



ADVA Optical Networking SE

Meiningen

– ISIN DE 0005103006 –

(Securities Identification Number [*Wertpapierkennnummer* – WKN] 510300)

### Invitation to the Annual General Meeting

We hereby invite the shareholders of our Company to the

### Annual General Meeting

to be held at 11:00 a.m. (CEST) (admission starting at 10:00 a.m. (CEST)) on Wednesday, May 24, 2023, at smartvillage Bogenhausen, Rosenkavalierplatz 13, 81925 Munich, Germany.

#### I. AGENDA

1. Presentation of the adopted annual financial statements as of December 31, 2022, the approved consolidated financial statements as of December 31, 2022, the combined management report for ADVA Optical Networking SE and the Group for the 2022 financial year, the explanatory report of the Management Board on the disclosures pursuant to Sections 289a, 315a of the German Commercial Code [*Handelsgesetzbuch* - HGB], the report of the Supervisory Board for the 2022 financial year, and the combined separate non-financial report for ADVA Optical Networking SE and the Group for the 2022 financial year.

The Supervisory Board approved the annual financial statements and consolidated financial statements prepared by the Management Board. The annual financial statements are thus adopted. Thus, there is no need for the Annual General Meeting to adopt them. The Annual General Meeting has to be provided with the annual financial statements, the combined management report, the consolidated financial statements, the report of the Management Board on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code, and the report of the Supervisory Board. No resolution will be passed on this agenda item.

2. Resolution on the appropriation of net income for the 2022 financial year

The financial statements of ADVA Optical Networking SE as of December 31, 2022, show a net profit of EUR 177,438,127.08. However, due to a distribution block pursuant to Section 268 para. 8 HGB, currently, only profits up to EUR 93.913.244,90 may be distributed.

The Management Board and Supervisory Board suggest that the net profit for the 2022 financial year in the amount of EUR 177,438,127.08 be carried forward in full to new account.

3. Discharge of the Management Board for the 2022 financial year

The Management Board and the Supervisory Board propose that all members of the Management Board of ADVA Optical Networking SE who held office in the 2022 financial year be formally discharged for that financial year.

4. Discharge of the Supervisory Board for the 2022 financial year

The Management Board and the Supervisory Board propose that all members of the Supervisory Board of ADVA Optical Networking SE who held office in the 2022 financial year be formally discharged for that financial year.

5. Election of the auditor and the group auditor for the 2023 financial year

The Supervisory Board proposes to appoint the auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, as an auditor and group auditor for the 2023 financial year.

The election proposal is based on the recommendation of the audit committee. The audit committee declared that its recommendation is free from undue influence by third parties and that it was not subject to any clause restricting the choice by the Annual General Meeting regarding the selection of specific auditors, cf. Article 16 para. 6 of the EU Audit Regulation (Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

6. Resolution on the approval of the 2022 Remuneration Report

Pursuant to Section 162 para. 1 of the German Stock Corporation Act [*Aktiengesetz – AktG*] ("AktG"), the Management Board and the Supervisory Board of a listed company must prepare a Remuneration Report annually. Under Section 162 para. 3 AktG, the Remuneration Report must be reviewed by the auditor and must be provided with an audit opinion. According to Section 120a para. 4 sentence 1 AktG, the Annual General Meeting resolves on the approval of this Remuneration Report for the preceding financial year, which was prepared and audited pursuant to Section 162 AktG.

The Remuneration Report prepared for the 2022 financial year pursuant to Section 162 AktG is reproduced in the disclosures below on agenda item 6 ("Remuneration Report of ADVA Optical Networking SE for the 2022 financial year"). It was audited and provided with an audit opinion by the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich.

The Management Board and the Supervisory Board propose that the Remuneration Report of ADVA Optical Networking SE prepared and audited pursuant to Section 162 AktG for the 2022 financial year be approved.

7. Resolution on the approval of the remuneration system for members of the Management Board

Section 120a para. 1 sentence 1 AktG provides that the Annual General Meeting of listed stock corporations shall resolve on the approval of the remuneration system for the members of the Management Board presented by the Supervisory Board whenever there is a significant change, but at least every four years.

The Annual General Meeting approved the previous remuneration system on May 19, 2021. Since then, the structure of the Company has changed considerably. On July 15, 2022, ADTRAN Holdings, Inc. ("Adtran") acquired a controlling interest in ADVA Optical Networking SE. On November 30, 2022, the Annual General Meeting of ADVA Optical Networking SE approved the conclusion of a domination and profit and loss transfer agreement ("DPLTA") with Adtran as the controlling company. The DPLTA was entered into on December 1, 2022, and came into effect upon entry into the commercial register at the registered office of ADVA Optical Networking SE on January 16, 2023. As a result of the DPLTA, the incentive effect of several variable compensation components of the existing compensation system for Management Board members could no longer be achieved. This applies in particular to compensation instruments that are dependent upon the development of the share price of ADVA Optical Networking SE shares (long-term incentive, share options, and shareholding obligations). The performance criteria of the short-term variable compensation based on the stand-alone business development of ADVA Optical Networking SE (proforma operating income of the ADVA Group, sales, and free cash flow of the ADVA Group) turned out to be no longer appropriate. Finally, the DPLTA obligates the members of the Management Board to follow instructions in the interest of the Group, in some cases also to the disadvantage of ADVA.

Consequently, the Supervisory Board decided to revise the compensation system for members of the Management Board and submit it to the Annual General Meeting for approval. This is intended to ensure that ADVA can also attract and retain suitable and qualified candidates for the position of Management Board member at the Company in the future.

Based on the preliminary work of the Nomination and Compensation Committee, on March 15, 2023, the Supervisory Board adopted a new remuneration system that replaced the remuneration system approved on May 19, 2021. The new remuneration system is set out in the supplementary disclosures on agenda item 7 below and will be submitted to the Annual General Meeting for approval.

The Supervisory Board proposes that the remuneration system for the Management Board members adopted by the Supervisory Board on March 15, 2023, be approved.

8. Resolution on a change of the company name and a corresponding amendment to the Articles of Association

Considering the integration of the Company into the Adtran Group, the company name of the Company is to be changed.

The Management Board and the Supervisory Board propose to resolve:

The name of the Company will be changed to "Adtran Networks SE".

The title of the Articles of Association shall be revised as follows:

"Articles of Association

of

Adtran Networks SE

(hereinafter referred to as "Company")"

Section 1 para. 1 of the Articles of Association is revised as follows:

"The Company is a European Company (SE) and has the company name  
Adtran Networks SE."

9. Resolution on an amendment to the Articles of Association concerning virtual Annual General Meetings

The German Act on the Introduction of Virtual Annual General Meetings of Stock Corporations and Amendment of Cooperative and Insolvency and Restructuring Law Provisions [*Gesetz zur Einführung virtueller Hauptversammlungen von Aktiengesellschaften und Änderung genossenschafts- sowie insolvenz- und restrukturierungsrechtlicher Vorschriften*] (Federal Law Gazette (*Bundesgesetzblatt*) I No. 27 2022, p. 1166 et seqq.) permanently regulates the virtual general meeting in the German Stock Corporation Act. According to the new Section 118a para. 1 sentence 1 case 1 AktG, the Articles of Association may provide for the Annual General Meeting to be held without the physical presence of the shareholders or their proxies at the place of the Annual General Meeting (Virtual Annual General Meeting). Alternatively, the Articles of Association may authorize the Management Board to provide for such a virtual general meeting, Section 118a para. 1 sentence 1 case 2 AktG.

Such authorization of the Management Board is to be included in the Articles of Association of the Company. This will enable the Management Board to decide flexibly on the format of the Annual General Meeting in the future. This seems more expedient than the strict ordering of a virtual Annual General Meeting by the Articles of Association. For future Annual General Meetings, it is to be decided separately in each case, taking into account the circumstances of the respective individual case, whether to use the authorization and to hold an Annual General Meeting as a virtual Annual General Meeting. The Management Board will make its decisions considering the interests of the Company and its shareholders and thereby will pay particular attention to protecting shareholders' rights and aspects of health protection for those involved, effort and costs, and sustainability considerations.

