities:		
Accounts receivable	50,459	25,347
Inventories	(11,946)	(2,671)
Prepaid expenses and other assets	(6,841)	(318)
Accounts payable	(20,097)	(591)
Accrued compensation and benefits	(19,488)	(6,564)
Operating lease liabilities	(3,297)	(3,952)
Deferred revenue	21,978	9,699
Other current and long-term liabilities	6,400	(6,629)
Net cash provided by operating activities	<u>75,635</u>	<u>49,734</u>
Cash flows from investing activities:		
Capital expenditures	(4,314)	(3,139)
Net cash used in investing activities	<u>(4,314)</u>	<u>(3,139)</u>
Cash flows from financing activities:		
Payments on revolving facility	(25,000)	—
Payments on debt obligations	(2,500)	(37,125)
Repurchase of common stock	(24,889)	—
Payments for tax withholdings, net of proceeds from issuance of common stock	(29,072)	(3,999)
Deferred payments on an acquisition	—	(1,000)
Net cash used in financing activities	<u>(81,461)</u>	<u>(42,124)</u>
Foreign currency effect on cash and cash equivalents	(252)	(649)
Net increase (decrease) in cash and cash equivalents	<u>(10,392)</u>	<u>3,822</u>
Cash and cash equivalents at beginning of period	<u>234,826</u>	<u>194,522</u>
Cash and cash equivalents at end of period	<u>\$ 224,434</u>	<u>\$ 198,344</u>

See accompanying notes to the condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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, 2023 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, 2023.

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 September 30, 2023. The results of operations for the three months ended September 30, 2023 are not necessarily indicative of the results that may be expected for fiscal 2024 or any future periods.

Fiscal Year

The Company uses a fiscal calendar year ending on June 30. All references herein to “fiscal 2024” represent the fiscal year ending June 30, 2024. All references herein to “fiscal 2023” represent the fiscal year ended June 30, 2023.

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, 2023. 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

There were no recently adopted accounting standards which would have a material effect on our condensed consolidated financial statements and accompanying disclosures, and no recently issued accounting standards that are expected to have a material impact on our condensed consolidated financial statements and accompanying disclosures.

3. Revenues

The Company accounts for revenues in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Company derives the majority of its revenues from sales of its networking equipment, with the remaining revenues generated from sales of subscription and support, which primarily includes software subscriptions delivered as software as a service (“SaaS”) and additional revenues from maintenance contracts, professional services and training for its products. The Company sells its products, SaaS, 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 subscription and support 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 subscription and support revenues are recognized over time. For revenues recognized over time, the Company uses an input measure, days elapsed, to measure progress.

On September 30, 2023, the Company had \$525.4 million of remaining performance obligations, which are primarily comprised of deferred maintenance and deferred SaaS revenues. The Company expects to recognize approximately 46% of its deferred revenue as revenue in the remainder of fiscal 2024, an additional 26% in fiscal 2025 and 28% 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 generally 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 September 30, 2023 and 2022 that was included in the deferred revenue balance at the beginning of each period was \$89.7 million and \$80.0 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 subscription and support contracts and contract renewals are recoverable and therefore the Company's condensed consolidated balance sheets included capitalized balances in the amount of \$21.3 million and \$20.0 million at September 30, 2023 and June 30, 2023, respectively. Capitalized commissions are included within other assets in the condensed consolidated balance sheets. 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 September 30, 2023 and 2022, was \$2.6 million and \$2.1 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 Company operates in three geographic regions: Americas, EMEA (Europe, Middle East and Africa) and APAC (Asia Pacific). The following table sets forth the Company's revenues disaggregated by sales channel and geographic region based on the billing addresses of its customers (in thousands):

	Three Months Ended					
	September 30, 2023			September 30, 2022		
	Distributor	Direct	Total	Distributor	Direct	Total
Americas:						
United States	\$ 117,801	\$ 64,951	\$ 182,752	\$ 73,314	\$ 64,312	\$ 137,626
Other	2,531	10,366	12,897	16,025	4,098	20,123
Total Americas	120,332	75,317	195,649	89,339	68,410	157,749
EMEA	102,311	41,292	143,603	76,256	39,253	115,509
APAC	111	13,774	13,885	2,038	22,393	24,431
Total net revenues	\$ 222,754	\$ 130,383	\$ 353,137	\$ 167,633	\$ 130,056	\$ 297,689

For the three months ended September 30, 2023, the Company generated 14% of its revenues from the Netherlands. No other foreign country accounted for 10% or more of its revenue for the three months ended September 30, 2023. For the three months ended September 30, 2022, no foreign country accounted for 10% or more of its revenue.

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	
	September 30, 2023	September 30, 2022
Jenne, Inc.	27%	13%
Westcon Group, Inc.	25%	15%
TD Synnex Corporation	18%	19%

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

	September 30, 2023	June 30, 2023
Jenne, Inc.	75%	39%
TD Synnex Corporation	*	10%
ScanSource, Inc.	*	10%

* Less than 10% of accounts receivable

The majority of the Company's net accounts receivable balance with Jenne, Inc. as of September 30, 2023 is current and the Company expects to collect this balance by December 31, 2023.

4. Balance Sheet Accounts

Cash and Cash equivalents

The Company considers highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

The following table summarizes the Company's cash and cash equivalents (in thousands):

	September 30, 2023	June 30, 2023
Cash	\$218,851	\$227,675
Cash equivalents	5,583	7,151
Total cash and cash equivalents	\$224,434	\$234,826

Inventories

Inventories are stated at the lower of cost, or net realizable value. Extreme uses a standard cost methodology to determine the cost basis for its inventories. 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 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.

The following table summarizes the Company's inventory by category (in thousands):

	September 30, 2023	June 30, 2023
Finished goods	\$ 93,711	\$ 78,180
Raw materials	7,112	10,844
Total inventories	<u>\$ 100,823</u>	<u>\$ 89,024</u>

Property and Equipment, Net

The following table summarizes the Company's property and equipment, net by category (in thousands):

	September 30, 2023	June 30, 2023
Computers and equipment	\$ 82,174	\$ 81,612
Purchased software	52,629	51,444
Office equipment, furniture and fixtures	8,830	8,899
Leasehold improvements	50,495	48,943
Total property and equipment	194,128	190,898
Less: accumulated depreciation and amortization	(147,792)	(144,450)
Property and equipment, net	<u>\$ 46,336</u>	<u>\$ 46,448</u>

Deferred Revenue

Deferred revenue represents invoiced amounts for deferred maintenance, 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 following periods (in thousands):

	Three Months Ended	
	September 30, 2023	September 30, 2022
Balance beginning of period	\$ 12,322	\$ 10,852
New warranties issued	3,674	4,008
Warranty expenditures	(3,832)	(3,338)
Balance end of period	<u>\$ 12,164</u>	<u>\$ 11,522</u>

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 from 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. See Note 3, Revenues, for the Company's accounts receivable concentration. The Company does not invest an amount exceeding 10% of its combined cash 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.

5. 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 September 30, 2023 and June 30, 2023 (in thousands).

September 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Certificates of deposit	\$ —	\$ 5,583	\$ —	\$ 5,583
Foreign currency derivatives	—	13	—	13
Total assets measured at fair value	\$ —	\$ 5,596	\$ —	\$ 5,596
Liabilities				
Foreign currency derivatives	\$ —	\$ 14	\$ —	\$ 14
Total liabilities measured at fair value	\$ —	\$ 14	\$ —	\$ 14
June 30, 2023				
Assets				
Certificates of deposit	\$ —	\$ 7,151	\$ —	\$ 7,151
Foreign currency derivatives	—	31	—	31
Total assets measured at fair value	\$ —	\$ 7,182	\$ —	\$ 7,182

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 Company's level 2 assets consist of certificates of deposit and derivative instruments. Certificates of deposit do not have regular market pricing and are considered Level 2. The fair value of derivative instruments under the Company's foreign exchange forward contracts are estimated based on valuations provided by alternative pricing sources supported by observable inputs which is considered Level 2.

As of September 30, 2023 and June 30, 2023, the Company had investment in certificates of deposit of \$5.6 million and \$7.2 million, respectively, with maturity of three months at the date of purchase, which are recorded as cash equivalents in the condensed

consolidated balance sheets. The Company considers these cash equivalents to be available-for-sale and, as of September 30, 2023 and June 30, 2023, their fair value approximated their amortized cost.

As of September 30, 2023 and June 30, 2023, the Company had foreign exchange forward contracts that were not designated as hedging instruments with notional principal amounts of \$18.7 million and \$3.4 million, respectively. These contracts have maturities of 40 days or less. Changes in the fair value of these foreign exchange forward contracts not designated as hedging instruments are included in other income, net in the condensed consolidated statement of operations. For the three months ended September 30, 2023 and 2022, there were net losses of less than \$0.1 million and \$0.5 million, respectively. As of September 30, 2023 and June 30, 2023, there were no outstanding foreign exchange forward contracts that were designated as hedging instruments. See Note 12, Derivatives and Hedging, for additional information.

The fair value of borrowings under the 2023 Credit Agreement (as defined in Note 7) 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 2023 Credit Agreement, the fair value approximates the face amount of the Company's indebtedness of \$197.5 million and \$225.0 million as of September 30, 2023 and June 30, 2023, 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.

As of September 30, 2023 and June 30, 2023 the Company did not have any assets or liabilities that were considered Level 3.

There were no transfers of assets or liabilities between Level 1, Level 2 and Level 3 during the three months ended September 30, 2023 and 2022. There were no impairments recorded for the three months ended September 30, 2023 and 2022.

6. Intangible Assets and Goodwill

Intangible Assets

The following tables summarize the components of gross and net intangible assets (in thousands, except years):

	Weighted Average			
	Remaining Amortization	Gross Carrying	Accumulated	Net Carrying
	Period	Amount	Amortization	Amount
September 30, 2023				
Developed technology	4.9 years	\$ 169,089	\$ 160,875	\$ 8,214
Customer relationships	3.7 years	64,652	59,240	5,412
Trade names	0 years	10,700	10,700	—
License agreements	3.2 years	2,445	2,214	231
Total intangible assets, net*		<u>\$ 246,886</u>	<u>\$ 233,029</u>	<u>\$ 13,857</u>

* The carrying amount of foreign intangible assets are affected by foreign currency translation

	Weighted Average			
	Remaining Amortization	Gross Carrying	Accumulated	Net Carrying
	Period	Amount	Amortization	Amount
June 30, 2023				
Developed technology	4.1 years	\$ 169,460	\$ 159,592	\$ 9,868
Customer relationships	3.4 years	64,839	58,894	5,945
Trade names	0 years	10,700	10,700	—
License agreements	3.4 years	2,445	2,195	250
Total intangible assets, net*		<u>\$ 247,444</u>	<u>\$ 231,381</u>	<u>\$ 16,063</u>

* The carrying amount of foreign intangible assets are affected by foreign currency translation

The following table summarizes the amortization expense of intangible assets for the periods presented (in thousands):

	Three Months Ended	
	September 30, 2023	September 30, 2022
Amortization of intangible assets in "Total cost of revenues"	\$ 1,433	\$ 3,605
Amortization of intangible assets in "Total operating expenses"	511	523
Total amortization expense	<u>\$ 1,944</u>	<u>\$ 4,128</u>

The amortization expense that is recognized in "Total cost of revenues" primarily consists of amortization related to developed technology and license agreements.

The estimated future amortization expense to be recorded for each of the respective future fiscal years is as follows (in thousands):

	Amount
For the fiscal year ending June 30:	
2024 (the remainder of fiscal 2024)	\$ 3,733
2025	4,248
2026	3,046
2027	1,365
2028	1,212
Thereafter	253
Total	\$ 13,857

Goodwill

The Company had Goodwill in the amount of \$393.0 million and \$394.8 million as of September 30, 2023 and June 30, 2023, respectively. The change in goodwill during the three months ended September 30, 2023 is due to foreign currency translation adjustment that is recorded as a component of accumulated other comprehensive loss.

7. Debt

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

	September 30, 2023	June 30, 2023
Current portion of long-term debt:		
Term Loan	\$ 10,000	\$ 10,000
Revolving Facility	—	25,000
Less: unamortized debt issuance costs	(675)	(674)
Current portion of long-term debt	\$ 9,325	\$ 34,326
Long-term debt, less current portion:		
Term Loan	\$ 187,500	\$ 190,000
Less: unamortized debt issuance costs	(2,239)	(2,409)
Total long-term debt, less current portion	185,261	187,591
Total debt	\$ 194,586	\$ 221,917

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 which was subsequently amended during fiscal 2023.

On June 22, 2023, the Company entered into a Second Amended and Restated Credit Agreement (the "2023 Credit Agreement"), by and among the Company, as borrower, BMO Harris Bank, N.A., as an issuing lender and swingline lender, Bank of America, N.A., JPMorgan Chase Bank, N.A., PNC Bank, National Association and Wells Fargo Bank, National Association, as issuing lenders, the financial institutions or entities party thereto as lenders, and Bank of Montreal, as administrative agent and collateral agent, which amended and restated the 2019 Credit Agreement. The 2023 Credit Agreement provides for i) a \$200.0 million first lien term loan facility in an aggregate principal amount (the "2023 Term Loan"), ii) a \$150.0 million five-year revolving credit facility (the "2023 Revolving Facility") and, iii) an uncommitted additional incremental loan facility in the principal amount of up to \$100.0 million. On June 22, 2023, the Company borrowed \$25.0 million against its \$150.0 million revolving credit facility to refinance its debt. On July 7, 2023 the Company made a payment of \$25.0 million to pay off the outstanding revolving credit balance.

