

Date of the Document: 12 November 2025

I. Issuer's name (including LEI) country of incorporation, link to website

The issuer is ADTRAN Holdings, Inc. (LEI:549300VV36J86CRRWF77), a corporation incorporated under the laws of Delaware, United States of America ("**United States**" or "**U.S.**"), with its registered office in the State of Delaware at Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States and its principal executive offices at 901 Explorer Boulevard, Huntsville, Alabama 35806-2807, United States ("**Issuer**" or "**Company**", "**we**", "**us**" or "**our**"). The Issuer's website is <https://www.adtran.com/en>.

II. Declaration about information

The Issuer declares that, to the best of its knowledge, the information contained in this document is in accordance with the facts and that this document makes no omission likely to affect its import.

III. Name of competent authority and further statement

The competent authority of the Issuer's home member state, the Federal Republic of Germany ("**Germany**"), is the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin). This document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 and has not been subject to scrutiny and approval by the competent authority of the Issuer's home member state.

IV. Statement of compliance

Throughout the period of being admitted to trading, the Issuer has continuously complied with reporting and disclosure obligations, including under Directive 2004/109/EC, where applicable, and Regulation (EU) No 596/2014.

V. Availability of regulated information

Regulated information published by the Issuer pursuant to ongoing disclosure obligations is available on the Issuer's website (<https://investors.adtran.com/overview/default.aspx>). The Issuer's most recent prospectus as of 7 July 2022 was published on the Issuer's website (<https://investors.adtran.com/german-publications/adtran-prospectus-information-document-art---eu-prospectus-regulation/default.aspx>). The Issuer's SEC filings are also available on the Issuer's website (<https://investors.adtran.com/financials/sec-filings/default.aspx>).

VI. Reason for issuance and use of proceeds

On 19 September 2025, the Issuer issued 3.75% convertible senior notes in an aggregate principal amount of USD 201.25 million ("**Notes**"), which were issued in a private placement to certain initial purchasers and resold to "qualified institutional buyers" pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended. This document has been prepared in connection with the admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) ("**FSE**") and its sub-segment with additional post-admission obligations (Prime Standard) of up to 22,714,447 new shares of the Issuer's common stock, each with a par value of USD 0.01 per share ("**New Shares**"), that may be issued upon conversion of the Notes. The New Shares will be fungible with the 80,115,995 shares of Issuer's common stock outstanding as of 31 October 2025 ("**Existing Shares**" and, together with the New Shares, "**Shares**") already admitted to trading on the regulated market (*regulierter Markt*) of the FSE and its sub-segment with additional post-admission obligations (Prime Standard).

The Issuer will not raise additional funds by the issuance of the New Shares upon conversion of the Notes; accordingly, no proceeds will be generated as a result of the issuance or admission of the New Shares to trading.

VII. Risk factors

Our business and an investment in the Shares are subject to risks. The market price of the Shares could decline if any of these risks were to materialize, in which case investors could lose some or all their investment. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could have a material adverse effect on our future business, financial condition, cash flows, results of operations and prospects. In compliance with Annex IX point VIII. of Regulation (EU) 2017/1129, the risk factors featured below are limited to risks that are specific to the Issuer. The risks described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem to be immaterial may also adversely affect us. There may also be other general risks associated with an investment in the Shares, which if they materialize would have a material adverse effect on us or the investment in the Shares. The following risk factors are categorized into subcategories based on their nature. The order of the risk factors does not indicate their materiality.

1. Risks related to our financial results and Company success

1.1 We are obligated to comply with covenants related to our Wells Fargo Credit Agreement that restrict our operating activities, and the failure to comply with such covenants could result in defaults that accelerate our debt.

The Wells Fargo Credit Agreement (as amended, the “**Credit Agreement**”) governing our indebtedness contains restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants has resulted in events of default and may in the future result in an event of default that, if not cured or waived, results in the acceleration of all our debt. Our Credit Agreement along with the amendments thereto, contain various restrictive covenants. In addition, the Credit Agreement contains customary events of default and other restrictions. Our failure to comply with the covenants set forth in the Credit Agreement has resulted in events of default and could in the future result in defaults that accelerate the payment under such debt which would likely have a material adverse impact on our financial condition and results of operations. In addition, an event of default under the Credit Agreement would, if not cured or waived, permit the lenders to terminate all commitments to extend further credit under the applicable facility. Furthermore, if we were unable to repay the amounts due and payable under the Credit Agreement, the lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. In addition, these defaults could impair our ability to access debt and equity capital markets.

1.2 We have experienced significant fluctuations in revenue and such fluctuations may continue. Fluctuations in revenue can cause our operating results in a given reporting period to be higher or lower than expected.

Our revenue for a particular quarter is difficult to predict and will fluctuate from quarter to quarter. Visibility into customer spending levels is often uncertain, spending patterns are subject to change, and reductions in our expense levels can take significant time to implement. Our ability to meet financial expectations could also be affected if the variable revenue patterns seen in prior quarters recur in future quarters. We have experienced periods of time during which manufacturing issues have delayed shipments, leading to variable shipping patterns. In addition, to the extent that manufacturing issues and any related component shortages continue to result in delayed shipments in the future, it is possible that revenue for a quarter could be adversely affected, and we may not be able to remediate the conditions within the same quarter. Our customers in the subscriber solutions & experience technology category are increasingly focusing on working capital optimization and depletion of overstocked inventories, which has impacted and may continue to materially impact demand in that category.

