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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

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**ITV plc
("ITV" or the "Company")**

**SALE OF ITV M&E BUSINESS TO SKY FOR UP TO £1.6 BILLION –
UNLOCKING SIGNIFICANT VALUE FOR SHAREHOLDERS**

Transaction Highlights

- **Sale of the ITV Media and Entertainment business ("ITV M&E") to Sky for a total consideration of up to £1.6 billion**, comprising:
 - £1.2 billion initial cash consideration, payable at completion subject to customary closing adjustments
 - Contribution of Sky's Love Productions business, for an agreed enterprise value of £200 million
 - Contingent cash consideration of up to £200 million, payable in H2 2028, subject to Total Advertising Revenue ("TAR") performance in FY 2027 and certain trading balance adjustments
- **Enables a significant cash return to shareholders of around £950 million** (25p per share), excluding any contingent consideration
- **Unlocks value of ITV Studios, which will be a distinctive pure-play global content business**, delivering above-market profitable organic revenue growth over the medium term, underpinned by:
 - A long-term strategic partnership with ITV M&E and Sky, including a content supply agreement with a minimum spend commitment of £2.1 billion over 2028-32
 - The addition of Love Productions (maker of the Great British Bake Off) – enhancing creative capabilities and portfolio breadth
 - A robust financial model with strong cash generation supporting continued growth investment, attractive shareholder returns and an investment grade balance sheet
- **Combination of ITV M&E and Sky creates a scaled UK media and entertainment company, supporting investment in content, technology and the UK creative industries:**
 - Viewers' favourite shows will continue to be freely available
 - All of ITV's PSB commitments, including nations, regional and national news, are safeguarded under the terms of the Channel 3 Licences, which Sky is acquiring as part of the Transaction
- The Transaction is **expected to complete in H2 2027**

Andrew Cosslett, Chairman, ITV plc, said:

"For over seven decades, ITV has played an important and cherished role in the public life of the Nation. At a time of rapid change in the industry, it is right that we now secure ITV's crucial role as a

Public Service Broadcaster and this transaction achieves this with ITV's Media and Entertainment division combining with Sky to create a UK champion with the scale and resources to better compete with global streaming platforms.

At a headline value of up to £1.6bn, the sale of ITV's M&E division will deliver a significant cash return to shareholders. Crucially, the transaction also unlocks the value of ITV Studios which post completion will be a distinctive pure-play global content business, with a strong track record of success and excellent prospects, further underpinned by a long-term partnership with ITV M&E and Sky."

Carolyn McCall (DBE), Chief Executive Officer, ITV plc, said:

"ITV has successfully evolved in a rapidly changing media landscape - launching, and scaling, ITVX and developing ITV Studios into a major force in the global content market. This transaction builds on that momentum to deliver clear, tangible value for shareholders.

At the same time, through the commitments made by Sky, the combined ITV M&E / Sky business will continue to deliver everything about ITV that our viewers and advertisers love and value and our people are hugely proud of - making programmes that reflect and shape society, bringing people together for shared experiences and having the quality, diversity and plurality that are the hallmarks of our contribution to the UK's creative industries. In addition, all of ITV's PSB commitments, including nations, regional and national news, are safeguarded under the terms of the Channel 3 Licences until 2034, which Sky is acquiring as part of the Transaction.

I am confident that Sky will be a strong and responsible custodian of ITV M&E, building on its heritage while investing in its future and safeguarding the qualities that make ITV so valued by viewers, advertisers and the UK's creative industries.

Looking ahead, ITV Studios will be well positioned to deliver long-term value to its shareholders through a combination of above-market profitable organic revenue growth and attractive returns to shareholders. This is driven by its world class talent, global scale and a unique IP library, and further supported by a long-term strategic partnership with ITV M&E and Sky, including a £2.1 billion minimum spend commitment.

The value this transaction creates reflects a huge amount of hard work and the successful execution of our strategy and I would like to thank all our colleagues for their hard work, focus and commitment."

Dana Strong (CBE), Group Chief Executive Officer, Sky, said:

"This is a defining moment for British media and an opportunity to build a stronger future for two of the UK's most loved and trusted brands. We have huge respect for the transformation the ITV team has delivered, particularly its successful move into streaming through ITVX, which has brought fantastic British content to millions of viewers across the UK.

Bringing Sky and ITV Media & Entertainment together combines the very best of free-to-air television, pay TV and streaming, ensuring viewers across the UK continue to enjoy outstanding British programming in a rapidly changing world.

ITV will remain a public service broadcaster at the heart of British life, and we're excited about the future we can build together."

