



ADVA Optical Networking SE

Meiningen

– ISIN DE 0005103006 –

(Securities Identification Number [Wertpapierkennnummer – WKN] 510300)

– ISIN DE 000A3MQBT1 –

(Securities Identification Number A3MQBT)

Invitation to the Annual General Meeting

The shareholders of our Company are hereby invited to the

Annual General Meeting

taking place as a virtual annual general meeting without the physical presence of shareholders or their proxies at 2:00 pm (CEST) on Wednesday, 18 May 2022.

The Annual General Meeting will be broadcast live on the Internet for our shareholders. Shareholders' voting rights will be exercised exclusively by way of an electronic postal vote or by issuing proxies to the representatives appointed by the Company to exercise voting rights. The location of the Annual General Meeting within the meaning of the German Stock Corporation Act [*Aktiengesetz – AktG*] is the hotel Fronveste, An der Oberen Mauer 1–3, 98617 Meiningen.

Agenda

1. Submission of the adopted annual financial statements as of 31 December 2021, the approved consolidated financial statements as of 31 December 2021, the combined management report for ADVA Optical Networking SE and the group for financial year 2021, the explanatory report of the Management Board on the disclosures pursuant to secs 289a and 315a of the German Commercial Code [*Handelsgesetzbuch – HGB*], the report of the Supervisory Board for financial year 2021 and the combined separate non-financial report for ADVA Optical Networking SE and the group for financial year 2021.

The Supervisory Board has approved the annual financial statements and consolidated financial statements prepared by the Management Board. The annual financial statements are thus adopted. No adoption by the Annual General Meeting is therefore required. The annual financial statements, the combined management report, the consolidated financial statements, the report of the Management Board on the disclosures pursuant to secs. 289a and 315a *HGB* and the report of the Supervisory Board must be made available to the Annual General Meeting. No resolution on this agenda item will be adopted.

2. Resolution on the appropriation of the net retained profits for financial year 2021

The annual financial statements of ADVA Optical Networking SE as of 31 December 2021 show net retained profits of EUR 153,548,329.01. However, due to a restriction on distribution pursuant to sec. 268 para. 8 HGB, only up to EUR 78,883,393.34 is currently permitted as a profit distribution.

The Management Board and the Supervisory Board propose that the net retained profits for financial year 2021 of EUR 153,548,329.01 be carried forward in full to new account.

3. Formal approval of the actions of the members of the Management Board for financial year 2021

The Management Board and the Supervisory Board propose that the actions of all the members of the Management Board of ADVA Optical Networking SE who were in office in financial year 2021 be formally approved for that financial year.

4. Formal approval of the actions of the members of the Supervisory Board for financial year 2021

The Management Board and the Supervisory Board propose that the actions of all the members of the Supervisory Board of ADVA Optical Networking SE who were in office in financial year 2021 be formally approved for that financial year.

5. Election of the auditor of the financial statements and of the consolidated financial statements for financial year 2022

The Supervisory Board proposes that PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Munich, be elected as auditor of the financial statements and of the consolidated financial statements for financial year 2022.

The proposal for election is based on the recommendation of the Audit Committee. The Audit Committee has stated that its recommendation is free from influence by a third party and that no clause has been imposed on it that restricted the choice of the Annual General Meeting to a particular auditor as regards the appointment, cf. art. 16(6) of the EU Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

6. Approval of the Remuneration Report for 2021

Pursuant to sec. 162 para. 1 *AktG* ("*AktG*"), the Management Board and the Supervisory Board of a listed company must prepare a Remuneration Report annually. Pursuant to sec. 162 para. 3 *AktG*, the Remuneration Report must be audited by the auditor of the financial statements and must be provided with an audit opinion. Pursuant to sec. 120a para. 4 sentence 1 *AktG*, the Annual General Meeting resolves on the approval of this Remuneration Report for the preceding year, which was prepared and audited pursuant to sec. 162 *AktG*.

The Remuneration Report prepared for financial year 2021 pursuant to sec. 162 *AktG* is reflected in the information below on agenda item 6 ("Remuneration Report of ADVA Optical Networking SE for financial year 2021"). It was audited and provided with an audit opinion by auditor of the annual accounts PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Munich.

The Management Board and the Supervisory Board propose that the Remuneration Report of ADVA Optical Networking SE prepared and audited for financial year 2021 pursuant to sec. 162 *AktG* be approved.

Supplementary information on individual agenda items

Remuneration Report 2021 (agenda item 6)

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 2021 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.

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.

Management board remuneration for the financial year 2021

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 changed for the financial year 2021 compared to the financial year 2020. Significant adjustments relate to short-term variable remuneration, long-term variable remuneration and the management board's stock option program.

