Adtran

Building a secure tomorrow

SIX-MONTH REPORT 2026

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Disclaimer:

Potential inconsistencies in the table values are based on rounding differences.

IFRS financial highlights 6M 2026

Income statement

(in thousands of EUR, except earnings per share and ratios)	Q2 2026	Q2 2025	Change	6M 2026	6M 2025	Change
Revenues	133,422	109,740	21.6 %	250,886	223,859	12.1 %
Pro forma EBIT[1]	4,367	(7,390)	n/a	2,997	(12,181)	n/a
Pro forma EBIT margin in %	3.3	(6.7)	10 pp	1.2	(5.4)	6,6 pp
Operating income (loss)	2,019	(9,790)	n/a	(279)	(16,319)	n/a
Operating margin in %	1.5	(8.9)	10,4 pp	(0.1)	(7.3)	7,2 pp
Net income (loss)	646	(15,203)	n/a	(2,814)	(31,311)	n/a
Diluted earnings per share in EUR	0.02	(0.29)	n/a	(0.05)	(0.60)	n/a

Cash flow statement

(in thousands of EUR)	Q2 2026	Q2 2025	Change	6M 2026	6M 2025	Change
Cash flow from operating activities	7,824	7,570	3.4 %	25,101	32,699	(23.2)%
Cash flow from investing activities	(12,096)	(14,886)	(18.7)%	(30,657)	(30,262)	1.3 %

Balance sheet and financial ratios

(in thousands of EUR, except ratios)	Jun. 30, 2026	Dec. 31, 2025	Change
Liabilities to banks	18,044	18,451	(2.2)%
Lease liabilities	24,398	26,525	(8.0)%
Financial debt	**42,442**	**44,976**	**(5.6)%**
Cash and cash equivalents	33,712	43,634	(22.7)%
Receivables from Adtran Holdings, Inc. due to loss absorption	24,350	23,783	2.4 %
Loans granted	16,169	15,352	5.3 %
Net cash[2]	**31,789**	**37,793**	**(15.9)%**
Net working capital[3]	170,010	151,613	12.1 %
Working capital ratio in %[4]	33.6	31.5	2,1pp
Equity	388,964	387,993	0.3 %
Equity ratio in %	61.4	62.9	(1,5)pp
Capital employed[5]	449,071	467,577	(4.0)%
ROCE in %[6]	1.1	(2.4)	3,5pp

Employees

(at period end)	Jun. 30, 2026	Dec. 31, 2025	Change
	2,226	2,215	0.5 %

[1] Pro forma EBIT is calculated prior to non-cash charges related to the stock compensation programs and anniversary payment obligations as well as amortization and impairment of goodwill and acquisition-related intangible assets. Additionally, certain non-recurring expenses related to M&A, integration, professional fees relating to an internal investigation and certain other non-recurring personnel expenses as well as expenses related to restructuring measures are not included.

[2] Net cash is calculated by subtracting the total financial debt from cash and cash equivalents. In addition to bank balances and cash on hand, cash and cash equivalents include receivables from Adtran Holdings, Inc. arising from the control and profit transfer agreement and from the issuance of a bond. Total financial debt consists of current and non-current financial liabilities to banks, including those arising from factoring agreements, as well as current and non-current financial liabilities to Adtran Holdings, Inc., including those arising from the control and profit transfer agreement, and current and non-current lease liabilities in accordance with IFRS 16 Leases. A negative calculation result is referred to as net debt. Unlike in previous years, net liquidity is no longer considered a key performance indicator, as it does not serve as a management metric for the Group and no targets based on this metric are set. For informational purposes, we will continue to report net liquidity in the key figures overview.

[3] Net working capital is defined as the sum of trade receivables and inventories less trade payables.

[4] The working capital ratio shows the net working capital on the balance sheet date in relation to the revenues of current period.

[5] The capital employed is the difference between the average balance sheet total and the average current liabilities of the period, calculated as the arithmetic average of the quarterly balance sheet date values.

[6] Return on Capital Employed (ROCE) is the operating result for the past 12-month period divided by the capital employed.

Interim consolidated management report

Business development and operational performance

Revenue development and revenues by region

Revenues represent one of the two key performance indicators for Adtran Networks. The group's revenues in 6M 2026 amounted to EUR 250.9 million and were EUR 27.0 million or 12.1 % up compared to revenues of EUR 223.9 million in 6M 2025. Compared to revenues of EUR 117.5 million in Q1 2026, revenues in Q2 2026 increased by 13.6 % to EUR 133.4 million. The increase in revenues compared to 6M 2025 relates to increases in EMEA as well as Americas region as further described below.

In 6M 2026, EMEA (Europe, the Middle East and Africa) was once again the largest contributing sales region reporting 53.0 % of total revenues (6M 2025: 53.8 %), followed by Americas accounting for 39.6 % of total revenues (6M 2025: 35.4 %) and Asia-Pacific representing 7.4 % of total revenues (6M 2025: 10.8 %).

Year-on-year sales in EMEA increased to EUR 132.9 million in 6M 2026 compared to EUR 120.5 million in 6M 2025. The increase compared to the prior year period is due to the increase in Optical Transport business and strong business with major customers.

Revenues in Americas also increased to EUR 99.4 million in 6M 2026 after EUR 79.2 million reported in 6M 2025. This significant increase was was also driven by Optical Transport business.

In Asia-Pacific, revenue decreased by 22.7% from EUR 24.1 million in 6M 2025 to EUR 18.6 million in 6M 2026. The business in the region is project-driven with limited recurring revenues, leading to fluctuations related to project timings and revenue recognition.

Results of operations

(in millions of EUR, except earnings per share)	6M 2026	Portion of revenues	6M 2025	Portion of revenues
Revenues	**250.9**	**100.0 %**	**223.9**	**100.0 %**
Cost of goods sold	(166.4)	(66.3)%	(148.9)	(66.5)%
Gross profit	**84.5**	**33.7 %**	**75.0**	**33.5 %**
Selling and marketing expenses	(30.0)	(12.0)%	(30.5)	(13.6)%
General and administrative expenses	(15.5)	(6.2)%	(16.6)	(7.4)%
Research and development expenses	(53.4)	(21.3)%	(56.8)	(25.4)%
Other operating income and expense, net	14.1	5.6 %	12.6	5.6 %
Operating loss	**(0.3)**	**(0.1)%**	**(16.3)**	**(7.3)%**
Interest income and expenses, net	(0.1)	— %	(0.9)	(0.4)%
Financial gains and losses, net	(0.3)	0.1 %	1.2	0.5 %
Loss before tax	**(0.7)**	**(0.3)%**	**(16.0)**	**(7.1)%**
Income tax benefit (expense), net	(2.1)	(0.9)%	(15.4)	(6.9)%
Net loss	**(2.8)**	**(1.1)%**	**(31.3)**	**(14.0)%**
Earnings per share in EUR				
basic	(0.05)		(0.60)	
diluted	(0.05)		(0.60)	

Cost of goods sold increased by EUR 17.5 million to EUR 166.4 million in 6M 2026 in line with the favorable revenue development. In 6M 2026, cost of goods sold included EUR 23.9 million (6M 2025: EUR 22.2 million) of amortization of capitalized development projects.

Gross profit increased from EUR 75.0 million in 6M 2025 to EUR 84.5 million in 6M 2026, with gross margin at 33.7 % in 6M 2026 slightly above the 33.5 % reported in 6M 2025. The improved gross profit and gross margin in 6M 2026 is primarily attributable to higher revenues, lower inventory valuation costs, and economies of scale.

Within operating costs, sales and marketing expenses in 6M 2026 of EUR 30.0 million were largely at the same level as in the prior-year (EUR 30.5 million in 6M 2025). They amounted to 12.0 % of revenues in 6M 2026 after 13.6 % in 6M 2025.

General and administrative expenses of EUR 15.5 million in 6M 2026 decreased compared to EUR 16.6 million in 6M 2025 and amounted to 6.2 % and 7.4 % of revenues, respectively.

At EUR 53.4 million in 6M 2026, R&D expenses were below the EUR 56.8 million seen in 6M 2025, comprising 21.3 % and 25.4 % of revenues, respectively. Gross R&D expenses remained stable at EUR 75.7 million in 6M 2026 compared to EUR 75.4 million reported in 6M 2025, while income from capitalization of development expenses increased from EUR 18.5 million in 6M 2025 to EUR 22.3 million in 6M 2026. The capitalization rate in 6M 2026 amounted to 29.5 %, up from 24.6 % reported in 6M 2025.

Adtran Networks operating result significantly improved from negative EUR 16.3 million in 6M 2025 to negative EUR 0.3 million in 6M 2026.

Pro forma EBIT represents one of the two key performance indicators for Adtran Networks. As pro forma EBIT excludes non-cash charges related to stock compensation, impairment of goodwill and amortization of intangible assets recognized in business combinations, expenses relating to anniversary payments as well as certain non-recurring expenses related to M&A, integration, professional fees relating to an internal investigation, restructuring measures and other non-recurring personnel expenses, Adtran Networks' management board believes that pro forma EBIT margin is a more appropriate measure than operating income when benchmarking the group’s operational performance against other telecommunications equipment providers.

In 6M 2026, Adtran Networks reported a pro forma EBIT of positive EUR 3.0 million after a pro forma EBIT of negative EUR 12.2 million in 6M 2025, representing positive 1.2 % after negative 5.4 % of revenues, respectively.

The reconciliation of operating income (loss) to pro forma EBIT is as follows:

(in millions of EUR)	6M 2026	6M 2025
Operating loss	**(0.3)**	**(16.3)**
Expenses related to share-based compensation	2.0	2.7
Expenses related to anniversary payments	0.1	—
Amortization of intangible assets from business combinations	0.6	0.7
Expenses related to M&A transactions, integration, an internal investigation and restructuring measures	0.6	0.8
Pro forma EBIT	**3.0**	**(12.2)**

Beyond the operating result net loss in 6M 2026 is impacted by net interest expenses of EUR 0.1 million (6M 2025: net interest expenses of EUR 0.9 million), which includes interest effects from lease accounting of EUR 0.7 million (6M 2025: EUR 0.7 million). The decrease in net interest expenses mainly relates to lower interest for bank debt as existing bank loans from the Wells Fargo credit line were fully repaid in the second half of 2025. Furthermore, net financial losses of EUR 0.3 million (6M 2025: net financial gains of EUR 1.2 million) relating to the revaluation of foreign currency assets and liabilities impacted the net income in 6M 2026.

