

Risk Factors Comparison 2024-08-16 to 2023-08-24 Form: 10-K

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Intense competition in the market for networking equipment and cloud platform companies could prevent us from increasing revenues and attaining profitability. • We purchase several key components for products from single or limited sources and could lose sales if these suppliers fail to meet our needs. We are beginning to witness the first signs of improvement in supply chain constraints, however, risks still exist as supply chain logistics continue to evolve and adapt to new expectations and planning around lead times. • Our dependence on a few manufacturers and third parties for our manufacturing, warehousing, and delivery requirements could harm our business, financial condition, and operating results. • We depend upon international sales for a significant portion of our revenues which imposes a number of risks on our business. • To successfully manage our business or achieve our goals, we must attract, retain, train, motivate, develop and promote key employees, and failure to do so can harm us. • If we fail to anticipate technological shifts, market needs and opportunities, and develop products, product enhancements and business strategies that meet those technological shifts, needs and opportunities in a timely manner or if they do not gain market acceptance, we may not be able to compete effectively and our ability to generate revenues will suffer. • The cloud networking market is rapidly evolving. If this market does not evolve as we anticipate or our target end customers do not adopt our cloud networking solutions, we may not be able to compete effectively, and our ability to generate revenues will suffer. • System security risks, data breaches, and cyber-attacks could compromise our proprietary information, disrupt our internal operations and harm public perception of our products, which could adversely affect our business, financial condition and results of operations. • We cannot assure future profitability, and our financial results may fluctuate significantly from period to period. • We may not realize anticipated benefits of past or future acquisitions, divestitures and strategic investments, and the integration of acquired companies or technologies may negatively impact our business, financial condition and results of operations or dilute the ownership interests of our stockholders. • Our stock price has been volatile in the past and may significantly fluctuate in the future. The summary risk factors described above should be read together with the text of the full risk factors below in the section entitled “Risk Factors” and the other information set forth in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes, as well as in other documents that we file with the U. S. Securities and Exchange Commission (the “SEC”). The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not precisely known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations, and future growth prospects.

PART I

Item 1. Business Overview Extreme Networks, Inc. (“Extreme” or “Company”) is a leading provider of cloud networking solutions and industry leading services and support. Extreme designs, develops, and manufactures wired, wireless, and software-defined wide area network (“SD-WAN”) infrastructure equipment. The Company’s cloud solution is a single platform that offers unified network management of wireless access points, switches, and SD-WAN. It leverages machine learning, Artificial Intelligence Operations and analytics to help customers deliver secure connectivity at the edge of the network, speed cloud deployments, and uncover actionable insights to save time, lower costs, and streamline operations. Extreme is currently managing more than two million devices in the cloud. Extreme has been pushing the boundaries of networking technology since 1996, driven by a higher purpose of helping our customers connect beyond the network. Extreme’s cloud networking technologies provide flexibility and scalability in deployment, management, and licensing of networks globally. Our global footprint provides service to over 50,000 customers and over 10 million daily end users across the world including some of the world’s leading names in business, hospitality, retail, transportation and logistics, education, government, healthcare, manufacturing, and service providers. We derive all our revenues from the sale of our networking equipment, software subscriptions, and related maintenance contracts. Our global headquarters is located at 2121 RDU Center Drive, Suite 300, Morrisville, North Carolina 27560, and our telephone number is (408) 579-2800. We have several corporate offices in the United States and international locations. Our website is www.extremenetworks.com.

Industry Background Enterprises across every industry are going through unprecedented changes, such as leading digital initiatives, migrating their workloads to cloud-based environments, modernizing applications, and adopting to a distributed workforce. In order to accomplish this, they are adopting new Information Technology (“IT”) delivery models and applications that require fundamental network alterations and enhancements spanning from the access edge to the data center. As networks become more complex and more distributed in nature, we believe IT teams in every industry will need more control and better insights than ever before to ensure secure, distributed connectivity and comprehensive centralized visibility. Managing networks from cloud-based applications where customers can run their entire end-to-end networks, from wired or wireless infrastructure to SD-WAN, while ensuring full IT management of the business becomes critical. In addition, Machine Learning (“ML”) and Artificial Intelligence (“AI”) technologies have the potential to vastly improve the network experience in today’s world by collating large data sets to increase accuracy and derive resolutions to improve the operation of the network. When ML and AI are applied with cloud-driven networking and automation, administrators can quickly scale to provide productivity, availability, accessibility, manageability, security, and speed, regardless of the distribution of the network. As the edge of the network continues to expand, our customers are managing more endpoints. With that comes a host of challenges. This continued expansion creates issues such as a higher risk of cyberattacks and a need for more bandwidth as a result of an increase in applications running across the network. Network complexity manifests itself in the form of more endpoints to manage, more applications to monitor, and more services that rely on the network for service delivery and enablement. When performance suffers, and the tug on internal systems and IT staff becomes more intense, often technology is being overworked. Resolving network problems expeditiously and identifying

their root cause, can improve organizational productivity and result in higher performance of operations. We believe that the network has never been more vital than it is today. As administrators grapple with more data, coming from more places, more connected devices, and more Software-as-a-service (“SaaS”) based applications, the cloud is fundamental to establishing a new normal. Traditional network offerings are not well-suited to fulfill enterprise expectations for rapid delivery of new services, more flexible business models, real-time response, and massive scalability. As enterprises continue to migrate increasing numbers of applications and services to either private clouds or public clouds offered by third parties and to adopt new IT delivery models and applications, they are required to make fundamental network alterations and enhancements spanning from device access points (“AP”) to the network core. In either case, the network infrastructure must adapt to this new dynamic environment. Intelligence and automation are key if enterprises are to derive maximum benefit from their cloud deployments. With automation applications becoming increasingly critical in manufacturing, warehousing, logistics, healthcare and other key industries, we believe this will continue to create demand for networking technology to serve as a foundation to run these services. Service providers are investing in network enhancements with platforms and applications that deliver data insights, provide flexibility, and can quickly respond to new user demands and 5G use cases. We believe Extreme will continue to benefit from the use of its technology to manage distributed campus network architecture centrally from the cloud. Extreme has blended a dynamic fabric attach architecture that delivers simplicity for moves and changes at the edge of the network, together with corporate-wide role-based policy. This enables customers to migrate to new cloud-managed switching, Wi-Fi, and SD-WAN, agnostic of the existing switching or wireless equipment they already have installed. In the end, we expect these customers to see lower operating and capital expenditures, lower subscription costs, lower overall cost of ownership and more flexibility along with a more resilient network. We estimate the total addressable market for our Enterprise Networking solutions consisting of cloud networking, wireless local area networks (“WLAN”), data center networking, ethernet switching, campus local area networks (“LAN”), SD-WAN solutions and management, automation, and elements of the Secure Access Services Edge (“SASE”) market to be over \$40 billion, and growing at approximately 12% annually over the next five years. This comprises over \$28 billion for networking, infrastructure spanning enterprise and service provider (largely 5G) applications, and a \$4 billion SD-WAN market, and we also participate in \$7 billion of the served addressable market for networking software. The Extreme Strategy We are driven to help our customers find new ways to deliver better outcomes. Connectivity is just the foundation. We make the network a strategic asset. The combination of our solutions provides the connectivity, bandwidth, performance and insights that organizations of all sizes need to move their organizations forward. IT leaders are now tasked with ensuring the global, hybrid workforce is functional and successful no matter where they are, and ensuring people can work wherever they want. We help identify and solve business challenges. We simplify and improve the way our customers work and are relentlessly focused on finding new ways to drive better outcomes. Cloud networking management allows customers to gain real-time visibility and insights into areas such as application usage, location and workflow patterns across their environment, helping to inform strategic business decisions and create personalized experiences. Customers benefit from visibility, control and reduced time to resolution. This is the cornerstone of our One Network, One Cloud, One Extreme vision. Extreme has recognized that the way we and our customers communicate has changed and given rise to these distributed enterprise environments, or in other words, the Infinite Enterprise, which has three tenets: • Infinitely distributed connectivity is the enterprise-grade reliable connectivity that allows users to connect anywhere, from anywhere. It is always present, available and assured, while being secure and manageable. • Scalable cloud allows administrators to harness the power of the cloud to efficiently onboard, manage, orchestrate, troubleshoot the network, and find data and insights of the distributed connectivity at their pace in their way. • Consumer-centric experience designed to deliver a best-in-class experience to users who consume network services. Extreme’s broad product, solutions and technology portfolio supports these three tenets and continues to innovate and evolve them to help businesses succeed. Key elements of Extreme’s strategy and differentiation include: • Creating effortless networking solutions that allow all of us to advance. We believe that progress is achieved when we connect — allowing us to learn, understand, create, and grow. We make connecting simple and easy with effortless networking experiences that enable all of us to advance how we live, work, and share. • Provide a differentiated end-to-end cloud architecture. Cloud networking is estimated to be a \$4.1 billion segment of the networking market comprised of cloud-managed services and cloud-managed products, which are largely WLAN access points and ethernet switches, growing at a 13% over the next three years, according to data from the 650 Group. Cloud management technology has evolved significantly over the past decade. We believe we deliver a combination of innovation, reliability, and security with the leading end-to-end cloud management platform powered by ML and AI that spans from the Internet of Things (“IoT”) edge to the enterprise data center. Key characteristics of our cloud architecture include: • A robust cloud management platform that delivers visibility, intelligence, and assurance from the IoT edge to the network core. • Cloud Choice for customers: Our cloud networking solution is available on all major cloud providers (Amazon Web Services (“AWS”), Google Cloud Platform (“GCP”) and Microsoft Azure). • Consumption Flexibility: Offer a range of financing and network purchase options. Our value-based subscription tiers (including Connect, Navigator, Pilot and CoPilot) provide customers with flexibility to grow, as well as offer pool-able and portable licenses that can be transferred between products (e.g. access points and switches) at one fixed price. • “No 9s” Reliability and Resiliency to ensure business continuity for our customers. • Extreme Cloud IQ cloud platform conforms to ISO/IEC 27017 and is certified by DQS to ISO/IEC 27001 and ISO/IEC 27701 by the International Standards Organization (“ISO”) and CSA STAR-certified. • Offer customers choice: public or private cloud, or on-premises. We leverage the cloud where it makes sense for our customers and provide on-premises solutions where customers need it and also have a solution for those who want to harness the power of both. Our hybrid approach gives our customers options to adapt the technology to their business. At the same time, all of our solutions have visibility, control and strategic information built in, all tightly integrated with a single view across all of the installed products. Our customers can understand what is going on across their network and applications in real time—who, when, and what is connected to the network, which is critical for bring your own device (“

BYOD”) and IoT usage. • Highest value of cloud management subscriptions. ExtremeCloud IQ Pilot provides our customers with four key applications enabling organizations to eliminate overlays. • Extreme AirDefense™ is a comprehensive wireless intrusion prevention system (“WIPS”) that simplifies the protection, monitoring and security of wireless networks. With the added Bluetooth and Bluetooth low energy intrusion prevention, network administrators can address growing threats against Bluetooth and Bluetooth low energy devices. • ExtremeLocation™ delivers proximity, presence and location-based services for advanced contact tracing in support of the location-intelligent enterprise. • ExtremeGuest™ is a comprehensive guest engagement solution that enables IT administrators to use analytical insights to engage visitors with personalized engagements. • Extreme IoT™ delivers simple and secure onboarding, profiling, segmentation and filtering of IoT devices on a production network. • Offers universal platforms for enterprise class switching and wireless infrastructure. Extreme offers universal platforms which support multiple deployment use cases, providing flexibility and investment protection. • Universal switches (7720/5720/5520/5420/5320) support fabric or traditional networking with a choice of cloud or on-premises (air-gapped or cloud connected) management. • 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. • Universal licensing with one portable management license for any device and for any type of management. For switches, OS feature licenses are portable, and bulk activated through ExtremeCloud IQ. • Enable a common fabric to simplify and automate the network. Fabric technologies virtualize the network infrastructure (decoupling network services from physical connectivity) which enables network services to be turned up faster, with lower likelihood of error. They make the underlying network much easier to design, implement, manage and troubleshoot. • End-to-End Portfolio. Our cloud-driven solutions provide visibility, control and strategic intelligence from the edge to the data center, across networks and applications. Our solutions include wired switching, wireless switching, wireless access points, WLAN controllers, routers, and an extensive portfolio of software applications that deliver AI-enhanced access control, network and application analytics, as well as network management. All can be managed, assessed, and controlled from a single pane of glass on premises or from the cloud. • Provide high-quality “in-house” customer service and support. We seek to enhance customer satisfaction and build customer loyalty through high-quality service and support. This includes a wide range of standard support programs to the level of service our customers require, from standard business hours to global 24-hour-a-day, 365-days-a-year real-time responsive support. • Extend switching and routing technology leadership. Our technological leadership is based on innovative switching, routing and wireless products, the depth and focus of our market experience and our operating systems—the software that runs on all of our networking products. Our products reduce operating expenses for our customers and enable a more flexible and dynamic network environment that will help them meet the upcoming demands of IoT, mobile, and cloud. • Expand Wi-Fi technology leadership. Wireless is today’s network access method of choice and every business must deal with scale, density and BYOD challenges. The network edge landscape is changing as the explosion of mobile devices increases the demand for mobile, transparent, and always-on wired to wireless edge services. The unified access layer requires distributed intelligent components to ensure that access control and resiliency of business services are available across the entire infrastructure and manageable from a single console. We are at a technology inflection point with the pending migration from Wi-Fi 5 solutions to Wi-Fi 6 (802.11ax), focused on providing more efficient access to the broad array of connected devices. We believe we have the industry’s broadest Wi-Fi 6 wireless portfolio providing intelligence for the wired/wireless edge and enhanced by our cloud architecture with ML and AI-driven insights. • Offer a superior quality of experience. Our network-powered application analytics provide actionable business insights by capturing and analyzing context-based data about the network and applications to deliver meaningful intelligence about applications, users, locations and devices. With an easy to comprehend dashboard, our applications help businesses turn their network into a strategic business asset that helps executives make faster and more effective decisions. • Expand market penetration by targeting high-growth market segments. Within the campus, we focus on the mobile user, leveraging our automation capabilities and tracking WLAN growth. Our data center approach leverages our product portfolio to address the needs of public and private cloud data center providers. We believe that the cloud networking compound annual growth rate will continue to outpace the compound annual growth rate for on-premises managed networking. Our focus is on expanding our technology foothold in the critical cloud networking segment to accelerate not only cloud management adoption, but also subscription-based licensing consumption. • Leverage and expand multiple distribution channels. We distribute our products through select distributors, a large number of resellers and system-integrators worldwide, as well as several large strategic partners. We maintain a field sales force to support our channel partners and to sell directly to certain strategic accounts. As an independent networking vendor, we seek to provide products that, when combined with the offerings of our channel partners, create compelling solutions for end-user customers. • Maintain and extend our strategic relationships. We have established strategic relationships with a number of industry-leading vendors to both, provide increased and enhanced routes to market and collaboratively develop unique solutions. Products Our products and services categories include: • Cloud Networking Platform: Core to our product portfolio and providing the end-to-end visibility from the access edge to the data center is our industry-leading cloud platform and cloud management application, ExtremeCloud IQ. ExtremeCloud IQ is an ML/AI-powered, wired and wireless cloud network management solution that offers advanced visibility and control over users, devices, and applications. ExtremeCloud IQ is designed to allow customers to keep operational costs low, adjust to customer demand, and delivers robust functionality for provisioning, management, troubleshooting and guaranteed data durability to assure access with 100% uptime. ExtremeCloud IQ is available in three deployment options (public, private, on-premises) that support one goal—to provide customers with maximum flexibility, continuous innovation and consistent user experience. It can be deployed in any major data center environment such as AWS, GCP and Azure, or local private cloud options. The ExtremeCloud IQ application already manages over two million devices in public, private, and on-premises global cloud deployment. The platform is run from multiple regional data centers, giving customers greater control over the location of their data and adding to the resiliency of the platform. • Automation, Analytics, and Security Applications: Our application portfolio delivers additional analytics;

