

## Remuneration of the management and the supervisory board

This remuneration report, which was prepared by the management board and supervisory board, reports on the remuneration of the management board and supervisory board members of ADVA SE for the financial year 2022 in accordance with the requirements of section 162 German Stock Corporation Act (Aktiengesetz, AktG) and the recommendations and suggestions of the German Corporate Governance Code (DCGK). The remuneration granted and payable as well as the granted benefits are stated individually for the board members.

At its meeting on February 23, 2021, as part of the regular review of the framework for the remuneration of the members of the management board of ADVA SE, the supervisory board of ADVA SE decided to adjust or develop respectively the framework for the remuneration of the management board members approved at the annual general meeting on June 5, 2014 in accordance with the provisions of the law to implement the second shareholder rights directive (ARUG II) and the German Corporate Governance Code (DCGK) in the version of December 16, 2019. The remuneration framework will therefore apply for the first time to remuneration components that have been resolved by the supervisory board or agreed with the members of the management board from February 23, 2021. This remuneration framework was also applied in the past financial year, including the issue of stock options. It should be noted that the members of the management board exchanged their options for shares in the new parent company as part of the takeover bid by Adtran. This option was available to all option holders as part of the takeover bid. The authorization granted by the Annual General Meeting on which the options are based permits special arrangements in the event of the sale of a majority of the shares in the company.

The current valid remuneration framework, which was approved at the annual general meeting on May 19, 2021 with an approval rate of 99.39 %, can be accessed on the investors page in the About Us section of the website [www.adva.com](http://www.adva.com).

The remuneration report on the remuneration granted and owed individually to the members of the management board and the supervisory board of ADVA SE in the financial year 2022 was approved by the annual general meeting on May 18, 2022 with a majority of 96.07 %. In view of the high approval of the remuneration report, no changes to the remuneration report were deemed necessary in the financial year 2022.

Due to the domination and profit and loss transfer agreement between Adtran and ADVA Optical Networking SE, which was entered into the commercial register on January 16, 2023, the incentive effect intended with the existing stock option program can no longer be achieved in the future. As a consequence, the supervisory board will deal with possible

adjustments of the remuneration framework in the short term and submit any changes to the annual general shareholders' meeting for resolution.

## Management board remuneration for the financial year 2022

### Remuneration framework basics

The management board remuneration is based not only on the performance of the management board, but also considers the company's economic situation and its size and complexity. A sustainable and long-term development of the company is the focus of the management board compensation framework of ADVA SE. As part of variable remuneration, strategic objectives, responsible actions and sustainable, profitable growth are supported, taking into account the interests of shareholders, customers, employees and other stakeholders. It is characterized by pronounced variability depending on the performance of the management board and the success of the group.

The supervisory board of ADVA SE has decided that the remuneration framework and the related compensation are built on the operational, financial and economic situation and on the successes and future prospects of the company. Within the remuneration framework, the tasks and the performance of the management board are taken into account on an individual as well as on a collective basis. With the help of adequate performance criteria as part of the performance-related variable remuneration of the management board, it is ensured that performance is appropriate and that failure to meet targets is taken into account according to the pay-for-performance principle. Variable remuneration components are therefore indirectly dependent on financial, operational and strategic goals. The stock options are also directly influenced by such targets due to the development of the stock price. Ultimately, strategic company goals and key figures form crucial performance indicators for short-term and long-term variable remuneration.

### Compensation review process

It is essential that the remuneration structure and its amount are customary and competitive in the market. This is ensured by regular compensation comparisons with peer groups that are relevant for ADVA SE. In addition, an appropriate relationship between the remuneration of the management board and the remuneration of managers and employees is guaranteed.

Relevant comparable group companies are considered by the supervisory board for a horizontal comparison of the total goal remuneration and the appropriateness. To this end, twelve companies, preferably from the TecDax and the SDax, are used as external references for a future appropriateness test. With the help of a horizontal – external – comparison, it should be ensured that the members of the management board receive a remuneration that is customary in the market and competitive.

In addition, a vertical – internal – comparison of the remuneration of the management board is carried out, whereby the remuneration of the management board members is considered among themselves and in comparison to senior management and the entire workforce in the company. External as well as internal adequacy are checked at regular intervals.