Borrowings under the 2023 Credit Agreement bear interest, and at the Company's election, the initial term loan may be made as either a base rate loan or a Secured Overnight Funding Rate ("SOFR") loan. The applicable margin for base rate loans ranges from 1.00% to 1.75% per annum, and the applicable margin for SOFR loans ranges from 2.00% to 2.75%, in each case based on the Company's consolidated leverage ratio. All SOFR loans are subject to a floor of 0.00% per annum and spread adjustment of 0.10% per annum. The Company paid other closing fees, arrangement fees, and administration fees associated with the 2023 Credit Agreement.

The 2023 Credit Agreement requires the Company to maintain certain minimum financial ratios at the end of each fiscal quarter. The 2023 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 2023 Credit Agreement also includes customary events of default which may result in acceleration of the outstanding balance. During the three months ended September 30, 2023, the Company was in compliance with all the terms and financial covenants of the 2023 Credit Agreement.

Financing costs incurred in connection with obtaining long-term financing are deferred and amortized over the term of the related indebtedness or credit agreement. Amortization of deferred financing costs included in "Interest expense" in the accompanying condensed consolidated statements of operations were \$0.3 million and \$0.7 million for the three months ended September 30, 2023 and 2022, respectively. The interest rate as of September 30, 2023 was 7.45% and as of September 30, 2022 was 4.50%.

As of September 30, 2023, the Company did not have any outstanding balance against its 2023 Revolving Facility's outstanding balance. The Company had \$135.5 million of availability under the 2023 Revolving Facility as of September 30, 2023. During the three months ended September 30, 2023 the Company did not make any additional payments against its term loan facility other than the scheduled payments per the terms of the 2023 Credit Agreement. During the three months ended September 30, 2022 the Company made an additional payment of \$30.0 million, against its term loan facility under the 2019 Credit Agreement.

The Company had \$14.5 million of outstanding letters of credit as of September 30, 2023.

8. 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 manufacturers 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 September 30, 2023, the Company had commitments to purchase \$94.7 million of inventory.

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 reasonably possible 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. 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.

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 a patent ("EP '364") based on the offer, distribution, use, possession and/or importation into Germany of certain network switches that are 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.

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 a second patent ("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, the Court issued an infringement decision against the Company and granted Orckit the right to enforce the judgment against the Company, which Orckit has provided notification to the Company that it will enforce the judgment. In the rendering of account, Orckit was informed that the products at issue were in end of sale status prior to the filing of the EP '077 complaint. The Company has appealed the infringement decision, 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 in the Federal Patent Court in Munich. The Federal Patent Court in Munich found the EP '364 patent to be valid and the Company filed an appeal, which was dismissed on October 12, 2023. On October 25, 2022 the Federal Patent Court in Munich issued an opinion partially invalidating the EP '077 patent and the Company and Orckit have filed appeals.

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 its software. SNMP is seeking actual damages and profits attributed to the infringement, as well as equitable relief. The Company filed a motion to transfer the case to the Northern District of California. The motion to dismiss was denied in part and denied without prejudice in part. On March 2, 2023, SNMP filed an amended complaint adding claims against Extreme on additional products for copyright infringement, breach of contract, and fraud. On March 16, 2023, the Company filed a motion to dismiss, challenging multiple claims from the amended complaint. On March 20, 2023, the Company filed a motion to refer questions to the US Copyright Office on the invalidity of SNMP's copyrights. The trial date has been set for October 2024.

Mala Technologies Ltd. v. Extreme Networks GmbH, Extreme Networks Ireland Ops Ltd., and Extreme Networks, Inc.

On April 15, 2021, Mala Technologies Ltd. ("Mala") filed a patent infringement lawsuit against the Company and its Irish and German subsidiaries in the District Court in Dusseldorf, Germany. The lawsuit alleges indirect infringement of the German portion of a patent ("EP '498") based on the offer and sale in Germany of certain network switches equipped with the ExtremeXOS operating system. Mala is seeking injunctive relief, accounting, and an unspecified declaration of liability for damages and costs of the lawsuit. On December 20, 2022, the trial court ruled that the Company did not infringe the EP '498 patent and dismissed Mala's complaint entirely. Mala has filed an appeal and the matter is proceeding through the appellate process.

The Company filed a nullity complaint against EP '498 with the German Federal Patent Court on September 24, 2021 and a hearing date has been set for November 20, 2024.

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 possible 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.

9. Stockholders' Equity

Equity Incentive Plan

The Compensation Committee of the Board unanimously approved an amendment to the Extreme Networks, Inc. Amended and Restated 2013 Equity Incentive Plan (the "2013 Plan") on September 14, 2023 to increase the maximum number of available shares by 5.0 million shares, which is pending ratification by the stockholders at the Company's annual meeting of the stockholders to be held on November 8, 2023.

Employee Stock Purchase Plan

The Compensation Committee of the Board unanimously approved an amendment to the 2014 Employee Stock Purchase Plan (the "ESPP") on September 9, 2021 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 4, 2021.

Common Stock Repurchases

On May 18, 2022, the Company announced the Board had authorized management to repurchase up to \$200.0 million shares of the Company's common stock over a three-year period commencing July 1, 2022 (as amended, the "2022 Repurchase Program"). Initially, under the 2022 Repurchase program, a maximum of \$25.0 million of shares was authorized to be repurchased in any quarter; however, on November 17, 2022, the Board increased the authorization to repurchase shares in any quarter from up to \$25.0 million of

shares per quarter to up to \$50.0 million of shares per quarter. Purchases may be made from time to time in the open market or pursuant to a 10b5-1 plan.

During the three months ended September 30, 2023, the Company repurchased a total of 880,215 shares of its common stock on the open market at a total cost of \$24.9 million with an average price of \$28.28 per share. There were no shares repurchased during the three months ended September 30, 2022. As of September 30, 2023, approximately \$75.2 million remains available for share repurchases under the 2022 Repurchase Program.

As a provision of the Inflation Reduction Act enacted in the U.S., the Company is subject to an excise tax on corporate stock repurchases, which is assessed as one percent of the fair market value of net corporate stock repurchases after December 31, 2022. The Company expects that the impact of the excise tax on net corporate stock repurchases will not be material for fiscal 2024.

10. 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):

	September 30, 2023	June 30, 2023
2013 Equity Incentive Plan shares available for grant	7,409	9,995
Employee stock options and awards outstanding	9,656	10,038
2014 Employee Stock Purchase Plan	7,948	8,467
Total shares reserved for issuance	<u>25,013</u>	<u>28,500</u>

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	
	September 30, 2023	September 30, 2022
Cost of product revenues	\$ 483	\$ 374
Cost of subscription and support revenues	866	672
Research and development	4,377	3,090
Sales and marketing	6,988	4,639
General and administrative	7,205	5,014
Total share-based compensation expense	<u>\$ 19,919</u>	<u>\$ 13,789</u>

Stock Options

The following table summarizes stock option activity for the three months ended September 30, 2023 (in thousands, except per share amount 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, 2023	1,187	\$ 6.56	2.70	\$ 23,136
Granted	—	—		
Exercised	—	—		
Canceled	—	—		
Options outstanding at September 30, 2023	<u>1,187</u>	\$ 6.56	2.45	\$ 20,952
Vested and expected to vest at September 30, 2023	1,187	\$ 6.56	2.45	\$ 20,952
Exercisable at September 30, 2023	1,187	\$ 6.56	2.45	\$ 20,952

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 interest 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 three months ended September 30, 2023 and 2022. There were no stock options exercised during the three months ended September 30, 2023 and 2022.

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-condition 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 stock 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 three months ended September 30, 2023 (in thousands, except grant date fair value):

	Number of Shares	Weighted-Average Grant Date Fair Value	Aggregate Fair Value
Non-vested stock awards outstanding at June 30, 2023	8,851	\$ 14.25	
Granted	3,126	30.69	
Exercised	(3,335)	12.33	
Canceled	(173)	14.53	
Non-vested stock awards outstanding at September 30, 2023	8,469	\$ 21.06	\$ 205,023
Stock awards expected to vest at September 30, 2023	8,469	\$ 21.06	\$ 205,023

The RSUs 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 three months ended September 30, 2023 included 0.5 million RSUs including the market condition awards discussed below to the named executive officers and directors.

Market Condition Awards

During the three months ended September 30, 2023 and 2022 the Compensation Committee of the Board granted 0.7 million and 1.0 million RSUs, respectively, with vesting based on market conditions (“MSU”) to certain of the Company’s executive officers. The MSUs granted during the three months ended September 30, 2023 included 0.4 million MSUs subject to total shareholder return (“TSR”) and 0.3 million MSUs subject to certain stock price targets. The MSUs granted during the three months ended September 30, 2022 were subject to TSR.

The TSR MSUs vest based on the Company’s 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 of up to 150% of the original grant, as indicated in the table below. The MSUs vest based on the Company’s TSR relative to the TSR of the Index over performance periods of three years from the grant date, 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 one and two and the ability for up to the maximum of the full award to vest based on the full three-year TSR less any shares vested based on one- and two-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 the TSR MSUs granted during the three months ended September 30, 2023 was \$38.23 per share. The assumptions used in the Monte Carlo simulation included the expected volatility of 50%, risk-free interest rate of 4.59%, no expected dividend yield, expected term of three years and possible future stock prices over the performance period based on the historical stock and market prices. The weighted-average grant-date fair value of the TSR MSUs granted during the three months ended September 30, 2022 was \$16.57 per share. The assumptions used in the Monte Carlo simulation included the expected volatility of 67%, risk-free interest rate of 3.12%, no expected dividend yield, expected term of three 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.

The stock price target MSUs vest upon the achievement of a certain stock price target over the defined performance period. The stock price target shall be deemed as achieved if the average closing stock price over any thirty consecutive trading days during the period from grant date through the third anniversary of the grant date equals or exceeds the price target of \$41.38 for the initial performance period. Upon satisfaction of the initial stock price target, 50% of the target shares will vest on the 3rd anniversary of the grant date and the remaining 50% will vest on the 4th anniversary of the grant date, subject to employees continued service through the applicable vesting dates. If the units are not earned on the last day of initial performance period, the units will remain outstanding and be eligible to be earned if the average closing stock price over any thirty consecutive trading days equals or exceeds the price target of \$46.96.

The grant date fair value of these stock price target MSUs was determined using the Monte Carlo simulation model. The weighted-average grant-date fair value of these stock price target MSUs granted during the three months ended September 30, 2023 was \$28.80 per share. The assumptions used in the Monte Carlo simulation included the expected volatility of 63%, risk-free interest rate of 4.45%, no expected dividend yield, expected term of three years based on possible future stock prices over the performance period based on the historical stock prices. The Company recognizes the expense related to these MSUs on a graded-vesting method over the estimated term.

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 interest rate is based on 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 common stock.

There were 0.5 million and 0.7 million shares issued under the ESPP during the three months ended September 30, 2023 and 2022, 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	
	Three Months Ended	
	September 30, 2023	September 30, 2022
Expected term	0.5 years	0.5 years
Risk-free interest rate	5.54 %	3.12 %
Volatility	42 %	60 %
Dividend yield	— %	— %

The weighted-average grant-date fair value of shares under the ESPP during the three months ended September 30, 2023 and 2022 was \$8.09 and \$4.38 per share, respectively.

11. 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 billing address of customers. The Company operates in three geographical areas: Americas, EMEA, and APAC. The Company's chief operating decision maker, who is its Chief Executive Officer, 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 billing address.

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

	September 30, 2023	June 30, 2023
Americas	\$ 135,410	\$ 124,375
EMEA	34,828	35,175
APAC	10,865	11,244
Total long-lived assets	<u>\$ 181,103</u>	<u>\$ 170,794</u>

12. Derivatives and Hedging

Interest Rate Swaps

The Company is exposed to interest rate risk on its debt. The Company may enter into interest rate swap contracts to effectively manage the impact of fluctuations of interest rate changes on its outstanding debt which may have 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 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 year ended June 30, 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 September 30, 2023 the Company did not have any outstanding interest rate swaps contracts. As of September 30, 2022, the notional amount of these interest rate swaps was \$75.0 million, and had maturity dates through April 2023. As of September 30, 2022 these contracts had unrealized gain of \$1.3 million, and were recorded in “Accumulated other comprehensive loss” with the associated asset in “Prepaid expenses and other current assets”, in the condensed consolidated balance sheets. Cash flows associated with periodic settlements of interest rate swaps are classified as operating activities in the condensed consolidated statement of cash flows. 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.

Foreign Exchange Forward Contracts

The Company uses derivative financial instruments to manage exposures to foreign currency that may or may not be designated as hedging instruments. 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 Company enters into foreign exchange forward contracts primarily 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.