In 6M 2026, the group reported an income tax expense of EUR 2.1 million after an income tax expense of EUR 15.4 million in 6M 2025. The significantly lower tax expense in 2026 is mainly attributable to the deferred tax asset reversal effects from valuation allowance that impacted the prior-year period more significantly as compared to the current period

Summary: Business development and operational performance

In 6M 2026, Adtran Networks SE recorded a increase in revenues with gross margin improving slightly at the same time compared to the previous year. Operating costs decreased compared to the previous year due to an increase in capitalization of development expenses as well as cost saving measures from prior periods becoming effective. Due to the recognition of a significantly lower tax expense Adtran Networks reports a substantial improvement of net result from a net loss of EUR 31.3 million in 6M 2025 to a net loss of EUR 2.8 million in the current period.

Net assets and financial position

Balance sheet structure

Adtran Networks total assets increased by EUR 16.8 million from EUR 616.8 million at the end of 2025 to EUR 633.6 million at the end of June 2026.

Current assets amounted to EUR 345.6 million at the end of 6M 2026, EUR 21.8 million higher than the corresponding balance of EUR 323.9 million at the end of 2025 and accounted for 54.6 % and 52.5 % of total assets at these reporting dates, respectively. The increase in current assets was mainly due to significantly increased trade receivables from EUR 112.8 million on December 31, 2025 to EUR 141.7 million at the end of 6M 2026 due to higher revenues in the current period when comparing to previous quarters as well as the revised the presentation of advance-invoiced, unpaid maintenance and service contracts. DSO[7] were at 92 days in 6M 2026 and 82 days in 12M 2025. Inventories increased from EUR 84.0 million on December 31, 2025 to EUR 92.4 million at the end of 6M 2026. In 6M 2026 inventory turns rose to 3,8 x compared to 3,5 x in 12M 2025. In contrast, cash and cash equivalents decreased to EUR 33.7 million after EUR 43.6 million reported at the end of 2025. This is primarily attributable to cash outflows related to the increase in working capital positions.

Non-current assets decreased to EUR 288.0 million at the end of 6M 2026 from EUR 292.9 million at year-end 2025. The decrease is due in particular to the decline other non-current assets to EUR 7.9 million at the end of June 2026 after EUR 11.5 million reported at year-end 2025 mainly driven by a decrease in funding of research projects with maturity after more than 12 months.

On the equity and liabilities side, current liabilities increased by EUR 21.1 million from EUR 160.7 million on December 31, 2025 to EUR 181.8 million on June 30, 2026. Trade payables increased to EUR 64.1 million at the end of 6M 2026, thus being EUR 18.9 million above the EUR 45.2 million reported at the end of December 2025. In 6M 2026, DPO[8] amounted to 59 days largely unchanged with the value reported in 12M 2025. Current contract liabilities amounted to EUR 47.8 million as of June 30, 2026, compared to EUR 37.5 million reported at year-end 2025. Other current liabilities increased by EUR 2.1 million to EUR 36.9 million as of June 30, 2026. At the same time, current provisions decreased to EUR 7.2 million at the end of 6M 2026, thus being EUR 3.7 million below the value reported at the end of December 2025 due to lower supplier obligations.

Non-current liabilities of EUR 62.8 million at the end of 6M 2026 decreased from the EUR 68.1 million reported at the end of 2025. This decrease is due in particular to lower other non-current liabilities of EUR 8.6 million at the end of June 2026 after EUR 13.2 million at year-end 2025 and relates to the decrease in funding for research projects with a duration of more than 12 months, which is also reported under other non-current assets. At the same time, deferred tax liabilities increased by EUR 1.6 million to EUR 12.6 million on June 30, 2026, primarily driven by deferred tax expense recorded in the first six months of 2026.

Stockholders' equity significantly remained fairly stable at EUR 389.0 million on June 30, 2026 after EUR 388.0 million reported on December 31, 2025. The equity ratio remained stable at 61.4 % on June 30, 2026, after 62.9 % on December 31, 2025. The non-current assets ratio amounted to 135.1 % and 132.5 % on the respective reporting dates, with stockholders' equity fully covering the non-current assets.

Capital expenditures

Capital expenditures for additions to property, plant and equipment in 6M 2026 amounted to EUR 4.5 million, down from the EUR 5.4 million seen in 6M 2025.

Capital expenditures for intangible assets of EUR 28.4 million in 6M 2026 increased from EUR 27.2 million in 6M 2025. This total consists of capitalized development projects of EUR 22.2 million in 6M 2026 after EUR 18.6 million in 6M 2025 and capital expenditures for other intangible assets of EUR 6.3 million in 6M 2026 after EUR 8.6 million in 6M 2025. The investments in other intangible assets primarily include cost for software development.

On June 4, 2024, Adtran Networks SE issued a loan to Adtran, Inc amount to USD 17.1 million. The carrying amount of the loan on June 30, 2026 was EUR 16.2 million. Further information on the loan can be found in note (10) in the notes section of this report.

[7] The key figure describes the average number of days between invoicing and receipt of payment.
[8] The key figure indicates the average number of days between receipt of invoice and outgoing payment.

Cash flow

(in millions of EUR)	6M 2026	Portion of cash	6M 2025	Portion of cash
Operating cash flow	25.1	74.4 %	32.7	95.1 %
Investing cash flow	(30.6)	(90.9)%	(30.3)	(88.0)%
Financing cash flow	(4.3)	(12.7)%	5.4	15.8 %
Net effect of foreign currency translation on cash and cash equivalents	(0.1)	(0.2)%	(0.5)	(1.5)%
Net change in cash and cash equivalents	**(9.9)**	**(29.4)%**	**7.3**	**21.4 %**
Cash and cash equivalents at the beginning of the period	43.6	129.4 %	27.0	78.6 %
Cash and cash equivalents at the end of the period	**33.7**	**100.0 %**	**34.4**	**100.0 %**

Cash flow from operating activities was positive EUR 25.1 million in 6M 2026, after positive EUR 32.7 million in 6M 2025. The decline in 6M 2026 is in particular due to higher cash outflows from net working capital when compared to the corresponding prior-year period.

Cash flow from investing activities amounted to negative EUR 30.6 million in 6M 2026 after negative EUR 30.3 million in 6M 2025 and, in addition to cash outflows for investments in property, plant, and equipment and intangible assets, includes effects from the purchase of trade receivables from Adtran, Inc. as part of a factoring program.

Finally, net cash outflows of EUR 4.3 million were reported from financing activities in 6M 2026, after cash inflows of EUR 5.4 million from financing activities in 6M 2025. In the current reporting period, cash outflows resulted primarily from payments for lease agreements. The cash inflow in the first half of 2025 resulted in particular from payments received from Adtran Holdings for partial settlement of the liability arising from the domination and profit and loss sharing agreement. The cash received was used largely to partially repay a bank debt.

Overall, including the net effect of foreign currency translation of negative EUR 0.1 million, cash and cash equivalents decreased by EUR 9.9 million, from EUR 43.6 million at the end of December 2025 to EUR 33.7 million on June 30, 2026. In 6M 2025, cash and cash equivalents had increased by EUR 7.3 million.

Financing and liquidity

Adtran Networks' financing management is performed centrally by Adtran Networks SE. Its objective is to provide sufficient funds to ensure ongoing operations and to support the group’s projected growth. Beyond the equity base, Adtran Networks finances its business by means of loans provided by Adtran Holdings, Inc., access to a USD 50.0 million subline under the Senior Secured Credit Facility, and liabilities with maturities typically exceeding the useful life of the assets being financed. For any liability taken, Adtran Networks is focused on minimizing related interest cost, as long as access to funds is not at risk. Excess funds are generally used to redeem liabilities.

Total financial debt decreased by EUR 2.5 million to EUR 42.4 million at the end of 6M 2026. As of the end of June 2026, the group has no loan liabilities to banks (December 31, 2025: also no loan liabilities to banks). The current liabilities to banks amounting to EUR 18.0 million (December 31, 2025: EUR 18.5 million) are due to the consolidation of a factoring special-purpose entity into the consolidated financial statements as a result of a factoring agreement concluded at the end of 2023.

The current portion of liabilities from leasing decreased by EUR 0.1 million to EUR 5.4 million while the non-current liabilities from leasing decreased by EUR 2.0 million to EUR 19.0 million.

Mainly due to the previously described decrease in cash and cash equivalents, net cash declined from EUR 37.8 million at the end of 2025 to EUR 31.8 million in 6M 2026. Cash and cash equivalents on June 30, 2026, and on December 31, 2025 were invested mainly in EUR, USD and GBP.

At the end of June 2026 return on capital employed for the rolling twelve months period improved to positive 1.1 %, from the negative 2.4 % reported in 12M 2025. This development is mainly due to the positive operating result reported in 6M 2026.

Summary: Net assets and financial position

At the end of 6M 2026 cash and cash equivalents decreased, which contributed to a decrease in net cash. However, Adtran Networks net assets and financial position remain stable. The equity ratio was at 61.4 % on June 30, 2026 compared to 62.9 % at the end of 2025.

Events after the balance sheet date

On July 21, 2026, Adtran Holdings, Inc. as guarantor, Adtran, Inc., (the “US Borrower”), and Adtran Networks SE (the “German Borrower” and together with the US Borrower, collectively, the “Borrowers”), entered into a credit agreement (the “New Credit Agreement”) with J.P. Morgan Chase Bank, N.A., as administrative agent for the US Borrower and J.P. Morgan SE, as administrative agent for the German Borrower, and the financial institutions party thereto, as lenders. The New Credit Agreement allows for borrowings of up to USD 350.0 million in aggregate principal amount, with borrowings by the German Borrower limited to USD 50.0 million. The New Credit Agreement replaces the Borrowers’ prior credit agreement with Wells Fargo Bank, National Association, as administrative agent, entered into on July 18, 2022 (the “Credit Agreement”). The proceeds of any loans are expected to be used for general corporate purposes not prohibited under the New Credit Agreement.

In connection with entering into the New Credit Agreement, on July 21, 2026, Adtran Holdings, Inc. terminated the prior Senior Secured Credit Facility, the collateral agreement dated July 18, 2022, the ADVA domestic collateral agreement dated June 4, 2024, the guaranty agreement dated July 18, 2022 and the ADVA guaranty agreement dated June 4, 2024.