The previous short-term variable remuneration component was referred to as a short-term bonus with a short-term annual assessment period and will be renamed to short-term incentive (STI¹) for the financial year 2021. The STI is designed to achieve four goals of a financial, operational and strategic nature for the respective calendar year and is based on a one-year assessment period. The cap of the four individual targets has been adjusted from 200 % to 250 % in order to increase the possibility of achieving the unchanged maximum STI cap of 200 % of the target annual bonus.

The previous long-term variable pay (LTVP²) with a three-year observation period was granted every three years if the target was achieved. This remuneration concept will be replaced by a new long-term incentive (LTI³) plan with a four-year observation period, which can be granted annually, is flexible and is based on the development of the stock price. Since the LTVP has not yet been granted in full, the LTI was not applied in the past financial year.

The stock options within the stock option program continue to be granted as an additional long-term variable component of the management board remuneration, taking into account specific regulations regarding granting and exercise. In the future, management board members will be obliged to hold a defined number of ADVA shares during the term of their management board mandate in accordance with the share ownership guideline (SOG).

Remuneration structure

The management board remuneration system includes non-performance-related (fixed) and performance-related (variable) remuneration components and consists of a basic remuneration, fringe benefits, STI, a LTVP 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.

The base salary is between 29-57 % 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 23-40 % and the stock options at 0-49 % of the total target compensation. In 2019, the management board members were granted an LTVP with a term of three years, which would have been fully vested in 2021. However, the pro forma EBIT set for the members of the management board was not achieved in the period under review 2019 - 2021. Thus in 2020 the LTVP 2019 - 2021 was terminated and is no longer part of the target remuneration.

¹ The short-term incentive is the annual variable remuneration for the members of the management board as described in the remuneration framework.

² The LTVP is an annual 3-year long-term variable remuneration component for the members of the management board and will be replaced by the LTI. It is described in the remuneration framework.

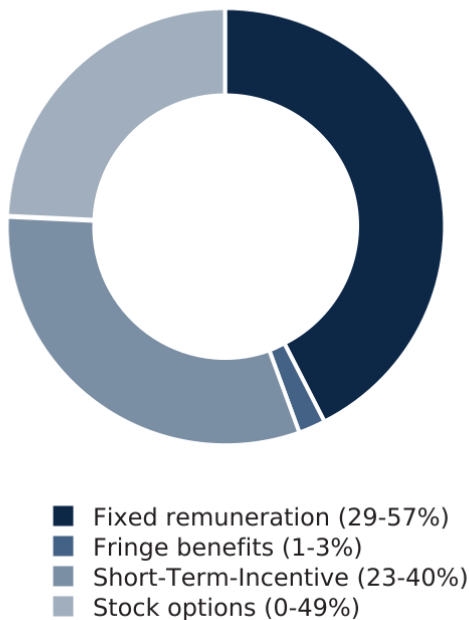
³ The LTI is an annual 4-year long-term variable remuneration component for the members of the management board and will replace the LTVP. It is described in the remuneration framework.

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

	Brian Protiva		Christoph Glingener		Ulrich Dopfer		Scott St. John	
	Chief executive officer		Chief technology officer and chief operations officer		Chief financial officer		Chief marketing and sales officer	
		in % of total target remuneration		in % of total target remuneration		in % of total target remuneration		in % of total target remuneration
(in thousands of EUR)	2021		2021		2021		2021	
Basic remuneration	253	35 %	253	29 %	253	37 %	253	57 %
Fringe benefits	11	1 %	6	1 %	15	2 %	15	3 %
Total fixed remuneration	264	36 %	259	30 %	268	39 %	268	60 %
STI 2021	268	37 %	190	23 %	170	25 %	180	40 %
Stock option plans tranche 2021 - 2025 *	197	27 %	426	49 %	246	36 %	—	— %
Total variable remuneration	465	64 %	616	70 %	416	61 %	180	40 %
100 % target compensation total	729		875		684		448	

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

Relative shares of remuneration components
in %



Total annual remuneration for 2021 in accordance with Section 162 (1) Sentence 2 No. 1 AktG

The following table shows the remuneration granted and payable for the 2021 financial year for the active members of the management board as of December 31, 2021.

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 2021 financial year. In the following, the non-performance-related remuneration components were granted and received in the 2021 financial year. The STI 2021 is shown because the underlying activity was fully performed in 2021. The LTVP 2020 - 2022 is not applicable as the pay-out will be in 2022.

[Translation from the German language]

The share-based remuneration granted for the 2021 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 2021, the total remuneration for the members of the management board of ADVA SE amounts to EUR 3.3 million.