security, access control, and management insights both on-premises and in the cloud. ExtremeCloud IQ—Site Engine extends cloud management to non-cloud native and multi-vendor devices to provide one dashboard view of your entire network that can be managed in the cloud or on-premises. ExtremeCloud IQ—Site Engine provides task automation, access control, granular visibility with real-time analytics and multi-vendor device management. ExtremeCloud IQ Essentials provides four key applications—WIPS, location services, IoT, and guest management—for ExtremeCloud IQ Pilot license customers at no added cost, enabling organizations to take advantage of an all-in-one platform for wired and wireless management, business insights, location tracking, wireless security, seamless IoT onboarding and guest access, and guest access through a single user interface.

- **Wireless LAN AP:** One of the industry's broadest and most comprehensive, Extreme's wireless AP portfolio includes both indoor and outdoor Wi-Fi 6 and prior-generation APs. Proven in some of the most demanding environments, Extreme Wireless delivers an exceptional experience for BYOD and mobile users wherever they may roam. Included in that portfolio are our custom stadium and large venue Wi-Fi 6 outdoor APs, which, when combined with Extreme Analytics, are the basis of our selection as the Official Wi-Fi & Analytics Provider for the National Football League ("NFL") and the Major League Baseball ("MLB"). In addition to powering large venues and stadiums, our Extreme APs also deliver flexible and scalable options for highly distributed environments for major companies globally. Our APs allow our customers to purchase unified hardware, starting with our Wi-Fi 6 (802.11ax) AP portfolio, and choose the software mode option for the optimal deployment architecture in their environments. Our premier wireless security solution, Extreme AirDefense delivers intrusion detection and prevention capabilities across the wireless portfolio. Recently, we also introduced the first WIPS solution to incorporate support for Bluetooth and Bluetooth Low Energy ("BLE") visibility and intrusion protection. This includes device location support and change detection, rogue BLE Beacon detection and unsanctioned BLE device detection.
- **Wired for Edge, Campus, and Data Center:** Our switching portfolio includes products designed to make every connection effortless by enabling the deployment of high-speed performance at scale for access, high-density, campus, core, and data center environments. Within the Extreme Switching portfolio are Access Edge products offering connection speeds ranging from 100 Megabytes per second ("Mbps") to 25 Gigabytes per second ("Gbps")—including edge multi-rate 2.5Gbps and 5Gbps capabilities. These switches provide various physical presentations (copper and fiber) along with options to deliver traditional Ethernet or convergence-friendly Power-over-Ethernet ("PoE"), including high-power universal POE consisting of 90W power to support new classes of Ethernet-powered devices. These switching products, combined with our unique fabric capability, deliver automation and hyper-segmentation, as well as features, performance, and reliability required by our customers to deploy, operate and manage converged infrastructure, along with the ability to harden the perimeter of the network infrastructure. Our aggregation/core switches are designed to address the demanding needs of aggregation, top-of-rack, and campus core environments. Delivering 10G, 25G, 40G, 50G, and 100G connectivity with maximum throughput and reliability, these switches provide flexible Ethernet connectivity over a range of interface types and speeds and are available in both fixed and modular configurations. These switching platforms, in conjunction with our advanced operating systems and centralized management software, provide the density, performance, and reliability required to serve in a diverse range of environments, especially where application demands and uptime expectations are mission-critical. Our campus switch portfolio also includes next-generation, low-profile, high-density Ethernet switches that empower the creation of versatile always-on campus solutions that are fabric-enabled and 25 to 100-gigabit-ready. The technologies supported by these innovative platforms can also leverage automated network attachment to proactively reduce operational burden and time-to-service. Extreme's data center switches and routers provide high levels of reliability and throughput—specifically designed to address the exacting demands of high-performance enterprise and cloud data centers. These products are available in both fixed and modular chassis configurations and include a set of advanced features such as redundant management and fabric modules, hot-swappable line cards on our chassis-based platforms, as well as multi-speed stacking of up to 100G and flexible 10/25/40/50/100G port options on our fixed-form platforms, which makes these switches well-suited for enterprise data center environments. Both platform types also provide redundant power supplies and fan trays to ensure high hardware availability. These switches also provide key feature extensions for data centers through technologies that include Virtual Extensible LAN, MPLS/VPLS, and Shortest Path Bridging capabilities. Our industry-first integrated Extreme Fabric Automation simplifies and adds scalability to even the highest performance environments. In addition to these capabilities, our data center switches offer innovative traffic optimization enabling virtual machine mobility via Layer-3 Data Center Interconnect. Our architecture delivers tens of millions of flows for deep visibility and control over users, services, and applications to meet the analytic and policy demands of today's business applications.
- **SD-WAN:** ExtremeCloud SD-WAN is a software-defined wide area networks solution offered as an all-inclusive subscription, which includes hardware, the cloud-based SD-WAN service, support and maintenance, and customer success support. This helps customers reduce total cost of ownership as they deliver quality user experience for applications used in site-to-site and site-to-cloud environments. This solution detects and optimizes applications automatically and can apply performance-based dynamic WAN selection for quality and reliability. Included also are security options such as a built-in zone-based firewall, EdgeSentry (in partnership with Check Point) for cloud-based firewall as a service and other advanced security capabilities, and integration with Secure Web Gateway partners such as Palo Alto Networks, Zscaler, and Symantec.
- **Cloud Native Platforms and Applications for Service Providers:** 5G is the first generation of cellular technologies built on cloud-native principles, and most traditional network visibility tools cannot be easily adapted for future use cases like autonomous vehicles or industrial IoT. Because many 5G use cases are still undefined, service providers need a composable solution that provides visibility into highly distributed environments and is flexible enough to be adjusted for specific purposes as they arise, without requiring expensive, time-consuming infrastructure upgrades. Extreme has introduced the 9000 series switches and related software, featuring the Extreme 9920 intelligent network visibility platform built with cloud-native design principles and a composable data pipeline to provide highly-scalable traffic aggregation, packet filtering, replication, and advanced network packet processing for analytics tools in distributed network environments. The Extreme Visibility Manager has an intuitive graphical user interface to establish new rule-sets and commands

for all of Extreme's visibility devices. It provides full visibility into every aspect of the network, from a highly geographically dispersed environment with regions and zones to the services running on the system.

- **Customer Service and Support:** Our customers seek high reliability and maximum uptime for their networks. To that extent, we provide the following service offerings:
 - o **Support services for end-users, resellers and distributors.** We meet the service requirements of our customers and channel partners through our Technical Assistance Centers ("TACs"), located in Morrisville, North Carolina; Salem, New Hampshire; Aurora, Illinois; San Jose, California; Reading, United Kingdom; Penang, Malaysia; Brno, Czech Republic; Bangalore; Chennai, India; Seoul, Korea and Tokyo, Japan. Our TAC engineers and technicians assist in diagnosing and troubleshooting technical issues regarding customer networks. Development engineers work with the TACs to resolve product functionality issues specific to each customer.
 - o **Premier services.** Premier Support is a proactive, high touch post-sale support service that assists customers in managing their Extreme Networks products and network. All resources and deliverables are designed to manage day-to-day technical needs, provide analysis and recommendations while building strong customer relationships, all focused on the network level.
 - o **Professional services.** We provide consultative services to improve customer productivity in all phases of the network lifecycle—planning, design, implementation, operations and optimization management. Our network architects develop and execute customized software and service-led networking solutions for deployment plans to meet individualized network strategies. These activities may include the management and coordination of the design and network configuration, resource planning, staging, logistics, migration and deployment. We also provide customized training and operational best practices manuals to assist customers in the transition and sustenance of their networks.
 - o **Education.** We offer classes covering a wide range of topics such as installation, configuration, operation, management and optimization—providing customers with the necessary knowledge and experience to successfully deploy and manage our products in various networking environments. Classes may be scheduled and available at numerous locations worldwide. We deliver training using our staff, on-line training classes and authorized training partners. In addition, we make much of our training materials accessible free-of-charge on our internet site for customers and partners to use in self-education. We believe this approach enhances the market's ability to learn and understand the broad array of advantages of our products.
- **Sales, Marketing and Distribution** We conduct our sales and marketing activities on a worldwide basis through a channel that utilizes distributors, resellers and our field sales organization. As of June 30, 2023, our worldwide sales and marketing organization consisted of 1,172 employees, including vice presidents, directors, managers, sales representatives, and technical and administrative support personnel. We have domestic sales offices located in four states within the United States and international sales offices located in 28 countries. We sell our products primarily through an ecosystem of channel partners who combine our infinite enterprise vision and product portfolio consisting of cloud-driven applications, wired, wireless, management and analytics software products with their vertical specific offerings to create compelling information technology solutions for end-user customers. We utilize our field sales organization to support our channel partners and to sell directly to certain end-user customers, including some large enterprise and service provider global accounts. The details of our sales and distribution channels are as follows:
 - **Original Equipment Manufacturers ("OEM") and Strategic Relationships.** We have active alliance, OEM and strategic relationships with Bareo NV, Eriesson Enterprise AB, Lenovo, Motorola Solutions, Schneider Electric, and Verizon as well as other global industry technology leaders in which our products are qualified to be included into an overall solution or reference architecture. These tested and validated solutions are then marketed and sold by the alliance, OEM or strategic partners into their specific verticals, market segments and customers as turnkey offerings.
 - **Distributors.** We have established several key relationships with leading distributors in the electronics and computer networking industries. Each of our distributors primarily resells our products to resellers. The distributors enhance our ability to sell and provide support to resellers who may benefit from the broad service and product fulfillment capabilities offered by these distributors. Extreme maintains distribution agreements with our largest distributors, Westeon Group Inc., TD Synnex Corporation and Jenne Inc. on substantially the same material terms as we generally enter into with each of our distribution partners. Distributors are generally given the right to return a portion of inventory to us for the purpose of stock rotation, to claim rebates for competitive discounts and participate in various cooperative marketing programs to promote the sale of our products and services.
 - **Resellers.** We rely on many resellers worldwide that sell directly to the end-user customer. Our resellers include regional networking system resellers, resellers who focus on specific vertical markets, value added resellers, network integrators and wholesale resellers. We provide training and support to our resellers and our resellers generally provide the first level of contact to end-users of our products. Our relationships with resellers are on a non-exclusive basis. Our resellers are not given rights to return inventory and do not automatically participate in any cooperative marketing programs.
 - **Field Sales.** Our field sales organization is trained to sell solutions, support and develop leads for our resellers and to establish and maintain key accounts and strategic end-user customers. To support these objectives, our field sales force:
 - o Assists end-user customers in finding solutions to complex network system and architecture problems;
 - o Differentiates the features and capabilities of our products from competitive offerings;
 - o Continually monitors and understands the evolving networking needs of enterprise and service provider customers;
 - o Promotes our products and ensures direct contact with current and potential customers; and
 - o Assists our resellers to drive business opportunities to closure.
- **Vertical Markets.** Although we compete in many vertical markets, in fiscal year 2023, we have focused on the specific verticals of healthcare, education, retail, manufacturing, government, sports, and entertainment venues. Years of experience and a track record of success in the verticals we serve enable us to address industry-specific problems.
- **Customer Profiles:** Furthermore, in fiscal 2023, we decided to continue focus on the following customer profiles where we believe we can add the most value:
 - **Customer size:** Those customers with annual revenues of \$ 100 million to \$ 2.5 billion.
 - **Target deployment:** Campus deployments with 250 to 5,000 employees or education campuses with 1,000 to 15,000 students.
 - **Target data centers:** Data centers with 1,000 racks or fewer, with an emphasis on service provider networks.
 - **Vertical markets:** Healthcare, education, government, manufacturing, retail, and hospitality, which includes sports and entertainment venues.
 - **Customer characteristics:** Our customers tend to operate in transient environments, such as college campuses, hospitals and

