



STV Zero is an ambitious and wide-reaching sustainability strategy to become net zero carbon and to encourage viewers, colleagues and partners to help create a more sustainable society, as together we tackle humanity's greatest challenge.

Our programme of activities and related targets to reduce the carbon impact of the business covers five key areas:

- energy consumption
- waste reduction
- programme making
- promoting sustainability using STV's reach
- achieving a sustainable supply chain

Visit stvplc.tv/social-impact/sustainability

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Company Registration Number SC203873



ANNUAL REPORT AND ACCOUNTS 2025

STV Group plc

ANNUAL REPORT AND ACCOUNTS 2025

2025 key financials

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View our Annual Report and Accounts and shareholder information at [stvplc.tv](https://www.stvplc.tv)



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ESG

FINANCIAL PERFORMANCE UNDERPINNED BY OPERATIONAL DISCIPLINE AND STRATEGIC DELIVERY

Revenue

£176.9m
2024 £188.0m

Total advertising revenue

£89.3m
2024 £99.7m

Studios revenue

£83.0m
2024 £84.1m

Adjusted operating profit¹

£11.6m
2024 £20.6m

Operating profit

£3.8m
2024 £13.2m

Loss before tax

£5.9m
2024 PBT £10.4m

Cash generated by operations

£15.5m
2024 £17.7m

Adjusted EPS¹

13.1p
2024 29.0p

¹ See note 7 to the financial statements.

Introducing STV and our strategic plan

STV Group plc brings audiences high quality content on air, online and on demand. The business is organised into two dynamic operating divisions – STV Audience and STV Studios – both supported by central enabling functions.

AUDIENCE

Home to Scotland’s leading platforms for audiences and advertisers, this business is focused on maximising viewing, whether on linear or digital, and now listening with our recent expansion into audio.

The Audience business runs commercial Public Service Broadcaster, STV; free streaming service, STV Player; and newly launched nationwide radio station, STV Radio.

STV operates the Channel 3 licences across central and north Scotland and brings viewers a strong schedule of network programming alongside locally produced news, current affairs and factual entertainment shows. The largest commercial TV channel in Scotland, STV reaches more than two in three Scottish adults every month (2.8m), attracting over three times the audience of its nearest commercial channel.

STV Player is pre-installed in three quarters of the UK’s connected TV homes and is available on all major platforms, including Sky, Virgin Media, Amazon Fire TV, Freesat, YouView, Freely and Freeview Play.

STV Radio is our new Scotland-wide station which launched in January 2026 and is a coalition of the best on-air radio talent, creating a fun and spirited listening experience. The audio team also has a weekly podcast, *The STV Radio Football Show* – a riotous look back on the weekend’s football action.

All three platforms are advertiser funded and their combined reach as a marketing platform is unrivalled in our home market.

National sales are managed by our national sales agent, ITV, across linear spot, sponsorship, and VOD advertising. Our Scottish clients are serviced by our dedicated Scotland sales team through which we offer a ‘one stop shop’, helping clients with advert creation and design, campaign structure and post campaign research.

The STV Growth Fund makes advertising affordable and accessible for SMEs in Scotland and is aimed at attracting new advertisers to TV and helping them build their brand by reaching consumers efficiently and cost effectively, mainly through matched funding.

Key facts

97% OF THE TOP 500 COMMERCIAL PROGRAMME AUDIENCES FOR 2025 WERE ON STV* (2024: 97%)

* Across all TV channels and SVOD platforms.

STUDIOS

STV Studios is Scotland’s largest – and one of the UK’s leading – production groups, producing hundreds of hours of critically acclaimed, conversation-starting television every year.

We are a family of production labels across every genre from documentary and factual, to entertainment and drama with bases in Glasgow, Belfast, Manchester, Brighton and London. Together we have an unrivalled network of senior creative leaders across the UK with a varied pipeline of new programme ideas, 33 established returning series, and a rich archive of almost 5,000 hours.

Recent productions include Two Cities Television’s gripping police drama *Blue Lights* for BBC One and *Amadeus* for Sky; Hello Halo’s crafty competition series *Game of Wool* for Channel 4; STV Studios Drama series *The Witness* for Netflix; Tod Productions thriller *Criminal Record* for Apple TV; Tuesday’s Child entertainment event *The Fortune Hotel* for ITV; Crackit TV’s *Supercruising* and *Crime Scene Cleaners* for Channel 4; and *Antiques Riviera* (More 4) and *The Travelling Auctioneers* (BBC One) from STV Studios Factual.

A number of our formats and shows are successful internationally, including *LEGO Masters* which has aired in 20 territories across the globe; *Antiques Road Trip* which sells worldwide in the likes of Australia and the US; *Bridge of Lies* which has been successfully sold as a format in Spain and the US; and format sales of shiny floor show, *The Hit List*, in the Netherlands, Finland, France and Spain.

STV AND STV PLAYER REACH 75% OF SCOTS ACROSS AN AVERAGE MONTH

STV’s strategic plan will drive accelerated, profitable growth across the Group. Our vision is to be a globally recognised content powerhouse and Scotland’s leading platform for audiences and advertisers.

Key strategic actions during 2025 towards this vision included: combining our Broadcast and Digital divisions into a single Audience division; the launch of a new Audio business; the development of a hyper-targeted cross-platform ad proposition; and a focus on high margin international IP and library growth in STV Studios. We re-framed our 2026 strategic targets to reflect the new divisional structure.

Strategic objective 1: Audience			
Focus: drive streaming growth and maximise total STV audience reach			
KPI	2025	2026 target	On track?
Audience margin of at least 15%	15%	15%	✓
Reach >2/3 of Scotland each month	75%	>2/3	✓
Launch radio station	–	On air from Jan	✓
Grow digital revenue (pre commission)	£22.5m	£30m	✗

Strategic objective 2: Content			
Focus: accelerate UK and international STV Studios growth			
KPI	2025	2026 target	On track?
Hours in distribution portfolio	4,750	>5k	✓
% revenue from international markets	34%	>25%	✓
Grow Studios revenues	£82m	£120-140m	✗
Increase operating margin	5%	8%	✗
Strategic objective 3: Organisation			
Focus: continued development of a modern, simplified business			
KPI	2025	2026 target	On track?
Annual run-rate cost savings	£4.1m	£5m p.a.	✓

75M TOTAL VIEWING HOURS ON STV PLAYER (+9% YOY)

4,750 HOURS OF STV STUDIOS CONTENT ARCHIVE (2024: 4,500)

Chairman’s statement

On behalf of the Board, I would like to thank the Leadership Team, and all our colleagues across STV, for their dedication and commitment to the Company.

I would also like to thank Paul Reynolds for his five-year tenure as Chairman: a period which encompassed continued growth in STV’s brand strength, with viewers and advertisers alike, alongside a significant diversification to revenues through growth in the content production business.

I am delighted to have been appointed as Chairman of STV at such a pivotal moment in the Group’s development with the global media industry undergoing a rapid and profound transformation.

The year under review

A continuation of the prior year’s subdued macroeconomic environment into 2025 presented another challenging year for the business, with a weakening in commissioning activity exacerbated by a 10% year on year decline in Total Advertising Revenue (TAR), significantly undermining the resilience of prior years.

As result, whilst revenue for the year was some 6% lower at £176.9m (2024: £188.0m), adjusted operating profit declined by 44% to £11.6m (2024: £20.6m).

Further detail is provided in the Finance Review on pages 22 to 24.

Strategic progress

Since my appointment to the Board last October, I have had the opportunity to engage closely with the Executive Directors and Leadership Team and was encouraged by their decision to significantly increase the organisational cost saving programme, to £8m on an annualised basis, to underwrite the FastFwd strategy launched in May 2025, as detailed in the CEO statement.

I have also established a Corporate Development Committee (CDC) structure designed to reinforce the FastFwd strategy by facilitating a rapid analysis of the emerging strategic imperatives associated with a global industry in an increasing state of flux.

The primary objective of the CDC is to enhance the organisation’s ability to adapt with pace, discipline and clarity, ultimately allowing STV to punch-above-its-weight in an industry increasingly dominated by leviathans.



IT IS THE DIRECTORS’ INTENTION TO RETURN TO PAYING A DIVIDEND WHEN IT IS FINANCIALLY PRUDENT TO DO SO.

People and culture

Our people at STV have shown exceptional commitment and resilience through a year of considerable organisational change. Redesigning and repositioning the business is never straightforward, and the dedication shown across the Group has been vital to our progress. The Board remains focused on fostering a positive workplace culture, investing in our talent and embedding inclusion both on and off screen.

ESG responsibilities and stakeholders

STV’s social impact, including our STV Zero strategy, continues to be an important element of our identity. Through the STV Children’s Appeal, we raised over £2.4m this year to support projects addressing child poverty across Scotland. The ESG report, starting on page 39, sets out details of initiatives during the year, as well as their outcomes.

As Chairman, I meet our major shareholders, lenders, advisors and core external stakeholders on a regular basis, complementing the engagement undertaken by the Executive Directors. This ensures the Board maintains a clear understanding of stakeholder priorities while enabling management to focus on strategic delivery and operational performance during a challenging period.

As a Board, we focus on how to balance the interests of all stakeholders, who are vital to STV’s success, as we engage with them throughout the year.

Please see pages 68 to 70 for examples of key strategic issues considered and Board decisions taken in FY25, and pages 34 to 38 for an explanation of how the Board has had regard to section 172 matters (including certain key stakeholder considerations).

Governance and board

In addition to my appointment and Paul Reynolds’ departure, in December Aki Mandhar, Independent Non-Executive Director, stepped down from the Board and Colin Jones, Independent Non-Executive Director and Chair of the Audit & Risk Committee, confirmed his intention to not seek re-election at the 2026 AGM. I would like to take this opportunity to thank them both for their contributions and dedication to STV during their tenure.



CLIVE WHILEY
CHAIRMAN

In December, the Board welcomed Gillian Kent, who on appointment succeeded Colin Jones as Senior Independent Non-Executive Director. Gillian brings extensive non-executive director experience across a wide range of sectors as well as a strong media background which will be invaluable as the Group navigates the major changes facing the sector at present.

It is our intention to appoint a further Independent Non-Executive Director to act as Audit & Risk Committee Chair, at which point I believe that we will have a PLC Board that is appropriate for a company of our size, nature and circumstances. Our Non-Executive Directors have relevant skills, continue to directly contribute to the ongoing change process, are regularly appraised and are encouraged to interface with the operating executives.

The biographies of the current Directors on the Board can be found on pages 60 and 61.

Dividend policy

The company last paid a dividend in April 2025 in respect of FY24.

Although the business continues to be cash generative, given the current debt profile and continued pressure on operating margins driven by the ongoing weakness in TAR, the Board believes that it is prudent not to declare a dividend for the year under review, to preserve financial flexibility and liquidity as the business stabilises.

The Directors understand the importance of optimising value for shareholders, and it is the Directors’ intention to return to paying a dividend when it is financially prudent for the Group to do so.

Summary and outlook

While it is disappointing not to declare a dividend for the year under review, we believe that shareholders’ patience will be rewarded as we utilise the increased financial flexibility to take the necessary actions to return STV to a sustainable, appropriately dividend paying position.

Looking ahead, the successful implementation of the cost saving programme should stabilise operations as the FastFwd strategy evolves, in turn sharpening our strategic focus and streamlining the Group to take advantage of emerging opportunities across the media landscape and to mitigate risks to our business model, adding value for all stakeholders.



CLIVE WHILEY
CHAIRMAN

The STV investor proposition

STV has a clear strategy to become Scotland's leading platform for audiences and advertisers. We will deliver higher margin revenue growth through new advertising capabilities enabled by technology and the increase in digital viewing, and by extending into audio initially with the launch of a new commercial radio station.

Our ambition is for STV Studios to be a global content powerhouse. Focused on growing content market segments and driving profitability and margin progression with international IP and catalogue growth, we will attract and enable world class talent to take their creativity to global screens.

We have rebalanced the business across advertising and production, and will continue to focus on the key areas of delivering reach for advertisers through a high-reach video and audio business, and a growing content business with increasing international presence. These actions will be supported by a modern and simplified organisation structure, with a focus on efficiency and effectiveness.

STV's market position

The strategic direction of our Audience and Studios divisions ensures we are well placed to achieve sustainable long-term growth:

- For our audiences, STV's linear channel reaches more than two thirds of Scots every month, and free streaming service STV Player is pre-installed on three quarters of the UK's connected TV homes. These combine to give us unique scale and reach across all demographics which is further augmented by the launch of a new commercial radio station making us – by some margin – the most effective medium for advertisers in Scotland.
- STV Studios is the largest production company in Scotland and a significant UK player, with bases in Glasgow, Belfast, Manchester, London and Brighton. Our distinct combination of scripted and unscripted production labels makes us uniquely placed to take advantage of the growing investment in nations and regions production across the UK, and to be a 'go to' production company for UK broadcasters and global streamers alike.

High margin digital operation

Our streaming service, STV Player, is available on all major UK platforms and is capturing the viewing shift from linear to digital, offering a rich mix of exclusive, original and acquired content.

We are now three years into a strategic partnership for content sharing and advertising sales with ITV, which creates incremental digital value for our business. The long-term agreement gives STV Player exclusive Scottish rights for an exciting range of ITVM original content and sees ITV's sales team sell our national VOD and simulcast advertising, allowing us to benefit from their scale and market position. VOD advertising revenues trade at a premium over their traditional linear equivalent. Our content acquisition is a careful blend of licence and revenue share, allowing us to minimise risk and upfront payments.

Audience margin underpinned by long-term contractual arrangements

Our arrangements with ITV for the Channel 3 programmes we show on STV and the STV Player are beneficial to us as they link our payment for content to the value of national advertising revenue generated by ITV on our behalf, not the programme budget. With upward pressure on programme budgets and national linear advertising in long-run decline, our arrangements mean that we pay less for our content thereby protecting profitability and margin.

These arrangements are unique to STV and are tied to our Channel 3 licences, the latter recently being renewed to the end of 2034.

Studios business with a focus on returnable formats and international appeal

Our Studios business is strongly positioned to take advantage of the continuing demand for quality content in the UK and internationally, and has a wide range of customers including BBC, C4, C5, Apple TV, Netflix, Sky and many more.

Our focus is on returnable formats – which drive a growing library of IP that can be monetised effectively in the secondary sales market at a higher margin than the original broadcast commission – and IP with international appeal, allowing us to further diversify our core customer base beyond UK broadcasters. STV Studios has an expanded presence across the UK, strengthening our ability to take advantage of the continuing growth of production in the nations and regions, our most notable success including *Blue Lights* for the BBC, produced by Two Cities Television.

Good operating cash conversion

The correlation between adjusted operating profit and cash generated by operations is high. Advertising revenues are collected monthly in arrears with little history of bad debts. In Studios, we do not deficit finance programme production, which means that the production margin earned on each show converts to cash. The working capital cycle can be longer in Studios depending on the scale of the production, which can drive working capital variances in any financial year. But looking through the cycle, our Studios operating cash conversion is between 95% and 105% on average.

Our operations are underpinned by a Revolving Credit Facility, which matures in February 2028 (with one 2-year extension option), comprising a core facility of £75m with a £15m accordion facility. At the end of 2025, our total net debt including non-recourse production financing was £45.3m, demonstrating significant liquidity headroom.

Operational and strategic execution

A key element of our strategy over recent years has been to drive efficiencies and effectiveness across our operations through keeping close control of our cost base and taking advantage of technology advancements. Our approach has delivered cost savings of £2.5m in 2023, £1.9m in 2024 and £2.2m in 2025. In addition, we have successfully adopted a low-risk approach to acquiring digital content (opting for a revenue share model rather than committing significant capital outlay) and to taking minority stakes in production companies which we then consolidate at the point they become profitable.

We carried out an organisational restructure and strategic operating review in H2 2025 which has delivered a reduction of c.60 roles across the business with c.£3m incremental savings expected in 2026. This focus on cost management and operating efficiency will remain a key element of our approach to driving profitability and cash generation.

Shareholder returns

In the near term, we anticipate shareholder value to be delivered through share price appreciation. Our overall approach to setting dividends is to balance the needs of the business (for reinvestment), with our defined benefit pension scheme obligations, and requirements of other stakeholders. In setting the level of dividend proposed we consider the proportion of free cash flow post pension contributions that it represents. The Board remains committed to reintroducing a dividend at the appropriate time, and is committed to maintaining a balance between shareholder return and investment in the business to deliver future growth.

Core values

Our values are central to everything we do and define how we work to support our colleagues and deliver for our audiences, advertisers, partners, and communities. We're committed to business integrity and professionalism across all our activities.

Whether we're making, sharing, watching or celebrating it, we're passionate about content. Along with our people, compelling content is at the heart of STV. We're locally focused and proud of our Scottish heritage, but our international ambition knows no bounds.

We're commercially driven, and work hard to innovate, create and get deals done. But always with respect, and it's important that STV is a fun place to work.

We use the power of TV to make a difference. Whether that's via our STV Children's Appeal, our advertising Inclusion Fund (which is part of the STV Growth Fund) or our sustainability programming – we support and connect with our partners, audiences and communities, and we believe we can make a difference.



Our business model

Our strategic vision is to become a globally recognised content powerhouse and Scotland’s leading platform for audiences and advertisers to maximise the growth potential of the business.

Our business model sees us combine our strategic assets across two key business divisions – Audience and Studios – to deliver sustainable, long-term value for all our stakeholders.

OUR STRATEGIC ASSETS

We want to deliver high quality outcomes for all our stakeholders, and to achieve that we rely on a number of key strategic assets.

Our people

People are at the heart of everything we do at STV. Their creativity, commitment, skills, passion and diversity are key to our success.

Our brand

STV is a trusted brand that plays an important role in creating value for its stakeholders: as a trusted news and current affairs partner with a high-quality source of affordable entertainment helping to grow the creative sector in Scotland and the UK; and supporting its communities through the STV Children’s Appeal.

Our platforms

We operate broadcast channel STV, which is the leading marketing platform in Scotland, and Broadcaster Video on Demand service, STV Player. These combine to give us unique scale and reach across all demographics, enabling us to offer bespoke competitive commercial deals to advertisers and agencies. Our platforms have been augmented in early 2026 by the expansion into audio with the launch of a new commercial radio station for Scotland.

Our location

We run Scotland’s largest production business, which is also a meaningful player in the UK production sector. With bases across Scotland, England and Northern Ireland, we are uniquely placed to take advantage of broadcasters’ increased commitments to nations and regions production in the UK, as well as to win commissions from international buyers.

Our intellectual property

We own, or have access to, the rights of a diverse portfolio of programmes that are popular across the UK and internationally, which can be monetised through associated advertising or licence in the secondary markets.

Our relationships

We have strong relationships with our viewers, advertisers, commissioners and communities, helping to deliver value and boost the economy.

Financial capital

We have strong financial discipline and liquidity, and covenant headroom, that provide us with the capital to invest in medium to long-term growth initiatives, as well as continuing to meet our pension obligations and make distributions to shareholders.

WHAT WE DO

We operate an increasingly diverse business, generating value from four principal revenue streams:

Advertising revenue	We offer mass reach and targeted advertising and sponsorship solutions on STV, the STV Player (through participation in ITV’s Planet V) and most recently on STV Radio.
Commercial partnerships	We work with multiple TV platforms under a series of long-term partnerships, as well as with advertisers, to provide a ‘one stop shop’ for advertising services, extending beyond the sale of advertising to creative design, post campaign analysis and related activities.
Programme production and distribution	We produce original content for broadcasters and platform owners in the UK and internationally from our production bases across the UK. We also own the rights to a library of content that we sell and licence to buyers around the world.
Direct to customer	We directly monetise audiences through on-air competitions and a subscription VOD service, STV Player+, which provides the option to stream our content without adverts.