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

	Brian Protiva		Christoph Glingener		Ulrich Dopfer		Scott St. John	
	Chief executive officer		Chief technology officer and chief operations officer		Chief financial officer		Chief marketing and sales officer	
	2021	in % of total remuneration	2021	in % of total remuneration	2021	in % of total remuneration	2021	in % of total remuneration
(in thousands of EUR)								
Basic remuneration	253		253		253		253	
Fringe benefits	11		6		15		15	
Total fixed remuneration	265	29 %	260	26 %	268	33 %	268	47 %
STI 2021	448		318		288		303	
Stock option plans tranche 2021 - 2025	197		426		246		—	
Total variable remuneration	645	71 %	744	74 %	534	67 %	303	53 %
Total remuneration	910		1,004		802		571	

The members of the management board receive all remuneration components exclusively from ADVA SE.

Former board members received no payments in 2021.

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 2021 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 2021, 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 2021 compares with the defined maximum remuneration as follows:

	Brian Protiva		Christoph Glingener		Ulrich Dopfer		Scott St. John	
	Chief executive officer		Chief technology officer and chief operations officer		Chief financial officer		Chief marketing and sales officer	
(in thousands of EUR)								
Basic remuneration		253		253		253		253
Fringe benefits		11		6		15		15
STI 2020		335		243		219		232
Stock options		395		384		791		—
Total remuneration		994		886		1,278		500
Maximum remuneration		2,000		1,700		1,700		1,700

In fiscal year 2021, no compensation was received from the LTVP, as the pro forma EBIT targets were not achieved for LTVP 2018 - 2020, which was fully earned in the previous year. For the stock options, the actual inflow from options exercised in 2021 is taken into account.

Non-performance-related remuneration components and fringe benefits

Non-performance-related base remuneration

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 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 2021 as follows:

Goal		weighting	Goal achievement	2021 actual value	100 % goal	250 % goal
Pro forma EBIT of the group	in %	40 %	202 %	9.1 %	6.0 %	10.5 %
Consolidated revenues	in millions of EUR	20 %	93 %	603.3	610.0	760.0
Net cash of the group *	in millions of EUR	20 %	250 %	61.2	15.0	37.5
Individual goals	in %	20 %				
Brian Protiva			90 %			
Christoph Glingener			90 %			
Ulrich Dopfer			100 %			
Scott St. John			95 %			

*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 2019, the members of the management board were granted a long-term variable pay with a term of three years, which would have been fully vested in 2021. However, the pro forma EBIT set for the members of the management board was not achieved in the period under review 2019 - 2021. Therefore, no corresponding LTVP will be paid in the financial year 2022. As the pro forma EBIT target was not achieved, the LTVP 2019 - 2021 was already replaced in 2020 by a new LTVP 2020 - 2022. This will be fully earned in 2022 if the defined targets will be achieved and will be paid out in 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 (SBTi⁴), such as emissions from the company car fleet, electricity purchased and products sold, employee 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.

⁴ 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/.

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 2021, no LTI will be granted to the acting members of the management board as the former LTVP is still applicable for 2021.

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 2021 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, 2021, three board members received stock options with an exercise price of EUR 10.00.

As of the reporting date, the members of the management board held the stock options from the stock option program shown in the following table:

	Options outstanding on Jan. 1, 2021	Granted options 2021	Fair value at the grant date	Exercised options 2021	Forfeited and expired options 2021	Options outstanding on Dec. 31, 2021
	Number	Number	in thousands of Euro	Number	Number	Number
Brian Protiva	275,000	60,000	196,740	107,140	—	227,860
Christoph Glingener	195,000	130,000	426,270	103,570	—	221,430
Ulrich Dopfer	181,667	75,000	245,925	151,190	—	105,477
Scott St. John	250,000	—	—	—	—	250,000
Total	901,667	265,000	868,935	361,900	—	804,767

The outstanding options of the management board members are divided between the different issue tranches as follows:

	Strike price	Brian Protiva	Christoph Glingener	Ulrich Dopfer	Scott St. John
Tranche	in EUR	Number of options outstanding	Number of options outstanding	Number of options outstanding	Number of options outstanding
May 15, 2016	8.70	42,860	41,430	30,477	—
November 15, 2017	4.98	—	—	—	150,000
May 15, 2018	5.79	75,000	—	—	100,000
May 15, 2020	5.76	50,000	50,000	—	—
May 15, 2021	10.00	60,000	130,000	75,000	—

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 2021, 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 2021 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

In the financial year 2021, no payments were made to 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:

<u>Change in %</u>	<u>2021 vs. 2020</u>
Total remuneration of current members of the management board	
Brian Protiva	37 %
Christoph Glingener	75 %
Ulrich Dopfer	61 %
Scott St. John	38 %
Total remuneration of current members of the supervisory board	
Nikos Theodosopoulos Chairman	— %
Johanna Hey Vice chairwoman	— %
Michael Aquino	— %
Earnings development of the company	
Net income of ADVA SE according to HGB	5 %
Development of the group's key figures	
Consolidated revenues	7 %
Pro forma EBIT of the group	62 %
Net cash of the group *	2,607 %
Average annual compensation of employees	
Average annual compensation of senior management	0 %
Average annual compensation of the total workforce	3 %

* 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 2021 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 2021.