There were no further events after the balance sheet date that materially impacted the net assets and financial position of the group and Adtran Networks SE on June 30, 2026, or the group’s and the company’s financial performance for 6M 2026. Also, there were no further events considered material for disclosure.

Risk and opportunity report

Adtran Networks future development is subject to various general and group-specific risks, which in certain cases can also endanger the group's continued existence.

As described in the "risk and opportunity report" section of the combined management report 2025 no going concern risk existed as of year-end 2025. The group reports a stable cash position at the end of 6M 2026. Consequently, there is no going concern risk as of the current reporting date.

In the ongoing risk assessment for 2026 the following changes were made:

Increased risks:

Risk of supply disruptions
very likely; material (previous year - possible, moderate)

Adtran Networks sources product components either based on forecasts or upon receipt of a customer purchase order. Any shortage in the required material can have a significant negative impact on the group's performance. This may be caused by natural disasters which are expected to occur in higher frequency and at larger scales due to the climate change, pandemics, political conflicts, or specific problems of a supplier.

The increase of the risk reflects a shift in global semiconductor markets. Lead times for components relevant to Adtran Network's products have extended significantly, in many cases exceeding one year. The primary driver is the continued expansion of AI data center infrastructure, which competes directly with telecommunications equipment manufacturers for memory and other semiconductor / optical components: up to 70 %[9] of global memory chip production in 2026 is expected to be consumed by AI data centers alone. Semiconductor manufacturers are prioritizing high-volume AI customers, leaving other industry segments, including networking equipment producers, facing allocation constraints and reduced sourcing flexibility.

The availability of critical components is centrally planned, monitored and controlled for all the manufacturing sites for a twelve months' period. Adtran Networks is monitoring the supply situation very closely and is taking actions dependent on changing market conditions, such as vendor management and establishing buffer levels on key components.

Uncompetitive product cost
very likely; very material (previous year - possible; very material)

Adtran Networks achieves cost advantages through its ability to scale economically and through the optimization of product design. The loss of competitive product cost would drastically reduce the group's success in winning new business and would have a negative effect on gross and operating margins. The significant pricing pressure for innovative connectivity solutions must be met strategically by improving processes, controls and technology while maintaining adequate R&D budgets, as well as operationally by achieving cost leadership in sourcing product components. A dedicated team identifies competitive price and cost targets for new products, monitors product cost changes throughout the development process and negotiates, tracks and forecasts product and related component costs; the achievement of annual cost reduction targets is tracked by quarterly status reports.

Two distinct but related dynamics currently affect this risk. First, the competitive landscape is intensifying. Ongoing consolidation among competitors in the optical and connectivity networking market, resulting in fewer but larger, more vertically integrated rivals. Vertically integrated competitors are structurally positioned to achieve lower unit costs and greater pricing flexibility than vendors relying more heavily on external sourcing, increasing the risk that Adtran Networks could be undercut on price in competitive bids.

Second, the sourcing cost environment has reversed. In prior years, Adtran Networks benefited from continuous cost reductions on sourced components, averaging approximately 5 % annually. This trend has reversed in 2026: the group now expects a net cost increase in the range of 1-2 % for the year, driven by broad-based price escalation across the electronic component market rather than isolated supplier-specific factors.

This shift reflects structural market dynamics rather than a temporary pricing cycle. Memory chip prices have risen sharply industry-wide, with major manufacturers such as Samsung, SK Hynix, and Micron reporting substantial price increases as AI-driven demand for HBM[10] and standard DRAM/NAND[11] absorbs available production capacity. TrendForce[12] raised its conventional DRAM contract price forecast to a 90% to 95% increase, and its NAND Flash forecast to 55-60 %[13], from the prior

[9] https://accuristech.com/blog/ai-data-center-electronic-component-supply/
[10] High-bandwidth memory.
[11] Dynamic random access memory / flash memory.
[12] A Taiwan-based market research and data firm that specializes in tracking the semiconductor, memory, display, and broader technology supply chain.
[13] https://www.trendforce.com/presscenter/news/20260202-12911.html

quarter, citing persistent AI and data center demand. Price increases have also extended beyond memory to microcontrollers, analog ICs, and power semiconductors, as well as optical components, as manufacturers pass through higher input costs.

The establishment of parallel production lines in different territories to mitigate geopolitical and supply chain risks leads to an increase in capital expenditures and operational cost. Adtran Networks diligently assesses the advantages and disadvantages of second sources and parallel production lines versus the additional cost incurred.

This dynamic reinforces the need for continued discipline in cost leadership, sourcing optimization, and R&D efficiency to maintain competitive positioning. The Company has established strategic partnerships with component suppliers to reduce this risk and improve the overall cost base. Adtran also applies ongoing supply risk management and monitoring, and structured vendor management, enabling early visibility into cost exposure and supporting proactive negotiation and sourcing decisions rather than reactive purchasing.

Ransomware, phishing attack, denial of service attack likely; material (previous year - possible; material)

The integrity, confidentiality, and availability of our information systems and data remain crucial to the functioning of our business processes and, consequently, to the Company's success. Cyber-attacks against organizations continue to escalate globally in both frequency and sophistication, with midsize companies like Adtran Networks increasingly becoming prime targets.

Cybercrimes are perpetrated by a diverse range of actors, from individual hackers to professional organizations, some operating on behalf of national governments. The motives behind these cyber-attacks are equally varied, encompassing ransom extortion, industrial espionage, and sabotage. The motives for cyber-attacks are similarly wide ranging from ransom extortion to industrial espionage and sabotage. Preventing from, and combating cyber threats is a never-ending challenge which in Adtran Networks is accomplished by a series of measures.

These attacks are still seen, yet their quantity is in decline. Ransomware is no longer the end goal of the threat actors, but rather means to cover their tracks after a successful infiltration of the victim’s environment and company data exfiltration. That does not mean, however, that the risk associated with them is lower than in 2025. To the contrary, as due to the rapid growth of GenAI technologies and services, it is now possible to craft perfect, targeted phishing emails or even develop malware using AI-assisted tooling, greatly accelerating the process. As GenAI is used as a powerful productivity amplifier when used for legitimate purposes, it is also used by cyber criminals to create new, much more sophisticated means of attacking victims (be it individuals or companies). What is more, threat actors have also started to abuse legitimate management tools to cripple the operations of the victim companies, reaching the same outcome as though real ransomware was deployed. A US-based medical device manufacturer was affected by an attack following that model. Attackers managed to compromise a privileged account in their IT environment and then issued mass device wipe command using a legitimate remote device management tool. That caused thousands of company devices to erase the data on them and had them return to the factory default state.

To mitigate this risk, Adtran utilizes a layered defensive approach that also employs AI-powered security technologies to match the sophistication of attacks we have been seeing. We are also following industry best practices and are hardening our environment against such scenarios. Also, considering that cybersecurity awareness is crucial to maintaining the security of the company and our employees, we are publishing dedicated cyber newsletters explaining the nature of such attacks and best defensive practices. Finally, our employees receive cybersecurity awareness trainings that are intended to champion best cybersecurity practices applicable regardless of the role an individual serves within the company.

New risks:

Insecure AI Usage and Data Exfiltration / Disclosure risk likely; material (new risk in 2026)

The rapid growth of generative AI and Large Language Models and the tools utilizing them has enabled individuals and organizations to achieve feats that had previously required extensive time, knowledge and effort, reducing the delivery time by orders of magnitude. At the same time, the success and efficacy of those tools are directly linked to the quality of data fed into them, with the models constantly learning and re-evaluating their own efficacy based on the interactions and data exchanges with their operators. It means that per default, unless enterprise data protection contracts are signed, every interaction with an AI tool is documented, disseminated and processed by the tool owner. That would also include potential company data, trade secrets or personally-identifiable information which could be inadvertently or voluntarily uploaded to such tools. An eager employee seeking to increase their productivity might upload such data to a service that does not provide the necessary legal protection from the data privacy and data security standpoint. Without them, such data would be available to the tool owner and, potentially, to competitors and market rivals.

To address this, Adtran has rolled out Microsoft Copilot as the company-wide approved AI tool, as it guarantees data privacy and data security according to our enterprise contract with Microsoft. Also, other AI solutions are reviewed and screened by a dedicated AI Review Team. Only tooling that warrants data security is approved for business use. Furthermore, to strengthen the governance aspect of AI Usage, an AI Steering Committee has been founded. Finally, our employees receive trainings on secure usage of AI technologies that allows them to be agile and innovative, while keeping the company and personal data secure.

Decreased risks:

Uncompetitive product(s) due to delayed release(s)
possible; very material (previous year - likely; very material)

High competition and rapid technological change are the decisive characteristics of the market for innovative connectivity solutions for cloud and mobile services. Continuous success not only requires the identification of innovative solutions for future network and customer requirements by maintaining cost leadership, but to also release such innovations at the projected time as delays may undermine their competitiveness.

To mitigate the risk, Adtran Networks SE focuses its development efforts on areas where meaningful differentiation can be achieved with sufficient resource allocation. The company continuously improves R&D efficiency through enhanced tooling and systematic measurement of throughput and development cycle times, enabling earlier identification of bottlenecks and delays. In parallel, structured risk management practices are applied within development projects to proactively identify, assess, and mitigate technical and execution risks. Closer collaboration with selected key customers, including joint and iterative development approaches, ensures early validation of requirements and faster alignment with market needs. Additionally, Adtran Networks maintains close cooperation with key partners and suppliers to improve coordination across the value chain and support timely product delivery.

The decrease in probability reflects continued improvement in the group's ability to deliver on planned product roadmaps, supported by the R&D efficiency and risk management measures described above.

Inability to retain the talent with the competencies required to meet key objectives
unlikely; material (previous year - possible; material)

The ongoing digital transformation is advancing rapidly, exacerbating the global shortage of skilled talent, particularly within the technology industry. While competition for talent is most pronounced in developed economies, it remains a challenge worldwide, also because of demographic developments. Adtran Networks faces increasing pressure to retain and develop its workforce to safeguard the critical knowledge, skills, and relationships necessary for the development, selling, and maintenance of its innovative products and solutions.

Following the 2023 merger of ADVA and Adtran, Adtran Networks is currently in a post-merger integration phase. Organizational changes and synergies inherent to such mergers can bring some degree of uncertainty among employees, while the blending of two corporate cultures presents additional challenges. Moreover, the integration of systems and processes can lead to increased workloads and stress, further contributing to potentially decreased employee motivation levels and attrition.