Supported by

- Creative and inclusive culture that values honesty, transparency and fairness
- Effective risk management and internal control frameworks
- Strong principles of corporate governance
- STV Zero, our sustainability strategy
- Organisation structure built to enable accountability and autonomy
- Vibrant internal communications programme to keep our people motivated and aligned on key strategic goals
- Frequent, transparent and meaningful engagement with external stakeholders

HOW WE DELIVER VALUE

We respond to the changing needs of stakeholders and create value through efficient delivery of our business operations.

Colleagues

Developing a supportive, open, inclusive, creative and collaborative culture, prioritising the wellbeing of our people and providing training, development and mentoring for them.

Customers

Transmission of a high-quality TV schedule delivering large peak time audiences in Scotland, plus an extensive catalogue of acquired content, available to watch on demand via STV Player. Opportunities for advertisers will increase with our expansion into Audio through the launch of a new commercial radio station enabling advertisers to connect with Scottish customers. Our unique scale and reach is boosted by the STV Growth Fund, which is aimed at attracting new advertisers to TV and delivering brand recognition and direct action from consumers.

Suppliers

Building a range of successful, long-term relationships with platforms, partners, fellow broadcasters, distributors and suppliers, through which they share in our success.

Shareholders

With high margin revenue growth from digital and audio in our Audience business and continued growth in an increasingly international Studios business, the Group will continue to generate cash from operations. Supported by flexible banking facilities with significant liquidity headroom, over the medium to long term we expect to distribute a progressive dividend.

Community and environment

STV embraces its responsibility as a prominent and well-known Scottish business. This includes: providing trusted news, facts and information through a comprehensive local news and current affairs service across Scotland; improving on and off screen diversity to reflect modern Scotland; raising much needed funds for families and young people in poverty in Scotland through the STV Children’s Appeal; driving the local economy through job creation; supporting Scottish business through the Growth Fund; and championing climate action through sustainability strategy STV Zero.

Government and regulators

STV holds the Channel 3 licences for north and central regions for ten years from January 2025. In its *Transmission Critical* report, Ofcom recognises that action is needed now to support the future of Public Service Media (PSM). STV delivers on its public service obligations and is working with Ofcom and stakeholders to create a sustainable future model for PSM.

Introduction from the Chief Executive

My first 18 months as STV’s Chief Executive have been both rewarding and challenging.

The media landscape continues to evolve, with viewing habits shifting at pace and we have had to update our business accordingly to ensure we remain both relevant and competitive.

The economic backdrop has continued to be testing, with a weak advertising market showing little sign of improvement into 2026 and a subdued content commissioning market proving challenging for our Studios business.

These external factors have meant an acceleration of our cost savings plan and an organisational restructuring, which impacted around 60 roles across the business. Change like this is never easy, but I am pleased that we have managed to deliver most of the reduction in headcount on a voluntary basis and via redeployment.

The incredible team at STV have shown determination and dedication throughout 2025, delivering successes that we are so proud of.

FastFwd strategy

In May 2025, we launched FastFwd, a refresh of the business strategy. Our vision is to be a globally recognised content powerhouse and Scotland’s leading platform for audiences and advertisers.

A key component of this strategy saw us merge our Broadcast and Digital businesses into a newly formed Audience division to deliver a cost-efficient, future-proofed total audience and advertising proposition, incorporating the introduction of a new Audio business. We successfully launched our new national radio station for Scotland, STV Radio, in January 2026 and whilst we won’t receive official RAJAR figures until August, early sentiment and feedback from advertisers and listeners is positive. We are optimistic about this venture which is a modest investment with huge potential in this market.

We are also developing a hyper-targeted advertising proposition across video and audio using AI to provide cost-effective advertising, which will unlock incremental revenue in the medium-term.

We will leverage our strengths to create value in Studios, whilst ensuring we are operationally efficient. Our portfolio approach will help build resilience, and our growing library of IP will help drive profitability. We’ll operate with a global commercial mindset, creating shows of international appeal and continue to develop series with returnable potential.

STV operational performance

In Studios, we reviewed our multi-genre portfolio to ensure we are well placed to respond to market demand and are financially resilient. Whilst progress has been slower than expected through 2025 due to the subdued market, we have secured and delivered key projects – such as *Amadeus* for Sky, *Beauty Queen and the Catfish* for BBC Three and iPlayer, *Game of Wool* for Channel 4, and upcoming drama, *The Witness* for Netflix. Our portfolio is well placed for when the market recovers.

Total viewing declined in 2025, but our Audience division continues to provide stability and reach in a rapidly changing market. STV Player achieved its highest annual viewing hours in 2025, with more audiences migrating to digital; and 97% of the top 500 overnight audiences across all commercial broadcasters and streaming services were on STV. We continue to bring audiences together, with the Calcutta Cup giving us the most watched moment on STV across the year.

We are proud that *STV News at Six* remains the most-watched news programme in Scotland, and the team has delivered significant growth in video views across our digital news platforms. With viewing habits and our media landscape shifting, we’ve asked Ofcom for changes to the news commitments in our licences to protect our service and keep it relevant for viewers. Crucially, this will ensure our news is financially sustainable, with a high-quality regional offering on both linear and across our expanding digital service.

Looking ahead to 2026

On screen, we are excited about the FIFA World Cup, which presents tremendous opportunities for viewers and advertisers alike; the soap power hour with *Emmerdale* and *Coronation Street* five nights per week; new entertainment formats with the likes of Gary Lineker and Graham Norton; and 19 original drama commissions for STV and STV Player.

In Studios, the second series of *Criminal Record* will drop on Apple TV, *Two Cities* are in production with the fourth series of *Blue Lights* and STV Studios Factual launch their new format for Channel 4, *Antiques Riviera*.

I’d like to thank our outgoing Chairman Paul Reynolds, who warmly welcomed me into the business and supported me and the Leadership Team through the year. I’m pleased now to be working with our new Chairman Clive Whiley, whose experience will be a huge support to me and the Leadership Team as we go through 2026.

Finally, I’d like to thank the Board, my fellow Leadership Team and all my colleagues at STV for their commitment, tenacity, hard work and belief in STV. It is our people that make the difference, and we have some of the very best working in our business.

RUFUS RADCLIFFE
CHIEF EXECUTIVE



RUFUS RADCLIFFE
CHIEF EXECUTIVE



THE MEDIA LANDSCAPE CONTINUES TO EVOLVE, WITH VIEWING HABITS SHIFTING AT PACE AND WE HAVE HAD TO UPDATE OUR BUSINESS ACCORDINGLY TO ENSURE WE REMAIN BOTH RELEVANT AND COMPETITIVE.



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AUDIENCE

Our Audience division is comprised of broadcaster STV, streaming service STV Player and an Audio division, including national station, STV Radio. Combined, we offer unrivalled reach for advertisers across Scotland.



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STUDIOS

STV Studios is a major player in the UK production sector, comprised of a portfolio of multi-genre labels, making shows for international streamers like Netflix and Apple TV and UK broadcasters such as the BBC, ITV and Channel 4.

Operating review



I'm A Celebrity... Get Me Out Of Here!
STV and STV Player



The Bay
STV and STV Player



STV Radio Breakfast Show
Ewen and Cat at Breakfast

**75% OF SCOTS REACHED
PER MONTH ON STV
AND STV PLAYER**

**VIEWING HOURS UP
9% ON STV PLAYER**

**DAILY ACTIVE USERS
TO STV PLAYER UP 10%**



STV Weather
Sean Batty is STV's weather presenter



BOBBY HAIN
MD, AUDIENCE: NEWS,
AUDIO & REGULATORY



RICHARD WILLIAMS
MD, AUDIENCE: VIDEO,
& TECHNOLOGY

STV's Audience division is comprised of our broadcast channel, STV; our Broadcaster Video on Demand (BVOD) streaming service, STV Player; and our newly launched radio station, STV Radio.

Our reach across Scotland is unrivalled. Together, STV and STV Player reach 75% of Scots across an average month, which is more than Amazon Prime, Netflix¹ and Disney¹ combined. STV had the greatest commercial share of any broadcaster or streaming service on a TV set in 2025 (14.9%).

STV's 2025 peak time share was greater than the next five commercial broadcaster channels combined, and our all-time share has been ahead of the ITV Network for the past eight years. 97% of the top 500 commercial programme audiences across all TV channels and SVOD platforms were on STV.²

Whilst we continue to hold share, like the rest of the industry we are facing significant structural shifts in viewing habits with audiences moving from linear to digital at pace. Ofcom points out in their report Transmission Critical: The Future of PSM that 'traditional broadcasters are in a fierce battle for audience attention' and the regulator calls for urgent action to strengthen and maintain PSM in this increasingly dynamic environment. We continue to expand our digital offering, ensuring that STV Player has everything that's on STV and a lot more, with a rich catalogue of archive and appealing acquired content for our audiences, who increasingly seek content on demand. We are also looking to attract new audiences outside video through our recent launch of STV Radio, Scotland's first national commercial radio station, as a way of growing reach and relevance.

Reflecting the shift in viewing habits, STV Player achieved its highest ever annual consumption in 2025, with total viewing hours of 75m, up 9% on 2024. Growth in viewing hours across STV-owned platforms was higher at +15% year on year, with total viewing hours on those apps at a record 65m – and 2024 included strong audiences for the Men's Euros.

Registered Daily Active Users to STV Player were up 10% year on year, which mirrors the overall growth in consumption, and this group are watching more content than before (+25%).

In addition to navigating shifting audience trends, the business continued to operate against the backdrop of a weak advertising market which showed no signs of improvement through 2025.

¹ Ad-tier versions
² Based on overnight audience figures.

Operating review

This impacted our Total Advertising Revenue which was down 10% compared with 2024. However, the strength of our relationships with Scottish clients helped ensure Scottish controlled advertising remained broadly in line with the previous year.

Top performing schedule

Audiences continue to migrate from linear to digital and STV continues to hold share across our platforms with key titles continuing to attract strong audiences

I'm A Celebrity... Get Me Out Of Here was our top performing show of the year and Scotland's most-watched entertainment title across all commercial channels, beating *Bake Off* and *Gogglebox*. On STV Player, there were 5.7m live and on-demand streams for the latest instalment of the show, +19% on the prior series, reflecting the structural shift in viewing habits. Importantly, it attracted that coveted younger audience, with viewing among 16 to 34-year olds up 6% year on year. It was also our most streamed series ever, with 16 to 34-year olds accounting for 53% of online consumption.

Across 2025, over 60m drama hours were consumed across STV and STV Player. STV's drama has outperformed all our commercial broadcaster/BVOD competitors, with the audience for our top drama, crime thriller *Protection*, 40% greater than closest rival *Patience* on Channel 4. Other top performing dramas included *Unforgotten*, *Playing Nice*, *The Bay* and *Karen Pirie*. For the first time ever, the majority of our drama viewing has been via STV Player (57%), when you include network and our third-party drama content. Acquired Player-only titles such as *Red Rock* and *Burden of Truth* have helped boost this performance.

78m hours of our landmark soaps, *Coronation Street* and *Emmerdale*, were consumed across 2025 on STV (linear and Player). STV Player saw a significant +42% year on year

Top 10 performing programmes

Programme	Average audience
<i>Protection</i>	538k
<i>Unforgotten</i>	533k
<i>I'm A Celebrity... Get Me Out Of Here!</i>	523k
<i>Playing Nice</i>	521k
<i>Vera</i>	501k
<i>Six Nations Championship: The Calcutta Cup</i>	490k
<i>Karen Pirie</i>	474k
<i>The Bay</i>	463k
<i>Britain's Got Talent</i>	417k
<i>Grace</i>	406k

Source: Barb (AdvantEdge/As-Viewed), Scotland, Individuals, Jan-Dec 2025, 28 days (Drama and I'm a Celeb are 4-screen viewing inclusive of both STV/ITV1 non-linear channels; Calcutta Cup top performing 6N fixture).

increase in VOD soap consumption, with the 7am episode drop of these shows having a dramatic impact on how our audience view their favourite soaps. These two titles are the top performers on STV Player.

The Calcutta Cup, with England v Scotland in the Rugby Six Nations, was the most watched moment on STV in 2025 with the audience peaking at 750k, demonstrating STV's ability to bring audiences together across the country. STV has the rights to broadcast the Calcutta Cup until 2029.

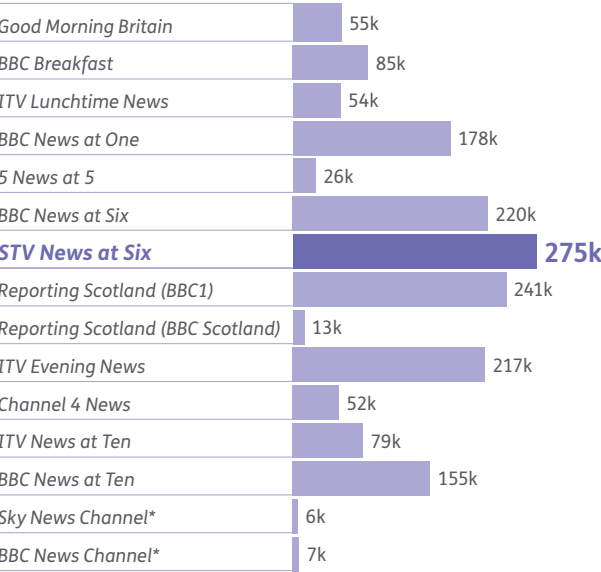
Dedicated regional output

As part of our Channel 3 licences, we are proud to commit to a mix of high-quality regional news, current affairs and factual programming.

STV News at Six was the most watched news programme in Scotland for the 7th year in a row, winning a 30% viewing share. As viewing habits continue to shift, linear volumes are reducing and audiences to our digital news channels are increasing significantly, with users seeking their news on demand. STV's news team is highly responsive across 13 online platforms including TikTok, Instagram, Facebook, YouTube and Google.

Average monthly views (page and video) for STV News were 66.4m across 2025. The team focused on the development of short-form vertical video formats for publication on social platforms. This strategy, which married the authority of our journalism with the informality of social media, and aligned with the distribution priorities of the platforms, has proven to be successful with a 351% increase in video views compared to 2024. This performance reflects our continued focus on meeting audience demand for trusted news video on the platforms they choose to use – where and when they want it – and represents a solid foundation to support the necessary transformation of our newsroom from platform led to content led.

All major news programmes



Source: Barb, 2025, Scotland, Individuals, TV sets, 7-day viewing.
* Viewing throughout the day (09:30-24:00).



The Fortune Hotel
STV and STV Player

Code of Silence
STV and STV Player



60m+
DRAMA HOURS
CONSUMED ACROSS
STV AND STV PLAYER
IN 2025

Operating review

Our current affairs programme *Scotland Tonight* airs Monday to Thursday and brings viewers insights and interrogation of the news and political activity of the week. The team also produces special editions, featuring in-depth investigations into subjects ranging from the RAAC housing crisis to the rising cost of pets. The audience share for the programme remained steady at around 9% across 2025.

Our returning weekly magazine show *What’s on Scotland* showcases entertainment including music, comedy, theatre and films across the country in a peak-time Friday night slot. The programme outperforms *The One Show* in the same slot on BBC One across the year, highlighting its popularity, and the presenters can now be heard on STV Radio at the weekend, taking their content to the airwaves.

Player partnerships

Partnerships remain key for our Audience business, bringing content and commercial opportunities across our platforms. On STV Player, we secured key programme acquisitions, boosting our UK-wide inventory and driving viewer engagement. We signed 29 new STV Player-only content deals with 19 different distributors and producers, comprising 88 titles and more than 1000 hours of new content. Highlights included:

- Through our wider deals with All3 Media, we published over 300 hours of scripted titles such as *Kiri*, *The Catch* and *Shortland Street* alongside British classics like *Above Suspicion* and *Trial and Retribution*.
- Two deals with Disney saw us launch a four-US drama package in January; and in September STV Player became the first UK streamer to show classic 1980s US comedy-drama *Moonlighting*.
- Through a deal with Ant & Dec’s production company, Mitre Studios, we secured the rights to all 18 series of teen-favourite, *Byker Grove*.
- *Brookside* was a key acquisition for STV Player in 2023 and in 2025 we renewed our deal with All3Media for a further three years, meaning we will continue to offer the show exclusively until at least spring 2029.

We are now into the second year of our deal with Premier Sports, which combines our ad-free programming with live sports and on-demand content from Premier Sports, including football, rugby, and motorsports. A key aim of this partnership is to drive new subscribers to the platform, encouraging them to engage with the range on content on STV Player and we are seeing this happen. In the second half of 2025, subscribers spent around 47% of their time on average consuming Premier Sports content, and 53% watching other STV Player programming.

Breaking into audio

In May 2025 we announced our plans to expand into audio, a new growth venture in response to a gap in the market for a Scottish national commercial radio station. And we delivered with STV Radio launching on 6 January 2026 on DAB, smart speakers and STV Player.

We recruited a talented team with a wealth of experience including radio industry stalwart Graham Bryce, previously COO of Bauer Radio, as MD of the station, a stellar operational team and high calibre line-up of presenters from across Scotland to be the voices of the station. The schedule includes a distinctive mix of music from the 80s, 90s and 00s, competitions, listener chats, guests and live music performances alongside news and weather updates.

We will get our first RAJAR performance figures for the station in August, but for now the reaction from the media and listeners has been positive with good brand awareness and c.1m views across our dedicated social channels in our first month. A ScotPulse survey conducted at the end of January revealed that 70% of respondents who listened to STV Radio in our first few weeks intend to keep tuning in – a positive early result for our new venture.

In October 2025, we launched our first ever podcast – *The STV Football Radio Show* – involving two well-known faces, radio presenter Ewen Cameron and STV News Sport Reporter, Ronnie Charters. The show is available on YouTube, STV Player and key podcast platforms and is off to a strong start both in terms of consumption and social engagement.

Research panel

STV owns the independently run ScotPulse, the largest online research panel dedicated to Scotland with access to over 43,000 Scottish adults aged 16 or over. 2025 was a year of growth for the panel with the launch of a new website and B2B adverts, an expanding client list, and increased social media presence driving a 49% increase in revenues year on year.

Top 10 VOD programmes – total consumption

Programme	Hours (m)	Streams (m)
<i>Emmerdale</i>	8.0	21.9
<i>Coronation Street</i>	7.3	13.9
<i>Brookside</i>	3.7	11.1
<i>I’m A Celebrity... Get Me Out Of Here!</i>	2.5	4.0
<i>Red Rock</i>	1.5	3.2
<i>Protection</i>	1.4	2.5
<i>Unforgotten</i>	1.2	2.1
<i>Taggart</i>	1.1	1.4
<i>Karen Pirie</i>	1.0	1.2
<i>Burden of Truth</i>	0.9	1.9

Source: 2025, Adobe | Conviva | Freewheel.



Karen Pirie
STV and STV Player

Moonlighting
STV Player

Brookside
STV Player



Commercial

STV is proud to have exceptional relationships with our clients, and with advertising packages available across STV, STV Player and STV Radio, we can offer maximum impact in an efficient way. In 2025, more than 300 brands advertised with STV, delivering more than 2,500 campaigns.

By the end of 2025 we had completed the technical work to enable ‘pause ads’ on STV Player – a static image that appears when a stream is paused – capturing attention during a natural break in viewing for high impact. This is a new revenue stream for the business in 2026.

Looking ahead to 2026, we are planning to launch a targeted advertising replacement service on linear this summer, a key opportunity for businesses with higher revenue potential for STV.

