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 December 31, 2024
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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company☐☐☐	☐

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

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

As of January 24, 2025, the registrant had 132,755,304 shares of common stock, $0.001 par value per share, outstanding.

EXTREME NETWORKS, INC.

FORM 10-Q

QUARTERLY PERIOD ENDED

December 31, 2024

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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)

	December 31, 2024	June 30, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 170,322	$ 156,699
Accounts receivable, net	117,575	89,518
Inventories	132,278	141,032
Prepaid expenses and other current assets	75,114	79,677
Total current assets	495,289	466,926
Property and equipment, net	36,735	43,744
Operating lease right-of-use assets, net	41,609	44,145
Goodwill	391,981	393,709
Intangible assets, net	8,221	10,613
Other assets	107,109	83,457
Total assets	$ 1,080,944	$ 1,042,594
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 52,371	$ 51,423
Accrued compensation and benefits	59,521	42,064
Accrued warranty	10,036	10,942
Current portion of deferred revenue	312,050	306,114
Current portion of long-term debt, net of unamortized debt issuance costs of $752 and $674, respectively	11,748	9,326
Current portion of operating lease liabilities	10,997	10,547
Other accrued liabilities	77,499	87,172
Total current liabilities	534,222	517,588
Deferred revenue, less current portion	277,419	268,909
Long-term debt, less current portion, net of unamortized debt issuance costs of $1,634 and $1,735, respectively	170,866	178,265
Operating lease liabilities, less current portion	37,994	41,466
Deferred income taxes	6,771	7,978
Other long-term liabilities	2,464	3,106
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; 150,866 and 148,503 shares issued, respectively; 132,647 and 130,284 shares outstanding, respectively	151	149
Additional paid-in-capital	1,253,296	1,220,379
Accumulated other comprehensive loss	(19,354)	(15,483)
Accumulated deficit	(945,084)	(941,962)
Treasury stock at cost, 18,219 and 18,219 shares, respectively	(237,801)	(237,801)
Total stockholders' equity	51,208	25,282
Total liabilities and stockholders' equity	$ 1,080,944	$ 1,042,594

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net revenues:				
Product	$ 172,261	$ 186,611	$ 334,545	$ 440,094
Subscription and support	107,094	109,766	214,014	209,420
Total net revenues	279,355	296,377	548,559	649,514
Cost of revenues:				
Product	72,604	81,493	142,006	190,029
Subscription and support	31,628	31,514	61,923	63,179
Total cost of revenues	104,232	113,007	203,929	253,208
Gross profit:				
Product	99,657	105,118	192,539	250,065
Subscription and support	75,466	78,252	152,091	146,241
Total gross profit	175,123	183,370	344,630	396,306
Operating expenses:				
Research and development	54,883	52,833	109,334	110,849
Sales and marketing	79,967	85,154	161,350	177,074
General and administrative	26,064	25,384	62,665	49,257
Restructuring and related charges	1,035	9,174	2,312	11,891
Amortization of intangible assets	509	509	1,021	1,020
Total operating expenses	162,458	173,054	336,682	350,091
Operating income	12,665	10,316	7,948	46,215
Interest income	839	1,430	1,685	2,656
Interest expense	(4,179)	(4,269)	(8,601)	(8,587)
Other income (expense), net	661	(420)	(60)	12
Income before income taxes	9,986	7,057	972	40,296
Provision for income taxes	2,604	3,069	4,094	7,632
Net income (loss)	$ 7,382	$ 3,988	$ (3,122)	$ 32,664
Basic and diluted income (loss) per share:				
Net income (loss) per share – basic	$ 0.06	$ 0.03	$ (0.02)	$ 0.25
Net income (loss) per share – diluted	$ 0.06	$ 0.03	$ (0.02)	$ 0.25
Shares used in per share calculation – basic	132,381	128,987	131,778	128,885
Shares used in per share calculation – diluted	134,107	131,514	131,778	132,786

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

(Unaudited)

	Three Months Ended		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net income (loss)	$ 7,382	$ 3,988	$ (3,122)	$ 32,664
Other comprehensive income (loss):				
Net change in foreign currency translation adjustments	(7,972)	4,038	(3,871)	1,134
Other comprehensive income (loss):	(7,972)	4,038	(3,871)	1,134
Total comprehensive income (loss)	$ (590)	$ 8,026	$ (6,993)	$ 33,798

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)

(Unaudited)

	Common Stock		Additional Paid-In-Capital	Accumulated Other Comprehensive Loss	Treasury Stock		Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			Shares	Amount		
Balance at September 30, 2023	146,264	$ 146	$ 1,164,589	$ (16,096)	(16,734)	$ (212,835)	$ (827,322)	$ 108,482
Net income	—	—	—	—	—	—	3,988	3,988
Other comprehensive income	—	—	—	4,038	—	—	—	4,038
Issuance of common stock from equity incentive plans, net of tax withholdings	579	1	(4,316)	—	—	—	—	(4,315)
Repurchase of stock	—	—	—	—	(1,485)	(24,966)	—	(24,966)
Share-based compensation	—	—	20,957	—	—	—	—	20,957
Balance at December 31, 2023	146,843	$ 147	$ 1,181,230	$ (12,058)	(18,219)	$ (237,801)	$ (823,334)	$ 108,184
Balance at June 30, 2023	143,629	$ 144	$ 1,173,744	$ (13,192)	(15,854)	$ (187,946)	$ (855,998)	$ 116,752
Net income	—	—	—	—	—	—	32,664	32,664
Other comprehensive income	—	—	—	1,134	—	—	—	1,134
Issuance of common stock from equity incentive plans, net of tax withholdings	3,214	3	(33,390)	—	—	—	—	(33,387)
Repurchase of stock	—	—	—	—	(2,365)	(49,855)	—	(49,855)
Share-based compensation	—	—	40,876	—	—	—	—	40,876
Balance at December 31, 2023	146,843	$ 147	$ 1,181,230	$ (12,058)	(18,219)	$ (237,801)	$ (823,334)	$ 108,184
Balance at September 30, 2024	150,265	$ 150	$ 1,234,220	$ (11,382)	(18,219)	$ (237,801)	$ (952,466)	$ 32,721
Net income	—	—	—	—	—	—	7,382	7,382
Other comprehensive loss	—	—	—	(7,972)	—	—	—	(7,972)
Issuance of common stock from equity incentive plans, net of tax withholdings	601	1	(2,376)	—	—	—	—	(2,375)
Share-based compensation	—	—	21,452	—	—	—	—	21,452
Balance at December 31, 2024	150,866	$ 151	$ 1,253,296	$ (19,354)	(18,219)	$ (237,801)	$ (945,084)	$ 51,208
Balance at June 30, 2024	148,503	$ 149	$ 1,220,379	$ (15,483)	(18,219)	$ (237,801)	$ (941,962)	$ 25,282
Net loss	—	—	—	—	—	—	(3,122)	(3,122)
Other comprehensive loss	—	—	—	(3,871)	—	—	—	(3,871)
Issuance of common stock from equity incentive plans, net of tax withholdings	2,363	2	(8,302)	—	—	—	—	(8,300)
Share-based compensation	—	—	41,219	—	—	—	—	41,219
Balance at December 31, 2024	150,866	$ 151	$ 1,253,296	$ (19,354)	(18,219)	$ (237,801)	$ (945,084)	$ 51,208

See accompanying notes to condensed consolidated financial statements.