Due to the larger area of responsibility, the fixed remuneration of the chairman of the supervisory board for the financial year 2021 is EUR 100 thousand. For the other members of the supervisory board, the fixed remuneration is EUR 45 thousand each for 2021. 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 2021 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 2021.

	Fixed compensation		Committee compensation		Total compensation
	in thousands of EUR	in %	in thousands of EUR	in %	in thousands of EUR
Nikos Theodosopoulos Chairman	100	100 %	—	—%	100
Johanna Hey Vice chairwoman	45	50 %	45	50 %	90
Michael Aquino	45	100 %	—	—%	45

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 2021. In addition, there are no pension commitments for active members of the supervisory board.

Former supervisory board members did not receive any payments in 2021.

Meiningen, February 22,
2022

The management board:

Brian Protiva Christoph Glingener

Ulrich Dopfer Scott St. John

On behalf of the supervisory board:

Nikos Theodosopoulos
Chairman of the supervisory board

“INDEPENDENT AUDITOR’S REPORT

To ADVA Optical Networking SE, Meiningen

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of ADVA Optical Networking SE, Meiningen, and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2021, and the consolidated statements of comprehensive income, consolidated income statements, consolidated statement of changes in stockholders’ equity and consolidated cash flows statements for the financial year from January 1 to December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of ADVA Optical Networking SE, which is combined with the Company’s management report, – which comprise the content included to comply with the German legal requirements as well as the remuneration report pursuant to § [Article] 162 AktG [Aktengesetz: German Stock Corporation Act], including the related disclosures, included in section „Remuneration of the management and the supervisory board“ of the group management report – for the financial year from 1 January to 31 December 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to §315e Abs.1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2021, and of its financial performance for the financial year from January 1 to December 31, 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ① Recoverability of goodwill
- ② Accounting treatment of internally generated intangible assets
- ③ Recognition and measurement of deferred taxes

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

- ① Recoverability of goodwill

① In the Company's consolidated financial statements goodwill amounting to EUR 71,595 thousand is reported under the balance sheet item "Goodwill". Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the relevant group of cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology employed for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs for Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value in use calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are within the ranges considered by us to be reasonable.

③ The Company's disclosures on goodwill are contained in sections (4) Recognition and measurement, (5) Significant accounting judgments, estimates and assumptions and (14) Fixed assets in the notes to the consolidated financial statements.

- ② Accounting treatment of internally generated intangible assets

① In the Company's consolidated financial statements an amount of EUR 97,786 thousand is reported under the balance sheet item "capitalized development projects". This item represents development costs incurred for new products, which have been capitalized in accordance with the provisions of IAS 38 and have already been partially amortized in line with their useful lives. An impairment test is carried out at least once annually for projects still under development in accordance with IAS 36. Own

expenses capitalized in accordance with these provisions during the financial year amounted to EUR 42,497 thousand, representing a reduction in the expenses charged to profit or loss. The eligibility of the development expenses for capitalization depends on the criteria established by IAS 38.57 and includes considerable scope for judgment, for example with respect to future cash inflows or the expected useful lives of the products developed. Against this background and due to the underlying complexity of the methodological requirements relating to measurement and eligibility for capitalization, this matter was of particular significance for our audit.

② As part of our audit, we evaluated the internal processes and controls for recording the development projects, among other things. We also assessed the methodology used to calculate the expenses eligible for capitalization. We assessed the eligibility for capitalization of material projects on the basis of the criteria set out in IAS 38.57. We evaluated the stage of progress of the particular project by means of discussions with members of staff in the R&D controlling department and inspection of the project documentation. We assessed the amount of the development costs capitalized and the recoverability of the development expenditure on the basis of suitable supporting evidence. In our view, the methodology applied by the Company for capitalizing development projects is appropriate, and the stage of completion of the projects and the development costs capitalized have been clearly documented.

③ The Company's disclosures on internally generated intangible assets are contained in sections (4) Recognition and measurement, (5) Significant accounting judgments, estimates and assumptions, (14) Fixed assets, (27) Income taxes and (32) Segment reporting in the notes to the consolidated financial statements.

③ Recognition and measurement of deferred taxes

① After netting, deferred tax assets amounting to EUR 15,339 thousand and deferred tax liabilities of EUR 2,151 thousand are reported in the Company's consolidated financial statements. Deferred tax assets were recognized to the extent that the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the deductible temporary differences and unused tax losses to be utilized. For this purpose, insofar as sufficient deferred tax liabilities are not available, future taxable profits are projected on the basis of the business plan. No deferred tax assets were recognized in respect of unused tax losses and other deductible temporary differences amounting in total to EUR 92,758 thousand, since it is currently not probable that they will be utilized for tax purposes by means of offsetting against taxable profits. Deferred tax liabilities mainly arise from differences between the carrying amounts of the development projects, rights of use, (acquired) intangible assets, as well as the temporary differences between goodwill recognized in accordance with IFRS and the offsetting goodwill deductible for tax purposes. From our point of view, the accounting treatment of deferred taxes was of particular significance in the context of our audit, as it depends to a large extent on the estimates and assumptions made by the executive directors and is therefore subject to uncertainties.