### Changes in the remuneration framework

The structure of the remuneration framework was unchanged for the financial year 2022 compared to the financial year 2021. The last changes to the remuneration framework were resolved on February 23, 2021 and approved at the annual general meeting on May 19, 2021.

Due to the domination and profit and loss transfer agreement between Adtran Holdings, Inc. and ADVA SE, which was entered into the commercial register on January 16, 2023, the incentive effect intended with the existing stock option program can no longer be achieved in the future. As a consequence, the supervisory board will deal with possible adjustments of the management board compensation system in the short term and submit any changes to the annual general meeting for resolution.

### Remuneration structure

The management board remuneration system includes non-performance-related (fixed) and performance-related (variable) remuneration components and consists of a basic remuneration, the fringe benefits, the short-term incentive (STI<sup>1</sup>) and a long-term variable pay (LTVP<sup>2</sup>) for a three years term and a long-term stock option program. The STI and the LTVP are paid out in the year in which they fully vest. After the LTVP has been granted in full, it will be replaced by the new long-term incentive (LTI<sup>3</sup>) in fiscal year 2023. The LTI has a four-year review period and can be granted annually and is based on the share price performance.

The base salary is between 21-40 % and the fringe benefits approximately 1-3 % of the total target compensation.

Other components of the remuneration are variable components, such as the STI at 14-29 %, LTVP 2020-2022 14-29 % and stock options at 0-49 % of the total target compensation.

The management board compensation earned if 100% of the targets were achieved would be as follows:

	<b>Brian Protiva</b> <b>(until August 31, 2022)</b>		<b>Christoph Glingener</b>		<b>Ulrich Dopfer</b>		<b>Scott St. John</b>	
	Chief executive officer		Chief technology officer and chief operations officer		Chief financial officer		Chief marketing and sales officer	
		<b>in % of total target remuneration</b>		<b>in % of total target remuneration</b>		<b>in % of total target remuneration</b>		<b>in % of total target remuneration</b>
(in thousands of EUR)	<b>2022</b>		<b>2022</b>		<b>2022</b>		<b>2022</b>	
Basic remuneration	253	21 %	253	24 %	253	21 %	253	40 %
Fringe benefits	11	1 %	6	1 %	16	1 %	16	3 %
<b>Total fixed remuneration</b>	<b>265</b>	<b>22 %</b>	<b>260</b>	<b>25 %</b>	<b>269</b>	<b>22 %</b>	<b>269</b>	<b>43 %</b>
STI 2022	268	22 %	190	18 %	170	14 %	180	29 %
LTVP 2020 – 2022	268	22 %	190	18 %	170	14 %	180	29 %
Stock option plans tranche 2022 - 2026	427	35 %	413	39 %	603	50 %	—	— %
<b>Total variable remuneration</b>	<b>963</b>	<b>78 %</b>	<b>793</b>	<b>75 %</b>	<b>943</b>	<b>78 %</b>	<b>360</b>	<b>57 %</b>
<b>100 % target compensation total</b>	<b>1,228</b>		<b>1,053</b>		<b>1,213</b>		<b>629</b>	

\*As target remuneration, the stock options granted in the current financial year are valued at the fair value at the time of issue.

<sup>1</sup> The STI is the annual short-term variable remuneration for members of the Executive Board and is described in the remuneration system.

<sup>2</sup> The LTVP is an annual long-term variable compensation component with a 3-year horizon and is replaced by the LTI. The LTVP is explained in the compensation report.

<sup>3</sup> The LTI is a long-term variable compensation component with a 4-year horizon and will replace the LTVP. The LTI is explained in the compensation report.

Relative shares of remuneration components in %



- Fixed remuneration (21-40%)
- Fringe benefits (1-3%)
- Short-Term-Incentive (14-29%)
- LTVP 2020-2022 (14-29%)
- Stock options (0-50%)

### Total annual remuneration for 2022 in accordance with Section 162 (1) Sentence 2 No. 1 AktG

The following table shows the remuneration granted and payable for the 2022 financial year for the active and former members of the management board as of December 31, 2022.