EXTREME NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended	
	December 31, 2024	December 31, 2023
Cash flows from operating activities:		
Net income (loss)	$ (3,122)	$ 32,664
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	7,804	9,485
Amortization of intangible assets	2,251	3,064
Reduction in carrying amount of right-of-use asset	4,894	5,891
Provision for credit losses	27	82
Share-based compensation	41,219	40,876
Deferred income taxes	(987)	(21)
Provision (Benefit) for excess and obsolete inventory[1]	(271)	16,043
Non-cash interest expense	594	532
Other	(801)	(2,481)
Changes in operating assets and liabilities:		
Accounts receivable, net	(28,083)	69,915
Inventories[1]	411	(80,595)
Prepaid expenses and other assets	(9,969)	(7,850)
Accounts payable	1,177	(12,263)
Accrued compensation and benefits	16,995	(20,625)
Operating lease liabilities	(5,375)	(6,444)
Deferred revenue	17,421	48,272
Other current and long-term liabilities	(4,067)	13,320
Net cash provided by operating activities	40,118	109,865
Cash flows from investing activities:		
Capital expenditures	(12,325)	(9,955)
Net cash used in investing activities	(12,325)	(9,955)
Cash flows from financing activities:		
Net payments on revolving facility	—	(25,000)
Payments on debt obligations	(5,000)	(5,000)
Payments on debt financing costs	(695)	—
Repurchase of common stock	—	(49,855)
Payments for tax withholdings, net of proceeds from issuance of common stock	(8,300)	(33,387)
Net cash used in financing activities	(13,995)	(113,242)
Foreign currency effect on cash and cash equivalents	(175)	(91)
Net increase (decrease) in cash and cash equivalents	13,623	(13,423)
Cash and cash equivalents at beginning of period	156,699	234,826
Cash and cash equivalents at end of period	$ 170,322	$ 221,403

[1] The prior period amounts have been reclassified to conform to the current period presentation

See accompanying notes to the condensed consolidated financial statements.

EXTREME NETWORKS, INC.

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, 2024 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, 2024.

The unaudited condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments that, in the opinion of management, are necessary for a fair presentation of the results of operations and cash flows for the interim periods presented and the financial condition of Extreme at December 31, 2024. The results of operations for the three and six months ended December 31, 2024 are not necessarily indicative of the results that may be expected for fiscal 2025 or any future periods.

Fiscal Year

The Company uses a fiscal calendar year ending on June 30. All references herein to “fiscal 2025” represent the fiscal year ending June 30, 2025. All references herein to “fiscal 2024” represent the fiscal year ended June 30, 2024.

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, 2024. 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 the Company's condensed consolidated financial statements and accompanying disclosures.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* to improve disclosures about public business entities' expenses and to provide more detailed information around the types of expenses included in commonly presented expense captions. Additionally, in January 2025 the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods for fiscal years beginning after December 15, 2027, and can be applied on a prospective basis or on a retrospective basis to all periods presented. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2024-03 and ASU 2025-01 on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures* to enhance income tax disclosures primarily through changes in the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2023-09 on its consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. All disclosure requirements of ASU 2023-07 are required for entities with a single reportable segment. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods for fiscal years beginning after December 15, 2024, and should be applied on a retrospective basis to all periods presented. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2023-07 on its consolidated financial statements and related disclosures.

3.Revenues

The Company accounts for revenues in accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers.* 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 partners in two distribution channels, or tiers. The first tier consists of a limited number of independent distributors that stock the Company's 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 ASC 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 primarily uses an input measure, days elapsed, to measure progress.

As of December 31, 2024, the Company had $589.5 million of remaining performance obligations, which primarily comprised of deferred SaaS subscription and deferred support revenues. The Company expects to recognize approximately 31% of its deferred revenue as revenue in the remainder of fiscal 2025, an additional 34% in fiscal 2026, and the remaining 35% 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 SaaS subscription and 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 December 31, 2024 and 2023 that was included in the deferred revenue balance at the beginning of each period was $101.3 million and $105.7 million, respectively. Revenue recognized for the six months ended December 31, 2024 and 2023 that was included in the deferred revenue balance at the beginning of each period was $183.3 million and $172.0 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 $24.7 million as of December 31, 2024 and June 30, 2024. 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 December 31, 2024 and 2023 was $3.1 million and $2.7 million, respectively. Amortization recognized during the six months ended December 31, 2024 and 2023 was $6.1 million and $5.2 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 Geography

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 net revenues disaggregated by geographic region (in thousands):

	Three Months Ended		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Americas:				
United States	119,678	$ 149,549	272,931	$ 332,301
Other	11,710	13,086	23,892	25,983
Total Americas	131,388	162,635	296,823	358,284
EMEA	128,257	110,605	213,175	254,208
APAC	19,710	23,137	38,561	37,022
Total net revenues	$ 279,355	$ 296,377	$ 548,559	$ 649,514

Geographic Concentrations

For the three and six months ended December 31, 2024, the Company generated 15% and 11% of its net revenues from the Netherlands, respectively. For the three months ended December 31, 2023, the Company generated 10% of its net revenues from Germany and for the six months ended December 31, 2023, the Company generated approximately 11% of its net revenues from the Netherlands. No other foreign country accounted for 10% or more of the Company's net revenues for the three and six months ended December 31, 2024 and 2023.

Customer Concentrations

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

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

	Three Months Ended		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Westcon Group, Inc.	22%	10%	18%	18%
TD Synnex Corporation	17%	24%	19%	21%
Jenne, Inc.	15%	23%	18%	25%

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

	December 31, 2024	June 30, 2024
Jenne, Inc.	26%	64%
ScanSource, Inc.	*	11%

* Less than 10% of accounts receivable

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):

	December 31, 2024	June 30, 2024
Cash	$ 170,204	$ 153,483
Cash equivalents	118	3,216
Total cash and cash equivalents	$ 170,322	$ 156,699

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):

	December 31, 2024	June 30, 2024
Finished goods	$ 84,002	$ 115,813
Raw materials	48,276	25,219
Total inventories	$ 132,278	$ 141,032

Property and Equipment, Net

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

	December 31, 2024	June 30, 2024
Computers and equipment	$ 80,790	$ 77,224
Software	55,805	60,717
Office equipment, furniture and fixtures	8,103	8,134
Leasehold improvements	48,128	47,880
Total property and equipment	192,826	193,955
Less: accumulated depreciation and amortization	(156,091)	(150,211)
Property and equipment, net	$ 36,735	$ 43,744

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		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Balance at beginning of period	$ 10,239	$ 12,164	$ 10,942	$ 12,322
New warranties issued	3,045	2,777	5,531	6,451
Warranty expenditures	(3,248)	(3,544)	(6,437)	(7,376)
Balance at end of period	$ 10,036	$ 11,397	$ 10,036	$ 11,397

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 or other claims made against certain parties. 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 (in thousands):

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Certificates of deposit	$ —	$ 118	$ —	$ 118
Foreign currency derivatives	—	36	—	36
Total assets measured at fair value	$ —	$ 154	$ —	$ 154
Liabilities				
Foreign currency derivatives	$ —	$ 342	$ —	$ 342
Total liabilities measured at fair value	$ —	$ 342	$ —	$ 342

June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
Certificates of deposit	$ —	$ 3,216	$ —	$ 3,216
Foreign currency derivatives	—	18	—	18
Total assets measured at fair value	$ —	$ 3,234	$ —	$ 3,234
Liabilities				
Foreign currency derivatives	$ —	$ 71	$ —	$ 71
Total liabilities measured at fair value	$ —	$ 71	$ —	$ 71

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 December 31, 2024 and June 30, 2024, the Company had investment in certificates of deposit of $0.1 million and $3.2 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 December 31, 2024 and June 30, 2024, their fair value approximated their amortized cost.