For foreign exchange forward contracts not designated as hedging instruments, 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, net” in the accompanying condensed consolidated statements of operations. As of September 30, 2023 and 2022, foreign exchange forward contracts not designated as hedging instruments had a total notional principal amounts of \$18.7 million and \$4.2 million, respectively. These contracts have maturities of 40 days or less. The net gains and losses recorded in the condensed consolidated statement of operations from these contracts during the three months ended September 30, 2023 were net losses of less than \$0.1 million and \$0.5 million, respectively. Changes in the fair value of these foreign exchange forward contracts are offset largely by remeasurement of the underlying assets and liabilities.

For the three months ended September 30, 2023 and 2022, the Company recognized total foreign currency gains of \$0.5 million and \$0.9 million, respectively, related to the change in fair value of foreign currency denominated assets and liabilities.

13. Restructuring and Related Charges

The Company recorded \$2.7 million of restructuring and related charges during the three months ended September 30, 2023, which primarily related to the restructuring plans as noted below.

During the first quarter of fiscal 2024, the Company executed a reduction-in-force plan to rebalance the workforce to create greater efficiency and improve execution in alignment with our business and strategic priorities (the “Q1 2024 Plan”). It consisted primarily of workforce reduction to drive productivity in research and development, sales and marketing and provide efficiency across operations and general & administrative functions. During the three months ended September 30, 2023, the Company incurred charges of approximately \$2.7 million related to the Q1 2024 Plan.

During the third quarter of fiscal 2023, the Company initiated a restructuring plan to transform our business infrastructure and reduce our facilities footprint and the facilities related charges (the “2023 Plan”). As part of this project the Company will move engineering labs from its San Jose, California location to its Salem, New Hampshire location. This move is expected to help reduce the cost of operating our labs. The Company expects that the project will take about 12 to 15 months from September 30, 2023 for completion, and expects to incur charges of approximately \$11.0 million throughout this period primarily for asset disposals, contractor costs, severance, relocation and other non-recurring fees.

The Company recorded \$0.5 million of restructuring and related charges during the three months ended September 30, 2022 which primarily included additional facility related expenses related to previously impaired facilities.

Restructuring liabilities are recorded in “Other accrued liabilities” in the accompanying condensed consolidated balance sheets. As of September 30, 2023 the restructuring liability was \$0.9 million related to the Q1 2024 Plan.

14. Income Taxes

For the three months ended September 30, 2023 and 2022, the Company recorded an income tax provision of \$4.6 million and \$1.7 million, respectively.

The income tax provisions for the three months ended September 30, 2023 and 2022, consisted of (1) taxes on the income of the Company’s foreign subsidiaries, (2) state taxes in jurisdictions where the Company has no remaining state net operating losses (“NOLs”), (3) foreign withholding taxes, and (4) 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. In addition, the tax provision for the three months ended September 30, 2023, includes US Federal income tax. The interim income tax provisions for the three months ended September 30, 2023 and 2022 were calculated using the discrete effective tax rate method as allowed by 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 on a jurisdictional basis 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.

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. Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, the Company considers all available positive and negative evidence to determine whether it is “more likely than not” that deferred tax assets are recoverable including past operating results, estimates of future taxable income, changes to enacted tax laws, and the feasibility of tax planning strategies; such assessment is required on a jurisdiction-by-jurisdiction basis. The Company’s inconsistent earnings in recent periods, including historical losses, tax attributes expiring unutilized in recent years and the cyclical nature of the Company’s business provides sufficient negative evidence that require a full valuation allowance 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. In the event the Company changes its determination as to the amount of deferred tax assets that can be realized, it will adjust its valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

The Company had \$18.3 million of unrecognized tax benefits as of September 30, 2023. If fully recognized in the future, \$0.2 million would impact the effective tax rate and \$18.1 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 condensed consolidated balance sheets.

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 NOLs and the Company's state income tax returns are subject to examination for fiscal years 2000 and forward due to NOLs. The Company is not currently under audit for income tax purposes in any material jurisdictions.

15. Net Income Per Share

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

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

	Three Months Ended	
	September 30, 2023	September 30, 2022
Net income	\$ 28,676	\$ 12,585
Weighted-average shares used in per share calculation – basic	128,782	130,289
Options to purchase common stock	898	523
Restricted stock units	3,783	2,121
Weighted-average shares used in per share calculation – diluted	133,463	132,933
Net income per share – basic and diluted		
Net income per share – basic	\$ 0.22	\$ 0.10
Net income per share – diluted	\$ 0.21	\$ 0.09

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

	Three Months Ended	
	September 30, 2023	September 30, 2022
Restricted stock units	1,071	2,343
Employee Stock Purchase Plan shares	267	410
Total shares excluded	1,338	2,753

16. Subsequent Events

In October 2023, the Company initiated an additional global reduction-in-force plan to rebalance the workforce to create greater efficiency and improve execution in alignment with our business and strategic priorities while reducing its operating expenses (the "2024 Plan"). The Company is currently evaluating the timing and impact of this reduction-in-force on the Company's business, financial condition and results of operations for the year ending June 30, 2024.

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

This Quarterly Report on Form 10-Q for the first quarter ended September 30, 2023 (this “Report”) 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 Report, our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, and other filings we have made with the Securities and Exchange Commission. These risk factors, include, but are not limited to: risks related to supply chain disruptions; 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 Networks, Inc. (“Extreme” or “Company”) is a leading provider of cloud networking solutions and industry leading services and support. Extreme designs, develops, and manufactures wired, wireless, and software-defined wide area-network (“SD-WAN”) infrastructure equipment. The Company’s cloud solution is a single platform that offers unified network management of wireless access points, switches, and SD-WAN. It leverages machine learning, Artificial Intelligence Operations and analytics to help customers deliver secure connectivity at the edge of the network, speed cloud deployments, and uncover actionable insights to save time, lower costs and streamline operations. Extreme is currently managing more than two million devices in the cloud.

Extreme has been pushing the boundaries of networking technology since 1996, driven by a higher purpose of helping our customers connect beyond the network. Extreme’s cloud networking technologies provide flexibility and scalability in deployment, management, and licensing of networks globally. Our global footprint provides service to over 50,000 customers and over 10 million daily end users across the world including some of the world’s leading names in business, hospitality, retail, transportation and logistics, education, government, healthcare, manufacturing and service providers. We derive all our revenues from the sale of our networking equipment, software subscriptions, and related maintenance contracts.

Industry Background

Enterprises across every industry are going through unprecedented changes, such as leading digital initiatives, migrating their workloads to cloud-based environments, modernizing applications, and adopting to a distributed workforce. To accomplish this, they are adopting new Information Technology (“IT”) delivery models and applications that require fundamental network alterations and enhancements spanning from the access edge to the data center. As networks become more complex and more distributed in nature, we believe IT teams in every industry will need more control and better insights than ever before to ensure secure, distributed connectivity and comprehensive centralized visibility. Managing networks from cloud-based applications where customers can run their entire end-to-end networks, from wired or wireless infrastructure to SD-WAN, while ensuring full IT management of the business becomes critical. In addition, Machine Learning (“ML”) and Artificial Intelligence (“AI”) technologies have the potential to vastly improve the network experience in today’s world by collating large data sets to increase accuracy and derive resolutions to improve the operation of the network. When ML and AI are applied with cloud-driven networking and automation, administrators can quickly scale to provide productivity, availability, accessibility, manageability, security, and speed, regardless of the distribution of the network.

As the edge of the network continues to expand, our customers are managing more endpoints. With that comes a host of challenges. This continued expansion creates issues such as a higher risk of cyberattacks and a need for more bandwidth as a result of an increase in applications running across the network.

Network complexity manifests itself in the form of more endpoints to manage, more applications to monitor, and more services that rely on the network for service delivery and enablement. When performance suffers, and the tug on internal systems and IT staff becomes more intense, often technology is being overworked. Resolving network problems expeditiously and identifying their root cause, can improve organizational productivity and result in higher performance of operations.

We believe that the network has never been more vital than it is today. As administrators grapple with more data, coming from more places, more connected devices, and more Software-as-a-service (“SaaS”) based applications, the cloud is fundamental to establishing a new normal. Traditional network offerings are not well-suited to fulfill enterprise expectations for rapid delivery of new services, more flexible business models, real-time response, and massive scalability.

As enterprises continue to migrate increasing numbers of applications and services to either private clouds or public clouds offered by third parties and to adopt new IT delivery models and applications, they are required to make fundamental network alterations and enhancements spanning from device access points (“AP”) to the network core. In either case, the network infrastructure must adapt to this new dynamic environment. Intelligence and automation are key if enterprises are to derive maximum benefit from their cloud deployments. With automation applications becoming increasingly critical in manufacturing, warehousing, logistics, healthcare and other key industries, we believe this will continue to create demand for networking technology to serve as a foundation to run these services.

Service providers are investing in network enhancements with platforms and applications that deliver data insights, provide flexibility, and can quickly respond to new user demands and 5G use cases.

We believe Extreme will continue to benefit from the use of its technology to manage distributed campus network architecture centrally from the cloud. Extreme has blended a dynamic fabric attach architecture that delivers simplicity for moves and changes at the edge of the network together with corporate-wide role-based policy. This enables customers to migrate to new cloud managed switching, Wi-Fi, and SD-WAN, agnostic of the existing switching or wireless equipment they already have installed. In the end, we expect these customers to see lower operating and capital expenditures, lower subscription costs, lower overall cost of ownership and more flexibility along with a more resilient network.

We estimate the total addressable market for our Enterprise Networking solutions consisting of cloud networking, wireless local area networks (“WLAN”), data center networking, ethernet switching, campus local area networks (“LAN”), SD-WAN solutions and management, automation, and elements of the Secure Access Services Edge (“SASE”) market to be over \$40 billion, and growing at approximately 12% annually over the next five years. This comprises over \$28 billion for networking, infrastructure spanning enterprise and service provider (largely 5G) applications, and a \$4 billion SD-WAN market, and we also participate in \$7 billion of the served addressable market for networking software.

The Extreme Strategy

We are driven to help our customers find new ways to deliver better outcomes. Connectivity is just the foundation. We make the network a strategic asset. The combination of our solutions provides the connectivity, bandwidth, performance and insights that organizations of all sizes need to move their organizations forward. IT leaders are now tasked with ensuring the global, hybrid workforce is functional and successful no matter where they are, and ensuring people can work wherever they want.

We help identify and solve business challenges. We simplify and improve the way our customers work and are relentlessly focused on finding new ways to drive better outcomes.

Cloud networking management allows customers to gain real-time visibility and insights into areas such as application usage, location and workflow patterns across their environment, helping to inform strategic business decisions and create personalized experiences. Customers benefit from visibility, control and reduced time to resolution. This is the cornerstone of our One Network, One Cloud, One Extreme vision..

Extreme has recognized that the way we and our customers communicate has changed and given rise to these distributed enterprise environments, or in other words, the Infinite Enterprise, which has three tenets:

- **Infinitely distributed connectivity** is the enterprise-grade reliable connectivity that allows users to connect anywhere, from anywhere. It is always present, available and assured, while being secure and manageable.
- **Scalable cloud** allows administrators to harness the power of the cloud to efficiently onboard, manage, orchestrate, troubleshoot the network, and find data and insights of the distributed connectivity at their pace in their way.
- **Consumer-centric experience** designed to deliver a best-in-class experience to users who consume network services.

Extreme’s broad product, solutions and technology portfolio supports these three tenets and continues to innovate and evolve them to help businesses succeed.

Key elements of Extreme’s 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 estimated to be a \$4.1 billion segment of the networking market comprised of cloud managed services and cloud-managed products, which are largely WLAN access points and ethernet switches, growing at a 13% over the next three years, according to data from the 650 Group. Cloud management technology has 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 ML and AI that spans from the Internet of Things (“IoT”) edge to the enterprise data center. Key characteristics of our cloud architecture include:
 - o A robust cloud management platform that delivers visibility, intelligence, and assurance from the IoT edge to the network core.
 - o Cloud Choice for customers: Our cloud networking solution is available on all major cloud providers (Amazon Web Services (“AWS”), Google Cloud Platform (“GCP”) and Microsoft Azure).
 - o Consumption Flexibility: Offer a range of financing and network purchase options. Our value-based subscription tiers (including Connect, Navigator, Pilot and CoPilot) provide customers with flexibility to grow, as well as offer pool-able and portable licenses that can be transferred between products (e.g., access points and switches) at one fixed price.
 - o “No 9s” Reliability and Resiliency to ensure business continuity for our customers.
 - o Extreme Cloud IQ cloud platform conforms to ISO/ IEC 27017, is certified by DQS to ISO/IEC 27001 and ISO/IEC 27701 by the International Standards Organization (“ISO”), and is CSA STAR certified.
- **Offer customers choice: public or private 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 who 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 is going on across their 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.
- **Highest value of cloud management subscriptions.** ExtremeCloud IQ Pilot provides our customers with four key applications enabling organizations to eliminate overlays.
 - o Extreme AirDefense™ is a comprehensive wireless intrusion prevention system (“WIPS”) that simplifies the protection, monitoring and security of wireless networks. With the added Bluetooth and Bluetooth low energy intrusion prevention, network administrators can address growing threats against Bluetooth and Bluetooth low energy devices.
 - o ExtremeLocation™ delivers proximity, presence and location-based services for advanced contact tracing in support of the location-intelligent enterprise.
 - o ExtremeGuest™ is a comprehensive guest engagement solution that enables IT administrators to use analytical insights to engage visitors with personalized engagements.
 - o Extreme IoT™ delivers simple and secure onboarding, profiling, segmentation and filtering of IoT devices on a production network.
- **Offers universal platforms for enterprise class switching and wireless infrastructure.** Extreme offers universal platforms which support multiple deployment use cases, providing flexibility and investment protection.
 - o **Universal switches (7720/5720/5520/5420/5320)** support fabric or traditional networking with a choice of cloud or on-premises (air-gapped or cloud connected) management.
 - o **Universal Wi-Fi 6/6E APs (300/400, 4000 and 5000 series)** support campus or distributed deployments with a choice of cloud or on-premises (air-gapped or cloud connected) management.
 - o **Universal licensing** with one portable management license for any device and for any type of management. For switches, OS feature licenses are portable, and bulk activated through ExtremeCloud IQ.
- **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, 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.
- **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 ML 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 the 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 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.
- **Expand our reach with ExtremeCloud SD-WAN.** ExtremeCloud SD-WAN is a software-defined wide area networks solution offered as an all-inclusive subscription, which includes hardware, the cloud-based SD-WAN service, support and maintenance, and customer success support. This helps customers reduce total cost of ownership as they deliver quality user experience for applications used in site-to-site and site-to-cloud environments. This solution detects and optimizes applications automatically and can apply performance-based dynamic WAN selection for quality and reliability. Included also are security options such as a built-in zone-based firewall, EdgeSentry (in partnership with Check Point) for cloud-based firewall as a service and other advanced security capabilities, and integration with Secure Web Gateway partners such as Palo Alto Networks, Zscaler, and Symantec.