Regulatory

The latest Ofcom news consumption report confirms that STV News is the number one choice for news about Scotland. Reflecting broader trends, the average audience for our linear news programming is down 15% as people consume more news on digital platforms. At time of writing, we are seeking approval from Ofcom to make changes to the news commitments in our licences, enabling both north and central regions to share part of *STV News at Six* whilst at the same time retaining separate dedicated sections for each licence area. If approved, this will enable us to protect our regional news output, expand our digital news offering and ensure the service is sustainable for the future.

Full implementation of the 2024 Media Act will continue through 2026 and 2027, with the key provision of ensuring that PSB services have prominence on digital platforms hugely important for STV in making our services easy for viewers to find.

The Advertising (Less Healthy Food and Drinks) Regulations came into force in early 2026, meaning that advertising around this kind of produce is limited to post-watershed with a total online ban for identifiable products. We participated in the Less Healthy Food consultation around the introduction of brand exemptions in 2025 and are pleased that this forms part of the final regulation. The impact on our business will be better known through 2026.

STV CAN OFFER MAXIMUM COMMERCIAL IMPACT IN AN EFFICIENT WAY

Operating review



Amadeus
Two Cities Television for Sky

**37 NEW COMMISSIONS
OR RECOMMISSIONS**

33 RETURNING SERIES

TOP 5 UK GROUP INDIE



The Assembly
Rockerdale Studios for ITV



STV Studios is a renowned family of scripted and unscripted production labels comprising a wealth of creative brilliance and experience, delivering a range of productions for broadcasters and streamers across the UK and internationally.

Our headquarters are in Glasgow and our labels are based there and across the rest of the UK in London, Belfast, Brighton and Manchester. We are committed to creating strong, healthy production centres in the nations and regions, but what is equally important is the creation of innovative formats with global appeal, putting UK talent in front of audiences around the world.

In 2025, the continued weakness in the advertising markets and wider macroeconomic challenges led to a further slowdown in the content commissioning market. This meant that we secured a lower number of commissions than expected across the year, and while revenues were broadly flat on 2024, our profitability and margin declined. Profitability was impacted by lower format sales and tighter budgets in a subdued commissioning environment.

In response to these market conditions, we decided to cease new development in STV Studios Entertainment and this label now focuses exclusively on production of their strong returning shows, *Celebrity Catchphrase* and *Bridge of Lies*, both of which were recommissioned in 2025. We also confirmed we would not invest further in Mighty Productions and exited Pi Productions.

In May we diversified our portfolio further with the addition of non-traditional branded content start-up, Fan Club, which has strong future growth potential. Led by ex-C4 Digital Commissioner Joe Churchill, the label brings a distinct new offering to our family of production companies. A digital content agency, Fan Club aims to turn brands into broadcasters by helping them to develop their own channels and content strategies.

Rumpus Media and Flicker TV both became wholly owned STV labels in 2025 for nominal consideration.

Scripted productions

From development to commission, production to streaming, the journey of drama production is necessarily slower than the quicker turnaround of unscripted shows, but the value of these commissions to the business is considerable. There are three scripted labels in the portfolio, all of which have had a busy and productive year.

Belfast-based **Two Cities Television**, in which STV Studios holds a majority stake, won a new six-part series for Channel 4, *Army of Shadows*, written by BAFTA Award-winning Ronan Bennett and



STUDIOS



Antiques Road Trip
STV Studios Factual for BBC One



Disease X
STV Studios Factual for BBC Two



Operating review

inspired by Jean Pierre Melville’s 1969 film and Joseph Kessel’s seminal book of the same name. This is being co-produced with underlying rights owner STUDIOCANAL and starts filming in 2026.

The third series of Two Cities’ gripping police drama, *Blue Lights*, launched on BBC One and iPlayer to critical acclaim and impressive ratings, securing a 28-day series average audience of 5.4m. Series four is in production and will deliver in 2026. In May 2025, *Blue Lights* won the prestigious Best Drama Series award at the BAFTA ceremony in London, beating off stiff competition for the accolade.

Two Cities’ period drama ‘spectacular’ *Amadeus* arrived on Sky Atlantic and NOW in December. The series stars Will Sharpe, Paul Bettany and Gabriel Creevy and tells the story of the meteoric rise and mythic downfall of Wolfgang Amadeus Mozart in 18th century Vienna, reimagining Peter Shaffer’s iconic story of genius, rivalry and obsession.

STV Studios Drama completed production of their three-part series, *The Witness*, for Netflix which launches in 2026. Written by BAFTA-nominated Rob Williams, the drama is about the aftermath of the tragic murder of Rachel Nickell on Wimbledon Common in 1992 and is based on the memoir and experiences of her son Alex and his father, Andre Hanscombe. This is STV Studios’ first commission for Netflix.

Tod Productions is in a long-running exclusive co-development and co-production relationship with STV Studios and through 2025 has been in production on the second series of acclaimed police thriller, *Criminal Record*, for Apple TV. Written by BAFTA nominee Paul Rutman, the show sees Peter Capaldi and Cush Jumbo return to their leading roles with a tense, politically charged case that forces the two detectives back into each other’s orbit. In 2025, Peter Capaldi was awarded the Best Actor prize for his performance at the RTS Scotland Awards.

Unscripted overview

From secret luxury worlds and hideously fascinating crime scene cleaning to an insight into military service and lively antique formats, our unscripted teams have delivered a bold and diverse mix of intriguing series for viewers across multiple channels in 2025.

Our strong stable of returning series continues to be a valuable source of income for STV Studios, and has provided important repeat business throughout the year, which also enables us to provide ongoing opportunities for freelance colleagues. Such returners are the bedrock of any successful production group.

Our production labels

Majority stake	Minority stake
• Crackit TV	• Big Light
• Curious Cat	• Fan Club
• Flicker Productions	• Hello Mary
• Hello Halo	• Little Dooley
• Interstellar	• Mighty
• Primal Media	• Owl Power
• Rumpus	• Rockerdale Studios
• STV Studios Drama	• Top Hat
• STV Studios Factual	
• Two Cities Television	Exclusive partnerships
• Tuesday’s Child	• TOD Productions

37 NEW COMMISSIONS SECURED BY STV STUDIOS (INCLUDING ITS MINORITIES) COMPRISED OF ORIGINAL FORMATS AND RETURNING SERIES

A few highlights from 2025

STV Studios Factual delivered a fifth series of *The Travelling Auctioneers* and the 32nd series of fan-favourite *Antiques Road Trip* for BBC One. Warner Bros. Discovery UK & Ireland commissioned this team to produce three new series of our hit *Auction House* franchise, and the team also delivered new three-part army docuseries *The Troops* for BBC Scotland and iPlayer, offering unprecedented access to the Royal Regiment of Scotland. They have reimagined the antiques and collectibles genre with new format, *Antiques Riviera*, an escapist travelogue combined with hints and tips from dealers, which will air on Channel 4’s More4 in 2026.

The release of the second series of **Tuesday’s Child’s** *The Fortune Hotel*, delivered strong audiences for ITV with the opening episode achieving a UK-wide audience of 2.2m. This label also produced an eighth series of their entertaining and addictive music quiz, *The Hit List*, hosted by Rochelle and Marvin Humes for BBC One – a format which also has strong international appeal.

Hello Halo is STV Studios’ Glasgow-based production company producing factual and kids entertainment programmes. A key series for them in 2025 has been *The Game of Wool* for Channel 4, which is hosted by Tom Daley and challenges amateur knitters each week to impress the judges in a series of challenges. The series was Channel 4’s most successful factual entertainment launch of 2025, with episode one reaching an extraordinary 3.2m viewers across its first 28 days of viewing, including an incredible 84% boost from catchup.

Brighton and Manchester based **Crackit TV** has had another strong year with multiple commissioning wins alongside production of their regular returning series. The company has delivered a range of series from a hard-hitting documentary series exploring crime scene cleaning in the UK and the US – *Crime Scene Cleaners* (Channel 4); to a consumer-focused spending show – *Secrets of Super Cheap Shopping* (Channel 4), and an all-access pass to extreme luxury and impressive super cruisers, *Inside the World’s Most Luxurious* (Channel 4).

Minority label **Rockerdale Studios** secured a second series of acclaimed show, *The Assembly* and won the coveted Small Indie of the Year at the Edinburgh TV Festival Awards in the summer. And bold entertainment outfit **Primal Media** is one of nine production companies shortlisted for the BBC/NBCU so called ‘mega-format’ opportunity.



Blue Lights, Two Cities
Two Cities Television for BBC One

Celebrity Bridge Of Lies
STV Studios Entertainment for BBC One

The Hit List
Tuesday’s Child for BBC One

International

STV Studios believes in the creation of brilliant universally appealing ideas that perform well both in the UK and on the international stage. We continue to make good progress in this area. We have healthy relationships with multiple distributors who help us deliver this important, high margin revenue stream to the business and enhance our reputation globally. We see our distribution neutral status as a key commercial advantage, and we currently have 4,750 hours of content in our archive across our portfolio.

Key secondary sales highlights in 2025 include:

- All seven series of quiz show, *Bridge of Lies*, are now airing in Australia on the Seven Network. This deal is the latest in a series of international sales for *Bridge of Lies*, with the UK version currently airing on RTE in Ireland, and on BBC Nordic and BBC Africa.
- Tuesday’s Child’s *The Hit List* has landed two regional adaptations in Spain to date, with *The Fortune Hotel* adapted in two territories, with a version for TV4 in Sweden and TV2 in Norway.
- *LEGO Masters* continues its impressive international success with a new US series to air in 2026 and continuing versions in Australia, Japan, Netherlands, Finland and Germany.
- *Antiques Road Trip* and its celebrity spin off continue to sell very well. Buyers include Foxtel Australia, Viaplay Norway and Sweden, DR in Denmark and North America. Discovery have acquired the rights to the second transmission window in the UK (after the original commissioning channel), and we now have a well-established, multi-channel FAST strategy as an additional income stream. The format has just been re-ordered in Italy via Banijay.
- *The Yorkshire Auction House* and its celebrity version are popular in territories such as Australia, Denmark, Benelux and Ireland, with *The Travelling Auctioneers* selling to the likes of New Zealand, Australia and Canada.
- We continue to distribute our extensive scripted back catalogue in the UK and overseas. Highlights include licensing all 110 episodes of *Taggart* to Channel 5’s digital platforms and recent UK re-licenses of *Sirens*, *The Poison Tree*, *Dr Finlay* and *Goodbye Mr Chips*.

Finance review

For the year ended 31 December 2025

Full year 2025 financial performance was in line with latest expectations, and underpinned by operational discipline and strategic delivery.

Trading overview

Set against the backdrop of challenging advertising and commissioning markets, revenue fell by 6% to £176.9m (2024: £188.0m). Total advertising revenue (TAR) for the year was £89.3m (2024: £99.7m), a decrease of 10% on 2024, with the biggest impact coming through national linear advertising, which was down 16%.

Adjusted operating profit of £11.6m was down 44% on 2024, giving an adjusted operating margin of 6.6% (2024: 11.0%). The reduction in margin was driven by the decline in TAR, lower new format sales in Studios, and inflationary pressures across the business, partly offset by cost savings. On a statutory basis, operating profit was £3.8m (2024: £13.2m).

The Audience division generated revenue of £93.9m (2024: £103.9m) and an adjusted operating profit of £12.5m (2024: £19.3m). In contrast to the national linear performance noted above, regional advertising performed strongly and was broadly in line with the prior year, with total VOD advertising revenue (on STV Player) up 3%. However, the operating leverage of the business is such that the flow through to profit of the TAR reduction year on year was significant, exacerbated by the upside of the Euros 2024 in the comparator. STV Radio was launched on 6 January 2026 and will be a new digital revenue stream included in the results of the Audience division going forward.

Results summary

	2025	2024
Statutory results		
Total revenue (£m)	176.9	188.0
Operating profit (£m)	3.8	13.2
Operating margin	2%	7%
(Loss)/profit before tax (£m)	(5.9)	10.4
(Loss)/profit for the year (£m)	(4.0)	13.1
Earnings per share (p)	(10.8)p	23.5
Adjusted results¹		
Advertising revenue (£m)	89.3	99.7
Total revenue (£m)	176.9	188.0
Operating profit (£m)	11.6	20.6
Operating margin	7%	11%
Profit before tax (£m)	6.7	17.1
Earnings per share (p)	13.1p	29.0

1 Refer to note 7 in the Notes to the financial statements.

Moving on to Studios, the division’s revenues held up well in a subdued commissioning market at £83.0m (2024: £84.1m) but lower activity levels alongside lower format sales resulted in the adjusted operating profit declining from £6.1m in 2024 to £3.9m in 2025. The Studios division continues to make good progress with international commissions, particularly in scripted programming, with the delivery of *The Witness* for Netflix and the continuation of work on series 2 of *Criminal Record* (AppleTV+). At the end of 2025, the division’s forward orderbook of secured production commissions was £33m (February 2025: £76m).

The Group announced a £5m cost saving programme in March 2024 and has taken the actions necessary to deliver that run rate by the end of 2026 as planned. This plan was expanded in September 2025 with identification of a further £3m cost savings, predominantly from a reduction in headcount across the organisation. Restructuring (redundancy) costs of £1.7m have been recognised as an adjusting item in the current year. Restructuring costs of £1.0m in the prior year were attributable to professional fees, redundancy costs and loss on disposal of assets.

Corporate costs of £4.8m were recognised in the year (2024: £4.8m), resulting in a statutory operating profit for the year of £3.8m (2024: £13.2m).

Cash interest costs on the Group’s borrowing facilities totalled £3.6m for the year (2024: £3.4m), with the interest payable on the higher average net debt being partly offset by the benefit of the lower interest rate.

Statutory loss before tax for the year was £5.9m (2024: profit of £10.4m), after total adjusting items of £12.6m (2024: £6.7m).

A total tax credit of £1.9m has been recognised in the year (2024: £2.7m), which includes production tax credits receivable of £0.9m (2024: £3.9m). Loss for the year was £4.0m (2024: profit of £13.1m), of which a profit of £1.0m was attributable to minority shareholders in certain subsidiary companies (2024: £2.3m).

Adjusted earnings per share (EPS) was 13.1p (2024: 29.0p) for the year. On a statutory basis, the loss per share was 10.8p (2024: EPS 23.5p).

Cash flow and net debt

At the end of 2025, the Group’s total net debt was £45.3m (2024: £38.7m), of which £43.0m (2024: £28.8m) was drawings under its Revolving Credit Facility (RCF) and £2.3m (2024: £9.9m) was drawings under production financing facilities (see note 24). These production financing facilities are separate to the RCF, non-recourse to STV, and relate to specific programmes in production.

At the balance sheet date, the Group had a £75m RCF in place and a £15m accordion, maturing in February 2028 but with a 2-year extension option available in 2027 that would extend maturity to February 2030. The principal financial covenants are leverage (the ratio of net debt to EBITDA) and interest cover, which must be less than 3 times and more than 4 times respectively, with the exception of the period from March 2026 to March 2027 inclusive when covenant levels were relaxed slightly to reflect the current challenging trading environment. The Group has entered into interest rate swaps for 2 years from November 2025 to gain certainty over cash flows.



LINDSAY DIXON
CHIEF FINANCIAL & OPERATING OFFICER

The leverage, on a RCF covenant basis, at the end of the year was 2.5 times (2024: 1.5 times) against a covenant maximum of 3 times. Interest cover was 6.1 times (2024: 8.5 times) against a covenant minimum of 4 times.

Non-statutory measures

This Annual Report includes both statutory and non-statutory (or adjusted) performance measures, the latter intended to exclude significant, non-recurring items from the results for a period, and enable the users of the financial statements to compare performance across financial years on a like for like basis. The combination of these statutory and adjusted measures is useful to investors as it provides them with a basis for measuring our operational performance. The non-statutory measures should not be considered in isolation from, or as a substitute for, financial information in compliance with GAAP, and the non-statutory measures used in this Annual Report may not be directly comparable with similarly named amounts reported by other companies.

In calculating the adjusted measures of operating profit, profit before tax and EPS, the Group adjusts for (i) items that are unusual by virtue of their nature, size and/or infrequency and are considered to be one-off and not directly related to the underlying trading of the Group; (ii) IAS 19 non-cash finance costs in relation to legacy defined benefit pension schemes; (iii) High-End Television (HETV) tax credits; (iv) amortisation and impairment of acquisition intangible assets; (v) fair value movements and finance costs in relation to put options acquired in business combinations; and (vi) the tax charge or credit on each of the adjusting items.

Adjusting operating items for the year totalled £7.8m (2024: £7.4m) and related to the following:

	2025 £m	2024 £m
Cash items		
Acquisition and integration costs	–	0.8
Restructuring costs	1.7	0.8
High-End Television tax credits	0.9	3.9
	2.6	5.5
Non-cash items		
Restructuring costs	2.3	0.2
Amortisation and impairment of intangible assets	2.9	1.7
	5.2	1.9
	7.8	7.4

Finance review

For the year ended 31 December 2025

Finance and other adjusting items for the year was a net charge of £4.8m (2024: credit of £0.7m) and related to the following:

	2025 £m	2024 £m
Fair value adjustments relating to put options and acquisitions in stages	0.8	(4.8)
IAS 19 net finance costs	2.4	2.4
Other finance costs	1.6	1.7
	4.8	(0.7)

A detailed description of each of these items can be found in note 7.

Pensions

The Group has two legacy defined benefit pension schemes, both of which are closed to new entrants and only one of which has a small number of active employees.

The most recent triennial valuation for the schemes was carried out at 31 December 2023, and assessed a deficit of £61m on a pre-tax basis compared to £116m on a pre-tax basis at the previous valuation date.

Deficit recovery plans end in October 2030, with the 2025 deficit recovery payments totalling £10.2m (and scheduled to increase by 2% per annum to the end of the recovery plan). In September 2025, the Group agreed a revised Schedule of Contributions with the Trustees that ensures the same level of total contributions paid into the schemes over the recovery plan period but with a rephasing of amounts payable from 2026 into 2027. The contingent cash mechanism previously in place has been paused until at least 2028 with no further contingent payments required until then unless the Group and the Trustees agree otherwise. The recovery plans are designed to enable the schemes to reach a fully funded position, using prudent assumptions about the future, by 2030. The next triennial valuations are scheduled to take place as at 31 December 2026.

From an accounting perspective, the IAS 19 accounting deficit across both schemes fell during the year to £39.2m (2024: £48.3m).

Dividends

The Board is not proposing a dividend in respect of the current financial year given the current debt profile and continued pressure on operating margins driven by the ongoing softness in the UK advertising and commissioning markets. The Board will keep the position under review.



LINDSAY DIXON
CHIEF FINANCIAL & OPERATING OFFICER

Risk management

Effective risk management is fundamental to STV’s achievement of our strategic objectives, and we look to ensure our risk management framework is dynamic and flexible to match the evolving environment we operate in.

The Board determines its appetite for risk across several key risk areas and determines the relative level of risk that the Group is prepared to accept in the pursuit of our strategic objectives. A risk management framework is in place which underpins our approach to the identification, assessment, and management of risks, and to their continual monitoring and review. This is formally documented in the form of a Group risk management policy, which also provides clarity for where the responsibility for risk management sits within our governance structures. This policy is shared with all colleagues at STV and is a key building block of the culture of risk management that has been embedded throughout the organisation.

Responsibility for risk

The key roles and responsibilities for risk management comprise three layers. Each role within the Group is well-defined with clear responsibilities and a transparent reporting structure. The first line of defence is comprised mainly of our divisional management teams and central function heads who are responsible for identifying and managing risk as part of their accountability for achieving strategic objectives. Taken together, they have the necessary knowledge, skills, information, and authority to operate the relevant policies and procedures of risk control and ensure compliance with Group policies and standards throughout their division/function. This is underpinned by an understanding of the Company, its objectives, the environment in which it operates, and the risks it faces.