As of December 31, 2024 and June 30, 2024, the Company had foreign exchange forward contracts that were not designated as hedging instruments with notional principal amounts of $55.0 million and $31.3 million, respectively. Changes in the fair value of these foreign exchange forward contracts not designated as hedging instruments are included in “Other income (expense), net” in the condensed consolidated statements of operations. For the three months ended December 31, 2024 and 2023, the net gains and losses recorded in the condensed consolidated statement of operations from these contracts were net losses of $2.1 million and net gains of $0.4 million, respectively. For the six months ended December 31, 2024 and 2023, the net gains and losses recorded in the condensed consolidated statement of operations were net losses of $1.3 million and net gains of $0.3 million, respectively. As of December 31, 2024 and June 30, 2024, 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 $185.0 million and $190.0 million as of December 31, 2024 and June 30, 2024, 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 December 31, 2024 and June 30, 2024, 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, or Level 3 during the three and six months ended December 31, 2024 and 2023. There were no impairments recorded for the three and six months ended December 31, 2024 and 2023.

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 Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
December 31, 2024				
Developed technology	2.8 years	$ 168,884	$ 163,676	$ 5,208
Customer relationships	1.5 years	64,626	61,756	2,870
Trade names	0.0 years	10,700	10,700	—
License agreements	2.0 years	1,282	1,139	143
Total intangible assets, net*		$ 245,492	$ 237,271	$ 8,221

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

	Weighted Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
June 30, 2024				
Developed technology	3.0 years	$ 169,247	$ 162,708	$ 6,539
Customer relationships	2.0 years	64,671	60,776	3,896
Trade names	0.0 years	10,700	10,700	—
License agreements	2.4 years	1,282	1,104	178
Total intangible assets, net*		$ 245,901	$ 235,288	$ 10,613

* 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		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Amortization of intangible assets in “Total cost of revenues”	$ 606	$ 611	$ 1,230	$ 2,044
Amortization of intangible assets in “Total operating expenses”	509	509	1,021	1,020
Total amortization expense	$ 1,115	$ 1,120	$ 2,251	$ 3,064

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:	
2025 (the remainder of fiscal 2025)	$ 2,183
2026	3,131
2027	1,402
2028	1,246
2029	259
Total	$ 8,221

Goodwill

The Company had goodwill in the amount of $392.0 million and $393.7 million as of December 31, 2024 and June 30, 2024, respectively. The change in goodwill during the six months ended December 31, 2024 is due to foreign currency translation adjustments that are recorded as a component of accumulated other comprehensive loss.

7.Debt

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

	December 31, 2024	June 30, 2024
Current portion of long-term debt:		
Term Loan	$ 12,500	$ 10,000
Less: unamortized debt issuance costs	(752)	(674)
Current portion of long-term debt	$ 11,748	$ 9,326
Long-term debt, less current portion:		
Term Loan	$ 172,500	$ 180,000
Less: unamortized debt issuance costs	(1,634)	(1,735)
Total long-term debt, less current portion	170,866	178,265
Total debt	$ 182,614	$ 187,591

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.

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.

On August 14, 2024, the Company entered into an Amendment Number One to the 2023 Credit Agreement (the “Amended Credit Agreement”). Under the Amended Credit Agreement, the Company modified the definition of the consolidated EBITDA for the purposes of evaluating compliance with financial covenants under the 2023 Credit Agreement. The amended definition of consolidated EBITDA modifies the amount and type of add-backs that are allowable to better align with the Company's operations and activities. Further, the Amended Credit Agreement provides a waiver for the Company's compliance with the consolidated interest charge coverage ratio for each of the quarters ended June 30, 2024, September 30, 2024, and December 31, 2024.

As of December 31, 2024, the Company was in compliance with all the terms and financial covenants of the Amended 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 is included in “Interest expense” in the accompanying condensed consolidated statements of operations and was $0.3 million for each period during the three months ended December 31, 2024 and 2023 and was $0.6 million and $0.5 million for the six months ended December 31, 2024 and 2023, respectively. The interest rate was 6.84% and 7.46% as of December 31, 2024 and 2023, respectively.

As of December 31, 2024, the Company did not have any outstanding balance against its 2023 Revolving Facility. The Company had $135.8 million of availability under the 2023 Revolving Facility as of December 31, 2024. During the three and six months ended December 31, 2024 and 2023, the Company did not make any additional payments against its term loan facility other than the scheduled payments per the terms of the Amended Credit Agreement.

The Company had $14.2 million of outstanding letters of credit as of December 31, 2024.

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 December 31, 2024, the Company had commitments to purchase $29.5 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 litigation 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 of 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. As of December 31, 2024, the total estimated litigation expense accrual included in the “Other accrued liabilities” in the condensed consolidated balance sheets was $23.5 million for various ongoing litigation matters with probable losses that can be reasonably estimated.

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 alleged 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. On October 21, 2024, the District Court in Dusseldorf, Germany confirmed the withdrawal by Orckit of its complaint, thus concluding this action.

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 alleged 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. On December 23, 2024, Orckit withdrew this infringement complaint.

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 December 10, 2024, the Federal Court of Justice ruled that the ‘077 patent is invalid.

As a result of the withdrawals and the invalidity ruling, these cases are now concluded in the Company’s favor.

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. The trial is set for August 5, 2025.

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. On December 9, 2024, the Higher Regional Court stayed the matter until the nullity action has been finally decided.

The Company filed a nullity complaint against EP '498 with the German Federal Patent Court on September 24, 2021. The German Federal Patent Court issued a decision finding that the patent was invalid on November 20, 2024. It is not yet known if Mala will appeal the ruling of the German Federal Patent Court.

Steamfitters Local 449 Pension & Retirement Security Funds v. Extreme Networks, Inc., et al.

On August 13, 2024, a putative securities class action (the "Class Action") was filed in the United States District Court for the Northern District of California captioned *Steamfitters Local 449 Pension & Retirement Security Funds v. Extreme Networks, Inc., et al.*, Case No. 5:24-cv-05102-TLT, naming the Company and certain of its current and former executive officers as defendants. The lawsuit is purportedly brought on behalf of purchasers of Extreme Networks securities between July 27, 2022 and January 30, 2024 (the "Class Period"). The complaint alleges claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, based on allegedly false and misleading statements about the Company's business and prospects during the Class Period. The lawsuit seeks unspecified damages. On December 30, 2024, the Court selected Oklahoma Fire/Police and Oakland County Employees as the lead plaintiffs. Trial has been scheduled for March 20, 2027.

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, 2024 to increase the maximum number of available shares by 2.3 million shares, which was approved by the stockholders of the Company at the annual meeting of stockholders held on November 14, 2024.

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 and six months ended December 31, 2024, the Company did not repurchase any shares of its common stock. During the three months ended December 31, 2023, the Company repurchased 1,485,005 shares of its common stock on the open market at a total cost of $25.0 million with an average price of $16.81 per share. During the six months ended December 31, 2023, the Company repurchased a total of 2,365,220 shares of its common stock on the open market at a total cost of $49.9 million with an average price of $21.08 per share. As of December 31, 2024, approximately $50.3 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 had no excise tax liability for fiscal 2024 and expects the impact of the excise tax on net corporate stock repurchases will not be material for fiscal 2025.