Results of Operations

During the first quarter of fiscal 2024, we achieved the following results:

- Net revenues of \$353.1 million compared to \$297.7 million in the first quarter of fiscal 2023.
- Product revenues of \$253.5 million compared to \$206.3 million in the first quarter of fiscal 2023.
- Subscription and support revenues of \$99.7 million compared to \$91.4 million in the first quarter of fiscal 2023.
- Total gross margin of 60.3% of net revenues compared to 56.0% of net revenues in the first quarter of fiscal 2023.
- Operating income of \$35.9 million compared to \$17.4 million in the first quarter of fiscal 2023.
- Net income of \$28.7 million compared to \$12.6 million in the first quarter of fiscal 2023.
- Cash flows provided by operating activities of \$75.6 million compared to \$49.7 million in the three months ended September 30, 2022.
- Cash and cash equivalents of \$224.4 million as of September 30, 2023 compared to \$234.8 million as of June 30, 2023.

Net Revenues

The following table presents net product and subscription and support revenues for the periods presented (in thousands, except percentages):

	Three Months Ended			
	September 30, 2023	September 30, 2022	\$ Change	% Change
Net revenues:				
Product	\$253,483	\$206,276	\$47,207	22.9 %
<i>Percentage of net revenues</i>	71.8%	69.3%		
Subscription and support	99,654	91,413	8,241	9.0 %
<i>Percentage of net revenues</i>	28.2%	30.7%		
Total net revenues	<u>\$353,137</u>	<u>\$297,689</u>	<u>\$55,448</u>	18.6 %

Product revenue is generated primarily from sales of our networking equipment. Subscription and support revenue is derived primarily from sales of our subscription and support offerings which includes SaaS offerings, maintenance contracts, professional services and training for its products. Prior to fiscal 2023, subscription and support revenue was referred to as service and subscription revenue, however, the composition of subscription and support revenue has not been modified.

Product revenues increased \$47.2 million or 22.9% for the three months ended September 30, 2023 as compared to the corresponding period in fiscal 2023. The increase in product revenue was primarily due to strong demand for our products and higher shipments resulting from an easing in supply chain constraints which had impacted our ability to fulfill the demand for our products.

Subscription and support revenues increased \$8.2 million or 9.0% for the three months ended September 30, 2023 as compared to the corresponding period in fiscal 2023. The increase in subscription and support revenue was primarily due to the continued growth in our subscription business.

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

	Three Months Ended			
	September 30, 2023	September 30, 2022	\$ Change	% Change
Gross profit:				
Product	\$144,947	\$106,513	\$38,434	36.1 %
<i>Percentage of product revenues</i>	57.2%	51.6%		
Subscription and support	67,989	60,195	7,794	12.9 %
<i>Percentage of subscription and support revenues</i>	68.2%	65.8%		
Total gross profit	<u>\$212,936</u>	<u>\$166,708</u>	<u>\$46,228</u>	27.7 %
<i>Percentage of net revenues</i>	60.3%	56.0%		

Product gross profit increased \$38.4 million or 36.1% for the three months ended September 30, 2023 as compared to the corresponding period in fiscal 2023. The increase in product gross profit was primarily due to increased product revenues along with lower amortization of intangible assets due to certain intangible assets being fully amortized, lower warranty reserve, favorable purchase price variance due to the improved market conditions and easing of supply constraints, partially offset by higher reserves for excess and obsolete inventory.

Subscription and support gross profit increased \$7.8 million or 12.9% for the three months ended September 30, 2023 as compared to the corresponding period in fiscal 2023. The increase in subscription and support gross profit was primarily due to increased subscription and support revenues, partially offset by higher cloud services costs.

Operating Expenses

The following table presents operating expenses for the periods presented (in thousands, except percentages):

	Three Months Ended			
	September 30, 2023	September 30, 2022	\$ Change	% Change
Research and development	\$58,016	\$50,989	\$7,027	13.8 %
Sales and marketing	91,920	78,382	13,538	17.3 %
General and administrative	23,873	18,547	5,326	28.7 %
Acquisition and integration costs	—	390	(390)	(100.0)%
Restructuring and related charges	2,717	481	2,236	464.9 %
Amortization of intangible assets	511	523	(12)	(2.3)%
Total operating expenses	\$177,037	\$149,312	\$27,725	18.6 %

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 increased by \$7.0 million or 13.8% for the three months ended September 30, 2023 as compared to the corresponding period in fiscal 2023. The increase in research and development expenses was primarily due to a \$5.3 million increase in personnel costs due to increased headcount and higher compensation costs primarily related to share-based compensation, a \$1.7 million increase in contractor and consultant fees, and a \$0.5 million increase in equipment related costs, partially offset by a \$0.5 million decrease in engineering project costs and other costs.

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 increased by \$13.5 million or 17.3% for the three months ended September 30, 2023 as compared to the corresponding period in fiscal 2023. The increase in sales and marketing expenses was primarily due to a \$11.2 million increase in personnel costs due to increased headcount, higher compensation and benefits costs primarily related to higher commissions and share-based compensation, a \$2.6 million increase in marketing costs and a \$0.7 million increase in equipment and facilities related costs, partially offset by a \$1.0 million decrease in travel and other expenses.

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, and facilities and information technology costs.

General and administrative expenses increased by \$5.3 million or 28.7% for the three months ended September 30, 2023 as compared to the corresponding period in fiscal 2023. The increase in general and administrative expenses was primarily due to a \$3.2 million increase in personnel costs due to higher compensation and benefits costs primarily related to share-based compensation, a \$1.5 million increase in legal expenses related to our litigation, a \$0.6 million increase in professional service fees and equipment related costs and a \$0.6 million increase in system transition related costs, partially offset by a \$0.5 million decrease in facilities and related expenses.

Acquisition and Integration Costs

During the three months ended September 30, 2023, we did not incur any acquisition and integration costs.

During the three months ended September 30, 2022, we incurred acquisition and integration costs of \$0.4 million, which consisted primarily of professional fees and certain compensation charges related to the acquisition of Ipanema Tech SAS.

Restructuring and Related Charges

For the three months ended September 30, 2023, we recorded restructuring and related charges of \$2.7 million, which primarily consisted of costs associated with the headcount reduction related to the Q1 2024 plan.

For the three months ended September 30, 2022, we recorded restructuring charges of \$0.5 million, which primarily consisted of facility related charges related to our previously impaired facilities.

Amortization of Intangible Assets

During the three months ended September 30, 2023 and 2022, we recorded \$0.5 million of operating expenses for each period related to the amortization of intangible assets.

Interest Income

During the three months ended September 30, 2023 and 2022, we recorded \$1.2 million and \$0.4 million, respectively, in interest income. The increase in interest income is primarily due to higher interest earned on our cash balance due to rising interest rates.

Interest Expense

During the three months ended September 30, 2023 and 2022, we recorded \$4.3 million and \$3.8 million, respectively, in interest expense. The increase in interest expenses was primarily due to higher average rates under our new 2023 Credit Agreement due to rising interest rates.

Other Income, Net

During the three months ended September 30, 2023 and 2022, we recorded other income, net of \$0.4 million each. The other income, net for each period primarily related to the foreign exchange impact 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 September 30, 2023 and 2022, we recorded income tax provision of \$4.6 million and \$1.7 million, respectively.

The income tax provisions for the three months ended September 30, 2023 and 2022 consisted of (1) taxes on the income of our foreign subsidiaries, (2) state taxes in jurisdictions where we have no remaining state net operating losses, (3) foreign withholding taxes, and (4) 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 from Zebra Technologies Corporation, the Campus Fabric Business from Avaya LLC and the Data Center Business from Brocade Communications System. In addition, the income tax provision for the three months ended September 30, 2023 includes U.S. federal income tax.

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, 2023, 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.

Liquidity and Capital Resources

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

	September 30, 2023	June 30, 2023
Cash and cash equivalents	\$ 224,434	\$ 234,826

As of September 30, 2023, our principal sources of liquidity consisted of cash and cash equivalents of \$224.4 million, accounts receivable, net of \$131.5 million, and available borrowings under our five-year 2023 Revolving Facility of \$135.5 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 and share repurchases. We believe that our \$224.4 million of cash and cash equivalents at September 30, 2023, our cash flow from operations and the availability of borrowings from the 2023 Revolving Facility will be sufficient to fund our planned operations for at least the next 12 months and into the foreseeable future.

On May 18, 2022, our Board of Directors (the “Board”) authorized management to repurchase up to \$200.0 million shares of our common stock over a three-year period commencing July 1, 2022. A maximum of \$25.0 million may be repurchased in any quarter. On November 17, 2022, the Board increased the authorization to repurchase in any quarter from \$25.0 million per quarter to \$50.0 million per quarter. Purchases may be made from time to time in the open market or pursuant to 10b5-1 plan. 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 us 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. During the three months ended September 30, 2023, we repurchased a total of 880,215 shares of its common stock on the open market at a total cost of \$24.9 million with an average price of \$28.28 per share. As of September 30, 2023, we have \$75.2 million available under our share repurchase program.

On August 9, 2019, we entered into an Amended and Restated Credit Agreement (the “2019 Credit Agreement”), by and among Extreme, 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. On June 22, 2023, we entered into the Second Amended and Restated Credit Agreement (the “2023 Credit Agreement”) by and among Extreme, as borrower, BMO Harris Bank, N.A., as an issuing lender and swingline lender, Bank of America, N.A., JPMorgan Chase Bank, N.A., PNC Bank, National Association and Wells Fargo Bank, National Association, as issuing lenders, the financial institutions or entities party thereto as lenders, and Bank of Montreal, as an administrative agent and collateral agent, which amended and restated the 2019 Credit Agreement. The 2023 Credit Agreement provides for i) a \$200.0 million first lien term loan facility in an aggregate principal amount (the “Term Facility”), ii) a \$150.0 million five-year revolving credit facility (the “2023 Revolving Facility”) and iii) an uncommitted additional incremental loan facility in the principal amount of up to \$100.0 million plus an unlimited amount that is subject to pro forma compliance with a specified Consolidated Leverage Ratio tests. We may use proceeds of the loans for working capital and general corporate purposes. On June 22, 2023, we borrowed \$25.0 million against the 2023 Revolving Facility, which was subsequently paid off on July 7, 2023.

At our election, the initial term loan (the “Initial Term Loan”) under the 2023 Credit Agreement may be made as either a base rate loan or a Secured Overnight Financing Data Rate (“SOFR loan”). The applicable margin for base rate loans ranges from 1.00% to 1.75% per annum, and the applicable margin for SOFR loans ranges from 2.00% to 2.75%, in each case based on the Company’s Consolidated Leverage Ratio. All SOFR loans are subject to a floor of 0.00% per annum and spread adjustment of 0.10% per annum. We also agreed to pay other closing fees, arrangement fees, and administration fees.

The 2023 Credit Agreement requires us to maintain certain minimum financial ratios at the end of each fiscal quarter. The 2023 Credit Agreement also includes covenants and restrictions that limit, among other things, our ability to incur additional indebtedness, create liens upon any of its property, merge, consolidate or sell all or substantially all of its assets. The 2023 Credit Agreement also includes customary events of default which may result in acceleration of the outstanding balance.

During the three months ended September 30, 2023, we were in compliance with all the original terms and financial covenants under the 2023 Credit Agreement.