Our second line of defence comprises the range of functions that oversee and/or specialise in compliance and management of risk, including Group Finance, IT, Compliance, Legal, and specialist teams in relation to information security (including GDPR) and regulatory compliance. These functions report directly to members of the Leadership Team which has overall responsibility for managing the Group to ensure it meets its strategic objectives. The second line of defence provides the policies, frameworks, tools, techniques and support to enable risk and compliance to be managed in the first line, conducts monitoring to assess how effectively risk management is being carried out and helps ensure consistency of definitions and measurement of risk.

The third line of defence comprises Internal Audit, the principal function providing independent assurance to the Group. Sitting outside the risk management processes of the first two lines of defence, its main roles are to ensure that the first two lines are operating effectively and advise on how they could be improved. The Internal Audit plan is set by the Audit & Risk Committee and provides an evaluation of the effectiveness of governance, risk management and internal control. A full description of the scope of Internal Audit in 2025 and engagement with the Audit & Risk Committee is given in the Report of the Audit & Risk Committee on pages 75 to 79. In addition to the work of Internal Audit, there are other independent third parties from which the Group seeks assurance in specialist areas, including carbon emissions reporting and energy contract negotiation.

The Audit & Risk Committee, as delegated by the Board, reviews the Company’s internal control and risk management systems (including internal financial controls) annually, and reports to the Board on how it has discharged its responsibilities.

The Board undertakes an annual review of the Risk Appetite Statement, which is shared across the organisation and forms a key part of the risk management process.

As part of the Board’s ongoing responsibilities for evaluating the external environment and overseeing both current and emerging risks, the Group is also preparing for the enhanced requirements of the UK Corporate Governance Code (2024) Provision 29. Under this provision, which applies to reporting periods beginning on or after 1 January 2026, the Board will be required to monitor and annually review the effectiveness of the Group’s entire risk management and internal control framework, covering all material controls, including financial, operational, reporting and compliance. This enhanced requirement complements the Board’s existing robust assessment of new and emerging risks and reinforces the Group’s commitment to maintaining an effective and transparent control environment aligned with its strategic objectives.

Risk assessment process

STV’s approach to risk management combines a top-down strategic view supported by a bottom-up operational risk assessment.

The strategic view, led by the Board, involves an assessment of the external environment in which the Group operates to evaluate both the current and emerging risks the Group faces in pursuit of its strategic objectives, and to reflect on any changes to those risks previously identified as principal risks. Through its annual agenda of activities, the Board undertakes a robust assessment of new and emerging risks, which includes the following: (i) detailed discussion with each of the divisional management teams as to the risks surrounding operational matters and achievement of longer-term goals and objectives; (ii) review and consideration of wider viewing, audience and technology trends beyond the Company’s market sector, supported by insights from third parties; (iii) regular updates from the Company’s pension advisers on evolving practice and regulation in relation to defined benefit pension schemes; (iv) regular legal and regulatory reports from in-house Legal and Compliance teams; and (v) engagement with brokers, the internal and external auditors, and other advisers as appropriate.

The bottom-up approach, led by the divisional and central function management teams, involves the identification, management, and monitoring of risks in their respective area of the business on a continual basis and is formally documented in a risk register. The Group operates individual risk registers for each of its operating divisions, the central functions/corporate matters, climate-related risks, information security (including data) and technology operations.

For each risk identified, standardised grading is used to support the measurement of impact and likelihood, which together provide a quantitative view of the gross risk. This scoring matrix, which considers risk by reference to both quantitative and qualitative attributes and the probability of occurrence, allows for comparability and consistency of risk measurement across the Group. Risks are then re-assessed based on the strength and effectiveness of existing mitigating controls and an appropriate net risk response is determined with reference to the Group’s risk appetite. Each risk is assigned to a risk owner who is responsible for ensuring associated mitigating controls are operating effectively and for monitoring that the net risk is within the tolerance levels of the Board-agreed risk appetite, or there is a clear and agreed path to reduce net risk to that level.

Risk management

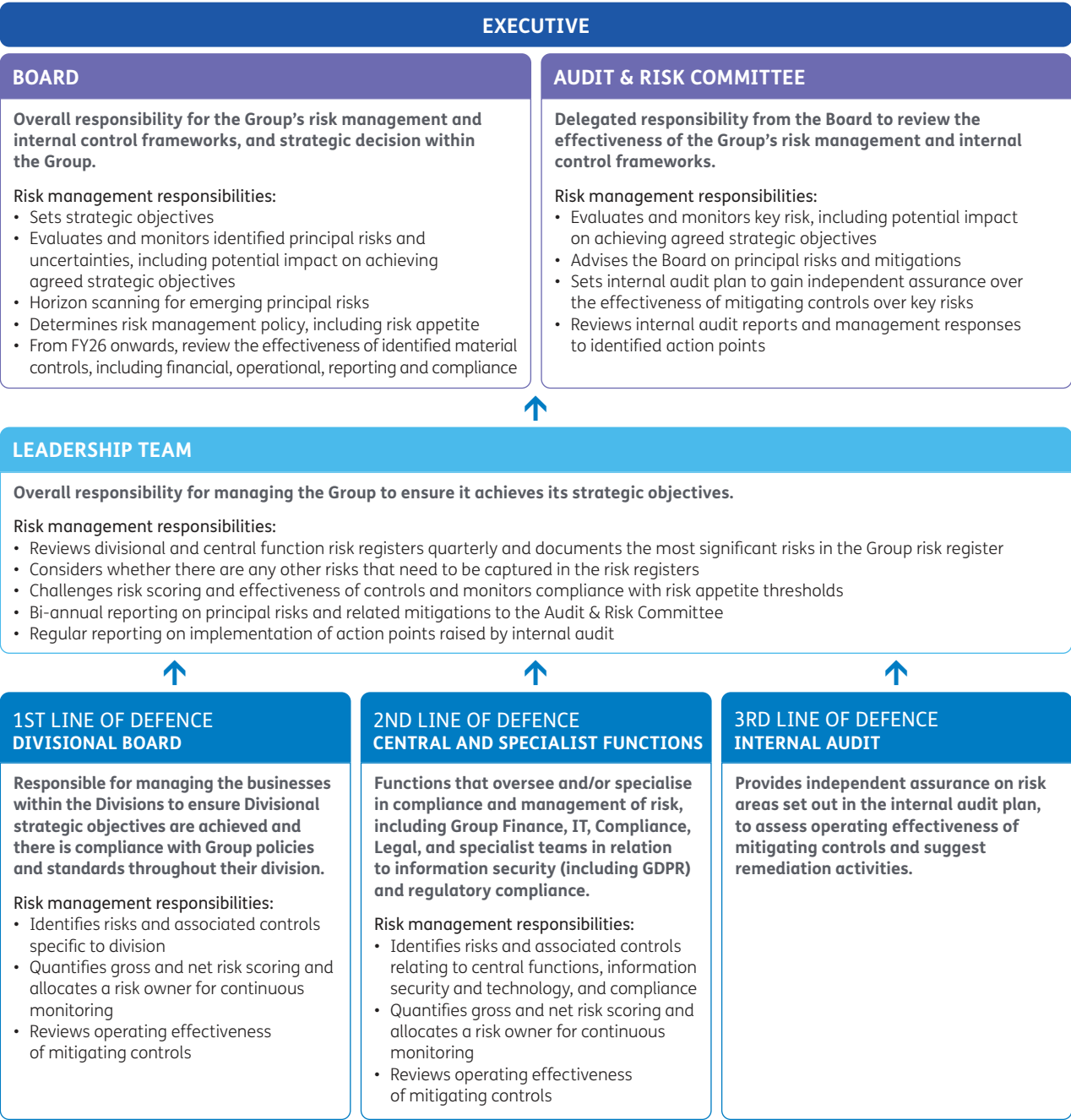
Risk registers are live documents. Divisional registers are formally tabled for discussion at divisional board meetings at least quarterly, usually aligned with the financial forecast process. Central function risk registers are reviewed by the head of the associated central function at least quarterly. Risks deemed to be the most significant in the context of their potential to impact achievement of the Group's strategic goals are reflected in the Group risk register and reported to the Board.

The Group risk register is a combination of operational and emerging risks identified through the divisional and central function risk registers, and new and emerging strategic risks

identified by the Board through its ongoing evaluation of the external environment that the Group operates in.

The Audit & Risk Committee has delegated authority from the Board to review the effectiveness of the Group's risk management and internal control systems, which it does at least annually. It performs an annual assessment of the effectiveness of the risk management and internal control frameworks through review of the Group risk management policy and how it has been implemented during the year, and evaluation of reports from the internal and external auditors and reports to the Board on the outcome of the work performed.

Risk governance structure



Risk appetite

Appetite for risk is considered by the Board across several key risk areas that are business critical and could materially impact upon the Group's ability to achieve its strategic goals if a disproportionate level of risk to expected reward is taken. The Group uses four categories in determining risk appetite based on a quantitative measurement of likelihood and impact.

Key	Averse	Cautious	Open	Actively seeking
	Avoidance of risk and uncertainty is a key organisational objective.	Preference for options that have a low degree of inherent risk and may only have limited potential for reward.	Willing to consider all options and choose the one that is most likely to result in success while also proving an acceptable level of reward.	Eager to pursue options that provide the greatest level of reward, despite the higher level of inherent risk.

These are applied across the following key categories:

	Risk and opportunities			
	Averse	Cautious	Open	Actively seeking
Reputation Strength of brand is vitally important in the markets that STV operates in. The Group places great importance on upholding its reputation and therefore has a low appetite for risk in engaging in any activity that could lead to undue adverse publicity or could lead to a loss of confidence by the Scottish and UK political establishments, regulatory bodies or by its shareholders and other stakeholders.				
Legal and regulatory The Group is a compliant organisation and will not tolerate breaches of regulations in pursuit of its objectives. Existing legal and compliance frameworks are rigorously respected and explicitly followed.				
Information security and cyber The Group has no tolerance for material cyber security incidents which impact our ability to operate as a business, damage our reputation or lead to financial penalties.				
People and culture The inability to recruit, develop and retain talent with the appropriate skills, knowledge and experience would compromise our ability to deliver our strategic plans. The Group is committed to building a diverse and inclusive culture and through its Open Access Charter, has a strategy in place to ensure it represents the communities it serves. It considers equality, diversity, dignity and respect to be of paramount importance, together with employee development and the health and safety of employees. It has no appetite for any deviation from its standards in these areas.				
Returns and profitability The Group aims to deliver strong growth through the strategic options it identifies, ensuring that these are for appropriate returns, with a focus on market median margins (as a minimum target), clear return on investment and good working capital management together with cash generation. Returns from all potential investments are compared to the Group's WACC rate to ensure they are incremental to the Group's cost of capital within a reasonable timeframe. While opportunities may be taken that result in some dilution to the operating margin in the short term, these would be expected to generate margin enhancing results within the 3 Year Plan period.				
Liquidity The Group is prepared to use leverage in pursuit of achieving its strategic objectives and will utilise the funds available to the Group from its Revolving Credit Facility, subject to maintenance of significant headroom in the associated financial covenants and sufficient capacity to meet defined benefit pension obligations.				
Strategic partnerships The Group is open to merger & acquisition, joint venture or other collaboration opportunities that are aligned with its strategic direction towards creating sustainable value, subject to meeting its investment criteria.				
Technology and innovation The Group will actively pursue opportunities to invest in its broadcast technology and development of its digital platform with a view to enhancing reliability and the viewer experience and maintaining relevance compared to other market participants.				
Operational The Group has a low appetite for taking risks that may lead to significant disruption of our operations. We seek to minimise the risks from unforeseen operational failures in our business but acknowledge that some are out with our control.				
Corporate sustainability The Group considers the impact its operations have on the environment and actively pursues opportunities to reduce its carbon footprint in order to become a net zero carbon business by 2030. The Group has a low appetite to engage in any activities that could impact progress towards this strategic goal.				

Risk management

Principal risks and uncertainties

As in any business, there are risks and uncertainties that could have an impact on the Group’s operating results, financial condition, and prospects. The Group’s risk management and assurance framework is designed to make this less likely by clearly identifying and seeking to mitigate key risks. The Board takes seriously its responsibility to ensure the systems and processes in place are robust, effective and take account of such risks, but acknowledges that they cannot eliminate all risks.

With the backdrop of prolonged macroeconomic instability, trading conditions in both advertising and content commissioning markets were significantly impacted in the year, resulting in the Group reducing its short-term revenue and operating profit forecasts. Accordingly, the Board has undertaken a full review of the risk register and landscape and reflected the current trading environment in their review of previous risk assessment/scores. The risk management framework and underlying processes in operation throughout the year have been described in the Risk Management report on pages 25 to 27. These processes underpin the identification and assessment of principal risks as set down on the following pages.

The Directors confirm they have carried out a robust assessment of the emerging and principal risks facing the Company and that the risks identified have been fully evaluated and taken into account in preparing the budgets and forecasts which support going concern, the viability statement and impairment assessments. The principal risks and uncertainties set out below are those believed to have the greatest potential to impact our ability to achieve the Group’s strategic objectives, or which have the greatest potential impact on the Group’s solvency or liquidity.

Regulatory environment

Risk category: Legal and regulatory

Risk trend: No change

Link to strategy: Audience

Risk description and potential impact
STV’s linear broadcast business is operated under Channel 3 licences that are regulated by Ofcom. The licences were renewed during 2024 for a further 10 year period, starting on 1 January 2025. These licences contain conditions around contribution to public service broadcasting, programme production and compliance with Ofcom’s codes. In the event of any serious or repeated breaches, Ofcom has powers to impose sanctions on licensees including, in the most extreme circumstances, financial penalties or revocation of licences. Separate from compliance, changes to policy and regulation or a failure by the UK government to regulate may have a negative impact on the future of our public service broadcast (PSB) licences, our business model and/or the cost of operations. In October 2025 STV applied for changes to the news commitments in our licences to enable more sharing between north and central licence areas within the weekday 6pm programme. Ofcom has provisionally agreed to STV’s request subject to public consultation during Q1 2026.

The 2024 Media Act is the most significant legislation in the sector in over two decades. This Act modernises the regulatory landscape to reflect the importance of digital distribution alongside traditional broadcast, and there’s the risk that Ofcom’s implementation of the Act is sub-optimal for PSBs like STV. It includes the right to prominence for STV’s VOD services on digital platforms and smart TVs. Commercial agreements for PSBs to secure carriage on these new services and devices will be subject to dispute resolution by Ofcom where terms cannot be agreed. PSBs will also be able to deliver some of their licence obligations by making programmes available online instead of/in addition to on TV, though this does not apply to news or regional programmes which will remain on linear broadcast.

How we manage it
As licensee, it is STV’s responsibility to ensure that the terms of our licences are adhered to, and measures have been put in place internally to ensure this happens. There is a dedicated compliance function, and a compliance mentality has been embedded across all relevant areas of the business, with regular staff training undertaken. There is frequent contact with the regulator to ensure awareness and understanding of any updates or changes to the codes/rules and that appropriate changes to internal processes are implemented as required.

STV makes formal submissions to the regulator in response to all open consultations to ensure matters of the most significance to the Group are presented to policy makers. We also collaborate with other organisations in our industry, where appropriate and where individual objectives are aligned.

Governance and oversight
The Audience board meets monthly, attended by both Executive Directors, Managing Directors of Audience, the Commercial Director, and HR and Communications Director, as well as leaders in News and Finance. The regulatory landscape is a regular agenda item, with topics such as STV’s licence change request discussed in detail. Compliance reports are received by the Leadership Team twice a year, and the annual plan is approved by the Information Security Group and Leadership Team. The STV Board is provided with regular legal and regulatory updates as part of the CEO’s report.

Market volatility and impact on revenue generation

Risk category: Returns and profitability

Risk trend: Increasing

Link to strategy: Content

Risk description and potential impact
STV’s sales, expenses and operating results could vary from period to period as a result of a variety of factors, some of which are outside STV’s control. These factors include general economic conditions; conditions specific to general advertising markets including the commercial television market; conditions specific to content commissioning markets, both domestic and abroad; trends in sales, capital expenditure and other costs; and the introduction of new services and products by STV or its competitors.

Over the course of Q2 and into early Q3, advertising market conditions significantly deteriorated which had a material impact on national linear advertising revenue in particular.

The content commissioning market remained subdued throughout the year with a particular lull into Q3 as PSB clients, which are themselves advertiser-funded, reduced programme production budgets and the number of commissions awarded to offset reduced advertising revenues.

We have assessed the risk trend as ‘increasing’ given lack of visibility in both markets, combined with the increasing number of alternative digital advertising solutions that are emerging, giving advertisers alternatives to traditional TV advertising for their marketing budgets.

How we manage it
STV’s national linear and VOD advertising is sold by ITV. The contract requires ITV, as agent, to maximise revenue through ‘best endeavours’. ITV provide a weekly revenue report, and regular meetings are held between the senior commercial management from both companies to understand current forecasts, trends, and other related matters.

STV’s regional Scottish advertising (for both linear and VOD) and sponsorship are sold by an inhouse team who pursue a range of initiatives designed to ensure the effectiveness of our sell, driven by the STV Growth Fund through which we provide matched-funding to make TV advertising affordable. The strength of the relationships that the commercial teams have with their clients is crucial in selling advertising products and services, and in maintaining those sales levels during periods of uncertainty. Our clients are already aware of the benefits of advertising on STV and we have an array of marketing and advertising opportunities across STV and the STV Player to help existing and new businesses reach Scottish consumers and grow their business. The Group also successfully launched STV Radio in January 2026, providing a new route to audience reach and advertising budgets over time and has a number of new, digital advertising propositions aimed at smaller businesses that will be introduced, providing alternative products for advertisers at different price points.

How we manage it (continued)
In recent years, STV Studios has diversified its customer base through securing commissions from international streamers whose business model is much less reliant on UK advertising. This has provided some counter to the impact of the current downturn in UK PSB, unscripted commissioning. The portfolio of returning series is a strength, particularly in the current climate where commissioners are more focused on retaining existing programmes than investing in new IP. Going forward, the Group seeks to exploit new opportunities presented by the fast evolving digital first content market, with modest early stage investment made in the year into Fan Club – a newly created digital content business.

Governance and oversight
Weekly advertising revenue reports, by category, are prepared and monitored, highlighting movements in forecast, key market/customer changes and other relevant information. Fulsome discussion happens at the Audience board meeting when STV’s Commercial Director provides a report on sales and the outlook for the market. Both the CEO and the CFO/COO report on the advertising market in their respective reports at each Board meeting.

Within our Content division, the commissioning status across all labels is reported on at each monthly Board meeting by the STV Studios Managing Director, including presentation of the forward orderbook of confirmed commissions as well as discussion around progress of live productions, development slate activity and the status of any ongoing pitches. During the year, the Studios Leadership Team commissioned market research to support the identification of future growth areas and options.

Risk management

Reliance on ITV

Risk category: Returns and profitability
Risk trend: No change
Link to strategy: Audience

Risk description and potential impact
The majority of STV's Channel 3 programming content is provided by the ITV Network. Therefore, its ability to attract and retain audiences is dependent on the quality, variety and diversity of programming available, which, in turn, impacts the ability of STV to attract regional advertisers. In addition, the performance of ITV as STV's national linear and VOD advertising sales agent is a significant factor that affects the financial performance of the Group.

The risk trend has been assessed to be the same year on year although we recognise that launching STV Radio and developing new digital advertising products for regional advertisers are ways in which we can grow revenues separate to the ITV relationship.