Temporary constraints in attracting new talent may arise as some individuals prioritize stability over an evolving work environment. However, organizational transformation can also appeal to highly motivated and creative professionals seeking dynamic career development opportunities. To address these challenges, Adtran Networks remains committed to meeting employee expectations by offering a range of flexible work models, personal and professional development opportunities and fostering a supportive, innovative workplace culture.

The decrease in probability is supported by a measurable improvement in employee retention over the last 12 months: voluntary turnover declined from 6.4 % in 2025 to 4.5 % in 2026. This improvement reflects a combination of factors, including a competitive compensation and benefits environment, expanded development and training activities, and workplace environment improvements connected to feedback gained through the global employee survey. Adtran Networks is committed to conducting ongoing employee surveys, which allow the Company to monitor employee satisfaction levels and address concerns proactively.

Apart from the above stated no changes to the risks, uncertainties and opportunities as reported in the "risk and opportunity report" section of the combined management report 2025 occurred in the current reporting period.

Outlook

In Q2 2026 Adtran Networks reported revenues of EUR 133.4 million, which increased significantly by 21.6 % compared to EUR 109.7 million in Q2 2025. 6M 2025 revenues were EUR 250.9 million also up by 12.1 % compared to EUR 223.9 million in the 6M 2025 period. The pro forma EBIT margin in Q2 2026 increased to positive 3.3 % compared to negative 6.7 % in Q2 2025. However, cash decreased from EUR 47.2 million at the end of Q1 2026 to EUR 33.7 million at the end of Q2 2026.

Looking to the business development in 2026, the management board continues to expect an improvement in general demand across all product areas. While the tense political climate, the US administration's tariff policy, and the comparatively high interest rate level continue to cause uncertainty in the market, it is imperative that progress is made in expanding the communications infrastructure and securing critical infrastructure. Furthermore, new technologies and business models, such as the use of generative AI, are generating additional bandwidth requirements in data networks that can only be met through further investments in network expansion.

In recent years, Adtran Networks has increasingly focused and comprehensively prepared itself technologically for the transformation of networks with the aspects of AI, cloud, mobility, automation and security. In addition to the high-performance features of optical data transmission, precise network synchronization technology and programmable cloud access solutions, the service portfolio also delivers added value. Adtran Networks develops, produces and delivers communication technology for the digital future.

Against the backdrop of the aforementioned factors and taking into account the planning parameters, personnel, and exchange rates, the management board expects further revenue growth in the high single-digit or low double-digit percentage range in the second half of 2026 for the Adtran Networks group. The Management Board also assumes that, due to the OPEX adjustments achieved in 2025 and ongoing, strict cost control, pro forma EBIT may grow from a negative single-digit percentage in 2025 to a positive single-digit percentage for the full year 2026. The company's objective is rapid debt reduction and consistent compliance with the defined capital management objectives, which are described in 2025 consolidated financial statements.

Six-month IFRS interim consolidated financial statements

Consolidated statements of financial position as of June 30, 2026 (unaudited)

(in thousands of EUR)	Note	30. Jun. 2026	Dec. 31, 2025
Assets			
Current assets			
Cash and cash equivalents		33,712	43,634
Trade accounts receivable	(4)	141,730	112,755
Thereof receivables from Adtran Holdings, Inc. and its subsidiaries	*(24)*	*27,165*	*11,012*
Receivables from Adtran Holdings, Inc. due to loss absorption	(6)	24,350	23,783
Contract assets		187	162
Inventories	(5)	92,386	84,042
Income tax receivable		2,838	2,607
Other current assets	(6)	50,438	56,903
Total current assets		**345,641**	**323,886**
Non-current assets			
Right-of-use assets	(7)	21,715	23,862
Property, plant and equipment	(8)	32,189	33,474
Goodwill	(9)	46,466	45,328
Capitalized development projects	(9)	93,582	94,936
Intangible assets acquired in business combinations	(9)	1,796	2,408
Other purchased and internally generated intangible assets	(9)	54,733	52,963
Loans granted	(10)	16,169	15,352
Deferred tax asset		13,390	13,046
Other non-current assets	(6)	7,941	11,529
Total non-current assets		**287,981**	**292,899**
Total assets		**633,622**	**616,784**

(in thousands of EUR)	Note	30. Jun. 2026	Dec. 31, 2025
Equity and liabilities			
Current liabilities			
Current lease liabilities		5,409	5,557
Current liabilities to banks	(11)	18,044	18,451
Trade accounts payable	(12)	64,106	45,184
Thereof liabilities to Adtran Holdings, Inc. and its subsidiaries	*(24)*	*1,602*	*3,338*
Current provisions	(13)	7,161	10,852
Tax liabilities		2,079	3,891
Current contract liabilities and advance payments	(14)	47,803	37,472
Refund liabilities	(14)	282	279
Other current liabilities	(12)	36,926	39,049
Thereof liabilities to Adtran Holdings, Inc. from recharge of share-based payment instruments	*(24)*	*462*	—
Total current liabilities		**181,810**	**160,734**
Non-current liabilities			
Non-current lease liabilities		18,989	20,968
Provisions for pensions and similar employee benefits	(13)	5,195	4,920
Other non-current provisions	(13)	1,756	1,863
Deferred tax liabilities		12,567	11,012
Non-current contract liabilities	(14)	15,695	16,059
Other non-current liabilities	(12)	8,646	13,235
Total non-current liabilities		**62,848**	**68,057**
Total liabilities		**244,658**	**228,791**
Stockholders' equity entitled to the owners of the parent company	(16)		
Share capital		52,055	52,055
Capital reserve		338,851	338,142
Accumulated deficit		3,304	25,187
Net loss		(2,814)	(21,883)
Accumulated other comprehensive income		(2,432)	(5,508)
Total stockholders' equity		**388,964**	**387,993**
Total equity and liabilities		**633,622**	**616,784**

Consolidated income statements for the period from January 1 to June 30, 2026 (unaudited)

(in thousands of EUR, except earnings per share and number of shares)	Note	Q2 2026	Q2 2025	6M 2026	6M 2025
Revenues	**(17)**	**133,422**	**109,740**	**250,886**	**223,859**
Cost of goods sold		(86,595)	(73,743)	(166,364)	(148,863)
Gross profit		**46,827**	**35,997**	**84,522**	**74,996**
Selling and marketing expenses		(15,716)	(15,479)	(30,039)	(30,457)
Thereof net impairment results on financial assets		*76*	*199*	*134*	*400*
General and administrative expenses		(7,929)	(8,653)	(15,511)	(16,642)
Research and development expenses		(28,383)	(28,292)	(53,397)	(56,829)
Other operating income	(18)	7,763	6,859	14,912	12,855
Other operating expenses	(18)	(543)	(222)	(766)	(242)
Operating income (loss)		**2,019**	**(9,790)**	**(279)**	**(16,319)**
Interest income		651	490	1,254	1,338
Interest expenses		(594)	(907)	(1,341)	(2,157)
Foreign currency exchange gains		2,074	6,921	4,527	11,837
Foreign currency exchange losses		(2,454)	(6,372)	(4,832)	(10,650)
Income (loss) before tax		**1,696**	**(9,658)**	**(671)**	**(15,951)**
Income tax benefit (expense), net	(19)	(1,050)	(5,545)	(2,143)	(15,360)
Net income (loss) entitled to the owners of the parent company		**646**	**(15,203)**	**(2,814)**	**(31,311)**
Earnings per share in EUR					
basic		0.02	(0.29)	(0.05)	(0.60)
diluted		0.02	(0.29)	(0.05)	(0.60)
Weighted average number of shares for calculation of earnings per share					
basic		52,054,500	52,054,500	52,054,500	52,054,500
diluted		52,054,500	52,054,500	52,054,500	52,054,500

Consolidated statements of comprehensive income (unaudited)

(in thousands of EUR)	Note	Q2 2026	Q2 2025	6M 2026	6M 2025
Net income (loss) entitled to the owners of the parent company		**646**	**(15,203)**	**(2,814)**	**(31,311)**
Items that may be reclassified to profit or loss in future periods					
Exchange differences on translation of foreign operations		1,675	(8,428)	3,076	(12,022)
Items that will not get reclassified to profit or loss in future periods					
Remeasurement of defined benefit plans		—	—	—	—
Comprehensive income (loss) entitled to the owners of the parent company		**2,321**	**(23,631)**	**262**	**(43,333)**

Consolidated cash flow statements (unaudited)

(in thousands of EUR)	Note	6M 2026	6M 2025
Cash flow from operating activities			
Loss before tax		(671)	(15,951)
Adjustments to reconcile income before tax to net cash provided by operating activities			
Non-cash adjustments			
Amortization of non-current assets		37,501	36,325
Loss from disposal of property, plant and equipment and intangible assets		155	16
Stock compensation expenses		709	2,323
Other non-cash income and expenses		(528)	(41)
Net financing expenses		(220)	—
Foreign currency exchange differences		1,242	(7,586)
Changes in asset and liabilities			
Decrease (increase) in trade accounts receivable		(29,000)	14,879
Decrease (increase) in inventories		(8,344)	(4,696)
Decrease (increase) in other assets		7,389	8,017
Increase (decrease) in trade accounts payable		18,922	5,532
Increase (decrease) in provisions		(3,715)	(7,689)
Increase (decrease) in other liabilities		4,414	4,254
Income tax paid and refunded		(2,753)	(2,684)
Net cash provided by operating activities		**25,101**	**32,699**
Cash flow from investing activities			
Proceeds from (outflows to) government grants		142	(430)
Investments in property plant and equipment	(8)	(4,450)	(5,386)
Investments in intangible assets	(9)	(29,304)	(25,959)
Cash receipts from sale of debt instruments of other entities		2,664	1,436
Interest received		291	77
Net cash used in investing activities		**(30,657)**	**(30,262)**
Cash flow from financing activities			
Repayment of lease liabilities		(3,151)	(2,997)
Cash repayment of liabilities to bank	(11)	—	(21,158)
Increase in financial liabilities from factoring agreements	(11)	(407)	(1,311)
Cash inflow from loss assumption by Adtran Holdings, Inc.		—	33,241
Interest paid		(737)	(2,352)
Net cash used in financing activities		**(4,295)**	**5,423**
Net effect of foreign currency translation on cash and cash equivalents		(71)	(511)
Net change in cash and cash equivalents		**(9,922)**	**7,349**
Cash and cash equivalents at the beginning of the period		43,634	27,040
Cash and cash equivalents at the end of the period		**33,712**	**34,389**