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):

	December 31, 2024	June 30, 2024
2013 Equity Incentive Plan shares available for grant	11,092	13,414
Employee stock options and awards outstanding	8,619	7,562
2014 Employee Stock Purchase Plan	6,662	7,130
Total shares reserved for issuance	26,373	28,106

Share-based Compensation Expense

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

	Three Months Ended		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Cost of product revenues	$ 680	$ 464	$ 1,298	$ 947
Cost of subscription and support revenues	798	749	1,487	1,615
Research and development	4,467	4,435	8,680	8,812
Sales and marketing	7,596	7,535	14,478	14,523
General and administrative	7,911	7,774	15,276	14,979
Total share-based compensation expense	$ 21,452	$ 20,957	$ 41,219	$ 40,876

Stock Options

The following table summarizes stock option activity for the six months ended December 31, 2024 (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, 2024	1,073	$ 6.58	1.75	$ 7,376
Granted	—	—		
Exercised	(195)	6.40		
Canceled	—	—		
Options outstanding at December 31, 2024	878	$ 6.62	1.39	$ 8,886
Vested and expected to vest at December 31, 2024	878	$ 6.62	1.39	$ 8,886
Exercisable at December 31, 2024	878	$ 6.62	1.39	$ 8,886

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 and six months ended December 31, 2024 and 2023.

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 six months ended December 31, 2024 (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, 2024	6,489	$ 22.65	
Granted	4,191	15.82	
Released	(2,662)	20.47	
Canceled	(277)	21.62	
Non-vested stock awards outstanding at December 31, 2024	7,741	$ 19.83	
Stock awards expected to vest at December 31, 2024	7,741	$ 19.83	$ 153,538

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 six months ended December 31, 2024 included 1.3 million RSUs including the market condition awards discussed below to the named executive officers and outside directors.

Market Condition Awards

During the six months ended December 31, 2024 and 2023, the Compensation Committee of the Board granted 0.9 million and 0.8 million RSUs, respectively, with vesting based on market conditions ("MSU") to certain of the Company's employees. The MSUs granted during the six months ended December 31, 2024 were subject to total stockholder return ("TSR"). The MSUs granted during the six months ended December 31, 2023 included 0.5 million MSUs subject to TSR and 0.3 million MSUs subject to certain stock price targets.

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%

TSR 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 six months ended December 31, 2024 was $17.22 per share. The assumptions used in the Monte Carlo simulation included the expected volatility of 48%, risk-free interest rate of 3.86%, 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 six months ended December 31, 2023 was $34.09 per share. The assumptions used in the Monte Carlo simulation included the expected volatility of 50%, risk-free interest rate of 4.48%, 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 30 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 third anniversary of the grant date and the remaining 50% will vest on the fourth 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 30 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 six months ended December 31, 2024 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.

On February 15, 2024 the Company modified certain terms and conditions of the stock price target MSU's for certain employees. Under the modified agreement, the stock price target over the initial and fourth year performance periods were revised to $23.00 and $26.00, respectively. All other contractual terms remained unchanged. The incremental compensation cost related to the modification was not material and will be recognized ratably over the remaining requisite service period.

Employee Stock Purchase Plan

The fair value of each share purchase option under the ESPP is estimated on the date of grant using the Black-Scholes-Merton option valuation model with the weighted average assumptions noted in the following table. The expected term of the ESPP represents the term of the offering period of each option. The risk-free 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 0.5 million shares issued under the ESPP during the six months ended December 31, 2024 and 2023, respectively. The following assumptions were used to determine the grant-date fair values of the ESPP shares during the following periods:

	Employee Stock Purchase Plan Six Months Ended	
	December 31, 2024	December 31, 2023
Expected term	0.5 years	0.5 years
Risk-free interest rate	5.04%	5.54%
Volatility	36%	42%
Dividend yield	—%	—%

The weighted-average grant-date fair value of shares under the ESPP during the six months ended December 31, 2024 and 2023 was $3.74 and $8.09 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 region.

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

	December 31, 2024	June 30, 2024
Americas	$ 142,172	$ 136,745
EMEA	41,064	33,715
APAC	10,438	11,499
Total long-lived assets	$ 193,674	$ 181,959

12.Derivatives and Hedging

Foreign Exchange Forward Contracts

The Company uses derivative financial instruments to manage exposures to foreign currency risk 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 to attempt 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 (expense), net” in the accompanying condensed consolidated statements of operations. As of December 31, 2024 and June 30, 2024, foreign exchange forward contracts not designated as hedging instruments had a total notional principal amount of $55.0 million and $31.3 million, respectively. During the three months ended December 31, 2024 and 2023, the net gains and losses recorded in the condensed consolidated statement of operations from these contracts were net losses of $2.1 million and net gains of $0.4 million, respectively. During the six months ended December 31, 2024 and 2023 the net gains and losses recorded in the condensed consolidated statement of operations were net losses of $1.3 million and net gains of $0.3 million, respectively. Changes in the fair value of these foreign exchange forward contracts are offset largely by remeasurement of the underlying assets and liabilities.

There were no foreign exchange forward contracts that were designated as hedging instruments as of December 31, 2024 or June 30, 2024.

For the three months ended December 31, 2024 and 2023, the Company recognized foreign currency net gains of $2.8 million and foreign currency net losses of $0.7 million, respectively, and for the six months ended December 31, 2024 and 2023, the Company recognized foreign currency net gains of $1.4 million and foreign currency net losses of $0.3 million, respectively, related to the change in fair value of foreign currency denominated assets and liabilities.

13.Restructuring and Related Charges

The Company recorded $1.0 million and $9.2 million of restructuring and related charges during the three months ended December 31, 2024 and 2023, respectively. The Company recorded $2.3 million and $11.9 million of restructuring and related charges during the six months ended December 31, 2024 and 2023, respectively. These charges primarily included severance and benefits costs and professional fees related to the restructuring plans executed in prior years.

During the third quarter of fiscal 2024, the Company executed a global reduction-in-force plan targeted towards the reorganization of the Company's research and development and sales and marketing functions to align the Company's workforce with its strategic priorities and to focus on specific geographies and industry segments with higher growth opportunities (the “Q3 2024 Plan”). During the three and six months ended December 31, 2024, the Company recorded restructuring charges of $0.9 million and $1.5 million, respectively, related to the Q3 2024 Plan, which primarily consisted of additional severance and benefits expenses, legal and consulting fees.

During the second quarter of fiscal 2024, the Company executed a global reduction-in-force plan to rebalance its workforce to create greater efficiency and improve execution, in alignment with the Company's business and strategic priorities, while reducing its ongoing operating expenses to address reduced revenue and macro-economic conditions (the “Q2 2024 Plan”). During the three and six months ended December 31, 2024, the Company recorded restructuring charges of less than $0.1 million and $0.6 million related to the Q2 2024 Plan, which primarily consisted of additional severance and benefits expenses, legal fees and consulting fees. During the three months ended December 31, 2023, the Company recorded restructuring charges of $8.8 million related to the Q2 2024 Plan, which primarily consisted of severance and benefits expenses, legal and consulting fees.

Through December 31, 2024, the Company has incurred $29.1 million in restructuring charges under the Q2 2024 Plan and Q3 2024 Plan which primarily related to severance and benefits costs. The Company expects to complete these ongoing restructuring plans by the end of fiscal year 2025 and expects to incur approximately $1.3 million in additional charges for the Q2 2024 Plan and the Q3 2024 Plan.

During the third quarter of fiscal 2023, the Company initiated a restructuring plan to transform its business infrastructure and reduce its facilities footprint and the facilities related charges (the “2023 Plan”). As part of this project, the Company is moved 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 the Company's labs. During the six months ended December 31, 2024, the Company recorded restructuring charges of $0.1 million related to the 2023 Plan. The Company expects to complete the 2023 Plan by the end of fiscal year 2025 and expects to incur charges of $1.6 million throughout this period, primarily for asset disposals and other fees. Through December 31, 2024, the

Company has incurred $6.6 million of restructuring charges under the 2023 Plan, which primarily consisted of $5.9 million in accelerated depreciation on lab leasehold improvements and $0.7 million in other charges related to moving expenses and asset disposal costs.