The Management Board and the Supervisory Board propose to resolve as follows:

Section 15 of the Articles of Association of the Company is amended adding a new paragraph 6 to read as follows:

*"6) The Management Board of the Company is authorized to provide that the Annual General Meeting is to be held without the physical presence of the shareholders or their proxies at the place of the Annual General Meeting (Virtual Annual General Meeting). The foregoing authorization applies to Annual General Meetings held on or before the end of May 23, 2025."*

10. Resolution on the amendment of the Articles of Association regarding the virtual attendance of members of the Supervisory Board in the Annual General Meeting

In principle, pursuant to Section 118 para. 3 sentence 1 AktG, the members of the Supervisory Board should (physically) attend the Annual General Meeting. However, the Articles of Association may provide for certain cases where the members may attend by way of video and audio transmission, Section 118 para. 3 sentence 2 AktG. The pandemic events of the past few years have shown that it would be desirable to make the attendance of the members of the Supervisory Board more flexible in various situations. The experience with the virtual Annual General Meeting under the Covid Measures Act has also shown that such attendance using video and audio transmission can

be implemented with technical safety. Therefore, the option granted in Section 118 para. 3 sentence 2 AktG is to be used.

The Management Board and the Supervisory Board propose to resolve as follows:

Section 16 of the Articles of Association of the Company is amended by the addition of a new paragraph 3 to read as follows:

*"3) As agreed with the Chairperson of the Supervisory Board, the members of the Supervisory Board may participate in the Annual General Meeting using video and audio transmission if the respective Supervisory Board member cannot physically attend the Annual General Meeting, if the Supervisory Board member resides abroad or if attending at the location of the Annual General Meeting would involve an unreasonably long travel time, or if the Annual General Meeting is held without the physical presence of the shareholders or their proxies at the location of the Annual General Meeting (Virtual Annual General Meeting). The Chair of the Annual General Meeting (chairperson of the meeting) may not participate in the Annual General Meeting using video and audio transmission under the provisions contained in this paragraph."*

11. Resolution on the amendment of the Articles of Association regarding the attendance using electronic communication, postal vote, and video and audio transmissions

Until the Covid-19 pandemic, the Company did not use the options granted by the AktG to exercise shareholders' rights using electronic communication or to exercise voting rights by postal vote. The same applies to options that permit video and audio transmissions of the Annual General Meeting.

In the past years, the experience with the pandemic has shown that the Company should have the necessary authorizations to react with the required flexibility, especially also in the event of unforeseen circumstances, to enable shareholders to exercise their rights.

The Management Board and the Supervisory Board, therefore, propose that the following resolution be adopted:

Section 16 of the Articles of Association of the Company is amended by adding the following paragraphs 4 to 6 to read as follows:

*"4) The Management Board is authorized to stipulate that shareholders may also attend the Annual General Meeting without being present on site and without a proxy and exercise all or some of their rights in full or in part using electronic communication (electronic attendance). The Management Board is also authorized to make provisions about the scope and procedure of the attendance and exercise of rights according to sentence 1.*

*5) The Management Board is authorized to stipulate that shareholders may cast their votes in writing or using electronic communication (postal vote) without attending the Annual General Meeting. The Management Board is also authorized to make provisions about the scope and procedure of the exercise of rights according to sentence 1.*

*6) The Management Board is authorized to allow video and audio transmission of the Annual General Meeting. The Management Board shall regulate the further details."*

12. Resolution on the amendment of the Articles of Association regarding the form of powers of attorney

Under the current provision in Section 17 para. 2 of the Articles of Association, text form is required and sufficient for the granting, revocation, and proof of authorization. Under Section 134 para. 3 sentence 3 AktG, an authorization may be included in the Articles of Association of a listed company according to which eased requirements are determined in the convocation. This option is to be used.

The Management Board and the Supervisory Board, therefore, propose that the following resolution be adopted:

Section 17 para. 2 of the Articles of Association of the Company is amended and revised as follows:

*"2) Voting rights may be exercised by representatives. Compliance with the text form is required and sufficient for the granting, revocation, and proof of the power of attorney. The convocation may stipulate eased requirements. Proof of authorization may also be transmitted to the Company by electronic means of communication to be determined by the Management Board and announced in the convocation of the Annual General Meeting. Section 135 AktG remains unaffected."*

II. SUPPLEMENTARY DISCLOSURES REGARDING INDIVIDUAL AGENDA ITEMS

1. Supplementary disclosures regarding agenda item 6: Remuneration Report including the auditor's audit opinion pursuant to Section 162 AktG for the 2022 financial year

- a) Remuneration Report of ADVA Optical Networking SE (in the following also "ADVA SE") for the financial year 2022

# Remuneration of the management and the supervisory board

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

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

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

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

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

## Management board remuneration for the financial year 2022

### Remuneration framework basics

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

The supervisory board of ADVA SE has decided that the remuneration framework and the related compensation are built on the operational, financial and economic situation and on the successes and future prospects of the company. Within the remuneration framework, the tasks and the performance of the management board are taken into account on an individual as well as on a collective basis. With the help of adequate performance criteria as part of the performance-related variable remuneration of the management

board, it is ensured that performance is appropriate and that failure to meet targets is taken into account according to the pay-for-performance principle. Variable remuneration components are therefore indirectly dependent on financial, operational and strategic goals. The stock options are also directly influenced by such targets due to the development of the stock price. Ultimately, strategic company goals and key figures form crucial performance indicators for short-term and long-term variable remuneration.

### Compensation review process

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

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

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

### Changes in the remuneration framework

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

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

### Remuneration structure

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

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

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

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

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

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



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

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

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

#### Relative shares of remuneration components in %



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

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

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

Since remuneration granted and payable is not always accompanied by a payment in the respective financial year, the table below shows the amount of funds granted to the members of the management board for the 2022 financial year. In the following, the non-performance-related remuneration components were granted and received in the 2022 financial year. The STI 2022 is shown because

the underlying activity was fully performed in 2022. The targets of the LTVP 2020 - 2022 were achieved. The agreed long-term compensation component will therefore be paid in 2023. The share-based remuneration granted for the 2022 financial year is stated as a calculated value from the number of options issued multiplied by the fair value at the grant date.

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

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

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

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

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

No further former board members received payments in 2022.

### Annual maximum remuneration

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

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

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

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

	Brian Protiva (until 31 August, 2022)	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	16	16
STI 2021	448	318	288	303
Stock options	555	364	231	411
<b>Total remuneration</b>	<b>1,268</b>	<b>942</b>	<b>788</b>	<b>984</b>
<b>Maximum remuneration</b>	<b>2,000</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>

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

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

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

#### Benefits in kind and other additional remuneration

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

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

#### Company pension plans

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

#### Annual variable remuneration

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

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

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

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

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

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

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

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

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

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

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

## Multi-year variable remuneration

### Long-term variable pay (LTVP)

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

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

### Long-term-incentive (LTI)

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

In addition, the supervisory board selects up to two financial targets at the beginning of the LTI observation period. This can be, for example, the pro forma EBIT, revenues, free cash flow, return on capital employed (ROCE) and / or the estimated total service revenue (eTSR). In addition, the supervisory board selects up to two non-financial sustainability goals per LTI, such as customer satisfaction

according to the customer satisfaction score (CSAT), net promoter score (NPS), the reduction of greenhouse gases according to the goals of the Science Based Targets initiative (SBTi<sup>4</sup>), such as emissions from the company car fleet, electricity purchased and products sold, employee satisfaction, employee development, diversity, succession planning, innovation and compliance. The LTI increases the incentives for a sustainable and long-term increase in company value, taking into account internal and external value development. The ratio of the weighting of financial to non-financial sustainability goals is 80 % to 20 %, regardless of whether one or two goals are selected to be evaluated equally.

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

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

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

## Stock options

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

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

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

The exercise periods are regularly linked to significant business events of the company and have a fixed term. Certain other business events establish a blackout period during which the subscription rights may not be exercised. If and to the extent that exercise days fall within such a blocking period, the exercise phase is extended by a corresponding number of days immediately after the end of the blocking period. In principle, options can only be exercised on days when the commercial banks in Frankfurt am Main are open.

The option rights can be exercised no earlier than four years after the option was issued (vesting period). The term of the subscription rights is seven years. Option rights not exercised by the end of the term of seven years from issue expire with immediate effect. A claim by the management board to payment of a cash settlement if the option rights are not exercised despite the existence of the exercise requirements, in particular if the option rights expire, is excluded. The subscription price of the option right corresponds to the volume-weighted average of the closing price of the share on the 10 stock exchange trading days before the respective option right is issued. With regard to each individual trading day, the closing price is the closing price determined in XETRA trading (or a

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

successor system) of the Frankfurt Stock Exchange in the closing auction or, if such a closing price is not determined on the trading day in question, the last in continuous XETRA trading (or a successor system) the price of the company's shares determined by the Frankfurt Stock Exchange. In any case, at least the lowest issue price within the meaning of Section 9 (1) AktG must be paid as the subscription price.