Key Components of Cash Flows and Liquidity

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

	Three Months Ended	
	September 30, 2023	September 30, 2022
Net cash provided by operating activities	\$ 75,635	\$ 49,734
Net cash used in investing activities	(4,314)	(3,139)
Net cash used in financing activities	(81,461)	(42,124)
Foreign currency effect on cash and cash equivalents	(252)	(649)
Net increase (decrease) in cash and cash equivalents	\$ (10,392)	\$ 3,822

Net Cash Provided by Operating Activities

Cash flows provided by operations in the three months ended September 30, 2023 were \$75.6 million, including our net income of \$28.7 million and non-cash expenses of \$29.8 million for items such as amortization of intangible assets, share-based compensation, depreciation, reduction in carrying amount of right-of-use assets, deferred income taxes and interest. Other sources of cash for the period included a decrease in accounts receivable, and an increase in deferred revenue and other accrued liabilities. This was partially offset by increases in inventories, prepaid and other assets and decreases in accounts payable, accrued compensation, operating lease liabilities and other current and long-term liabilities.

Cash flows provided by operations in the three months ended September 30, 2022 were \$49.7 million, including our net income of \$12.6 million and non-cash expenses of \$22.8 million for items such as amortization of intangible assets, share-based compensation, depreciation, reduction in carrying amount of right-of-use assets, deferred income taxes and interest. Other sources of cash for the period included a decrease in accounts payable and increase in deferred revenues. This was partially offset by increases in inventories, prepaid expenses and other current assets and decreases in accounts payable, accrued compensation, operating lease liabilities and other current and long-term liabilities.

Net Cash Used in Investing Activities

Cash flows used in investing activities in the three months ended September 30, 2023 were \$4.3 million for the purchases of property and equipment.

Cash flows used in investing activities in the three months ended September 30, 2022 were \$3.1 million for the purchases of property and equipment.

Net Cash Used in Financing Activities

Cash flows used in financing activities in the three months ended September 30, 2023 were \$81.5 million primarily due to payment of \$29.1 million for taxes paid on vested and released stock awards net of proceeds from the issuance of shares of our common stock under our Employee Stock Purchase Plan ("ESPP"), a \$25.0 million payment against our revolving facility, share repurchase of \$24.9 million under our share repurchase program and debt repayment of \$2.5 million.

Cash flows used in financing activities in the three months ended September 30, 2022 were \$42.1 million primarily due to debt repayments of \$37.1 million, \$1.0 million for deferred payments on acquisitions and \$4.0 million for taxes paid on vested and released stock awards net of proceeds from the issuance of shares of our common stock under our ESPP.

Foreign Currency Effect on Cash and cash equivalents

Foreign currency effect on cash and cash equivalents increased in the three months ended September 30, 2023, 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

As of September 30, 2023, we had contractual obligations resulting from our debt arrangement, agreements to purchase goods and services in the ordinary course of business and obligations under our operating lease arrangements.

Our debt obligations relate to amounts owed under our 2023 Credit Agreement. As of September 30, 2023, we had \$197.5 million of debt outstanding which is payable on quarterly installments through our fiscal year 2028. We are subject to interest on our debt obligations and unused commitment fee. See Note 7, *Debt*, in the Notes to Condensed Consolidated Financial Statements in this Report for additional information regarding our debt obligations.

Our unconditional purchase obligations represent the purchase of long lead-time component inventory that our contract manufacturers procure in accordance with our forecast. We expect to honor the inventory purchase commitments within the next 12 months. As of September 30, 2023, we had non-cancelable commitments to purchase \$94.7 million of inventory. See Note 8, *Commitments and Contingencies*, in the Notes to Condensed Consolidated Financial Statements for additional information regarding our purchase obligations.

We have contractual commitments to our suppliers which represent commitments for future services. As of September 30, 2023, we had contractual commitments of \$32.3 million that are due through our fiscal year 2027.

We lease facilities under operating lease arrangements at various locations that expire at various dates through our fiscal year 2033. As of September 30, 2023, the value of our obligations under operating leases was \$61.0 million.

We have immaterial income tax liabilities related to uncertain tax positions and we are unable to reasonably estimate the timing of the settlement of those liabilities.

We did not have any material commitments for capital expenditures as of September 30, 2023.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of September 30, 2023.

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 2023 Credit Agreement, which is described in Note 7, *Debt*, in the Notes to Condensed Consolidated Financial Statements in this Report. At September 30, 2023, we had \$197.5 million of debt outstanding, all of which was from the 2023 Credit Agreement. During the quarter ended September 30, 2023, the average daily outstanding amount was \$201.6 million, with a high of \$225.0 million and a low of \$197.5 million.

The following table presents hypothetical changes in interest expense for the quarter ended September 30, 2023, on the outstanding borrowings under the 2023 Credit Agreement as of September 30, 2023, that are sensitive to changes in interest rates (in thousands):

Description	Change in interest expense given a decrease in interest rate of X bps*		Average outstanding as of September 30, 2023	Change in interest expense given an increase in interest rate of X bps*	
	(100 bps)	(50 bps)		100 bps	50 bps
Debt	\$ (2,016)	\$ (1,008)	\$ 201,576	\$ 2,016	\$ 1,008

* Underlying interest rate was 7.45% as of September 30, 2023.

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. 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. Changes in the fair value of these foreign exchange forward contracts are offset largely by re-measurement of the underlying foreign currency denominated assets and liabilities. As of September 30, 2023 and 2022 foreign exchange forward contracts not designated as hedging instruments, had a notional amount of \$18.7 million and \$4.2 million, respectively. These contracts have maturities of less than 40 days. Changes in the fair value of derivatives are recognized in "other income, net".

Foreign currency transaction gains and losses from operations were gains of \$0.5 million and \$0.9 million for the three months ended September 30, 2023 and 2022, respectively.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure 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 ensure 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 months ended September 30, 2023 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, 2023, and Note 8, *Commitments and Contingencies*, to the Notes to Condensed Consolidated Financial Statements, in 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, 2023, 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, 2023, except for the following risk factors which supplements the risk factors disclosed in the reports referenced above.

Adverse general economic conditions or reduced information technology spending may adversely impact our business.

A substantial portion of our business depends on the demand for enterprise scale networking and the overall economic health of our current and prospective end-customers. Volatility in the global economic market or other global or regional economic uncertainty, limited availability of credit, a reduction in business confidence and activity, deficit-driven austerity measures impacting governments and educational institutions, and other difficulties may affect one or more of the industries to which we sell our products and services. If economic conditions continue to be uncertain, many existing and prospective end-customers may delay or reduce their IT spending.

This could result in reductions in sales of our products and services, longer sales cycles, slower adoption of new technologies and increased price competition. Any of these events could materially adversely affect our business, financial conditions, results of operations, and prospects.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities during the three months ended September 30, 2023.

The following table provides stock repurchase activity during the three months ended September 30, 2023 (in thousands, except per share amounts):

	Total Number of Shares Purchased	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
Beginning amount available to repurchase				\$ 100,130
July 1, 2023 - July 31, 2023	—	\$ —	—	100,130
August 1, 2023 - August 31, 2023	431	30.22	431	87,104
September 1, 2023 - September 30, 2023	449	26.42	449	75,242
Total	<u>880</u>	<u>\$ 28.28</u>	<u>880</u>	
Remaining amount available to repurchase				<u>\$ 75,242</u>

- (1) On May 18, 2022, we announced that our Board had authorized management to repurchase up to \$200.0 million of its common stock over a three-year period commencing on July 1, 2022. Refer to Note 9, “*Stockholders’ Equity*,” in Notes to the Condensed Consolidated Financial Statements included elsewhere in this Report for further information regarding the Company’s share repurchase program.
- (2) The aggregate price and the average price per share does not include the effect of the excise tax under the provision of the Inflation Reduction Act.

Item 3. Defaults Upon Senior Securities - Not Applicable

Item 4. Mine Safety Disclosures - Not Applicable

Item 5. Other Information

On August 4, 2023, Edward B. Meyercord, the Company’s President and CEO, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 897,303 shares of the Company’s common stock until July 31, 2025.

On August 14, 2023, Rajendra K. Khanna, a member of the Company’s board of directors, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 25,000 shares of the Company’s common stock until October 30, 2024.

On August 30, 2023, Ingrid J. Burton, a member of the Company’s board of directors, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 5,000 shares of the Company’s common stock until August 30, 2024.

Item 6. Exhibits

(a) Exhibits:

Exhibit Number	Description of Document	Incorporated by Reference			Filed Herewith
		Form	Filing Date	Number	
3.1	Amended and Restated Certificate of Incorporation of Extreme Networks, Inc.	8-K	11/18/2022	3.1	
3.2	Amended and Restated Bylaws of Extreme Networks, Inc.	8-K	6/9/2023	3.2	
10.1	Form of Notice of Grant of Performance Vesting Restricted Stock Units under Extreme Networks, Inc. 2013 Equity Incentive Plan – U.S.				X
10.2	Form of Notice of Grant of Performance Vesting Restricted Stock Units under Extreme Networks, Inc. 2013 Equity Incentive Plan – International.				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/ Kevin Rhodes

Kevin Rhodes

**Executive Vice President, Chief Financial Officer
(Principal Accounting Officer)**

November 2, 2023

**EXTREME NETWORKS, INC.
NOTICE OF GRANT OF
PERFORMANCE VESTING RESTRICTED STOCK UNITS
(For U.S. Participants)**

Extreme Networks, Inc. (the “*Company*”) has granted to the Participant an award (the “*Award*”) of certain units (each, a “*Unit*”) pursuant to the Extreme Networks, Inc. 2013 Equity Incentive Plan (the “*Plan*”), each of which represents the right to receive on the applicable settlement date (the “*Settlement Date*”) one (1) share of Stock, as follows:

Participant: [name] **Employee ID:** [ID]

Grant Date: [date]

Number of Units: [xxx], subject to adjustment as provided by the Performance Vesting Restricted Stock Units Agreement (the “*Agreement*”).

Settlement Date: Except as provided by the Agreement, the date on which a Unit vests (such unit, a “Vested Unit”).

Vested Units: The Units shall be eligible to become Vested Units as set forth in Appendix A.

Change in Control In the event of a Change in Control, the Units will be treated as set forth in Section 8.2.

Superseding Agreement: None

By the Company’s authorized signature below and the Participant’s by electronic acceptance in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Performance Vesting Restricted Stock Units Agreement and the Plan, both of which are made a part of this document, and by the Superseding Agreement, if any. The Participant acknowledges that copies of the Plan, the Performance Vesting Restricted Stock Units Agreement and the prospectus for the Plan are available on the Company’s internal web site and may be viewed and printed by the Participant for attachment to the Participant’s copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Performance Vesting Restricted Stock Units Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

By:

EXTREME NETWORKS, INC.
2121 RDU Center Dr., Ste. 300
Morrisville, NC 27560

ATTACHMENTS: 2013 Equity Incentive Plan, as amended to the Date of Grant; Performance Vesting Restricted Stock Units Agreement and Plan Prospectus

I have reviewed the attached documents and accept this grant.

_____ Date: _____
[name]

EXTREME NETWORKS, INC.
PERFORMANCE VESTING RESTRICTED
STOCK UNITS AGREEMENT –
LONG TERM INCENTIVE PLAN
(For U.S. Participants)

Extreme Networks, Inc. has granted to the Participant named in the *Notice of Grant of Performance Vesting Restricted Stock Units* (the “**Grant Notice**”) to which this Performance Vesting Restricted Stock Units Agreement (the “**Agreement**”) is attached an Award consisting of Performance Vesting Restricted Stock Units (each a “**Unit**”) subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Extreme Networks, Inc. 2013 Equity Incentive Plan (the “**Plan**”), as amended to the Date of Grant, the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares issuable pursuant to the Award (the “**Plan Prospectus**”), (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee of the Extreme Networks, Inc. Board of Directors (the “**Committee**”) upon any questions arising under the Grant Notice, this Agreement or the Plan.

1. **DEFINITIONS AND CONSTRUCTION.**

1.1 **Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

1.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

2. **ADMINISTRATION.**

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility

of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

3. THE AWARD.

3.1 **Grant of Units.** The Company hereby grants to the Participant the Award set forth in the Grant Notice, which, based on attainment of applicable Stock Price CAGR goals set forth on Appendix A, may result in the Participant earning up to 100% of the Number of Units set forth in the Grant Notice. Subject to the terms of this Agreement and the Plan, each Vested Unit represents a right to receive on the applicable Settlement Date one (1) share of Stock. Unless and until a Unit has become one or more Vested Units as set forth in the Grant Notice and this Agreement, the Participant will have no right to settlement of such Unit. Prior to settlement of any Vested Units, such Units will represent an unfunded and unsecured obligation of the Company.

3.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or shares of Stock issued upon settlement of the Units, the consideration for which shall be past services actually rendered or future services to be rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Units.

4. VESTING OF UNITS.

4.1 **Normal Vesting.** Except as otherwise provided by this Agreement, Units shall become Vested Units as provided in the Grant Notice and Appendix A.

4.2 **Effect of Termination of Service upon Vesting.** Except as provided by Section 4.4 or a Superseding Agreement, if any, if the Participant's Service terminates for any reason, all Units subject to the Award which have not become Vested Units as of the time of such termination of Service shall automatically be forfeited.

4.3 **Effect of a Change in Control.** In the event of a Change in Control, the number of Units shall be treated as set forth in Section 8.2.

4.4 **Vesting Upon Termination Upon a Change in Control.** In the event of the Participant's "Termination Upon a Change in Control" (as defined by the Extreme Networks, Inc. Executive Change in Control Severance Plan, as amended or its successor (the "**Change in Control Plan**")), the vesting of Units shall be determined in accordance with Section 8.3.