During the first quarter of fiscal 2024, the Company initiated a reduction-in-force plan to rebalance the workforce to create greater efficiency and improve execution in alignment with the Company's 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 and administrative functions. During the three and six months ended December 31, 2023, the Company incurred charges of $0.2 million and $2.9 million, respectively related to the Q1 2024 Plan. As of June 30, 2024, the plan was completed.

Restructuring liabilities are recorded in “Other accrued liabilities” in the accompanying condensed consolidated balance sheets. As of December 31, 2024 and 2023, the restructuring liability was $3.4 million and $6.2 million, respectively related to these restructuring plans.

The following table summarizes the activity related to the Company’s restructuring and related liabilities during the following periods (in thousands):

	Three Months Ended		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Balance at beginning of period	$ 4,393	$ 925	$ 11,469	$ —
Period charges	1,134	9,412	2,707	12,188
Period reversals	(97)	(173)	(393)	(258)
Period payments	(2,032)	(3,972)	(10,385)	(5,738)
Balance at end of period	$ 3,398	$ 6,192	$ 3,398	$ 6,192

14.Income Taxes

For the three months ended December 31, 2024 and 2023, the Company recorded an income tax provision of $2.6 million and $3.1 million, respectively. For the six months ended December 31, 2024 and 2023, the Company recorded an income tax provision of $4.1 million and $7.6 million, respectively.

The income tax provisions for the three and six months ended December 31, 2024 and 2023, 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 income tax provision for the three and six months ended December 31, 2024, includes US Federal income tax expense of $1.4 million and $0.2 million, respectively. The interim income tax provisions for the three and six months ended December 31, 2024 and 2023 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 $18.2 million of unrecognized tax benefits as of December 31, 2024. If fully recognized in the future, $0.2 million would impact the effective tax rate and $18.0 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 2004 forward due to NOLs and the Company's state income tax returns are subject to examination for fiscal years 2005 and forward due to NOLs.

15.Net Income (Loss) Per Share

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

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

	Three Months Ended		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net income (loss)	$ 7,382	$ 3,988	$ (3,122)	$ 32,664
Weighted-average shares used in per share calculation – basic	132,381	128,987	131,778	128,885
Options to purchase common stock	551	757	—	836
Restricted stock units	1,100	1,579	—	2,951
Employee Stock Purchase Plan shares	75	191	—	114
Weighted-average shares used in per share calculation – diluted	134,107	131,514	131,778	132,786
Net income (loss) per share – basic and diluted				
Net income (loss) per share – basic	$ 0.06	$ 0.03	$ (0.02)	$ 0.25
Net income (loss) per share – diluted	$ 0.06	$ 0.03	$ (0.02)	$ 0.25

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

	Three Months Ended		Six Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Options to purchase common stock	—	—	997	—
Restricted stock units	1,295	2,336	5,638	1,623
Employee Stock Purchase Plan shares	695	560	545	445
Total shares excluded	1,990	2,896	7,180	2,068

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

This Quarterly Report on Form 10-Q for the second quarter ended December 31, 2024 (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, 2024, and other filings we have made with the Securities and Exchange Commission. These risk factors include, but are not limited to: adverse general economic conditions; 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 as a result of political, social, economic, currency and regulatory factors; geopolitical tensions and conflicts; risks related to pending or future litigation and a dependency on third parties for certain components and for the manufacturing of our products.

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 with integrated security and Artificial Intelligence (“AI”) solutions along with industry leading services and support. Extreme designs, develops, and manufactures wired, wireless, and software-defined wide area-network (“SD-WAN”) infrastructure equipment, software and cloud-based network management solutions and security and AI software solutions. The Company’s Platform ONE™ solution, announced in December 2024, is a technology platform that reduces the complexity for enterprises by seamlessly integrating networking, security and AI solutions into a single platform. AI-powered automation includes conversational, interactive and autonomous AI agents—to assist, advise and accelerate the productivity of networking, security and business teams—reducing the time to complete complex.

Our global footprint provides service to 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, finding new ways to leverage generative AI (“GenAI”) technology, and adapting 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 deliver secure, distributed connectivity and comprehensive centralized visibility. Networking is mission critical and touches all elements of how services are delivered to customers, employees, students, and patients. Managing networks from a single platform that integrates AI networking and security is critical to help reduce complexity and minimize the time it takes to complete tasks.

As the edge of the network continues to expand, our customers are managing more endpoints which comes with 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, technology is often 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 managing and maintaining a modern network. 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 (“APs”) 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 network fabric 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 $47 billion, and growing at approximately 13% annually over the next five years based on data from the 650 Group, Gartner, IDC, and Dell'Oro. This comprises over $36 billion for networking and infrastructure spanning enterprise and service provider (largely 5G) applications, and $11 billion for networking cloud and security software, which is expected to grow to $31 billion by 2028.

The Extreme Strategy

We are driven to help our customers find new ways to deliver better outcomes. Extreme empowers organizations with new ways to simply and securely connect with Extreme's intelligent technology platform to help move their organizations forward.

Extreme Platform One will reduce complexity for enterprises by seamlessly integrating networking, security and AI solutions. The platform’s AI-powered automation includes conversational, interactive and autonomous AI agents, to assist, advise and accelerate the productivity of networking, security and business teams—reducing the time to complete complex tasks. Extreme Platform ONE is also designed to offer the industry's simplest licensing.

Key elements of Extreme’s strategy and differentiation include:

•**Provide a differentiated end-to-end cloud networking architecture.** Cloud networking is estimated to be an $11 billion segment of the networking market comprising cloud managed services and cloud-managed products, which are largely WLAN access points and ethernet switches, growing at 14% annually over the next five years, according to data from the 650 Group, Gartner, IDC, and Dell'Oro. 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 machine learning (“ML”) and AI that spans from the Internet of Things (“IoT”) edge to the enterprise data center. Key characteristics of our cloud architecture include:

oA robust cloud management platform that delivers visibility, intelligence, and assurance from the network edge to the core.

oCloud 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).

oThe ExtremeCloud IQ: Our cloud platform conforms to ISO/IEC 27017, ISO/IEC 27001 and ISO/IEC 27701 standards for data privacy and protection as set forth by the International Standards Organization (“ISO”), and is CSA STAR certified.

oCloud Continuum: Provides hosting flexibility across a range of options including public, private, and on-premises edge cloud options.

oConsumption Flexibility: Offer a range of financing and network purchase options. Our value-based subscription tiers 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.

•**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 provides unified cloud-native management driven by AI and ML for wireless access points, wired switches, network security and SD-WAN solutions. It features intuitive configuration workflows, real-time and historical monitoring, comprehensive troubleshooting, and integrated network applications for Extreme customers. The innovative ML technologies of ExtremeCloud IQ analyze and interpret millions of network and user data points, from the edge to the data center, to power actionable business and IT insights. The platform streamlines operations by delivering new levels of network automation and intelligence. The ExtremeCloud IQ Pilot license tier streamlines every aspect of network management from deployment and maintenance to problem resolution. The Pilot license includes key capabilities for guest management, WIPS, and location services with associated services: ExtremeGuest, ExtremeAirDefense, and ExtremeLocation.

oExtremeGuest™ is a comprehensive guest engagement solution that enables IT administrators to use analytical insights to engage visitors with personalized engagements.
oExtreme 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.

oExtremeLocation™ delivers proximity, presence and location-based services for advanced contact tracing in support of the location-intelligent enterprise.