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

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

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

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

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

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

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

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

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

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

Share ownership guideline (SOG)

In order to continue to adjust the interests of the management board and the shareholders, share ownership guidelines (so-called share ownership guidelines) have been established. From 2021, a personal investment is mandatory, in which the members of the management board must build up a self-financed investment in ADVA SE shares and hold these shares for the duration of their appointment. After a four-year build-up phase, the amount to be invested for personal investment in ADVA SE shares is 100 % of the gross annual base salary for each individual management board member. For the CEO, the personal investment in shares of ADVA SE comprises 200 % of the base salary (in total) after an extended build-up phase of eight years.

#### Other remuneration

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

#### Malus & Clawback regulations

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

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

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

#### Benefits upon termination of service on the management board

##### Ordinary termination

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

##### Early termination

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

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



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

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

#### Total remuneration of former members of the management board

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

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

#### Comparative representation

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

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

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

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

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

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

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

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

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

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

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

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

Meiningen, March 7, 2023

The management board:

On behalf of the supervisory board:

Dr. Christoph Glingener

Ulrich Dopfer

Johanna Hey

*Chairwoman of the supervisory board*

- b) Opinion of PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Munich, on the audit of the Remuneration Report under Section 162 para. 3 AktG

## 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 statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, 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, for the financial year from 1 January to 31 December 2022. In accordance with German legal requirements, we have not audited the content of the information contained in the subsection "Risk management system" of the section "Risk and opportunity report" of the management report, which is marked as unaudited.

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 § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022, 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. Our audit opinion on the management report does not cover the content of the above-mentioned disclosures in the sub-section "Risk management system" of the section "Risk and opportunity report".

Pursuant to § 322 Abs. 3 Satz [sentence] 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") 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 1 January to 31 December 2022. 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

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 71,307 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 an impairment in the amount of EUR 3.460 thousand was 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 enterprise value 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 (13) 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, (13) Fixed assets, (26) Income taxes and (31) Segment reporting in the notes to the consolidated financial statements.

## Other Information

The executive directors are responsible for the other information. The other information includes the information contained in the subsection "Risk management system" of the section "Risk and opportunity report" of the management report, which is marked as unaudited, as a component of the management report that has not been audited in terms of content.

The other information comprises also

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial report to comply with §§ 289b to 289e HGB and with §§ 315b to 315c 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 (i.e., fraudulent financial reporting and misappropriation of assets) 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.

#### 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 controls.
- 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, actions taken to eliminate threats or safeguards applied.

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 as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file ADVA\_SE\_KA+LB\_ESEF-2023-03-07.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 these 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 1 January to 31 December 2022 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 § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: 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. [number] 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 work. 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 work 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 in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an 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 18 May 2022. We were engaged by the supervisory board on 17 October 2022. 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 consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “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” 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, March 7, 2023

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft

Jürgen Schumann Wirtschaftsprüfer (German Public Auditor)	ppa. Ralph Jakobi Wirtschaftsprüfer (German Public Auditor)
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## 2. Supplementary disclosures regarding agenda item 7: Remuneration system for the members of the Management Board of ADVA Optical Networking SE

ADVA Optical Networking SE  
Meiningen  
Compensation System for Members of the Executive Board

### Preamble

In its meeting on March 15, 2023, the Supervisory Board of ADVA Optical Networking SE (“ADVA SE”) decided, based on the proposal by the Nomination and Compensation Committee, to adjust the compensation system for members of the Executive Board that had been approved by the General Meeting on May 19, 2021.

The structure of the Company has changed considerably since the approval of the compensation system by the General Meeting. On July 15, 2022, ADTRAN Holdings, Inc. (“Adtran”) acquired a controlling interest in ADVA SE. On November 30, 2022, the General Meeting of ADVA SE approved the conclusion of a control and profit transfer agreement (“CPTA”) with Adtran as the controlling company. The CPTA was entered into on December 1, 2022 and came into effect upon entry into the commercial register at the registered office of ADVA SE on January 16, 2023. As a result of the CPTA, the incentive effect of several variable compensation components of the existing compensation system for Executive Board members could no longer be achieved. This applies in particular to compensation instruments that are dependent upon the development of the share price of ADVA SE shares (long-term incentive, share options, and shareholding obligations). The performance criteria of the short-term variable compensation based on the stand-alone business development of ADVA (proforma operating income of the ADVA Group, sales and free cash flow of the ADVA Group) turned out to be no longer appropriate. Finally, the members of the Executive Board are obligated, based on the CPTA, to sometimes also follow instructions that are disadvantageous to ADVA in the interest of the Group.

Consequently, the Supervisory Board decided to revise the compensation system for members of the Executive Board and submit it to the General Meeting for approval. This serves to ensure that ADVA SE can attract and keep suitable and qualified candidates for the position of Executive Board member at ADVA SE also in the future.

## 1. Principles of the compensation system for members of the Executive Board

The compensation of the Executive Board considers the size, complexity and economic position of the Company and the performance of the entire Executive Board. The compensation system for the Executive Board of ADVA SE is focused on a sustainable and long-term development of the Company and, in its entirety, promotes the business strategy for long-term development of the Company. The compensation system ensures that exceptional performance is rewarded adequately, and that failure to meet targets results in a noticeable reduction of the compensation.

Thus, when establishing the compensation system and determining the compensation amount, the Supervisory Board essentially takes the following guidelines into account:

Size, complexity, and position of the Company	The compensation system takes into account the size and complexity as well as the operative, financial and economic position of the Company.
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Duties and performance of the Executive Board	The compensation system considers the duties and performance of the Executive Board as a whole and of the individual members of the Executive Board.
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Pay for Performance	The compensation system ensures, by way of adequate performance criteria within the scope of the performance-related variable compensation, which makes up the greater part of the overall compensation, that the performance of the Executive Board is rewarded adequately and that failure to meet targets is also considered (Pay for Performance).
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Standard of reasonableness	The Executive Board compensation is customary in the market in terms of structure and amount, and competitive. This is ensured by comparing the Executive Board compensation with relevant comparison groups on a regular basis. In addition, the compensation of the Executive Board members is adequate in relation to the compensation of the senior executives and employees.
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Regulatory compliance	The new Executive Board compensation system complies with the German Stock Corporation Act (AktG) and takes into account the recommendations and suggestions of the German Corporate Governance Codex to a large extent.
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The present compensation system applies to resolutions of the Supervisory Board regarding the compensation and compensation agreements with the members of the Executive Board that were decided or made after May 24, 2023. In the absence of any agreement to the contrary, compensation claims that were established prior to this date shall continue to be governed by the contractual provisions upon which they are based.

The Supervisory Board establishes a total target compensation for each member of the Executive Board for the upcoming fiscal year. When determining the fixed and variable compensations and their regular review, the Compensation and Nomination Committee and the Supervisory Board take into consideration that the compensation is commensurate with the duties and performances of the Executive Board member as well as with the position of the Company. They also take into consideration that the compensation does not exceed a compensation that is customary in the market without any special reasons.

The structure and the amount of the Executive Board compensation will be determined by the Supervisory Board based on a proposal by the Compensation and Nomination Committee. All members of the Executive Board are committed to the interests of the Company. The applicable regulations for the avoidance of conflicts of interest apply to any decisions regarding the compensation system and its implementation. In particular, each member is obligated to disclose any possible conflicts of interest to the chairperson of the Supervisory Board without delay; any conflicts of interest of the chairperson of the Supervisory Board must be disclosed to the Compensation and Nomination Committee. The Supervisory Board informs about any material conflicts of interest that are not merely temporary in its annual report to the General Meeting.

Within the scope of establishing the specific total target compensation and reviewing its appropriateness, the Supervisory Board uses relevant comparison groups. The following companies are used as external references in future appropriateness tests: Avaya Holdings, Calix, Casa Systems, Ciena, Comtech Telecommunications, Extreme Networks, Fabrinet, Harmonic, Infinera, Lumentum Holdings, MACOM Technology Solutions Holdings, Methode Electronics, NETGEAR, NetScout Systems, OSI Systems, Plantronics, Ribbon Communications and Viavi Solutions. The Supervisory Board can make changes to the comparison group at its due discretion if the comparability of individual companies – regardless of the reason – changes considerably. The horizontal comparison serves to ensure that the Executive Board receives a compensation that is customary in the market and competitive.