1.3 Accurately matching necessary inventory levels to customer demand within the current environment is challenging, and we may incur additional costs or be required to write off significant inventory that would adversely impact our results of operations.

In recent years, we received unprecedented orders for our products and services, during a period when the supply environment was constrained. We took a number of steps to mitigate these challenges, including extending our purchase commitments and placing non-cancellable, advanced orders with or through suppliers, particularly for long lead-time components. These inventory practices and their associated costs have had, and could in the future continue to have, an adverse impact on our cash from operations.

In addition, these inventory practices, particularly when considered in the context of our backlog, further introduce obsolescence risk that can impact our results of operations and financial condition. During fiscal 2023 and fiscal 2024, certain customers that had earlier placed significant advanced orders, rescheduled deliveries for or cancelled a portion of such orders. Accordingly, our inventory needs for a particular period can fluctuate and be difficult to predict. If our customers were to cancel or delay orders for extended periods, inventory could become obsolete. In addition, if customers were to cancel or delay existing or forecasted orders for which we have significant outstanding commitments to our contract manufacturers or suppliers, we may be required to purchase inventory under these commitments that we are unable to sell.

1.4 The lengthy sales and approval process required by Service Providers for new products has resulted in fluctuations in our revenue and may result in fluctuations of future revenue and financial results.

In our industry, sales and approval cycles are often lengthy and require significant commitments of time and resources by us and our customers, including extensive product testing, certification and homologation requirements. A supplier must generally obtain product approval from a Service Provider before selling to it, a process that can last from six to eighteen months, or longer, depending on the technology and the demand. We cannot be certain that we will obtain these approvals in the future or that sales of these products will continue to occur. Furthermore, the delay in sales until the completion of the approval process, the length of which is difficult to predict, has and may continue to result in fluctuations of revenue and uneven operating results from period to period. Further, once customer approval or certifications are met, our customers typically do not guarantee us a minimum, or any, volume of sales.

1.5 We require a significant amount of cash to service our indebtedness, our payment obligations to Adtran Networks shareholders under the domination and profit and loss transfer agreement (“DPLTA”) with our subsidiary Adtran Networks, and other obligations.

Our ability to generate cash depends on many factors beyond our control and any failure to service our outstanding indebtedness could harm our business, financial condition and results of operations. Furthermore, we have entered into a DPLTA with our subsidiary Adtran Networks, under which each Adtran Networks shareholder (other than the Company) has received an offer to elect either (1) to remain an Adtran Networks shareholder and receive a recurring cash payment of €0.52 per share for each full fiscal year of Adtran Networks (the “**Annual Recurring Compensation**”), or (2) to put their Adtran Networks shares to the Company in exchange for compensation in cash of €17.21 per share, plus guaranteed interest (the “**Exit Compensation**”).

On 19 September 2025, we issued the Notes in an aggregate principal amount USD 201.25 million. Unless repurchased earlier, redeemed, or converted, the Notes will mature on 15 September 2030. Our ability to make payments on and to refinance our indebtedness, to cover our payment obligations under the DPLTA and the Notes, and to fund working capital and capital expenditures depends on our ability to generate cash in the future. Failure to make scheduled payments of interest and principal on our outstanding indebtedness or dividend payments on any preferred stock would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness or otherwise raise capital on commercially reasonable terms or at all.

1.6 The terms of the DPLTA may have a material adverse effect on our financial results and condition.

The DPLTA between the Company, as the controlling company, and Adtran Networks, as the controlled company, which was executed on 1 December 2022, became effective on 16 January 2023. Under the DPLTA, subject to applicable law and the specific terms of the DPLTA, the Company is required to generally absorb the annual net loss incurred by Adtran Networks. This obligation first applied to the net loss generated in 2023.

Additionally, and subject to certain limitations pursuant to applicable law and the specific terms of the DPLTA, the DPLTA provides that Adtran Networks shareholders (other than the Company) be offered, at their election, (i) to receive Exit Compensation, or (ii) to remain Adtran Networks shareholders and receive from us an Annual Recurring Compensation payment. The guaranteed interest rate is 5.0% plus a variable component that was 1.27% as of 30 September 2025. The adequacy of both forms of compensation has been challenged by minority shareholders of Adtran Networks via court-led appraisal proceedings under German law and it is possible that the courts in such appraisal proceedings may adjudicate a higher Exit Compensation (including interest thereon) or Annual Recurring Compensation than agreed upon in the DPLTA. Our obligation to pay Annual Recurring Compensation under the DPLTA is a continuing payment obligation, which will amount to approximately €8.5 million or USD 10 million (based on the exchange rate as of 30 September 2025) per year assuming none of the minority Adtran Networks shareholders were to elect Exit Compensation. The foregoing amounts do not reflect any potential increase in payment obligations that we may have depending on the outcome of ongoing appraisal proceedings in Germany. Assuming all the minority holders of currently outstanding Adtran Networks shares were to elect the first option, we would be obligated to make aggregate Exit Compensation payments, including guaranteed interest, of approximately €333.2 million or approximately USD 344.9 million, based on an exchange rate as of 31 December 2024. If we cannot raise additional funds as needed, it could have a material adverse impact on our financial results and financial condition.

The opportunity for minority Adtran Networks shareholders to tender Adtran Networks shares in exchange for Exit Compensation will end two months after the date on which a final decision in such appraisal proceedings has been published in the Federal Gazette (*Bundesanzeiger*). The Company does not expect a final decision on the DPLTA appraisal proceedings to be rendered and published prior to 2027, and most likely not until 2028 or beyond.

