# ITV Digital Channels 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**
ITV Digital Channels Limited (the "Company") is licensed by Ofcom to broadcast digital programme services in the UK. The company holds the broadcast licences for the ITV3 channels.

**Fair review of the business**
The results for ITV Digital Channels Limited show a profit for the year of £32,987,000 (2024: £38,109,000). At the statement of financial position date, the Company had net assets of £126,402,000 (2024: £93,415,000).

**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 KPI's and business review is 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. There is no change to the immediate parent of the Company.

**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, decline in audience as competition from other commercial channels increases and the retention of key staff.

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 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.

**Post balance sheet events**

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 Digital Channels 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 consider and approve relevant matters during the year. 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 fully cognisant of the evolving competitor and viewer landscape in which the Company operates. The primary focus during 2025 continued to be driving ITV's Group strategy to transform the Broadcast business over the longer term. The Directors addressed both the opportunities and challenges of wider structural change on the Company's digital channels, ensuring they continue to drive the mass audiences that remain highly valuable to advertisers. The Directors maintain that collaborative and connected digital ways of working are essential for long term business success. There remains a consistent focus on reducing costs and driving efficiencies through the Company's ongoing transformation programme. This involves reprioritising resource allocation to better align with the digital strategy and viewer dynamics.

• **Employees:** As the Company does not have any direct employees, the Directors' duties in this area are considered through the lens of the wider ITV Group. The Directors remain aligned with the Group's 2025 milestones, which included the launch of the Class Pay Gap report and enhanced support for the Cultural Advisory Council to foster an inclusive environment across all Group entities.

• **Business relationships - suppliers, customers:** The Directors are committed to fostering strong working business relationships with their key stakeholders which include viewers, suppliers, advertisers, platform owners, legislators and regulators. 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 the success of the Company. 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 and subscribers page 65, customers (including advertisers) page 66, citizens page 68 and programme participants on page 69.

**Community & environment:** The Directors have regard to the impact of its operations on the environment and 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 and wider environmental issues. Further information on how ITV aims to reduce its carbon emissions and waste, and source responsibly is set out on page 31 of ITV plc's 2025 annual report, which does not form a part of this report.

• **High standards of business conduct:** The Board's intention is to ensure that the Company operates in an ethical and responsible way. As a part of the ITV Group it recognises that a healthy corporate culture is the cornerstone of high standards of business conduct and governance as set on page 32 of the ITV plc Annual Report. ITV's culture also pervades its business dealings with stakeholders outside of the organisation.

Approved by the Board on 18 September 2026 and signed on its behalf by:

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S Clarke
Director