For appropriateness tests or changes in the target compensation, there is also a vertical – internal – comparison of the Executive Board compensation in addition to this horizontal – external – comparison. The vertical comparison reviews the compensation of the members of the Executive Board among each other and compared to the senior management circle and to the relevant total workforce of the Company. In doing so, the Supervisory Board takes into account, aside from the current relations of the compensation of the different levels to each other, in particular also the development of the compensation of the described groups over time. The external and internal appropriateness is reviewed at regular intervals. The criteria relevant for the delimitation of the senior management circle and the relevant workforce are established by the Supervisory Board within the scope of the regular review. When mandating external compensation consultants, the Supervisory Board ensures their independence from the Executive Board and the Company.

The Supervisory Board establishes the compensation system for the Executive Board based on a proposal by the Compensation and Nomination Committee. The Supervisory Board can commission external consultants, if necessary. In addition, the Compensation and Nomination Committee prepares the regular review of the system and of the amount of compensation of the Executive Board members by the Supervisory Board. In this case as well, the Compensation and Nomination Committee and the Supervisory Board may commission an external compensation expert, ensuring this expert's independence from the Executive Board and the Company. The expert may recommend that the Supervisory Board make changes, if necessary. The treatment of conflicts of interest must comply with the applicable regulations of the German Stock Corporation Act (AktG) and the German Corporate Governance Codex (DCGK). In case of material changes, and in the future at least every four years, the compensation system decided by the Supervisory Board is submitted to the General Meeting for approval. If the General Meeting rejects the submitted compensation system, a compensation system that has been reviewed by an independent external consultant and, if applicable, updated will be submitted for approval in the next General Meeting at the latest.

Insofar as it is necessary in the interests of the Company and its long-term well-being, the Supervisory Board can decide, based on a recommendation by the Compensation and Nomination Committee, to temporarily deviate from the existing compensation system (procedure and regulations regarding the compensation structure and amount as well as regarding the individual compensation components). This can relate in particular to the configuration of the variable components and the established amount. This grants the Supervisory Board the option to give due consideration, within reasonable limits, to extraordinary developments, for example a severe economic crisis, material acquisitions or disposals of major business units, but not generally unfavorable market developments. Even in case of a deviation from the existing compensation system, the compensation must continue to be aligned with a sustainable and long-term development of the Company and must not overburden its financial performance. Any deviation from the

compensation system requires a respective resolution of the Supervisory Board that determines the extraordinary circumstances and the necessity of a deviation.

If senior executives from other companies of the Adtran Group also hold a seat on the Executive Board of ADVA SE, the Supervisory Board of ADVA SE can arrange for the Executive Board employment at ADVA SE to be wholly or partly without compensation and/or take the compensation the respective Executive Board member receives in his or her function at the Adtran Group into consideration when establishing the compensation at the ADVA SE level. This applies in particular if a member of the Board of Directors of Adtran or another senior executive of the Adtran Group holds a seat on the Executive Board at ADVA SE.

The present compensation system for members of the Executive Board shall apply as of May 24, 2023, to all amendments of the existing Executive Board agreements, to their extensions, and to new Executive Board agreements to be entered into.

## 2. Overview of the components of the compensation system

The compensation of the members of the Executive Board of ADVA SE comprises non-performance-related (fixed) and performance-related (variable) compensation components.

### Fixed compensation components

The fixed compensation components comprise the basic compensation and the fringe benefits.

### Variable (i.e. performance-related) compensation components

The variable compensation components comprise a short-term variable compensation as well as long-term variable compensation components (market-related Performance Stock Units, company-related Performance Stock Units, time-related Restricted Stock Units; Performance Stock Units are also referred to as "PSUs" and Restricted Stock Units as "RSUs" in the following). In addition, in view of the company merger with Adtran completed in 2022, a bonus that is dependent upon the achievement of specific targets is granted for the fiscal years 2023 and 2024.

### Short-term variable compensation component

#### Annual Target Incentive Cash Bonus

Performance criteria	Adjusted EBIT of the Adtran Group with simultaneous achievement of a minimum threshold for the sales of the Adtran Group
Assessment period	The target amount of the bonus is set for one fiscal year. The targets are set and reviewed quarterly.
Cap/Profit Limitation	200% of the target value
Disbursement	Quarterly at the end of the respective quarter

### Long-term variable compensation components

#### Annual Restricted Stock Units

Vesting	During a period of four years, 25% can be converted into shares on each respective anniversary of the disbursement.
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Exercise requirements	Existing employment relationship on the respective date
Cap/Profit limitation	Exercise limitation in case of a value increase to 300% between disbursement and conversion, taking into consideration all RSUs allocated within a tranche
Disbursement	Conversion into Adtran shares after vesting

#### Annual Performance Stock Units

Performance criteria	Development of the Total Shareholder Return ("TSR") of Adtran compared to the NASDAQ Telecommunications Index
Assessment period	Three years
Cap/Profit limitation	Exercise limitation of the maximum 150% TSR target and a share value increase to 200% between disbursement and conversion, taking into consideration all PSUs allocated within a tranche
Disbursement	Delivery of Adtran shares and disbursement of dividend credits in cash

#### 3-Year Plan Performance Stock Units (three-year plan)

Performance criteria	Adjusted EBIT of the Adtran group
Assessment period	Three years
Cap/Profit limitation	Exercise limitation in case of a share value increase to 200% of the originally allocated PSUs between disbursement and conversion, taking into consideration all PSUs originally allocated
Disbursement	Delivery of Adtran shares and disbursement of dividend credits in cash

#### 2-Year Integration One-Time Bonus

Performance criteria	Synergy savings, individual targets
Assessment period	Through the end of 2024
Cap/Profit limitation	Regarding the 50% cash disbursement limited to a payout of 66% of a fixed annual salary and regarding the 50% PSUs grant limited to a grant value of 66% of a fixed annual salary; exercise limitation of the maximum target and a share value increase to 200% between disbursement and conversion (Cap)
Disbursement	Monetary payment and delivery of Adtran shares and disbursement of dividend credits in cash

## Other contractual components

Malus & Clawback	Partial or complete reduction or clawback of variable compensation components in case of serious breaches of contract, violations of code of conduct or the law, or to the extent that relevant laws or rules of a securities exchange require withholding or clawback arrangements
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## Maximum annual compensation\*

2,900,000 EUR	for the chairperson of the Executive Board
2,800,000 EUR	for every ordinary member of the Executive Board

\*The maximum compensation is comprised of the basic compensation and the fringe benefits, the variable (i.e. performance-related) compensation components in case of maximum target achievement, and taking into consideration any applicable caps. For the company-related PSUs and the integration bonus, the achievable maximum amounts are distributed evenly over the individual years of the term. As a precautionary measure, any compensation that the parent company of the Group pays the members of the Executive Board with regard to their service on the Executive Board at the Company (in particular RSUs as well as market- and company-related PSUs) will also be considered. If members of the Board of Directors or other senior managers of the Adtran Group also hold a seat on the Executive Board at the Company at the same time, any amounts that are not paid by the Company or its dependent companies and that are not paid specifically for the service on the Executive Board at the Company will not be taken into consideration.

When determining the compensation, the Supervisory Board checks whether and which compensation components the members of the Executive Board will receive with regard to their service on the Executive Board of Adtran, and whether these are consistent with the present compensation system for the Executive Board. If this is not the case, the Supervisory Board will not approve the granting of such compensation components.

In addition to limiting the amount of the maximum compensation (total compensation) for the respective fiscal year, the Supervisory Board will also limit all variable compensation components.

## 3. Compensation components in detail:

### 3.1. Basic compensation

The basic compensation is a fixed, i.e. non-variable, compensation based on the full year paid out in equal installments. The amount of the basic compensation is based on the responsibility and experience of the respective member of the Executive Board. It is agreed with the respective member of the Executive Board in individual contracts upon the member's appointment or in case of an extension. It ensures that all members of the Executive Board receive an adequate income.

### 3.2. Annual Target Incentive Cash Bonus

The members of the Executive Board receive a so-called Annual Target Incentive Cash Bonus according to the Variable Incentive Compensation Plan or Variable Incentive Cash Compensation ("VICC") of the Adtran Group as a short-term variable compensation.

The Annual Target Incentive Cash Bonus rewards the success of the operative development in the respective fiscal year. This ensures that targets are based on demanding financial, operative, and strategic success parameters, upon the achievement of which the amount of the actual disbursement depends.