1.7 Our significant indebtedness exposes us to various risks.

As of 30 September 2025, the Company’s borrowings under the revolving line of credit were USD 25.0 million, all of which was borrowed by Adtran Networks. As of 30 September 2025, ADTRAN, Inc. had a total of USD 5.8 million in letters of credit under the Credit Agreement, leaving a net amount (after giving effect to the USD 25.0 million of outstanding borrowings described above) of USD 319.2 million available for future borrowings; however, as of September 30, 2025, the Company was limited to additional borrowings of USD 232.0 million based on debt covenant compliance metrics. The credit facilities provided under the Credit Agreement mature in July 2027, but we may request extensions subject to customary conditions. In addition, 19 September 2025, the Company issued the Notes. Our indebtedness has and may continue to adversely affect our operations and liquidity.

Our ability to satisfy our debt obligations and renew the credit facility is dependent upon our future performance and other risk factors discussed in this section. If we fail to pay interest on, or repay, our borrowings under the Wells Fargo credit facility when required, we will be in default under the applicable loans, and may also suffer an event of default under the terms of other borrowing arrangements that we may enter into from time to time. In addition, our failure to repurchase the Notes or to pay the cash amounts due upon conversion when required will constitute a default under the indenture governing the Notes. If we are unable to achieve sufficient operating results and

resources, we could face substantial liquidity challenges and might be required to dispose of material assets or operations to meet our debt service and other obligations.

1.8 We depend heavily on sales to certain customers; the loss of any of these customers or a significant project would significantly reduce our revenue and net income.

Historically, a large percentage of our revenue has been made to major Service Providers and larger independent communications companies. As long as the major and larger independent communications companies represent such a substantial percentage of our total revenue, our future success will significantly depend upon certain factors which are not within our control. There has been a trend toward industry consolidation in our markets for several years. This could lead to variability in our operating results and could have a material adverse effect on our business, operating results, financial condition and cash flow. In addition, particularly in the Service Provider market, rapid consolidation will lead to fewer customers, with the effect that a loss of a major customer could have a material impact on our results that we would not have anticipated in a marketplace composed of more numerous participants.

1.9 Our exposure to the credit risks of our customers and distributors may make it difficult to collect accounts receivable and could adversely affect our operating results, financial condition and cash flows.

Most of our revenue is made on an open credit basis, generally with payment terms of 30 to 45 days in the U.S. and typically 45 to 60 days in many geographic markets outside the U.S. As our international revenue grows, our total accounts receivable balance has increased and will likely continue to increase. Overall, we monitor individual customer and distributor payment capability in granting such open credit arrangements, seek to limit such open credit to amounts that we believe customers and distributors can pay and maintain reserves we believe are adequate to cover exposure for credit losses and other macroeconomic indicators. There are no assurances we can avoid write-downs and/or write-offs of accounts receivable as a result of declining financial conditions for our customers, including bankruptcy. Such write-downs or write-offs could negatively affect our operating results for the period in which they occur and could potentially have a material adverse effect on our results of operations, financial condition and cash flows.

1.10 We expect gross margins to continue to vary over time, and our levels of product and services gross margins may not be sustainable.

Our level of gross margins may not be sustainable and has been and may continue to be adversely affected by numerous factors, including (i) changes in customer, geographic or product or services mix, including software and the mix of configurations and professional services revenue within each product segment, (ii) mix of domestic versus international revenue, (iii) introduction of new products by competitors, including products with price-performance advantages, (iv) our ability to reduce product cost, (v) increases in labor or material cost, including increases in material costs resulting from inflation or tariffs, (vi) foreign currency exchange rate movements, (vii) expediting costs incurred to meet customer delivery requirements, (viii) excess inventory and inventory holding charges, (ix) excess and obsolescence charges, (x) changes in shipment volume, (xi) our ability to absorb fixed manufacturing costs during short-term fluctuations in customer demand, (xii) loss of cost savings due to changes in component pricing or charges incurred due to inventory holding periods if parts ordering does not correctly anticipate product demand, (xiii) lower than expected benefits from value engineering, (xiv) increased price competition, including competitors from Asia, specifically China, (xv) changes in distribution channels, (xvi) increased warranty cost or quality issues, (xvii) liquidated damages costs relating to customer contractual terms, (xviii) our ability to manage the impact of foreign currency exchange rate fluctuations relating to our revenue or cost of revenue, (xix) slowdowns, recessions, economic instability (such as the instability in the financial services sector), political unrest, armed conflicts (such as the ongoing military conflict in Ukraine and in Israel and surrounding regions), or outbreaks of disease around the world, and (xx) an extended government shutdown resulting from budgetary decisions or other potential delays or changes in the government appropriations or other funding authorization processes.

1.11 Our dependence on a limited number of suppliers for certain raw materials, key components and original design manufacturer products, combined with supply shortages, have prevented and may continue to prevent us from delivering our products on a timely basis.

The fact that we are reliant on our extended supply chain could have an adverse impact on the supply of our products and on our business and operating results. The financial problems of our suppliers and industry consolidation occurring within one or more component supplier markets, such as the semiconductor market, in each case, could either limit supply or increase costs.

