ADTRAN Holdings, Inc.
Supplemental Financial Schedule

ADTRAN Holdings, Inc. has posted this supplemental unaudited financial schedule on its Investor Relations web page in order to provide investors with (i) supplemental information regarding revenue by segment and category and (ii) reconciliations of certain financial measures ("non-GAAP financial measures") prepared other than in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") to the most directly comparable financial measures prepared in accordance with U.S. GAAP, as such non-GAAP financial measures may be discussed on the Company's second quarter 2022 earnings webcast conference call on November 8, 2022.

Unless the context otherwise indicates or requires, references in this unaudited supplemental financial schedule to "ADTRAN," the "Company," "we," "us" and "our" refer to (i) ADTRAN, Inc. and its consolidated affiliates prior to the merger (the "Merger") on July 8, 2022 of Acorn MergeCo, Inc., a Delaware corporation and wholly-owned direct subsidiary of ADTRAN Holdings, Inc. (f/k/a Acorn HoldCo), with and into ADTRAN, Inc. as part of ADTRAN's business combination transaction with ADVA Optical Networking SE, and (ii) ADTRAN Holdings, Inc. and its consolidated subsidiaries following the Merger.

The Company is providing this data for informational purposes only. The information contained herein does not purport to project the Company's results of operations or financial condition for any future period or as of any future date, and operating results for any completed period are not necessarily indicative of the results that may be expected for any other future period. This supplemental financial information should be read in conjunction with the financial and related information contained in our filings with the Securities and Exchange Commission. This document is dated November 8, 2022.

ADTRAN Holdings, Inc.
Revenue by Segment and Category Classification
For the Three Months Ended September 30, 2022, June 30, 2022 and September 30, 2021
Unaudited
(In thousands)

	Three Months Ended		
	September 30, 2022	**June 30, 2022**	**September 30, 2021**
Segment Revenue:			
Network Solutions	$ 304,940	$ 155,992	$ 120,767
Services & Support	35,769	16,046	17,314
Total Revenue	**$ 340,709**	**$ 172,038**	**$ 138,081**
Category Revenue:			
Subscriber Solutions	$ 133,675	$ 79,750	$ 46,867
Access & Aggregation Solutions	88,189	92,288	91,214
Optical Networking Solutions	118,845	—	—
Total Revenue	**$ 340,709**	**$ 172,038**	**$ 138,081**
Revenue by Geographic Region:			
United States	$ 169,669	$ 105,752	$ 91,868
International	171,040	66,286	46,213
Total Revenue	**$ 340,709**	**$ 172,038**	**$ 138,081**

Reconciliation of Certain Non-GAAP Financial Measures

The tables below present a reconciliation of Non-GAAP Gross Profit, Non-GAAP Gross Margin, Non-GAAP Operating Expenses and Non-GAAP Other (Expense) Income, each of which is a non-GAAP financial measure, to the most directly comparable financial measure prepared in accordance with U.S. GAAP. ADTRAN's management believes that these non-GAAP financial measures are useful and meaningful to management and investors, and management may discuss these non-GAAP financial measures during presentations to investors. Non-GAAP financial measures do not have any standardized meaning and, therefore, may not be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, financial measures reported in accordance with U.S. GAAP.

ADTRAN Holdings, Inc.
Reconciliation of Gross Profit and Gross Margin to Non-GAAP Gross Profit and Non-GAAP Gross Margin
For the Three Months Ended September 30, 2022, June 30, 2022 and September 30, 2021
Unaudited
(In thousands)

	Three Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021
Total Revenue	$ 340,709	$ 172,038	$ 138,081
Cost of Revenue	$ 237,682	$ 109,532	$ 90,408
Acquisition-related expenses, amortizations and adjustments	(25,530)	-	-
Stock-based compensation expense	(1,269)	(162)	(133)
Pension adjustments	(59)	-	-
Non-GAAP Cost of Revenue	$ 210,824	$ 109,370	$ 90,275
Gross Profit	103,027	62,506	47,673
Non-GAAP Gross Profit	129,885	62,668	47,806
Gross Margin	30.2%	36.3%	34.5%
Non-GAAP Gross Margin	38.1%	36.4%	34.6%

ADTRAN Holdings, Inc.
Reconciliation of Operating Expenses to Non-GAAP Operating Expenses
For the Three Months Ended September 30, 2022, June 30, 2022 and September 30, 2021
Unaudited
(In thousands)

	Three Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021
Operating Expenses	**$ 134,076**	**$ 54,373**	**$ 57,731**
Acquisition-related expenses, amortizations and adjustments	(14,780)	(2,123)	(6,041)
Stock-based compensation expense	(10,862)	(1,726)	(1,709)
Pension adjustments	(185)	-	-
Deferred compensation adjustments (1)	740	3,737	459
Non-GAAP Operating Expenses	**$ 108,989**	**$ 54,261**	**$ 50,440**

(1) Includes non-cash change in fair value of equity investments held in the ADTRAN Holdings, Inc. Deferred Compensation Program for Employees, all of which is included in selling, general and administrative expenses on the Condensed Consolidated Statements of Income (Loss).

ADTRAN Holdings, Inc.
Reconciliation of Other (Expense) Income to Non-GAAP Other (Expense) Income
For the Three Months Ended September 30, 2022, June 30, 2022 and September 30, 2021
Unaudited
(In thousands)

	Three Months Ended		
	September 30, 2022	**June 30, 2022**	**September 30, 2021**
Interest and dividend income	347	217	344
Interest expense	(1,303)	(94)	(6)
Net investment (loss) gain	(2,691)	(4,646)	(63)
Other income (expense), net	2,494	681	648
Total Other (Expense) Income	**$ (1,153)**	**$ (3,842)**	**$ 923**
Deferred compensation adjustments (1)	1,124	3,596	197
Pension expense (2)	81	85	272
Non-GAAP Other (Expense) Income	**$ 52**	**$ (161)**	**$ 1,392**

(1) Includes non-cash change in fair value of equity investments held in the ADTRAN Holdings, Inc. Deferred Compensation Program for Employees.
(2) Includes amortization of actuarial losses related to the Company's pension plan for employees in certain foreign countries.