ITV Broadcasting Limited

Strategic Report for the year ended 31 December 2025

The Directors present their Strategic Report for the year ended 31 December 2025.

Principal activities
The principal activity of ITV Broadcasting Limited ("the Company") continues to be that of the provision of the regional ITV television service under the Channel 3 (as defined in the Broadcasting Act 1990, the Broadcasting Act 1996 and the Communications Act 2003 (together “the Acts”)) licences granted by Ofcom. The Company is the principal operating subsidiary of the Group’s UK television business, selling commercial airtime and sponsorship, producing broadcasting schedules and operating a full range of broadcaster functions for itself, ITV Rights Limited and in some cases for non-ITV controlled Channel 3 licensees.

From 1 January 2025, the Company's Channel 3 Ofcom licences were renewed and licences were granted for a further 10 years, to 31 December 2035.

Fair review of the business
The Company has revenue for the year of £1,008,670,000 (2024: £1,139,729,000). The fall in revenue is due to a reduction in Total Advertising Revenue (TAR), with advertiser demand impacted by economic uncertainty in the lead-up to the UK budget. The Company's results show an overall loss for the year of £63,596,000 (2024: profit of £224,302,000). The reduction in revenue was the principal driver of the year on year movement, partially offset by lower operating costs. Other expenses decreased by £70,751,000 to £971,284,000 (2024 as restated: £1,042,035,000). A key driver of the year on year reduction in Operating Costs is a combination of fewer sports rights in 2025 compared with the men's Euros tournament in 2024, and a planned reduction in content spend in response to the declining UK ad market. Staff costs also decreased by £9,531,000 to £88,097,000 (2024: £97,628,000) and exceptional costs reduced to £8,904,000 (2024: £14,820,000) as detailed in note 7 to the financial statements. In addition, the profit in the prior year was driven by income from shares in subsidiary undertakings of £200,573,000 and a gain on disposal of investments of £44,625,000. At the statement of financial position date the Company had net assets of £77,552,000 (2024: £140,993,000).

KPIs
The Directors of the ITV plc Group manage the Group’s operations on a divisional basis with this Company being included within the Media and Entertainment division. For this reason, the Company’s Directors use the ITV plc Media and Entertainment division’s Operating and Performance Review in managing and understanding the development, performance and position of the Company. The KPIs and business review are included on pages 22 to 27 of ITV plc’s 2025 Annual Report.

Corporate restructure
During 2025, the Company's ultimate parent entity, ITV plc, restructured its investments to simplify the overall Group holding structure and ensure that businesses within the same segment report to a common parent. This involved ITV plc incorporating ITV M&E Holdings Limited, to serve as the parent holding company for the Media & Entertainment business. As a result, at the year end, the company's immediate parent entity was ITV M&E Holdings Limited. Refer to note 30 for further details.

Future developments
The Directors do not anticipate any changes to the principal activities of the Company.

Principal risks and uncertainties
The key business risks and uncertainties affecting the Company are considered to relate to the erosion of television’s share of advertising, fluctuation in the size of the TV advertising market, decline in audience as competition from other commercial channels increases, the impact of the contract rights renewals remedy and the retention of key staff. Further discussion of these risks and uncertainties, in the context of the group as whole, is provided on pages 43 to 47 of the Group’s 2025 Annual Report.

A comprehensive strategic 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's 2025 Annual Report. The Annual Report of ITV plc is available to the public and may be obtained from www.itvplc.com or the Company Secretary, ITV White City, 201 Wood Lane, London, W12 7RU.

Non-financial and sustainability information
The information below, sets out the Companies compliance with the non-financial reporting requirements in accordance with Section 414CA of the Companies Act 2006.

The climate-related financial disclosures in the context of the group as whole, is provided on pages 48 to 51 of the ITV plc's 2025 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's 2025 Annual Report.

Post balance sheet events

On 23 June 2026, ITV M&E Holdings contributed its shareholding in ITV Consumer, ITV Rights, and Britbox SVOD Limited to the Company, in exchange for 3 ordinary shares of £1 each, issued at a total premium of £892,453,832.