5. FORFEITURE.

5.1 **Termination of Service.** Except to the extent otherwise provided by Section 4.4 or a Superseding Agreement, if any, in the event that the Participant's Service terminates for any reason or no reason, with or without cause, the Participant shall forfeit all Units which are not, as of the time of such termination, Vested Units ("**Unvested Units**"), and the Participant shall not be entitled to any payment therefor.

5.2 **End of 4th Year Performance Period.** Any Units that are not earned prior to the expiration of the 4th Year Performance Period (as defined in Appendix A) shall automatically be cancelled and forfeited for no consideration as of such date of expiration.

5.3 **Ownership Change Event, Non-Cash Dividends, Distributions and Adjustments.** Upon the occurrence of an Ownership Change Event, a dividend or distribution to the stockholders of the Company paid in shares of Stock or other property, or any other adjustment upon a change in the capital structure of the Company as described in Section 9, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) to which the Participant is entitled by reason of the Participant's ownership of Unvested Units shall be subject to forfeiture pursuant to Section 5.1 above and included in the terms "Units" and "Unvested Units" for all purposes of such forfeiture condition with the same force and effect as the Unvested Units immediately prior to the Ownership Change Event, dividend, distribution or adjustment, as the case may be. For purposes of determining the number of Vested Units following an Ownership Change Event, dividend, distribution or adjustment, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after any such event.

6. SETTLEMENT OF THE AWARD.

6.1 **Issuance of Shares of Stock.** Subject to the provisions of Section 6.3, the Company shall issue to the Participant on the Settlement Date with respect to each Vested Unit to be settled on such date one (1) share of Stock. The Settlement Date with respect to a Unit shall be the date on which such Unit becomes one or more Vested Units as provided by the Grant Notice and Appendix A (an "**Original Settlement Date**"); provided, however, that if the Original Settlement Date would occur on a date on which a sale by the Participant of the shares to be issued in settlement of the Vested Units would violate the Extreme Networks, Inc. Insider Trading Policy (the "**Trading Compliance Policy**"), the Settlement Date for such Vested Units shall be deferred until the next day on which the sale of such shares would not violate the Trading Compliance Policy, but in any event on or before the 15th day of the third calendar month following the calendar year of the Original Settlement Date. Shares of Stock issued in settlement of Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 6.3, Section 7 or the Company's Trading Compliance Policy.

6.2 **Beneficial Ownership of Shares; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

6.3 **Restrictions on Grant of the Award and Issuance of Shares.** The grant of the Award and issuance of shares of Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. No shares of Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may

then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

6.4 **Fractional Shares.** The Company shall not be required to issue fractional shares upon the settlement of the Award.

7. TAX WITHHOLDING.

7.1 **In General.** At the time the Grant Notice is executed, or at any time thereafter as requested by a Participating Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Participating Company, if any, which arise in connection with the Award, the vesting of Units or the issuance of shares of Stock in settlement thereof. The Company shall have no obligation to deliver shares of Stock until the tax withholding obligations of the Participating Company have been satisfied by the Participant.

7.2 **Assignment of Sale Proceeds.** Subject to compliance with applicable law and the Company's Trading Compliance Policy, if permitted by the Company, the Participant may satisfy the Participating Company's tax withholding obligations in accordance with procedures established by the Company providing for delivery by the Participant to the Company or a broker approved by the Company of properly executed instructions, in a form approved by the Company, providing for the assignment to the Company of the proceeds of a sale with respect to some or all of the shares being acquired upon settlement of Units.

7.3 **Withholding in Shares.** The Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of a Participating Company's tax withholding obligations by deducting from the shares of Stock otherwise deliverable to the Participant in settlement of the Award a number of whole shares having a fair market value, as determined by the Company as of the date on which the tax withholding obligations arise, not in excess of the amount of such tax withholding obligations determined by the applicable minimum statutory withholding rates.

8. EFFECT OF CHANGE IN CONTROL.

8.1 **In General.** In the event of a Change in Control, subject to Section 8.2 below, the surviving, continuing, successor, or purchasing entity or parent thereof, as the case may be (the "**Acquiror**"), may, without the consent of the Participant, assume or continue in full force and effect the Company's rights and obligations under all or any portion of the outstanding Units or substitute for all or any portion of the outstanding Units substantially equivalent rights with respect to the Acquiror's stock. For purposes of this Section, a Unit shall be deemed assumed if, following the Change in Control, the Unit confers the right to receive, subject to the terms and conditions of

the Plan and this Agreement, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon settlement of the Unit to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control.

8.2 Earned Units. Notwithstanding anything to the contrary, in the event of a Change in Control that occurs prior to the expiration of the Performance Period, subject to the Participant's continued Service as of immediately prior to the Change in Control:

(a) The Stock Price CAGR Goal with respect to the Units that are Unvested Units will be achieved if the per share consideration to be received by Company stockholders in the Change in Control (as determined by the Committee) equals or exceeds a Stock Price Target determined as of the date of the public announcement that the Company's Board of Directors approved the material terms of the Change in Control (measuring compound annual stock price growth from the Grant Date through the date of such public announcement and calculated using the Stock Price CAGR as set forth on Exhibit A). If such Stock Price Target is not achieved, the Units shall thereupon be automatically forfeited for no consideration upon consummation of such Change in Control.

(b) Any Units which are deemed to be earned in connection with such Change in Control (the "CIC Earned Units") will continue to be subject to the time-vesting schedule set forth in Appendix A such that (i) if the Change in Control occurs during the Initial Performance Period, 50% of the CIC Earned Units will become Vested Units on the third anniversary of the Grant Date, and the remaining 50% of the CIC Earned Units will become Vested Units on the fourth anniversary of the Grant Date, and (ii) if the Change in Control occurs during the 4th Year Performance Period, the CIC Earned Units will become Vested Units on the fourth anniversary of the Grant Date, in each case subject to Participant's continued Service through the applicable vesting date.

8.3 Change in Control Plan. This Section 8.3 shall apply only if the Participant is a participant in a Change in Control Plan. In the event that the Participant's Service terminates due to "Termination Upon a Change in Control" (as such term or similar term is defined by the Change in Control Plan), then the vesting of each CIC Earned Unit determined in accordance with Section 8.2 shall be accelerated, and such CIC Earned Units shall become Vested Units to the extent provided by the Change in Control Plan and the Participant's participation agreement in such plan effective as of the date of the Participant's termination of Service. In addition, in the event that Award is not assumed or substituted by the Acquiror, each CIC Unit will vest in full immediately prior to the Change in Control. For the purposes of this Section 8.3, the settlement date shall occur upon or as soon as practicable following the vesting date, but in any event no later than the 15th day of the third calendar month following the end of the calendar year in which the vesting date occurs.

9. ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.

Subject to any required action by the stockholders of the Company and the requirements of Section 409A of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number of Units subject to the Award and/or the number and kind of shares or other property to be issued in settlement of the Award, in order to prevent dilution or enlargement of the Participant's rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) to which the Participant is entitled by reason of ownership of Units acquired pursuant to this Award will be immediately subject to the provisions of this Award on the same basis as all Units originally acquired hereunder. Any fractional Unit or share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

10. RIGHTS AS A STOCKHOLDER, DIRECTOR, EMPLOYEE OR CONSULTANT.

The Participant shall have no rights as a stockholder with respect to any shares which may be issued in settlement of this Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 9. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between a Participating Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of a Participating Company or interfere in any way with any right of the Participating Company Group to terminate the Participant's Service at any time.

11. LEGENDS.

The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section.

12. COMPLIANCE WITH SECTION 409A.

It is intended that any election, payment or benefit which is made or provided pursuant to or in connection with this Award that may result in Section 409A Deferred Compensation shall comply in all respects with the applicable requirements of Section 409A (including applicable regulations or other administrative guidance thereunder, as determined by the Committee in good faith) to avoid the unfavorable tax consequences provided therein for non-compliance. In connection with effecting such compliance with Section 409A, the following shall apply:

12.1 Separation from Service; Required Delay in Payment to Specified Employee. Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Agreement on account of the Participant's termination of Service which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the "**Section 409A Regulations**") shall be paid unless and until the Participant has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, to the extent that the Participant is a "specified employee" within the meaning of the Section 409A Regulations as of the date of the Participant's separation from service, no amount that constitutes a deferral of compensation which is payable on account of the Participant's separation from service shall be paid to the Participant before the date (the "**Delayed Payment Date**") which is first day of the seventh month after the date of the Participant's separation from service or, if earlier, the date of the Participant's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

12.2 Other Changes in Time of Payment. Neither the Participant nor the Company shall take any action to accelerate or delay the payment of any benefits under this Agreement in any manner which would not be in compliance with the Section 409A Regulations.

12.3 Amendments to Comply with Section 409A; Indemnification. Notwithstanding any other provision of this Agreement to the contrary, the Company is authorized to amend this Agreement, to void or amend any election made by the Participant under this Agreement and/or to delay the payment of any monies and/or provision of any benefits in such manner as may be determined by the Company, in its discretion, to be necessary or appropriate to comply with the Section 409A Regulations without prior notice to or consent of the Participant. The Participant hereby releases and holds harmless the Company, its directors, officers and stockholders from any and all claims that may arise from or relate to any tax liability, penalties, interest, costs, fees or other liability incurred by the Participant in connection with the Award, including as a result of the application of Section 409A.

12.4 Advice of Independent Tax Advisor. The Company has not obtained a tax ruling or other confirmation from the Internal Revenue Service with regard to the application of Section 409A to the Award, and the Company does not represent or warrant that this Agreement will avoid adverse tax consequences to the Participant, including as a result of the application of Section 409A to the Award. The Participant hereby acknowledges that he or she has been advised to seek the advice of his or her own independent tax advisor prior to entering into this Agreement and is not relying upon any representations of the Company or any of its agents as to the effect of or the advisability of entering into this Agreement.

13. MISCELLANEOUS PROVISIONS.

13.1 **Administration.** All questions of interpretation concerning the Grant Notice, this Award Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

13.2 **Termination or Amendment.** The Committee may terminate or amend the Plan or this Agreement at any time; provided, however, that except as provided in Section 8 in connection with a Change in Control, no such termination or amendment may have a materially adverse effect on the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation, including, but not limited to, Section 409A. No amendment or addition to this Agreement shall be effective unless in writing.

13.3 **Nontransferability of the Award.** Prior to the issuance of shares of Stock on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

13.4 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

13.5 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.6 **Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party

at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) **Description of Electronic Delivery.** The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) **Consent to Electronic Delivery.** The Participant acknowledges that the Participant has read Section 13.6(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice, as described in Section 13.6(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 13.6(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 13.6(a).

13.7 **Integrated Agreement.** The Grant Notice, this Agreement and the Plan, together with the Superseding Agreement, if any, shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

13.8 **Applicable Law.** This Agreement shall be governed by the laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within the State of California. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties as evidenced by this Agreement, the parties hereby submit to and consent to the jurisdiction of California and agree that such litigation shall be conducted only in the courts of the County of Santa Clara, California, or the

federal courts of the United States for the Northern District of California, and no other courts, where this Agreement is made and/or performed.

13.9 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Appendix A

Capitalized terms shall have the meaning ascribed such terms in the Plan, the Grant Notice or the Agreement, as applicable, unless otherwise defined herein.

1. Stock Price CAGR Goals.

The Units are eligible to be earned based on Stock Price CAGR performance during the Performance Period. The Units will be earned on the date the Average Stock Price (as defined below) of a share of Stock equals or exceeds the Stock Price Target set forth below at any time during the Initial Performance Period, as determined by the Committee in its discretion. 50% of the earned Units will become Vested Units on the third anniversary of the Grant Date and the remaining 50% of the earned Units will become Vested Units on the fourth anniversary of the Grant Date, subject to the Participant's continued Service through the applicable vesting dates.

Stock Price Target	Performance Period
\$[]	Initial Performance Period

Notwithstanding the foregoing, if the Units are not earned as of the last day of the Initial Performance Period, the Units will remain outstanding and be eligible to be earned based on the achievement of the Stock Price Target set forth below during the 4th Year Performance Period. Such Units will be earned on the date the Average Stock Price of a share of Stock equals or exceeds the Stock Price Target set forth below during the 4th Year Performance Period, as determined by the Committee in its discretion, the Units will be deemed earned and will become Vested Units on the fourth anniversary of the Grant Date, subject to the Participant's continued Service through the vesting date. If such Stock Price Target is not achieved at the end of the 4th Year Performance Period, all Units will be automatically forfeited for no consideration.