Consolidated statement of changes in stockholders’ equity (unaudited)

(in thousands of EUR, except number of shares)	Share capital		Capital reserve	Net income (loss) and accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' equity entitled to the owners of the parent company
	Number of shares	Par value				
Balance on January 1, 2025	**52,054,500**	**52,055**	**337,158**	**(4,822)**	**3,776**	**388,166**
Capital increase, including exercise of stock options	—	—	—	—	—	—
Stock options outstanding	—	—	996	—	—	996
Profit transfer/loss absorption by Adtran Holdings, Inc.	—	—	—	—	—	—
Net loss	—	—	—	(31,311)	—	(31,311)
Exchange differences on translation of foreign operations	—	—	—	—	(12,022)	(12,022)
Remeasurement of defined benefit plans	—	—	—	—	—	—
Comprehensive income (loss)	—		—	(31,311)	(12,022)	(43,333)
Balance on June 30, 2025	**52,054,500**	**52,055**	**338,155**	**(36,133)**	**(8,247)**	**345,829**
Balance on January 1, 2026	**52,054,500**	**52,055**	**338,142**	**3,304**	**(5,508)**	**387,993**
Capital increase, including exercise of stock options	—	—	—	—	—	—
Stock options outstanding	—	—	709	—	—	709
Profit transfer/loss absorption by Adtran Holdings, Inc.	—	—	—	—	—	—
Net loss	—	—	—	(2,814)		(2,814)
Exchange differences on translation of foreign operations	—	—	—	—	3,076	3,076
Remeasurement of defined benefit plans	—	—	—	—	—	—
Comprehensive income (loss)	—	—	—	(2,814)	3,076	262
Balance on June 30, 2026	**52,054,500**	**52,055**	**338,851**	**490**	**(2,432)**	**388,964**

Details on changes in stockholders’ equity are presented in note (16).

Notes to the condensed interim financial statements (unaudited)

(1) Information about the company and the group

Adtran Networks SE (hereinafter also referred to as the “company” or “Adtran Networks SE”) is a Societas Europaea domiciled in Meiningen, Germany, with its registered office at Märzenquelle 1–3, 98617 Meiningen, and is registered as HRB 508155 at the commercial register in Jena.

The Adtran Networks group (hereinafter also referred to as “Adtran Networks” or “the group”) develops, manufactures and sells optical and Ethernet-based networking solutions to telecommunications carriers and enterprises to deliver data, storage, voice and video services.

Telecommunications service providers, private companies, universities and government agencies worldwide use the group’s systems. Adtran Networks sells its product portfolio both directly and through an international network of distribution partners.

(2) Basis of preparation and accounting policies

The group’s consolidated interim financial statements for the period ended June 30, 2026, are prepared in accordance with IAS 34. The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group’s annual financial statements per December 31, 2025.

Neither the interim consolidated financial statements nor the interim group management report have been audited in accordance with Section 317 of the German Commercial Code (HGB) or reviewed by an auditor in accordance with Section 115 (5) of the German Securities Trading Act (WpHG).

The interim consolidated financial statements are presented in EUR. Unless otherwise stated, all amounts quoted are in thousands of EUR. The balance sheet is broken down into current and non-current assets and liabilities. The classification of income and expenses in the income statement is based on their function within the entity. Where items on the consolidated statement of financial position and in the consolidated income statement are summarized in the interest of clarity, this is explained in the notes to the consolidated financial statements.

The interim financial statements of the individual subsidiaries of the holding company Adtran Networks SE, as subsumed in the condensed interim consolidated financial statements, are all prepared using the same accounting and valuation policies and the same balance sheet date. The preparation of consolidated financial statements in accordance with IFRS requires discretionary decisions, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities as well as income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at December 31, 2025, except for the following changes in judgments and estimates:

In 2026, the company’s accounting conclusion regarding the presentation of advance-invoiced, unpaid maintenance and service contracts under IFRS 15 has been reviewed. Adtran Networks management concluded that upon issuance of an invoice pursuant to a valid purchase order, the company has an enforceable and unconditional right to consideration. As a result, related balances will be presented gross as accounts receivable with a corresponding deferred revenue liability.

There were no changes to the scope of consolidation in the first half of 2026.

The result of the six-month period through June 30, 2026, cannot be extrapolated to the result of the full year 2026.

Adtran Networks SE, which as the parent company prepares the consolidated financial statements in accordance with IFRS, is controlled by Adtran Holdings, Inc., Huntsville, Alabama, USA, as the direct parent company. The consolidated interim financial statements in accordance with US GAAP of the parent company Adtran Holdings, Inc. can be accessed on the homepage https://investors.adtran.com/financials/annual-reports/default.aspx.

The consolidated financial statements were prepared on the going concern assumption.

Economic influences on business activities

Society, politics and the economy are currently facing complex, sometimes interdependent macroeconomic challenges. The slowdown in inflation and foreseeable cuts in key interest rates should lead to a moderate economic recovery in the current year. Nevertheless, the economic outlook remains subject to significant downside risks. The current geopolitical crises in particular harbor high risks for economic growth and inflation. The management of Adtran Networks is aware that extrapolating past experience into the future is only possible to a limited extent, especially in the current climate. The effects of these challenges are analyzed on an ongoing basis and taken into account in the accounting and reporting in the consolidated financial statements.

The business activities of Adtran Networks are not subject to significant seasonal or cyclical fluctuations.

(3) Effects of new standards and interpretations

With the exception of the application of new and revised IFRS and interpretations (IFRIC) in the past financial year, the accounting and valuation methods of the consolidated financial statements as of December 31, 2025 will be continued unchanged.

Standards, amendments and interpretations applicable for the first time in 2026

In 2026, following standards and interpretations have been adopted for the first time.

Standard	Topic	First-time adoption*	Expected impact on the financial position and performance
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	Jan. 1, 2026	no material impact
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	Jan. 1, 2026	not applicable
Annual Improvements to IFRS – Volume 11	Annual Improvements to IFRS – Volume 11	Jan. 1, 2026	no material impact

New accounting requirements not yet applicable for first-time adoption in 2026

The IASB and the IFRIC have issued further Standards and Interpretations in 2026 and previous years that were either not applicable for the financial year 2026 or whose first-time adoption is still subject to endorsement by the EU.

Standard	Topic	First-time adoption*	Expected impact on the financial position and performance
IFRS 18	Presentation and disclosure in the financials statements	Jan. 1, 2027	The final analysis will be completed by the end of 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Jan. 1, 2027	not applicable
Amendments to IAS 21	The effects of changes in foreign exchange rates: Translation to a hyperinflationary presentation currency	Jan. 1, 2027	not applicable
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	not defined	not applicable

* To be applied in the first reporting period of a financial year beginning on or after this date.

IFRS 18 Presentation and disclosure in the financial statements

IFRS 18 sets forth requirements for the presentation and disclosure of information in financial statements and replaces IAS 1 Presentation of Financial Statements. IFRS 18 is effective for fiscal years beginning on or after January 1, 2027.

Based on the current status of the analysis, Adtran Networks expects the preliminary impacts described below. The assessment of the impact of IFRS 18 on the consolidated financial statements, as well as the implementation of changes to accounting policies, has not yet been completed. Therefore, the actual effects of the initial application of IFRS 18 on January 1, 2027, might differ from the result of the current analysis.

Structure of the Income Statement.

IFRS 18 requires the presentation of a subtotal “operating income” in the income statement. Due to changes in the classification of income and expenses, the “operating income” will differ from the previous presentation at Adtran Networks. The analysis of the extent of this change has not yet been completed.

In addition, IFRS 18 introduces a new subtotal, “income before financing and income taxes". Interest income from certain financial assets (in particular, cash and cash equivalents as well as financial investments) will be reported in the investing activities category in the future. Interest expense on certain liabilities will be reported in the financing activities category under IFRS 18. Currently, Adtran Networks reports interest income and expense below operating income (loss) without showing an additional subtotal. The analysis of the impact of the changed classification has not yet been completed.

Under IFRS 18, foreign currency gains and losses will be allocated to the categories of operating, investing, financing, and income taxes. Adtran Networks currently reports gains and losses from the valuation of foreign currency positions on a cumulative basis below operating income. The analysis of the impact of the changed allocation has not yet been completed.

Management-defined performance measures (MPMs).

Adtran Networks is currently assessing whether and to what extent the first-time adoption of IFRS 18 will result in adjustments regarding its MPM definition and the currently reported pro forma EBIT metric.

(4) Trade accounts receivable

Trade accounts receivable are non-interest-bearing and are due within 30 to 120 days in general. For specific projects, other payment terms may be agreed.

Gross and net trade accounts receivable are as follows:

(in thousands of EUR)	Jun. 30, 2026	Dec. 31, 2025
Gross trade accounts receivable	**144,594**	**115,433**
Allowance for expected credit losses	(2,864)	(2,678)
Net trade accounts receivable	**141,730**	**112,755**

A reconciliation of the risk provision for trade accounts receivable carried at amortized cost is included in the table below:

(in thousands of EUR)	6M 2026	6M 2025
Jan. 1	**2,678**	**2,594**
Increase of risk provision	3	—
Release of risk provision	—	(18)
Addition of specific allowances	131	418
Usage	—	—
Foreign currency translation effects	52	(211)
Jun. 30	**2,864**	**2,783**

The current revolving factoring agreement results in the requirement to consolidate a special purpose entity. On June 30, 2026, the consolidation resulted in the recognition of trade receivables of EUR 13,676 thousand (December 31, 2025: EUR 11,853 thousand).

(5) Inventories

The increase in inventories by EUR 8,344 thousand to EUR 92,386 thousand reported at June 30, 2026 is driven by the forecasted increase in customer shipments in Q3 2026 and the extended lead-time of certain components.

In 6M 2026, release of impairment of inventories amounting to EUR 477 thousand (6M 2025: increase if impairment EUR 4,597 thousand) was recognized as an income and expense within cost of goods sold, respectively. This amount includes reversals of earlier write-downs amounting to EUR 3,293 thousand (6M 2025: EUR 1,400 thousand) due to higher selling and input prices. The increase in write-backs compared with the first half of 2025 is attributable to a case-by-case adjustment to obsolescence allowances in inventory valuation during the second quarter of 2026.