Transaction Summary

ITV has reached an agreement to sell its Media and Entertainment business ("ITV M&E") to Sky ("Sky"), a wholly owned subsidiary of Comcast, for a total consideration of up to £1.6 billion, subject to customary closing adjustments (the "Transaction"). Following Comcast's planned separation, Sky and ITV's M&E business are expected to form part of NBCUniversal upon completion of both transactions.

At completion of the Transaction, ITV will receive a base consideration of £1.4 billion, comprising £1.2 billion in cash (upon which no tax is payable and is subject to customary closing adjustments) and the contribution of Sky's wholly owned Love Productions business, valued at £200 million on a cash-and debt-free basis. In addition, ITV may receive contingent cash consideration of up to £200 million, payable

if ITV's total advertising revenue ("**TAR**") exceeds £1.7bn for FY 2027¹, subject to certain trading balance adjustments. The contingent consideration is subject to UK corporation tax.

Crucially, the transaction also unlocks the value of ITV Studios that post completion will be a distinctive pure-play global content business with a listing in London.

To unlock this value, ITV plc will be separating a business that has been integrated for decades, which is a complex exercise. As a result, ITV will incur transaction and separation costs of c.£185 million gross or c.£155 million net of tax, to be incurred over the next three to four years. Therefore, net cash proceeds are expected to be approximately £1.05 billion, excluding any contingent consideration. Proceeds will first be used to de-lever ITV Studios to c.1.5x net debt to EBITDA post completion. The Board then expects to return around £950 million to ITV shareholders following completion (c.90% of net cash proceeds, equivalent to 25p per share), excluding any contingent proceeds (the "**Capital Return**"). The mechanics of the Capital Return will be announced in due course.

At completion of the Transaction, ITV Studios will enter into a long-term Content Supply Agreement (the "**CSA**") with ITV M&E and Sky, covering key programmes and genres such as *Coronation Street*, *Emmerdale*, *Love Island*, *I'm a Celebrity...Get Me Out of Here!* and Daytime. This is a long-term strategic partnership which includes a minimum spend commitment of £2.1 billion over 2028-2032, providing revenue visibility for ITV Studios.

The Transaction is subject to regulatory approvals and other customary conditions, with completion expected in H2 2027. The preparations for separation are progressing well and until completion, ITV will continue to operate both ITV M&E and ITV Studios in the ordinary course.

After separation, ITV Studios will incur around £25 million of stranded costs per annum, which will be broadly offset by the contribution of Love Productions profit.

Strategic rationale and benefits of the Transaction

Following completion, ITV Studios will operate as a distinctive pure-play global content business producing and distributing content to audiences worldwide. ITV Studios is underpinned by three core competitive advantages: world-class creative talent, global scale and distribution capabilities, and a unique portfolio of IP.

These competitive advantages will be further strengthened by a long-term strategic partnership which includes the content supply agreement with ITV M&E and Sky, providing good revenue visibility. The addition of Love Productions will also enhance the business' creative and IP capabilities.

Supported by these foundations, ITV Studios will have an attractive financial profile characterised by above-market profitable organic revenue growth, margins in the 13-15% adjusted EBITA range, and strong cash generation with profit to cash conversion² of approximately 80% on average. This provides the flexibility to reinvest for growth while delivering attractive, sustainable returns to shareholders

ITV Studios' financial profile underpins its value creation strategy:

1. Organic investment to deliver growth and strengthen the business
2. Investment grade metrics over medium term, with ITV Studios operating at c.1.5x net debt to EBITDA post completion
3. Attractive dividend
4. Value accretive bolt-on M&A building on successful track record, assessed against strict financial and strategic criteria
5. Surplus cash returned to shareholders

ITV Studios plans to hold a Capital Markets Day before completion of the Transaction, where management will provide further detail on the company's strategy, financial performance and medium-term outlook as a standalone business following completion of the Transaction. ITV Group's dividend

¹ An additional £2 of consideration would be payable for each £1 of advertising revenue above that level, subject to a cap of £200 million. There can be no certainty or assurance that TAR will exceed £1.7bn for FY 2027, and therefore that all or any of the contingent consideration will become payable.

² Profit-to-cash conversion calculated as (Adjusted EBITA + Depreciation + Share Based Compensation - Capex +/- Change in Net Working Capital - Lease Payments) / Adjusted EBITA.

policy will remain unchanged in the period to completion.

The Board of ITV believes the terms of the Transaction represent an attractive outcome for shareholders:

- The implied ITV M&E enterprise value reflects its long-term growth prospects and profitability, including the continued strong growth in digital revenues through its leading ITVX platform
- The enterprise value of £1.4 to £1.6 billion implies an acquisition multiple of approximately 5.6-6.4x 2025A EV/EBITDA³, in line with precedent transactions in the sector
- The upfront cash proceeds enable a meaningful Capital Return to ITV shareholders
- The contribution of Love Productions enhances ITV Studios' creative capabilities, particularly in unscripted formats, and adds valuable IP to ITV Studios' content portfolio. Love Productions is the producer of established long-running and returning hit shows and formats, including the *Great British Bake Off* and *The Piano*. The implied multiple of c.8x EBITDA, based on c.£24m of EBITDA (FY24), represents an attractive valuation multiple relative to precedent content transactions of similar scale.

