

ITV Studios Limited

Strategic Report for the year ended 31 December 2024

The Directors present their Strategic Report for ITV Studios Limited ("the Company") for the year ended 31 December 2024.

Principal activities

The principal activity of the Company continues to be that of the production of television programmes and the provision of facilities services.

Fair review of the business

The results for the Company show a profit for the year of £184,702,000 (2023: £137,933,000). At the statement of financial position date, the Company had net assets of £2,003,046,000 (2023: £2,280,153,000).

KPI's

The Directors of the ITV plc Group manage the Group's operations on a divisional basis with this Company being included within the ITV Studios division. For this reason, the Company's Directors use the ITV Studios division of ITV plc's Operating and Performance Review in managing and understanding the development, performance and position of the Company. The business review is included on pages 18 to 23 of ITV plc's 2024 Annual Report.

- Revenue - ITV Studios revenue is key to ITV's strategy, diversifying the group's revenue. The Company's revenue decreased by 13.56% compared with 2023, due to the strong comparatives from the phasing of high-value deliveries year-on-year. Key titles delivered in the year were Missing You, Code of Silence, Rivals and After the Flood.
- Number of commissions - ITV Studios continues to build a portfolio of successful series and formats that return and travel internationally. A key indicator of the creative renewal pipeline is the number of new commissions won, which includes programmes shown both on ITV and on other channels and platforms. Several new commissions secured during the year include new drama series Run Away, Let Me In, Adultery, as well as new entertainment show Celebrity Sabotage. The Company also secured a number of key recommissions including Love Island, You Bet! and The Voice UK.

Future developments

The Company will continue to follow its strategy to work proactively with UK and overseas streamers to develop ideas for new and returning series which can be exploited globally. The external environment is expected to remain competitive in the future but the Directors remain confident that the Company is well placed with both broadcasters and streamers to exploit the opportunities that become available.

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Principal risks and uncertainties

The management of the business and execution of the Company strategy are subject to a number of risks. Key risks facing the Studios business are in relation to the content market. Fundamental changes in the content market may result in reduced opportunities, non-renewal of premium programmes, and/or impact the profitability of the Company.

As part of the evolving risk landscape the Company needs to assess and manage:

- Content spend cuts from Free-To-Air broadcasters and streamers;
- Failure to appropriately support individuals working with ITV in our pursuit of editorial content that is relevant and entertaining;
- The ability to grow the streamer customer base as they become a growing part of the content market; and
- Pressure on pricing, rights and production premium.

In order to mitigate these the Company:

- Continues to grow and maintain relationships with a diverse customer base, including streamers;
- Continues to strengthening awareness of our Speaking Up Framework, allowing anyone working for or with us to raise concerns confidentially, supported by regular communications and mandatory duty of care training;
- Continues to invest in developing, attracting and retaining world-class creative talent; and
- Continues to seek opportunities to increase market share and drive efficiencies across productions.

In 2024, ongoing monitoring of critical risks, informed by internal and external data, led to important updates to our principal risks:

- Artificial intelligence was elevated from an emerging risk to a principal risk. This reflects the rapid development of GenAI technology and its transformative potential, with significant implications for our operations, content creation and overall strategy (both as opportunity and risk).

A comprehensive review of the Company's strategy, outlining the development, performance and position of the Company's business can be found in the Strategic Report of the group in the ITV plc Annual Report.

Anti-bribery and corruption

A comprehensive review of the Company's policies relating to anti-bribery and corruption can be found in the Strategic Report of the group in the ITV plc Annual Report (page 48).

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Section 172 (1) Statement - Directors' Statement in performance of their duties under section 172(1)

The Board of ITV plc are responsible for governance and oversight across the ITV Group and the duties under Section 172(1) of the Companies Act 2006 ("s172") in respect of ITV plc. As ITV Studios Limited is part of the ITV Group, its directors (the "Directors") believe that certain matters they are responsible for under s172 in respect of the Company have been considered to an appropriate extent by the Board of ITV plc in relation both to the ITV Group and the Company and reference to this is made below.