(6) Other current and non-current assets

Other current assets are as follows:

(in thousands of EUR)	Jun. 30, 2026	Dec. 31, 2025
Non-financial assets		
Advance payments to contract manufacturers	13,322	19,307
Prepaid expenses	5,143	4,766
Receivables due from tax authorities	4,810	4,770
Other	613	680
Total current non-financial assets	**23,888**	**29,523**
Financial assets		
Receivables from Adtran Holdings, Inc. from loss absorption	24,350	23,783
Receivables from Adtran Holdings, Inc. related to share-based payment instruments	—	824
Government grant allowances for research projects	16,476	15,213
Receivables from sale of debt instruments of Adtran, Inc.	4,702	7,366
Receivables from duty refund	494	964
Receivables from royalties	792	—
Other	4,087	3,012
Total current financial assets	**50,900**	**51,162**
Total current assets	**74,788**	**80,686**

Other current assets are non-interest-bearing and are generally due within 0 to 60 days.

Other non-current assets are as follows:

(in thousands of EUR)	Jun. 30, 2026	Dec. 31, 2025
Financial assets		
Government grant allowances for research projects	5,654	9,360
Rent deposits	2,197	2,056
Other	91	113
Total non-current assets	**7,941**	**11,529**

Advance payments to contract manufacturers decreased due to lower business volumes with selected contract manufacturers.

The increase in receivables from loss absorption results from the consideration of interest on the outstanding amount from Adtran Holdings, Inc. in the first half of 2026.

On June 30, 2026, government grants for 19 research projects are recognized (December 31, 2025: 30 research projects). These public grants relate to programs promoted by the EU and national governments. Due to the high credit ratings of the funding providers, which are exclusively state institutions, Adtran Networks does not expect any defaults. Reclassifications are made between short-term and long-term government grant allowances depending on the expected duration of the funding projects. Overall, receivables from government grants allowances for research projects have decreased due to reduced funding volumes as research projects have been finalized.

The rent deposits are mainly assets held in trust. Adtran Networks does not expect any defaults.

On June 30, 2026 and December 31, 2025, no non-financial non-current assets have been reported.

(7) Right-of-use assets

Right-of-use assets can be analyzed as follows:

(in thousands of EUR)	Jun. 30, 2026	Dec. 31, 2025
Leased cars	1,115	1,586
Leased premises	20,600	22,276
Total right-of-use assets	**21,715**	**23,862**

In 6M 2026 no impairment losses were recognized on right-of-use assets (6M 2025: none). No write-backs were recognized in 6M 2026 (in 6M 2025 EUR 101 thousand).

(8) Property, plant and equipment

Property, plant and equipment can be analyzed as follows:

(in thousands of EUR)	Jun. 30, 2026	Dec. 31, 2025
Land and buildings	12,003	12,443
Technical equipment and machinery	17,030	18,170
Factory and office equipment	2,521	2,543
Assets under construction	635	319
Total property, plant and equipment	**32,189**	**33,474**

The decrease in technical equipment and machinery is mainly due to regular depreciation of the period exceeding additions.

In 6M 2026 and 6M 2025, there were neither impairments nor write-backs of property, plant and equipment impaired in prior years.

(9) Intangible assets

The increase in goodwill is exclusively due to foreign currency revaluation.

Capitalized development projects of EUR 93,582 thousand as of June 30, 2026 (December 31, 2025: EUR 94,936 thousand) include expenses related to the development of technologies and products for connectivity solutions for cloud and mobile services, synchronization technology and network management software. Capitalized development projects decreased in the first half of 2026, mainly due to higher amortization compared to additions during the reporting period.

Other purchased and internally generated intangible assets amounting to EUR 54,732 thousand as of June 30, 2026 (December 31, 2025: EUR 52,963 thousand) include software and hardware development costs and have increased due to the ongoing development of existing projects. In 6M 2026, the group received government grants amounting to EUR 142 thousand for other purchased and internally generated intangible assets (6M 2025: EUR 430 thousand). Acquisition costs were reduced in 6M 2026 accordingly.

In 6M 2026 and 6M 2025 no impairment of intangible assets with finite or indefinite useful economic lives was recognized.

(10) Loans granted

On June 4, 2024, Adtran Networks SE granted a loan to Adtran, Inc. amounting to USD 17,121 thousand. The loan matures latest on July 18, 2027 and bears interest of 3M Term SOFR + 1.0 % margin set at the beginning of each quarter. The average interest rate for 6M 2026 was 4.68 %. The carrying amount of the loan on June 30, 2026 was EUR 16,169 thousand (December 31, 2025: EUR 15,352 thousand).

(11) Liabilities to banks

The loan agreement (Senior Secured Credit Facility) of Adtran Holdings, Inc. with Wells Fargo Bank and other lenders was terminated in July 2026 (for further details refer to the details described in note (26) on events after balance sheet date). At June 30, 2026, Adtran Networks SE has not drawn any debt out of the subline allocated to Adtran Networks (December 31, 2025: nil out of USD 49,000 thousand subline). The total subline at the end of 6M 2026 amounted to USD 50,000 thousand.

The recognition of the factoring agreement concluded in December 2023 resulted in a current financial liability of EUR 18,044 thousand as at June 30, 2026 (prior year-end: EUR 18,451 thousand).

(12) Trade accounts payable and other current and non-current liabilities

The trade accounts payable are non-interest-bearing and generally due within 30 to 90 days.

Other current liabilities are as follows:

(in thousands of EUR)	Jun. 30, 2026	Dec. 31, 2025
Non-financial liabilities		
Liabilities to employees for variable compensation and payroll	5,236	6,752
Liabilities to employees for vacation	2,099	2,078
Liabilities due to withheld wage income tax and social security contribution	6,212	5,307
Liabilities due to tax authorities	2,242	2,772
Obligations from subsidized research projects	12,394	13,216
Total current non-financial liabilities	**28,184**	**30,124**
Financial liabilities		
Liabilities in connection with the consolidation of a special purpose entity	782	1,120
Liabilities to Adtran Holdings, Inc. from recharge of share-based payment instruments	462	—
Liabilities related to license agreements	4,728	5,444
Other	2,772	2,361
Total current financial liabilities	**8,742**	**8,925**
Total current liabilities	**36,926**	**39,049**

Other non-current liabilities include:

(in thousands of EUR)	Jun. 30, 2026	Dec. 31, 2025
Non-financial liabilities		
Obligations from subsidized research projects	4,903	8,626
Total non-current non-financial liabilities	**4,903**	**8,626**
Financial liabilities		
Liabilities related to license agreements	3,488	4,354
Other	255	255
Total non-current financial liabilities	**3,743**	**4,609**
Total non-current liabilities	**8,646**	**13,235**

The measurement of the assets and liabilities at fair value through profit or loss is based on fair values of Level 2. Please refer to note (15) for further information.

For all financial liabilities the fair value corresponds with the book value of the respective positions on June 30, 2026 The classification is in line with the disclosure in the group's annual financial statements per December 31, 2025.

(13) Pension obligations and other provisions

Additions to pension provisions are made during the year on the basis of a forecast value determined as part of the actuarial valuation as of December 31, 2025.

Other provisions are as follows:

(in thousands of EUR)	Jun. 30, 2026	Dec. 31, 2025
Current provisions		
Warranty provision	140	152
Personnel provisions	2,269	2,953
Consulting fees	318	598
Supplier obligations	2,907	5,152
Other current provisions	1,527	1,998
Total current provisions	**7,161**	**10,852**
Non-current provisions		
Warranty provision	826	900
Non-current personnel provisions	930	933
Other non-current provisions	—	30
Total non-current provisions	**1,756**	**1,863**
Total provisions	**8,918**	**12,715**

The estimated expenses related to warranty claims reflect both past experience and current developments and are based on a percentage of sales revenues. Any differences between actual amounts and anticipated amounts are treated as changes in accounting estimates and affect earnings in the period in which the change occurs.

Current personnel provisions mainly include expenses bonus payments as well as employee's accident insurance and other expenses resulting from legal requirements.

Obligations to suppliers relate to inventories with a slow turnover rate. The decrease in supplier obligations is mainly driven by an increasing turnover rate reducing the risk of obsolescence at contract manufacturers.

Other current provisions primarily include provisions for outstanding invoices of uncertain amount and timing.

Other long-term personnel provisions include amounts for obligations arising from anniversary bonus payments from 2025 onwards.

(14) Contract liabilities and refund liabilities

Contract and refund liabilities are as follows:

(in thousands of EUR)	Jun. 30, 2026	Dec. 31, 2025
Current contract liabilities		
Advance payments received	9,273	10,291
Current contract liabilities related to customer loyalty programs	365	363
Current deferred revenues related to service level agreements	38,165	26,818
Total current contract liabilities	**47,802**	**37,472**
Current refund liabilities	282	279
Total refund liabilities	**282**	**279**
Non-current contract liabilities		
Non-current deferred revenues related to service level agreements	15,695	16,059
Total non-current contract liabilities	**15,695**	**16,059**
Total contract liabilities	**63,779**	**53,810**

The revenues generated in the reporting period from contract liabilities existing at the beginning of the period amounted to EUR 25,415 thousand (6M 2025: EUR 16,197 thousand).

Current deferred revenues related to service level agreements typically increase at the beginning of the year as new contracts become effective for the 12-months period.

(15) Financial instruments

The following tables analyze carrying amounts and fair values according to measurement categories. Only assets and liabilities, which fall into the categories defined by IFRS 7, are presented, so that the total amounts disclosed do not correspond to the balance sheet totals of each year.

