

Ad-hoc notification pursuant to Article 17 of the Market-Abuse-Regulation (EU) No. 596/2014

ADVA Optical Networking SE: Agreement on Final Draft of Domination and Profit and Loss Transfer Agreement with ADTRAN Holdings, Inc.

Munich, Germany. 18 October 2022.

The management board of ADVA Optical Networking SE (“**ADVA**”) and the board of directors of ADTRAN Holdings, Inc. (“**ADTRAN Holdings**”) today agreed on a final draft of a domination and profit and loss transfer agreement with ADVA as the controlled company and ADTRAN Holdings as the controlling company. The domination and profit and loss transfer agreement still (i) requires the consent of ADVA’s general meeting, that is to approve of the agreement on 30 November 2022, and (ii) must be entered into the commercial register at ADVA’s legal seat. ADTRAN Holdings currently holds approximately 65.35% of the shares in ADVA. ADVA’s supervisory board today has approved the draft agreement.

In the draft agreement, ADTRAN Holdings offers to acquire the shares of ADVA’s outside shareholders against a compensation payment (*Abfindung*) in cash pursuant to Sec. 305 of the German Stock Corporation Act (*Aktiengesetz* – “**AktG**”) in the amount of EUR 17.21 per ADVA share. This amount lies at the upper end of the value range per ADVA share calculated by a valuation in accordance with IDW S1 that was jointly commissioned by ADVA and ADTRAN Holdings and performed by the expert ValueTrust Financial Advisors SE. ADVA’s management board and ADTRAN Holdings’ board of directors agreed on the amount of the compensation (*Abfindung*), inter alia, on the basis of the expert opinion. The court-appointed contract auditor, the auditing firm ADKL AG, has confirmed the appropriateness of the aforementioned compensation.

The cash compensation (*Abfindung*) exceeds the volume-weighted average stock market price of the ADVA share of EUR 15.85 per share calculated by the Federal Financial Supervisory Authority (BaFin) in the three-months period up to and including 5 July 2022. This period is referred to since ADVA had announced on 6 July 2022 that ADTRAN Holdings had approached ADVA to inform it of its intention to negotiate a domination and profit and loss transfer agreement with ADVA.

The domination and profit and loss transfer agreement also provides for an annually recurring compensation payment (*Ausgleichszahlung*) to all outside ADVA shareholders pursuant to Sec. 304 AktG in the amount of EUR 0.59 gross or EUR 0.52 net (after deduction of current corporate income tax and solidarity surcharge) per share.

This compensation payment (*Ausgleichszahlung*) is based on the intrinsic equity value of EUR 17.21 per ADVA share determined from today’s perspective as of the valuation date and used as basis for the

compensation (*Abfindung*) and a rounded risk- and maturity-equivalent annuity interest rate (*Verrentungszinssatz*) of 3.0%. However, it is possible that there will be changes in the interest environment as a result of central bank interest rate increases between now and the extraordinary general meeting on 30 November 2022. This may lead to changes in the annuity interest rate that is used to calculate the compensation payment (*Asugleichszahlung*). If on the day of the general meeting an annuity interest rate of more than 3.0% has to be used, this may result in slight increases to the compensation payment (*Ausgleichszahlung*). The parties have agreed on specific amounts for annuity interest rates in a range between 3.25–5.5%. At a relevant annuity interest rate of 3.25%, the gross compensation payment (*Ausgleichszahlung*) would amount to EUR 0.62, and for a relevant annuity interest rate of 5.5%, it would amount to EUR 1.00.

The domination and profit and loss transfer agreement as well as the joint report of ADVA's management board and ADTRAN Holdings' board of directors on the agreement, including the expert opinion of ValueTrust Financial Advisors SE and the audit report of the court-appointed auditor, ADKL AG, will be published on the internet on <https://www.adva.com> together with the invitation to the extraordinary general meeting of ADVA.

Disclaimer

To the extent any announcements in this document contain forward-looking statements, such statements do not represent facts and are characterized by the words "will", "expect", "believe", "estimate", "intend", "aim", "assume" or similar expressions. Such statements express the intentions, opinions or current expectations and assumptions of ADVA and the persons acting jointly with ADVA. Such forward-looking statements are based on current plans, estimates and forecasts, which ADVA and the persons acting jointly with ADVA have made to the best of their knowledge, but which they do not claim to be correct in the future. Forward-looking statements are subject to risks and uncertainties that are difficult to predict and usually cannot be influenced by ADVA or the persons acting jointly with ADVA. These expectations and forward-looking statements can turn out to be incorrect and the actual events or consequences may differ materially from those contained in or expressed by such forward-looking statements.

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