Stock Price Target	Performance Period
\$[]	4 th Year Performance Period

Definitions:

For purposes of the Award:

- “***4th Year Performance Period***” means the period from the expiration of the Initial Performance Period through the fourth anniversary of the Grant Date.
 - “***Average Stock Price***” means the average closing price of the Company's Stock over a consecutive 30 trading day period.
-

- “**Base Stock Price**” means the average closing price of the Company’s Stock over the consecutive 30 trading day period ending on and including the day prior to the Grant Date, or \$[____].
 - “**Initial Performance Period**” means the period from the Grant Date through the third anniversary of the Grant Date.
 - “**Performance Period**” means collectively the Initial Performance Period and the 4th Year Performance Period.
 - “**Stock Price CAGR**” means the compound annual stock price growth from the Grant Date based on the Base Stock Price during the Performance Period, as applicable, or [____] %.
 - “**Stock Price Target**” means the stock price calculated by applying Stock Price CAGR to the Base Stock Price for the applicable Performance Period or, in the event of a Change in Control, as set forth in Section 8.2(a).
-

**EXTREME NETWORKS, INC.
 NOTICE OF GRANT OF
 PERFORMANCE VESTING RESTRICTED STOCK UNITS –
 STOCK LONG TERM INCENTIVE PLAN
 (For non-U.S. Participants)**

Extreme Networks, Inc. (the “*Company*”) has granted to the Participant an award (the “*Award*”) of certain units (each, a “*Unit*”) pursuant to the Extreme Networks, Inc. 2013 Equity Incentive Plan (the “*Plan*”), each of which represents the right to receive on the applicable settlement date (the “*Settlement Date*”) one (1) share of Stock, as follows:

- Participant:** [name] **Employee ID:** [ID]

- Grant Date:** [date]

- Number of Units:** [xxx], subject to adjustment as provided by the Performance Vesting Restricted Stock Units Agreement (the “*Agreement*”).

- Settlement Date:** Except as provided by the Agreement, the date on which a Unit vests (such unit, a “*Vested Unit*”).

- Vested Units:** The Units shall be eligible to become Vested Units as set forth in Appendix A.

- Change in Control** In the event of a Change in Control, the Units will be treated as set forth in Section 9.2.

- Superseding Agreement:** None

By the Company’s authorized signature below and the Participant’s by electronic acceptance in a form authorized by the Company, the Company and the Participant agree that the Award is governed by this Grant Notice and by the provisions of the Performance Vesting Restricted Stock Units Agreement and the Plan, both of which are made a part of this document, and by the Superseding Agreement, if any. The Participant acknowledges that copies of the Plan, the Performance Vesting Restricted Stock Units Agreement and the prospectus for the Plan are available on the Company’s internal web site and may be viewed and printed by the Participant for attachment to the Participant’s copy of this Grant Notice. The Participant represents that the Participant has read and is familiar with the provisions of the Performance Vesting Restricted Stock Units Agreement and the Plan, and hereby accepts the Award subject to all of their terms and conditions.

By:

EXTREME NETWORKS, INC.
 2121 RDU Center Dr., Ste. 300
 Morrisville, NC 27560

ATTACHMENTS: 2013 Equity Incentive Plan, as amended to the Date of Grant; Performance Vesting Restricted Stock Units Agreement and Plan Prospectus

I have reviewed the attached documents and accept this grant.

_____ Date: _____
 [name]

EXTREME NETWORKS, INC.
PERFORMANCE VESTING RESTRICTED
STOCK UNITS AGREEMENT –
LONG TERM INCENTIVE PLAN
(For non-U.S. Participants)

Extreme Networks, Inc. has granted to the Participant named in the *Notice of Grant of Performance Vesting Restricted Stock Units* (the “**Grant Notice**”) to which this Performance Vesting Restricted Stock Units Agreement (the “**Agreement**”) is attached an Award consisting of Performance Vesting Restricted Stock Units (each a “**Unit**”) subject to the terms and conditions set forth in the Grant Notice and this Agreement. The Award has been granted pursuant to and shall in all respects be subject to the terms and conditions of the Extreme Networks, Inc. 2013 Equity Incentive Plan (the “**Plan**”), as amended to the Date of Grant, the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the Grant Notice, this Agreement, the Plan and a prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares issuable pursuant to the Award (the “**Plan Prospectus**”), (b) accepts the Award subject to all of the terms and conditions of the Grant Notice, this Agreement and the Plan and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Compensation Committee of the Extreme Networks, Inc. Board of Directors (the “**Committee**”) upon any questions arising under the Grant Notice, this Agreement or the Plan.

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

1.2 Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

2. CERTAIN CONDITIONS OF THE AWARD.

2.1 Compliance with Local Law. The Participant agrees that the Participant will not acquire shares pursuant to the Award or transfer, assign, sell or otherwise deal with such shares except in compliance with the U.S. and non-U.S. laws, statutes, rules, requirements or regulations applicable to the Participant (“**Local Law**”).

2.2 Service and Employment Conditions. In accepting the Award, the Participant acknowledges, understands and agrees that:

(a) Any notice period mandated under Local Law shall not be treated as Service for the purpose of determining the vesting of the Award; and the Participant’s right

to receive shares in settlement of the Award after termination of Service, if any, will be measured by the date of termination of the Participant's active Service and will not be extended by any notice period mandated under Local Law. Subject to the foregoing and the provisions of the Plan, the Company, in its sole discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

(b)The vesting of the Award shall cease upon, and no Units shall become Vested Units following, the Participant's termination of Service for any reason except as may be explicitly provided by the Plan or this Agreement.

(c)The Plan is established voluntarily by the Company. It is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement.

(d)The grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past.

(e)All decisions with respect to future Award grants, if any, will be at the sole discretion of the Company.

(f)The Participant's participation in the Plan shall not create a right to further Service with any Participating Company and shall not interfere with the ability of with any Participating Company to terminate the Participant's Service at any time, with or without cause.

(g) The Participant is voluntarily participating in the Plan.

(h)The Award is an extraordinary item that does not constitute compensation of any kind for Service of any kind rendered to any Participating Company, and which is outside the scope of the Participant's employment contract, if any.

(i)The Award is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(j)In the event that the Participant is not an employee of the Company, the Award grant will not be interpreted to form an employment contract or relationship with the Company; and furthermore the Award grant will not be interpreted to form an employment contract with any other Participating Company.

(k)The future value of the underlying shares is unknown and cannot be predicted with certainty. If the Participant obtains shares upon settlement of the Award, the value of those shares may increase or decrease.

(l)No claim or entitlement to compensation or damages arises from termination of the Award or diminution in value of the Award or shares acquired upon settlement of the Award resulting from termination of the Participant's Service (for any reason whether or not in breach of Local Law) and the Participant irrevocably releases the Company and each other Participating Company from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen then, by signing this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's

entitlement to pursue such a claim.

Data Privacy Consent. Participant understands that the Company and the employer may collect, where permissible under applicable law, certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to stock awarded, canceled, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant understands that Company may transfer Participant's Data to the United States, which is not considered by the European Commission to have data protection laws equivalent to the laws in Participant's country. Participant understands that the Company will transfer Participant's Data to a stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws that the European Commission or Participant's jurisdiction does not consider to be equivalent to the protections in Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company and any other possible recipients which may assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her engagement as a service provider and career with the employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Awards or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative. Participant understands that Participant has the right to access, and to request a copy of, the Data held about Participant. Participant also understands that Participant has the right to discontinue the collection, processing, or use of Participant's Data, or supplement, correct, or request deletion of any of Participant's Data. To exercise Participant's rights, Participant may contact Participant's local human resources representative. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the employer, the Company and any Parent or Affiliate for the

exclusive purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Participant's consent will be sought and obtained for any processing or transfer of Participant's Data for any purpose other than as described in the Agreement and any other Plan materials.

3. **ADMINISTRATION.**

All questions of interpretation concerning the Grant Notice, this Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

4. **THE AWARD.**

4.1 **Grant of Units.** The Company hereby grants to the Participant the Award set forth in the Grant Notice, which, based on attainment of applicable Stock Price CAGR goals set forth on Appendix A, may result in the Participant earning up to 100% of the Number of Units set forth in the Grant Notice. Subject to the terms of this Agreement and the Plan, each Vested Unit represents a right to receive on the applicable Settlement Date one (1) share of Stock. Unless and until a Unit has become one or more Vested Units as set forth in the Grant Notice and this Agreement, the Participant will have no right to settlement of such Unit. Prior to settlement of any Vested Units, such Units will represent an unfunded and unsecured obligation of the Company.

4.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the Units or shares of Stock issued upon settlement of the Units, the consideration for which shall be past services actually rendered or future services to be rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Units.

5. **VESTING OF UNITS.**

5.1 **Normal Vesting.** Except as otherwise provided by this Agreement, Units shall become Vested Units as provided in the Grant Notice and Appendix A.

5.2 **Effect of Termination of Service upon Vesting.** Except as provided by Section 5.4 or a Superseding Agreement, if any, if the Participant's Service terminates for any

reason, all Units subject to the Award which have not become Vested Units as of the time of such termination of Service shall automatically be forfeited.

5.3 **Effect of a Change in Control.** In the event of a Change in Control, the number of Units shall be treated as set forth in Section 9.2.

5.4 **Vesting Upon Termination Upon a Change in Control.** In the event of the Participant's "Termination Upon a Change in Control" (as defined by the Extreme Networks, Inc. Executive Change in Control Severance Plan, as amended or its successor (the "**Change in Control Plan**")), the vesting of Units shall be determined in accordance with Section 9.3.

6. **FORFEITURE.**

6.1 **Termination of Service.** Except to the extent otherwise provided by Section 5.4 or a Superseding Agreement, if any, in the event that the Participant's Service terminates for any reason or no reason, with or without cause, the Participant shall forfeit all Units which are not, as of the time of such termination, Vested Units ("**Unvested Units**"), and the Participant shall not be entitled to any payment therefor.

6.2 **End of 4th Year Performance Period.** Any Units that are not earned prior to the expiration of the 4th Year Performance Period (as defined in Appendix A) shall automatically be cancelled and forfeited for no consideration as of such date of expiration.

6.3 **Ownership Change Event, Non-Cash Dividends, Distributions and Adjustments.** Upon the occurrence of an Ownership Change Event, a dividend or distribution to the stockholders of the Company paid in shares of Stock or other property, or any other adjustment upon a change in the capital structure of the Company as described in Section 10, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company's dividend policy) to which the Participant is entitled by reason of the Participant's ownership of Unvested Units shall be subject to forfeiture pursuant to Section 6.1 above and included in the terms "Units" and "Unvested Units" for all purposes of such forfeiture condition with the same force and effect as the Unvested Units immediately prior to the Ownership Change Event, dividend, distribution or adjustment, as the case may be. For purposes of determining the number of Vested Units following an Ownership Change Event, dividend, distribution or adjustment, credited Service shall include all Service with any corporation which is a Participating Company at the time the Service is rendered, whether or not such corporation is a Participating Company both before and after any such event.

7. **SETTLEMENT OF THE AWARD.**

7.1 **Issuance of Shares of Stock.** Subject to the provisions of Section 7.3, the Company shall issue to the Participant on the Settlement Date with respect to each Vested Unit to be settled on such date one (1) share of Stock. The Settlement Date with respect to a Unit shall be the date on which such Unit becomes one or more Vested Units as provided by the Grant Notice and Appendix A (an "**Original Settlement Date**"); provided, however, that if the Original Settlement Date would occur on a date on which a sale by the Participant of the shares to be issued in settlement of the Vested Units would violate the Extreme Networks, Inc. Insider Trading Policy (the "**Trading Compliance Policy**") of the Company, the Settlement Date for such Vested Units shall be deferred until the next day on which the sale of such shares would not violate the Trading

Compliance Policy, but in any event on or before the 15th day of the third calendar month following the calendar year of the Original Settlement Date. Shares of Stock issued in settlement of Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 7.3, Section 8 or the Company's Trading Compliance Policy.

7.2 Beneficial Ownership of Shares; Certificate Registration. The Participant hereby authorizes the Company, in its sole discretion, to deposit any or all shares acquired by the Participant pursuant to the settlement of the Award with the Company's transfer agent, including any successor transfer agent, to be held in book entry form, or to deposit such shares for the benefit of the Participant with any broker with which the Participant has an account relationship of which the Company has notice. Except as provided by the foregoing, a certificate for the shares acquired by the Participant shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

7.3 Restrictions on Grant of the Award and Issuance of Shares. The grant of the Award and issuance of shares of Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of United States federal, state or Local Law with respect to such securities. No shares of Stock may be issued hereunder if the issuance of such shares would constitute a violation of any applicable United States federal, state or foreign securities laws, including Local Law, or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

7.4 Fractional Shares. The Company shall not be required to issue fractional shares upon the settlement of the Award.

8. TAX WITHHOLDING.

8.1 In General. Regardless of any action taken by the Company or any other Participating Company with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding obligations in connection with any aspect of the Award, including the grant, vesting or settlement of the Award, the subsequent sale of shares acquired pursuant to such settlement, or the receipt of any dividends and (the "**Tax Obligations**"), the Participant acknowledges that the ultimate liability for all Tax Obligations legally due by the Participant is and remains the Participant's responsibility and that the Company (a) makes no representations or undertakings regarding the treatment of any Tax Obligations (b) does not commit to structure the terms of the grant or any other aspect of the Award to reduce or eliminate the Participant's liability for Tax Obligations. The Participant shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax Obligations of the Company and any other Participating Company at the time such Tax Obligations arise. In this regard, the Participant hereby authorizes withholding of all applicable Tax Obligations from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for withholding of all applicable Tax Obligations, if any, by each Participating Company which arise

in connection with the Award. The Company shall have no obligation to process the settlement of the Award or to deliver shares until the Tax Obligations as described in this Section have been satisfied by the Participant.