A reduction or interruption in supply, including disruptions on our global supply chain, caused in part by public health emergencies, geopolitical tensions; a significant natural disaster; tariffs or other trade restrictions; a significant increase in the price of one or more components; a failure to adequately authorize procurement of inventory by our contract manufacturers; a failure to appropriately cancel, reschedule, or adjust our requirements based on our business needs; or a decrease in demand for our products could materially adversely affect our business, operating results, and financial condition and could materially damage customer relationships. Furthermore, as a result of binding price or purchase commitments with suppliers, we may be obligated to purchase raw materials or components at prices that are higher than those available in the current market.

In addition, certain raw materials and key components used in our products are currently available from only one source, and others are available from only a limited number of sources. The availability of these raw materials and supplies may be subject to market forces beyond our control, such as inflation, merger and acquisition activity of our suppliers and consolidation in some segments of our supplier base. We expect to continue to experience increased inflationary pressures on input costs, such as, raw materials, supplies, labor and distribution costs. In addition, from time to time, there may not be sufficient quantities of raw materials and supplies in the marketplace to meet customer demand. Companies with more resources than our own may have a competitive advantage in obtaining raw materials and supplies. These factors have resulted in reduced supply, higher prices of raw materials and delays in the receipt of certain of our key components, which in turn has generated increased costs, lower margins and delays in product delivery, with a corresponding adverse effect on revenue. Delays in product deliveries and corresponding product price increases may likewise have an adverse effect on customer relationships.

We believe that we may be faced with the following challenges in the future: new markets in which we participate may grow quickly, which may make it difficult to quickly obtain significant raw materials and/or components; as we acquire companies and new technologies, we may be dependent on unfamiliar supply chains or relatively small supply partners; and we face competition for certain raw materials or components that are supply-constrained from existing competitors and companies in other markets.

1.12 We compete in markets that have become increasingly competitive, which may result in reduced gross profit margins and market share.

The markets for our products are intensely competitive. New manufacturers have entered the markets in recent years to offer products in competition with us. Additionally, certain companies have, in recent years, developed the ability to deliver competing products using coaxial cable and cellular transmission, especially in high-density metropolitan areas. Competition will further increase if new companies enter the market or existing competitors expand their product lines.

Furthermore, we face aggressive price competition and may continue to do so. In addition, our present and future competitors may be able to enter our existing or future markets with products or technologies comparable or superior to those that we offer. An increase in competition could cause us to reduce prices, decrease our market share, require increased spending by us on product development and sales and marketing, or cause delays or cancellations in customer orders, any one of which could reduce our gross profit margins and adversely affect our business and results of operations.

1.13 Our estimates regarding future warranty obligations may change due to product failure rates, installation and shipment volumes, field service repair obligations and other rework costs incurred in correcting product failures.

Our products are highly complex, and we cannot ensure that our extensive product development, manufacturing and integration testing will be adequate to detect all defects, errors, failures and quality issues. Material quality or performance problems for products covered under warranty could adversely impact our reputation and negatively affect our operating results, financial position and cash flows. The development and production of new products with high complexity often involves problems with software, components and manufacturing methods. If significant warranty obligations arise due to reliability or quality issues arising from defects in software, faulty components or manufacturing methods, our operating results, financial position and cash flows could be negatively impacted.

1.14 Managing our inventory is complex and has included and may continue to include write downs of excess or obsolete inventory.

Managing our inventory of components and finished products is complicated by a number of factors, including the need to maintain a significant inventory of certain components that are in short supply, that have been discontinued by the component manufacturer, that must be purchased in bulk to obtain favorable pricing or that require long lead times. These issues have and may continue to result in our purchasing and maintaining significant amounts of inventory, which if not used or expected to be used based on anticipated production requirements, may become excess or obsolete.

1.15 Our international operations have and may continue to expose us to additional risks, increase our costs and adversely affect our operating results, financial condition and cash flows.

International sales represented 56.8% and 59.8% of our net revenue for the years ended 31 December 2024 and 2023. We have a significant international presence, and our international presence may continue to grow. If we continue to expand our presence in international markets, we expect to continue to experience increased revenue and operating costs in these markets. Furthermore, international expansion may continue to increase our operational risks and impact our results of operations.

1.16 Our success depends on attracting and retaining key personnel.

Our business has grown significantly since its inception. Our success is dependent in large part on the continued employment of our executive officers, including Thomas R. Stanton, our Chief Executive Officer, and other key

management personnel. There have been, and may continue to be, changes in our management team resulting from the hiring or departure of key personnel, and we have recently made, and may continue to make, changes in compensation that may be viewed as disruptive by our key personnel. Such changes have and may continue to result in a loss of institutional knowledge, and they may cause disruptions to our business, impede our ability to achieve our objectives, or distract or result in diminished morale in, or the loss of, key personnel. In addition, for Adtran to continue as a successful entity we must also be able to attract and retain key engineers and software developers and architects whose expertise helps us maintain competitive advantages.

1.17 We are exposed to adverse currency exchange rate fluctuations in jurisdictions where we transact in local currency, which could harm our financial results and cash flows.

We are exposed to changes in foreign currencies relative to the U.S. dollar, which are references to the differences between the foreign-exchanges rates we use to convert the financial results of our international operations from local currencies into U.S. dollars for financial reporting purposes.

1.18 We have recognized impairment charges related to goodwill and other intangible assets in the past and may be required to do so in the future.