sports venues, where BYOD and secure network access and identity control are critical. Their networks must be highly available with the ability to continue operations in the event of a service interruption. Secure access is essential to ensuring the protection of mission-critical systems and confidential information. Often tasked to manage the network with a limited IT staff, our customers appreciate the excellent service and support we strive to provide. Customers with 10% of net revenues or greater See Note 3, Revenues, in the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for more information regarding our customers with 10% of net revenues or greater. International sales International sales are an important portion of our business. In fiscal 2023, sales to customers outside of the United States accounted for 56% of our consolidated net revenues, compared to 55% in fiscal 2022, and 52% in fiscal 2021. These sales are conducted primarily through foreign-based distributors and resellers managed by our worldwide sales organization. In addition, we have direct sales to end-user customers, including large global accounts. The primary markets for sales outside of the United States are countries in Europe and Asia, as well as Canada, Mexico, Central America and South America. We operate in one segment, the development and marketing of network infrastructure equipment and related software. Information concerning revenues, results of operations and revenues by geographic area is set forth under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Information on risks attendant to our foreign operations is set forth below in Item 1A, "Risk Factors." We continue to develop and execute a number of marketing programs to support the sale and distribution of our products by communicating the value of our solutions to our existing and potential customers, our distribution channels, our resellers and our technology alliance partners. Our marketing efforts include participation in industry tradeshows, conferences and seminars, publication of technical and educational articles in industry journals, communication across social media channels, frequent updates to our publicly available website, promotions, web-based training courses, advertising, analyst relations and public relations. We also submit our products for independent product testing and evaluation. Extreme participates in numerous industry analyst recognitions and placements including Gartner Magic Quadrants, Gartner Critical Capabilities, Gartner Peer Insights, Gartner Customer Choice, Forrester Waves and IDC MarketScapes. Backlog Our products are sold based on standard purchase orders and backlog represents confirmed orders with a purchase order for products to be fulfilled and billed to customers with approved credit status. Actual shipments of products depend on the then-current capacity of our contract manufacturers and the availability of materials and components from our vendors. Although, we believe the orders included in the backlog are firm, all orders are subject to possible rescheduling by customers, and cancellations by customers, which we may elect to allow on an exception basis. Therefore, we do not believe our backlog, as of any particular date is necessarily indicative of actual revenues for any future period. Our product backlog at June 30, 2023, net of anticipated back-end rebates for distributor sales, was \$ 267.3 million, compared to \$ 513.0 million at June 30, 2022. The decrease in backlog year over year is primarily due to a combination of a resumption in shipment of orders during fiscal 2023, after experiencing significant delays due to supply chain constraints in prior years, and a reduction in distributor orders due to shorter lead times. Seasonality Like many of our competitors, we historically have experienced seasonal fluctuations in customer spending patterns, which generally adversely affect our first and third fiscal quarters. This pattern should not be relied upon or be considered indicative of our future performance, as it has varied in the past. Manufacturing We utilize a global sourcing strategy that emphasizes procurement of materials and product manufacturing in competitive geographies. We rely upon third-party contract manufacturers and original design manufacturers ("ODM"), such as Alpha Networks, Inc, Lite-On Technology Corporation, Hon Hai Precision Industry Co., Ltd (Foxconn), Quanta Computer Inc., Senao Networks, Inc., Sereomm Corporation and Wistron Neweb Corporation to manufacture, support and ship our products, and therefore are exposed to risks associated with their businesses, financial condition, geographies and geopolitical conflict in which they operate. Our arrangements with these Tier 1 manufacturers generally provide for quality, cost, and delivery requirements, as well as manufacturing process terms, such as continuity of supply; inventory management; flexible capacity, quality, and cost management; oversight of manufacturing; and conditions for use of our intellectual property that allow us to adjust more quickly to changing end-customer demand. We also leverage and depend on the strong Environmental, Social and Governance policies and standards of our Tier 1 manufacturers. The ODM manufacturing process uses automated testing equipment and burn-in procedures, as well as comprehensive inspection, testing, and statistical process controls, which are designed to help ensure the quality and reliability of our products. To mitigate security risks associated with conducting business across our interconnected supply chain we have a Supply Chain and Information Security Policy and related procedures for communicating our requirements to suppliers and conducting annual compliance assessments. Additionally, we have launched new product features such as Secure Boot, which are being designed to provide additional integrity assurance of the firmware and software running on our hardware platform by establishing an encrypted key-based chain-of-trust relationship in the boot process. The manufacturing processes and procedures are generally certified to International Organization for Standardization ("ISO") 9001 standards. The manufacturing process and material supply chains are flexible enough to be moved to steer away from geopolitical conflicts that impact cost and delivery. We use a collaborative sales and operations planning forecast of expected demand based upon historical trends and analyses from our sales and product management functions as adjusted for overall market conditions. We update these forecasts monthly to determine our material requirements. Our manufacturing partners procure the components needed to build our products based on our demand forecasts. This allows us to leverage the purchasing power of our manufacturing partners. Our products rely on key components, including merchant silicon, integrated circuit components and power supplies purchased from a limited number of suppliers, including certain sole source providers. Lead times for materials and components vary significantly, and depend on factors such as the specific supplier, complexity, contract terms, demand and availability for a component at a given time. From time to time, we may experience price volatility or supply constraints for certain components that are not available from multiple qualified sources or where our suppliers are geographically concentrated. The onset of the coronavirus ("COVID-19") pandemic presented numerous challenges to global supply chains, causing disruptions and bottlenecks that led to a constrained environment. However, amidst these adversities, we are beginning

to witness the first signs of improvement. We were quick to adapt, implementing innovative strategies to enhance resilience and agility into our supply chain. Utilizing technology brought forward from our ongoing Digital Transformation project, which entailed integrating digital technology into all areas of our business, changed how we operate and deliver value to customers. In this case, new systems and processes gave us better visibility and control over inventory. Collaborative partnerships with our ODMs and diversified sourcing strategies also emerged, fostering greater flexibility and risk mitigation. Although the journey to full recovery is ongoing, these early improvements serve as a testament to the resilience and adaptability of our supply chain in the face of unprecedented challenges. Our product development efforts also depend upon continued collaboration with our key suppliers, including our merchant silicon vendors such as Broadcom. As we develop our product roadmap and continue to expand our relationships with these and other merchant silicon vendors, it is critical that we work in tandem with our key vendors to ensure that their silicon includes improved features and that our products take advantage of such improved features. We believe our sourcing and manufacturing strategy allowed us to adjust quickly to changes in market demand, working with our ODM suppliers and developing direct relationships with key component suppliers to support the backlog. We continue to focus on optimizing product availability through sourcing, rationalizing our supply chain, outsourcing or virtualizing certain activities, and consolidating distribution sites and service logistics partners. These efforts also include process optimization initiatives, such as vendor managed inventory, and other operational models and strategies designed to drive improved efficiencies in our sourcing, production, logistics and fulfillment.

Research and Development The success of our products to date is due in large part to our focus on research and development. We believe that continued success in the marketplace relies on our ability to regularly bring to the market new and enhanced products employing leading-edge technology that provide business solutions affordably, securely, and effortlessly. Accordingly, we are undertaking development efforts with an emphasis on increasing the scalability, reliability, usability, and security while innovating our user and buyer experience reducing complexity and the overall network operating costs of customers. Our product research and development activities focus on solving the needs of customers in the enterprise campus edge and core by providing a unified wired, wireless, and SD-WAN cloud-driven network, enabling secure access from edge to public, hybrid, or private clouds in targeted verticals. Current activities include the continuing development of our innovative switching technology aimed to give our customers flexibility in how they deploy, connect to the cloud, monitor, and configure instantly saving time and money. Our ongoing research activities cover a broad range of areas, including cloud native technologies and solutions, generative AI, network security, identity management, wired and wireless networking, switching, and routing, open standards interfaces, software defined networks, campus, and data center fabrics. In addition, we continue to invest in ML / AI technology solutions targeting self-healing autonomous networking, Cloud Wi-Fi, IoT anomaly detection, and user recommendations. We continue to enhance the functionality of our network operating systems which have been designed to provide high reliability, scale, and availability. This allows us to leverage a common operating system across different hardware and network chipsets. As of June 30, 2023, our research and development organization consisted of 788 employees. Research and development efforts are conducted in several of our locations, including Morrisville, North Carolina; San Jose, California; Salem, New Hampshire; Toronto, Canada; Shannon, Ireland; Massy, France; Hangzhou, China; and Bangalore and Chennai, India.

Intellectual Property We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. As of June 30, 2023, we had 721 issued patents in the United States and 465 patents outside of the United States. The expiration dates of our issued patents in the United States range from calendar years 2023 to 2041. Although we have patent applications pending, there can be no assurance that patents will be issued from pending applications or that claims allowed on any future patents will be sufficiently broad to protect our technology. As of June 30, 2023, we had 36 registered trademarks in the United States and 326 registered trademarks outside of the United States. We enter into confidentiality, inventions assignment or license agreements with our employees, consultants and other third parties with whom we do business, and control access to, and distribution of, our software, documentation and other proprietary information. In addition, we provide our software products to end-user customers primarily under “clickwrap” license agreements. These agreements are not negotiated with or signed by the licensee, and thus these agreements may not be enforceable in some jurisdictions. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our products or technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States.

Competition The market for network switches, routers and software (including analytics) which is part of the broader market for networking equipment, is extremely competitive and characterized by rapid technological progress, frequent new product introductions, changes in customer requirements and evolving industry standards. We believe the principal competitive factors in this market are: • expertise and familiarity with network protocols, network switching / routing / wireless and network management; • robust, cloud-driven options that reduce the cost of acquisition, provisioning, and ongoing management of network management; • expertise and familiarity with application analytics software; • expertise with network operations and management software; • expertise in machine learning and artificial intelligence; • product performance, features, functionality and reliability; • price / performance characteristics; • timeliness of new product introductions; • adoption of emerging industry standards; • customer service and support; • size and scope of distribution network; • brand name; • breadth of product offering; • access to customers; and • size of installed customer base. We believe we compete with our competitors with respect to many of the foregoing factors. However, the market for network switching solutions is dominated by a few large companies, particularly Cisco Systems, Inc., Hewlett-Packard Enterprise Co., Huawei Technologies Co. Ltd., Arista Networks Inc., Juniper Networks Inc. Most of these competitors have longer operating histories, greater name recognition, larger customer bases, broader product lines and substantially greater financial, technical, sales, marketing and other resources. We expect to face increased competition from both traditional networking solutions companies and cloud platform companies offering Infrastructure as a Service (“IaaS”) and Platform as a Service (“PaaS”) products to enterprise customers. In that regard, we expect to face increased competition from certain cloud computing companies such as Amazon, Microsoft, and Google providing a cloud-based platform

of data-center compute and networking services for enterprise customers. We believe Extreme is uniquely positioned to address its overarching vision of the future, the Infinite Enterprise, with its bet on industry-leading cloud solutions, automation and AI. Although we believe that our solutions and strategy will improve our ability to meet the needs of our current and potential customers, we cannot guarantee future success.

Restructuring and Impairment Fiscal year 2021 During fiscal year 2021, the Company continued its effort associated with the reduction-in-force plan (the "2020 Plan") which was initiated during the third-quarter of fiscal 2020, due to the global disruptions and slow-down in the demand of our products caused by the global pandemic outbreak of COVID-19, and the uncertainty around the timing of the recovery of the market. The plan was executed to reduce our operating costs and enhance financial flexibility. Along with the reduction and realignment of the headcount under the 2020 Plan, we continued the process of relocating certain lab test equipment to third-party consulting companies during fiscal 2021 and fiscal 2022. Fiscal year 2022 During fiscal year 2022, the Company completed the reduction and realignment of the headcount and relocation of lab test equipment initiated under the 2020 Plan. Fiscal year 2023 During fiscal 2023, the Company initiated a restructuring plan to transform our business infrastructure and reduce our facilities footprint and the facilities related charges (the "2023 Plan"). As part of this project the Company will move engineering labs from its San Jose, California location to its Salem, New Hampshire location. This move is expected to help reduce the cost of operating our labs. The Company expects that the project will take about 18 to 24 months for completion and expects to incur charges of approximately \$10.0 million throughout this period primarily for asset disposals, contractor costs, severance, relocation and other non-recurring fees.

Environmental Matters We are subject to various environmental and other regulations governing product safety, materials usage, packaging and other environmental impacts in the United States and in various countries where our products are manufactured and sold. We are also subject to regulatory developments, including SEC disclosure regulations relating to so-called "conflict minerals," relating to ethically responsible sourcing of the components and materials used in our products. To date, compliance with federal, state, local, and foreign laws enacted for the protection of the environment has had no material effect on our capital expenditures, earnings, or competitive position. We are committed to improving energy efficiency in our product lines. Accordingly, we believe this is an area that affords us a competitive advantage for our products in the marketplace. We maintain compliance with various regulations related to the environment, including the Waste Electrical and Electronic Equipment and the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment regulations adopted by the European Union. To date, our compliance efforts with various United States and foreign regulations related to the environment have not had a material effect on our operating results.

Human Capital At Extreme, we manage our human capital guided by our core values of Candor, Transparency, Curiosity, Teamwork, Ownership, and Inclusion. We apply these principles to talent acquisition and management, compensation and benefits, and diversity and inclusion. As of June 30, 2023, we employed 2,849 people. Of these, 41.1% work in sales and marketing, 27.7% in research and development, 4.2% in operations, 16.3% in customer support and services and 10.7% in finance and administration. These employees were located worldwide, with 47.3% located in the United States, 7.9% in other locations in the Americas, 26.0% in the Asia-Pacific region ("APAC"), which includes India and 18.8% in the regions of Europe, Middle East and Africa ("EMEA"). None of our U.S. employees are subject to a collective bargaining agreement. In certain foreign jurisdictions, where required by local law or customs, some of our employees are represented by local workers' councils and/or industry collective bargaining agreements. We consider our relationship with our employees to be good, and we have not experienced any work stoppages due to labor disagreements.

Talent Acquisition and Management. We strive to attract and retain the most qualified employees for each role within the Company. To do this, we utilize various recruiting channels, including employee referrals and those targeting diverse candidates. We on-board new employees through the New Hire Academy and encourage skill development throughout the employee journey utilizing various role-specific training programs, career development tools, manager training, coaching, and mentorship.

Compensation and Benefits. Our compensation philosophy is to offer a competitive compensation package designed to reward achievement of the Company's goals. Our short-term bonus plan is designed to motivate employees to meet half-year goals, and our employee stock purchase plan and grants of restricted stock units to eligible employees reward longer-term stock price appreciation. Our U.S. benefits plan includes health benefits, life and disability insurance, various voluntary insurances, flexible time off and leave programs, an employee assistance plan, an educational assistance policy, and a 401(k) plan with a competitive employer match. Our international benefits plans are competitive locally and generally provide similar benefits.