Since remuneration granted and payable is not always accompanied by a payment in the respective financial year, the table below shows the amount of funds granted to the members of the management board for the 2022 financial year. In the following, the non-performance-related remuneration components were granted and received in the 2022 financial year. The STI 2022 is shown because the underlying activity was fully performed in 2022. The targets of the LTVP 2020 - 2022 were achieved. The agreed long-term compensation component will therefore be paid in 2023. The share-based remuneration granted for the 2022 financial year is stated as a calculated value from the number of options issued multiplied by the fair value at the grant date.

For the financial year 2022, the total remuneration for the members of the management board of ADVA SE amounts to EUR 4.0 million.

The management board remuneration for active and former members according to Section 162 (1) sentence 2 No. 1 AktG comprises as follows:

	<b>Brian Protiva</b> <b>(until August 31, 2022)</b>		<b>Christoph Glingener</b>		<b>Ulrich Dopfer</b>		<b>Scott St. John</b>	
	Chief executive officer		Chief technology officer and chief operations officer		Chief financial officer		Chief marketing and sales officer	
(in thousands of EUR)	<b>2022</b>	<b>in % of total remuneration</b>	<b>2022</b>	<b>in % of total remuneration</b>	<b>2022</b>	<b>in % of total remuneration</b>	<b>2022</b>	<b>in % of total remuneration</b>
Basic remuneration	253		253		253		253	
Fringe benefits	11		6		16		16	
<b>Total fixed remuneration</b>	<b>265</b>	<b>23 %</b>	<b>260</b>	<b>26 %</b>	<b>269</b>	<b>23 %</b>	<b>269</b>	<b>44 %</b>
STI 2022	207		147		135		157	
LTVP 2020 – 2022	268		190		170		180	
Stock option plans tranche 2022 - 2026	427		413		603		—	
<b>Total variable remuneration</b>	<b>903</b>	<b>77 %</b>	<b>750</b>	<b>74 %</b>	<b>908</b>	<b>77 %</b>	<b>337</b>	<b>56 %</b>
<b>Total remuneration</b>	<b>1,167</b>		<b>1,010</b>		<b>1,178</b>		<b>607</b>	

Until the takeover by Adtran, the members of the management board received all remuneration components exclusively from ADVA SE. As part of the takeover, the stock options of ADVA SE were exchanged for stock options of Adtran.

Brian Protiva has resigned from his position as chairman and member of the management board of ADVA SE effective August 31, 2022. Brian Protiva will receive his compensation

as chairman and member of the management board until December 31, 2022, including his monthly fixed compensation, as well as the STI and the LTVP. He did not receive any additional severance payment due to the termination of his service agreement. The share of total compensation attributable to the period after his departure from the management board amounts to a total of EUR 187 thousand.

No further former board members received payments in 2022.

### Annual maximum remuneration

The maximum remuneration set by the supervisory board in accordance with section 87a (1) sentence 2 No. 1 AktG for the financial year 2022 is EUR 2.0 million for the CEO and EUR 1.7 million for an ordinary member of the management board.

The maximum remuneration consists of the basic remuneration and the fringe benefits as well as the variable

remuneration components. The STI and LTI/LVP are each capped at 200 %. The stock options are included with 1/7 of the options that can be exercised for a maximum of seven years in the amount of the profit limitation.

In the financial year 2022, both the overall maximum remuneration and the limit for the individual variable remuneration components were fulfilled.

The relevant total remuneration based on the paid remuneration for 2022 compares with the defined maximum remuneration as follows:

	<b>Brian Protiva (until 31 August, 2022)</b>	<b>Christoph Glingener</b>	<b>Ulrich Dopfer</b>	<b>Scott St. John</b>
	Chief executive officer	Chief technology officer and chief operations officer	Chief financial officer	Chief marketing and sales officer
<i>(in thousands of EUR)</i>				
Basic remuneration	253	253	253	253
Fringe benefits	11	6	16	16
STI 2021	448	318	288	303
Stock options	555	364	231	411
<b>Total remuneration</b>	<b>1,268</b>	<b>942</b>	<b>788</b>	<b>984</b>
<b>Maximum remuneration</b>	<b>2,000</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>

In fiscal year 2022, no compensation was received from the LTVP, as the pro forma EBIT targets were not achieved for LTVP 2019 - 2021. For the stock options, the actual inflow from options exercised in 2022 granted by ADVA SE and by Adtran is taken into account.