The Directors are all members of the Studios Divisional board that met nine times during the year to consider and approve matters that relate directly to the Company and its subsidiaries. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Directors have specifically considered the matters set out in s172 is set out below:

- **The long term:** The Directors are fully cognisant of the evolving media landscape in which the Company operates and that the production environment remains competitive. The long-term strategy is to ensure ITV Studios continues to be a leading force in the creation and ownership of intellectual property (IP), global content production and distribution. The business is increasingly scaled and diversifies business, by genre, geography and customer, in the key creative markets around the world. In 2024 they continued to drive their strategy through a focus on the 4 strategic pillars: growing the scripted business, growing the global formats business, and further diversifying the customer base, all of which is underpinned by their ability to attract and retain leading talent. Talent are critical to the success of the business, enabling the creation of outstanding shows including Mr Bates vs The Post Office and Rivals. During the year they acquired Hartswood Films in the UK and Eagle Eye Drama. In order to diversify the customer base, they continue to focus on strengthening relationships with global and local streamers for both scripted and unscripted programming, and as a result have projects in place for production or development globally with all of the major streamers. The Company has also remained focused on innovation and technology to drive efficiencies by embracing new digital processes with more productions being managed remotely using tools such as cloud-based editing. Finally, the Directors continue to focus on reducing costs and driving efficiencies through the Company's ongoing transformation and cost efficiency programme as we reprioritise the Company's resource allocation to better align with our strategy and viewer dynamics.

- **Employees:** The Directors know that the workforce are key to the Company's success and are dedicated to nurturing an inclusive working environment where everyone can reach their full potential and thrive. As the Company is embedded within the ITV Group governance structure it is fully aligned with ITV on workforce engagement and through the divisional board meetings the Directors are consulted on and approve the HR related policies and initiatives that affect their employees. The Directors are kept fully briefed on the health and safety and wellbeing of the Company's employees, contractors and those participating in its productions, and continue to promote and maintain adherence to its Duty of Care guidelines. An explanation of how ITV plc have engaged with the workforce and taken them into consideration through its discussions and decision-making is set out on pages 78 to 79 of ITV plc's 2024 Annual Report. Further information on ITV's commitment to its workforce is set out on pages 35 of ITV plc's 2024 Annual Report, which does not form part of this report.

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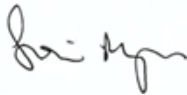
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• **Business relationships - suppliers, customers:** The Directors are committed to fostering good working business relationships with their key stakeholders which include programme participants, free to air Broadcasters, pay TV providers and streamers. The Directors recognise that an understanding of the issues relating to these stakeholders is fundamental to building and maintaining the successful relationships, enabling the Company to take advantage of the strong and mutually beneficial opportunities needed to ensure its success. As ITV Studios is fully embedded within the ITV Group governance structure, the Directors seek to align themselves with ITV plc's engagement mechanisms and an explanation of how the Directors of ITV plc have had regard to the need to foster the Company's business relationships are set out on pages 69 to 77 of ITV plc's 2024 Annual Report which does not form a part of this report, with detail on programme participants set out on page 75, other broadcasters and citizens on pages 73.

• **Community & environment:** The Directors are constantly striving to reduce the environmental impact of the Company's productions which is regularly reviewed. The Company is an affiliate member of Albert and the Directors and senior management team work closely with the production community and other broadcasters as part of the BAFTA Albert consortium to support the creative sector in transitioning to low-carbon productions by reducing carbon emissions and waste, and sourcing responsibly. Through the Studios divisional board, the directors regularly review progress against environmental targets (quarterly) and against diversity targets (periodically). The Directors further consider that as a result of being embedded within the ITV Group governance structure, the Directors of ITV plc have taken the lead in carrying out the duties in respect of the community, wider environmental issues and diversity and inclusion targets. Further information on ITV's Social Purpose strategy and 2024 initiatives - structured around better health, giving back, climate action and diversity and inclusion, environment and giving back targets - is set out on pages 31 to 34 of ITV plc's 2024 Annual Report, which does not form a part of this report.

• **High standards of business conduct:** The Directors' intention is to ensure that the Company and its subsidiaries operate in an ethical and responsible way. As a part of the ITV Group, they recognise that a healthy corporate culture is the cornerstone to ensuring high standards of business conduct and governance that also pervade business dealings with stakeholders outside of the organisation. The Directors consider that as a result of being embedded within the ITV Group governance structure, the Directors of ITV plc have taken the lead in promoting these facets and details on how it monitored and assessed culture during the year is set out on pages 80 to 83 in ITV plc's 2024 Annual Report, which does not form a part of this report. ITV's commitment to high standards of business conduct is also enshrined in the Code of Ethics and Conduct available on the ITV plc website. ITV's culture also pervades its business dealings with stakeholders outside of the organisation, as exemplified by its work with suppliers in relation to modern slavery and membership of the Prompt Payment Code.

Approved by the Board on 30 September 2025 and signed on its behalf by:



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S Magris
Director