Diversity and Inclusion. We believe that we gain valuable perspective that drives better decision making when we listen to diverse voices. To foster an inclusive environment, we support several employee resource groups ("ERGs"), including Women in Networking, Black @ Extreme (Black / African American), LaRaza (Hispanic), Maitri (employees in India), Pride Alliance (LGBTQ+), Global Veterans Council, API (Asian Pacific Islanders), APPs (Aspiring Professionals Program) and Abilities Alliance (employees with disabilities). We are stepping up to this challenge of fostering an inclusive environment through efforts to improve recruiting of diverse candidates, identify and support high potential employees, and retain diverse employees. We were incorporated in California in May 1996 and reincorporated in Delaware in March 1999. Our corporate headquarters are located at 2121 RDU Center Drive, Suite 300, Morrisville, NC 27560 and our telephone number is (408) 579-2800. We electronically file our Securities Exchange Commission ("SEC") disclosure reports with the SEC and they are available free of charge at both www.sec.gov and www.extremenetworks.com. Our corporate governance guidelines, the charters of our Audit Committee, our Compensation Committee, our Nominating, Governance, Environmental & Social Responsibility Committee and our Code of Business Conduct and Ethics policy (including code of ethics provisions that apply to our principal executive officer, principal financial officer, controller and senior financial officers) are available on the Investors section of our website at investor.extremenetworks.com under "Corporate Governance." These items are also available to any stockholder who requests them by calling (408) 579-2800.

Item 1A. Risk Factors We face a number of risks and uncertainties which may have a material and adverse effect on our business, operations, industry, financial condition, results of operations or future financial performance:

While we believe we have identified and discussed below the key risk factors affecting our business, there may be additional risks and uncertainties that are not presently known or that are not currently believed to be significant that may adversely affect our business, results of operations, industry, financial position and financial performance in the future. Risks Related to Our Business, Operations, and Industry Intense competition in the market for networking equipment and cloud platform companies could prevent us from increasing revenues. The market for network switching solutions is intensely competitive and dominated primarily by Cisco Systems Inc., Hewlett- Packard Enterprise Company, Juniper Networks, Huawei Technologies Co. Ltd., and Arista Networks, Inc. Most of our competitors have longer operating histories, greater name recognition, larger customer bases, broader product lines and substantially greater financial, technical, sales, marketing and other resources. As a result, these competitors are able to devote greater resources to the development, promotion, sale and support of their products. In addition, they have larger distribution channels, stronger brand names, access to more customers, a larger installed customer base and a greater ability to make attractive offers to channel partners and customers than we do. Further, many of our competitors have made substantial investments in hardware networking capabilities and offerings. These competitors may be able to gain market share by leveraging their investments in hardware networking capabilities to attract customers at lower prices or with greater synergies. ~~Some of our customers may question whether we have the financial resources to complete their projects and future service commitments.~~ We may also face increased competition from both traditional networking solutions companies and cloud platform companies offering IaaS and PaaS products to enterprise customers. In particular, **AWS-Amazon Web Services**, Microsoft Azure, and ~~the~~ Google Cloud Platform may provide enterprise customers with a cloud- based platform of data center computing and networking services. For example, we have encountered, and expect to continue to encounter in the future, many potential customers who are confident in and committed to the product offerings of our principal competitors. Accordingly, these potential customers may not consider or evaluate our products. When such potential customers have considered or evaluated our products, we have in the past lost, and expect in the future to lose, sales to some of these customers as large competitors have offered significant price discounts to secure these sales. The pricing policies of our competitors impact the overall demand for our products and services. Some of our competitors are capable of operating at significant losses for extended periods of time, increasing pricing pressure on our products and services. If we do not maintain competitive pricing, the demand for our products and services, as well as our market share, may decline. From time to time, we may lower the prices of our products and services in response to competitive pressure. When this happens, if we are unable to reduce our component costs or improve operating efficiencies, our revenues and gross margins will be adversely affected. One of our key differentiators is the quality of our support and services. Our failure to continue to provide high- quality support and services could have a material **materially** ~~adverse~~ **adversely** effect ~~on~~ our business, financial condition, **operating** results, **and** **future growth prospects.** **Adverse general economic conditions or reduced information technology spending may adversely impact our business. A substantial portion of our business depends on the demand for enterprise scale networking and the overall economic health of our current and prospective end- customers. Volatility in the global economic market or other global or regional economic uncertainty, limited availability of credit, a reduction in business confidence and activity, deficit- driven austerity measures impacting governments and educational institutions, and other difficulties may affect one or more of the industries to which we sell our products and services. If economic conditions continue to be uncertain, many existing and prospective end- customers may delay or reduce their IT spending. This could result in reductions in sales of our products and services, longer sales cycles, slower adoption of new technologies and increased price competition. Any of these events could materially adversely affect our business, financial condition, operating results, and future financial performance. If we are not able to effectively forecast demand or manage our inventory, we may be required to record write- downs for excess or obsolete inventory. We maintain sufficient inventory of finished goods and, to a lesser extent, raw materials and drive demand with our third- party manufacturers in amounts that we believe allow for timely fulfillment of sales. We estimate required levels of inventory based on current and anticipated demand, market conditions, and product development cycles. Our estimates are also based on inventory levels and sales data from our distributors, which are not always reliable or timely. The actual levels of inventory are subject to the impact of external factors such as supply shortages, macroeconomic conditions, technology shifts, or price changes. Distributors may increase or decrease the levels of inventory that they order to meet supply shortages or expected demand. If distributors increase orders to build up stock out of concern for product shortages, or to meet anticipated demand that does not materialize, we may have excess channel inventory, leading to reductions in future period orders from our distributors. If we incorrectly forecast demand, we may build up excess inventory. Higher levels of inventory expose us to a greater risk of carrying excess or obsolete inventory, which may in turn lead to write- downs. We may also record write- downs in connection with the end- of- life for specific products in our inventory. In the fourth quarter of 2024, we recorded additional reserves due to certain excess and obsolete inventory. However, if we have insufficient inventory, we risk not being able to maximize sales, thus negatively impacting revenue and could impair our distributor relationships, potentially jeopardizing our ability to build revenue in the future. Any of these situations could materially adversely affect our business, financial conditions, and operating results. We enter into agreements with contract manufacturers and suppliers based on our anticipated demand, market conditions, and product development cycles. These contracts obligate us to purchase commitments for raw materials and finished goods. If demand for our products is lower than expected, we may be obligated to purchase excess product or raw materials from our suppliers, resulting in an adverse impact on our cash flows, operating expenses, financial condition, and operating results. During fiscal 2024, we recorded significant charges due to excess inventory and such commitments to our suppliers. If we incorrectly forecast demand, our financial performance could suffer and we have in the past and could in the future be required to write- ~~of~~ off the value of excess products or components inventory. If we are unable to manage our inventory or commitments to suppliers in the future, particularly in light of continuing excess**

inventory in the channel, we could be required to record additional charges, which would materially adversely affect our business, financial condition, and operating results. System security risks, data breaches, and cyberattacks could compromise our proprietary information, disrupt our internal operations, impact services to customers, and harm public perception of our products, which could materially adversely affect our business, financial condition, operating results, and future growth prospects. ~~our products, which could adversely affect our business, financial condition and results of operations.~~ In the ordinary course of business ~~using systems that we own and manage~~, we provide cloud- based services and store data, including intellectual property, and our proprietary business information and that of our customers, suppliers and business partners on our networks ~~and information about customers, employees, business partners and others~~. In addition, we store information through cloud- based services that may be hosted by third parties and in data center infrastructure maintained by third parties. The secure provision of services and maintenance of this information ~~and our IT systems~~ is critical to our operations and business strategy. ~~Increasingly~~ We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our IT systems and data including from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as social engineering / phishing, malware (including ransomware), technological error, and as a result of bugs, misconfigurations or exploited vulnerabilities in software or hardware, including vulnerabilities in commercial software that is integrated into our (or our suppliers' or service providers') IT systems, products or services. Increasingly, companies, including us, are subject to a variety of attacks on their networks and / or cloud- based services on an ongoing basis. The number of sophisticated attacks continues to increase on a global scale in frequency and magnitude. Attacks could include supply chain attacks targeting our suppliers and attempts to penetrate our systems or disrupt our services directly. In some cases, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain vulnerabilities in design or manufacture that could allow network intrusion or unexpectedly interfere with the operation of our systems, products or services we provide to customers. Usage of " legacy " products that have been determined to have reached an end- of- life engineering status but will continue to operate for a limited amount of time may subject us or our customers to vulnerabilities. Further, employee error, malfeasance, or other disruptions can result in a security or data breach. Despite our security measures, we may not be able to effectively detect, prevent, or protect against or otherwise mitigate losses from all cyberattacks or prevent all security or data breaches. There can also be no assurance that our cybersecurity risk management program and processes, including our policies, controls, or procedures, will be fully implemented, complied with or effective in protecting our IT systems and data. Because the techniques and tools used by bad actors, many of whom are highly sophisticated and well- funded, to access or sabotage networks change frequently and generally are not recognized until after they are used, we may be unable to anticipate or immediately detect and remediate these techniques. Any such breach could compromise our networks, products, or cloud- based services by creating system disruptions, slowdowns or even shutdowns, and exploiting security vulnerabilities of our products or services, and the information stored as part of our operations could be accessed, publicly disclosed, lost or stolen. Such events, which could subject us to liability to our customers, suppliers, business partners and others, could require significant management attention and resources, could result in the loss of business, regulatory actions and potential liability, and could cause us reputational and financial harm. Additionally, because our products and services are integrated with our customers' systems and processes, any circumvention or failure of our cybersecurity defenses or measures could compromise the confidentiality, integrity, and availability of our customers' own IT systems and / or our customers' proprietary or other sensitive information. Any adverse impact to the availability, integrity or confidentiality of our IT systems, including any actual or perceived breach of network security occurs in our products, network, or in the network of a customer of our networking products, regardless of whether the breach is attributable to our products, the market perception of the effectiveness or security of our products could be harmed. This could impede our sales, manufacturing, distribution, or other critical functions, which could materially adversely affect our business, financial condition, operating results, and future growth prospects. Further, this could result in legal claims or proceedings (such as class actions), regulatory investigations and enforcement actions, fines and penalties. In addition, the economic costs to us to eliminate, mitigate, or recover from, or remediate cyber or other security problems, such as bugs, viruses, worms, ransomware or other malware, and security vulnerabilities could be significant and may be difficult to anticipate or measure. We cannot guarantee that any costs and liabilities incurred in relation to an attack or incident will be covered by our existing insurance policies or that applicable insurance will be available to us in the future on economically reasonable terms or at all. Any or all of the foregoing could materially adversely affect our business, operating results, and financial condition. Supply chain issues such as concentration of suppliers and manufacturing partners, supplier disruptions, shipping delays, material or components shortages, quality control, regulatory impacts, and inability to reduce manufacturing costs could harm our business, financial condition, and operating results. We primarily rely on our manufacturing partners Alpha Networks, Inc, Senao Networks, Inc., Wistron Neweb Corporation, Sercomm Corporation, Quanta Computer Inc, Lite- On Technology Corp, and select other partners to manufacture our products. In addition, we currently purchase several ~~some~~ key components used in the manufacturing of our products from single or limited sources and are dependent upon supply from these sources to meet our needs. ~~At present~~ Our top six suppliers accounted for a significant portion of our purchases during the year. Given the concentration of our supply chain, particularly with certain sole or limited source providers, any significant disruption to any of the key suppliers or a termination of a relationship could temporarily impact our operations. Such disruptions could be caused by natural disasters, public health emergencies such as pandemics, business interruption related to financial or operational factors, geopolitical events such as the threat of political or military actions, including between China and Taiwan, energy constraints, regulatory constraints, labor or raw materials shortages, quality issues,