### Non-performance-related remuneration components and fringe benefits

The members of the management board receive an agreed, non-performance-related base salary that is paid out in equal installments.

### Benefits in kind and other additional remuneration

In addition to cash payments, the members of the management board are granted various fringe benefits, some of which are event-related. Two members of the management board currently have a company car at their disposal for business and private use. The other two management board members receive a corresponding company car allowance.

Furthermore, the members of the management board are covered by a directors' and officers' liability insurance policy, which is taken out by the company, taking into account a deductible. Pursuant to section 93 paragraph 2 clause 3 of the German Stock Corporation Act, a statutory private deductible is provided for the management board.

### Company pension plans

The remuneration framework does not include any company pension schemes for former and active members of the management board.

### Annual variable remuneration

#### Short-term-incentive (STI)

As a short-term variable remuneration, the STI incentivizes the operational development of ADVA SE depending on the business success in the respective financial year. The supervisory board ensures that the goals for the STI are based on demanding financial, operational and strategic success parameters, whereby the amount of actual payment is dependent on the degree of achievement. A STI with an one-year assessment period relating to four targets is therefore granted for each financial year. The four goals of the STI are divided into three joint financial goals, i.e., identical financial goals referring to pro forma EBIT, revenues and net cash of the group for all board members, and several individual goals defined for each management board member. The individual goals are derived from the strategic corporate goals of growth and profitability, innovation, operational excellence, customer experience and people. The strategic goal of growth and profitability is a medium-term strategy to increase revenues and profitability. Innovation takes into account measures for being an innovation leader in

the relevant technology segments. Operational excellence includes different targets to increase quality, delivery capability and sustainability. The goal of customer experience is intended to help increase customer satisfaction. People takes into account different concepts for employee development, diversification and employee satisfaction.

Brian Protiva's individual goals include the categories growth and profitability, people and customer experience.

Christoph Glingener's individual goals comprise the categories growth and profitability, innovation, operational excellence, people and customer experience.

Uli Dopfer's individual goals support the categories growth and profitability, operational excellence and customer experience.

Scott St. John's individual goals include the categories growth and profitability, innovation and customer experience.

The extent to which these goals are achieved determines the amount actually paid out which is monitored by the supervisory board. The range of each of the four individual targets for possible target achievement is between 0 % and 250 %.

Payment is made in cash at the end of the performance period. Exceeding or falling below the individual targets is taken into account on a linear basis according to the overall degree of target achievement. The overall target achievement of the STI is limited to a maximum of 200 %.

The targets set for the members of the management board were achieved in the financial year 2022 as follows:

Goal		weighting	Goal achievement	2022 actual value	100 % goal	250 % goal
Pro forma EBIT of the group	in %	40 %	70 %	7.1 %	8.0 %	12.5 %
Consolidated revenues	in millions of EUR	20 %	157 %	712.1	655.0	805.0
Net cash of the group *	in millions of EUR	20 %	— %	2.0	68.9	91.4
Individual goals	in %	20 %				
Brian Protiva			90 %			
Christoph Glingener			90 %			
Ulrich Dopfer			100 %			
Scott St. John			140 %			

\*Net cash as a goal for compensation does not take into account lease liabilities under IFRS 16.

## Multi-year variable remuneration

### Long-term variable pay (LTVP)

For a bonus payment after the three-year assessment period, it is necessary to achieve a pro forma EBIT defined at the beginning of the assessment period. While failure to achieve the pro forma EBIT in one of the three calendar years of the period under review already leads to the complete loss of the LTVP, exceeding the pro forma EBIT in one or more years does not increase the bonus. The LTVP is thus designed for sustainable group development, but follows the all-or-nothing principle.