On 6 July 2026, ITV plc announced the sale of the ITV Media and Entertainment business, which includes the Company, to Sky. The transaction is subject to regulatory approvals. The regulatory process has already started with the UK Competition and Markets Authority (CMA) launching its review process. Given that this is a media merger, ITV expects the Secretary of State to issue a Public Interest Intervention Notice in due course. The transaction may go to a phase two CMA review and if it does then it is likely that the transaction will complete in H2 2027.

The sale does not impact the operation of the Company and its principal activities as described in these financial statements.

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 Broadcasting Limited (the 'Company') 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 members of the Media and Entertainment (M&E) Divisional board, which continued to meet regularly throughout 2025 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 remain cognisant of the rapidly evolving competitor and viewer landscape in which the Company operates. The focus during the year has been the Company's role in supercharging ITV's streaming strategy, by driving digital revenues through ITVX and Planet V (ITV's proprietary, self-service programmatic addressable advertising platform) and optimising broadcasting by increasing productivity and efficiency. The Directors believe that collaborative and connected digital ways of working will help deliver and have a positive long-term impact on the business and safeguard the interest of its shareholders. The Company is supporting the launch of Universal Ads self-serve portal to capture net new demand for SMEs, further diversifying revenue streams. 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. The Directors focused 2025 on compliance with the Media Act 2024 and the less healthy foods advertising restrictions, which came into effect in October 2025.

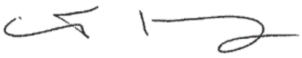
• **Employees:** The Directors recognise that the workforce is key to the Company's success and are dedicated to nurturing an inclusive working environment where everyone can reach their full potential and thrive. As the Company is embedded within the ITV Group governance structure it is fully aligned with ITV on workforce engagement. Throughout 2025, the Directors were consulted and approved HR-related policies and initiatives designed to nurture an inclusive environment where everyone can thrive. An explanation of how ITV plc engaged with the workforce and took them into consideration through its discussions and decision-making is set out on pages 73 to 74 of ITV plc's 2025 annual report. Further information on ITV's commitment to its workforce is set out on page 32 of ITV plc's 2025 annual report, which does not form part of this report.

• **Business relationships - suppliers, customers:** The Directors are committed to fostering good working business relationships with their key stakeholders which include suppliers, other broadcasters, legislators and regulators. The Directors recognise that an understanding of the issues relating to these stakeholders is fundamental to building and maintaining successful relationships, enabling the Company to take advantage of the strong and mutually beneficial opportunities needed to ensure the success of the Company. In 2025 ITV extended its reach and monetisation through strategic content and commercial partnerships through the YouTube, Disney and Tik Tok. Collaborative efforts in 2025 also include the Freely platform and the Universal Ads partnership with Sky and Channel 4. As the Company 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 64 to 72 of ITV plc's 2025 annual report which does not form a part of this report, with detail on viewers page 65, advertisers page 66, citizens page 68 and programme participants on page 70.

• **Community & environment:** The Directors continue to use the Company's platforms to reflect and shape culture on screen. Through the M&E Board, the Directors have reviewed progress against environmental targets quarterly and diversity targets bi-annually throughout 2025. Major behaviour change campaigns remained a focus, particularly regarding mental and physical health. The Directors also 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. In 2025, the Group achieved an 'A' rating from CDP for its climate change transparency and action. The Company contributes to these goals by adhering to the Group's net-zero roadmap and responsible sourcing policies. The Company supports the Group's commitment to diversity, which in 2025 included a renewed £80 million Diversity Commissioning Spend (2025-2027) to support underrepresented voices in the creative industry. Further information on ITV's Social Purpose strategy and 2025 initiatives - structured around better health, giving back, climate action and diversity and inclusion, environment and giving back targets - is set out on pages 28 to 31 of ITV plc's 2025 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 75 to 78 in ITV plc's 2025 annual report, which does not form a part of this report. ITV's commitment to high standards of business contact 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 25 September 2026 and signed on its behalf by:



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C Kennedy
Director