At the beginning of a respective fiscal year, the Supervisory Board establishes an individual target compensation for 100% of total target achievement for each member of the Executive Board. This amount is calculated by multiplying the fixed annual salary of the members of the Executive Board with the individually set incentive target in percent.

Furthermore, performance criteria are established according to the VICC at the beginning of each fiscal year. According to previous and current practice, the Adjusted EBIT of the Adtran Group and the sales of the Adtran Group are used

as relevant criteria. The "Adjusted EBIT" is the EBIT shown in the audited financial statements of Adtran, adjusted by restructuring costs, acquisition-related costs, amortizations of intangible assets, costs for share-based compensation, non-cash changes in the value of investments within the framework of the Deferred Compensation Plan, and other exceptions established in the individual case. However, according to the VICC, other key figures can also be used as performance criteria.

At the beginning of each quarter, a minimum, target, and maximum amount is established for each performance criterion for the respective quarter. In order to receive the pro rata bonus for the respective quarter, the minimum target has to be achieved for both performance criteria. The member of the Executive Board receives 100% of the annual target bonus if the target amount is achieved for all four quarters. If the maximum targets are achieved for all four quarters, the member of the Executive Board receives 200% of the annual target bonus. Values between the thresholds are calculated by means of non-linear interpolation. After target achievement has been determined in the respective subsequent quarter, the payments owed for the respective previous quarter become due. There will be no payments, however, before this remuneration system has been presented to the general meeting.

If a member of the Executive Board resigns during the year, the entitlement regarding the Annual Target Incentive Cash Bonus will depend on the existence of the employment relationship at the time the payment becomes due.

The annual bonus is paid out by the Company with which the Executive Board service agreement exists.

### 3.3 Long-term variable compensation components

Within the scope of the incentive plans of the Adtran Group, Adtran pays the members of the Executive Board time-related RSUs, market-related PSUs, and company-related PSUs within the framework of a three-year plan in order to offer a competitive compensation that adequately acknowledges the contributions of the members of the Executive Board to the success of the company. The long-term variable compensation instruments serve to establish the right incentives in order to achieve a sustainable corporate development. The costs for the disbursements and their management are borne by Adtran. Disbursements from these instruments are only made after submission of this compensation system to the General Meeting.

#### a) Annual Restricted Stock Units

The members of the Executive Board receive a certain sum for the allocation of Restricted Stock Units or RSUs each year. The allocation takes place regularly during the first quarter of the fiscal year. A later allocation is also possible in case of entry during the year, changes in the duties, or for other factual reasons. The number of RSUs to be allocated is calculated by dividing this sum by the value of the Adtran shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

As a general rule, the allocations can be converted into Adtran shares over the course of four years in equal installments (25% per year) after the time has lapsed. Within the four-year vesting period, the members of the Executive Board earn a quarter of the originally allocated RSUs for each full year they have been the Executive Board of the Company since allocation of the RSUs.

In order for the member of the Executive Board to receive the shares on each exercise date, the member must have entered into a current service agreement with the Company or any other group company of the Adtran Group. Once an RSU is converted into Adtran shares, the member of the Executive Board becomes the owner of the shares. Aside from general restrictions, such as insider trading rules and "blackout periods" existing pursuant to the guidelines of the Adtran Group, there are, in principle, no further disposal restrictions after acquisition of the shares.

The RSUs motivate the members of the Executive Board to maintain the service relationship with the Company and to promote the growth of the Group and the share performance.

Exercise restrictions are defined for the members of the Executive Board in the event of a value increase of the shares to 300% between allocation and conversion, taking into account all RSUs allocated within a tranche (i.e. 100% of the RSUs allocated for a total of four years). Hence, the conversion of vested RSUs is possible until the ceiling is reached. Should the ceiling be reached, any RSUs exceeding the ceiling have to be returned.

#### b) Market-related Performance Stock Units

For the members of the Executive Board a certain sum for the allocation of market-related Performance Stock Units or PSUs will be determined each year. The allocation takes place regularly during the first quarter of the fiscal year. A later



allocation is also possible in case of entry during the year, changes in the duties, or for other factual reasons. The number of market-related PSUs to be allocated is calculated by dividing this sum by the value of the Adtran shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

The term of the market-related PSUs is three years. The earnings of the PSUs is determined based on a comparison of the development of the TSR of Adtran compared to the development of the TSR of the NASDAQ Telecommunications Index.

The respective member of the Executive Board earns 0% of the target number of the market-related PSUs if the relative TSR performance of Adtran does not correspond to at least the 20th percentile of the benchmark index, and 150% of the target number of PSUs if the relative TSR performance of Adtran corresponds to, or exceeds, the 80th percentile of the benchmark index. For anything in between, the earned market-related PSUs are determined based on the following table.

Adtran's TSR performance compared to the benchmark index indicated as a percentile	Earned market-related PSUs (in percent of the target number)
Under 20th percentile	0%
20th percentile	25%
25th percentile	38%
30th percentile	50%
35th percentile	63%
40th percentile	75%
45th percentile	88%
50th percentile	100%
55th percentile	108%
60th percentile	117%
65th percentile	125%
70th percentile	133%
75th percentile	142%
80th percentile or higher	150%

The member of the Executive Board receives a corresponding number of Adtran shares based on the PSUs earned at the end of the three-year period in each case. The recipients of the market-related PSUs in each case receive credits for dividends paid on the shares that correspond to the market-related PSUs during the term of the PSUs. These credits are earned and become due together with the PSUs, and are paid out in cash.

Aside from general restrictions, such as insider trading rules and "blackout periods" existing pursuant to the guidelines of the Adtran Group, there are, in principle, no further disposal restrictions after acquisition of the shares.

The market-related PSUs reward, in particular, a better performance of the Adtran shares compared to the benchmark index and promote a long-term development during their multi-year assessment period.

Exercise restrictions are defined for the members of the Executive Board for the maximum amount resulting from the achievement of the maximum 150% TSR target and, additionally, a share value increase to 200% between disbursement and conversion, taking into consideration all PSUs allocated within a tranche. Hence, the conversion of vested PSUs is possible until the ceiling is reached. Should the ceiling be reached, any PSUs exceeding the ceiling have to be returned.

c) 3-Year Plan Performance Stock Units

The members of the Executive Board participate in Adtran's Long-Term Financial Plan, according to which the members of the Executive Board are allocated a specific sum for the allocation of PSUs annually within the scope of a three-year plan. PSUs allocated in the first year can be converted after three years; PSUs allocated in the second year can be converted after two years, and PSUs allocated in the third year can be converted after one year.

The value of the PSUs allocated in the respective fiscal year in principle corresponds to a certain percentage of the annual fixed salary. The number of Performance Stock Units to be allocated is calculated by dividing this amount by the value of the Adtran shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

The earning of the PSUs depends on the achievement of a target for the Adjusted EBIT (as defined above) through the end of the three-year term. The instrument thus rewards the long-term EBIT growth of the Group.

- If the Adjusted EBIT equals more than 51% and less than 100% of the target amount, the entitled individuals receive 50% of the target number of PSUs.
- If the Adjusted EBIT reaches or exceeds 100% of the target amount, but stays below 110% of the target amount, the entitled individuals receive 100% of the target number of PSUs.
- If the Adjusted EBIT reaches or exceeds 110% of the target amount, but remains below 120% of the target amount, the entitled individuals receive 121.4% of the target number of PSUs.
- If the Adjusted EBIT reaches or exceeds 120% of the target amount, the entitled individuals receive 142.9% of the target number of PSUs.

The member of the Executive Board receives a corresponding number of Adtran shares based on the PSUs earned at the end of the three-year period in each case. The respective PSUs are earned if the performance target is already reached by the end of the first or second fiscal year. However, a conversion into shares cannot be made before expiration of the three-year period and requires that the entitled individual is still in a service relationship. If the target amount of the Adjusted EBIT is already reached before expiration of the three-year period, an adjusted target is established as an incentive for further improvements regarding the out-performance that is still possible.

Aside from general restrictions, such as insider trading rules and "blackout periods" existing pursuant to the guidelines of the Adtran Group, there are, in principle, no further disposal restrictions after acquisition of the shares.

Exercise restrictions are defined for the members of the Executive Board for the maximum amount that is the result of an increase in value of the shares to 200% between allocation and conversion, taking into account all PSUs allocated within a tranche. Hence, the conversion of vested PSUs is possible until the ceiling is reached. Should the ceiling be reached, any PSUs exceeding the ceiling have to be returned.