How we manage it
The ITV relationship is managed closely, with regular updates on programme and schedule developments being provided through STV's Head of Consumer Insights with STV's Commercial Director having responsibility for the sales relationship with ITV. Contracts are in place for all network functions performed by ITV with agreed consultation processes for any changes to arrangements. Our contractual arrangements with ITV would continue as-is in the event of any change in ownership of ITV and, in relation to the long-standing linear agreements, are tied to our Channel 3 licences.

There are formal quarterly ITV Council meetings with minutes provided to Ofcom. Regarding ITV acting as the Group's national sales agent, there are regular meetings between the Commercial Directors of both businesses to discuss latest forecasts, booking trends and similar factors. In addition, there is contractual profit protection for STV in relation to national linear sales whereby STV's contribution to the national programme budget is directly linked to national advertising revenues, with the cost only increasing in the same proportion as any increase in revenues. VOD content costs payable to ITV are on a revenue share basis with no up-front license payments.

Governance and oversight
The Managing Director of Audience: News, Audio and Regulatory and the CEO attend the ITV/ STV Council, along with other members of the senior management team. At these meetings, programme strategy and performance is discussed as well as relevant regulatory issues, marketing plans and operational issues relating to the relationship between the two. The CEO provides a comprehensive report to the Board at each meeting which covers all aspects of STV's relationship with ITV, including meetings held and issues discussed. We also maintain an open and regular dialogue with Ofcom on all matters related to the operation of our licences and ITV as part of our supply chain.

Changing viewing habits

Risk category: Returns and profitability
Risk trend: Increasing
Link to strategy: Content/Audience

Risk description and potential impact
Previously, television was broadcast to a mass audience through a small number of channels and followed a set schedule. However, advances in technology and improved connectivity have resulted in viewers having an abundance of choice through access to content from numerous VOD platforms that is available to them when they want, rather than being tied to a traditional programme schedule. In a market where traditional broadcast viewing is in decline, there is a risk that STV cannot convert viewers from linear to digital efficiently, or attract new users to its BVOD service, through not having the right content to service its audience. The change in viewing habits is also driving alternative platforms for audiences to view content, resulting in there being more options for advertisers to reach those audiences.

In Studios, there is a risk that our development slates fail to effectively convert in an increasingly competitive commissioning market.

How we manage it
We manage this risk by monitoring changing dynamics, informed by market speciality insight, and use the information to inform development of the STV Player, increasing its relevance and attractiveness to viewers as a digital destination, and seek to identify other ways in which to build audience reach. We have launched STV Radio, Scotland's first national commercial radio station, as a new route to securing incremental digital revenues through widening our audience, this time in listening rather than viewing. Through strategic partnerships such as with Premier Sports, we broaden our viewer offering and aim to appeal to different audiences to the 'traditional' Channel 3 viewer. We are also accelerating our transition from linear to digital in News, increasing relevance and gaining access to a wider audience whilst protecting the sustainability of public service news.

From a Studios perspective, we continue to diversify our offering through strategic acquisitions such as our early stage investment in Fan Club (a digital-first business focused on working with brands to create content for use on their social media channels), and with our creative labels focusing their development slates to cater to an increasingly international market (and audience) with an emphasis on returnable formats.

Governance and oversight
Consumer insights are discussed at each Board meeting with detailed information on the schedule performance. At the Audience divisional board meeting, viewing figures for both linear television and VOD services are discussed. This matter is also discussed at the ITV/STV Council meetings. Going forward, a detailed review of RAJAR listening data will also be considered to assess the performance of STV Radio. At the monthly Content divisional board meeting, the commissioning status across all labels and development activity are discussed, as is the forward orderbook of commissioned programmes.

Cyber attack or data breach incident

Risk category: Information security and cyber
Risk trend: Increasing
Link to strategy: Content/Audience/Organisation

Risk description and potential impact
Cyber risk commonly refers to any disruptive activity arising from issues with the confidentiality, integrity or availability of Company information, services or operations through technology and information systems. STV is dependent on technology and information systems for the smooth running of its business, and as a result a cyber-security incident could lead to a disruption to operations, reputational impact, loss of commercially sensitive data, or data exploitation attempts such as fraud. As cyber-threats continue to evolve, the sophistication, persistence and capability of attackers are increasing, enabled by their use of AI tools. STV's unique position as a public service broadcaster and having one of the most recognisable brands in Scotland, elevates our potential risk of an attack. Accordingly, this risk has been assessed as increasing.

How we manage it
The STV Risk Management Framework applies to all matters of cyber and data risk, with relevant aspects led by the Information Security Group (chaired by our Information Security Manager) and Data Governance Manager. Our information security programme guides the application of management, digital, physical and resilience controls aligned with industry best practices relating to the safeguarding of information and technology systems. Governance documentation is in place to set out controls for Information Security and Technology, including Acceptable Use, Data Protection, Data Classification, Data Retention, System Management and Hardening and Disaster Recovery. We have an AI Group and related policies to ensure we harness tools to improve efficiency and protect our people and assets.

Our core technology infrastructure and information systems are protected using an industry standard security stack, using technologies such as firewalls, intrusion detection/prevention systems, segmentation and filtering. Access to information and information systems follows a least-privilege approach with role-based access controls employed. Regular internal and external network penetration tests and vulnerability scans are performed by specialist third parties with remediation swiftly actioned.

Business continuity and operational resilience are addressed as part of the Information Security Group remit, with strict dependency validation and continuity arrangements assured. Plans are tested at regular intervals relevant to their respective criticality.

Governance and oversight
The Information Security Group (ISG) meets monthly and maintains responsibility for the implementation of security risk reduction, including activities relating to governance, risk and compliance. The ISG is supported by the Technology Leadership Group (TLG) and both are overseen by the Security, Policy and Governance Committee (SPGC).

The ISG provides reports to the Audit & Risk Committee, while additionally reporting to the Board, at least annually, on major projects, internal controls, and risk management.

Defined benefit pensions scheme shortfalls resulting in increasing employer contributions

Risk category: Liquidity
Risk trend: No change
Link to strategy: Content/Audience

Risk description and potential impact
The STV defined benefit pension schemes' investment strategy is aimed at reducing any market movement impacts. However, it is possible that a macroeconomic change could impact the value of scheme investments and liabilities and increase the deficit, requiring the Group to increase its contributions, or extend the recovery plan period. This would result in less capital being available for reinvestment in the business or for returns to shareholders.

In September 2025, the Company agreed a re-phased Schedule of Contributions with the Trustees as one of the cash protection measures implemented following the Group reducing its short term revenue and operating profit forecasts. This ensured the same level of contribution paid into the schemes over the recovery plan period but with a rephasing of amounts from 2026 into 2027. The reduced level of cash paid into the schemes in 2026 means that the schemes must meet benefits via investment returns and scheme liquidity.

While the risk profile is slightly elevated due to deferring contributions in FY26 to FY27, we have continued to assess the overall risk trend as the same year on year as benefits payable can be met in FY26 (in the absence of cash contributions from the Company) through surplus cash available in the schemes and converting investment returns from reinvestment in the scheme assets to cash inflows.

How we manage it
STV participates in all Investment Sub-Committee meetings, and certain agenda items of the Actuarial/ Valuation Sub-Committee and the full Trustee Board. This meeting participation is supplemented by certain papers being shared with STV, specifically on performance of the scheme's investments and hedging reports, which enable an on-going and active dialogue in relation to the investment portfolio. Work has continued in line with the Memorandum of Understanding between STV and the Trustees as we continue to work towards agreement (and delivery) of a long term journey plan.

Governance and oversight
Managing STV's defined benefit pension schemes has been identified as a key risk for several years and is discussed regularly by the Audit & Risk Committee and the Board. During 2025, Board discussion covered a range of topics, led by the CFO and supported by the Company's pension advisers LCP, including: re-phasing of schedule of contributions; emerging industry products for managing defined benefit pension obligations, including capital-backed journey plans; preparation for the 2026 triennial valuation; funding level and investment asset allocations; and changes in the regulatory landscape and their potential impact on STV.

Risk management

Recruitment and retention of people

Risk category: People and culture

Risk trend: No change

Link to strategy: Content/Audience/Organisation

Risk description and potential impact
Recruiting, developing and retaining key creative, commercial, technical and professional employees is vital to STV successfully executing its strategy. Fundamental to this is developing a diverse and inclusive culture where diversity of experience and thought provides the Group with a competitive advantage. The Group has enacted extensive organisational change in the year in response to the changing trading environment, with a temporary pay freeze for all employees in FY26. This could have a detrimental impact on the Group's ability to retain key personnel or attract new employees.

How we manage it
Having a clear strategic direction provides an attractive backdrop to working at STV and the HR team ensures that all employees receive at least the market rate in terms of compensation. Salaries are regularly reviewed and there are a wide range of benefits available to employees. Hybrid working arrangements also mean there is no requirement for employees to be permanently office based, increasing the pool of potential candidates. Diversity targets across all divisions are set, monitored and reported regularly at divisional board meetings. There is also regular Group wide communication provided by the Group HR and Communications Director on progress against targets.

Succession plans are in place for key members of the Leadership Team, and these are reviewed at least annually by the Board and Nomination Committee (for Executive Directors). Market-tested remuneration packages are in place for everyone at the point they join the organisation and are reviewed annually as part of wider resource planning and reward strategy processes.

Management have set and communicated clear objectives for the business in January 2026, with 'people and purpose' at its heart. Our Communications team have also actively responded to disinformation in the media following the announcement or our restructuring plan in September, which should provide a degree of assurance to potential future candidates.

Governance and oversight
Succession planning and talent management are discussed regularly at both the Board and Nomination Committee meetings as well as at the divisional board meetings. The salary negotiation process is discussed in detail with the Board, who pay particular attention to the suite of benefits available to teams in the current climate.

Viability statement

In accordance with the UK Corporate Governance Code 2024, the Directors are required to perform an assessment of the Group's viability over a period longer than the twelve months required for the going concern statement.

The period taken into consideration for this year's viability assessment is three years, consistent with that applied previously, as the Directors continue to deem this the most appropriate time frame for assessing the Group's longer-term viability. This decision reflects the following factors:

- Visibility over the broadcast advertising business is relatively short term; advertising remains cyclical and closely linked to the UK economy;
- The programme development lifecycle tends to be more medium term, however over time there is less visibility due to changes in viewer demand and commissioner behaviours;
- The speed of innovation in the digital landscape continues to drive changing viewer and consumer habits, with limited visibility beyond the short-term;
- One of the Group's key funding obligations is payment of deficit recovery contributions to its defined benefit pension schemes, which are dependent on funding valuations undertaken every three years;
- Capital expenditure requirements do not require consideration over a period beyond three years; and
- The Group's core banking facility has an initial term of 3 years.

This year's assessment covers the period from 1 January 2026 to 31 December 2028.

The Group's current borrowing arrangements comprise a £75m RCF and £15m accordion for a minimum term of 3 years (from February 2025) with one 2-year extension option (exercisable in February 2027). Interest payable under this facility varies depending on the leverage of the Group with the maximum payable of 2.75% for leverage between 3.5 and 3.75 times, and the minimum payable 1.85% for leverage below 2.0 times. The Group has a £40m interest rate swap in place, swapping SONIA for a fixed rate of 3.586% to November 2027, providing cash flow certainty to that point.

The viability assessment evaluates the potential financial impact of the principal risks and uncertainties that are faced by the Group, to assess its ability to withstand them. The analysis takes as its starting point the Group's 2026-2028 Strategic Plan which was most recently updated in Q1 2026 as part of Board's annual strategy review and planning process. These plans are the result of detailed consideration of all areas of the business including the business model, opportunities, potential risks and uncertainties faced over that timeframe, and include profit and loss, cash flow, debt and covenant forecasts. They reflect the challenging economic environment that persisted through 2025 and make no assumption of improvement throughout the 3-year period. In other words, the current softness in the UK advertising market and the UK and international commissioning markets, is assumed to persist. Full delivery of the Group's cost savings plans is assumed, and assumptions have been made around inflationary cost increases.

In assessing the viability of the business, the Board considered several factors that may have a material impact over the period covered by its assessment. Whilst all principal risks (as presented on pages 28 to 32) could have an impact on the Group's performance, those most likely to have the potential to impact the Group's business model and long-term viability are:

Market volatility and impact on revenue generation

- a) Continuing UK economic and/or geopolitical instability, adversely impacting the UK economy with consequences for business and consumer confidence and ultimately advertising spend and programme commissioning;
- b) The performance of the national and regional linear advertising markets is significantly adverse to forecast;
- c) The projected growth in digital advertising is significantly adverse to forecast, or the forecast level of growth requires investment over and above that assumed in the Strategic Plan; and
- d) The projected momentum in programme commissions and associated production margins, and therefore revenue and profitability in STV Studios, is significantly adverse to forecasts.

Defined benefit pension schemes

- e) Investment returns generated by the pension assets is below the level assumed in the 2023 triennial valuation resulting in higher contributions from the Company with an impact on liquidity headroom and the ability to invest in the business for future growth.

In terms of those principal risks which the Board consider do not present a risk to the viability of the Group over the period under review, the following is worthy of note:

- Regulatory environment – our Channel 3 licences are in place for a 10 year term to 2034. The Media Act has been enshrined in law and addresses areas that we had identified as key for the future sustainability of public service media.
- Reliance on ITV – our commercial arrangements with ITV see us aligned with one of the largest advertising agencies in the market with considerable scale and reach. Furthermore, the most recent arrangement for exclusive ITVX content for STV Player in Scotland is a revenue share deal meaning no up-front licence payments for content.
- Changing viewing habits – the impact on profitability and returns under this principal risk is likely to manifest similarly to 'Market volatility and impact on revenue generation' and is therefore inherently covered in the scenario analysis performed in that regard.
- Cyber attack or data breach incident – whilst a cyber attack could impact the business, there are robust controls and a continued focus in this area to mitigate.
- Recruitment and retention of people – the restructuring and change programme identified in H2 2025 has been materially implemented with the focus of the business now on rebuilding confidence and sense of purpose. The Board considers the leadership team to be strong, with strength and depth in its ranks.

The Board also considered whether there were any climate-related risks identified that could result in an impact on the viability of the business. This assessment was supported by the

scenario modelling undertaken, which is described in detail in the TCFD Report on page 52. This looked at a range of potential future scenarios with regard to climate change and the possible impact on the Group's financial position and business model under each. The outcome of the scenario modelling was that there was a negligible impact on profitability identified and the Board concluded that the Company is resilient in the face of climate-change related risks in the short and medium term.

In terms of the specific factors identified that may have a material impact over the period of this viability assessment, the Board does not consider any of them to individually threaten the viability of the business, and therefore the viability assessment focused on a range of potential scenarios in which all potential risks crystallised simultaneously. These scenarios included a severe but plausible downside scenario, and more extreme scenarios in which the Group would breach borrowing and/or covenant limits.

The hypothetical severe but plausible downside scenario modelled assumed a combination of:

- i) reductions in linear advertising revenues with no assumed recovery from the low point of 2025 throughout the period of the viability assessment. The main viability assumption relates to national linear advertising revenue. The most recent year in which this revenue stream grew was 2024 when it was +4% boosted by the Euros tournament. National linear advertising revenue declined by 16% in 2025 and we assume no recovery in 2026 (despite the FIFA World Cup). This sets a low baseline for 2027 and 2028 over which we assume an average national linear advertising revenue decline of 7% in each year.
- ii) lower levels of VOD revenue and Digital profitability driven by underperformance of sales contracts and higher costs of content and marketing than planned. National VOD revenue assumptions were a halving of expected growth in the first year of the model, with the base case for years 2 and 3 already reflecting lower than historic levels of growth.
- iii) a reduction in anticipated commissions within Studios, across all genres and all commissioners, combined with lower production margins on commissions won, reducing production revenues by more than £25m across the viability period. This is equivalent to a revenue performance below that of 2024 until 2028.
- iv) full catch up of deferred contributions from 2026 into 2027, with a c.£20m outflow in 2027 and c.£11m in 2028.

Even in these severe but plausible circumstances, the Group would remain within its banking facility and comply with all financial covenants, albeit headroom would be much reduced.

In evaluating these models, the Directors considered a number of the available mitigating actions that the business would reasonably take to manage the impact, specifically in relation to cost reduction, management of working capital, capital investment and returns to shareholders.

Having conducted the above exercise and taken into account the business model, strategic aims, risk appetite, and principal risks and uncertainties, along with the Group's current financial position, the Directors are satisfied that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period under review.

Engaging with our stakeholders

S.172 statement

S.172 statement

In the decisions taken during 2025, the Directors consider they have acted in a way most likely to promote the success of STV for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s.172 of the Companies Act 2006 (the ‘Act’).

The Directors, in line with their duties under s.172 of the Act, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members. In doing so each Director has regard, amongst other matters, to the:

- likely consequences of any decision in the long term
- interests of the Company’s employees
- need to foster the Company’s business relationships with suppliers, customers and others
- impact of the Company’s operations on the community and the environment
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly, as between members and the Company

STV’s success depends on building and nurturing positive relationships with its stakeholders that have an interest in the business and may be impacted by the decisions taken. STV wants to be a business that provides positive outcomes for its stakeholders, identified through its strategic planning process as being employees, customers, shareholders, suppliers, communities and the environment, Government and regulatory bodies. These stakeholders are at the heart of STV’s business model, strategic priorities, values and culture.

Our extensive engagement efforts help to ensure that the Board can understand, consider, and balance broad and sometimes conflicting stakeholder interests when making decisions, and retain focus on delivering long-term sustainable value. Stakeholders’ engagement and analysis is also key to STV’s approach to risk management.

While the Board will engage directly with stakeholders on certain issues, stakeholder engagement will often take place at an operational level with the Board receiving regular updates on stakeholder views from the Executive Directors and senior management.

The Directors are supported in the discharge of their duties by ensuring there is sufficient time set aside in Board and Committee agendas for the consideration and discussion on key matters, and through processes that ensure the Board is provided with timely management information from all STV’s business areas.

The following pages provide some insight into how the Board discharges its duties under s.172 across each of the key identified stakeholder groups, and provides case studies to by way of illustration of some of the key Board decisions taken this year.



COLLEAGUES

Our colleagues are integral to the success of STV and so nurturing them is essential. In 2025 the need to review the organisation in response to challenging market conditions resulted in a period of change for our colleagues.

What matters to the stakeholder

- Alignment between personal and Company values
- Clear communication on business performance and priorities
- Knowing their voice is heard
- Ensuring everyone is treated fairly
- No compromises on safety and wellbeing, including mental health
- Regular ‘check in’ opportunities
- Development and career progression

How we engage with them

- Chief Executive hosted ‘The Mixer’, a fortnightly all-colleague virtual town hall
- Daily News emails to all-colleagues on all aspects of the business
- Wellbeing from STV, a programme of activities including active inclusion workshops
- Training and development programmes, and mentoring
- Staff engagement surveys

Stakeholder areas of focus

- Job security and financial stability
- Inclusion, diversity and equality
- Information and data security
- Wellbeing (mind, body and lifestyle)
- Succession planning

How the Board responded

- Organisational restructuring to create the new Audience division and to save cash/costs in response to the challenging market conditions
- Continued prioritisation of wellbeing (mind, body, lifestyle and financial) with the ‘Wellbeing from STV’ programme and development of peer networks
- Succession planning for key roles and promotion of Women in Digital programme
- Engagement with colleagues across all offices through visits by the Designated Non-Executive Director for Workforce Engagement
- Continuous training on information security and related controls/practices
- Setting and reviewing of Diversity & Inclusion targets to support continued progression of STV’s Diversity & Inclusion strategy



CUSTOMERS

Our viewers, subscribers, advertisers, and commissioners are the cornerstone of STV’s continued success.