The combination of ITV M&E and Sky creates a scaled UK media and entertainment business with a significant content budget, strengthening investment in British creativity and reinforcing the UK's competitive position in global content production.

As part of a broader platform with a diverse portfolio of media and technology assets, the combined business brings together ITV's free-to-air strengths, Sky's pay-TV capabilities and advanced technology infrastructure. This enhances the experience for viewers through a wide range of entertainment across free and paid platforms, while advertisers continue to benefit from association with trusted, high-quality British programming and a commitment to responsible, impartial content. The combined business will have the resources and technology capabilities to compete more effectively with global media and technology companies in the UK, creating a scaled alternative UK platform for advertisers.

Board opinion

On the basis of the above, the Board has approved the Transaction and believes the terms of the Transaction to be in the best interests of ITV and ITV's shareholders.

Financial effects of the Transaction and use of proceeds

After transaction and separation costs of c.£185 million or c.£155 million net of tax (to be incurred over the next three to four years), net cash proceeds are expected to be approximately £1.05 billion (excluding any contingent consideration). Proceeds will first be used to de-lever ITV Studios to c.1.5x net debt to EBITDA post-completion. The Board then expects to return around £950 million to ITV shareholders following completion. In addition, £65 million will be put into escrow for the benefit of the ITV Pension Scheme (see Appendix 3 for more details).

The transaction and separation costs incurred relate primarily to operational separation, other transaction expenses and CMA-related work. Of the gross transaction and separation costs of c.£185 million, c.£165 million is expected prior to completion, and the remainder over the subsequent two to three years as transitional service arrangements are unwound.

Following completion, ITV's financial profile will reflect:

- ITV foregoing the earnings generated by the ITV M&E business, as well as the assets and liabilities associated with ITV M&E (see Appendix 2 for key financial information relating to the Transaction)
- Inclusion of Love Productions (£75 million revenue, £24 million EBITDA in FY2024)
- Removal of sports production revenue (c.£50 million in FY2025)
- Elimination of intra-group revenues derived from trading between ITV Studios and our

³ Based on 2025 actual M&E EBITDA of £249m, comprising M&E adjusted EBITA of £234m (as set out in ITV's 2025 Annual Report) plus M&E depreciation of £15m.

distribution business Global Partnerships (£89 million in FY2025)

Studios financial guidance incorporates these changes and stranded costs of approximately £25 million, which will be broadly offset by the contribution of Love Productions profit.

Current Trading

Our expectations for the current year remain unchanged. As in previous years, Studios growth and margin are weighted towards H2. For M&E, we expect TAR to be up around 8% in Q2, with a strong July ahead and full Q3 guidance to be provided at Interim Results.

ITV's Public Service Broadcasting Commitments

In 2024 ITV committed to a ten-year renewal of its Public Service Broadcasting (PSB) licences until 2034, which ensures that important programmes, including nations, regions and national news, current affairs, and diverse, high-quality UK content at prime time remain available to everyone nationwide for free. Sky has pledged to continue to deliver the PSB licences until expiry in 2034 including all of ITV's PSB licence obligations. Further details relating to ITV's PSB licences are included in Appendix 4 of this announcement.

UK Listing Rules

Due to the size of the Transaction in relation to the Group, it constitutes a Significant Transaction for the purposes of the UK Listing Rules made by the Financial Conduct Authority (the "FCA") for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) (the "UKLRs") and is therefore notifiable in accordance with UKLR 7.3.1R and 7.3.2R. In accordance with the UKLRs, the Transaction is not subject to shareholder approval.

Advisers

In connection with the Transaction, Evercore and Morgan Stanley are acting as Lead Financial Advisers to ITV. Goldman Sachs is also acting as Financial Adviser to ITV. Morgan Stanley and Goldman Sachs are also Corporate Broker to ITV. Freshfields are acting as Legal Adviser and FGS Global is Financial Communications Adviser to ITV.

Investor and Analyst Presentation

ITV will be holding a virtual presentation and Q&A session for investors and analysts at 8.30am today (BST) via the following link: <https://www.investis-live.com/itv/6a4792b39f22d3000ee320ad/ergew>

You can now pre-register to join.

If you would like to ask a question, you can use the following Conference Call details:

Operator Assisted Dial-In for Q&A:

United Kingdom (Local): +44 20 3936 2999

United Kingdom (Toll-Free): +44 808 189 0158

Global Dial-In Numbers

Access Code: 018412.