transportation or shipping delays, tariffs or other trade restrictions, or other events. In the past, for example, semiconductor chips and other components are currently in have been difficult to obtain due to high demand but or limited supply has increased over the past year. These disruptions could Energy, raw material, and transportation costs, which are resulting result in sustained lead- times, higher overall component costs, extra as well as delivery costs for expedited shipments, and shortages and allocations of certain components, resulting in delays in filling orders or even delayed product introductions. Additional factors that may impact costs and shipments include energy, raw material, and transportation costs, as well as an increased demand from the AI industry. Similar delays could occur in the future with similar impacts. In addition, while we maintain strong relationships with our manufacturing partners and suppliers, our agreements with them are still higher than historical generally of limited duration and pricing, quality, and volume commitments are negotiated on a recurring basis. Manufacturing partners and suppliers may be unable or unwilling to renew agreements with consistent terms, and could materially increase prices (including increases related to inflationary pressures) or reduce quantity, quality, volume, or service levels level standards. We may not be able to pass along increased costs to our customers, although which could negatively impact gross margin. Reductions in quantity or quality of finished product could decrease the amount of product for sale and could negatively impact the Company is' s reputation, financial condition, and operating results. Qualifying new suppliers to compensate for such shortages or delays may be time- consuming and costly and may increase the likelihood of errors in design or production as replacement suppliers may not meet the quality requirements of our customers. The Company actively works working with suppliers to reduce these costs exposures, but is unable to completely eliminate them. For example, manufacturing operations have been moved out of China to other countries. While this has eliminated the impact of current import tariffs, the uncertainty of new import tariffs still exists. If we are unable to mitigate these effects, this could have a material adverse effect on our ability to meet customer orders and will negatively impact our gross margin and results of operations. Our principal sole- source components include: • ASICs- merchant silicon, Ethernet switching, custom and physical interface; • microprocessors; • programmable integrated circuits; • selected other integrated circuits; • custom power supplies; and • custom- tooled sheet metal. Our principal limited- source components include: • flash memory; • DRAMs and SRAMs; • printed circuit boards; • CAMs; • connectors; and • timing circuits (crystals & clocks). We use our forecast of expected demand to determine our material requirements. Lead times for materials and components we order vary significantly, and depend on factors such as the specific supplier, contract terms and demand for a component at a given time. If forecasts exceed orders, we may have excess and / or obsolete inventory, which could have a material adverse effect on our business, operating results and financial condition. If orders exceed forecasts, we may have inadequate supplies of certain materials and components, which could have a material adverse effect on our ability to meet customer delivery requirements and to recognize revenue. Our top ten suppliers accounted for a significant portion of our purchases during the year. Given the significant concentration of our supply chain, particularly with certain sole or limited source providers, any significant interruption by any of the key suppliers or a termination of a relationship could temporarily disrupt our operations. Additionally, our operations are materially dependent upon the continued market acceptance and quality of these manufacturers' products and their ability to continue to manufacture products that are competitive and that comply with laws relating to environmental and efficiency standards. Our inability to obtain products from one or more of these suppliers or a decline in market acceptance of these suppliers' products could have a material adverse effect on our business, results of operations and financial condition. We do not have any material agreements with fixed long- term prices or minimum volume requirements from suppliers. From time to time we have experienced shortages and allocations of certain components, resulting in delays in filling orders. Qualifying new suppliers to compensate for such shortages may be time- consuming and costly and may increase the likelihood of errors in design or production. In addition, during the development of our products, we have experienced delays in the prototyping of our chipsets, which in turn has led to delays in product introductions. Similar delays may occur in the future. Furthermore, the performance of the components from our suppliers as incorporated in our products may not meet the quality requirements of our customers. We expect that supply chain lead times will not revert to pre- COVID- 19 timeframes. The Company is working to adapt to these changes by building revised lead times into its planning and forecasting processes and setting expectations with channel partners. We primarily rely on our manufacturing partners Alpha Networks, Inc, Senao Networks, Inc, Hon Hai Precision Industry Co., Ltd (Foxconn), Delta Electronics Inc, Wistron Neweb Corporation, Sereomm Corporation, Quanta Computer Inc, Lite- On Technology Corp, and select other partners to manufacture our products. We have experienced delays in product shipments from some of our partners in the past, which in turn delayed product shipments to our customers. These or similar problems may arise in the future, such as delivery of products of inferior quality, delivery of insufficient quantity of products, or the interruption or discontinuance of operations of a manufacturer or other partner, any of which could have a material adverse effect on our business and operating results. While we maintain strong relationships with our manufacturing and other partners, our agreements with these manufacturers are generally of limited duration and pricing, quality, and volume commitments are negotiated on a recurring basis. The failure to maintain continuing agreements with our manufacturing partners or find replacements for them in a timely manner could adversely affect our business. We intend to introduce new products and product enhancements, which will require that we rapidly achieve volume production by coordinating our efforts with those of our suppliers and contract manufacturers. As part of our cost- reduction efforts, we will need to realize lower per unit product costs from our manufacturing partners by means of volume efficiencies and the utilization of manufacturing sites in lower- cost geographies. However, we cannot be certain when or if such price reductions will occur, particularly in light of supply chain disruptions and inflationary pressures. The failure to obtain such price reductions would materially adversely affect our business, financial condition, and operating results. In addition, any natural disaster, pandemic, or business interruption to our manufacturing partners could significantly disrupt our business. Business interruption could be caused by geopolitical factors, including political or military actions between China and future financial performance Taiwan, where much of our product

and their components are manufactured. Further, some of our products are manufactured in China and are therefore subject to the possibility of additional import tariffs. The U. S. government has previously announced import tariffs on goods manufactured in China. These tariffs, depending upon their ultimate scope, duration and how they are implemented, could negatively impact our business by continuing to increase our costs and by making our products less competitive. We may not be able to pass such increased costs on to our customers. The relocation of contract manufacturing facilities to locations outside of China or Taiwan may increase our costs and could impact the global competitiveness of our products. We depend upon international sales for a significant portion of our revenues, which imposes a number of risks on our business. International sales constitute a significant portion of our net revenues. Our ability to grow will depend in part on the expansion of international sales. Our international sales primarily depend on the success of our resellers and distributors. The failure of these resellers and distributors to sell our products internationally would limit our ability to sustain and grow our revenues. There are a number of risks arising from our international business, including:

- difficulties in managing operations across disparate geographic areas;
- longer accounts receivable collection cycles;
- higher credit risks requiring cash in advance or letters of credit;
- potential adverse tax consequences;
- increased complexity of accounting rules and financial reporting requirements;
- the payment of operating expenses in local currencies, which exposes us to risks of currency fluctuations;
- fluctuations in local economies;
- difficulties associated with enforcing agreements through foreign legal systems
- reduced or limited protection of intellectual property rights, particularly in jurisdictions that have less developed intellectual property regimes, such as China and India;
- differing privacy regulations, data localization requirements, and restrictions on cross-border data transfers;
- compliance with regulatory requirements of foreign countries, including compliance with rapidly evolving environmental regulations;
- import tariffs imposed by the United States and the possibility of reciprocal tariffs by foreign countries;
- compliance with export controls, trade compliance laws and regulations, including restrictions on trade with embargoed or sanctioned countries or with denied parties, and rules related to the export of encryption technology
- compliance with U. S. laws and regulations pertaining to the sale and distribution of products to customers in foreign countries, including anti-corruption laws such as the Foreign Corrupt Practices Act (“FCPA”) and the U. K. Bribery Act 2010;
- difficulty in conducting due diligence with respect to business partners in certain international markets;
- political and economic turbulence or uncertainty;
- terrorism, war or other armed conflict; and
- natural disasters, epidemics, and pandemics.

Any or all of these factors could have a material adverse impact on our business, financial condition, and operating results of operations. Substantially all of our international sales are U. S. Dollar-denominated. The continued strength and future increases in the value of the U. S. Dollar relative to foreign currencies could make our products less competitive in international markets. In the future, we may elect to invoice a larger portion of our international customers in local currency, which would expose us to greater fluctuations in exchange rates between the U. S. Dollar and the particular local currency. If we do so, we may decide to engage in hedging transactions to minimize the risk of such fluctuations. We have entered into foreign exchange forward contracts to offset the impact of payment of operating expenses in local currencies to some of our operating foreign subsidiaries. However, if we are not successful in managing these foreign currency transactions, we could incur losses from these activities. There are compliance risks associated with complex tariff regulations and export control, trade compliance laws. If we fail to comply with these laws and regulations, we could incur penalties and sanctions from governments, and could be restricted from exporting products. As COVID-19 pandemic illustrated, world events such as a pandemic or geopolitical events can spread quickly around the world and result in impacts to the supply chain and the business environment that result in a material negative impact on our business, financial condition, and operating results of operations. Uncertainty in the global economy and financial markets are likely to impact the Company. To successfully manage and could materially adversely affect our business or achieve our goals, financial condition we must attract, retain operating results, train and future financial performance. If we fail to anticipate technological shifts, motivate market needs and opportunities, and fail to develop products and promote key employees, product enhancements and business strategies that meet those technological shifts, needs and opportunities in a failure to timely manner or if they do not gain so can harm us. Our success depends to a significant degree upon the continued contributions of our key management, engineering, sales and marketing market acceptance, we service and operations personnel, many may not of whom would be difficult able to compete effectively replace. We have experienced and may in the future experience significant turnover in our executive personnel. Changes in our management and key employees could affect our financial results, and our prior reductions in force may impede our ability to generate revenues attract and retain highly skilled personnel. We believe our future success will suffer also depend in large part upon our..... results of operations, and financial conditions. The markets for our products are constantly evolving and characterized by rapid technological change, frequent product introductions, changes in customer requirements, evolving industry standards, and continuous pricing pressures have increased. For example, the use cloud networking market is the fastest growing segment of the networking industry virtualization and cloud computing. Our success may be impacted by our ability to provide successful cloud networking solutions that address the needs of our channel partners and end customers more effectively and economically than those of other competitors or existing technologies. If the cloud networking solutions market does not develop in the way we anticipate, if our solutions do not offer significant benefits compared to competing legacy network switching products, or if end customers do not recognize the benefits that our solutions provide, then our potential for growth in this cloud networking market could be adversely affected. If we are unsuccessful in attaching cloud services and maintenance services to our hardware product, our ability to grow our subscription revenue could be limited. When our products. When we announce new products or product enhancements that have the potential to replace or shorten the life cycle of our existing products, customers may defer or cancel orders for our existing products; in addition, ending sales of existing products may cause customers to cancel or defer orders for our existing products. These actions could have a material adverse effect on our operating results by unexpectedly decreasing sales, increasing inventory levels of older products and exposing us to greater risk of product obsolescence. We cannot guarantee that we will be able to anticipate future technological shifts, market needs and opportunities or be able to develop new products,

product enhancements and business strategies to meet such technological shifts, needs or opportunities in a timely manner or at all. If we fail to anticipate market requirements or opportunities or fail to develop and introduce new products, product enhancements or business strategies to meet those requirements or opportunities in a timely manner, it could cause us to lose customers, and such failure could substantially decrease or delay market acceptance and sales of our present and future products and services, which would significantly harm materially adversely affect our business, financial condition, and operating results of operations. Even if we are able to anticipate, develop, and commercially introduce new products and enhancements, we cannot assure that new products or enhancements will achieve widespread market acceptance. If our products do not effectively..... and seriously harm our business and prospects. Industry consolidation may lead to stronger competition and may harm our business, financial condition, and operating results. There has been a trend toward industry consolidation in our markets for several years. We expect this trend to continue as companies attempt to strengthen or hold their market positions in an evolving industry and as companies are acquired or are unable to continue operations. Companies that are strategic alliance partners in some areas of our business may acquire or form alliances with our competitors, thereby reducing their business with us. We believe industry consolidation may result in stronger competitors that are better able to compete as sole- source vendors for customers. This could lead to more variability in our operating results and could have a material adverse effect on our business, operating results, and financial condition. Furthermore, particularly in the service provider market, rapid consolidation will lead to fewer customers, with the effect that loss of a major customer could have a material impact on results not anticipated in a customer marketplace composed of more numerous participants. The cloud networking market is the..... may be difficult to anticipate or measure. We rely on third- party providers for services needed to deliver our cloud solutions and other third- party providers for our internal operations. Any disruption in the services provided by such third- party providers could adversely affect our business and subject us to liability. Our cloud solutions are hosted from and use computing infrastructure provided by third parties, including Amazon Web Services, Google Cloud Platform, and Microsoft Azure. We do not own or control the operation of the third- party facilities or equipment used to provide the cloud services. Our computing infrastructure service providers have no obligation to renew their agreements with us on commercially reasonable terms or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our computing infrastructure service providers is acquired, we may be required to transition to a new provider and we may incur significant costs and possible service interruption in connection with doing so. In addition, such service providers could decide to close their facilities or change or suspend their service offerings without adequate notice to us. Moreover, any financial difficulties, such as bankruptcy, faced by such service providers may have negative effects on our business, the nature and extent of which are difficult to predict. If these third- party service providers experience service outages, performance problems or errors, this could adversely affect the experience of our customers. Our agreements with third- party computing infrastructure service providers may not entitle us to corresponding service level credits to those we offer to our customers. Any changes in third- party service levels at our computing infrastructure service providers or any related disruptions or performance problems with our solutions could adversely affect our reputation and impact our customers' operations, result in lengthy interruptions in our services, or result in potential losses of customer data. Interruptions in our services might reduce our revenues, cause us to issue refunds to customers for prepaid and unused subscriptions, subject us to service level credit claims and potential liability, or adversely affect our renewal rates. Additionally, if a third- party service provider fails to maintain compliance with standards such as SOC2 or ISO27001, it could affect the underlying controls that we maintain, or that our customers rely upon. This could entail additional costs to compensate for the lost controls, or have a negative impact on revenue if our customers do not perceive our vendors as secure. We rely on third- party cloud service providers such as Salesforce and Oracle to support internal operations. Disruptions to such services or data breaches related to those services could impact our ability to maintain efficient operations and to provide services to our customers and could materially adversely affect our business, financial condition, operating results, and future growth prospects. To successfully manage our business or achieve our goals, we must attract, retain, train, motivate, develop and promote key employees, and a failure to do so can harm us. Our success depends to a significant degree upon the continued contributions of our key management, engineering, sales and marketing, service and operations personnel, many of whom would be difficult to replace. We have experienced and may in the future experience significant turnover in our executive personnel. Changes in our management and key employees could affect our financial results, and our prior reductions in force may impede our ability to attract and retain highly skilled personnel. We believe our future success will also depend in large part upon our ability to attract and retain highly skilled managerial, engineering, sales and marketing, service, finance, and operations personnel. The ongoing market for such personnel is competitive in certain regions for certain types of technical skills. A number of our employees are foreign nationals who rely on visas and entry permits in order to legally work in the United States and other countries. Changes in recent years, the United States has increased the level of scrutiny in granting H-1B, L-1 and other business visas. Compliance with U.S.-immigration and labor laws could require us to incur additional unexpected labor costs and expenses or could restrain our ability to retain skilled professionals. Any of these restrictions could have a material adverse effect on our business, financial conditions, and operating results of operations. Military actions and other geopolitical tensions could adversely affect our business, financial condition and operating results. In recent years, various military actions such as the February 2022 Russian military action in between Russia and Ukraine could adversely affect our or the October business, financial condition and results of operations. On February 24, 2022 2023 Israel- Hamas, Russian military forces launched a military action in Ukraine have occurred. Although the length, impact, and outcome of such the ongoing military conflict conflicts are in Ukraine is highly unpredictable, these conflict conflicts and others that could arise could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increases in cyberattacks and espionage. Russia's In addition, such military actions in Ukraine could lead to, and have led to,