② As part of our audit, we assessed, among other things, the internal processes and controls with regard to the recognition of deferred taxes in the context of the consolidated financial statements as well as the methodology used for the determination, recognition and measurement of deferred taxes. We also assessed the recoverability of the deferred tax assets relating to deductible temporary differences and unused tax losses on the basis of the Company's internal forecasts of its future earnings situation, and the appropriateness of the underlying estimates and assumptions.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

③ The Company's disclosures on deferred taxes are contained in sections (4) Recognition and measurement, (5) Significant accounting judgments, estimates and assumptions and (27) Income taxes in the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information.

The other information comprises

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB

- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and of the group management report.

The executive directors and the supervisory board are further responsible for the preparation of the remuneration report, including the related disclosures, which is included in a separate section of the group management report and complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file ADVA_SE_KA+LB_ESEF-2022-02-22.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within this renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 01 to December 31, 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described below in the "Group Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance engagement. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enables a XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on May 19, 2021. We were engaged by the supervisory board on December 5, 2021. We have been the group auditor of the ADVA Optical Networking SE, Meiningen, without interruption since the financial year 2010.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Jürgen Schumann."

München, February 22, 2022
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Jürgen Schumann ppa. Sonja Knösch
Wirtschaftsprüfer Wirtschaftsprüferin

Information on the conduct of the virtual Annual General Meeting

With the consent of the Supervisory Board, the Management Board of ADVA Optical Networking SE has decided to hold the Annual General Meeting without the physical presence of shareholders or their proxies as a virtual Annual General Meeting. Physical participation of the shareholders or their proxies (except for the proxies appointed by the Company) is therefore ruled out. The basis of this decision is sec. 1 of the German Act on Measures under Corporate, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the Covid-19 Pandemic [*Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der Covid-19-Pandemie*] of 27 March 2020 (Federal Law Gazette I 2020, p. 570) in the version amended by the German Act to Further Shorten the Residual Debt Discharge Procedure and to Adjust Pandemic-Related Provisions under Corporate, Cooperative, Association and Foundation Law as well as Rental and Tenancy Law [*Gesetz zur weiteren Verkürzung des Restschuldbefreiungsverfahrens und zur Anpassung pandemiebedingter Vorschriften im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrechts sowie im Miet- und Pachtrecht*] of 22 December 2020, Federal Law Gazette I 2020, p. 3332, the validity of which was extended by the Act for the Establishment of a Special Fund "Development Aid 2021" and to Temporary Suspension the Insolvency Filing Obligation Due to Heavy Rainfall and Floods in July 2021 as well as to Amend Other Laws of 10 September 2021 [*Gesetz zur Errichtung eines Sondervermögens „Aufbauhilfe 2021“ und zur vorübergehenden Aussetzung der Insolvenzantragspflicht wegen Starkregenfällen und Hochwassern im Juli 2021 sowie zur Änderung weiterer Gesetze vom 10. September 2021*] (Federal Law Gazette I 2021, p. 4153) until 31 August 2022 (hereinafter "COVID-19 Act").

The Annual General Meeting will be broadcast live in sound and vision on 18 May 2022 at 2:00 pm (CEST) on our shareholder portal, which can be accessed via a link on the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

Shareholders who wish to attend the virtual Annual General Meeting must register in advance (see "Registration for the virtual Annual General Meeting" below). Physical attendance by the shareholders or their proxies is not possible. The voting rights of shareholders or their proxies will therefore be exercised exclusively by way of an electronic postal vote or by the issuing of proxies to the representatives appointed by the Company to exercise voting rights.

Information on attending the virtual Annual General Meeting and exercising voting rights

Registration for the virtual Annual General Meeting

In accordance with art. 16 para. 1 sentence 1 of the Company's Articles of Association, shareholders who register with the Company by presenting proof of their share ownership are entitled to attend the virtual Annual General Meeting and to exercise their voting rights. Pursuant to sec. 123 para. 4 sentence 2 *AktG*, this proof must refer to the beginning of the 21st day before the Annual General Meeting, i.e. 27 April 2022, 00:00 hrs ("Record Date") and must be provided in text form (sec. 126b of the German Civil Code [*Bürgerliches Gesetzbuch – BGB*]) in German or English. Corresponding proof from the last intermediary pursuant to sec. 67c para. 3 *AktG* is sufficient. The registration and the proof must be received by the Company at least six days before the Annual General Meeting, i.e. at the latest on

11 May 2022, 24:00 hrs

at

ADVA Optical Networking SE
c/o Deutsche Bank AG
Securities Production
General Meetings
PO Box 20 01 07
60605 Frankfurt am Main
Germany
or by fax at +49 69 12012 86045
or by email at wp.hv@db-is.com

After the registration and the proof of share ownership are received, the shareholders who have registered in the proper manner will be sent access cards. These contain the access data for the shareholder portal and further information on the virtual Annual General Meeting. Shareholders who would like to attend the virtual Annual General Meeting are requested to inform their custodian bank as early as possible so that the bank can send the registration and the proof of share ownership to the registration office.