Our business combination with Adtran Networks in 2022 added a significant amount of goodwill and other intangible assets to our consolidated balance sheets. During the year ended 31 December 2024, qualitative factors caused us to reduce our forecasts, triggering a quantitative impairment assessment for our reporting units. The Company determined upon its quantitative impairment assessment to recognize a USD 297.4 million non-cash goodwill impairment charge for the Network Solutions reporting unit. The Company will continue to monitor its stock price, operating results and other macroeconomic factors to determine if there is further indication of a sustained decline in fair value requiring an event driven assessment of the recoverability of its remaining goodwill. A non-cash goodwill impairment charge would have the effect of decreasing earnings or increasing losses in such period.

1.19 We may be unable to successfully and effectively manage and integrate acquisitions, divestitures and other significant transactions, which could harm our operating results, business and prospects.

As part of our business strategy, we frequently engage in discussions with third parties regarding possible investments, acquisitions, strategic alliances, joint ventures, divestitures and outsourcing arrangements, and we enter into agreements relating to such transactions in order to further our business objectives. In order to pursue this strategy successfully, we must identify suitable candidates, successfully complete transactions, some of which may be large and complex, and manage post-closing issues such as the integration of acquired companies or employees and the divestiture of combined businesses, operations and employees. Integration, divestiture and other risks of these transactions can be more pronounced in larger and more complicated transactions, or if multiple transactions are pursued simultaneously. If we fail to identify and successfully complete transactions that further our strategic objectives, we may be required to expend resources to develop products and technology internally.

1.20 Ongoing inflationary pressures have negatively impacted our revenues and profitability.

Ongoing inflationary pressures have increased manufacturing, operating and labor costs, and may continue to do so. Because certain customer contracts provide for fixed pricing and/or competitive pressures limit our ability to raise the prices at rate as costs increase, which has reduced our profit and operating margins and has and could continue to have a material adverse effect on our financial results. In addition, reduced customer spending or negative reactions to price increases could further decrease demand for our products and services, which would adversely affect our revenue, profitability, and future growth.

2. Risks Related to our Notes and Capped Calls

2.1 Our indebtedness and liabilities could limit the cash flow available for our operations and expose us to risks that could adversely affect our business, financial condition and results of operations. In addition, if we are unable to raise additional capital and/or restructure some of our existing indebtedness, we may be unable to meet our obligations as they come due, including with respect to the Notes.

Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Notes and the Credit Agreement, and our cash needs may increase in the future.

2.2 We may be unable to raise the funds necessary to repurchase the Notes for cash following a fundamental change or to pay any cash amounts due upon maturity or conversion of the Notes, and our other indebtedness may limit our ability to repurchase the Notes or to pay any cash amounts due upon their maturity or conversion.

Noteholders may, subject to a limited exception, require us to repurchase their Notes following a “fundamental change” (as defined in the indenture governing the Notes) at a cash repurchase price generally equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any. In addition, all conversions of the

Notes will be settled partially or entirely in cash. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the Notes or pay the cash amounts due upon conversion.

2.3 Provisions in the indenture could delay or prevent an otherwise beneficial takeover of us.

Certain provisions in the Notes and the indenture governing the notes could make a third party attempt to acquire us more difficult or expensive. Our obligations under the Notes and the indenture governing the Notes could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that noteholders or holders of our Shares may view as favorable.

2.4 The accounting method for the Notes may adversely affect our reported financial condition and results.

The accounting method for reflecting the Notes on our balance sheet, accruing interest expense for the Notes and reflecting the underlying shares of our Shares in our reported diluted earnings per share may adversely affect our reported earnings and financial condition. In accordance with applicable accounting standards, the Notes have been and may continue to be reflected as a liability on our balance sheets, with the initial carrying amount equal to the principal amount of the Notes, net of discount and issuance costs. In addition, the shares underlying the Notes have been reflected and may continue to be reflected in our diluted earnings per share using the "if converted" method, in accordance with ASU 2020-06. The application of the "if converted" method may reduce our reported diluted earnings per share, and accounting standards may change in the future in a manner that may adversely affect our diluted earnings per share. Furthermore, if any of the conditions to the convertibility of the Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the Notes as a current, rather than a long-term, liability. This reclassification could be required even if no noteholders convert their Notes and could materially reduce our reported working capital.

2.5 Transactions relating to the Notes may affect the value of our Shares.

Conversions of the Notes may significantly dilute the ownership interests of our Shareholders and depress the market price of our Shares. Furthermore, in connection with the Notes, we have entered privately negotiated capped calls with one of the initial purchasers of the Notes or its affiliate and certain other financial institutions. Such capped call transactions entered into in connection with the issuance of the Notes are expected generally to reduce potential dilution to the Issuer's common stock upon any conversion of Notes. The option counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to our Shares and/or purchasing or selling our Shares or other securities of ours in secondary market transactions prior to the maturity of the Notes. This activity could also cause or avoid an increase or decrease in the market price of our Shares.

2.6 We are subject to counterparty risk with respect to the capped calls, and the capped calls may not operate as planned.

The option counterparties are, or are affiliates of, financial institutions, and we will be subject to the risk that one or more of such option counterparties might default under the capped calls. In addition, the capped calls are complex, and they may not operate as planned.

3. Risks related to our control environment

3.1 We have had to restate our previously issued consolidated financial statements and, as part of that process, have identified material weaknesses in our internal control over financial reporting.

We have had to restate our previously issued consolidated financial statements for financial year 2024 and, as part of that process, have identified material weaknesses in our internal control over financial reporting. We have implemented several controls with respect to our material weaknesses, and continue to evaluate and implement remedial activities to successfully close all material weaknesses.

3.2 We may face litigation and other risks as a result our material weaknesses in our internal control over financial reporting and any resulting restatement of our previously issued consolidated financial statements.