What matters to the stakeholder

- Variety of programming available to view
- Availability and cost-effectiveness of advertising space, and total STV reach
- Trusted and experienced creative leaders with track record of producing quality programming
- A trusted and impartial news service
- Awareness of key social and topical issues

How we engage with them

- Dedicated Viewer Enquiries team
- Customer surveys via ScotPulse
- STV Growth Fund, STV Self Service and Growth Academy
- Social media and STV News website
- Market insight
- Building relationships with commissioners, understanding their platform and audience, and pitching relevant, quality ideas

Stakeholder areas of focus

- Data and insights
- Information and data security, particularly personal data in relation to cast, crew and contributors
- Sustainable supply chains
- Pricing
- Collaboration and partnerships

How the Board responded

- Investment in Market Voices and Expert Voices
- Continued support for STV Growth Fund
- Continuous training on information security and related controls/practice
- Launch of STV Radio
- New advertising propositions – Pause ads and trials of STV ADapt
- Investment in FAN CLUB a digital content agency to create brand content for digital channels



SUPPLIERS

Continuity and sustainability of our supply chain is critical for our long-term success.

What matters to the stakeholder

- Timely payment practices
- Open and transparent negotiations
- Collaborative relationships
- Compliance with laws and regulations

How we engage with them

- ITV/STV Council
- Face to face meeting with suppliers
- Contract performance reviews

Stakeholder areas of focus

- Management and control of inflationary pressures
- Information and data security
- Sustainability of supply chain
- Security of invoicing and payment arrangements

How the Board responded

- Strategic oversight of relationship with ITV
- Continuous training on information security and related controls/practices
- Annual review and approval of the Group’s Modern Slavery Statement
- New Supplier Code of Conduct

Engaging with our stakeholders

S.172 statement



SHAREHOLDERS

Shareholders play a vital role in the success and growth of STV through provision of funds.

What matters to the stakeholder

- Strategy and execution
- Prospects for future growth
- Investment plans and expected returns
- Returns via dividends and capital appreciation
- Strong ESG practices
- Transparency and openness

How we engage with them

- Annual General Meeting
- Capital Markets Events
- Presentations to the retail investor community
- Visits to Company operating premises
- One to one meetings
- Dedicated Investor section of the corporate website

Stakeholder areas of focus

- Strategic priorities and investment case
- Market conditions, economic and geopolitical environment
- Chairman succession and Board changes
- Directors’ Remuneration
- Management of pension obligations
- Cost strategy, margins and returns
- Sustainability and ESG

How the Board responded

- Communication of FastFwd strategy in May 2025
- Regular communication of trading performance against the short and medium-term financial forecasts, including provision of guidance where necessary
- Refinancing the Group’s debt facilities
- Rephasing the deficit recovery contributions of the Group’s DB Pension schemes, and ongoing review of future potential strategic options
- Appointment of new Chairman and Senior Independent Director
- Consultation on proposed new Directors’ Remuneration Policy
- In-person meetings with Executive and Non-Executive Directors
- Achievement of 2025 STV Zero sustainability targets



COMMUNITY AND ENVIRONMENT

To remain relevant to our viewers, listeners and advertisers, we must reflect the communities we serve both on-screen, on-air and off-screen, and use our Public Service Broadcaster status to share important topical, social and environmental issues.

What matters to the stakeholder

- Availability of trusted news, facts and insight
- Supporting local causes and community projects
- Driving the local economy through job creation
- Supporting local businesses through access to cost-effective marketing platforms
- Reducing the Company’s environmental impact
- Representation through programming, on screen and online

How we engage with them

- News and current affairs programming aligned with key current social issues
- Online portal, STV Self Service
- STV Growth Fund and STV Growth Academy
- STV Children’s Appeal
- Providing direct employment for c.700 people, and supporting Scotland and the UK’s freelancer community
- RTS Bursary scheme

Stakeholder areas of focus

- Sustainability and climate risks
- Supporting the local creative sector
- Cost of living crisis

How the Board responded

- Sustainable Scotland Week, a cross-platform campaign to raise awareness and inspire behavioural change
- Raising over £2.4m for local charities supporting children living in poverty across Scotland, via STV Children’s Appeal



GOVERNMENT AND REGULATORS

Active engagement provides STV the opportunity to input on matters relating to our sector and our business, to ensure that our voice as Scotland’s leading Public Service Broadcaster is heard.

What matters to the stakeholder

- Compliance with laws and regulations
- Ethical operations and practices
- Creating and sustaining employment
- Investing in the creative industry
- Strong ESG practices
- Provision of quality, independent news and current affairs programming

How we engage with them

- Participation in a range of consultations affecting our sector and business
- Direct engagement with policy makers, e.g. The Department for Culture, Media and Sport, Scottish Government, Ofcom

Stakeholder areas of focus

- Ofcom consultation for changes to news output and our Channel 3 licences
- Changes to the organisational structure and design
- New Radio licence
- Media Act and its implementation, specifically prominence for PSBs in a digital streaming environment
- Implementation of Less Healthy Food (LHF) advertising legislation

How the Board responded

- Consultation responses to industry matters including Ofcom’s consultation on the implementation of the Media Act and implementation of Less Healthy (LHF) advertising legislation
- Launch of a new radio station, STV Radio
- Providing direct employment for c.700 people, and supporting Scotland and the UK’s freelancer community
- RTS Bursary scheme
- Attendance at parliamentary sessions in Westminster and Holyrood by the CEO and MD, Audience News, Audio and Regulatory in relation to proposed changes to news output
- Holyrood reception hosted by Neil Bibby MSP
- Westminster event hosted by Dr Zubir Ahmad MP

Engaging with our stakeholders

S.172 statement

Key Board decision 1: New revenue streams

During the year, and through development of STV's FastFwd strategy, the Board reviewed current and emerging market trends and discussed enablers for STV to unlock incremental value by entering high growth, underdeveloped areas of the market. In each case the Board considered the business case, financial modelling and the resource required and identified the following new revenue streams:

Audience

- Extending into audio, with the launch of a new commercial radio station for Scotland. The Board recognised that radio was a natural next step for STV by using existing assets to build cross-platform reach. STV Radio was launched in January 2026.
- STV ADapt is a new hyper-targeted AI-enabled advertising proposition catering to smaller SME advertisers traditionally out of reach for broadcast media, and who would ordinarily opt for social media advertising given the lower entry cost. STV ADapt is currently in its pilot phase with full launch planned later in 2026.
- Adding Pause ads into its advertising proposition for digital viewers. The Board was provided with regular updates and by the end of the year STV's capabilities were aligned with full distribution across all targeted platforms.

Studios

- Acquiring a minority stake in FAN CLUB, a digital content agency for STV to capture the shift towards platforms such as YouTube by helping to create content directly for brand channels.

The Board concluded that the outcome of these enablers would provide stronger Audience division and STV Studios propositions, and would therefore positively impact its customers, suppliers, shareholders and the community and environment.

Stakeholder groups affected



CUSTOMERS



SUPPLIERS



SHAREHOLDERS



COMMUNITY AND ENVIRONMENT

Key Board decision 2: Liquidity and cash management

In response to the challenging trading conditions experienced through 2025, which heightened over the summer, in Q3 the Board undertook deep dives to reassess the business model, review financial resilience, and guide a decisive programme of actions.

The Board approved a series of measures to safeguard liquidity, strengthen the balance sheet, and right-size the cost base. These included:

- Implementing a cost saving programme delivering c.£3m of additional annualised savings, incremental to the existing £5m run rate target, with associated restructuring and organisational redesign.
- The cessation of new development activity in STV Studios Entertainment, and the decision to make no further investment in Mighty Productions, following a strategic review of creative labels in Studios.
- Amending the Group's Revolving Credit Facility, to increase it to £75m, and negotiating an amended Schedule of Contributions with the Group's defined benefit pension schemes to support cash management flexibility.

The Board concluded that these actions have positioned the Group for long-term stability and future growth and therefore promote the success of the Company for its members as a whole and also benefit its colleagues, customers, suppliers, community and environment.

Stakeholder groups affected



COLLEAGUES



CUSTOMERS



SUPPLIERS



SHAREHOLDERS



COMMUNITY AND ENVIRONMENT

ESG report

2025 ESG strategy and highlights

We continue to deliver a positive social impact through engaging with the communities in which we operate, remaining focused on reducing our carbon impact to build a sustainable business while supporting our people through essential changes to their roles and the organisation to be in the strongest position to create value and deliver future growth.

Progress has been made against key targets despite the need to reprioritise to enable extensive organisational change to be implemented during 2025. The ESG Committee, established in 2023, has ensured focus on priorities and accountability against targets.

We are building a more inclusive culture for our people, making energy and carbon savings, and inspiring our audiences to make sustainable lifestyle choices.

PEOPLE

The creativity and commitment of our people are the driving force of the business and we're committed to ensuring colleagues are provided with an inclusive culture providing equality of opportunity to enable them to thrive.

7 OF 11 DIVERSITY TARGETS ACHIEVED



COMMUNITY

We use our platform as a force for good to shine a spotlight on the causes we support through the STV Children's Appeal.

OVER £2.4M RAISED BY STV CHILDREN'S APPEAL IN 2025 AND OVER £39M SINCE LAUNCH IN 2011



SUSTAINABILITY

We achieved our targets across all areas of activity, continuing to make energy and carbon savings and inspiring our audiences to make more sustainable lifestyle choices.

9 OF 10 SUSTAINABILITY TARGETS ACHIEVED



ESG report

PEOPLE



The Troops
Behind the scenes on this STV Studios
Factual production for BBC Scotland



Top – Behind the scenes
The news traffic area for STV News

Below – Our people
Recording a promo in our Sound Dub

The need to review the organisation in response to market conditions resulted in a period of change and increased uncertainty for our people. As we enter 2026 and a new organisation is established, we are focused on providing support for our people to build their resilience and ability to adapt and respond to a more rapid rate of change in our business and across the sector.

The success of the business continues to be driven by the creativity and commitment of our teams, and we strive to create an inclusive culture where everyone has a voice, equality of opportunity and clear understanding of their impact and contribution to the wider success of the business.

Engagement

The scale of organisational restructuring arising from the cost savings programme required a collective consultation process to communicate with and support colleagues to implement changes to team structures and roles. Engagement activities were focused on this for a significant part of the year, including a forum established for this purpose with the joint trade unions.

Colleagues are encouraged to keep informed, provide feedback, access support and establish connections across the organisation through a range of internal communications channels.

‘The Mixer’ is our fortnightly all-colleague virtual town hall session hosted by the CEO and regularly attended by two-thirds of colleagues. Featuring highlights from across the business, the session connects colleagues and provides an opportunity for them to increase their understanding about the wider business.

Opinion survey Have your Say is used to track engagement and obtain feedback on a range of topics. Only one all-colleague survey was conducted in 2025 as resources were diverted to implement organisational changes. The survey focused on the strategy refresh, FastFwd, to gauge understanding of the goals and future aims of the business. The response rate was lower than previous surveys with 59% of colleagues taking part. Additionally, a team specific survey was conducted to provide colleagues in STV News with the opportunity to participate in decisions about the future editorial direction of output ahead of a significant investment in on-screen look of flagship news programme, STV News at Six.

During 2025, the cadence of our daily all-colleague email news update, a long-standing part of our internal communications channels, was changed. Two to three editions are now issued each week in a bid to provide a fuller update than a daily release can provide, to seek to maintain engagement levels. The newsletter provides information from across the business including programme releases, performance stats, corporate developments, social events and industry updates. It is also a key tool in raising awareness and participation in our social impact activities.

Connections between the Board and colleagues are supported through the designated Board role of Employee Director. David Bergg, Non-Executive Director and Chair of the ESG Committee, was appointed into this role in late 2024 and embarked on a programme of site visits during 2025.

Finally, retention levels (excluding forced exits due to the cost savings programme) remained over 90% in 2025.

Reward

Against the backdrop of the cost savings programme and associated organisational restructuring, prioritising job security and financial sustainability meant an across-the-board inflationary salary increase was not awarded in January 2026. This followed an award of 3% to all colleagues at the start of 2025 as inflation reduced and fell in line with long-term forecasts. In early 2025, all colleagues also received the final payment under a discretionary profit-sharing plan designed to align individual reward with the Company’s performance outcomes.

Our Company-wide grading structure, benchmarked against over 480 companies operating in the UK media sector, provides a transparent structure for career progression and enables us to ensure salary levels and benefits provision are market competitive.

Support and wellbeing

Covering the areas of mental wellbeing, preventative health and financial wellbeing, our activities provide resources and materials, access to support services and peer to peer support, in addition to access to professional support where required.

Financial wellbeing was prioritised with information sessions, access to independent advisory services, and internal communications campaigns including Pensions Awareness Week and Carers Week.

Supporting the wellbeing of our freelance colleagues, whose contribution is vital to the success of our business, has been a continuing priority as activity in the production sector remained subdued throughout 2025. We continued to work with the Film & Television Charity and a network of partner organisations, including Action for Freelancers and Bectu, to seek to support freelancers. We provide our freelance colleagues with access to Wellbeing at STV while engaged on our productions, including our employee assistance programme (EAP) and occupational health resources, and extend this access for a short period following their assignment as they seek to secure their next role. Our production teams strive to ensure all productions provide a safe, inclusive and mentally healthy environment while engaged by STV Studios.

CheckIn, our performance management process, supports managers in setting objectives, managing performance and development needs of team members and creates opportunities for structured conversations about support needs, including wellbeing.

Inclusion

As a creative organisation, diversity in views and voices is central to our values, and critical to the success of our business and our relationships with audiences. Understanding the communities we serve and reflecting them in the content we produce is at the heart of public service media. As a producer we ensure we reflect our audience in our shows, and our colleagues are encouraged to celebrate individuality, ideas, passion and the innovation created by different perspectives.

An open and transparent approach to inclusion is at the heart of every team across STV. We are committed to working together to create an inclusive culture that enables equality of opportunity for all colleagues, to ensure we are relatable to our audiences.

Our focus on five key priorities is supporting achievement of our goals:

- 1. Increasing diversity at all levels of our organisation and building diverse talent networks.
- 2. Creating an inclusive working environment for all colleagues.
- 3. Increasing representation and portrayal of diverse voices in the content that STV produces, commissions, and acquires for STV and the STV Player.
- 4. Improving diversity and authentic portrayal in the advertising content we produce.
- 5. Developing partnerships to increase inclusion across the TV industry, including a specific focus on work with the TV Access Project, working in partnership with broadcasters and streamers to ensure access provision for disabled talent.

Our targets – tracking our progress and creating focus for action

We reset our inclusion targets for 2025/6 building on the progress achieved to date and providing focus for continued positive action towards a more inclusive organisation. At the end of 2025, five of seven organisational targets have been achieved and three of four of our ongoing onscreen targets were met or exceeded.

Our new targets to the end of 2026 are:

- Gender: A balanced gender profile across all roles, including those in the upper earnings quartile. In the programmes produced by STV News, a gender balance in the contributors on the news and current affairs programming produced by STV News;
- Ethnic diversity: 9% of colleagues based in Scotland; 20% across the rest of the UK and 8% in the contributors in our flagship news programme, *STV News at Six*, and 12% in our anchor current affairs programme, *Scotland Tonight*.
- Disability: 14% of all colleagues and 14% in roles in the upper earnings quartile.
- LGBTQ+: 6% of all colleagues.

Our inclusion strategy is championed and accountable at senior levels and progress is driven by the Diversity & Inclusion Steering Committee chaired by the Managing Director, Audiences – News, Audio, Regulatory, with STV’s D&I Advisor. Representatives from each of our network of peer groups attend to provide input and perspectives from across our inclusion agenda.

Areas covered include representation, inclusion and access for colleagues who self-define as Deaf, Disabled and/or Neurodivergent, LGBTQ+ and Black, Asian and minority ethnic colleagues, as well as considering gender balance and support for parents and carers.

The network of peer groups meet to inform policy and drive initiatives and events. The peer group leads use internal communications channels to give voice, visibility and impact to their agendas, aims and activities supporting inclusion.

Performance against 2025 targets

Our people	Gender		Ethnically diverse		Disability		LGBTQ+	Lower socio-economic
2025 targets	Balance across all Company	Balance across top 25% of roles by earnings	Scotland: 9%	Rest of UK: 20%	14% across all Company	14% across top 25% of roles by earnings	6%	Monitoring and Ofcom reporting only
2025 outcome	52% female ✓	48% female Not met	8% Not met	20% ✓	18% ✓	14% ✓	11% ✓	

On screen	Gender	Ethnically diverse
STV News at Six	Balanced 50:50	Target: 8%
	49% female Not met	9% ✓
Scotland Tonight	Balanced 50:50	Target: 12%
	50% female ✓	11% Not met

Through these channels, colleagues are provided with updates and the profile of the groups is raised, encouraging new colleagues to participate. External speakers are engaged to bring external perspectives and hosting of events relevant to goals are encouraged. Additionally, the groups provide peer-to-peer support including a safe space to ask questions, share experiences and provide access to Mental Health First Aiders with lived experience. The groups are also focused on specific priorities relevant to their agendas:



Pride:
Shining a light on LGBTQ+ inclusion.



AAA:
Developing accessibility and support for deaf, disabled and/or neurodivergent colleagues.



Represent:
Driving cultural competence, celebrating cultural diversity and increasing representation in mid-senior level roles.



Balance:
Championing career pathways, development and peer support for women in technical, senior and on-screen contributor roles to support a balanced gender profile; promoting awareness of health issues, including menopause.



Flex:
Developing policy and cultural support for colleagues balancing work and caring responsibilities.

Working with our partners to drive change and improve equality

We work with a network of partners and industry stakeholders to increase representation of diverse talent and create inclusive working environments.

These include Ofcom’s Diversity in Broadcasting working group and the Diversity Stakeholders working group, focused on the production sector in Scotland to create more opportunities for talent in Scotland.

The TV Access Project (TAP) sees us working together with other broadcasters, streamers, disabled creatives and disability campaign groups, to co-create solutions to remove barriers to access in the industry, with a vision to achieve full inclusion by 2030.

On screen and online

We are changing the profile of the contributors on our news and current affairs programming through STV Expert Voices. Designed to increase representation and portrayal of diverse voices in the content that STV produces, commissions, and acquires, to date over 1,000 people from under-represented groups have received media training to encourage them to contribute to our programmes. To date over 10% have appeared on air.

In 2025, we achieved three of four of our targets for on-screen contributors.

Our broadcast content exceeds regulatory access services targets and on STV Player.

ESG report

Gender Pay Profile

A balanced gender profile and continued progress towards gender pay parity

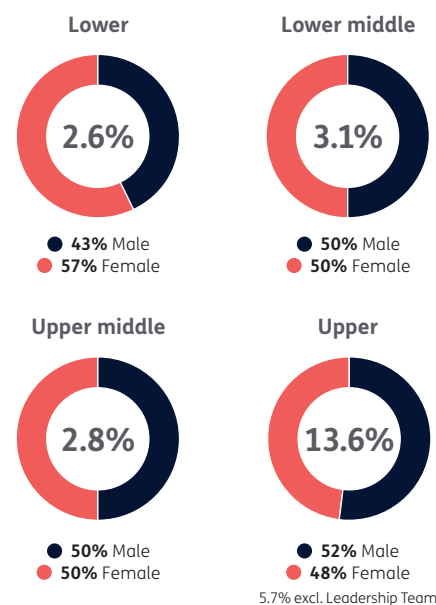
The gender pay profile identifies a mean gender pay gap of 12.8%, a slight increase year-on-year (2024: 11.6%); however, the long-term trend is a significant reduction of 43.8% since gender pay reporting was introduced in 2018.

