

SPIRENT COMMUNICATIONS PLC ANNUAL REPORT FY 2024 AND ASSOCIATED DOCUMENTS

London, UK - 21 May 2025: Spirent Communications plc (the "Company") (LSE: SPT), the leading provider of automated test and assurance solutions for next-generation devices and networks, today announces that its Annual General Meeting will be held on Thursday 26 June 2025 at 9.30am at the offices of DGA Group, One Fleet Place, London, EC4M 7RA.

In compliance with Listing Rule 9.6.1R, the following documents will be submitted to the National Storage Mechanism and available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

- Annual Report FY 2024
- Notice of 2025 Annual General Meeting
- Form of Proxy for 2025 Annual General Meeting

The Annual Report FY 2024 and Notice of 2025 Annual General Meeting will also be available in the Investors section of the Spirent Communications plc website at <http://corporate.spirent.com/investors>.

A condensed set of the financial statements for the year ended 31 December 2024 together with information on important events that occurred during that financial year and their impact on the financial statements were contained in the Preliminary Results announcement made on 4 March 2025. That information, together with the information set out in the appendices to this announcement, which is extracted from the Annual Report, constitute the material required by Disclosure Guidance & Transparency Rule 6.3.5R which is required to be communicated to the media in full unedited text through a Regulatory Information Service. This announcement is not a substitute for reading the Annual Report.

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Enquiries

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About Spirent Communications plc

Spirent Communications plc (LSE: SPT) is the leading global provider of automated test and assurance solutions for networks, cybersecurity and positioning. The Company provides innovative products, services and managed solutions that address the test, assurance and automation challenges of a new generation of technologies, including 5G, SD-WAN, Cloud, autonomous vehicles and beyond. From the lab to the real world, Spirent helps companies deliver on their promise to their customers of a new generation of connected devices and technologies. Further information about Spirent Communications plc can be found at <https://corporate.spirent.com/>.

Spirent Communications plc Ordinary Shares are traded on the London Stock Exchange (ticker: SPT; LEI: 213800HKCUNWP1916L38). The Company operates a Level 1 American Depositary Receipt (ADR) programme with each ADR representing four Spirent Communications plc Ordinary Shares. The ADRs trade in the US over-the-counter (OTC) market under the symbol SPMYY and the CUSIP number is 84856M209. Spirent ADRs are quoted on the Pink OTC Markets electronic quotation service.

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Cautionary statement regarding forward-looking statements

This document may contain forward-looking statements which are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. You can sometimes, but not always, identify these statements by the use of a date in the future or such words as "will", "anticipate", "estimate", "expect", "project", "intend", "plan", "should", "may", "assume" and other similar words. By their nature, forward-looking statements are inherently predictive and speculative and involve risk and

uncertainty because they relate to events and depend on circumstances that will occur in the future. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance and are subject to factors that could cause our actual results to differ materially from those expressed or implied by these statements. The Company undertakes no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise.

Appendices

Appendix A: Directors' Responsibility statement

The Annual Report and consolidated financial statements are the responsibility of, and have been approved by, the Directors. Each of the Directors confirms that, to the best of their knowledge:

- the consolidated financial statements of the Group and parent Company financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

By Order of the Board

Paula Bell
Chief Financial & Operations Officer
4 March 2025

Appendix B: Related party transactions

Remuneration of key management personnel - The remuneration of the directors, who are the key management personnel of the Group, is disclosed in the Report on directors' remuneration. There were no other material related party transactions during the year ended 31 December 2024.

Appendix C: Principal risks and uncertainties

A - Macroeconomic change

Spirent is a global business exposed to current world economic conditions and political and trade embargo uncertainties over which it has no control. We saw good growth in EMEA and some recovery in North America in the second half of 2024 offset by a decline in Asia Pacific, which was principally as a result of macroeconomic factors in China.

We have navigated regulatory changes throughout the year and continue to work closely with our customers. Trade compliance issues continue to remain a focus, particularly with China.

The business is also exposed to government spending priorities, principally in the United States.

The residual effects of the COVID-19 crisis, the war in Ukraine, inflationary pressures, and a higher interest rate environment have combined to create uncertainty to current world economic conditions and government spending priorities. The Group continues to monitor the impact to the global economy and possibility of a prolonged recession in the organisation's key markets.

Potential impact

Deterioration in economic conditions and a change to the terms of conventional international trade and embargoing of specific customers may lead to a reduction in the level of demand for Spirent's products and services and cause customers to delay their purchasing decisions.

Mitigating actions

The Group closely monitors both market and geographic trends in order to respond to changes in demand and be in a position to take timely actions to protect profitability where possible.

In addition, Spirent has a large number of geographically diverse customers, which may mitigate the impact of issues in any one area.

B - Technology change

Spirent sells complex solutions in industries that can be subject to rapid and somewhat cyclical technological changes. Testing new technologies drives our business, but the opportunity also brings high risk since keeping at the forefront of these key future technologies is critical to our success and to ensuring that we remain competitive in our markets.