8.2 Assignment of Sale Proceeds. Subject to compliance with applicable law, including Local Law, and the Company's Trading Compliance Policy, if permitted by the Company, the Participant may satisfy the Tax Obligations in accordance with procedures established by the Company providing for delivery by the Participant to the Company or a broker approved by the Company of properly executed instructions, in a form approved by the Company, providing for the assignment to Participating Company of the proceeds of a sale with respect to some or all of the shares being acquired upon settlement of Units.

8.3 Withholding in Shares. If permissible under applicable law, including Local Law, the Company shall have the right, but not the obligation, to require the Participant to satisfy all or any portion of the Tax Obligations by deducting from the shares of Stock otherwise deliverable to the Participant in settlement of the Award a number of whole shares having a fair market value, as determined by the Company as of the date on which the Tax Obligations arise, not in excess of the amount of such Tax Obligations determined by the applicable minimum statutory withholding rates.

9. EFFECT OF CHANGE IN CONTROL.

9.1 In General. In the event of a Change in Control, subject to Section 9.2 below, the surviving, continuing, successor, or purchasing entity or parent thereof, as the case may be (the "**Acquiror**"), may, without the consent of the Participant, assume or continue in full force and effect the Company's rights and obligations under all or any portion of the outstanding Units or substitute for all or any portion of the outstanding Units substantially equivalent rights with respect to the Acquiror's stock. For purposes of this Section, a Unit shall be deemed assumed if, following the Change in Control, the Unit confers the right to receive, subject to the terms and conditions of the Plan and this Agreement, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon settlement of the Unit to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control.

9.2 Earned Units. Notwithstanding anything to the contrary, in the event of a Change in Control that occurs prior to the expiration of the Performance Period, subject to the Participant's continued Service as of immediately prior to the Change in Control:

(a) The Stock Price CAGR Goal with respect to the Units that are Unvested Units will be achieved if the per share consideration to be received by Company stockholders in the Change in Control (as determined by the Committee) equals or exceeds a Stock Price Target determined as of the date of the public announcement that the Company's Board of Directors approved the material terms of the Change in Control (measuring compound annual stock price

growth from the Grant Date through the date of such public announcement and calculated using the Stock Price CAGR as set forth on Exhibit A). If such Stock Price Target is not achieved, the Units shall thereupon be automatically forfeited for no consideration upon consummation of such Change in Control.

(b) Any Units which are deemed to be earned in connection with such Change in Control (the “**CIC Earned Units**”) will continue to be subject to the time-vesting schedule set forth in Appendix A such that (i) if the Change in Control occurs during the Initial Performance Period, 50% of the CIC Earned Units will become Vested Units on the third anniversary of the Grant Date, and the remaining 50% of the CIC Earned Units will become Vested Units on the fourth anniversary of the Grant Date, and (ii) if the Change in Control occurs during the 4th Year Performance Period, the CIC Earned Units will become Vested Units on the fourth anniversary of the Grant Date, in each case subject to Participant’s continued Service through the applicable vesting date.

9.3 Change in Control Plan. This Section 9.3 shall apply only if the Participant is a participant in a Change in Control Plan. In the event that the Participant’s Service terminates due to “Termination Upon a Change in Control” (as such term or similar term is defined by the Change in Control Plan), then the vesting of each CIC Earned Unit determined in accordance with Section 9.2 shall be accelerated, and such CIC Earned Units shall become Vested Units to the extent provided by the Change in Control Plan and the Participant’s participation agreement in such plan effective as of the date of the Participant’s termination of Service. In addition, in the event that Award is not assumed or substituted by the Acquiror, each CIC Unit will vest in full immediately prior to the Change in Control. For the purposes of this Section 9.3, the settlement date shall occur upon or as soon as practicable following the vesting date, but in any event no later than the 15th day of the third calendar month following the end of the calendar year in which the vesting date occurs.

10. ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.

Subject to any required action by the stockholders of the Company, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (other than regular, periodic cash dividends paid on Stock pursuant to the Company’s dividend policy) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number of Units subject to the Award and/or the number and kind of shares or other property to be issued in settlement of the Award, in order to prevent dilution or enlargement of the Participant’s rights under the Award. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as “effected without receipt of consideration by the Company.” Any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on Stock pursuant to the Company’s dividend policy) to which the Participant is entitled by reason of ownership of Units acquired pursuant to this Award will be immediately subject to the provisions

of this Award on the same basis as all Units originally acquired hereunder. Any fractional Unit or share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

11. RIGHTS AS A STOCKHOLDER.

The Participant shall have no rights as a stockholder with respect to any shares which may be issued in settlement of this Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date the shares are issued, except as provided in Section 10.

12. LEGENDS.

The Company may at any time place legends referencing any applicable United States federal, state or foreign securities law, including Local Law, restrictions on all certificates representing shares of stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to this Award in the possession of the Participant in order to carry out the provisions of this Section.

13. MISCELLANEOUS PROVISIONS.

13.1 Administration. All questions of interpretation concerning the Grant Notice, this Award Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the Award shall be determined by the Committee. All such determinations by the Committee shall be final, binding and conclusive upon all persons having an interest in the Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Award or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Award. Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein, provided the Officer has apparent authority with respect to such matter, right, obligation, or election.

13.2 Termination or Amendment. The Committee may terminate or amend the Plan or this Agreement at any time; provided, however, that except as provided in Section 9 in connection with a Change in Control, no such termination or amendment may have a materially adverse effect on the Participant's rights under this Agreement without the consent of the Participant unless such termination or amendment is necessary to comply with applicable law or government regulation. No amendment or addition to this Agreement shall be effective unless in writing.

13.3 Nontransferability of the Award. Prior to the issuance of shares of Stock on the applicable Settlement Date, neither this Award nor any Units subject to this Award shall be

subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

13.4 **Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

13.5 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

13.6 **Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by a Participating Company, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of such party set forth in the Grant Notice or at such other address as such party may designate in writing from time to time to the other party.

(a) **Description of Electronic Delivery.** The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, if permitted by the Company, the Participant may deliver electronically the Grant Notice to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) **Consent to Electronic Delivery.** The Participant acknowledges that the Participant has read Section 13.6(a) of this Agreement and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Grant Notice, as described in Section 13.6(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 13.6(a) or may change the electronic mail address to which such documents are to be delivered (if Participant

has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 13.6(a).

13.7 Integrated Agreement. The Grant Notice, this Agreement and the Plan, together with the Superseding Agreement, if any, shall constitute the entire understanding and agreement of the Participant and the Participating Company Group with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Participating Company Group with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, this Agreement and the Plan shall survive any settlement of the Award and shall remain in full force and effect.

13.8 Country-Specific Terms and Conditions. Notwithstanding any other provision of this Agreement to the contrary, the Award shall be subject to the specific terms and conditions, if any, set forth in Appendix B to this Agreement which are applicable to the Participant's country of residence, the provisions of which are incorporated in and constitute part of this Agreement. Moreover, if the Participant relocates to one of the countries included in Appendix B, the specific terms and conditions applicable to such country will apply to the Award to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with Local Law or facilitate the administration of the Plan or this Agreement.

13.9 Foreign Exchange / Exchange Control. The Participant acknowledges and agrees that it is the Participant's sole responsibility to investigate and comply with any applicable foreign exchange or exchange control laws in connection with the issuance, delivery or sale of the shares of Stock pursuant to the Award and that the Participant shall be responsible for any associated compliance or reporting of inbound international fund transfers required under applicable law. The Participant is advised to seek appropriate professional advice as to how the foreign exchange or exchange control regulations apply to the Participant's specific situation.

13.10 No Advice Regarding Grant. The Company and its Affiliates are not providing any tax, legal or financial advice, nor are they making any recommendations or assessments regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying shares of Stock. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

13.11 Language. If Participant has received this Agreement, or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, subject to Local Law.

13.12 Applicable Law. This Agreement shall be governed by the laws of the State of California without regard to it conflict of laws rules. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties as evidenced by this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of the County of Santa Clara, California, or

the federal courts of the United States for the Northern District of California, and no other courts, where this Agreement is made and/or performed.

13.13 **Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Appendix A

Capitalized terms shall have the meaning ascribed such terms in the Plan, the Grant Notice or the Agreement, as applicable, unless otherwise defined herein.

1. Stock Price CAGR Goals.

The Units are eligible to be earned based on Stock Price CAGR performance during the Performance Period. The Units will be earned on the date the Average Stock Price (as defined below) of a share of Stock equals or exceeds the Stock Price Target set forth below at any time during the Initial Performance Period, as determined by the Committee in its discretion. 50% of the earned Units will become Vested Units on the third anniversary of the Grant Date and the remaining 50% of the earned Units will become Vested Units on the fourth anniversary of the Grant Date, subject to the Participant's continued Service through the applicable vesting dates.

Stock Price Target	Performance Period
\$[]	Initial Performance Period

Notwithstanding the foregoing, if the Units are not earned as of the last day of the Initial Performance Period, the Units will remain outstanding and be eligible to be earned based on the achievement of the Stock Price Target set forth below during the 4th Year Performance Period. Such Units will be earned on the date the Average Stock Price of a share of Stock equals or exceeds the Stock Price Target set forth below during the 4th Year Performance Period, as determined by the Committee in its discretion, the Units will be deemed earned and will become Vested Units on the fourth anniversary of the Grant Date, subject to the Participant's continued Service through the vesting date. If such Stock Price Target is not achieved at the end of the 4th Year Performance Period, all Units will be automatically forfeited for no consideration.

Stock Price Target	Performance Period
\$[]	4 th Year Performance Period

Definitions:

For purposes of the Award:

- “**4th Year Performance Period**” means the period from the expiration of the Initial Performance Period through the fourth anniversary of the Grant Date.
 - “**Average Stock Price**” means the average closing price of the Company's Stock over a consecutive 30 trading day period.
 - “**Base Stock Price**” means the average closing price of the Company's Stock over the consecutive 30 trading day period ending on and including the day prior to the Grant Date, or \$[].
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- “**Initial Performance Period**” means the period from the Grant Date through the third anniversary of the Grant Date.
 - “**Performance Period**” means collectively the Initial Performance Period and the 4th Year Performance Period.
 - “**Stock Price CAGR**” means the compound annual stock price growth from the Grant Date based on the Base Stock Price during the Performance Period, as applicable, or [____] %.
 - “**Stock Price Target**” means the stock price calculated by applying Stock Price CAGR to the Base Stock Price for the applicable Performance Period or, in the event of a Change in Control, as set forth in Section 9.2(a).
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APPENDIX B

EXTREME NETWORKS, INC. 2013 EQUITY INCENTIVE PLAN PERFORMANCE VESTING RESTRICTED SHARE UNITS AGREEMENT FOR NON-US PARTICIPANTS

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Award granted to Participant under the Plan if he or she resides in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the main body of the Agreement.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information in this Appendix as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date at the time Participant vests in the Shares or sells the Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Participant's particular situation and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws of Participant's country may apply to his or her situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working or transfers to another country after the grant of the Restricted Stock Units, or is considered a resident of another country for local law purposes, the information contained herein may not be applicable to Participant in the same manner. In addition, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to Participant under these circumstances.

CANADA

Terms and Conditions

Award Payable Only in Shares. Notwithstanding anything to the contrary in the Plan or Agreement, the grant of the Award does not provide any right for Participant to receive a cash payment, and the Award is payable in shares of Stock only.

Termination of Continuous Service Status. In the event of Participant's termination (for any reason whatsoever, whether or not later found to be invalid and whether or not in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment or service agreement, if any), Participant's right to vest in the Award under the Plan, if any, will terminate effective as of (1) the date that the Participant is no longer actively employed or providing services to the Company or the Parent or Affiliate employing or retaining Participant, or at the discretion of the Committee, (2) the date the Participant receives notice of Termination from the Company or the Parent or Affiliate employing or retaining Participant, if earlier than (1), regardless of any notice period or period of pay in lieu of such notice required under local law (including, but not limited to statutory law, regulatory law and/or common law); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively employed or providing services for purposes of Participant's Award grant (including, but not limited to, whether Participant may still be considered actively employed or providing services while on an approved leave of absence).

The following provisions apply if Participant is a resident of Quebec:

Language Consent. The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir expressement souhaité que la convention [“Agreement”], ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

This provision supplements Section 2.3 of the Agreement:

Data Privacy Notice and Consent.

Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Participant further authorizes the Company and any Affiliate and the Committee to disclose and discuss the Plan with their advisors. Participant further authorizes the Company and any Affiliate to record such information and to keep such information in Participant's employee file.

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: November 2, 2023

/s/ EDWARD B. MEYERCORD III

Edward B. Meyercord III

President and Chief Executive Officer

SECTION 302 CERTIFICATION OF KEVIN RHODES
AS CHIEF FINANCIAL OFFICER

I, Kevin Rhodes, 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: November 2, 2023

/s/ KEVIN RHODES

Kevin Rhodes

Executive Vice President, Chief Financial Officer
(Principal Accounting Officer)

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 September 30, 2023, 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: November 2, 2023

/s/ EDWARD B. MEYERCORD III

Edward B. Meyercord III

President and Chief Executive Officer

CERTIFICATION OF KEVIN RHODES 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 September 30, 2023, 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: November 2, 2023

/s/ KEVIN RHODES

Kevin Rhodes

Executive Vice President, Chief Financial Officer
(Principal Accounting Officer)