A copy of this announcement is also available on ITV's website at www.itv.com.

About Sky

Sky is one of Europe's leading media and entertainment companies, providing television, streaming, broadband and mobile services to millions of customers across the UK and Europe. Through a broad portfolio of pay-TV, streaming and technology platforms, Sky delivers premium entertainment, news and sport while investing significantly in original content and the creative industries. Sky is a wholly owned subsidiary of Comcast Corporation, a global media and technology company with businesses spanning connectivity, content, streaming and entertainment.

About ITV

ITV is one of the UK's leading media and entertainment companies, operating through ITV Studios, a global producer and distributor of content, and ITV's Media & Entertainment business, home to the UK's largest commercial free-to-air broadcaster and streaming platform ITVX. ITV Studios produces, owns and distributes content for broadcasters and streaming platforms worldwide, leveraging a diverse portfolio of internationally recognised formats and intellectual property. ITV reaches millions of viewers across linear, digital and streaming platforms and plays a central role in the UK's creative economy and public service broadcasting landscape.

ITV's shares are traded on the Main Market of the London Stock Exchange plc (LSE: ITV). ITV's LEI code is ZLEC17ED2QMWFQYCXZ59. For further information please visit www.itv.com.

For further enquiries please contact:

Investor Relations

Pippa Foulds

+44 7778 031097

Faye Dipnarine

+44 20 7157 6581

Media Relations

Paul Moore

+44 7860 794444

Jenny Cummins – ITV M&E content, channels ITVX

+44 7595 106670

Laura Wootton – ITV M&E commercial and advertising

+44 7917 862283

Tessa Matchett – ITV Studios

+44 7712 077966

The person responsible for making this announcement on behalf of the Group is Kyla Mullins (General Counsel and Company Secretary).

Important Notices

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (MAR), and is disclosed in accordance with ITV's obligations under Article 17 of MAR.

Forward-looking statements

Certain information contained in this announcement may constitute "forward-looking statements," which can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue," "target" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding ITV's intentions, beliefs or current expectations concerning, among other things, ITV's results of operations, financial condition, liquidity, prospects, growth and strategies. Due to various risks and uncertainties, actual events or results or the actual performance of ITV may differ materially from what is reflected or contemplated in such forward-looking statements. As a result, investors should not rely on such forward-looking statements in making their investment decisions. No representation or warranty is made as to the achievement or reasonableness of and no reliance should be placed on such forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. Save as required by applicable law or the UKLR, ITV expressly disclaims any intention, obligation or undertaking to update, review or revise any of the information or the conclusions contained herein, including forward looking or other statements contained in this announcement, or to

correct any inaccuracies which may become apparent whether as a result of new information, future developments or otherwise.

Cautionary notice

This announcement may not be distributed, directly or indirectly, in or into or from any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. This announcement does not constitute or form part of an offer to sell or issue, or any solicitation of an offer to buy or subscribe for, any securities referred to herein in any jurisdiction. The distribution of this announcement and other information in connection with the proposed Transaction in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No statement in this announcement is intended to be a profit forecast.

Information in this announcement cannot be relied upon as a guide to future performance.

Rounding

Certain figures included in this announcement have been rounded. Accordingly, figures shown for the same category may vary slightly and figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Important information relating to the joint advisers

Evercore Partners International LLP ("**Evercore**"), which is authorised and regulated by the FCA in the UK, is acting exclusively as financial adviser to ITV and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than ITV for providing the protections afforded to clients of Evercore nor for providing advice in connection with the matters referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Evercore in connection with this announcement, any statement contained herein, any offer or otherwise. Apart from the responsibilities and liabilities, if any, which may be imposed on Evercore by the Financial Services and Markets Act 2000, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Evercore nor any of its affiliates accepts any responsibility or liability whatsoever for the contents of this announcement, and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this announcement, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf, in connection with ITV or the matters described in this announcement. To the fullest extent permitted by applicable law, Evercore and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this announcement, or any statement contained herein.

Morgan Stanley & Co. International plc ("**Morgan Stanley**") which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK is acting as financial adviser exclusively for ITV and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in connection with the contents of this announcement or any other matter referred to herein.

Appendix 1 – Summary of the principal terms of the Transaction

1. SPA in respect of ITV M&E

1.1. Parties and structure

The proposed Transaction is governed by the sale and purchase agreement (the “**SPA**”), entered into by ITV plc (“**ITV**”) and Sky UK Limited (“**Sky**”) on 6 July 2026. Under the terms of the SPA, and subject to the Conditions (as defined below), ITV has agreed to sell and Sky has agreed to purchase the entire issued share capital of ITV M&E Holdings Limited (the “**Target**”). Completion is expected to take place in H2 2027 (“**Completion**”).