In 2020, the members of the management board were granted a long-term variable pay with a term of three years. The Group's pro forma EBIT targets for 2020, 2021 and 2022 were 5.0 %, 6.0 % and 7.0 %, respectively. With actual pro forma EBIT of 6.0 % in 2020, 9.1 % in 2021 and 7.1 % in 2022, LTVP 2020 - 2022 has been fully vested in 2022. Therefore, the corresponding LTVP will be paid in the financial year 2023.

### Long-term-incentive (LTI)

Based on the new remuneration framework, the members of the management board can be granted a LTI tranche with a four-year assessment period for each fiscal year. The target remuneration in euros to be defined by the supervisory board is initially converted into a provisional number of virtual shares known as performance share units (PSU). The conversion is made by dividing the target remuneration by the average share price of ADVA SE in the fourth quarter of the previous year before the start of the respective LTI.

In addition, the supervisory board selects up to two financial targets at the beginning of the LTI observation period. This can be, for example, the pro forma EBIT, revenues, free cash flow, return on capital employed (ROCE) and / or the estimated total service revenue (eTSR). In addition, the supervisory board selects up to two non-financial sustainability goals per LTI, such as customer satisfaction according to the customer satisfaction score (CSAT), net promoter score (NPS), the reduction of greenhouse gases according to the goals of the Science Based Targets initiative (SBTi<sup>4</sup>), such as emissions from the company car fleet, electricity purchased and products sold, employee

<sup>4</sup> The SBTi is a partnership between the Carbon Disclosure Project, UN Global Compact, the World Resources Institute and the World Wide Fund for Nature. It aims at helping companies determining how much they must cut emissions to support the restriction of global warming to within 2°C compared to pre-industrial temperatures. Find out more under [sciencebasedtargets.org/](https://sciencebasedtargets.org/).

satisfaction, employee development, diversity, succession planning, innovation and compliance. The LTI increases the incentives for a sustainable and long-term increase in company value, taking into account internal and external value development. The ratio of the weighting of financial to non-financial sustainability goals is 80 % to 20 %, regardless of whether one or two goals are selected to be evaluated equally.

For all LTI targets, the supervisory board defines target values for each calendar year at the beginning of the four-year observation period, which correspond to a target achievement of 100 %, as well as minimum and maximum values, which correspond to a target achievement of 0 % and 200 %, and, if necessary, target achievement curves.

At the end of the four-year observation period, the arithmetic mean of the four annual achievements related to its target is calculated. The average level of target achievement determined for the individual LTI targets is combined according to the defined weighting to form a weighted target achievement. The provisional number of performance share units (PSUs) calculated at the start of the LTI is then multiplied by this weighted target achievement to determine the final number of PSUs. After the end of the LTI in the year following the end of the assessment period, the final number of PSUs determined by means of the weighted target achievement is multiplied by the average share price of ADVA SE shares in Q4 of the previous year. This ensures that the long-term variable remuneration of each management board member is granted based on shares. Finally, the payout of the LTI is limited to 200 % of the target amount of the LTI.

For the calendar year 2022, no LTI will be granted to the acting members of the management board as the former LTVP is still applicable for 2022.

### Stock options

ADVA SE grants its management board members stock options in addition to the STI and LTVP or LTI. The stock option plan valid for the 2022 financial year provides for the general conditions described below:

The members of the management board are granted the right to purchase ordinary bearer shares in ADVA SE at a fixed subscription price (option rights). The option rights are granted without additional consideration by the person entitled to the option.

Each subscription right from stock options entitles the members of the management board to purchase one share in the company in accordance with the respective option conditions. The term, the relevant exercise price (subscription price), waiting times and exercise windows as well as the valid exercise periods are regulated in the option conditions.

The exercise periods are regularly linked to significant business events of the company and have a fixed term. Certain other business events establish a blackout period during which the subscription rights may not be exercised. If and to the extent that exercise days fall within such a blocking

period, the exercise phase is extended by a corresponding number of days immediately after the end of the blocking period. In principle, options can only be exercised on days when the commercial banks in Frankfurt am Main are open.