The median gender pay gap reduced year-on-year to 7.1% (2024: 8.4%). This measure reflects the difference in the midpoints of the hourly rates of pay for men and women.

The mean pay gap reduces to 5.7% if roles in the Leadership Team (8 senior positions) are removed from the upper pay quartile. Across the remaining 75% of roles, the mean pay gap has reduced year-on-year to 5.2% (2024: 5.5%).

The median gender pay gap, which reflects the difference in the midpoints of the hourly rates of pay for men and women, has reduced year-on-year to 7.1% (2024: 8.4%).

Gender balance and mean pay gap by pay quartile 2025



Closing the gender pay gap

The key target of achieving a balanced gender profile in the upper pay quartile was achieved in 2023 and has remained broadly consistent in subsequent years with 48% female and 52% male in 2025. This marks significant progress since this target was first set when only 30% of roles at this senior level were held by female colleagues. Across all roles, the gender profile remained balanced at 51% women and 49% men.

A range of measures are in place to support female colleagues in their progression to senior roles, including annual succession planning, targeted career development, talent acceleration programmes and enhancements to parental leave policies. At Board level (plc Board and Leadership Team), 46% of roles are held by women.

Gender bonus gap 2025

Relates to bonuses paid over the period April 2024 to March 2025

10.5% mean 2024: 57%
0% median 2024: 34%

People receiving a bonus 2025

Relates to bonuses paid over the period April 2024 to March 2025

91% men receiving bonus pay 2024: 18%
89% women receiving bonus pay 2024: 23%

Gender bonus pay gap

Gender bonus pay gap reporting is prone to volatility when making year-on-year comparisons due to a number of factors that impact bonus payments, including the variable timing of payment of bonuses from one year to the next.

In the case of our 2025 gender pay report, the reduction in the mean and median bonus pay gap year-on-year is due to discretionary bonus payments made in Q3 of 2024 and Q1 of 2025 which resulted in all colleagues receiving a bonus payment.

To maintain achievement of our target for gender balance in the top 25% of roles by earnings, a comprehensive programme of measures continues to be implemented to increase retention of female colleagues and support them in progressing to the most senior roles.

Talent acceleration

- Annual succession planning and targeted career development programmes have strengthened our talent pipeline for senior roles.
- The STV Leadership Excellence programme focused on further developing senior leadership capability across the business.
- A further two women undertook the STV Digital Accelerator programme, which has now supported eight senior women in the Audience: Video & Technology business with personal and career development.
- All career development programmes strive to achieve 50:50 gender profile in each cohort.

Culture

- Ongoing training and awareness programmes to support managers and colleagues in building an inclusive culture.
- Our Balance peer group provides a forum for open conversation around culture and development opportunities for women across the organisation.

Work-life balance

- Our Returners programme supports primary carers in achieving a smooth return to work from maternity, shared parental or adoption leave, including the offer of a mentor and access to a peer support network.
- Our menopause peer group has been established to support women who are experiencing menopause.
- Managers have received training to support them in delivering our commitments within our family-friendly policies.

Diverse talent pipeline

- Successful partnership with STEM Returners to support women in STEM related roles to re-enter the workplace.
- Expansion of talent networks and pipelines.
- STV Expert Voices develops female contributor talent for STV News & Current Affairs programming offering media and studio familiarisation training and networking opportunities.
- The STV/RTS Bursary Scheme has supported nearly 60 scholars from lower socio-economic backgrounds with financial and career development support.

A RANGE OF MEASURES ARE IN PLACE TO SUPPORT FEMALE COLLEAGUES IN THEIR PROGRESSION TO SENIOR ROLES, INCLUDING ANNUAL SUCCESSION PLANNING, TARGETED CAREER DEVELOPMENT, TALENT ACCELERATION PROGRAMMES AND ENHANCEMENTS TO PARENTAL LEAVE POLICIES.

COMMUNITY



The STV Children's Appeal Live Show
Sean Batty and Laura Boyd join Lorraine Kelly for the annual tele-fundraiser



Top – Big Scottish Breakfast
Scotland's strongest man and woman launch Appeal initiative

Below – STV Children's Appeal Tartan
Sean and Philip wear specially designed kilts

The STV Children's Appeal is central to the Company's approach to support the communities we serve and is firmly established as one of Scotland's most significant charitable initiatives. The Appeal is focused on improving the lives of children and families in Scotland affected by poverty, offering both financial support and practical help. In 2025 over £2.4 million was raised. Over £39 million has been raised since launch in 2011.

The Appeal is also a key element of our engagement activities with colleagues in Scotland providing them with an opportunity to 'give back'.

Grant programmes

A key feature of the Appeal's grant giving strategy is to invest in long-term projects with charitable organisations. In April we launched the **Ignite Fund** which supports 11 Scottish organisations as partners of STV Children's Appeal.

Through the Ignite Fund sustained, multi-year financial and development aid will be provided to charities to help break the cycle of child poverty in Scotland. The Fund's partner charities have been chosen for their approach in offering tangible, scalable solutions, an ethos shared by the Appeal.

Boost Microgrants: The Boost Fund, in partnership with Corra and other funders, is a pioneering small grants programme which supports community-led efforts that actively address the challenges faced by children and families impacted by poverty across Scotland. It supports charities and groups that are providing practical help, organising activities and gatherings, or addressing another local need. During 2025, 311 Boost grants were made.

Magic Breakfast: Thanks to STV Children's Appeal's Big Scottish Breakfast supporters throughout Scotland, we donated £50,000 to Magic Breakfast to support 15 schools in Scotland to help run breakfast clubs for pupils, providing them with a nutritious breakfast every day.

Youth and Philanthropy Initiative (YPI): Since 2013, a partnership with YPI has empowered young people to raise their voices and take action on child poverty. Through teamwork, research, and presentations, students champion local causes and secure £3,000 grants for charities in their communities. Across the 2024-25 academic year, the Appeal supported ten YPI grants providing support to small grassroots charities.

Programming

As Scotland's commercial Public Service Media provider, STV uses its platform to raise awareness of the profound impact of child poverty and highlight the vital work of charities working to give children the best possible start in life.

Documentary *It Takes a Village* showcased two incredible projects: The Yard and Flexible Childcare Services Scotland.

The year's fundraising was celebrated in *The STV Children's Appeal 2025 Show*. Hosted by Appeal Trustee, Lorraine Kelly, the live show featured three projects: Dundee Bairs, which helps children living in poverty in Dundee; TCCL, which provides support to families with children who suffer from cancer or leukaemia in Tayside and north-east Fife; and Happy Place Workshop, a travelling project providing children with a safe space to express their emotions through art and music.

SUSTAINABILITY



Banjo and Ro's Grand Island Hotel
Hello Halo TV for BBC Scotland and iPlayer



Top – STV Player Green Hub
A selection of shows raising environmental issues

Below – Raising awareness
Telling sustainability stories across our programming

Climate action sits at the heart of our sustainability strategy, STV Zero. During 2025, we have used our platforms to inform our audiences, extended our governance oversight and related reporting to recently acquired operations, and reassessed our long-term targets with enhanced understanding and information.

We continue to provide transparency in the disclosure of our targets as we strive to create long term value for our stakeholders and contribute to a sustainable, net zero future.

Reassessing long term targets

A key development during 2025 has been to extend the scope of our targets to include all categories of Scope 3 emissions, and to broaden our data capture to include the most recently acquired operations. In addition to ensuring a holistic approach to reducing the carbon impact of all activities across the Group's value chain, this approach will align with developments by the Science Based Targets initiative (SBTi) in its approach to accreditation under its Corporate Net-Zero Standard.

Through the work undertaken, which has been informed through discussion with sector specialists and approved by the ESG Committee, we have extended our target date for achieving net zero from 2030 to 2050. Our pre-existing targets in relation to Scope 1 and 2 emissions have been maintained, with these now being supplemented by new targets in relation to Scope 3 emissions. The new targets are:

- By 2030, a 30% reduction of all categories of Scope 3 emissions (from base year of 2019)
- By 2050, a 90% reduction of all emissions (Scope 1, 2 and 3).

Setting targets across all Scope 3 emission categories provides sight over all the business's value chain climate impacts, strengthens credibility with stakeholders, and positions us to manage future cost, supply chain, and market risks more effectively.

Original strategy: Targets approved in 2021		
Net zero by 2030 Scope 1 and 2 emissions (compared to our 2019 base year)	Carbon neutral – offsetting emissions in approved projects	Achieved from 2021
	72% reduction in emissions we control (Scope 1 and 2 emissions)	By 2025
	90% reduction in emissions we control (Scope 1 and 2 emissions)	By 2030
	50% reduction in business travel (Scope 3 emissions)	By 2030
New strategic framework: Targets from 2025 to 2050		
Net zero by 2050 Scope 1, 2 and 3 emissions (compared to our 2019 base year)	Carbon neutral – offsetting emissions in approved projects	Achieved from 2021
	90% reduction in emissions we control (Scope 1 and 2 emissions)	By 2030
	30% reduction Scope 3 emissions	By 2030
	90% reduction in all emissions (Scope 1, 2 and 3 emissions)	By 2050

ESG report

Towards net zero – progress against 2025 targets

Strong progress has been delivered with ten of eleven targets achieved. Momentum is sustained through strong operational focus and setting clear priorities. Responsibility for delivery is vested in the Leadership Team and monitored by the ESG Committee.

Objective	Target	Progress
Our culture with sustainability at the heart of the business	Deliver first phase Scope 1 and 2 emissions reduction targets by 72% by end of 2025 (from 2022 as base year on a market-based approach) and introduce Scope 3 emissions reduction targets by end of 2025	Not met – reduction of 69% achieved ¹
	Maintain Project albert certification on 100% of UK-produced programming from STV Studios by end of 2025 and all programming produced by STV News	✔
	STV Zero hero behaviour change campaign to continue including introduction of sustainable commuting options into employee benefits offering to support achievement of Scope 3 reduction target	✔
Reduce energy consumption	Continued energy reduction measures to be implemented	✔
Waste reduction	Maintain 100% recycled waste at locations under the Company’s control ² in 2025	✔
Using STV’s reach to promote sustainability	(In the absence of a dedicated sustainability series on STV during 2025) during Q1 identify opportunities to engage with audiences and advertisers to promote sustainable lifestyle choices using STV’s reach and influence and implement activities across the year	✔
Achieve a sustainable supply chain by 2030	By end of 2025, all Tier 1 suppliers to be engaged on terms of STV’s supplier code of conduct	Continuing – engagement programme commenced
	Participate in Climate Disclosure Project (CDP) in 2025	✔ (Rating B)
Effective governance, disclosure and transparency	Compliance with additional reporting requirements arising from the International Sustainability Standards Board in 2025 Annual Report and Accounts	✔
	Undertake scenario analysis to evolve TCFD Reporting in 2024 ARA	Target not pursued as not required
	Continued review of sustainability-related risks through the Group’s risk management framework	✔

1 Despite reduction of 72% at end of previous year, target was not achieved at end of 2025 due to the boiler system in the Group’s HQ, Pacific Quay, malfunctioning resulting in increased energy consumption to compensate for systems failings.
2 Pacific Quay; Aberdeen; Balmore storage site.

Our culture with sustainability at the heart of the business

Delivery of milestone targets set in 2023 to reduce Scope 1 and Scope 2 emissions had been on track with the 2025 target (of a 72% reduction v 2019) achieved by the end of 2024. However, technical issues with the primary heating system at the Company’s largest premises during 2025 resulted in the headline energy reduction target being missed. Despite this technical disruption, a significant reduction of 69% has been achieved. Replacement of the heating system is planned for 2026 therefore the 2025 target reduction of 72% will be carried forward into the 2026 targets.

BAFTA’s Project albert accreditation demonstrates that a UK TV production has measured and actively reduced its carbon footprint, earning recognition through the industry standard sustainability certification scheme. All productions delivered by the labels across STV Studios’ portfolio were accredited. Additionally, all news and current affairs programming produced by STV News received albert accreditation for the fourth consecutive year.

STV’s commercial production business, STV Creative, was a founder member of Ad Net Zero, created to help the advertising industry reduce the carbon impact of advertising operations. The business has continued to use the Ad Green

Carbon Calculator in their work and team members have received training to support them in embedding sustainability into the campaigns they develop and produce for STV’s advertisers.

Waste reduction

Recycling of all waste from locations under the Company’s control continued in 2025. Further changes were made to the property portfolio with a relocation of the office in Edinburgh and as in previous relocations, opportunities for recycling or upcycling of surplus office equipment were identified and used as far as possible.

Using STV’s reach to promote sustainability

Using our platforms to raise awareness of how climate change is impacting Scotland’s communities and inspiring viewers to live more sustainably is the key aim of Sustainable Scotland Week. Research conducted by Scotpulse has previously confirmed seven in ten Scots look to the TV for information about climate change and sustainability.

Sponsored by SSEN Transmission, the 2025 campaign included channel sponsorship on STV advertorial content on STV Player and sponsored social media activity. Additionally, a dedicated ‘Green Hub’ on STV Player included a range of green-themed

and climate related programming including *Jimmy’s Big Bee Rescue*, *Don’t Waste Scotland* and *Gino and Fred: Emission Impossible*.

Programming included special feature reports on *STV News at Six*, including investigations into new heat pump technology with potential to convert energy from sea and river water into cheap, sustainable heat for homes and businesses. Weekly entertainment show, *What’s on Scotland*, featured sustainable fashion.

Achieve a sustainable supply chain by 2030

Following the development of sustainability criteria and a Code of Conduct for suppliers, during 2025 all Tier 1 suppliers – representing 95% of our supplier base – were issued with the Code of Conduct and supplier questionnaire. The code of conduct sets how the Company will work in partnership with suppliers in a fair and ethical way across four key areas: (i) business practice and integrity; (ii) human rights and employment; (iii) environmental responsibility and sustainability; and (iv) information security. A Tier 1 supplier is defined as an organisation with annual turnover >£54m; balance sheet valuation >£27m; and over 250 employees.

Initial engagement has been low despite follow up campaigns and a moderated target for 2026, reflecting response rates to date, has been set.

We participated in the 2025 Climate Disclosure Project (CDP) and received a ‘B’ rating (2024: C). This recognises that we are taking coordinated, measurable action to manage our environmental impacts, going beyond basic disclosure and awareness with policies and strategies to address climate impacts.

Our continued participation in CDP has been considered by the ESG Committee, and it has been decided that we will not make a submission to the 2026 questionnaire in view of the lack of tangible benefits accruing in relation to the time and resources required to participate. This approach will be kept under regular review by the ESG Committee, particularly with reference to the long-term supply chain target.

Effective governance, disclosure and transparency

During 2025, the Sustainability Governance Structure (page 53) has continued to provide effective and clear accountability and a structured method to ensure a consistent approach to evaluate progress against targets.

Additional targets, incorporating all categories of Scope 3 emissions, are now disclosed and progress towards these, including the additional data monitoring and analysis these will require, have been embedded into this structure to ensure continued transparency.

Looking ahead

Through the programme of work undertaken in 2025, targets for 2026 and beyond have been identified that will ensure continued focus on identified and agreed areas of priority. The 2026 targets continue to be set within the framework of the existing six pillars of the STV Zero strategy which remain relevant and will form the principal areas of focus next year.

The targets for 2026 are included in our corporate objectives and cascaded through the organisation. Monitoring of progress will continue through the sustainability governance framework and regular reporting to the ESG Committee.

2026 targets

Maintaining momentum to deliver targets and increasing the opportunities for more colleagues to become involved in contributing to our journey to become a net zero business will underpin our activities in 2026. Targets have been set for 2026 to maintain operational focus and these are incorporated into our key organisational priorities for this year.

Objective	Target	Timescale for delivery
Our culture with sustainability at the heart of the business	Achieve 72% reduction of Scope 1 and 2 emissions by end of 2026 (from 2022 as base year on a market-based approach)	Target set for end of 2026
	Maintain Project albert certification on 100% of UK-produced programming from STV Studios by end of 2026 and all programming produced by STV News	Ongoing
Reduce energy consumption	Continued energy reduction measures to be implemented	Ongoing
Waste reduction	Maintain 100% recycled waste at locations under the Company’s control* in 2026	Ongoing
Using STV’s reach to promote sustainability	Identify opportunities to engage with audiences and advertisers to promote sustainable lifestyle choices using STV’s reach and influence and implement activities across the year	Agree activity programme by end Q1 2026
Achieve a sustainable supply chain by 2030	Engage 33% of Tier 1 suppliers to be engaged on terms of STV’s supplier code of conduct and commence engagement programme with Tier 2 suppliers	Ongoing
Effective governance, disclosure and transparency	Continued review of sustainability-related risks through the Group’s risk management framework	Ongoing activity to mitigate risk during 2026

* Pacific Quay; Aberdeen; Balmore storage site.

ESG report

Climate-related Financial Disclosures report

Compliance Statement

STV Group plc has complied with the requirements of UK Listing Rule 6.6.6(8)R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures.

These climate-related financial disclosures also comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance

The Company’s governance structure in relation to climate-related matters is set out to the right. This structure identifies the key responsibilities at all levels in the organisation and clarifies accountability for governance.

As part of its annual Board evaluation process, which included an assessment of the effectiveness of the ESG Committee, it was agreed that this structure enhances overall Board governance in ESG matters and is operating effectively. In providing its annual approval of the sustainability governance structure, the Board has continued to consider its own expertise and experience in this area. Directors are comfortable that there is sufficient experience among existing members of the ESG Committee, and Board, for the short to medium term.

Notwithstanding this, it forms part of the normal succession planning undertaken for Non-Executive Directors to consider the skills and experience of the Board against an evolving landscape, of which climate-related experience is one factor.

The ESG Committee has received three reports over the course of 2025 covering a wide range of matters in relation to sustainability and climate-related risks and opportunities, including (i) progress against operational targets set for 2025 and proposed targets for 2026 that are aligned towards reducing the Group’s carbon footprint; (ii) the Group’s governance structure; (iii) the proposal to set longer-term targets to 2050; and (iv) identification and assessment of emerging and existing climate-related risks and opportunities. The Group’s Risk Impact Heat Map – the framework against which the significance and likelihood of each identified risk must be scored – includes specific criteria for sustainability risks.

The Group’s ultimate goal of becoming a net zero carbon business remains intact. During 2025, as incremental information has become available in relation to carbon emissions – in particular Scope 3 – and the extent of the work required to reach our goal has become clearer, the decision was taken by the Board (on recommendation of the ESG Committee) to extend the target date for achieving carbon net zero to 2050 (from 2030). The intermediate goal of reducing Scope 1 and 2 emissions by 90% has been retained for 2030, as an important staging post, and has been supplemented by the target of reducing Scope 3 emissions by 30% by that date.

Across the organisation, managers have sustainability targets incorporated into their personal objectives for bonus purposes. The Remuneration Committee is responsible for approving the strategic and personal objectives of the Executive Directors, on which an element of variable pay is dependent, and which ESG matters more broadly, and sustainability specifically, are a key component. On a quarterly basis, and as part of routine risk reviews, managers are responsible for assessing and managing climate-related risks and opportunities within their business area. Additionally, managers are responsible for ensuring appropriate action is being taken to deliver the STV Zero strategy as it relates to areas within their control.

Reports on sustainability related issues, including progress against targets, have been delivered and discussed at divisional board meetings, and at meetings of the Leadership Team.