1.2. Conditions precedent to Completion

Completion of the proposed Transaction is subject to certain conditions, including: (i) obtaining regulatory approvals; (ii) completing the separation of the ITV M&E business from the ITV Group (including the transfer of ITV Sport and a 20% stake in Independent Television News Limited (ITN) into the Transaction perimeter); and (iii) completion of the sale by Sky Ventures Limited of Love Productions Limited (“**Love Productions**”) to ITV (together, the “**Conditions**”).

The longstop date for the satisfaction of the Conditions is 6 July 2028 (the “**Longstop Date**”). ITV and Sky can agree in writing to amend the Longstop Date.

1.3. Consideration

The total consideration for the Transaction is up to £1.6 billion, comprising:

- (a) an initial cash payment of £1.2 billion (subject to customary closing adjustments), payable at Completion;
- (b) the contribution of Sky's Love Productions business, for an agreed enterprise value of £200 million, at Completion; and
- (c) contingent cash consideration of up to £200 million, which, if it becomes payable, is expected to be paid in the second half of 2028. £2 of consideration will be payable for each £1 by which ITV's total advertising revenue (“**TAR**”) exceeds £1.7bn for FY 2027 (capped at £200m and subject to certain trading balance adjustments) (the “**Consideration**”).

1.4. Covenants

The SPA includes customary covenants on ITV from the date of the SPA to Completion, including ensuring that the affairs of the ITV M&E Group (“**ITV M&E**”) are carried on in substantially the same manner as during the 12 months preceding the date of the SPA and that ITV takes commercially reasonable steps to preserve and protect the ITV M&E Group's business, subject to certain exceptions.

1.5. Restrictive covenants

ITV and Sky have each agreed to customary non-solicitation obligations. ITV has also agreed to a non-compete obligation for a period of two years after Completion in respect of certain “direct to consumer” streaming service activities.

1.6. Warranties, Indemnities and Tax Covenant

ITV has given certain fundamental warranties, including to its title to the shares in the ITV M&E Group, as well as to its own capacity and authority. ITV has also given business and tax warranties and a tax covenant in favour of Sky. ITV has given warranties as at the date of the SPA, certain of which will be repeated on Completion. The warranties are subject to customary limitations, including with regards to quantum and time periods.

ITV has also provided specific indemnities in favour of Sky, including in respect of specified separation, employment, tax, IP and pension matters.

1.7. Termination

If the Conditions have not been satisfied or waived (as applicable) on the Longstop Date (or such other date as ITV and Sky may agree in writing), each of ITV and Sky is entitled to terminate the SPA by providing notice to the other party.

In addition, if the material Completion obligations of ITV or Sky are not complied with on the date of Completion, the SPA may be terminated by Sky (in the case of non-compliance by ITV) or ITV (in the case of non-compliance by Sky). Sky may also terminate the SPA if the conditions have otherwise been satisfied but on the Longstop Date: (i) the Transaction has become prohibited or illegal as a matter of law or regulation; (ii) key broadcasting licences and/or services of the ITV M&E Group have been (or are in the process of being) suspended or revoked; or (iii) ITV has committed a material breach of certain pre-Completion covenants which has not been remedied.

1.8. Break payment

Sky has agreed to pay a break fee of £80,000,000 (eighty million pounds sterling) if the SPA is terminated as a result of the regulatory Conditions not being satisfied by the Longstop Date subject to certain exceptions (the “**ITV M&E Break Payment**”).

1.9. Governing law

The SPA is governed by English law, with any disputes arising in connection therewith subject to the exclusive jurisdiction of the English courts.

2. SPA in respect of Love Productions

ITV, Sky Ventures Limited and Sky have entered into a sale and purchase agreement relating to the sale of the entire issued share capital of Love Productions Limited to ITV (which forms part of the Consideration for the Transaction). The sale is conditional on regulatory approval and Completion of the Transaction, and accordingly is expected to complete in H2 2027. A break fee of £11,500,000 (eleven million and five hundred thousand pounds sterling) would be payable by ITV in circumstances where regulatory approval is obtained for the Transaction, but is not obtained for the acquisition of Love Productions Limited by ITV (the “**Love Productions Break Payment**”).

3. TSA

ITV and Sky, among others, have entered into a transitional services agreement (the “**TSA**”) relating to certain transitional services that are to be provided or procured by (i) the ITV Group to the ITV M&E Group, and (ii) the ITV M&E Group to the ITV Group for a transitional period following Completion. The services to be provided by the ITV Group to the ITV M&E Group are related to the finance operations, information technology and property management. The services to be provided by the ITV M&E Group to the ITV Group are related to information technology.