•**Additional AI Capabilities.** The ExtremeCloud IQ CoPilot license tier is an add-on to the Pilot license tier. It includes all the capabilities of the ExtremeCloud Pilot and Navigator license tiers. CoPilot serves as more than a centralized point of management with AIOps and other enhancements to network management and automation. It is a trusted digital advisor for your Extreme cloud-managed Wi-Fi networks that proactively reduces risk and provides the fastest time to the best experience. This includes advanced anomaly detection and capabilities to ensure the user experience of wireless and wired devices.

•**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 (7720/5720/5520/5420/5320/4220/4120)** 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, operating system feature licenses are portable, and bulk activated through ExtremeCloud IQ.

•**AI** is a dynamic tool and is leveraged to drive productivity across our company and to offer security and GenAI solutions to our customers. Extreme's journey in AI began in 2020 with the advent of machine learning and purpose-built AI. We then introduced Co-Pilot AIOps in 2022 to further enhance network performance and troubleshooting. Today we have the next exciting chapter – Extreme AI Expert – a GenAI solution that will help optimize networks, provide better design, improve mean time to resolution for technical issues, and create cost savings in the overall design and implementation of networks. We are utilizing AI to improve mean time to resolution for customers, both through our AIOps offerings as well as internal use of Extreme AI Expert. We announced a technology preview of our Extreme AI Expert showcasing its ability to speed up documentation searches and resolution of network performance issues. This allows our customers to optimize their network performance and make it easier to focus on value-added activities.

There are several ways customers will be able to leverage our AI in the future as part of Extreme Platform ONE:

- **Knowledge queries** provide the ability to answer any question in context (*i.e*., role, application, conversation). Questions are answered with Extreme's product documentation, Global Technical Assistance Center knowledge base and selected training, and best practices material.
- **Intelligent Queries** are answered with customer network data from multiple applications (ExtremeCloud IQ, SD-WAN, etc.).
- **"What-If" Queries** give the ability for the system to work autonomously and optimize itself based on business key performance indicators ("KPIs"). These scenarios work on an on-demand, scheduled, or always-on basis. Predictive and scenario questions that are answered apply further processing to the network data, anomaly detections, pattern recognition, root cause analysis, predictive analytics and network optimization.

•**Provide a new enterprise connectivity platform - Extreme Platform ONE.** Expected in the second half of calendar year 2025, this will integrate networking and security with AI into one simplified experience so organizations can manage and secure the network faster and more efficiently than ever. Extreme Platform ONE will provide:

- One integrated experience for everyone in an organization, from Network Operations ("NetOps"), Security Operations ("SecOps"), and business teams, to access just what they need to do their best work from a fully customizable workspace.
- Automation enhanced with built-in AI. With Extreme AI Expert, Network Operations NetOps can swiftly resolve anomalies, while SecOps can easily set and update access policies, and Business teams can manage finance, procurement, and compliance. All teams accelerate learning, planning, delivery, management, analysis, and governance.
- Simplified licensing - Extreme Platform ONE will be as easy to buy and renew as it is to use through co-termed contracts, industry-leading support services, and the integration of AI Expert.

•**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.

•**Offer a frictionless experience for secure hybrid work.** Our layered security approach is managed from one cloud and secure by design. We offer tightly integrated security with network fabric and infrastructure.

- **ExtremeCloud Universal ZTNA. Universal ZTNA is t**he first network security offering to integrate network, application, and device security within a single solution. By combining Cloud Network Access Control ("NAC") and Zero Trust Network Authentication ("ZTNA") into a single, easy-to-use SaaS offering, we help customers ensure unified observability, frictionless user experiences and a consistent security policy for applications and devices, as well as support secure hybrid work use cases for customers. As the virtual private network market transitions to ZTNA, the proliferation of individual applications, each with their own policy and dashboard, is adding complexity and expense for enterprise customers. We expect the broadening of our security offering to drive significant traction for our business with growth opportunities.
- **Extreme's unique and highly differentiated network fabric** makes it simple to orchestrate applications and policy across the entire campus, from the core to the wireless edge, and across the wide area network. We bring enhanced security, the ability to segment networks and zero touch provisioning, thus eliminating confusion, complexity and the need for additional IT staff. This is in stark contrast to our competitors' fabric solutions, which were designed for service providers and data center networks and not meant for the campus.
- **Extreme AirDefense** delivers intrusion detection and prevention capabilities across the wireless portfolio.

•**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 insourced 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 and IoT devices increases the demand for high-performance, 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 6 solutions to 6 GHz Wi-Fi (Wi-Fi 6E and Wi-Fi 7), focused on providing more efficient access to the broad array of connected devices. We believe we have the industry's broadest 6 GHz indoor and outdoor wireless portfolio, providing intelligence and security for wired/wireless networks by leveraging our cloud architecture, end-to-end fabric services, Universal ZTNA, and AIOps management platform with Explainable ML 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.

Results of Operations

During the second quarter of fiscal 2025, we achieved the following results:

•Net revenues of $279.4 million compared to $296.4 million in the second quarter of fiscal 2024.

•Product revenues of $172.3 million compared to $186.6 million in the second quarter of fiscal 2024.

•Subscription and support revenues of $107.1 million compared to $109.8 million in the second quarter of fiscal 2024.

•Total gross margin of 62.7% of net revenues compared to 61.9% of net revenues in the second quarter of fiscal 2024.

•Operating income of $12.7 million compared to $10.3 million in the second quarter of fiscal 2024.

•Net income of $7.4 million compared to $4.0 million in the second quarter of fiscal 2024.

During the first six months of fiscal 2025, we reflected the following results:

•Cash flows provided by operating activities of $40.1 million compared to $109.9 million in the six months ended December 31, 2023.

•Cash and cash equivalents of $170.3 million as of December 31, 2024 compared to $156.7 million as of June 30, 2024.

Net Revenues

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

	Three Months Ended				Six Months Ended			
	December 31, 2024	December 31, 2023	$ Change	% Change	December 31, 2024	December 31, 2023	$ Change	% Change
Net revenues:								
Product	$172,261	$186,611	$(14,350)	(7.7)%	$334,545	$440,094	$(105,549)	(24.0)%
Percentage of net revenues	*61.7%*	*63.0%*			*61.0%*	*67.8%*		
Subscription and support	107,094	109,766	(2,672)	(2.4)%	214,014	209,420	4,594	2.2 %
Percentage of net revenues	*38.3%*	*37.0%*			*39.0%*	*32.2%*		
Total net revenues	$279,355	$296,377	$(17,022)	(5.7)%	$548,559	$649,514	$(100,955)	(15.5)%

We generate product revenues primarily from sales of our networking equipment. We derive subscription and support revenues primarily from sales of our subscription and support offerings which include SaaS offerings, maintenance contracts, professional services and training for our products.

Product revenues decreased $14.4 million or 7.7% for the three months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. Product revenues decreased $105.5 million or 24.0% for the six months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The decrease in product revenues was primarily driven by higher shipments in the corresponding period in fiscal 2024 due to the release of product backlog resulting from the easing of supply chain constraints.