We had to restate our previously issued consolidated financial statements in August 2023, March 2024 and May 2025 and, in connection with those restatements, we identified material weaknesses in our internal control over financial reporting, certain of which have continued as of the date hereof. In connection with our material weaknesses in our internal control over financial reporting and any future restatement, we face potential for litigation or other disputes which may include, among others, claims invoking the federal and state securities laws, contractual claims or other claims.

3.3 Breaches of our information systems and cyberattacks could compromise our intellectual property and cause significant damage to our business and reputation.

Companies are increasingly subjected to cyberattacks and other attempts to gain unauthorized access. Specifically, our network and storage applications and those systems and applications maintained by our third-party providers may be targeted by cyberattacks or potentially breached due to operator error, fraudulent activity, or other system

disruptions. Furthermore, we, our employees and some of our third-party Service Providers have been, and anticipate continuing to be, the targets of various cybersecurity threats. Unauthorized access to or disclosure of our information could compromise our intellectual property and expose sensitive business information. Additionally, a significant failure or other compromise of our systems due to these issues could result in significant remediation costs, disrupt business operations, and divert management attention, which could result in harm to our business reputation, operating results, financial condition, and cash flows. These risks, as well as the number and frequency of cybersecurity events globally, may also be heightened during times of geopolitical tension or instability between countries.

4. Risks related to the telecommunications industry

4.1 We must continue to update and improve our products and develop new products to compete and to keep pace with improvements in communications technology.

The markets for our products are characterized by rapidly changing technology, evolving industry standards and continuing improvements in the communications service offerings of Service Providers. If technologies or standards applicable to our products, or Service Provider offerings based on our products, become obsolete or fail to gain widespread commercial acceptance, our existing products or products under development may become obsolete or unmarketable, which can result in the discontinuation of products and write off of related inventory. Our revenue and profitability in the past have, to a significant extent, resulted from our ability to anticipate changes in technology, industry standards and Service Provider offerings, and to develop and introduce new and enhanced products. Our continued ability to adapt will be a significant factor in maintaining or improving our competitive position and our prospects for growth.

4.2 Our failure or the failure of our contract manufacturers to comply with applicable environmental regulations could adversely impact our results of operations.

The manufacture, assembly and testing of our products at times requires the use of hazardous materials that are subject to environmental, health and safety regulations. Our failure or the failure of our contract manufacturers to comply with any of these applicable requirements could result in regulatory penalties, legal claims or disruption of production. Existing and future environmental regulations may restrict our use of certain materials to manufacture, assemble and test products.

4.3 If our products do not interoperate with our customers' networks, installations may be delayed or canceled, which could harm our business.

Our products must interface with existing networks, each of which may have different specifications, utilize multiple protocol standards and incorporate products from other vendors. If we find errors in the existing software or defects in the hardware used in our customers' networks, we may have to modify our software or hardware. Implementation of product corrections involving interoperability issues could increase our costs and adversely affect our results of operations.

4.4 We engage in research and development activities to develop new, innovative solutions and to improve the application of developed technologies, and as a consequence may miss certain market opportunities enjoyed by larger companies with substantially greater research and development efforts and which may focus on more leading edge development.

A portion of our research and development activities are focused on the continued innovation of currently accepted access and edge transmission technologies in order to deliver faster internet speeds, more capacity, better quality of service and operational efficiency. We rarely engage in research projects that represent a vast departure from the current business practices of our key customers. This strategy could result in lost revenue opportunities and higher operating expenses should a new technology achieve rapid and widespread market acceptance. When we do engage in research and development activities for new, leading-edge technologies and market approaches, there is no guarantee that those technologies or market approaches will be successful or that they will be adopted and purchased by our customers.

4.5 Our strategy of outsourcing a portion of our manufacturing requirements to subcontractors located in various international regions may result in us not meeting our cost, quality or performance standards.

We are heavily dependent on subcontractors for the assembly and testing of certain printed circuit board assemblies, subassemblies, chassis, enclosures and equipment shelves, and the purchase of some raw materials used in such assemblies. Our suppliers may decide to no longer manufacture or support specific components necessary for some of our legacy products, which could lead to our inability to fulfill demand without increased engineering and material costs necessary to replace such components or cause us to transition such products to end-of-life status sooner than planned. Further, our suppliers could enter into exclusive arrangements with our competitors. We also have experienced and expect to continue to experience ongoing inflationary pressures on input costs, such as, raw materials, labor and distribution costs. These risks could also be heightened by geopolitical factors. For example, the renegotiation or termination of existing bilateral and multilateral trade agreements, as well as, changes in international tariff structures, could adversely impact our product costs. In addition, a number of the components we use in our products

are sourced directly or indirectly through Taiwan. Deterioration of relations between Taiwan and China and the United States, the resulting actions taken by any of these parties, and other factors affecting the political or economic conditions of Taiwan in the future, could adversely impact our supply chain, international sales, and operations.

4.6 Our failure to maintain rights to intellectual property used in our business could adversely affect the development, functionality and commercial value of our products.

Our future success depends in part upon our proprietary technology. Although we attempt to protect our proprietary technology, these protections may not be adequate. Furthermore, our competitors can develop similar technology independently without violating our proprietary rights. From time to time, we receive and may continue to receive notices of claims alleging that we are infringing upon patents or other intellectual property. Any of these claims, whether with or without merit, could result in significant legal fees, divert our management's time, attention and resources, delay our product shipments or require us to enter into royalty or licensing agreements. If claims of intellectual property infringement against us are successful and we fail to obtain a license or develop or license non-infringing technology, our business, operating results, financial condition and cash flows could be materially adversely affected.