It is critical that our product development investment is directed at the right areas in order to deliver the solutions that our customers need when they need them.

Spirent's success is dependent in part on proprietary technology which may be infringed by others.

Open-source tools remain prevalent in providing some of the functionality of our products.

Potential impact

If product development investment does not keep pace with the speed of change in technologies, or if it is not directed at the right key areas, our competitive position and financial performance will suffer.

If Spirent's solutions take longer to develop than anticipated or longer to develop than our competitors, then our competitive position and financial performance will also suffer.

Changes in technologies and increasing scrutiny on compliance, security and privacy may lead to a short-term pause by our customers investing in our solutions.

Intellectual property claims can result in significant defence costs and may affect Spirent's ability to market its products.

Customers may choose to use open-source tools instead of some Spirent products to meet part of their testing needs.

Mitigating actions

All Spirent's businesses work very closely with customers and remain focused on their requirements.

Each business makes investment decisions specifically related to its solutions portfolio based on market needs.

Spirent continues to focus its investment into areas that offer the most potential for sustainable earnings growth. In 2024 the product development investment was 99.0 million (2023 102.4 million).

Spirent has active intellectual property protection programmes in place to obtain appropriate protection in a cost-effective manner.

C - Business continuity

Operational risks are present in the Group's businesses, including the risk of failed internal and external processes and systems, human error, and external events, such as a natural disaster, climate change, a global pandemic or cybersecurity attacks. For example, a significant portion of our operations are

located in California which has in the past experienced natural disasters, including earthquakes and wildfires that could potentially disrupt our operations there. The January 2025 Los Angeles wildfires did not reach our Calabasas facility and, therefore, our operations there were not materially impacted.

Our TCFD-related analysis has considered the potential of increasing intensity and frequency of storms and concentrated rainfall events, and frequency of wildfires, and we have assessed that these risks would possibly cause some disruption to operations. The understanding of climate change-related risks is incorporated into the risk management framework.

The Group has therefore taken steps to manage the increase to business continuity risk, including invoking business continuity plans in each location, closely monitoring the impact to the supply chain with additional inventory procured on key components and by adding alternate suppliers, making last time buys as necessary, re-engineering products as required, and by boosting the global Spirent information technology systems to enable the workforce to work remotely.

Contract manufacturers manufacture a substantial amount of Spirent's products and have experienced a reduction in orders from Spirent, cost increases, end of life notices and some elevated lead time challenges, leading to a limited number of component shortages but primarily increased costs during 2024. Spirent's major contract manufacturer is located in Thailand, with others in US and UK.

The incidence of cybercrime continues to rise. Spirent is dependent on its information technology systems for both internal and external communications, maintaining our reputation as well as for day-to-day operations.

Potential impact

A significant natural disaster or global pandemic could disrupt the Group's ability to conduct business and adversely impact revenue and operating results.

Higher peak and average temperatures could lead to increased capital expenditure to expand or upgrade cooling equipment across multiple Spirent sites.

The shift towards renewables and away from fossil fuels may result in associated increased costs. Starting in the short term, energy costs are likely to continue to increase due to higher investment requirements in low carbon technology and expected additional carbon-related levies. We also expect additional administrative burden on the business, likely increasing the costs for resource to deliver and report. We do not estimate the impact to be material to Spirent.

In the medium to long term, our TCFD climate-related analysis has highlighted the risks of site damage to building and infrastructure, lost time and productivity and any associated increased cost of insurance. Additionally, a major supplier disruption event is a possible key risk, causing an outage for a period of time which we assess as causing possible delays to customer shipments and the timing of revenue recognition. Disruption, financial problems of contract manufacturers or limitations in their manufacturing capacity could limit supply and/or increase cost.

Failed internal and external processes, systems or human error could lead to compliance issues.

If a cyberattack were to be successful it could result in loss of data, reputation and confidential information as well as damage to Spirent's intellectual property, causing major disruption to the business. Any security vulnerabilities in our products could also adversely impact our customers. There would also be a potential impact on Spirent's credibility in the security market.

Mitigating actions

An important component of Spirent's corporate governance is its risk management strategy. IT disaster recovery plans are in place for all core business systems and ensure that the wider operations are all fully covered. In 2024, we performed the annual refresh and test of the Group Business Continuity and Disaster Recovery Policy and Procedure.

Spirent has mitigation plans for each of the TCFD physical risks identified, that have been developed as

part of longstanding business continuity and disaster recovery plans. Spirent engineering centres are situated across the globe, allowing flexibility and agility should one site become affected. Where possible we have second source component supply to assist with the mitigation of interruptions in supply and regular meetings are held with contract manufacturers. In addition, the Group's largest manufacturing subcontractor has multiple worldwide sites and comprehensive business continuity plans.

The Group has appropriate business interruption insurance in place.

We are working closely with our contract manufacturers and are in frequent direct consultation with key component suppliers worldwide to mitigate the impact of any supply chain challenges. The situation is dynamic and we will take appropriate action to mitigate the supply chain risk including the careful management of planning and fulfilment.