#### d) 2-Year Integration One-Time Bonus

For the period through the end of the fiscal year 2024, the members of the Executive Board receive a so-called 2-Year Integration One-Time Bonus for an extensive integration of ADVA SE into the Adtran Group if pre-defined targets are achieved by the end of the fiscal year 2024. Specific individual targets also focus on employee satisfaction.

The members of the Executive Board receive a certain sum for the allocation of company-related Performance Stock Units or PSUs; their value corresponds to a certain percentage of the fixed annual salary of the member of the Executive Board. The number of PSUs to be allocated is calculated by dividing this sum by the value of the Adtran shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

The PSUs, as the first element of the integration bonus, are earned if specific synergies are achieved by the end of the fiscal year 2024. A target value and a threshold value are established for this purpose.

- No PSUs are earned if the achieved synergies are below the threshold value, which means that conversion into shares is not possible.
- If the synergies reach or exceed the threshold value, but remain below the target amount, any PSUs that correspond to 33% of the fixed annual salary at the time of allocation are earned and can be converted into shares.
- If the synergies reach or exceed the target value, any PSUs that correspond to 66% of the fixed annual salary at the time of allocation are earned and can be converted into shares.

Exercise restrictions are defined for the members of the Executive Board for the maximum amount that is the result of an increase in value of the shares to 200% between allocation and conversion, taking into account all allocated PSUs.

Aside from general restrictions, such as insider trading rules and "blackout periods" existing pursuant to the guidelines of the Adtran Group, there are, in principle, no further disposal restrictions after acquisition of the shares.

The second element of the integration bonus is a payment in money that is due if the established threshold value for the synergy savings is reached by the end of the fiscal year 2024 and, in addition, the individual targets established for the members of the Executive Board are achieved.

Provided all individual targets are achieved, the component to be paid out in money equals at most 66% of the annual fixed salary owed by the Company. The individual targets are assigned percentage amounts in each case that are used to calculate the amount to be disbursed when the synergy savings threshold value is reached and some, but not all, individual targets are achieved.

### 3.4 Ratio of variable compensation components to each other

Within the scope of the definition of the total target compensation, the Supervisory Board ensures that the variable compensation resulting from the achievement of long-term oriented targets exceeds the portion of short-term oriented targets. However, there can be deviations in the individual case (e.g. due to the availability of RSUs or PSUs in a given fiscal year), which should balance out over the service term of the member of the Executive Board.

### 4. Compensation in kind and other additional compensation (fringe benefits)

In addition to the aforementioned cash compensation, the members of the Executive Board receive various fringe benefits that are in part event-related fringe benefits. The fringe benefits regularly granted comprise a company car for business and private use or a corresponding lump-sum payment for a company car. Furthermore, members of the Executive Board receive the usual employer's share of any statutory social security contributions, health insurance, and a standard employer retirement plan (US 401k). All members of the Executive Board are in principle entitled to fringe benefits in the same way; however, these can vary in the individual case depending on the personal situation and utilization, in particular in terms of the amount. The Supervisory Board can grant different or additional fringe benefits that are customary in the market.

The members of the Executive Board are included in the coverage provided by a financial loss liability insurance policy (directors & officers insurance), subject to a deductible, taken out by the Company. This insurance provides for a statutory deductible for the Executive Board required pursuant to Section 93 para. 2 sentence 3 German Stock Corporation Act (AktG). Some of these benefits are taxable as non-cash benefits for the members of the Executive Board.

### 5. Withholding and recovery clause (malus and clawback clause)

The following malus and clawback provisions are also part of the variable compensation components. Based on these provisions, clawback or reduction of variable compensation components already or not yet been paid out is possible under certain conditions. This clawback or reduction option applies to all variable components of the Executive Board compensation.

In the future, the Supervisory Board can, in case of serious duty or compliance violations or serious unethical conduct, review both the amount of the disbursement of the variable compensation and, depending on the extent of the violation, possibly even reduce it to zero at its due discretion. In these cases, the Supervisory Board also has the option – depending on the severity of the violation – to void variable compensation components in their entirety or in part.

In case of a grossly negligent or intentional violation of the duty of care of a prudent and conscientious business manager pursuant to Section 93 para. 1 German Stock Corporation Act (AktG) by a member of the Executive Board, the Company has the right to demand repayment in whole or in part of any variable compensation components paid out for the respective assessment period in which the violation of duty occurred.

If the variable compensation components were wrongly paid out on the basis of false data, the Company has the right to demand repayment of the difference amount resulting from the recalculation of the amount of the variable compensation compared to the payment already made. The Company must demonstrate that the data, upon which the calculation of the compensation was based, was false and the variable compensation of the member of the Executive Board was therefore too high.

The clawback options also exist if the position or employment relationship with the member of the Executive Board has already ended at the time of the right of recovery. Claims for damages against the member of the Executive Board remain unaffected thereby. The clawback option becomes time-barred three years after disbursement at the latest.

To the extent the variable compensation components that Adtran specifically grants for service on the Executive Board at ADVA do not contain any corresponding withholding or clawback clauses, the members of the Executive Board are obligated to waive payment of the variable compensation or repay any variable compensation components already received.

Insofar as future statutory regulations or rules of a securities exchange, which are relevant for the appointed members of the Executive Board, require further withholding or clawback provisions, the respective withholding or clawback rules will be agreed with the members of the Executive Board.

## 6. Relative portions of the compensation components

The relative portions of the individual compensation components in the total target compensation of the members of the Executive Board are approximately as follows\*:

Fixed compensation	22-36%
Regular fringe benefits	1-3%
Annual Target Incentive Cash Bonus	11-18%
Annual Restricted Stock Units	8-15%
Annual Performance Stock Units	8-15%
3-Year Plan Performance Stock Units	15-30%
2-Year Integration One-Time Bonus	7-10%

\*The compensation is comprised of the basic compensation and the fringe benefits, the variable (i.e. performance-related) compensation components. Achievement of the target amount (100%) is used as the basis for calculation in each case. For the company-related PSUs under the 3-year plan and the 2-year integration bonus, yet not for the annual PSUs, the achievable maximum amounts are distributed evenly over the individual years of the term.

The ratio of the fixed and variable compensation components should not be firmly established, but should be within the aforementioned ranges. The system provides that a function-specific differentiation can be made at the dutiful discretion of the Supervisory Board based on the criteria market conditions, experience, function and area of responsibility of the member of the Executive Board. This means, for example, that a prominent member of the Executive Board, like the chairperson of the Executive Board, can receive a higher total compensation. In addition, in case of a first-time appointment of a member of the Executive Board, an overall lower compensation or a reduction of compensation components can be established for the first appointment period. Furthermore, within the scope of reviewing the compensation of the Executive Board, the Supervisory Board has the option of adjusting only individual, instead of all, compensation components, if required, taking into consideration the market and adequacy. This means, for example, that the short-term or long-term compensation can be specifically adjusted to a changed standard industry practice, thereby optimizing the total target compensation in line with market requirements. The result of the described differentiation options is that the portions of the individual compensation components in the total target compensation can vary. It must further be taken into account that the integration bonus agreed on the basis of the company merger is to remain a one-time bonus.

Within the scope of the definition of the total target compensation, the Supervisory Board ensures that the variable compensation resulting from the achievement of long-term oriented targets exceeds the portion of short-term oriented targets. However, there can be deviations in the individual case (e.g. due to the availability of RSUs or PSUs in a given fiscal year), which should balance out over the service term of the member of the Executive Board.

## 7. Maximum annual compensation

Pursuant to Section 87, para. 1 sentence 2 no. 1 German Stock Corporation Act (AktG), the Supervisory Board has established a maximum compensation for the chairperson of the Executive Board and for an ordinary member of the Executive Board. From the date of validity of this Executive Board compensation system, the compensation amounts to EUR 2,900,000 for the chairperson of the Executive Board and EUR 2,800,000 for an ordinary member of the Executive Board.

The Supervisory Board points out that these amounts do not constitute the total target compensation deemed appropriate by the Supervisory Board, but merely an absolute upper limit that could be achieved by a member of the Executive Board in the event of optimum target achievement.