4. Content Supply Agreement

At completion of the Transaction, ITV Studios Limited, ITV Rights Limited and Sky will enter into a Content Supply Agreement (the “**CSA**”) which establishes a framework under which the Sky Group will commission and acquire content from the ITV Group post-Completion subject to certain minimum spend commitments.

5. Brand Co-Existence Agreement

At completion of the Transaction, ITV and ITV M&E Holdings Limited will enter into a brand co-existence agreement in order to, among other things, (i) govern the common use of the “ITV” brand by both parties, and (ii) delineate exclusive fields in which each party may use its brand intellectual property rights.

Appendix 2 – Historical financial information

Basis of Preparation

The following historical financial information relating to the ITV M&E division has been extracted without material adjustment from the consolidation schedules and supporting accounting records that underlie the ITV plc Group audited consolidated financial statements for the years ended 31 December 2024 and 31 December 2025. The audit reports in respect of these annual consolidated financial statements were unqualified, and copies of those financial statements are available on ITV's website and at its registered address: White City Place, 201 Wood Lane, London, W12 7RU.

The historical financial information provided here does not constitute statutory accounts as defined by section 434 of the Companies Act 2006, nor does it represent consolidated accounts under UK-adopted International Financial Reporting Standards. Instead, these figures are carve-out accounts, assembled to illustrate the contribution of the ITV M&E business within the ITV plc Group. The carve-out accounts are unaudited and prepared on the basis of ITV plc accounting policies presented in the ITV plc Group's latest annual accounts, being 2025 annual accounts.

PricewaterhouseCoopers LLP served as the auditor for the ITV plc Group during the periods presented and subsequently up to the date of this announcement.

	Year ended 31/12/2025 £m	Year ended 31/12/2024 £m
M&E Group Income Statement		
Revenue	1,992.9	2,102.7
Operating costs	(1,756.1)	(1,929.6)
Operating profit	236.8	173.1
Presented as:		
Earnings before interest, tax and amortisation (EBITA) before exceptional items	282.2	297.7
Operating exceptional items	(2.3)	(15.3)
Amortisation and impairment	(43.1)	(109.3)
Operating profit	236.8	173.1
Financing income	45.5	106.0
Financing costs	(8.1)	(15.5)
Net financing income	37.4	90.5
Profit on disposal of associates, joint ventures and subsidiary undertakings	–	45.2
Profit before tax	274.2	308.7
Taxation	(84.8)	(84.4)
Profit for the year	189.4	224.3

M&E Group Balance Sheet	31 December 2025 £m
Non-current assets	
Property, plant and equipment	45.8
Intangible assets	493.6
	539.4
Current assets	
Programme rights and other inventory	417.2
Trade and other receivables	319.1
Contract assets	31.0
Current tax receivable	2.0
Cash and cash equivalents	598.6
	1,367.9
Current liabilities	
Lease liabilities	(2.5)
Derivative financial instruments	(0.1)
Trade and other payables	(682.9)
Contract liabilities	(63.8)
Provisions	(2.5)
	(751.8)
Net current assets	616.1
Non-current liabilities	
Lease liabilities	(9.5)
Derivative financial instruments	(0.1)
Deferred tax liabilities	(9.2)
Other payables	(40.2)
	(59.0)
Net assets	1,096.5

The M&E Group Balance Sheet as at 31 December 2025 above contains amounts due to/from the ITV plc Group which have been reclassified from intercompany into trade and other receivables, cash and cash equivalents and trade and other payables as follows:

Intercompany balances with other ITV plc entities	31 December 2025 £m
Current assets	
Trade and other receivables	59.4
Cash and cash equivalents	598.0
	657.4
Current liabilities	
Trade and other payables	(308.6)
	(308.6)
Net assets	348.8

Appendix 3 – Additional information

1. Risks

The shareholders of ITV should carefully consider, together with all other information contained in this announcement, the specific factors and risks described below. The risks disclosed below are those which the ITV Board considers are material risks related to the proposed Transaction. The risks described below are not set out in any order of priority, assumed or otherwise. There may be other risks of which the ITV Board is not aware (or which it believes to be immaterial which may be connected to the proposed Transaction) and which have or may have a material and adverse effect on the business, financial condition, results of operations or future prospects of the ITV Group.

1.1. Risks relating to the proposed Transaction

(a) Proposed Transaction may not proceed to completion

Completion of the proposed Transaction is subject to a number of conditions, including obtaining relevant antitrust and other regulatory approvals, completing the separation of the ITV M&E business from the ITV Group and completion of the sale of Love Productions to ITV. There can be no assurance that the Conditions will be satisfied and, accordingly, that completion will take place.