4.7 Third party hardware or software that is used with our portfolios may not continue to be available or at commercially reasonable terms.

We integrate third-party software into certain of our products. Licenses for this technology may not be available or continue to be available to us on commercially reasonable terms.

4.8 Our use of open source software could impose limitations on our ability to commercialize our products.

Several of our solutions utilize elements of open source or publicly available software. Although we closely monitor our use of open source software, there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to sell our products.

4.9 We may incur liabilities or become subject to litigation that would have a material effect on our business.

In the ordinary course of business, we accept purchase orders, and enter into sales and other related contracts, for the marketing, sale, manufacture, distribution or use of our products and services. We may incur liabilities relating to our performance under such agreements, or which result from damage claims arising from certain events as outlined within the particular contract. In the ordinary course of business, we are subject to various legal proceedings and claims, including employment disputes, patent claims, disputes over contract agreements and other commercial disputes.

4.10 If we are unable to successfully develop and maintain relationships with service integrators ("SIs"), providers of provides voice, data or video services to consumers and businesses ("Service Providers"), and enterprise value-added resellers ("VARs"), our revenue may be negatively affected.

As part of our sales strategy, we are targeting SIs, Service Providers and enterprise VARs. To expand our distribution channel to include resellers with such capabilities, we must be able to provide effective support to these resellers.

4.11 We depend on a third-party cloud platform provider to host our Mosaic One SaaS network and other operating platforms, and if we were to experience a material disruption or interference in service, our business and reputation could suffer.

Our quality of customer service and our continued growth depends in part on the ability of our existing and potential customers to use and access our Mosaic One SaaS network operating platform. We use third-party service providers that we do not control for key components of our infrastructure, particularly with respect to delivery of our SaaS products. Third-party service providers operate their own platforms that we access, and we are, therefore, vulnerable to their service interruptions.

5. Risks related to the regulatory environments in which we do business

5.1 We are subject to complex and evolving U.S. and foreign laws, regulations and standards governing the conduct of our business. Violations of these laws and regulations may harm our business, subject us to penalties and to other adverse consequences.

We are subject to laws and regulations that govern conduct by our Company, our employees and agents and the manufacture, sale and use of our products. Our inability to comply with current and evolving laws and regulations governing our business domestically and internationally may adversely affect our revenue, results of operations, financial conditions and cash flows. New and changing laws, regulations and industry practices could require us to modify our business, products or services offered, potentially in a material manner, and may limit our ability to develop new products, services and features. If we violate these laws and regulations, governmental authorities in the U.S. and in foreign jurisdictions could seek to impose civil and/or criminal fines and penalties which could have an adverse effect on our reputation, as well as our results of operations, financial condition and cash flows. Moreover, changes

in the U.S. political landscape can significantly impact our business. The recent changes in the U.S. government administration has resulted in substantial modifications to laws and regulations, including, but not limited to, those related to trade policies, tariffs, export controls and technology transfers. New executive orders and legislative actions have altered and may in the future further alter the business environment in which we operate.

5.2 Changes in trade policy in the U.S. and other countries, including the imposition of additional tariffs and the resulting consequences, may adversely impact our gross profits, gross margins, results of operations and financial condition.

In recent years, international market conditions and the international regulatory environment have been increasingly affected by competition among countries and geopolitical frictions. During the first three quarters of 2025 and into November 2025, the U.S. introduced trade policy actions that have increased import tariffs across a wide range of countries at various rates, with certain exemptions. Because not all products can be sourced in all countries, we expect to experience increased costs in our supply chain as a result of such tariffs, which may lead to reduced margins or increased prices.

In addition, the extent and duration of increased tariffs and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors. Also, disruptions and volatility in the financial markets may lead to adverse changes in the availability, terms and cost of capital. The complexity of announced or future tariffs may also increase the risk that we or our customers or suppliers may be subject to enforcement actions in the U.S. or foreign jurisdictions related to compliance with trade regulations.

Finally, tariffs on our customers' products may adversely affect our gross profit margins in the future due to the potential for increased pressure on our selling prices by customers seeking to offset the impact of tariffs on their own products. In addition, tariffs could make our products less attractive relative to products offered by competitors, which may not be subject to similar tariffs. In reaction to the increased tariffs, customers may elect to reduce spending, renegotiate contracts, defer orders or delivery of existing orders, or shift purchases to other vendors, each of which would adversely impact our financial results and competitive position with customers. Increases in tariffs on imported goods or the failure to resolve current international trade disputes could further decrease demand and have a material adverse effect on our business and operating results.

5.3 New or revised tax regulations, changes in our effective tax rate, recognition of a valuation allowance or assessments arising from tax audits may have an adverse impact on our results.

We are subject to taxation in various jurisdictions, both domestically and internationally, in which we conduct business. Significant judgment is required in the determination of our provision for income taxes, and this determination requires the interpretation and application of complex and sometimes uncertain tax laws and regulations. Our effective tax rate may be adversely impacted by changes in the mix of earnings between jurisdictions with different statutory tax rates, in the valuation of our deferred tax assets, and by changes in tax rules and regulations. In addition, we are subject to examination of our income tax returns by the Internal Revenue Service and various other tax authorities in the jurisdictions in which we conduct business.