an unprecedented expansion of sanction programs and export control restrictions imposed by the United States, the European Union, the United Kingdom, Canada, Switzerland, Japan and other countries against Russia, Belarus, whose sanctions or export control programs could impact the Company's Crimea Region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic. These government measures could and do include export controls restricting certain exports, re-exports, transfers or releases of commodities, software, and technology to certain countries Russia and Belarus, and sanctions targeting certain officials, individuals, entities, regions, and industries in those countries Russia, Belarus, and Ukraine, including the financial, defense, and energy sectors. As the conflict in Ukraine continues to evolve, and the United States, the European Union, the United Kingdom and other countries may implement additional sanctions, export controls or other measures against Russia, Belarus, and other countries, regions, officials, individuals, or industries in the respective territories. Such sanctions and other measures, as well as the existing and potential further responses from Russia military actors or allies other countries to such sanctions, tensions, and military actions, could adversely affect the global economy and financial markets and could materially adversely affect our business, financial condition, and operating results, and future financial performance. Military or terrorist actions could impact suppliers' ability to procure raw materials, or to finish or transport goods. As a result of operations such disruptions, we may experience in the future extended lead times, delays in supplier deliveries, increased transportation and component costs, and increased costs for expedited shipments. These potential supply chain disruptions may result in delayed deliveries of several key components used in the manufacturing of our products. We regularly are actively monitoring the situation in Ukraine and assessing its the impact of the geopolitical climate on our business, including our business partners and customers. The extent and duration of the military action actions, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect our business, financial condition, and operating results of operations. Any such disruptions may also magnify the impact of other risks described in this "Risk Factors" section. The adoption, use, and development of AI products may result in reputational harm or liability. We incorporate artificial intelligence into various products that we offer, and we continue to develop additional use cases and products based on AI-GenAI. We use and will continue to use tools and processes that incorporate AI-GenAI. The field of AI is rapidly developing, both technologically and from a regulatory and legal standpoint. Known challenges such as algorithmic bias, black box training sets, and "hallucinations" exist. As we incorporate this technology into our products and our internal tools and systems, we may experience unexpected outcomes or impacts related to the technology, creating reputational and, legal, and regulatory risks. recent years The regulatory framework for AI is rapidly evolving as end many federal, state, and foreign government bodies and agencies have introduced or are currently considering additional laws and regulations. For example, in the United States, the Biden administration issued a broad Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence, that sets out principles intended to guide AI design and deployment for the public and private sector and signals the increase in governmental involvement and regulation over AI technologies. Further, in Europe, on July 12, 2024, the EU Artificial Intelligence Act (the "EU AI Act") was published in the EU Official Journal, and establishes a comprehensive, risk-based governance framework for AI in the EU market. The EU AI Act applies to companies that develop, use and / or provide AI in the EU and includes requirements around transparency, conformity assessments and monitoring, risk assessments, human oversight, security, accuracy, general purpose AI and foundation models, and fines for breach of up to 7 % of worldwide annual turnover. Legislation related to AI technologies has also been introduced at the U.S. federal level and is advancing at the state level. For example, the California Privacy Protection Agency is currently in the process of finalizing regulations under the California Consumer Privacy Act ("CCPA") regarding the use of automated decision-making. Such additional regulations may impact our ability to develop, use and commercialize AI technologies in the future. Additionally, existing laws and regulations may be interpreted in ways that may affect our use of AI. As a result, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or market perception of their requirements may have on our business and may not always be able to anticipate how to respond to these laws or regulations. Any investigation or litigation related to our use of AI could have an adverse impact on our results of operations due to the associated costs and any related fines, and could also have an adverse impact on our customer relationships. If our products do not effectively interoperate with our customers' networks and result in cancellations and delays of installations, our business, financial condition and operating results could be harmed. Our products are designed to interface with our customers' existing networks, each of which have deployed larger different specifications and utilize multiple protocol standards and products from other vendors. Many of our customers' networks and contain multiple generations of products that have increased been added over time as the these use of virtualization networks have grown and evolved cloud computing. Our success products must inter-operate with may many be impacted by our or ability all of the products within these networks as well as future products in order to provide successful cloud meet our customers' requirements. If we find errors in the existing software or defects in the hardware used in our customers' networks, we may need to modify our software networking solutions to fix or overcome these errors so that address the needs of our channel partners and end customers more effectively and economically than those of other competitors or our products will inter-operate and scale with the existing technologies. If the software and hardware, which cloud could networking solutions market does not develop in the way we anticipate be costly and could negatively affect our business, financial condition, and operating results. In addition, if our solutions products do not inter-operate with those of offer significant benefits compared to competing legacy network switching products, or our if end customers' networks do not recognize the benefits that our solutions provide, demand then our potential for our products growth in this cloud networking market could be adversely affected. If we are unsuccessful in attaching cloud services and maintenance services to our or hardware orders

for our product products, our ability to grow our subscription revenue could be limited ~~and canceled~~. **This could materially adversely affect our business, financial condition, operating results, and future financial performance**. When our products contain undetected errors, we may incur significant unexpected expenses and could lose sales. Network products frequently contain undetected errors when new products or new versions or updates of existing products are released to the marketplace. In the past, we have experienced such errors in connection with new products and product updates. We have experienced component problems in prior years that caused us to incur higher than expected warranty, service costs and expenses, and other related operating expenses. In the future, we expect that, from time to time, such errors or component failures will be found in new or existing products after the commencement of commercial shipments. These problems may have a material adverse effect on our business by causing us to incur significant warranty, repair and replacement costs, diverting the attention of our engineering personnel from new product development efforts, delaying the recognition of revenue, and causing significant customer relations problems. Further, if products are not accepted by customers due to such defects, and such returns exceed the amount we accrued for defective returns, **this would materially adversely affect** our business, financial condition, **and operating** results, **and future financial performance** of operations would be adversely affected. Our products must successfully inter-operate with products from other vendors. As a result, when problems occur in a network, it may be difficult to identify the sources of these problems. The occurrence of system errors, whether or not caused by our products, could result in the delay or loss of market acceptance of our products and any necessary revisions may cause us to incur significant expenses. The occurrence of any such problems would likely have a material adverse effect on our business, operating results, and financial condition. We must continue to develop and increase the productivity of our indirect distribution channels to increase net revenues and improve our operating results. Our distribution strategy focuses primarily on developing and increasing the productivity of our indirect distribution channels. If we fail to develop and cultivate relationships with significant channel partners, if we are unable to meet their needs, or if these channel partners are not successful in their sales efforts, sales of our products may decrease and our operating results could suffer. Many of our channel partners also sell products from other vendors that compete with our products. Our channel partners may not continue to market or sell our products effectively or to devote the resources necessary to provide us with effective sales, marketing, and technical support. We may not be able to successfully manage our sales channels or enter into additional reseller and / or distribution agreements. Our failure to do any of these could limit our ability to grow or sustain revenues. Our operating results for any given period have and will continue to depend to a significant extent on large orders from a relatively small number of channel partners and other customers. However, we do not have binding purchase commitments from any of them. A substantial reduction or delay in sales of our products to a significant reseller, distributor or other customer could harm our business, operating results and financial condition because our expense levels are based on our expectations as to future revenues and, to a large extent, are fixed in the short term. Under specified conditions, some third-party distributors are allowed to return products to us and unexpected returns could **materially** adversely affect our business, financial condition, **and operating** results of operations, **and future financial performance**. The sales cycle for our products is long and we may incur substantial non-recoverable expenses or devote significant resources to sales that do not occur when anticipated. The purchase of our products represents a significant strategic decision by a customer regarding its communications infrastructure. The decision by customers to purchase our products is often based on the results of a variety of internal procedures associated with the evaluation, testing, implementation, and acceptance of new technologies. Accordingly, the product evaluation process frequently results in a lengthy sales cycle, typically ranging from three months to longer than a year, and as a result, our ability to sell products is subject to a number of significant risks, including risks that: • budgetary constraints and internal acceptance reviews by customers will result in the loss of potential sales; • there may be substantial variation in the length of the sales cycle from customer to customer, making decisions on the expenditure of resources difficult to assess; • we may incur substantial sales and marketing expenses and expend significant management time in an attempt to initiate or increase the sale of products to customers, but not succeed; • when a sales forecast from a specific customer for a particular quarter is not achieved in that quarter, we may be unable to compensate for the shortfall, which could harm our operating results; and • downward pricing pressures could occur during the lengthy sales cycle for our products. **System security risks, data breaches, and cyberattacks could compromise our proprietary information, disrupt our internal operations, impact services to customers, and harm public perception of our products, which could adversely affect our business, financial condition and results of operations.** In the ordinary course of business, we provide cloud-based services and store data, including intellectual property, and our proprietary business information and that of our customers, suppliers and business partners on our networks. In addition, we store information through cloud-based services that may be hosted by third parties and in data center infrastructure maintained by third parties. The secure provision of services and maintenance of this information is critical to our operations and business strategy. Increasingly, companies, including us, are subject to a variety of attacks on their networks and / or cloud-based services on an ongoing basis. The number and severity of these attacks could increase as a result of nation-state actors initiating attacks for political or cyber warfare purposes. Attacks could include supply chain attacks targeting our suppliers and attempts to penetrate our systems or disrupt our services directly. In some cases, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain vulnerabilities in design or manufacture, including “bugs” and other problems that could allow network intrusion or unexpectedly interfere with the operation of our networks. Usage of “legacy” products that have been determined to have reached an end-of-life engineering status but will continue to operate for a limited amount of time may subject us or our customers to vulnerabilities. Further, employee error, malfeasance, or other disruptions can result in a security or data breach. Despite our security measures, we may not be able to effectively detect, prevent, or protect against or otherwise mitigate losses from all cyberattacks or prevent all security or data breaches. Because the techniques used by bad actors, many of whom are highly sophisticated and well-funded, to access or sabotage networks change frequently and generally are not recognized until after they are used, we may be unable to anticipate or immediately detect these techniques. Any such breach could compromise our networks, products, or cloud-based services by

creating system disruptions, slowdowns or even shutdowns, and exploiting security vulnerabilities of our products, and the information stored as part of our operations could be accessed, publicly disclosed, lost or stolen. Such events, which could subject us to liability to our customers, suppliers, business partners and others, could require significant management attention and resources, could result in the loss of business, regulatory actions and potential liability, and could cause us reputational and financial harm. **Risks Related to Financial Matters** **We cannot assure future profitability, and our financial results may fluctuate significantly from period to period.** We have not been consistently profitable. Even in years when we reported profits, we may not have been profitable in each quarter during those years. We anticipate continuing to incur significant sales and marketing, product development and general and administrative expenses. Any delay in generating or recognizing revenue could result in a loss for a quarter or full year. Even if we are profitable, our operating results may fall below our expectations and those of our investors, which could cause the price of our stock to fall. We may experience challenges or delays in forecasting, generating or recognizing revenue for a number of reasons and our revenues and operating results have varied significantly in the past and may vary significantly in the future due to a number of factors, including, but not limited to, the following: • our dependence on obtaining orders during a quarter and shipping those orders in the same quarter to achieve our revenue objectives; • orders in our backlog could be cancelled by customers, impacting the accuracy of our revenue forecasting; • decreases in the prices of the products we sell; • the mix of products sold and the mix of distribution channels through which products are sold; • acceptance provisions in customer contracts; • our ability to deliver installation or customer acceptance by the end of the quarter; • seasonal fluctuations in demand for our products and services; • a disproportionate percentage of our sales occurring in the last month of a quarter; • reduced visibility into the implementation cycles for our products and our customers' spending plans; • our ability to forecast demand for our products, which in the case of lower- than- expected sales, may result in excess or obsolete inventory in addition to non- cancelable purchase commitments for component parts; • our sales to the telecommunications service provider market, which represents a significant source of large product orders, being especially volatile and difficult to forecast; • product returns or the cancellation or rescheduling of orders; • announcements and new product introductions by our competitors; • our ability to develop and support relationships with enterprise customers, service providers and other potential large customers; • our ability to obtain sufficient supplies of sole- or limited- source components for our products on a timely basis; and • changes in funding for customer technology purchases in our markets. In addition to risks related to revenue, we are subject to risks related to costs, which may be influenced by a number of factors, including, but not limited to, the following: • our ability to achieve and maintain targeted cost reductions; • fluctuations in warranty or other service expenses actually incurred; • increases in the price of the components we purchase; • increases in costs associated with sourcing and shipping components and finished products; • general inflationary pressures, increasing the cost of all inputs; and • rising interest rates, increasing the cost of borrowing. We are subject to changes in general and specific macroeconomic conditions in the economy as a whole as well as in the networking industry, which could affect both revenue and costs. In particular, rising interest rates could decrease demand for our products and services, as the cost and access to capital to fund large projects may be limited for certain customers. Due to the foregoing and other factors, many of which are described herein, period- to- period comparisons of our operating results should not be relied upon as an indicator of our future performance. **Our stock price has been volatile in the past** of our business strategy, we review acquisition and **may significantly fluctuate** strategic investment prospects that we believe would complement our current product offerings, augment our market coverage or enhance our technical capabilities, or otherwise offer growth opportunities. For example, on September 14, 2021, we acquired Ipanematech SAS, the SD- WAN division of InfoVista SAS, for EUR 60 million in cash consideration. In the event of any future acquisitions, we could: • issue..... results of operations could be adversely affected. In the past, the trading price of shares of our common stock has fluctuated significantly. This could continue as we or our competitors announce new products, our results or those of our customers or competition fluctuate, conditions in the networking or semiconductor industry change, conditions in the global economy change, or when investors change their sentiment toward stocks in the networking technology sector. In addition, fluctuations in our stock price and our enterprise value to sales valuation may make our stock attractive to momentum, hedge or day- trading investors who often shift funds into and out of stock rapidly, exacerbating price fluctuations in either direction, particularly when viewed on a quarterly basis. These fluctuations may adversely affect the trading price or liquidity of our common stock. Some companies, including us, that have had volatile market prices for their securities have had securities class action lawsuits filed against them. If a suit were filed against us, regardless of its merits or outcome, it could result in substantial costs and divert management' s attention and resources. **If we do not adequately manage and evolve our financial reporting and managerial systems and processes, our ability to manage and grow our business may be harmed. Our ability to successfully implement our business plan and comply with regulations requires an effective planning and management process.** We intend to invest in engineering continue improving our existing , and implement new, operational and financial systems, procedures and controls. **Disruption in our existing systems, procedures, or controls or any delay or disruption in the implementation of or the transition to new or enhanced systems, procedures, or controls, or any delay or disruption in the integration of acquired businesses, could have a significant impact on our business. Failure to properly or adequately address such issues could harm our ability to manage our business, meet our obligations to our customers, accurately forecast sales demand , services manage our supply chain , marketing record and manufacturing report financial and management information on a long- term timely and accurate basis, and delays or forecast future results, which could inability to attain the expected benefits may result in unfavorable a material adverse effect on our business, financial condition, and operating results .** While we intend to focus on..... and operating results may be adversely affected. Our credit facilities impose financial and operating restrictions on us and if we fail to meet our payment or other obligations under our 2023 Credit Agreement , as amended (as defined in Item 7, " Liquidity and Capital Resources "), the lenders under such 2023 Credit Agreement , as amended, could foreclose on, and acquire control of, substantially all of our assets. Our 2023 Credit Agreement imposes, and the