If Completion does not occur, ITV will not receive the Consideration, and if this is a result of: (a) a non-regulatory condition to the SPA not being satisfied, the ITV M&E Break Payment would not become payable; and / or (b) regulatory approval being granted for Sky's acquisition of ITV M&E Holdings Limited but not ITV's acquisition of Love Productions, the Love Productions Break Payment would become payable. Further, costs incurred by ITV in connection with the proposed Transaction (such as legal, other advisory fees and administrative costs) would be incurred without the receipt of the Consideration.

(b) Exposure to liabilities under the SPA, the TSA, the CSA and the Brand Co-Existence Agreement

The SPA contains contractual obligations in the form of warranties and indemnities and a tax covenant in favour of Sky.

ITV has taken steps to minimise the risk of liability under these provisions through limitations on liability and a disclosure process. However, the limitations on liability may not apply in all scenarios and any liability to make payment arising from a successful claim by Sky under the SPA could reduce the total Consideration and have an adverse effect on the ITV Group's business, results of operations, prospects and financial condition.

The TSA includes a requirement for the ITV Group to supply transitional services to the Target group and to procure the separation of shared contracts post-Completion. The ITV Group also has obligations relating to the migration of services under the TSA. The ITV Group may incur liability to the extent it fails to discharge its obligations under the TSA, including with respect to the provision of services.

The CSA represents a long-term commitment anticipated to deliver at least c.£ 2.1bn of revenue to the ITV Group between 2028 and 2032. Any failure by the ITV Group to supply the services specified under this multi-year arrangement could result in liability for ITV and termination or non-performance by the parties could result in a significant revenue shortfall for the ITV Group. Moreover, there is no guarantee that the CSA will be renewed (or renewed on terms which include the same minimum spend commitments) at the end of its five-year term.

(c) Exposure to restrictions under the SPA and the Brand Co-Existence Agreement

Whilst ITV has sought to ensure that such covenants will not materially impact the ITV Group's business as currently carried on, the SPA contains pre-Completion and post-Completion covenants in favour of Sky. The Brand Co-Existence Agreement also contains post-Completion restrictions for the ITV Group. Breach of any such restrictions could result in liability for the ITV Group.

1.2. Material new risks to the ITV Group

(a) ITV Group will be less diversified

Following Completion, ITV Group's business will no longer be subject to the risk and liabilities of the M&E division but will be smaller and less diversified. Decreased diversity in operations could increase ITV's exposure to market fluctuations or downturns within its remaining content and production business and the group's overall financial performance will depend solely on the performance of ITV Studios.

(b) Proposed Transaction may have a disruptive effect on the ITV Group

The proposed Transaction requires significant management time and resources and will continue to do so through signing, separation and completion. This may reduce the capacity available to manage day-to-day operations and deliver strategic priorities. These demands may continue until the Longstop Date and, in some areas, beyond.

The proposed Transaction may also create uncertainty for employees and place additional demands on management and operational teams. Any resulting disruption could affect the delivery of the Transaction, separation activities and the future performance of the ITV Group.

(c) Capital Return

While the Board plans to return around £950 million to ITV shareholders following Completion, additional transaction costs and / or other unforeseen circumstances may result in a lower amount ultimately being returned to shareholders.

2. Details of any legal and arbitration proceedings

2.1. ITV Group (excluding the ITV M&E business)

Other than as disclosed in the annual report and accounts for ITV for the fiscal year ended 31 December 2025 (the "**2025 Annual Report**"), there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ITV is aware) during the period covering the 12 months prior to the date of this announcement which may have, or have had in the recent past, a significant effect on ITV or the ITV Group's financial position or profitability.

2.2. ITV M&E business

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ITV is aware) during the period covering the 12 months prior to the date of this announcement which may have, or have had in the recent past, a significant effect on ITV M&E business' financial position or profitability.

3. Material contracts

3.1. ITV Group (excluding the ITV M&E business)

Other than as disclosed in the annual report and accounts for ITV for the fiscal year ended 31 December 2024 and the 2025 Annual Report, or as set out in the agreements relating to the

proposed Transaction (a summary of the principal terms of which is set out in Appendix 1 of this announcement), there are no contracts that have been entered into by ITV or the ITV Group (not being contracts entered into in the ordinary course of business): (i) within the period of two years immediately preceding the date of this announcement that are, or may be, material to ITV Group; or (ii) that contain any provisions under which ITV or the ITV Group has any obligation or entitlement that is material to the ITV Group.

3.2. ITV M&E business

Other than as set out in the agreements relating to the proposed Transaction (a summary of the principal terms of which is set out in Appendix 1 of this announcement) there are no contracts that have been entered into by the ITV M&E business (not being contracts entered into in the ordinary course of business): (i) within the period of two years immediately preceding the date of this announcement that are, or may be, material to the ITV M&E business; or (ii) that contain any provisions under which the ITV M&E business has any obligation or entitlement that is, or may be, material to the ITV M&E business.