The option rights can be exercised no earlier than four years after the option was issued (vesting period). The term of the subscription rights is seven years. Option rights not exercised by the end of the term of seven years from issue expire with immediate effect. A claim by the management board to payment of a cash settlement if the option rights are not exercised despite the existence of the exercise requirements, in particular if the option rights expire, is excluded. The subscription price of the option right corresponds to the volume-weighted average of the closing price of the share on the 10 stock exchange trading days before the respective option right is issued. With regard to each individual trading day, the closing price is the closing price determined in XETRA trading (or a successor system) of the Frankfurt Stock Exchange in the closing auction or, if such a closing price is not determined on the trading day in question, the last in continuous XETRA trading (or a successor system) the price of the company's shares determined by the Frankfurt Stock Exchange. In any case, at least the lowest issue price within the meaning of Section 9 (1) AktG must be paid as the subscription price.

The option rights may only be exercised if the volume-weighted average of the closing price of the company's shares on the 10 stock exchange trading days before the first day of the respective exercise period in which the option is exercised is at least 120 % of the subscription price. The management board is only entitled to exercise the option rights to the extent that the total profit from the exercise of these option rights does not exceed the total amount of options issued multiplied by the maximum profit of EUR 20.00 per option.

On May 15, 2022, three board members received stock options with an exercise price of EUR 15.68.

In the course of the business combination with Adtran, employees of ADVA SE were given the opportunity to exchange their stock options for stock options of Adtran in the exchange ratio 0.8244. All members of the management board exchanged all their outstanding stock options. Thus, as of December 31, 2022, there were no outstanding ADVA SE stock options for the members of the management board.

The development of the stock options held under ADVA SE's stock option program by active and former members of the management board is shown in the following table:

	Options outstanding on Jan. 1, 2022	Granted options 2022	Fair value at the grant date	Exercised options 2022	Options converted in 2022	Options outstanding on Dec. 31, 2022
	Number	Number	in thousands of Euro	Number	Number	Number
Brian Protiva	227,860	107,140	427,489	(21,428)	(313,572)	—
Christoph Glingener	221,430	103,570	413,244	(20,714)	(304,286)	—
Ulrich Dopfer	105,477	151,190	603,248	(15,238)	(241,429)	—
Scott St. John	250,000	—	—	(21,428)	(228,572)	—
<b>Total</b>	<b>804,767</b>	<b>361,900</b>	<b>1,443,981</b>	<b>(78,808)</b>	<b>(1,087,859)</b>	<b>—</b>

At year-end, the current and former management board members hold the Adtran stock options from the exchange on July 22, 2022, shown in the following table:

	Addition from conversion of stock options in 2022	Fair value on conversion date	Granted Adtran options 2022	Fair value of granted Adtran options in 2022	Exercised options 2022	Options outstanding on Dec. 31, 2022
	Number	in thousands of USD	Number	in thousands of Euro	Number	Number
Brian Protiva	258,508	2,834,695	—	—	(26,501)	232,007
Christoph Glingener	250,853	2,614,582	—	—	(17,078)	233,775
Ulrich Dopfer	199,034	1,854,050	—	—	(9,112)	189,922
Scott St. John	188,434	2,583,676	—	—	(10,000)	178,434
<b>Total</b>	<b>896,829</b>	<b>9,887,004</b>	<b>—</b>	<b>—</b>	<b>(62,691)</b>	<b>834,138</b>

The outstanding options of the active and former members of the management board at Adtran on the reporting date are divided between the different issue tranches as follows:

	Strike price <sup>*)</sup>	Brian Protiva	Christoph Glingener	Ulrich Dopfer	Scott St. John
Tranche	in USD	Number of options outstanding at Adtran	Number of options outstanding at Adtran	Number of options outstanding at Adtran	Number of options outstanding at Adtran
May 15, 2016	10.58	—	—	3,451	—
November 15, 2017	6.06	—	—	—	95,994
May 15, 2018	7.04	52,997	—	—	82,440
May 15, 2020	7.01	41,220	41,220	—	—
May 15, 2021	12.17	49,464	107,172	61,830	—
May 15, 2022	19.08	88,326	85,383	124,641	—
<b>Total</b>		<b>232,007</b>	<b>233,775</b>	<b>189,922</b>	<b>178,434</b>

\*) The exercise prices of the Adtran options are obtained by dividing the original exercise prices by the agreed exchange ratio of 0.8244.