Subscription and support revenues decreased $2.7 million or 2.4% for the three months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The decrease in subscription and support revenues was primarily due to lower support revenues, partially offset by higher subscription revenue. Subscription and support revenues increased $4.6 million or 2.2% for the six months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The increase in subscription and support revenues 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				Six Months Ended			
	December 31, 2024	December 31, 2023	$ Change	% Change	December 31, 2024	December 31, 2023	$ Change	% Change
Gross profit:								
Product	$99,657	$105,118	$(5,461)	(5.2)%	$192,539	$250,065	$(57,526)	(23.0)%
Percentage of product revenues	57.9%	56.3%			20.6%	32.8%		
Subscription and support	75,466	78,252	(2,786)	(3.6)%	152,091	146,241	5,850	4.0 %
Percentage of subscription and support revenues	70.5%	71.3%			40.0%	41.7%		
Total gross profit	$175,123	$183,370	$(8,247)	(4.5)%	$344,630	$396,306	$(51,676)	(13.0)%
Percentage of net revenues	62.7%	61.9%			26.3%	35.6%		

Product gross profit decreased $5.5 million or 5.2% for the three months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The decrease in product gross profit was primarily due to lower product revenues and higher distribution costs, partially offset by lower reserves for excess and obsolete inventories.

Product gross profit decreased 57.5 million or 23.0% for the six months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The decrease in product gross profit was primarily due to lower product revenues, partially offset by lower reserves for excess and obsolete inventory and lower distribution costs.

Subscription and support gross profit decreased $2.8 million or 3.6% for the three months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The decrease in subscription and support gross profit was primarily due to lower support revenues.

Subscription and support gross profit increased $5.9 million or 4.0% for the six months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The increase in subscription and support gross profit was primarily due to increased subscription revenues and lower professional fees offset by higher subscription costs.

Operating Expenses

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

	Three Months Ended				Six Months Ended			
	December 31, 2024	December 31, 2023	$ Change	% Change	December 31, 2024	December 31, 2023	$ Change	% Change
Research and development	$54,883	$52,833	$2,050	3.9 %	$109,334	$110,849	$(1,515)	(1.4)%
Sales and marketing	79,967	85,154	(5,187)	(6.1)%	161,350	177,074	(15,724)	(8.9)%
General and administrative	26,064	25,384	680	2.7 %	62,665	49,257	13,408	27.2 %
Restructuring and related charges	1,035	9,174	(8,139)	(88.7)%	2,312	11,891	(9,579)	(80.6)%
Amortization of intangible assets	509	509	—	—	1,021	1,020	1	0.1 %
Total operating expenses	$162,458	$173,054	$(10,596)	(6.1)%	$336,682	$350,091	$(13,409)	(3.8)%

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 $2.1 million or 3.9% for the three months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The increase in research and development expenses was primarily due to a $4.6 million increase in personnel costs due to higher headcount and higher compensation and benefits costs and a $0.6 million increase in other expenses primarily consisting of recruiting fees, partially offset by a $3.1 million decrease in contractor costs.

Research and development expenses decreased by $1.5 million or 1.4% for the six months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The decrease in research and development expenses was primarily due to a $5.8 million decrease in contractor costs, partially offset by a $1.9 million increase in personnel costs due to higher headcount and higher compensation and benefits costs, a $1.4 million increase in information technology and facility related expenses, and a $1.0 million increase in other expenses primarily consisting of recruiting and professional fees.

Sales and Marketing Expenses

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

Sales and marketing expenses decreased by $5.2 million or 6.1% for the three months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The decrease in sales and marketing expenses was primarily due to a $3.2 million decrease in personnel costs primarily due to lower headcount, a $0.4 million decrease in contractor costs and professional fees and a $1.6 million decrease in other expenses primarily related to travel and other marketing event costs.

Sales and marketing expenses decreased by $15.7 million or 8.9% for the six months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The decrease in sales and marketing expenses was primarily due to a $12.4 million decrease in personnel costs due to lower headcount, a $1.5 million decrease in contractor costs and professional fees, a $1.3 million decrease in travel expenses and a $0.5 million decrease in 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 $0.7 million or 2.7% for the three months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The increase in general and administrative expenses was primarily due to a $3.0 million increase in system transition costs, a $2.4 million increase in personnel costs, partially offset by a $3.1 million decrease in professional fees, a $1.1 million decrease in facilities related expenses, and a $0.5 million increase in legal costs related to litigation matters, net of insurance recoveries.

General and administrative expenses increased by $13.4 million or 27.2% for the six months ended December 31, 2024 as compared to the corresponding period in fiscal 2024. The increase in general and administrative expenses was primarily due to an $8.8 million increase in legal costs related to litigation matters, net of insurance recoveries, a $7.8 million increase in system transition costs, partially offset by a $2.8 million decrease in professional fees, and a $0.4 million decrease in other expenses primarily facilities related expenses.

Restructuring and Related Charges

For the three and six months ended December 31, 2024, we recorded restructuring and related charges of $1.0 million and $2.3 million, respectively, which primarily consisted of additional severance and benefits costs and professional services fees associated with the reduction-in-force actions related to the “Q2 2024 Plan”, and “Q3 2024 Plan”, each as described in Note 13, *Restructuring and Related Charges*, in Notes to the Condensed Consolidated Financial Statements included elsewhere in this Report.

For the three and six months ended December 31, 2023, we recorded restructuring and related charges of $9.2 million and $11.9 million, which primarily consisted of severance and benefits costs associated with the reduction-in-force actions related to the “Q1 2024 Plan” and the “Q2 2024 Plan”.

Amortization of Intangible Assets

During the three months ended December 31, 2024 and 2023, we recorded $0.5 million of operating expenses for each period related to the amortization of intangible assets.

During the six months ended December 31, 2024 and 2023, we recorded $1.0 million of operating expenses for each period related to the amortization of intangible assets.

Interest Income

During the three months ended December 31, 2024 and 2023, we recorded $0.8 million and $1.4 million, respectively, in interest income. The decrease in interest income was primarily related to the lower interest earned on our cash accounts due to lower interest rates as well as lower cash and cash equivalents balances held during the second quarter in fiscal 2025.

During the six months ended December 31, 2024 and 2023, we recorded $1.7 million and $2.7 million, respectively, in interest income. The decrease in interest income is primarily related to the lower interest earned on our cash accounts due to lower interest rates as well as lower cash and cash equivalents balances held during the first half of fiscal 2025.

Interest Expense

During the three months ended December 31, 2024 and 2023, we recorded $4.2 million and $4.3 million, respectively, in interest expense related to the debt obligations held under our Amended Credit Agreement. The decrease in interest expense was primarily due to lower average rates under the Amended Credit Agreement.

During each of the six months ended December 31, 2024 and 2023, we recorded $8.6 million in interest expense related to the debt obligations held under the Amended Credit Agreement.

Other Income (Expense), Net

During the three months ended December 31, 2024 and 2023, we recorded other income, net of $0.7 million and other expense, net of $0.4 million, respectively. The other income (expense), 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.

During the six months ended December 31, 2024 and 2023, we recorded other expense, net of less than $0.1 million and other income, net of less than $0.1 million, respectively. The other income (expense), 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 December 31, 2024 and 2023, we recorded income tax provision of $2.6 million and $3.1 million, respectively.

For the six months ended December 31, 2024 and 2023, we recorded income tax provision of $4.1 million and $7.6 million, respectively.

The income tax provisions for the three and six months ended December 31, 2024 and 2023 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 December 31, 2024 includes U.S. federal income tax expense of $1.4 million and $0.2 million, respectively.

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, 2024, 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):

	December 31, 2024	June 30, 2024
Cash and cash equivalents	$ 170,322	$ 156,699

As of December 31, 2024, our principal sources of liquidity consisted of cash and cash equivalents of $170.3 million, accounts receivable, net of $117.6 million, and available borrowings under our 2023 Revolving Facility of $135.8 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 $170.3 million of cash and cash equivalents at December 31, 2024, 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 (as amended, the "2022 Repurchase Program"). 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 2022 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 and six months ended December 31, 2024, the Company did not repurchase any shares of its common stock. As of December 31, 2024, the Company had $50.3 million available for share repurchases under the 2022 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 the proceeds of the loans for working capital and general corporate purposes.