4. Significant change in financial position

ITV plc

Since 31 December 2025, being the date of the most recent publicly disclosed financial information, there has been no significant change in the financial position of ITV plc.

ITV M&E business

Since 31 December 2025, being the date of the most recent publicly disclosed financial information included within Appendix 2 – Historical financial information, there has been no significant change in the financial position of the ITV M&E business.

5. Related Party Transactions

Other than those matters disclosed in ITV's previously published 2024 Annual Report and accounts and 2025 Annual Report and accounts, there were no related party transactions entered into by ITV during the period from 1 January 2024 until the date of this announcement.

6. Pension

ITV engaged with the Trustee of the ITV Pension Scheme at an early stage and throughout the transaction process to sell ITV M&E. Following detailed discussions with the support of its professional advisers to agree a detailed package of measures to mitigate against any potential materially adverse impact of the transaction on the ITV Pension Scheme, the Trustee has confirmed (based on information provided to it and having taken legal, actuarial and covenant advice) that the impact of the Transaction, and associated steps to release certain ITV M&E employers from their obligations to and in respect of the ITV Pension Scheme, are appropriately mitigated by the package of mitigation which has been agreed, such that the Trustee can be satisfied that the impact of the Transaction and the associated steps will not have a materially detrimental impact on the ITV Pension Scheme (subject to re-confirming this shortly prior to implementing the associated steps). Pensions will continue to be paid from the ITV Pension Scheme in the normal way and the obligations will continue to be held by the relevant ITV Studios entities.

As part of the separation, an agreement has been reached with the Trustee of the ITV Pension Scheme to release the M&E division of its obligations in relation to the scheme. This includes a Flexible Apportionment Arrangement which will apportion pension scheme liabilities from M&E employers to ITV Studios and is to be entered into before completion (subject to certain tests being satisfied). In connection with this, £65m will be placed into escrow before completion with a fixed term to 31 March 2034. This will be returned to ITV Studios if the pension scheme is still in surplus at the end of March 2034.

Appendix 4 – ITV’s PSB Commitments

1. Under its PSB licence, ITV must provide a substantial volume of duly accurate and impartial news as well as current affairs with significant peak time obligations. Ofcom quotas also mean that the equivalent of 25% of qualifying programming must be made by Independent Producers, the equivalent of 35% of UK commissioned content (by value and volume) must be made outside London and 85% of peak-time programming must be original programmes⁴, all helping to ensure UK content production continues at scale.
2. ITV makes all but one of its own regional news programmes, whilst ITN makes national news programmes such as Good Morning Britain and News at Ten as well as regional news for London under a five-year contract which runs until the end of 2030. The PSB licence also covers commitments to subtitling, signing, and audio-description to ensure accessibility, as well as policies on equal opportunities and training.
3. ITV is also required to comply with Ofcom’s Broadcasting Code covering a broad spectrum of obligations, including regulations on fairness and impartiality, duty of care for participants and those working on productions as well as other Ofcom codes, for instance around the strict limits on the maximum amount of time to be given over to ads in any hour. ITV must also comply with the ASA’s advertising standards. All TV ads are cleared in advance of broadcast to ensure they are compliant with the relevant advertising codes. All these requirements will remain in place.

⁴ Under the Media Act 2024, from 1 January 2026 these percentages have now been converted into volume obligations that reflect these historic percentage obligations.

Appendix 5 – Definitions

The following definitions apply throughout this announcement and its Appendices, save as expressly stated otherwise:

“**Board**” means the board of directors of ITV plc;

“**Brand Co-Existence Agreement**” means the brand co-existence agreement to be entered into by ITV and ITV M&E Holdings Limited at completion of the Transaction.

“**Broadcasting Code**” means the code for television and radio services issued by the Office of Communications (Ofcom).

“**CSA**” means the content supply agreement to be entered into by ITV Studios, ITV Rights Limited and Sky, at completion of the Transaction, details of which are included at Appendix 1.

“**FCA**” means the Financial Conduct Authority.

“**Love Productions**” means Love Productions Limited.

“**ITV**” or “**Company**” means ITV plc.

“**Significant Transaction**” means a transaction that exceeds the 25% threshold under the UKLRs.

“**SPA**” means the sale and purchase agreement which governs the Transaction, entered into by ITV and Sky UK Limited, details of which are included at Appendix 1.

“**TAR**” means M&E’s total advertising revenue.

“**TSA**” means the transitional services agreement entered into by, amongst others, ITV and Sky, details of which are included at Appendix 1.

“**UKLRs**” means the UK Listing Rules made by the FCA for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended), which came into effect on 29 July 2024.