5.4 Interest rate fluctuations could increase our costs of borrowing money and negatively impact our financial condition and future operations.

Interest rates are highly sensitive to many factors. Changes in interest rates have impacted and may in the future further impact our costs of borrowing money under certain of our debt facilities with variable interest rates, which could negatively impact our financial condition and future operations.

5.5 Expectations relating to environmental, social and governance ("ESG") considerations expose the Company to potential liabilities, increased costs, reputational harm, and other adverse effects on the Company's business.

Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on ESG considerations relating to businesses, including climate change and greenhouse gas emissions, human and civil rights, and diversity, equity and inclusion. In addition, we may make statements about our ESG goals and initiatives through our website, press statements and other communications. Responding to these environmental, social and governance considerations and implementation of these goals and initiatives involves risks and uncertainties, requires investments, and depends in part on third-party performance or data that is outside of our control. In addition, simultaneous, disparate and divergent sentiments on ESG-related matters from multiple stakeholder groups must be considered. For example, there is an increasing number of anti-ESG initiatives in the U.S. that may conflict with other regulatory requirements or our various stakeholders' expectations.

5.6 Further downgrades of the U.S. credit rating, impending automatic spending cuts, the current government shutdown, or future government shutdowns could negatively impact our liquidity, financial condition and earnings.

U.S. debt ceiling and budget deficit concerns have increased the possibility of additional credit-rating downgrades and economic slowdowns, or a recession in the United States. The impact of this or any further downgrades to the

U.S. government's sovereign credit rating or its perceived creditworthiness could adversely affect the U.S. and global financial markets and economic conditions. Absent further quantitative easing by the Federal Reserve, these developments could cause interest rates and borrowing costs to rise. Moreover, the current government shutdown or future government shutdowns, as well as adverse political and economic conditions could have a material adverse effect on our business, financial condition and results of operations.

VIII. Characteristics of the securities

The New Shares are up to 22,714,447 shares of the Issuer's common stock, each with a par value of USD 0.01 per share (ISIN: US00486H1059, symbol: ADTN and WKN: A3C7M6, symbol: QH9) to be issued from the Company's authorized capital. The New Shares, if issued, will (i) be listed on (a) the Nasdaq Global Select Market, New York, United States ("Nasdaq") and (b) the regulated market (*regulierter Markt*) of the FSE and its sub-segment with additional post-admission obligations (Prime Standard), (ii) carry the same rights as the Existing Shares, (iii) in the event of any insolvency or liquidation of the Issuer, rank junior to all creditors' claims and any senior securities in accordance with applicable law; (iv) be freely transferable in accordance with the legal provisions applicable to dematerialized shares, (v) entitle each holder to one vote per share at any general or extraordinary meeting of the shareholders of the Issuer, and (vi) carry full dividend rights from the date of their issuance with respect to any dividend declared after the date of their issuance. No restrictions on voting rights apply. The New Shares will exist in dematerialized form and shareholders are not entitled to request the issue of share certificates. Existing shareholders are not entitled to subscription rights with respect to the New Shares.

IX. Dilution and shareholding after the issuance

The New Shares will be issued only upon conversion of the Notes. The number of 22,714,447 New Shares admitted to trading based on this document is based on the initial maximum conversion rate of 86.8206 shares per \$1,000 principal amount of Notes and represents the maximum number of New Shares issuable upon conversion of the Notes, without considering anti-dilution adjustments provided for in the indenture of the Notes. While no actual dilution of ownership interests will occur prior to the conversion, the actual issuance of the New Shares upon conversion of the Notes will dilute the ownership interests of existing shareholders to the extent that New Shares are issued upon conversion of the Notes. The issuance of 22,714,447 New Shares admitted to trading based on this document would result in an increase of the number of outstanding shares by approximately 28.36% compared to 80,115,995 Existing Shares outstanding as of 31 October 2025. This would result in a dilution of the holders of the Existing Shares by 22.09%.

The following table shows the Company's current shareholder structure (based on the voting rights notifications made under the German Securities Trading Act – WpHG) and the shareholder structure under the assumption of issuance of 22,714,447 New Shares admitted to trading based on this document, and assuming that no existing shareholders will acquire any New Shares:

Name of Shareholder	Current Holding based on voting rights notifications	Holding under the assumed issuance of all 22,714,447 New Shares
EGORA	7.67%	5.98%
Blackrock	6.98%	5.44%
Vanguard	4.68%	3.65%
William Blair	4.47%	3.49%
Morgan Stanley	3.66%	2.86%
Free Float	72.52%	78.59%

The Issuer expects that the New Shares underlying the Notes will in future financial filings be reflected in its diluted earnings per share calculation using the "if converted" method, in accordance with ASU 2020-06. Under this method, if the conversion value of the Notes exceeds their principal amount for a reporting period, diluted earnings per Share will be calculated as if all Notes had been converted at the beginning of the period and the New Shares had been issued to settle the conversion obligation in excess of the aggregate principal amount of the Notes being converted. If inclusion of the Notes in this manner is anti-dilutive, or if the conversion value does not exceed the principal amount, the New Shares underlying the Notes will not be reflected in diluted earnings per Share. Application of the if-converted method may reduce the Issuer's reported diluted earnings per share, and future changes in accounting standards may further affect this calculation.

X. Regulated market

The New Shares will be fungible with the Existing Shares which are admitted to trading on the Nasdaq and on the regulated market (*regulierter Markt*) of the FSE and its sub-segment with additional post-admission obligations (Prime Standard). ⁷