During 2024, we continued with a programme of work to enhance technical controls, processes and procedures in the area of cybersecurity. Third party providers are used in both the testing and monitoring of our security profile.

D - Customer dependence/customer investment plan

The Group sells its products and services to a wide range of companies and continually seeks to expand its customer base. In 2024, no one customer accounted for more than 10 per cent of Group revenue, although the top ten customers represented 34.1 per cent of Group revenue (2023 34.4 per cent).

In some of our markets certain customers have a dominant market share, which makes doing business with these customers and their suppliers critical to the success of our business.

In addition, many of the companies with which we do business are some of the largest global telecommunications corporations. Therefore, meeting our development obligations, producing high-quality products and being on time are vital to Spirent's reputation and success.

Changes in our major customers' priorities in technology investments can also have a significant impact on their spending on Spirent products and on those in the customers' supply chain.

The industry continues to experience consolidation which does disrupt the spending patterns of affected customers.

As a result of the current macroeconomic uncertainty, customer spending patterns remain uncertain, particularly in our telecommunications markets. The Group is taking steps to evolve its go-to-market strategy in order to strengthen relationships with customers and diversify its customer base.

Potential impact

Loss of one or more of Spirent's major customers could have a significant impact on Spirent's financial results.

Spend on Spirent's products is often capital in nature and so customer spend can fluctuate significantly from year-to-year.

Significant failings in either quality or being able to deliver in the appropriate timescale could cause long-lasting damage to Spirent's reputation and relationships.

Over recent years there has been significant consolidation in our customer base amongst service providers and network equipment manufacturers. This trend continues and often results in delays in spending, thereby reducing demand for Spirent's solutions and services. It also reduces the potential number of customers to which those solutions and services could be sold.

Changes in our customers' technology investments can result in reduced spending on our existing solutions before customers and those in the customers' supply chains increase spending on new technologies.

Mitigating actions

Strong customer relationships are critical to Spirent. We aim to provide innovative solutions which address our customers' larger business problems with products and services and we place great emphasis on providing professional service and support.

One of the Group's strategic objectives is to invest in deepening our customer relationships and our key account management initiatives assist to ensure robust relationships with our largest customers. We place engineers on site with our customers and undertake site surveys of intended plans for the use of test solutions in their business.

We seek to establish thought leadership in our industry through participation in standards bodies and industry forums, which in turn creates additional links with customers. Our approach is to play a key part in the wider supply chain to our key service provider customers by aligning with early adopters of technology.

We also seek to broaden our customer base to mitigate customer concentration risk, investing in digital marketing, inside sales, field sales and our partner ecosystem to expand the number of new customers that we win.

E - Competition

Spirent operates in a range of highly competitive niche markets which experience rapid technological change. In order to compete effectively, it is necessary to establish and maintain technological differentiation in our solutions.

The Group faces competition from new market start ups as well as more established and well-resourced companies.

Industry consolidation amongst our direct competitors may bring about a shift in competitive advantage.

Potential impact

Actions by competitors and increased competition can bring about pressure on Spirent's gross margin. These factors could also affect Spirent's competitive position, thereby reducing revenue and consequently affecting financial results.

Consolidation continues within our sector, including the ongoing sale process of the organisation to Keysight. The consolidation of competitors may bring opportunities for Spirent but can also change the competitive landscape as competitors are able to leverage product capabilities or sales channels.

Mitigating actions

The Group's broad solution portfolio, market-leading capabilities and customer focus continue to address this risk.

Spirent aims to maintain market-leading positions through significant investment in the development of differentiated products. We also seek opportunities for attractive inorganic investments that can strengthen our competitive advantage.

Competitor activity is closely monitored with a view to maintaining clear differentiation based on Spirent's products, services, and global reach.

F - Employee skill base

Employees are crucial to the success of our business. Attracting and retaining highly qualified and skilled employees is essential to enable the Group to deliver on its strategy and to the success of the business. Due to the ongoing Keysight sale process challenges are being experienced with retention in some areas of the business and additional steps have been taken to mitigate this risk.

Potential impact

Competition for personnel is faced from other companies and organisations and the loss of key

employees, the failure to attract and retain other highly skilled employees, or the failure to adequately plan for succession may impair Spirent's ability to run and expand the business effectively.

Mitigating actions

Investing in people is at the core of the Group's strategy. The aim is to find, keep and engage the highest calibre of employees and encourage their contribution and development. An environment that fosters innovation and collaboration is critical to Spirent's success, as is ensuring incentive plans are competitive.

We have refined our employee value proposition and continue to make Spirent a more inclusive, diverse and engaging place to work to attract and retain talent.

Succession planning for senior posts in the Company is reviewed periodically by the Board.

Appropriate career paths, professional development plans, and internal recognition programmes are developed for both technical and non-technical staff.

Regular reviews are performed to ensure equitable pay practices and that all elements of compensation across the Group are competitive with the market.

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