The maximum compensation is comprised of the basic compensation and the fringe benefits, the variable (i.e. performance-related) compensation components for maximum target achievement and taken into consideration applicable caps. For the company-related PSUs and the integration bonus, the achievable maximum amounts are distributed evenly over the individual years of the term. As a precautionary measure, any compensation that the parent company of the Group pays the members of the Executive Board with regard to their service on the Executive Board at the Company (in particular RSUs as well as market- and company-related PSUs) will also be considered. If members of the Board of Directors or other senior managers of Adtran also hold a seat on the Executive Board at the Company at the same time, any amounts that are not paid by the Company or its dependent companies and that are not paid specifically for service on the Executive Board at the Company will not be taken into consideration.

In addition to limiting the amount of the maximum compensation (total compensation) for the respective fiscal year, the Supervisory Board will also limit all variable compensation components.

#### 8. Term and payments upon termination of the Executive Board mandate

The Supervisory Board pays attention that in case of a first appointment of Executive Board members both the appointment term and the term of the Executive Board service agreement do not exceed two years at the most. In the first ordinary meeting of the Supervisory Board in a calendar year, proposals of the Nomination and Compensation Committee are discussed and reappointments or extensions of the service agreements for the subsequent year are decided. The maximum term is thus in principle shorter than the five years required under stock corporation law.

Executive Board service agreements include severance pay provisions that refer to the following regulations:

In case of an ordinary termination of the service relationship pursuant to the contract term agreed in the Executive Board agreement, the variable compensation components owed to the member of the Executive Board on the basis of temporally completed assessment periods are paid out to the member of the Executive Board on the regular due dates. In case of temporally not completed assessment periods, a pro-rata disbursement for the lapsed portion of the assessment period is made on the regular due date, assuming complete target achievement (100%).

If the Company terminates the service relationship prior to expiration of the agreed contract term, and such termination is not due to a violation that allows for a malus/clawback (see above), the variable compensation components owed on the basis of temporally completed assessment periods are paid out to the member of the Executive Board on the regular due date. In case of temporally not completed assessment periods, a pro-rata disbursement for the lapsed portion of the assessment period is made on the regular due date, assuming complete target achievement (100%). In addition, the member of the Executive Board receives the basic compensation through the end of the agreed contract term.

If a member of the Executive Board terminates the service relationship prematurely prior to expiration of the agreed contract term, the variable compensation components owed on the basis of temporally completed assessment periods are paid out to the member of the Executive Board on the regular due date. In case of temporally not completed assessment periods, a pro-rata disbursement for the lapsed portion of the assessment period is made on the regular due date, assuming complete target achievement (100%).

In all aforementioned cases, the expiry of RSUs and PSUs is subject to the conditions of the respectively applicable plans.

All aforementioned severance payments as well as any severance payment agreed in case of mutually agreed resignation is limited to the extent that they neither exceed the value of two annual basic compensations nor the compensation for the remaining term of the employment contract in any case, taking into consideration the basic compensation including fringe benefits yet to be disbursed and any other non-cash benefits ("Severance Caps").

Calculation of the Severance Caps is based on the total compensation of the previous fiscal year and, if applicable, also on the expected total compensation of the current fiscal year.

#### 9. Change of control

The Executive Board service agreements of the Company do not contain any commitments for benefits in the event of premature termination of the employment contract by the member of the Executive Board due to a change of control.

#### 10. Deduction for secondary activities

As a general rule, the Supervisory Board must not approve more than two Supervisory Board mandates or comparable functions of the Executive Board members with listed companies outside the ADVA Group. The Supervisory Board decides at its sole discretion on a case-by-case basis whether and to what extent the compensation for approved positions of the Executive Board members with listed companies outside the ADVA Group results in a reduction of the compensation of the respective Executive Board member.

### III. REQUIREMENTS FOR ATTENDING THE ANNUAL GENERAL MEETING AND EXERCISING VOTING RIGHTS

Pursuant to Section 16 para. 1 sentence 1 of the Articles of Association of the Company, only those shareholders are entitled to attend the Annual General Meeting and exercise their voting rights who register in due time in text form (Section 126b of the German Civil Code [*Bürgerliches Gesetzbuch* – BGB]) at the Company or a body designated in the invitation and submit proof of their share ownership.

Pursuant to Section 123 para. 4 sentence 2 in conj. with Section 67c para. 3 AktG, this proof must refer to the beginning of the 21st day before the Annual General Meeting, i.e., May 3, 2023, 00:00 hrs. (CEST) ("Record Date"), and must be provided in text form (Section 126b BGB) in German or English. Corresponding proof by the last intermediary pursuant to Section 67c para. 3 AktG will suffice.

According to Section 16 para. 1 sentence 2 of the Company's Articles of Association, the Company has to receive the registration and the proof must be received at least six days before the Annual General Meeting, i.e., at the latest on

May 17, 2023, 24:00 hrs. (CEST)

at

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

After receipt of the registration and proof of share ownership, admission tickets will be sent to the duly registered shareholders. Shareholders who would like to attend the Annual General Meeting are requested to notify their custodian bank as early as possible so that the bank can forward the registration and proof of share ownership to the registration office.

The right to attend the Annual General Meeting and the scope of the voting rights are determined exclusively by the share ownership as of the Record Date. In relation to the Company, only a person who has provided proof of ownership on the Record Date is entitled to attend the Annual General Meeting and exercise his/her voting rights. Changes in the shareholding after the Record Date do not impact the existence and extent of the statutory attendance and voting rights. Shareholders who have only acquired shares in the Company after the Record Date may not exercise their attendance right or other rights at the Annual General Meeting from these shares. In relation to the Company, duly registered shareholders who have provided proof of ownership are entitled to attend the Annual General Meeting and exercise their voting rights even if they sell the shares after the Record Date. Partial disposals and additional purchases after the Record Date have no bearing on the scope of voting rights. The Record Date has no impact on the marketability of the shares and is not a relevant date for any dividend entitlement.

### IV. PROXY VOTING

#### 1. Exercise of voting rights by representatives

A proxy, e.g., a shareholders' association, an intermediary within the meaning of Section 67a para. 4 AktG (e.g., a custodian bank) ("Intermediary") or another person of their choice may represent the shareholders entitled to attend who do not attend the Annual General Meeting in person in exercising their rights, in

particular their voting rights. Please note that proper registration and proper proof of shareholding are even required if a proxy is authorized (see above under "Requirements for attending the Annual General Meeting and exercising voting rights").

If neither an intermediary nor a shareholders' association or another institution or person equivalent to these pursuant to Section 135 para. 8 AktG is authorized, the power of attorney must be granted in text form to ADVA Optical Networking SE or in text form directly to the proxy. The same form applies to the revocation and the proof of authorization to the Company.

When authorizing an intermediary, a shareholders' association, or another institution or person equivalent to these pursuant to Section 135 para. 8 AktG, the special statutory provisions of Section 135 AktG apply. They require, *inter alia*, the recording of the authorization in a verifiable manner (Section 135 para. 1 sentence 2 AktG). Wherefore, we request shareholders who want to authorize an intermediary, a shareholders' association, or another institution or person equivalent to these pursuant to Section 135 para. 8 AktG to ask the respective person to be authorized about the particularities to be observed in this respect.

The granting, proof, or revocation of the power of attorney can be sent to the following address, fax number, or e-mail address:

UBJ. GmbH  
re AGM ADVA Optical Networking SE  
Haus der Wirtschaft  
Kapstadtring 10  
22297 Hamburg  
Germany  
or via fax at +49 40 6378 5423  
or via e-mail at hv@ubj.de

The proxy may also provide proof of authorization on the day of the Annual General Meeting by showing the power of attorney at the admission check.

The registration documents sent to shareholders after their registration include a form for granting powers of attorney which they may use. Upon request, the Company may also send a proxy form. The form for the power of attorney and instructions are also available at the Company's website at

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

for download. However, shareholders may also issue a separate power of attorney in text form (Section 126b BGB).

## 2. Representation by the proxies appointed by the Company

As a service, we offer our shareholders to be represented by proxies nominated by the Company at the Annual General Meeting. Please note that proper registration and proper, in particular, timely proof of shareholding is even required if proxies nominated by the Company are authorized (see above under "Requirements for attending the Annual General Meeting and exercising voting rights").

The proxies are obligated to vote according to instructions. Thus, if the proxies nominated by the Company are to be authorized, the shareholder must in any case instruct them on how the voting right should be exercised. The proxies nominated by the Company will not exercise their voting right without explicit instructions on the individual agenda items. Unless this is necessary for exercising voting rights, the proxies nominated by the Company are only available for exercising voting rights, not other rights.