			Categories recognized according to IFRS 9			
(in thousands of EUR, on June 30, 2026)	Measurement category in accordance with IFRS 9	Carrying amount	Amortized cost or no category, respectively	Fair value recognized in profit and loss	Fair value	Hierarchy of fair values
Assets						
Cash and cash equivalents	AC	33,712	33,712	—	n/a	n/a
Trade accounts receivable without underlying factoring agreement	AC	141,730	141,730	—	n/a	n/a
Receivables from Adtran Holdings, Inc. due to loss absorption	AC	24,350	24,350	—	n/a	n/a
Loans granted	AC	16,169	16,169	—	16,169	n/a
Other current financial assets	AC	26,550	26,550	—	n/a	n/a
Other non-current financial assets	AC	7,941	7,941	—	7,941	Level 2
Total financial assets		**250,452**	**250,452**	**—**	**24,110**	
Liabilities						
Current lease liabilities	n/a	5,409	5,409	—	n/a	n/a
Non-current lease liabilities	n/a	18,989	18,989	—	n/a	n/a
Current liabilities to banks	FLAC	18,044	18,044	—	18,044	Level 2
Trade accounts payable	FLAC	64,106	64,106	—	n/a	n/a
Other current financial liabilities	FLAC	8,742	8,742	—	n/a	n/a
Other non-current financial liabilities	FLAC	3,743	3,743	—	3,743	Level 2
Total financial liabilities		**119,034**	**119,034**	**—**	**21,787**	

* Due to the short-term nature, it was assumed that the book value as of the reporting date approximates the fair value.

(in thousands of EUR, on Dec. 31, 2025)	Measurement category in accordance with IFRS 9	Carrying amount	Categories recognized according to IFRS 9		Fair value	Hierarchy of fair values
			Amortized cost or no category, respectively	Fair value recognized in profit and loss		
Assets						
Cash and cash equivalents	AC	43,634	43,634	—	n/a	n/a
Trade accounts receivable without underlying factoring agreement	AC	112,755	112,755	—	n/a	n/a
Receivables from Adtran Holdings, Inc. due to loss absorption	AC	23,783	23,783	—	n/a	n/a
Loans granted	AC	15,352	15,352	—	15,352	n/a
Other current financial assets	AC	27,379	27,379	—	n/a	n/a
Other non-current financial assets	AC	11,529	11,529	—	11,529	Level 2
Total financial assets		**234,433**	**234,432**	**—**	**26,881**	
Liabilities						
Current lease liabilities	n/a	5,557	5,557	—	n/a	n/a
Non-current lease liabilities	n/a	20,968	20,968	—	n/a	n/a
Current liabilities to banks	FLAC	18,451	18,451	—	18,451	Level 2
Trade accounts payable	FLAC	45,184	45,184	—	n/a	n/a
Other current financial liabilities	FLAC	8,925	8,925	—	n/a	n/a
Other non-current financial liabilities	FLAC	4,609	4,609	—	4,609	Level 2
Total financial liabilities		**103,693**	**103,693**	**—**	**23,060**	

* Due to the short-term nature, it was assumed that the book value as of the reporting date approximates the fair value.

(16) Stockholders' equity

On June 30, 2026 the share capital amounts to EUR 52,054,500 (on December 31, 2025: EUR 52,054,500).

In the annual shareholder´s meeting on June 15, 2026, no changes to capital components were approved. The authorized capital 2024/I remains unchanged at EUR 26,027 thousand on June 30, 2026.

Further details on stockholders' equity are included in the consolidated statement of changes in stockholders' equity.

(17) Revenues

In 6M 2026 and 6M 2025, revenues included EUR 54,737 thousand and EUR 52,710 thousand for services, respectively. The remaining revenues relate mainly to product sales.

In 6M 2026, revenues amounting to EUR 209,394 thousand (prior year: EUR 187,457 thousand) relate to performance obligations that were performed at a specific point in time, and revenues of EUR 41,492 thousand (6M 2025: EUR 36,402 thousand) relate to performance obligations that were delivered over a period of time.

A segmentation of revenues by geographic region is provided in the section on segment reporting under note (20).

(18) Other operating income and expenses

Other operating income and expenses are as follows:

(in thousands of EUR)	6M 2026	6M 2025
Other operating income		
Government grants received	5,442	4,303
Income from the provision of services to Adtran Holdings, Inc. and its subsidiaries	8,438	7,821
Income for the supply of development services	50	—
Income from royalties	828	603
Other	154	128
Total other operating income	**14,912**	**12,855**
Other operating expenses		
Expenses from transactions with suppliers	(536)	—
Other	(230)	(242)
Total other operating expenses	**(766)**	**(242)**
Other operating income and expenses, net	**14,146**	**12,613**

Details on income from the provision of services to Adtran Holdings, Inc. and its subsidiaries are provided in note (24).

(19) Income tax

The tax expenses in 6M 2026 and 6M 2025 result from the application of the expected tax rate of the group to the current IFRS result. The expected tax rate is determined based on the group's tax planning and forecast for the respective financial year. The tax expense of EUR 2,143 thousand in the current reporting period is primarily driven by taxable profits and corresponding tax expenses in profitable group entities. In contrast, no tax benefit has been recognized on Adtran Networks SE losses due to the valuation allowance applied to the related deferred tax assets (6M 2025: tax expense of EUR 15,360 thousand).

(20) Segment reporting

In accordance with IFRS 8, operating segments are identified based on the way information is reported internally to the chief operating decision maker, i.e. the management board, and regularly reviewed to make decisions about resources to be assigned to the segment and assess its performance. The internal organizational and management structure and the structure of internal financial reporting activities are the key factors in determining what information is reported. For making decisions about resource allocation and performance assessment, management does not monitor the operating results separately on the level of business units. Therefore the reporting on individual business segment does not apply.

Within the Adtran Networks group, management decisions are based on pro forma EBIT margin. Pro forma EBIT is calculated prior to non-cash charges related to the stock compensation programs and anniversary payment obligations as well as amortization and impairment of goodwill and acquisition-related intangible assets. Additionally, certain non-recurring expenses related to M&A, integration, professional fees relating to an internal investigation and other non-recurring personnel expenses as well as expenses related to restructuring measures are not included. Income from capitalization of development expenses is shown as a separate line item and not deducted from research and development expenses.

Reconciliation of key performance measures to the consolidated financial income on June 30, 2026 presents as follows:

(in thousands of EUR)	Pro forma financial information	Intangible assets from acquisitions	Goodwill	Compensation expenses and expenses related to anniversary payments	Expenses related to to M&A, integration, restructuring measures and other non-recurring expenses	Disclosure of R&D expenses	Consolidated financial information
Revenues	250,886	—	—	—	—	—	250,886
Cost of goods sold	(165,980)	—	—	(288)	(96)	—	(166,364)
Gross profit	**84,906**	**—**	**—**	**(288)**	**(96)**	**—**	**84,522**
Gross margin	**33.8 %**						**33.7 %**
Selling and marketing expenses	(28,621)	(624)	—	(368)	(426)	—	(30,039)
General and administrative expenses	(15,227)	—	—	(284)	—	—	(15,511)
Research and development expenses	(74,531)	—	—	(1,114)	(76)	22,324	(53,397)
Income from capitalization of development expenses	22,324	—	—	—	—	(22,324)	—
Other operating income	14,912	—	—	—	—	—	14,912
Other operating expenses	(766)	—	—	—	—	—	(766)
Operating income	**2,997**	**(624)**	**—**	**(2,055)**	**(598)**	**—**	**(279)**
Operating margin	**1.2 %**						**(0.1)%**
Segment assets	**585,359**	**1,796**	**46,466**	**—**	**—**	**—**	**633,622**

Reconciliation of key performance measures to the consolidated financial income on June 30, 2025 presents as follows:

(in thousands of EUR)	Pro forma financial information	Intangible assets from acquisitions	Goodwill	Compensation expenses and expenses related to anniversary payments	Expenses related to to M&A, integration, restructuring measures and other non-recurring expenses	Disclosure of R&D expenses	Consolidated financial information
Revenues	223,859	—	—	—	—	—	223,859
Cost of goods sold	(148,514)	—	—	(349)	—	—	(148,863)
Gross profit	**75,345**	**—**	**—**	**(349)**	**—**	**—**	**74,996**
Gross margin	**33.7 %**						**33.5 %**
Selling and marketing expenses	(29,382)	(660)	—	(415)	—	—	(30,457)
General and administrative expenses	(15,175)	—	—	(666)	(802)	—	(16,642)
Research and development expenses	(74,165)	—	—	(1,248)	—	18,583	(56,829)
Income from capitalization of development expenses	18,583	—	—	—	—	(18,583)	—
Other operating income	12,855	—	—	—	—	—	12,855
Other operating expenses	(242)	—	—	—	—	—	(242)
Operating income	**(12,181)**	**(660)**	**—**	**(2,677)**	**(802)**	**—**	**(16,319)**
Operating margin	**(5.4)%**						**(7.3)%**
Segment assets	**567,759**	**3,041**	**45,503**	**—**	**—**	**—**	**616,303**

Additional information on revenues by geographical regions:

(in thousands of EUR)	6M 2026	6M 2025
Germany	48,097	24,567
Rest of Europe, Middle East and Africa	84,759	95,976
Americas	99,387	79,206
Asia-Pacific	18,643	24,110
Total revenues	**250,886**	**223,859**

Revenue information is based on the shipment location of the customers.

(21) Other financial obligations and financial commitments

On June 30, 2026, the group had purchase commitments totaling EUR 108,030 thousand (December 31, 2025: EUR 70,593 thousand) in respect to suppliers.

Group entities have issued guarantees in favor of customers. On June 30, 2026, performance and customs bonds with a maximum guaranteed amount of EUR 6,464 thousand were issued (December 31, 2025: EUR 6,134 thousand). Based on experience from prior periods, Adtran Networks does not expect claims from these guarantees at the end of 6M 2026.

The Senior Secured Credit Facility described in note (11) requires that Adtran Networks SE's material subsidiaries provide a guarantee solely for the borrowings by Adtran Networks SE ("subline"). In addition, Adtran Networks SE and its material subsidiaries are required to grant security interests in favor of Wells Fargo Bank over substantially all of their tangible and intangible assets pursuant to applicable security agreements, solely to secure the obligations in respect of the subline, with the exception of the excluded assets, which include any real property ownership and leasehold interests in real property.

(22) Contingent liabilities

In the normal course of business, claims may be asserted, or lawsuits filed against the company and its subsidiaries from time to time. On June 30, 2026, Adtran Networks does not expect potential titles or litigations that will in detail or in total have a material impact on its financial position or operating performance.

(23) Stock option programs

In 6M 2026, Adtran Holdings, Inc. granted Restricted stock units (RSUs) and Performance stock units (PSUs) to employees of Adtran Networks as well as members of the Adtran Networks SE management board.

All accounting principles and assumptions remain unchanged from the previous period. For information on the individual stock option programs and the accounting policies applied, please refer to Note (39) in our Annual Report as of December 31, 2025.