Authorisation to attend the virtual Annual General Meeting and the number of voting shares are based solely on the share ownership as of the Record Date. Only a person who has furnished proof of share ownership as of the Record Date will be regarded as a shareholder vis-à-vis the Company for the purpose of attending the virtual Annual General Meeting and exercising voting rights. Changes in shareholdings after the Record Date are of no significance for the existence and extent of the statutory attendance and voting rights. Shareholders who have only acquired shares in the Company after the Record Date cannot attend the Annual General Meeting. Shareholders who have registered in the proper manner and furnished proof are entitled, vis-à-vis the Company, to attend the Annual General Meeting and to exercise voting rights even if they have sold their shares after the Record Date. Partial sales and additional acquisitions of shares after the Record Date have no effect on the number of the voting rights. The Record Date has no effect on the saleability of the shares and is not a relevant date for a possible dividend entitlement.

Proxy voting

Within the scope of the statutory provisions, shareholders have the opportunity to exercise their voting rights through a proxy, e.g. a shareholders' association, an intermediary within the meaning of sec. 67a para. 4 *AktG* (e.g. a custodian bank) ("Intermediary") or another person of their choice. Please note that proper registration and proper proof of share ownership are also required if a proxy is used (see "Registration for the virtual Annual General Meeting" above).

If a proxy is not issued to an Intermediary or a shareholders' association or another institution or person regarded as equivalent pursuant to sec. 135 para. 8 *AktG*, it must be issued in text form to ADVA Optical Networking SE or in text form directly to the party acting as proxy. The same form applies to the revocation and proof of the proxy issued to the Company.

If a proxy is issued to an Intermediary or a shareholders' association or another institution or person regarded as equivalent pursuant to sec. 135 para. 8 *AktG*, the special provisions of sec. 135 *AktG* apply, which, among other things, require that a verifiable record of the proxy be kept (sec. 135 para. 1 sentence 2 *AktG*). We therefore request that shareholders who wish to issue a proxy to an Intermediary, a shareholders' association or another institution or person regarded as equivalent pursuant to sec. 135 para. 8 *AktG* request information from the proxy to be appointed regarding the particularities to be observed in this respect.

The issue, proof or revocation of the proxy can be sent to the following address, fax number or email address:

UBJ. GmbH
w/ HV ADVA Optical Networking SE
Haus der Wirtschaft
Kapstadtring 10
22297 Hamburg
Germany
or by fax at +49 40 6378 5423
or by email at hv@ubj.de

Please use the proxy form enclosed with the access cards. The proxy form can also be sent by the Company on request. The proxy authorisation and instruction form is also available for download on the company website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

However, it is also possible for shareholders to issue a separate proxy in text form.

Proxies may not physically attend the Annual General Meeting. They may exercise the voting rights of the shareholders they represent merely by way of an electronic postal vote or, if this is possible under the proxy, by issuing a (sub-)proxy to the representatives appointed by the Company to exercise voting rights.

We are offering our shareholders the opportunity to be represented at the Annual General Meeting by representatives appointed by the Company to exercise voting rights. The proxies can be issued by writing to the address, fax number or email address below by no later than 17 May 2022, 24:00 hrs (CEST) (time of receipt):

UBJ. GmbH
w/ HV ADVA Optical Networking SE
Haus der Wirtschaft
Kapstadtring 10
22297 Hamburg
Germany
or by fax at +49 40 6378 5423
or by email at hv@ubj.de

The shareholder portal, which can be accessed via the following link on the Company's website, is also available as a means of issuing proxies to representatives appointed by the Company to exercise voting rights:

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

Proxies and instructions issued in this way to the representatives appointed by the Company to exercise voting rights must be issued in full by the end of the voting at the latest. Until this time, it is also possible to revoke proxies issued via the shareholder portal or to change the instructions issued via the shareholder portal to the representatives appointed by the Company to exercise voting rights.