terms of any future debt may impose, operating and other restrictions on us. These restrictions could affect, and in many respects limit or prohibit, among other items, our ability to: • incur additional indebtedness; • create liens; • make investments; • enter into transactions with affiliates; • sell assets; • guarantee indebtedness; • declare or pay dividends or other distributions to stockholders; • repurchase equity interests; • change the nature of our business; • enter into swap agreements; • issue or sell capital stock of certain of our subsidiaries; and • consolidate, merge, or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis. Our 2023 Credit Agreement also requires us to achieve and maintain compliance with specified financial ratios. A breach of any of these restrictive covenants or the inability to comply with the required financial ratios or metrics could result in a default under our 2023 Credit Agreement. The lenders under our 2023 Credit Agreement also have the right in the event of a breach of the restrictive covenants to terminate any commitments they have to provide further borrowings. Reductions in earnings could increase our costs of borrowing, reduce our ability to comply with these covenants, or make extensions of credit unavailable to us. Further, our 2023 Credit Agreement is jointly and severally guaranteed by us and certain of our subsidiaries. Borrowings under our 2023 Credit Agreement are secured by liens on substantially all of our assets, including the capital stock of certain of our subsidiaries, and the assets of our subsidiaries that are loan party guarantors. If we are unable to repay outstanding borrowings when due or comply with other obligations and covenants under our 2023 Credit Agreement, the lenders under our 2023 Credit Agreement will have the right to proceed against these pledged capital stock and take control of substantially all of our assets. Our cash requirements may require us to seek additional debt or equity financing and we may not be able to obtain such financing on favorable terms, or at all. Our 2023 Credit Agreement may not be sufficient for our future working capital, investments and cash requirements, in which case we would need to seek additional debt or equity financing or scale back our operations. In addition, we may need to seek additional financing to achieve and maintain compliance with specified financial ratios under our 2023 Credit Agreement, ~~as amended~~. We may not be able to access additional capital resources due to a variety of reasons, including the restrictive covenants in our 2023 Credit Agreement and the lack of available capital due to global economic conditions. If our financing requirements are not met and we are unable to access additional financing on favorable terms, or at all, our business, financial condition ~~and~~, **operating results of operations, and future growth prospects** could be materially adversely affected. Our indebtedness could expose us to interest rate risk to the extent of our variable rate debt. Our 2023 Credit Agreement provides for interest to be calculated based on the prime rate, the federal funds rate and / or the secured overnight financing rate. The Federal Reserve ~~has~~ increased interest rates in 2022 and 2023 and these increases ~~may could~~ continue ~~into in~~ 2024 or beyond. Increases in interest rates on which the 2023 Credit Agreement interest rates are based would increase interest rates on our debt, which could **materially** adversely impact our interest expense, **operating results of operations** and cash flows. ~~We are exposed to the credit..... our stock price in an adverse manner~~. Our revenues may decline as a result of changes in public funding of educational institutions. A **significant** portion of our revenues comes from sales to both public and private K- 12 educational institutions. Public schools receive funding from local tax revenues, and from state and federal governments through a variety of programs, many of which seek to assist schools located in underprivileged or rural areas. The funding for a portion of our sales to U. S.- based educational institutions comes from a federal funding program known as the E- Rate program. E- Rate is a program of the Federal Communications Commission (the “ FCC ”) that subsidizes the purchase of approved telecommunications, Internet access, and internal connection costs for eligible public educational institutions. The E- Rate program, its eligibility criteria, the timing and specific amount of federal funding actually available and which Wi- Fi infrastructure and product sectors will benefit, are uncertain and subject to final federal program approval and funding appropriation continues to be under review by the FCC, and we cannot assure that this program or its equivalent will continue, and as a result, our business may be harmed. Furthermore, if state or local funding of public education is significantly reduced because of legislative or policy changes or by reductions in tax revenues due to changing economic conditions, our sales to educational institutions may be negatively impacted by these changed conditions. Any reduction in spending on information technology systems by educational institutions ~~would could likely~~ materially ~~and~~ adversely affect our business ~~and~~, **financial condition, operating results, and future financial performance.** ~~We intend to invest in engineering,sales,services,marketing and manufacturing on a long- term basis,and delays or inability to attain the expected benefits may result in unfavorable operating results~~. While we intend to focus on managing our costs and expenses,over the long term,we also intend to invest in personnel and other resources related to our engineering,sales,services,marketing and manufacturing functions as we focus on our foundational priorities,such as leadership in our core products and solutions and architectures for business transformation.We are likely to recognize the costs associated with these investments earlier than some ~~of the anticipated benefits and the return on these investments may be lower,or may develop more slowly,than we expect.If we do not achieve the benefits anticipated from these investments,or if the achievement of these of the anticipated benefits and the return on these investments may be lower,or may develop more slowly,than we expect.If we do not achieve the benefits anticipated from these investments,or if the achievement of these benefits is delayed,our business,financial condition,and operating results may be adversely affected.~~**We are exposed to the credit risk of our channel partners and direct customers,which** could result in material losses.Most of our sales are on an open credit basis,with standard payment terms of 30 days in the United States and,because of local customs or conditions,longer in some markets outside the U.S.We monitor ~~individual partners’ and direct end –customer-~~**customers’** payment capability in granting such open credit arrangements,seek to limit such open credit to amounts we believe the end customers can pay and maintain reserves we believe are adequate to cover exposure for doubtful accounts.Any significant delay or default in the collection of significant accounts receivable could potentially result in an increased need for us to obtain working capital from other sources,possibly on less favorable terms than we could have negotiated if we had established such working capital resources prior to such delays or defaults.Any significant default could adversely affect our **operating results of operations** and delay our ability to recognize revenue.A material portion of our sales is derived through our distributors,systems integrators,and

value-added resellers. Some of our distributors, systems integrators and value-added resellers may experience financial difficulties, which could adversely affect our collection of accounts receivable. Our exposure to credit risks of our channel partners may increase if our channel partners and their end customers are adversely affected by global or regional economic conditions. One or more of these channel partners could delay payments or default on credit extended to them, either of which could materially adversely affect our business, financial condition, **operating results**, **of operations** and **prospects** **future financial performance**. Rising interest rates and increasing inflation could put additional financial pressures on some partners and customers, which could result in longer collection times or default on payment to us. ~~If we do not adequately manage and evolve our financial reporting and managerial systems and processes, our ability to manage and grow our business may be harmed. Our ability to successfully implement our business plan and comply with regulations requires an effective planning and management process. We need to ensure that any businesses acquired are appropriately integrated in our financial systems. We need to continue improving our existing, and implement new, operational and financial systems, procedures and controls. Any delay in the implementation of, or disruption in the integration of acquired businesses, or delay and disruption in the transition to, new or enhanced systems, procedures or controls, could harm our ability to record and report financial and management information on a timely and accurate basis, or to forecast future results.~~ We are required to evaluate the effectiveness of our internal control over financial reporting on an annual basis and publicly disclose any material weaknesses in our controls. Any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and significant expense to remediate, and ultimately could have an adverse effect on our stock price. Section 404 of the Sarbanes-Oxley Act of 2002 requires our management to assess the effectiveness of our internal control over financial reporting and to disclose if such controls were unable to provide assurance that a material error would be prevented or detected in a timely manner. We have an ongoing program to review the design of our internal controls framework in keeping with changes in business needs, implement necessary changes to our controls design and test the system and process controls necessary to comply with these requirements. 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 our Company will have been detected. If we or our independent registered public accounting firm identifies material weaknesses in our internal controls, the disclosure of that fact, even if quickly remedied, may cause investors to lose confidence in our financial statements and its stock price may decline. Remediation of a material weakness could require us to incur significant expenses and, if we fail to remedy any material weakness, our ability to report our financial results on a timely and accurate basis may be adversely affected, our access to the capital markets may be restricted, our stock price may decline, and we may be subject to sanctions or investigation by regulatory authorities, including the SEC or Nasdaq. We may also be required to restate our financial statements from prior periods. Execution of restatements create a significant strain on our **internal resources and could cause delays in our filing of quarterly or annual financial results, increase our costs and cause management distraction. Restatements may also significantly affect our stock price in a materially adverse manner. We may not fully realize the anticipated positive impacts to future financial results from our restructuring efforts. We have undertaken restructuring efforts in the past to streamline** operations ~~our work force.~~ These estimates and assumptions are subject to significant economic, competitive and other uncertainties, some of which are beyond our control. We cannot assure that we will fully realize the anticipated positive impacts to future financial results from our current or future restructuring efforts. If our estimates and assumptions are incorrect or if other unforeseen events occur, we may not achieve the cost savings expected from such restructurings, and our business, financial condition, operating results and future financial performance could be materially adversely affected. We may not realize anticipated benefits of past or future acquisitions, divestitures and strategic investments, and the integration of acquired companies or technologies may negatively impact our business, financial condition and operating results or dilute the ownership interests of our stockholders. As part of our business strategy, we review acquisition and strategic investment prospects that we believe would complement our current product offerings, augment our market coverage or enhance our technical capabilities, or otherwise offer growth opportunities. For example, on September 14, 2021, we acquired Ipanematech SAS, the SD-WAN division of InfoVista SAS, for EUR 60 million in cash consideration. In the event of ~~any future~~ acquisitions, we could: • issue equity securities which would dilute current stockholders' percentage ownership; • incur substantial debt; • assume contingent liabilities; or • expend significant cash. These actions could have a material adverse effect on our business, financial condition, and operating results or the price of our common stock. There can be no assurance we will achieve the revenues, growth prospects, and synergies expected from any acquisition or that we will achieve such revenues, growth prospects, and synergies in the anticipated time period and our failure to do so could have a material adverse effect on our business, financial condition, and operating results. Moreover, even if we do obtain benefits in the form of increased sales and earnings, these benefits may be recognized much later than the time when the expenses associated with an acquisition are incurred. This is particularly relevant in cases where it would be necessary to integrate new types of technology into our existing portfolio and new types of products may be targeted for potential customers with which we do not have pre-existing relationships. Our ability to realize the anticipated benefits of any current and future acquisitions, divestitures and investment activities also entail numerous risks, including, but not limited to: • difficulties in the assimilation and successful integration of acquired operations, sales functions, technologies, **and / or** products, **and / or personnel**; • unanticipated costs, litigation or other contingent liabilities associated with the acquisition or investment transaction; • incurrence of acquisition- and integration-related costs, goodwill or in-process research and development impairment charges, or amortization costs for acquired intangible assets, that could negatively impact our business, financial condition, and ~~operating~~ **of operations**; • the diversion of management's attention from other business concerns; • adverse effects on existing business relationships with suppliers and customers; • risks associated with entering markets in which we have no or limited prior experience; • the potential loss of key employees of acquired organizations and inability to attract or retain other key employees; and • substantial charges for the amortization of certain purchased intangible assets, deferred stock compensation or similar items. **In addition, we may not be**

able to successfully integrate any businesses, products, technologies, or personnel that we might acquire in the future, and our failure to do so could have a material adverse effect on our business, financial condition, and operating results. We may not fully realize the anticipated positive impacts to future financial results from our restructuring efforts. We have undertaken restructuring efforts in the past to streamline operations and reduce operating expenses. Our ability to achieve the anticipated cost savings and other benefits from our restructuring efforts within expected time frames is subject to many estimates and assumptions and may vary materially based on factors such as market conditions and the effect of our restructuring efforts on our work force. These estimates and assumptions are subject to significant economic, competitive and other uncertainties, some of which are beyond our control. We cannot assure that we will fully realize the anticipated positive impacts to future financial results from our current or future restructuring efforts. If any of our estimates and assumptions are incorrect or if other unforeseen events occur, we may not achieve the cost savings expected from such restructurings, and our business, financial condition, and results of operations could be adversely affected.

Regulatory, Tax and Legal Risks We are subject to complex tariff regulations, export control laws and economic and trade sanctions. If we fail to comply with these laws and regulations, we could incur penalties and sanctions from governments, and could be restricted from exporting products. We are required to comply with laws, rules and regulations of the United States and other countries, as applicable, relating to export controls and economic sanctions, including, but not limited to, trade sanctions administered by the Office of Foreign Assets Control within the U. S. Department of the Treasury, as well as the Export Administration Regulations administered by the U. S. Department of Commerce. These regulations restrict our ability to market, sell, distribute or otherwise transfer our products or technology to prohibited countries or persons. Violations of these regulations, laws, or key control policies by our employees, contractors, channel partners, or agents could result in termination of our relationship, financial reporting problems, fines, and / or civil or criminal penalties for us, or prohibition on the importation or exportation of our products and could have a material adverse effect on our business, financial condition, and operating results of operations. For example, on October 7, 2022, we submitted voluntary disclosures to the U.S. Treasury Department's Office of Foreign Assets Control, the Bureau of Industry and Security's Office of Export Enforcement, and the Department of Justice (collectively, the "Agencies") regarding the potential export and sale of certain of our networking equipment to end users in Russia subject to U.S. sanctions and export control restrictions. We are continuing our review of the matter in conjunction with outside counsel. Given the uncertainty of the outcome of the investigation, and the potential outcome of the Agencies' determination, we cannot estimate at this time the possible loss or range of loss that may result from this action. Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on our business. We are exposed to the risk of employee fraud or other misconduct. Local laws and customs in many countries differ significantly from, or conflict with, those in the United States or in other countries in which we operate. In many foreign countries, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U. S. regulations applicable to us. Although we have implemented policies, procedures and training designed to ensure compliance with these U. S. and foreign laws and policies, there can be no complete assurance that any individual employee, contractor, channel partner, or agent will not violate our policies, procedures or applicable law, for which we may be ultimately held responsible. Violations of laws or key control policies by our employees, contractors, channel partners, or agents could result in termination of our relationship, financial reporting problems, fines, and / or civil or criminal penalties for us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, financial condition, and operating results of operations, including the imposition of significant fines or other sanctions. Our operating results may be negatively affected by legal proceedings. We have in the past, currently are and will likely in the future pursue or be subject to claims or lawsuits in the normal course of our business. In addition to the risks related to the intellectual property lawsuits described above, we are currently parties to other litigation as described in Note 10, Commitments and Contingencies, in the Notes to Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K. Regardless of the result, litigation can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. An unfavorable resolution of a lawsuit in which we are a defendant could result in a court order against us or payments to other parties that would have a material adverse effect on our business, results of operations or financial condition, or operating results. Even if we are successful in prosecuting claims and lawsuits, we may not recover damages sufficient to cover our expenses incurred to manage, investigate and pursue the litigation. In addition, subject to certain limitations, we may be obligated to indemnify our current and former customers, suppliers, directors, officers and employees in certain lawsuits. We may not have adequate insurance coverage to cover all of our litigation costs and liabilities. Claims of infringement by others may increase and the resolution of such claims may materially adversely affect our business, financial condition, and operating results. Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents, copyrights (including rights to "open source" software) and other intellectual property rights. As we have grown, we have, and may continue to, experience greater revenues and increased public visibility, which may cause competitors, customers, and governmental authorities to be more likely to initiate litigation against us. Because of the