The total development of the number of the share-based payment instruments issued to employees is explained in the following table:

	Stock options of Adtran Holdings, Inc.	RSUs	PSUs
Share-based payment instruments outstanding on Dec. 31, 2025	**1,009,568**	**632,250**	**24,868**
Granted instruments	—	312,812	77,206
Converted (vested) instruments	(421,448)	(183,843)	—
Forfeited instruments	(2,473)	(15,849)	—
Expired instruments	(7,517)	—	—
Share-based payment instruments outstanding on June 30, 2026	**578,130**	**745,370**	**102,074**
Of which exercisable	578,130	n/a	n/a

The development of the number of the share-based payment instruments issued to active and former members of the management board is as follows:

	Stock options of Adtran Holdings, Inc.	RSUs	Annual PSUs
Share-based payment instruments outstanding on Dec. 31, 2025	**295,605**	**348,049**	**336,696**
Granted instruments	—	198,975	198,975
Converted (vested) instruments	(148,392)	(107,731)	(27,973)
Forfeited instruments	—	—	(37,386)
Expired instruments	(61,830)	—	—
Share-based payment instruments outstanding on June 30, 2026	**85,383**	**439,293**	**470,312**
Of which exercisable	85,383	n/a	n/a

The following computation parameters apply for RSUs and PSUs issued in 6M 2026 by Adtran:

	Employees		Management board	
	RSUs	PSUs	RSUs	Annual PSUs
Weighted average share price (in USD)	12.75	14.60	12.73	14.60
Weighted expected volatility (in % per year)	n/a	61.00	n/a	61.00
Term (in years)	4.00	3.00	4.00	3.00
Weighted risk-free interest rate (in % per year)	n/a	3.80	n/a	3.80
Average fair value of RSUs and PSUs (in USD)	12.75	14.60	12.73	14.60

The volatility is specified as fluctuation of the share price compared to the average share price of the period. In each case, expected volatility is calculated based on historic share prices (historic volatility). The risk-free interest rate is based on information on risk-free investments with corresponding terms.

The valuation assumed that the PSUs vest after the end of the vesting period (early vesting). PSU and RSU programs do not contain an exercise price.

Compensation expenses arising from share-based compensation programs included in operating income were as follows:

(in thousands of EUR)	6M 2026	6M 2025
Stock options of Adtran Holdings, Inc. for employees	54	601
RSUs of Adtran Holdings, Inc. for employees	1,654	1,345
PSUs of Adtran Holdings, Inc. for employees	120	133
Stock option program of Adtran Holdings, Inc. for the management board	68	384
RSUs of Adtran Holdings, Inc. for the management board	51	107
PSUs of Adtran Holdings, Inc. for the management board	48	107
Total	**1,995**	**2,677**

Share-based compensation expenses result primarily from the granting of share-based compensation instruments by Adtran Holdings, Inc. to employees and management board members of Adtran Networks SE and its subsidiaries, in accordance with IFRS 2.43B (b). Due to the stock compensation recharge agreement with Adtran Holdings, Inc., EUR 1,286 thousand was charged (previous year: EUR 1,681 thousand).

(24) Related party transactions

Adtran Holdings, Inc. and its subsidiaries qualify as related parties to Adtran Networks SE and its subsidiaries on June 30, 2026, in the sense of IAS 24. On June 30, 2026, Adtran Holdings, Inc. held a 71.90 % share in the equity of Adtran Networks SE.

On June 30, 2026 trade accounts receivables amounting to EUR 27,165 thousand (December 31, 2025: EUR 11,012 thousand) and trade accounts payables amounting to EUR 1,602 thousand (December 31, 2025: EUR 3,338 thousand) existed in respect to to Adtran Holdings, Inc. and its sister company, Adtran, Inc. and its subsidiaries. The trade accounts receivable relate to the service contracts described below. The trade accounts payable mainly comprise recharges for services provided by employees of Adtran, Inc. in connection with the creation of an intangible asset of Adtran Networks in the amount of EUR 1,052 thousand (December 31, 2025: EUR 2,151 thousand).

In the first half of 2026, Adtran Networks purchased products from Adtran, Inc. in the amount of EUR 80 thousand (6M 2025: EUR 174 thousand) and sold products to Adtran, Inc. in the amount of EUR 664 thousand (6M 2025: EUR 1,900 thousand).

On June 30, 2026, mutual reseller agreements between Adtran Networks SE and Adtran, Inc. as well as a stock compensation recharges agreement between Adtran Networks SE and Adtran Holdings, Inc. were in place. No expenses or income resulted from the reseller agreements in the first half of 2026 (none in fiscal year 2025).

In addition, Adtran Networks Poland and Adtran Networks IT India have concluded R&D service agreements with Adtran, Inc. The resulting income amounts to EUR 5,647 thousand for Adtran Networks Poland (6M 2025: EUR 5,211 thousand) and EUR 1,899 thousand for Adtran Networks IT India (6M 2025: EUR 1,773 thousand). Moreover, Adtran Networks SE recharged EUR 386 thousand to Adtran, Inc. for software expenses in the first half of 2026 (6M 2025: EUR 276 thousand). The total value of the income from intercompany service agreements between Adtran Networks SE and Adtran GmbH and between Adtran Networks UK and Adtran Europe, Ltd. amounts to EUR 506 thousand (6M 2025: EUR 561 thousand). The total value of the expense from these agreements amounts to EUR 74 thousand (6M 2025: nil).

For the income / expense incurred in connection with the stock compensation recharge agreement, please refer to note (23). Furthermore, receivables from Adtran, Inc. were purchased as part of a factoring agreement. The matter is described in note (6) in Annual Report 2025. In this context, Adtran Holdings, Inc. issued an independent guarantee to the buyer for the receivables of Adtran Networks SE and Adtran Network North America, Inc.

Adtran Networks has on June 30, 2026, a receivable from the profit and loss transfer agreement amounting to EUR 24,350 thousand (December 31, 2025: EUR 23,783 thousand). In the first half of 2026, interest income of EUR 566 thousand was recognized at an interest rate of 5% in connection with receivables from 2025 (December 31, 2025: EUR 1,049 thousand in connection with receivables from 2024).

Moreover on June 4, 2024, Adtran Networks SE granted Adtran, Inc. a loan of USD 17,121 thousand with a carrying amount of EUR 16,169 thousand as of June 30, 2026 (December 31, 2025: carrying amount of EUR 15,352 thousand). The matter is described in note (10).

Remuneration of the management board and supervisory board is disclosed in note (25).

All transactions with the related parties listed above are conducted on an arm’s-length basis.

(25) Governing boards

Management board

On June 30, 2026, the members of the management board were Thomas R. Stanton, Chief Executive Officer, Christoph Glingener, Chief Technology Officer and Timothy Santo, Chief Financial Officer.

Apart from the remuneration based on the management board contracts and disclosed in the group's annual remuneration report, there are no other transactions between the group and the management board in the first half of 2026.

Supervisory board

On June 30, 2026, the members of the supervisory board were Eduard Scheiterer, chairman, Frank Fischer, vice chairman, and Heike Kratzenstein.

The members of the supervisory board receive a fixed remuneration and did not hold shares, stock options or other share-based payment instruments of the company on June 30, 2026 and December 31, 2025, respectively. Apart from the remuneration

based on the agreements as disclosed in the group's annual remuneration report, there are no other transactions between the group and the supervisory board in the first half of 2026.

(26) Events after the balance sheet date

On July 21, 2026, Adtran Holdings, Inc. as guarantor, Adtran, Inc., (the “US Borrower”), and Adtran Networks SE (the “German Borrower” and together with the US Borrower, collectively, the “Borrowers”), entered into a credit agreement (the “New Credit Agreement”) with J.P. Morgan Chase Bank, N.A., as administrative agent for the US Borrower and J.P. Morgan SE, as administrative agent for the German Borrower, and the financial institutions party thereto, as lenders. The New Credit Agreement allows for borrowings of up to USD 350.0 million in aggregate principal amount, with borrowings by the German Borrower limited to USD 50.0 million. The New Credit Agreement replaces the Borrowers’ prior credit agreement with Wells Fargo Bank, National Association, as administrative agent, entered into on July 18, 2022 (the “Credit Agreement”). The proceeds of any loans are expected to be used for general corporate purposes not prohibited under the New Credit Agreement.

In connection with entering into the New Credit Agreement, on July 21, 2026, Adtran Holdings, Inc. terminated the prior Senior Secured Credit Facility, the collateral agreement dated July 18, 2022, the ADVA domestic collateral agreement dated June 4, 2024, the guaranty agreement dated July 18, 2022 and the ADVA guaranty agreement dated June 4, 2024.

There were no further events after the balance sheet date that materially impacted the net assets and financial position of the group and Adtran Networks SE on June 30, 2026, or the group’s and the company’s financial performance for 6M 2026. Also, there were no further events considered material for disclosure.

Affirmative declaration of the legal representatives

We, the members of the management board of Adtran Networks SE, to the best of our knowledge affirm that, in accordance with the applicable reporting principles, the management report and the consolidated financial statements of the Adtran Networks group represent a true and fair view of the net assets, financial position and performance of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Meiningen, August 11, 2026

Thomas R. Stanton

Christoph Glingener

Timothy Santo

Financial calendar

Publication of quarterly release Q3 2026	November 10, 2026 Martinsried/Munich, Germany

Forward-looking statements

This document contains contains forward-looking statements using words such as “believes”, “anticipates” and “expects” to describe expected revenues, costs and earnings, anticipated demand for optical networking solutions and anticipated liquidity from which internal estimates may be inferred. These forward-looking statements are based on the beliefs of the management board and respective assumptions made, and involve a number of unknown risks, uncertainties and other factors, many of which are beyond Adtran Networks' control. If one or more of these uncertainties or risks materializes, or if the underlying assumptions of the management board prove incorrect, actual results can differ materially from those described in or inferred from forward-looking statements and information. All risks and uncertainties are discussed in the “risk and opportunity report” section of the group management report 2025 and in the respective section of the current quarterly release.

Corporate information

Corporate headquarters

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Adtran Networks on the web

More information about Adtran Networks, including solutions, technologies and products, can be found on the company's website at www.adtran.com.

PDF files of this six-month report as well as previous annual reports, six-months reports and quarterly releases and general investor information, are also located on the company's website and can be downloaded in both English and German. Related PDF files are available for download in the investor relations section of the group's website, www.adtran-networks.com.

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