If shareholders wish to issue proxies to representatives appointed by the Company to exercise voting rights, they must always issue instructions to the representatives on how their voting rights are to be exercised. If no instructions are issued, the representatives appointed by the Company will not exercise the voting rights. The representatives appointed by the Company to exercise voting rights are obliged to vote in accordance with the instructions issued to them. If an individual vote is held on an agenda item without this being

communicated in advance of the virtual Annual General Meeting, an instruction on this agenda item will also be deemed overall to be a corresponding instruction for each item of the individual vote. Please note that the representatives appointed by the Company to exercise voting rights cannot accept instructions on procedural motions either before or during the virtual General Meeting. Likewise, the representatives appointed by the Company to exercise voting rights will not accept requests or instructions to speak, to file objections against resolutions of the Annual General Meeting or to ask questions or propose motions.

Forms for issuing proxies and instructions, which can be used by shareholders, will be sent to them together with the access cards. The proxy form can also be sent by the Company on request. The proxy authorisation and instruction form is also available for download on the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

Proper and in particular timely registration and proof of share ownership are also required when issuing proxies to the representatives appointed by the Company to exercise voting rights (see "Registration for the virtual Annual General Meeting" above).

Voting by electronic postal vote

Shareholders or their proxies can cast their votes by a postal vote held by means of electronic communication. Only those shareholders who have registered in a timely manner in accordance with the requirements specified above under "Registration for the virtual Annual General Meeting" are entitled to exercise their voting rights by way of an electronic postal vote.

The shareholder portal, which can be accessed via a link on the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

will be available before and during the Annual General Meeting for the purpose of exercising voting rights by way of an electronic postal vote. Any exercise of voting rights in this way by electronic postal vote must be completed in full by the end of voting at the Annual General Meeting at the latest. Up to this time, it is also possible to revoke or change the exercise of voting rights taking place by this means. To exercise voting rights by postal vote via the shareholder portal, the access card with the access data is required.

If, in addition to votes cast in the electronic postal vote, a proxy authorisation or instructions to the proxies appointed by the Company are received for the same shareholding, the votes cast in the electronic postal vote will always be deemed to take priority; the representatives appointed by the Company will therefore not make use of any proxy issued to them and will not represent the shares. If an individual vote is held on an agenda item without this being communicated in advance of the virtual general meeting, a vote on this agenda item will also be deemed overall to be a corresponding vote for each item of the individual vote.

Shareholders' rights

Addition to the agenda pursuant to art. 56 sentences 2 and 3 of (EU) Regulation No 2157/2001 ("SE Reg"), sec. 50 para. 2 of the German SE Implementation Act ("SEAG"), sec. 122 para. 2 AktG

Shareholders whose shares collectively account for one twentieth of the share capital or EUR 500,000 thereof may request that items be placed on the agenda and announced. Each new item must be accompanied by supporting information or a resolution proposal.

Requests for additional agenda items must be received by the Company at least 30 days before the meeting, i.e. by 17 April 2022, 24:00 hrs. The request must be addressed in writing to the Management Board of ADVA Optical Networking SE. Corresponding requests can be sent to the following address:

ADVA Optical Networking SE
Management board
- attn. Ms. Romy Opitz -
Märzenquelle 1-3
98617 Meiningen-Dreißigacker
Germany

Counter-motions/election nominations pursuant to art. 53 SE Reg, secs. 126 para. 1, 127 AktG in conjunction with sec. 1 para. 2 sentence 3 Covid-19 Act

Furthermore, any shareholder is entitled to file counter-motions with regard to the agenda items as well as to make election nominations.

The Company will make any counter-motions from shareholders, including the name of the shareholder, the reasons and any comments by the management, available on the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

if the shareholder has, at least 14 days before the meeting, i.e. by 3 May 2022, 24:00 hrs, sent the Company a permissible counter-motion with regard to a proposal by the Management Board and the Supervisory Board or a proposal by the Supervisory Board concerning a specific agenda item, including reasons, to the following address, fax number or email address:

ADVA Optical Networking SE
- attn.: Ms. Romy Opitz -
Märzenquelle 1-3
98617 Meiningen-Dreißigacker
Germany
or by fax at: +49 89 890665 199
or by email at: ropitz@adva.com

A counter-motion does not need to be published if one of the exclusion criteria under sec. 126 para. 2 AktG has been met. The reasons do not need to be published if they consist of more than 5,000 characters in total.

Shareholders are requested to furnish proof that they are shareholders at the time they submit the counter-motion.

These provisions apply *mutatis mutandis* to election nominations by shareholders. However, reasons do not need to be stated for election nominations. Moreover, election nominations do not have to be published if the election nomination does not contain the name, the practiced profession and the place of residence of the proposed candidate, as well as, in the event of the election of Supervisory Board members, information about their membership of other supervisory boards that must be established by law. Furthermore, a nomination for the election of members of the Supervisory Board must contain information concerning their membership of comparable German and foreign supervisory bodies of commercial entities.