existence of a large number of patents in the networking field, the secrecy of some pending patents and the issuance of new patents at a rapid pace, it is not possible to determine in advance if a product or component might infringe the patent rights of others. Because of the potential for courts awarding substantial damages, or internationally prohibiting us from exporting our products, in the case of China, or importing our products, in the case of Germany, the lack of predictability of such awards and the high legal costs associated with the defense of such patent infringement matters that would be expended to prove lack of infringement, it is not uncommon for companies in our industry to settle even potentially unmeritorious claims for very substantial amounts. Furthermore, the entities with whom we have or could have disputes or discussions include entities with extensive patent portfolios and substantial financial assets. These entities are actively engaged in programs to generate substantial revenues from their patent portfolios and are seeking or may seek significant payments or royalties from us and others in our industry. Litigation resulting from claims that we are infringing the proprietary rights of others has resulted and could in the future result in substantial costs and a diversion of resources and could have a material adverse effect on our business, financial condition and **operating** results of operations. We previously received notices from entities alleging that we were infringing their patents and have been party to patent litigation in the past. Without regard to the merits of these or any other claims, an adverse court order or a settlement could require us, among other actions, to: • stop selling our products that incorporate the challenged intellectual property; • obtain a royalty bearing license to sell or use the relevant technology, and that license may not be available on reasonable terms or available at all; • pay damages; • redesign those products that use the disputed technology; or • face a ban on importation or exportation of our products into the United States or into another country. In addition, our products include so- called “ open source ” software. Open source software is typically licensed for use at no initial charge but imposes on the user of the open source software certain requirements to license to others both the open source software as well as modifications to the open source software under certain circumstances. Our use of open source software subjects us to certain additional risks for the following reasons: • open source license terms may be ambiguous and may result in unanticipated obligations regarding the licensing of our products and intellectual property; • open source software cannot be protected under trade secret law; • suppliers of open- source software do not provide the warranty, support and liability protections typically provided by vendors who offer proprietary software; and • it may be difficult for us to accurately determine the developers of the open source code and whether the acquired software infringes third- party intellectual property rights. We believe even if we do not infringe the rights of others, we will incur significant expenses in the future due to defense of legal claims, disputes or licensing negotiations, though the amounts cannot be determined. These expenses **could** ~~may be material~~ **materially** ~~or otherwise~~ adversely affect our business, financial condition, and operating results. We rely on the availability of third- party licenses. Some of our products are designed to include software or other intellectual property, including open source software, licensed from third parties. It may be necessary in the future to seek or renew licenses relating to various aspects of these products. There can be no assurance that the necessary licenses would be available on acceptable terms, if at all. The inability to obtain certain licenses or other rights or to obtain such licenses or rights on favorable terms, could have a material adverse effect on our business, operating results, and financial condition. Moreover, the inclusion in our products of software or other intellectual property licensed from third parties on a nonexclusive basis could limit our ability to protect our proprietary rights in our products. Further, the failure to comply with the terms of any license, including free open source software, may result in our inability to continue to use such license, **which could materially adversely affect our business, financial condition, operating results, and future financial performance**. Failure to protect our intellectual property could affect our business. We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. However, we cannot ensure that the actions we have taken will adequately protect our intellectual property rights or that other parties will not independently develop similar or competing products that do not infringe on our patents. **With the advent of GenAI, there is a risk that when employees use GenAI tools, data will leak outside the Company that could lead to breach of confidentiality or a disclosure of trade secrets that are being developed.** We generally enter into confidentiality, invention assignment or license agreements with our employees, consultants and other third parties with whom we do business, and control access to and distribution of our intellectual property and other proprietary information. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise misappropriate or use our products or technology, which ~~would~~ **could** adversely affect our business. ~~Failure of our products to comply with evolving industry standards and complex government regulations may adversely impact our business. If we do not comply with existing or evolving industry standards and government regulations,~~ **financial condition,** we may not be able to sell our products where these standards or regulations apply. The network equipment industry in which we compete is characterized by rapid changes in technology and **operating** customers' requirements and evolving industry standards. As a result ~~results~~ **results**, our success depends on: •..... sustaining our net revenues or achieving profitability. Our provision for income taxes and overall cash tax costs are affected by a number of factors, including reorganizations or restructurings of our business, jurisdictional revenue mix and changes in tax regulations or policy, all of which could materially adversely affect our business, financial condition and **operating** results of operations. We are a multinational company subject to income tax as well as non-income- based taxes in various jurisdictions including Ireland, where we have an operating company supporting our business in most non- U. S. jurisdictions. Our income taxes are subject to volatility and could be adversely affected by several factors including earnings that are lower than anticipated in countries that have lower tax rates and higher than anticipated in countries that have higher tax rates, expiration of or lapses in the research and development tax credit laws, transfer pricing adjustments **with respect to our methods for valuing developed technology or intercompany arrangements** in the various jurisdictions we do business, tax effects of nondeductible compensation, including stock- based compensation, changes in accounting principles and imposition of withholding or other taxes on payments by subsidiaries or customers. Significant judgment is required to determine our worldwide provision for income taxes. In the ordinary course of business, there are many transactions where the ultimate tax determination is uncertain. Additionally, our calculations of income taxes payable, currently and on a

deferred basis, are based on our interpretation of applicable tax laws in the jurisdictions in which we are required to file tax returns. Although we believe our tax estimates are reasonable, there is no assurance that the final determination of our income tax liability will not be materially different than what is reflected in our income tax provisions and accruals. Due to shifting economic and political conditions, tax rates and policies in the United States as well as international jurisdictions may be subject to significant change. The application and interpretation of such policies and underlying regulations, including taxation of earnings internationally, transfer pricing adjustments related to certain acquisitions, including the license of acquired intangibles under our cost sharing arrangement, Base Erosion and Anti- abuse Tax laws, Global Intangible Low- Tax Income (“ GILTI ”) laws, and the disallowance of tax deductions for certain expenses, as well as changes that may be enacted in the future could materially impact our tax provision, cash tax liability and effective tax rate. Most recently, the United States enacted the Inflation Reduction Act in 2022, which made a number of changes to the Internal Revenue Code, including adding a 1 % excise tax on stock buybacks by publicly traded corporations and a corporate minimum tax on adjusted financial statement income of certain large companies. We have assessed preliminary guidance and do not expect these provisions will adversely impact our effective tax rate. The Organization for Economic Co- operation and Development (“ OECD ”), an international association comprised of 38 countries including the United States and Ireland, has made changes and is contemplating additional changes to numerous long- standing tax principles. There can be no assurance that these changes and any contemplated changes if finalized and adopted by associated countries, will not have a materially adverse impact on our provision for income taxes. Substantially all member countries of the OECD agreed to certain tax principles, including a global minimum tax of 15 %. In December 2022, the Council of the European Union adopted the global minimum tax initiative for enactment by European Union member states. EU members will be required to enact local laws in 2023, which are intended to be effective for tax years beginning after December 31, 2023. Many countries are also actively considering changes to existing tax laws and rates or have proposed or enacted new laws that could increase our tax obligations in countries where we do business, **including or cause us to change the way we operate the business. We have assessed the impacts of the these introduction of new rules in the countries where we currently operate and do not currently anticipate a material impact to our taxes-- tax targeted at digital services liabilities, however, we can provide no assurance that our tax liabilities will not be materially impacted in the future under this initiative**. Beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminates the option to deduct research and development expenditures currently and requires taxpayers to capitalize and amortize them over five or fifteen years pursuant to IRC Section 174 depending on whether the expenditure is recorded in the U. S. or a foreign jurisdiction. Although the U. S. Congress **is has been** considering legislation that would defer the capitalization and amortization requirement to later years, **however, there has been little recent discussion and** we have no assurance the provision will be repealed or modified. Given the requirement was not repealed or modified as of June 30, 2023, our existing U. S. net operating losses **were have been** fully utilized **during fiscal 2023**, and we are now subject to U. S. cash tax **on profits sooner than anticipated**. In addition, our effective tax rate will materially increase as we made an accounting policy election to treat GILTI as a period cost (i. e., recorded when incurred) in 2018 when the GILTI rules were introduced. Our research and development expenditures are shared by our U. S. parent and Irish principal company and as such, the disallowed deduction will drive up our GILTI inclusion associated with Ireland, which in turn will increase our effective tax rate. Additionally, a change in our future effective tax rate, including from the release of the valuation allowances recorded against our net U. S. and Irish deferred tax assets may create volatility in our calculated tax expense. Finally, we are subject to the examination of our income tax returns by the Internal Revenue Service, Irish Revenue, and other tax authorities globally. Although we regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes, there is no assurance our assessments are, in fact, adequate. Changes in our effective tax rates or amounts assessed upon examination of our tax returns may have a material **adverse impact on our business, financial condition, and operating results**. **Any actual or perceived failure to comply with new or existing laws, regulations and other requirements relating to the privacy, security and processing of personal information could adversely affect our business, results** of operations **result**, our success depends on: • the timely adoption and market acceptance of industry standards, and timely resolution of conflicting U.S. and international industry standards; and • our ability to influence the development of emerging industry standards and to introduce new and enhanced products that are compatible with such standards. In the past, we have introduced new products that were not compatible with certain technological standards, and in the future, we may not be able to effectively address the compatibility and interoperability issues that arise as a result of technological changes and evolving industry standards. Our products must also comply with various U.S. federal government regulations and standards defined by agencies such as the FCC, standards established by governmental authorities in various foreign countries and recommendations of the International Telecommunication Union. In some circumstances, we must obtain regulatory approvals or certificates of compliance before we can offer or distribute our products in certain jurisdictions or to certain customers. Complying with new regulations or obtaining certifications can be costly and disruptive to our business. If we do not comply with existing or evolving industry standards or government regulations, we will not be able to sell our products where these standards or regulations apply, which may prevent us from sustaining our net revenues or achieving **profitability**. Provisions in our charter documents and Delaware law may delay or prevent an acquisition of Extreme, which could decrease the value of our common stock. Our certificate of incorporation and bylaws and Delaware law contain provisions that could make it more difficult for a third party to acquire us without the consent of our Board. Delaware law also imposes some restrictions on mergers and other business combinations between us and any holder of 15 % or more of our outstanding common stock. In addition, our Board has the right to issue preferred stock without stockholder approval, which could be used to dilute the stock ownership of a potential hostile acquirer. Although we believe these provisions of our certificate of incorporation and bylaws and Delaware law will provide for an opportunity to receive a higher bid by requiring potential acquirers to negotiate with our Board, these provisions apply even if the offer may be considered beneficial by some of our stockholders. Our bylaws, as amended, provide that, unless we consent in writing to an

alternative forum, the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of a fiduciary duty owed by any of our directors, officers, other employees or stockholders to us, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our certificate of incorporation or our bylaws, any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. Our bylaws further provide that the federal district courts of the United States shall be the exclusive forum for any cause of action arising under the Securities Act of 1933, as amended (the “ Securities Act ”). The choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, other employees or stockholders, which may discourage such lawsuits against us and our directors, officers, other employees and stockholders. Furthermore, the enforceability of similar choice of forum provisions in other companies’ certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive- forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find the choice of forum provision contained in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could **materially** adversely affect our business ~~and~~, financial condition, **and operating results**. Compliance with laws, rules and regulations relating to corporate governance and public disclosure may result in additional expenses. Federal securities laws, rules and regulations, as well as Nasdaq rules and regulations, require companies to maintain extensive corporate governance measures, impose comprehensive reporting and disclosure requirements, set strict independence and financial expertise standards for audit and other committee members and impose civil and criminal penalties for companies and their Chief Executive Officers, Chief Financial Officers and directors for securities law violations. These laws, rules and regulations and the interpretation of these requirements are evolving, and we are making investments to evaluate current practices and to continue to achieve compliance, which investments may have a material **adverse** impact on our **business, financial condition, and operating results**. Natural or man-made disasters, climate change, acts of war or terrorism, pandemics, technological disruptions or other events beyond our control could disrupt our operations and harm our business, financial condition and **operating results of operations**. We have major offices in Morrisville, North Carolina, San Jose, California, ~~and Salem, New Hampshire in the United States, as well as~~ ~~in~~ Bangalore, India, ~~in~~ Thornhill, Canada, ~~in~~ Shannon, Ireland and ~~in~~ Reading, United Kingdom. We have, or plan to have, contract manufacturers located in ~~China, Taiwan, Mexico,~~ Vietnam, the Philippines, and Thailand. Historically, each location has been vulnerable to natural disasters and other risks, such as earthquakes, fires, floods, and severe storms, which could disrupt the local or even global economy, create power and communication disruptions, and pose physical risks to property belonging to us or our contract manufacturers. Global shipping could be disrupted by such events, which would impede our ability to get product to our customers. Climate change may exacerbate the frequency or severity of some natural disasters. Regulations related to climate change and / or greenhouse gas emissions could have an impact on our supply chain, business operations, and regulatory compliance requirements. Customers or potential customers may impose climate change- related requirements on us that are costly or may require us to forego certain revenue. ~~In addition, the continued threat of terrorism and heightened security and military action in response to this threat, or any future acts of terrorism or other geopolitical unrest, may cause further disruptions to the economies of the United States and other countries. If such disruptions result in delays or cancellations of customer orders for our products, our business, financial condition and operating results will suffer.~~ Civil unrest, riots, pandemics, **acts of terrorism,** and other systemic disruptions could disrupt demand for products, supply chain, or distribution and could negatively impact our costs or revenue. Such disruptions to the availability or integrity of utilities, transportation infrastructure, or the internet could have significant macroeconomic impacts, decreasing demand for our products and impacting our ability to get them to market. As a result, our **business, financial situation,** ~~and operating results would~~ **could** be negatively affected. 29