Please note that the proxies appointed by the Company do not exercise voting rights or abstain from voting on procedural and substantive motions if their subject matter is not known before the Annual General Meeting.

The powers of attorney and instructions to the proxies appointed by the Company must be issued to the Company before the Annual General Meeting at the following address, fax number, or e-mail address, at the latest on May 23, 2023, 24:00 hrs. (CEST) (time of receipt):

UBJ. GmbH  
re AGM ADVA Optical Networking SE  
Haus der Wirtschaft  
Kapstadtring 10  
22297 Hamburg  
Germany  
or via fax at +49 40 6378 5423  
or via e-mail at hv@ubj.de

Furthermore, powers of attorney and instructions to the proxies appointed by the Company may also be issued during the Annual General Meeting. Appropriate forms are available for this purpose at the access control point.

The shareholders will receive a form for granting powers of attorney and issuing instructions which they may but do not have to use along with the registration documents after their registration. Upon request, the Company may also send a proxy form. The form for the power of attorney and instructions are also available to the shareholders at the Company's website at

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

for download. Shareholders may also issue a separate power of attorney in text form (Section 126b BGB).

#### V. FURTHER INFORMATION ON THE VOTE

The scheduled votes on agenda items 2 to 5 and 8 to 12 have a binding, while the scheduled votes on agenda items 6 and 7 have an advisory nature within the meaning of Table 3 of the Annex to Implementing Regulation (EU) 2018/1212. In each case, it is possible to vote yes (in favor), no (against), or abstain.

Pursuant to Section 129 para. 5 AktG in conj. with Article 7 para. 2 and Article 9 para. 5 sub-para. 2 of the Implementing Regulation (EU) 2018/1212 within one month after the day of the Annual General Meeting, the parties casting the vote may demand that the Company confirm whether the vote cast was counted and how it was counted.

#### VI. RIGHTS OF THE SHAREHOLDERS

##### 1. Additions to the agenda pursuant to Article 56 sentence 2 and sentence 3 of Regulation (EC) No. 2157/2001 ("SE Regulation"), Section 50 (2) of the SE Implementation Act ("SEIA"), Section 122 para. 2 AktG

Shareholders whose shares together account for one-twentieth of the share capital or the pro rata amount of EUR 500,000 may request that items be placed on the agenda and announced. Each new item must be accompanied by reasons for the item or a proposed resolution.



The Company must receive requests for additions to the agenda at least 30 days before the meeting, i.e., by April 23, 2023, 24:00 hrs. (CEST). The request must be addressed in writing to the Management Board of ADVA Optical Networking SE. Corresponding requests may be directed to the following address:

ADVA Optical Networking SE  
Management Board  
– Attn Ms. Romy Opitz –  
Märzenquelle 1-3  
98617 Meiningen-Dreißigacker  
Germany

Unless they have already been published with the convocation, additions to the agenda requiring publication will be published in the German Federal Gazette [*Bundesanzeiger*] without undue delay after the request has been received. They will be forwarded for publication to media that can be expected to disseminate the information throughout the European Union. They will also be made available on the Company's website at

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

and communicated to the shareholders.

2. Counter-motions/election proposals pursuant to Article 53 Council Regulation on the Statute for a European Company (SE Regulation), Sections 126 para. 1, 127 AktG

Furthermore, any shareholder is entitled to file counter-motions regarding the agenda items as well as to make election proposals.

The Company will make any applications 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 May 9, 2023, 24:00 hrs. (CEST), sent the Company a permissible counter-motion regarding 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 e-mail address:

ADVA Optical Networking SE  
– Attn Ms. Romy Opitz –  
Märzenquelle 1-3  
98617 Meiningen-Dreißigacker  
Germany  
or via fax at: +49 89 890665 199

or via e-mail at: [ropitz@adva.com](mailto:ropitz@adva.com)

A counter-motion does not need to be published if one of the exclusion criteria under Section 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.

We ask that shareholders prove their shareholder status at the time when the counter-motion is sent.

These provisions apply *mutatis mutandis* to election proposals by shareholders. However, reasons do not need to be stated for election proposals. Apart from the reasons stated in Section 127 sentence 1 in conj.

with Section 126 para. 2 AktG, election proposals do not have to be made accessible if the election proposal does not contain the name, the practiced profession, and the place of residence of the proposed candidate, and, for the election of Supervisory Board members, information about their membership of other statutory supervisory boards. Furthermore, a proposal for the election of Supervisory Board members shall be accompanied by information on their membership in comparable domestic and foreign supervisory bodies of business enterprises.

### 3. Right to information pursuant to Article 53 SE Regulation, Section 131 para. 1 AktG

According to Section 131 para. 1 AktG, the Management Board is obligated to provide any shareholder with information on matters relating to the Company upon request at the Annual General Meeting as far as such information is necessary to properly assess an agenda item. This duty to provide information also extends to the legal and business relationships of the Company with affiliated companies as well as the situation of the Group and the companies included in the consolidated financial statements, also provided that the information is necessary to properly assess the agenda items.

The Management Board may refrain from answering individual questions for the reasons stated in Section 131 para. 3 AktG. Under Section 18 para. 3 of the Company's Articles of Association, the Chairperson is authorized to restrict the shareholders' right to speak and to ask questions for a reasonable amount of time.

### 4. Further explanations

Further explanations on the rights of the shareholders pursuant to Article 56 sentences 2 and 3 SE Regulation, Section 50 para. 2 SEIA, Section 122 para. 2 AktG, Article 53 SE Regulation, Section 126 para. 1 AktG, 127 AktG, and Article 53 SE Regulation, Section 131 para. 1 AktG can be accessed on the Company's website under

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

## VII. INFORMATION ON THE COMPANY'S WEBSITE

As of the convocation, the following documents and information are available on the Company's website at

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

(cf. Section 124a AktG):

- The contents of this convocation, including the explanation of agenda item 1 (no resolution on the latter is to be made in the Annual General Meeting), the Remuneration Report of ADVA Optical Networking SE for the 2022 financial year, the description of the system for the remuneration of the Management Board members, the disclosure of the total number of shares and voting rights when the Annual General Meeting is convened, including separate disclosures on the total number for each share class and the explanations of the following shareholder rights: additions to the agenda, counter-motions, or election proposals, right to information;
- Additional information on the convocation of the Annual General Meeting according to blocks D to F of Table 3 of the Annex to the Implementing Regulation (EU) 2018/1212, i.e., in detail information on the attendance in the Annual General Meeting (block D), the agenda (block E)

and the specification of the deadlines regarding the exercise of other shareholder rights (block F);

- The adopted financial statements of ADVA Optical Networking SE as of December 31, 2022;
- The combined management report of ADVA Optical Networking SE and the Group for the 2022 financial year;
- The report of the Supervisory Board for the 2022 financial year;
- The approved consolidated financial statements as of December 31, 2022;
- The combined separate non-financial report of ADVA Optical Networking SE and the Group for the 2022 financial year;
- The explanatory report of the Management Board on the disclosures pursuant to Sections 289a and 315a of the Commercial Code;
- The Management Board's proposal for the appropriation of profits;
- The forms that can be used for granting a power of attorney for the Annual General Meeting.

As of the time when the Annual General Meeting is convened, all documents that must be provided by law to the Annual General Meeting are also available for review at the Company's offices at Fraunhoferstr. 9a, 82152 Planegg-Martinsried and Märzenquelle 1-3, 98617 Meiningen-Dreißigacker and in the meeting room during the Annual General Meeting.

#### VIII. TOTAL NUMBER OF SHARES AND VOTING RIGHTS AT THE TIME WHEN THE ANNUAL GENERAL MEETING IS CONVENED

At the time when the Annual General Meeting is convened, the share capital of the Company is divided into 52,004,500 registered no-par value shares as common stock. Each share grants one vote. At the time when the Annual General Meeting is convened, the Company does not hold any treasury shares and is not entitled to any rights from such shares. Thus, the total number of shares with attendance and voting rights at the time of the Annual General Meeting's convocation is 52,004,500.

#### IX. NOTICE ON DATA PROTECTION

The protection of your data and its processing in conformity with the law are extremely important to us. We process the personal data that you provide 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 summarized form in one place in our data protection notices. These are available on the Company's website at

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

for review and download.

#### X. SIMULTANEOUS INTERPRETING

Simultaneous interpreting into English will be available for the participants of the Annual General Meeting of ADVA Optical Networking SE on May 24, 2023.

Meiningen, April 2023

ADVA Optical Networking SE  
The Management Board