No counter-motions or election nominations can be made during the virtual Annual General Meeting. Counter-motions and election nominations that are received in the proper manner by the Company by

3 May 2022, 24:00 hrs, and must be made available by the Company pursuant to sec. 126 or sec. 127 AktG are deemed to be submitted to the meeting if the identity of the shareholder submitting the motion or the election nomination has been authenticated in the proper manner and the shareholder has registered for the Annual General Meeting (sec. 1 para. 2 sentence 3 Covid-19 Act).

Shareholders' right to ask questions pursuant to art. 53 SE Reg, sec. 131 para. 1 AktG in conjunction with sec. 1 para. 2 sentence 1 no. 3, sentence 2 Covid-19 Act

Pursuant to sec. 131 para. 1 AktG, each shareholder or shareholder representative may, at an in-person annual general meeting, ask the Management Board to provide information with regard to the Company's affairs and the legal and business relationships of the Company towards affiliated companies as well as on the situation of the Group and the companies included in the consolidated financial statements, if the information is required for the proper assessment of the item of the agenda.

The above right to information does not exist at the virtual Annual General Meeting taking place on 18 May 2022. However, on the basis of sec. 1 para. 2 sentence 1 no. 3, sentence 2 Covid-19 Act, the shareholders must be granted a right to ask questions by means of electronic communication.

With the Supervisory Board's consent, the Management Board of ADVA Optical Networking SE has decided that shareholders who have registered in the proper manner or their proxies have the opportunity to submit questions by means of electronic communication at the latest by 16 May 2022, 24:00 hrs (CEST) (time of receipt). Questions must be submitted by using the access data via the shareholder portal, which can be accessed via the link

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

After this time, and in particular during the virtual Annual General Meeting, no questions can be asked.

The Management Board will decide at its own duly exercised discretion how to answer questions.

Declaring an objection to a resolution of the Annual General Meeting

An objection to be put on record in respect of a resolution of the Annual General Meeting in accordance with sec. 245 no. 1 AktG in conjunction with sec. 1 para. 2 sentence 1 no. 4 Covid-19 Act may be declared by shareholders, or by proxies who have exercised voting rights, from the beginning of the virtual Annual General Meeting until the end of the virtual Annual General Meeting on 18 May 2022 by means of electronic communication, stating the access data provided (access card number and PIN code), to the email address

ropitz@adva.com.

Information on the Company's website

After the convening, the following information will be available on the Company website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>:

- the content of this convening notice, including an explanation of agenda item 1 (on which no resolution is to be passed at the Annual General Meeting), the Remuneration Report of ADVA Optical Networking SE for financial year 2021, information on the total number of shares and voting rights at the time of convening the Annual General Meeting, including separate information on the total number for every share class and the explanations of the following

shareholder rights: making additions to the agenda, submitting counter-motions and/or nominations for election, the right to information,

- the further information on the convening of the Annual General Meeting pursuant to blocks D to F of table 3 of the Annex to Implementing Regulation (EU) 2018/1212, i.e. information on participation in the general meeting (block D), the agenda (block E) and the specification of the deadlines regarding the exercise of other shareholders' rights (block F),
- the adopted annual financial statements of ADVA Optical Networking SE as of 31 December 2021,
- the combined management report of ADVA Optical Networking SE and the Group for financial year 2021,
- the report of the Supervisory Board for financial year 2021,
- the approved consolidated annual financial statements as of 31 December 2021,
- the combined separate non-financial report of ADVA Optical Networking SE and the Group for financial year 2021,
- the explanatory report of the Management Board on the information pursuant to secs. 289a, 315a *HGB*,
- the proposal of the Management Board on the appropriation of the net profit,
- the forms that can be used to issue a proxy for the Annual General Meeting.

From the time that the Annual General Meeting is convened, the aforementioned documents will also be available for inspection at the business premises of the Company, Fraunhoferstr. 9a, 82152 Planegg-Martinsried und Märzenquelle 1-3, 98617 Meiningen-Dreißigacker, as well as at the Annual General Meeting itself.

Total number of shares and voting rights at the time of convening the Annual General Meeting

At the time of convening the Annual General Meeting, the Company's share capital is divided into 51,445,892 no-par value shares as ordinary shares. Each share grants the holder one vote. At the time of convening the Annual General Meeting, the Company does not hold any treasury shares and is not entitled to any rights from such shares. The total number of shares entitling shareholders to attend and vote thus amounts to 51,445,892 at the time of convening the Annual General Meeting.

Data privacy notice

The protection of your data and its processing in conformity with the law are extremely important to us. We process the personal data provided by you in your registration for the Annual General Meeting in order to enable you to exercise your rights at the Annual General Meeting. Detailed information on the

processing of your personal data is available in a clearly summarised form in one place in our data protection statement, which is available on the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

for inspection and download.

Simultaneous interpretation

For those attending the Annual General Meeting of ADVA Optical Networking SE on 18 May 2022, a simultaneous interpretation of the event will be available in English.

Meiningen, April 2022

ADVA Optical Networking SE
The Management Board