### Share ownership guideline (SOG)

In order to continue to adjust the interests of the management board and the shareholders, share ownership guidelines (so-called share ownership guidelines) have been established. From 2021, a personal investment is mandatory, in which the members of the management board must build up a self-financed investment in ADVA SE shares and hold these shares for the duration of their appointment. After a four-year

build-up phase, the amount to be invested for personal investment in ADVA SE shares is 100 % of the gross annual base salary for each individual management board member. For the CEO, the personal investment in shares of ADVA SE comprises 200 % of the base salary (in total) after an extended build-up phase of eight years.

## Other remuneration

In the financial year 2022, no other remuneration was granted to the members of the management board. Furthermore, the active members of the supervisory board have not received any loans from ADVA SE. Furthermore, there was no remuneration granted or promised by third parties for work on the management board in the financial year.

## Malus & Clawback regulations

In order to ensure sustainable and long-term corporate management and development, the management board remuneration framework contains malus and clawback regulations. Under certain circumstances, these enable the supervisory board to reduce the variable remuneration in part or in full at its discretion, or to reclaim variable remuneration components that have already been paid. Misrepresentations in the financial reports, serious breaches of duty or compliance, serious unethical behavior as well as a grossly negligent or intentional breach of the duty of care by the member of the management board are included in this possibility of reclaim or reduction.

Claims for damages against the board member remain unaffected. The possibility of reclaiming expires three years after payment at the latest.

In the 2022 financial year, the supervisory board did not make use of the malus and clawback regulations described above.

## Benefits upon termination of service on the management board

### Ordinary termination

In the event of an ordinary termination of the employment relationship, the management board member receives a severance payment in the amount of a STI for the past financial year that has ended but has not yet been paid, as well as a LTI for the financial year that has ended but has not yet been paid, and additional calendar-based shares for LTIs that have not yet ended, which would have been granted upon achievement of the objectives.

### Early termination

In the event of premature termination of the employment relationship by the company, which is not due to a violation by the respective member of the management board, the management board member will receive a severance payment in the amount of a pro-rated but not yet paid STI for the past financial year, as well as a pro-rated LTI that has not been paid out and, in addition, for LTIs that have not been completed, calendar-based portions that are to be granted upon achievement of targets, as well as the base salary up to the end of the agreed contract term.

In the event of premature termination of employment before the end of the agreed contract period at the instigation of a management board member, the management board member will receive a severance payment in the amount of a STI that has expired but not yet been paid for the past

financial year, as well as a LTI that has been completed but not yet paid.

Each of the aforementioned severance payments is limited with regard to the STI and the LTI, to the extent that any basic remuneration that may still be payable, including fringe benefits and other monetary benefits, the value of two annual salaries and the remuneration for the remaining term of the employment contract are not exceeded under any circumstances (severance payment caps).

The calculation of the severance payment cap is based on the total remuneration for the past financial year and, if applicable, also on the expected total remuneration for the current financial year.

## Total remuneration of former members of the management board

Brian Protiva has resigned from his position as chairman and member of the management board of ADVA SE effective August 31, 2022. Brian Protiva will receive his compensation as chairman and member of the management board, including his monthly fixed compensation, as well as the STI and the LTVP until December 31, 2022. He did not receive any additional severance payment due to the termination of his service agreement.

In the financial year 2022, no payments were made to further former management board members or their surviving dependents. In addition, there are no other pension obligations or any resulting obligations.



## Comparative representation

The table below shows the annual change in management board and supervisory board compensation, the earnings development of ADVA SE measured in terms of net income, sales, pro forma EBIT and net cash at group level, as well as the development of average employee compensation and average compensation of senior management on a full-time equivalent basis:

