

ITV Digital Channels Limited

Strategic Report for the year ended 31 December 2023

The Directors present their Strategic Report for the year ended 31 December 2023.

Principal activities

ITV Digital Channels Limited (the "Company") is licensed by Ofcom to broadcast digital programme services in the United Kingdom. The company holds the broadcast licences for the ITV3 and CITV channels. CITV closed down and became a fully on demand service on ITVX in September 2023.

Fair review of the business

The results for ITV Digital Channels Limited ("the Company") show a profit before tax for the year of £44,424,000 (2022: £54,589,000). At the statement of financial position date, the Company had net assets of £105,306,000 (2022: £71,331,000).

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 business review is included on pages 18 to 31 of ITV plc's 2023 Annual Report.

Future developments

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

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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 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 are fully cognisant of the evolving competitor and viewer landscape in which the Company operates and the main focus during the year continues to be driving ITV's Group strategy to transform the Broadcast business over the longer term. They have considered how to address both the opportunities and challenges of wider structural change on the Company's digital channels and how to continue to drive mass audiences that remain highly valuable to advertisers. 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. Accordingly, they supported and approved the launch of the ITV Together Programme in April 2023, a hugely significant global programme for our business and transforming how we all work.

- **Employees:** The Company does not have any employees.

- **Business relationships - suppliers, customers:** The Directors are committed to fostering good 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 84 to 91 of ITV plc's 2023 annual report which does not form a part of this report, with detail on viewers on page 84, advertisers on page 85, suppliers and platform owners on page 86, legislators and regulators on page 88.

- **Community & environment:** The Directors have regard to the impact of the Company's 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, wider environmental issues and diversity and inclusion targets. Further information on ITV's Social Purpose strategy and 2023 initiatives - structured around better health, giving back, climate action and diversity and inclusion, environment and giving back targets - is set out on pages 32 to 39 of ITV plc's 2023 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 operates 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 96 to 99 in ITV plc's 2023 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.

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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.

Approved by the board on 19 June 2024 and signed on its behalf by:



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Sarah Clarke
Director