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 loan ("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.

On August 14, 2024, we entered into an Amendment Number One to the 2023 Credit Agreement the "Amended Credit Agreement." Under the Amended Credit Agreement, we modified the definition of the consolidated EBITDA for the purposes of evaluating compliance with financial covenants under the 2023 Credit Agreement. The amended definition of consolidated EBITDA modifies the amount and type of add-backs that are allowable to better align with our operations and activities.

During the three and six months ended December 31, 2024, the Company was in compliance with the modified terms and financial covenants under the Amended 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):

	Six Months Ended	
	December 31, 2024	**December 31, 2023**
Net cash provided by operating activities	$ 40,118	$ 109,865
Net cash used in investing activities	(12,325)	(9,955)
Net cash used in financing activities	(13,995)	(113,242)
Foreign currency effect on cash and cash equivalents	(175)	(91)
Net increase (decrease) in cash and cash equivalents	$ 13,623	$ (13,423)

Net Cash Provided by Operating Activities

Cash flows provided by operations in the six months ended December 31, 2024 were $40.1 million, including our net loss of $3.1 million and non-cash expenses of $54.7 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, provision for excess and obsolete inventory and interest. Other sources of cash for the period included a decrease in inventories and increases in accounts payable, deferred revenue and accrued compensation and benefits. This was partially offset by increases in accounts receivable and other assets as well as decreases in operating lease liabilities and other liabilities.

Cash flows provided by operations in the six months ended December 31, 2023 were $109.9 million, including our net income of $32.7 million and non-cash expenses of $73.4 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, provision for excess and obsolete inventory and interest. Other sources of cash for the period included a decrease in accounts receivable, and increases in deferred revenue and other current and long-term liabilities. This was partially offset by increases in inventories and prepaid expenses and other assets as well as decreases in accounts payable and accrued compensation and benefits.

Net Cash Used in Investing Activities

Cash flows used in investing activities in the six months ended December 31, 2024 were $12.3 million for the purchases of property and equipment and the capitalized software development costs.

Cash flows used in investing activities in the six months ended December 31, 2023 were $10.0 million for the purchases of property and equipment.

Net Cash Used in Financing Activities

Cash flows used in financing activities in the six months ended December 31, 2024 were $14.0 million primarily due to payments of $8.3 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") and exercise of stock options, a payment of $0.7 million for debt financing costs related to the Amended Credit Agreement, and debt repayments of $5.0 million.

Cash flows used in financing activities in the six months ended December 31, 2023 were $113.2 million primarily due to payments of $33.4 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 and exercise of stock options, share repurchases of $49.9 million under the 2022 Repurchase Program, a $25.0 million payment against our revolving facility, and debt repayments of $5.0 million.

Foreign Currency Effect on Cash and cash equivalents

Foreign currency effect on cash and cash equivalents increased in the six months ended December 31, 2024, 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 December 31, 2024, 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 Amended Credit Agreement. As of December 31, 2024, we had $185.0 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 December 31, 2024, we had non-cancelable commitments to purchase $29.5 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 December 31, 2024, we had contractual commitments of $21.5 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 December 31, 2024, the value of our obligations under operating leases was $57.9 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 December 31, 2024.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of December 31, 2024.

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 Amended Credit Agreement, which is described in Note 7, *Debt*, in the Notes to Condensed Consolidated Financial Statements in this Report. At December 31, 2024, we had $185.0 million of debt outstanding, all of which was from the Amended Credit Agreement. During the quarter ended December 31, 2024, the average daily outstanding amount was $197.3 million, with a high of $217.5 million and a low of $185.0 million.

The following table presents hypothetical changes in interest expense for the quarter ended December 31, 2024, on the outstanding borrowings under the Amended Credit Agreement as of December 31, 2024, 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	Change in interest expense given an increase in interest rate of X bps*	
	(100 bps)	(50 bps)	as of December 31, 2024	100 bps	50 bps
Debt	$ (1,973)	$ (986)	$ 197,255	$ 1,973	$ 986

* The underlying interest rate was 6.84% as of December 31, 2024.

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 December 31, 2024 and 2023 foreign exchange forward contracts not designated as hedging instruments, had a notional amount of $55.0 million and $15.6 million, respectively. Changes in the fair value of derivatives are recognized in “Other income (expense), net.”

For the three months ended December 31, 2024 and 2023, the Company recognized foreign currency transaction net gains of $2.8 million and foreign currency transaction net losses of $0.7 million, respectively, and for the six months ended December 31, 2024 and 2023, the Company recognized foreign currency transaction net gains of $1.4 million and foreign currency transaction net losses of $0.3 million, respectively, related to the change in fair value of foreign currency denominated assets and liabilities.

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 December 31, 2024 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, 2024, 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, 2024, 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, 2024 and our Quarterly report on Form 10-Q for the three months period ended September 30, 2024, except for the following risk factor which supplements the risk factors disclosed in the reports reference above.

Geopolitical changes are creating uncertainty regarding economic matters.

Recent political changes such as the new U.S. presidential administration have created an environment of uncertainty in economic matters, particularly with regard to tariffs and taxes. We do not manufacture products in Canada or Mexico and have only immaterial manufacturing in China; therefore we do not expect direct impacts due to proposed U.S. tariffs on goods from these countries. However, electronic and semiconductor components integral to our products are sourced from these regions. Consequently, the proposed tariffs could lead to increased costs and potential supply chain disruptions for these critical components. Additionally, other tariff-related actions have been speculated, such as U.S. tariffs on imports from other countries such as Vietnam and the Philippines, where we do have manufacturing operations, or reciprocal tariffs imposed by non-U.S. countries. If such actions occur, they could create supply chain disruptions and could further escalate our production costs and render our products less competitive, thereby adversely affecting our business, financial condition, and operating results. We are closely monitoring these developments and evaluating strategies to mitigate potential impacts.

Any significant changes enacted by the new administration to the Tax Code, or specifically to the Tax Cuts and Jobs Act (the “U.S. Tax Act”) enacted in 2017, or to regulatory guidance associated with the U.S. Tax Act, could materially adversely affect our tax liabilities and effective tax rate.

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

Item 3. Defaults Upon Senior Securities - Not Applicable

Item 4. Mine Safety Disclosures - Not Applicable

Item 5. Other Information

Rule 10b5-1 Trading Plan

During the second quarter of fiscal 2025, none of our directors or executive officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408(a) of Regulation S-K under the Exchange Act).

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	Certificate of Amendment to Amended and Restated Certificate of Incorporation.	8-K	11/9/2023	3.1	
3.3	Amended and Restated Bylaws of Extreme Networks, Inc.	8-K	6/9/2023	3.1	
10.1	Extreme Networks, Inc. Amended and Restated 2013 Equity Incentive Plan	S-8	12/13/2024	99.1	
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 with Embedded Linkbase Documents.				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)

January 30, 2025

Exhibit 31.1

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

I, Edward B. Meyercord III, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: January 30, 2025

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

Exhibit 31.2

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:	January 30, 2025	/s/ KEVIN RHODES
		Kevin Rhodes Executive Vice President, Chief Financial Officer (Principal Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Extreme Networks, Inc. on Form 10-Q for the period ended December 31, 2024, 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: January 30, 2025

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

Exhibit 32.2

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 December 31, 2024, 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: January 30, 2025

/s/ KEVIN RHODES
Kevin Rhodes
Executive Vice President, Chief Financial Officer
(Principal Accounting Officer)