Change in %	2021 vs. 2020	2022 vs. 2021
<b>Total remuneration of current members of the management board</b>		
Brian Protiva (until August 31, 2022)	37 %	28 %
Christoph Glingener	75 %	1 %
Ulrich Dopfer	61 %	47 %
Scott St. John	38 %	6 %
<b>Total remuneration of current members of the supervisory board</b>		
Nikos Theodosopoulos Chairman (until August 4, 2022)	— %	(40)%
Johanna Hey Chairwoman	— %	3 %
Michael Aquino (until September 24, 2022)	— %	(22)%
Frank Fischer Vice Chairman (from September 14, 2022)	n/a	n/a
Eduard Scheiterer (from October 5, 2022)	n/a	n/a
<b>Earnings development of the company</b>		
Net income of ADVA SE according to HGB	5 %	(58)%
<b>Development of the group's key figures</b>		
Consolidated revenues	7 %	18 %
Pro forma EBIT of the group	62 %	(8)%
Net cash/(debt) of the group <sup>*</sup>	2,607 %	(131)%
<b>Average annual compensation of employees</b>		
Average annual compensation of senior management	0 %	7 %
Average annual compensation of the total workforce	3 %	5 %

\* Net cash as a target for remuneration does not take into account lease liabilities under IFRS 16.

The comparison of the relative development of management board remuneration is shown on the basis of the total

remuneration granted and payable in accordance with section 162 AktG. When comparing the average employee remuneration, the remuneration of the members of the management board is considered among themselves and in comparison to senior management and the relevant overall workforce in the company. In doing so, the supervisory board takes into account, in addition to the current relationships between the remuneration of the different levels, in particular the development of the remuneration of the groups described over time. The remuneration components include the total annual remuneration.

## Remuneration of the supervisory board in the 2022 financial year

The remuneration framework of the supervisory board was approved by the annual general meeting of ADVA SE on May 19, 2021 and is also stipulated in section 12 of the articles of association of ADVA SE. The remuneration framework for the members of the supervisory board (disclosures pursuant to Section 113 (3) Sentence 2 in conjunction with Section 87a (1) Sentence 2 AktG) is based on purely fixed remuneration with no variable components and no share-based remuneration. The management board and the supervisory board are of the opinion that purely fixed remuneration for the members of the supervisory board is best suited to strengthening the independence of the supervisory board and taking into account its advisory and monitoring function, which must be fulfilled independently of the company's success. A purely fixed compensation is also provided for in the suggestion of G.18 Clause 1 of the German Corporate Governance Code. Accordingly, the members of the supervisory board received neither shares nor stock options in 2022.

Due to the larger area of responsibility, the fixed remuneration of the chairman of the supervisory board for the financial year 2022 is EUR 100 thousand. For the other members of the supervisory board, the fixed remuneration is EUR 45 thousand each for 2022. The chairwoman of the audit committee receives an additional EUR 45 thousand annually for her work. This adequately takes into account the greater time required when taking over the chair of the supervisory board and of the audit committee. The remuneration of the supervisory board is paid out proportionately on a quarterly basis and exclusively by ADVA SE.

The following table shows the remuneration components granted and payable to the active members of the supervisory board in the 2022 financial year, including their relative share in accordance with Section 162 AktG. As compensation granted and owed is not always accompanied by a payment in the respective fiscal year, the following table shows the amount of funds granted to the members of the Supervisory Board for fiscal year 2022.

	Fixed compensation		Committee compensation		Total compensation
	in thousands of EUR	in %	in thousands of EUR	in %	in thousands of EUR
Nikos Theodosopoulos Chairman (until August 4, 2022)	60	100 %	—	— %	60
Johanna Hey Chairwoman	62	67 %	31	33 %	93
Michael Aquino (until September 24, 2022)	35	100 %	—	— %	35
Frank Fischer Vice chairman (since September 14, 2022)	14	52 %	13	48 %	27
Eduard Scheiterer (since October 5, 2022)	11	100 %	—	— %	11

The members of the supervisory board are included in a pecuniary damage liability insurance policy, the premiums for which are paid by the company.

The active members of the supervisory board did not receive any loans from ADVA in the financial year 2022. In addition, there are no pension commitments for active members of the supervisory board.

Former supervisory board members did not receive any payments in 2022.

Meiningen, March 7, 2023

The management board:

Dr. Christoph Glingener

Ulrich Dopfer

On behalf of the supervisory board:

**Johanna Hey**

*Chairwoman of the supervisory board*