Strategy

The Group has identified several climate-related risks and opportunities over the short, medium and long term. In assessing the significance of each it has defined ‘materiality’ as an impact on the business that limits our ability to carry out our operations, and/or requires a change to our business model, and/or has a significant impact on our liquidity thereby limiting our ability to invest or meet obligations as they fall due.

In terms of the risk assessment, transition and physical risks were considered – transition risks being those that are associated with the transition to a low carbon economy, and physical risks being those that are associated with the physical impacts of a changing climate. In carrying out this assessment, we considered three time periods: the short term, being the period of our Group 3 Year Plan (2026 to 2028); the medium term, being the following 5 years (to 2033); and the long term, from then to 2050. These time periods were considered relevant in the context of the Company’s business planning cycle, investment plan, financing facility and its strategy to transition to a net zero carbon business with an extended timeline of 2050 as explained earlier in this section.

In terms of physical climate-related risks, our operations are based in the UK with limited physical presence elsewhere. Therefore, we consider the risk of severe weather events and their impact on our properties and wider operations to be low. In recent years we have undertaken a flood risk assessment at our Pacific Quay offices in Glasgow, which are on the banks of the River Clyde, that determined that a 1-in-200 year event of flood waters reaching 1m would have a limited impact on the building due to the level of the interiors being further above the external ground level. Flood levels of 1.5m would need to be reached for the building’s defences to be breached, which is the equivalent of a 1-in-1,000 year event.

In terms of transition risks and opportunities, we identified a number of minor concern as they are either unlikely to materialise or they are of low materiality for our business. The risks identified below are those we consider to be most significant, and we have assessed them on a division-by-division basis. As the Group operates predominantly in the UK, a breakdown by geography is not considered material or relevant. The risk scores in the table below are on a gross risk basis only – as we continue to develop and refine our related risk management activities we will look to expand our disclosure to include net risk scores. We will continue to keep these risks under review, and to evaluate market trends over time and by division, where appropriate.

STV: Sustainability governance structure



Time horizon			Risk/opportunity	Potential impact	Division	How we manage risks
Short term	Medium term	Long term				
L	L	L	Failure to maintain albert accreditation for STV News	Reputational impact	A	- Proportion of programmes that qualify is tracked - Review of progress at News Leadership meetings - Process and controls embedded in day-to-day operations
L	L	L	Failure to attain albert accreditation for programmes produced for third parties	- Reputational impact - Loss of commissions leading to lower financial performance	S	- Proportion of programmes that qualify is tracked and reported at divisional board meetings - Roll-out of training by albert
L	L	L	Energy price inflation, particularly electricity, remains elevated	Increased operating costs resulting in reduced profitability	G	Third party energy consultant used to provide advice on optimal contractual arrangements for the Group to maximise climate credentials and manage cost
L	M	+	Government policy decision prevents advertising by high carbon products or services	- Reduced advertising revenues in short to medium term - Incremental revenues in long-term as businesses recalibrate to lower carbon products and services	A	- Engage with UK and Scottish governments on regular basis to put forward STV perspective on potential policy decisions - STV Green Fund introduced to offer match-funding to businesses with ‘green’ credentials
L	M	M	Failure to maintain momentum in embedding sustainable behaviours across the business results in delays to reducing carbon footprint	- Reputational impact - Incremental costs associated with higher carbon emissions	G	- Active engagement with the Sustainability Group - Regular events to encourage employee engagement - STV Zero targets shared Group-wide, sponsored by the CEO
+	+	+	Using STV’s position as a public service broadcaster to raise awareness	Reputational impact	A, S	- Specific programming including current affairs on climate-related matters - STV Green Fund to make advertising on TV affordable to ‘green’ businesses - Signatory of the Climate Content Pledge with other UK PSBs

Key:
L = low risk; M = medium risk; H = high risk (being those that would be material as defined)
+ = opportunity A = Audience; S = Studios; G = Group-wide

Update to risk classifications on prior year

The risk of the Company’s failure to attain albert accreditation for programmes produced for third parties was previously assessed as medium in the medium term. As our internal controls and processes continue to be developed and enhanced, and the requirements associated with albert certification become more common-place in programme production, the likelihood/impact of this crystallising has been re-assessed as low in the current year.

Resilience

The Group undertook its first climate-related scenario modelling during 2024 and considered the potential impact of climate risk on the business in three different future scenarios. While some impacts of climate change are apparent in the short term, the most significant effects are likely to emerge over the medium to long term. There have been no significant developments or events identified during 2025 that would give rise to a change in assumptions used and so the scenario modelling has not been reassessed during the year.

For the scenario analysis, we used a range of climate scenarios from the International Energy Agency (IEA) and Network for Greening the Financial System (NGFS), which are widely accepted as good practice. The three scenarios chosen cover three futures that are considered possible from where we are today:

- The IEA ‘Net zero emissions’ scenario, in which net zero emissions are achieved by 2050 and the average temperature rise is limited to 1.5°C above pre-industrial temperatures;
- The NGFS ‘Delayed transition’ scenario, in which no new climate policies are introduced between now and 2030, giving a 67% chance of limiting global warming to below 2°C; and
- The IEA ‘Stated policies’ scenario, in which there’s some but not complete decarbonisation based on current stated policies, and temperature rises reach 2.6°C by 2100.

We conducted quantitative modelling, using the assumptions from these scenarios and our own growth plans, focusing on key milestones: 2030 for our business and 2050 for medium-term climate impact. The results are detailed in the table.

	2030	2050
IEA ‘Net zero emissions’ scenario	Negligible impact on profitability	Negligible impact on profitability
NGFS ‘Delayed Transition’ scenario	Negligible impact on profitability	Negligible impact on profitability
IEA ‘Stated Policies’ scenario	Negligible impact on profitability	Negligible impact on profitability

STV defines resilience as the ability to continue our business operations and achieve our strategic objectives using profitability as a key metric.

In each scenario, there is a negligible (<1%) impact on profitability as a result of energy price rises and/or carbon taxes. The key risks are primarily mitigated by climate action taken and planned by the Group. We have therefore concluded, with approval from the ESG Committee and Board, that the Company, its strategy and business model is resilient in the face of climate-change related risks in the short and medium term.

Given we have not identified any material climate-related risks and scenario-modelling confirms the business is resilient in the face of such risks, there is no material impact to reflect in the financial statements.

Risk management

The identification, assessment and management of climate-related risks and opportunities is undertaken across the business, with subsidiary/divisional management teams responsible for these activities in their own business, and the Leadership Team, ESG Committee and Board of Directors taking a Group-wide perspective.

The identification, assessment and management of climate-related risks has been embedded into the Company’s risk management and internal control processes and forms part of the routine risk reviews and Board Committee reporting in place across the business. A Risk Impact Heat Map with specific criteria for sustainability risks is used by those charged with governance to ensure potential risks are considered and measured in a way consistent with other identified risks across the Group.

Detailed reporting on the Group’s risk management framework has been included in the Risk Management report on pages 25 to 33.

Existing and emerging regulatory requirements related to climate change are considered by the ESG Committee, with specialist third party input from relevant advisers, which is shared (as appropriate) with the Board and other teams/ individuals with responsibility for reporting.

The Leadership Team is actively engaged in climate-related risk management activities, with regular discussions on the status of achievement of targets and identification of follow-up actions required. Divisional action plans have been developed to drive accountability for making the changes necessary to achieve our short-term and long-term targets, and to ensure we are managing the potential impact of climate-related risks and opportunities in a timely and effective manner.

Each divisional action plan has specific targets that relate to the activities of the division. Designed to increase focus on adopting new ways of working to reduce the Company’s carbon impact, targets include training and sustainability awareness; measurement of business travel; and incorporating a carbon calculation into production processes.

Metrics and targets

The fourth pillar of the TCFD Framework (recommended disclosure (b)) requires disclosure of Scope 1, Scope 2 and Scope 3 Greenhouse Gas (GHG) emissions, and related risks. The Group’s Streamlined Energy and Carbon Reporting (SECR) forms the last section of this report and can be found on pages 56 and 57.

This shows the Group’s Scope 1 and Scope 2 GHG emissions for the current and prior year, and nine of the 15 categories of Scope 3 GHG emissions (noting that five are not applicable to STV), where data can be obtained and measured reliably. There is only one category of relevant scope 3 emissions that we have not reported on in 2025, and we do not consider this to be material under the definition of TCFD. In FY22, we set medium term carbon reduction targets for Scope 1 and Scope 2 for the period to the end of 2025 and further details are included in the SECR report.

The Group has achieved carbon neutrality for each year since FY21.

The metrics and targets that we use to assess our progress towards achieving net zero carbon are targets aimed at reducing our carbon impact in the five key areas identified in STV Zero: energy consumption; waste reduction; programme-making; promoting sustainability using STV’s reach; and achieving a sustainable supply chain. In turn, these targets will only be achieved if we successfully embed a sustainability culture into the business. We have included an update on the STV Zero targets that we set ourselves for 2025 on page 50, along with an overview of the new targets we are working towards in 2026 on page 51. That narrative also includes details of the KPIs that we measure to assess progress towards achievement of targets.

A summary of the Group’s reporting against TCFD’s cross-industry metrics reporting categories is provided in the next table. Where the Group is not yet tracking against a metric or target, an explanation is provided on its intentions going forward.

ESG report

	Metric	Target
GHG emissions	STV reports its GHG inventory breakdown as well as its emissions intensity – see narrative above and SECR below.	STV Zero sets out our emissions reduction targets – see SECR below and pages 48 to 57.
Transition	For an overview of metrics and targets in relation to our net zero carbon strategy, STV Zero, refer to pages 48 to 57. Specifically in relation to the climate-related risks and opportunities identified in the ‘Strategy’ section of this report, we measure the number of programmes produced by STV News and STV Studios (separately) that achieve albert accreditation. Our target is to achieve 100%. In FY25, we achieved 100% of all programming from both STV News and STV Studios, with 100% being achieved in FY23 and FY24.	
Physical	As outlined in our TCFD strategy section, we currently have no material physical risks.	We will continue to monitor feedback from our insurers and will develop metrics if appropriate.
Climate-related opportunities	The main opportunities for the Group are in relation to bringing new advertisers with ‘green’ businesses to television to promote their brands. We monitor the number of businesses who receive matched-funding from our STV Green Fund, but we don’t have a metric or target in relation to the number of ‘green’ businesses booking campaigns with STV as the scale of most local advertisers is below the threshold for climate-related reporting.	
Capital deployment	Not currently reported.	Will be further developed if deemed material and relevant.
Internal carbon prices	Not currently reported.	Will be further developed if deemed material and relevant.
Remuneration	See TCFD Governance disclosures on page 52 and the Directors’ Remuneration Report (pages 82 to 98).	

Streamlined Energy and Carbon Reporting (SECR) – based on data for the year ended 31 December 2025

In line with the GHG Protocol Corporate Standard, the Company’s SECR is based on the disclosure of emissions from operations over which it has direct financial and operational control. As the Company is registered in the UK with no operations overseas, all emissions derive from UK-based activities. These Scope 1 and Scope 2 emissions are set out in the table on page 57.

The data in this report includes majority-controlled production labels within STV Studios namely: Crackit Productions Limited; Tuesday’s Child Limited; Interstellar Productions Limited; Rumpus Productions Limited; Hello Halo Productions Limited; Two Cities Television Limited and Flicker Productions Limited (majority control on 8 April 2025). In the case of Two Cities Television Limited, data is recorded for Scope 1 and Scope 2 emissions only.

A key target for 2025, which was achieved, was maintaining Project albert accreditation for all UK produced programmes made by majority-controlled labels within STV Studios and news and current affairs programming produced by STV News.

Emissions associated with the Company’s grid electricity consumption (Scope 2) are disclosed using a dual reporting approach on both a location-based and market-based figure.

This report covers nine of the relevant ten categories of Scope 3 emissions. We have not reported separately against the emissions arising from the distribution of our digital services via STV Player – use of sold products (category 11) – as work to develop an industry wide methodology continues to be explored.

On a market-based approach, combined Scope 1 and Scope 2 consumption increased by 4.03% year on year and emissions reduced by 0.1%. Scope 1 consumption increased by 6.7% and emissions increased by 4.8%. Operational issues with the boiler at the Glasgow Head Office (PQ) and increased mileage in our fleet vehicles are the causes of these increases. Scope 2 consumption increased by 2.6% but emissions reduced by 25.7% on a market-based approach. Increase in consumption was partly due to the overlap in the occupancy and lease of two offices during relocation (Dundee and Edinburgh), as well as a requirement for increased capacity in Aberdeen to accommodate an additional water boiler and air conditioning units within the data room.

Scope 2 emissions reduced as more of our offices moved to renewable energy contracts. We have also benefited from a full year of measuring emissions for the Inverness office on our reduced office footprint (from 1,259sqft to 495sqft).

Methodology

Over 2025, we have collected primary data for our buildings and business travel activities, including: electricity consumption (kWh), gas consumption (kWh), Company mileage, fuel usage, hotel stays, and rail/air mileage.

The methodology used to calculate the 2025 emissions is the GHG Protocol Corporate Standard. In addition, the latest available spend-based emission factors have been used (conversion factors kgCO₂ per £ spent, by SIC code 2022) where primary data was unavailable.

For Scope 1 emissions, there is no estimated emissions data used.

For Scope 2 emissions, the estimated emissions data is for electrical energy consumed in the offices in Inverness and the offices of the majority held labels located in Brighton, Manchester, Belfast and Glasgow (The Hub and Otago Street). For all properties listed above, the estimated consumption is based on the square footage of these locations and all are used for the same purpose as the Company’s other office premises.

The total estimated Scope 2 energy emissions amount to 4.78% of our total reported Scope 2 emissions (2.95% of the total reported Scope 1 and Scope 2 emissions).

The calculations for Scope 3 emissions for categories 1, 2, 4, 8 and 15 are based on spend data with the corresponding emission factor sourced from the UK Footprint Results (1990-2022 Dataset) for 2025 emissions which provides conversion factors by SIC (Standard Industrial Classification) code has been used. For the Scope 3 category of waste generated in operations (category 5), we have used primary

data (for three offices), and data provided by landlords for multi occupancy/use offices, and an estimate has been calculated as a percentage of STV office space against the total office space. For the Scope 3 category of commuting (category 7), a bi-annual questionnaire was issued to all colleagues to collect data on the modes of transport used to commute to work, the distance of their commute, and the typical working pattern of days worked in the office. Emissions were calculated using the UK Government’s 2025 conversion factors.

Scope			Unit	2025	2024
1		Emissions from gas, refrigerants and owned vehicles	tCO _{2e}	328.42	313.30
			kWh	1,705,532	1,598,848
2	Location-based	Electricity emissions using geographical location	tCO _{2e}	529.43	603.74
			kWh	2,991,111	2,915,946
	Market-based	Electricity emissions using purchased electricity factor	tCO _{2e}	44.80	60.26
			kWh	2,991,111	2,915,946
1 & 2	Location-based	Electricity emissions using geographical location	tCO _{2e}	857.85	917.04
			kWh	4,696,643	4,514,794
	Market-based	Electricity emissions using purchased electricity factor	tCO _{2e}	373.22	373.56
			kWh	4,696,643	4,514,794
Total revenue			£m	177.0	188.0
Total Scope 1 & 2 intensity ratio (location-based)			tCO _{2e} per £m	4.85	4.88
Total Scope 1 & 2 intensity ratio (market-based)			tCO _{2e} per £m	2.11	1.99
3 (cat 1)		Purchased goods and services	tCO _{2e}	21,443.55	16,232.20
3 (cat 2)		Capital goods	tCO _{2e}	1,276.15	210.29
3 (cat 3)		Fuel and energy related activities	tCO _{2e}	270.47	258.97
3 (cat 4)		Upstream transportation and distribution	tCO _{2e}	74.18	76.39
3 (cat 5)		Waste generated in operations	tCO _{2e}	4.64	7.01
3 (cat 6)		Business travel	tCO _{2e}	156.94	188.81
3 (cat 7)		Employee commuting	tCO _{2e}	268.30	243.93
3 (cat 8)		Upstream leased assets	tCO _{2e}	0.00	0.00
3 (cat 15)		Investments	tCO _{2e}	25.26	11.79
Total Scope 3 emissions			tCO _{2e}	23,519.49	17,229.39
Total Scope 1, 2 and 3 (market-based)			tCO _{2e}	23,892.71	17,602.95

ESG report

Introduction to governance

Non-financial and sustainability information statement

The table below sets out where stakeholders can find information in our Strategic Report that relates to non-financial and sustainability matters as detailed under section 414CB of the Companies Act 2006.

Reporting requirement	Some of our relevant policies which govern our approach	Where to read more in this Strategic Report about our impact, including the principal risks relating to these matters	Pages
Environmental matters	- STV Zero, our sustainability strategy - Travel Policy	- ESG report - Climate-related Financial Disclosures report - Risk management - Engaging with our stakeholders (S.172 report)	39 to 58 52 to 57 25 to 33 34 to 38
Employees	- Equality, Diversity and Inclusion Policy - Business Ethics Policy - Respect & Dignity at Work - Health & Safety Policy	- ESG report - Risk management - Governance - Engaging with our stakeholders (S.172 report)	39 to 58 25 to 33 59 to 98 34 to 38
Social matters	- Diversity and Inclusion Strategy - STV Children's Appeal commitment - Payroll Giving	- Engaging with our stakeholders (S.172 report) - ESG report - Governance	34 to 38 39 to 58 59 to 98
Respect for human rights	- Modern Slavery Statement - Data Protection Policy - Producer's Handbook - Information Security policies - Social Media Policy	- Operating reviews - Engaging with our stakeholders (S.172 report) - ESG report	12 to 21 34 to 38 39 to 58
Anti-bribery and anti-corruption	- Business Ethics Policy (including Anti-bribery and Gifts & Hospitality) - Whistleblowing Policy - Share Dealing Code	- Risk management - Governance	25 to 33 59 to 98
Business model		Business model	8 and 9
Principal risks	Risk Management Policy & Framework	Risk management	25 to 33
Non-financial KPIs		- Operating reviews - ESG report	12 to 21 39 to 58
Climate-related financial disclosures	STV Zero	- Climate-related Financial Disclosures report - Risk management - Remuneration report	52 to 57 25 to 33 82 to 98

The Strategic report was approved by the Board and signed on its behalf by:

RUFUS RADCLIFFE
CHIEF EXECUTIVE
17 MARCH 2026

On behalf of the Board, I am pleased to present the Corporate Governance report for the year ended 31 December 2025, my first as Chairman of the Company. This report provides insights into our governance activity and oversight across the full year.

Year in review

I included in my statement in the Strategic Report that against a challenging media landscape, 2025 has been a year of significant transition for STV, marked by a refresh of the business strategy, delivery of organisational restructuring, and Board transition. Effective governance becomes all the more important against such a backdrop with the Board maintaining its commitment to the highest standards of Corporate Governance as an underpin to its focus on promoting long-term value creation.

Strategy, liquidity and cash management

In 2025, the Board was engaged in shaping and overseeing the Group's strategy and financial resilience. Following the appointment of the Chief Executive in November 2024, the Board challenged and supported the development of the FastFwd strategy through a series of focused strategic sessions, approving the final strategy in the first half of the year. Alongside strategic oversight, the Board undertook enhanced monitoring of liquidity and cash management in response to rapidly changing, challenging trading conditions, which were heightened in the Summer, approving a programme of actions to ensure the Group remained resilient while positioning itself for long term stability and future growth.

Board changes

Towards the end of 2025, there were some changes to the Board's composition.

I was appointed Chairman in November 2025, succeeding Paul Reynolds, whose long service and leadership we gratefully acknowledge. Aki Mandhar, stepped down as an Independent Non-Executive Director in December 2025 to pursue her executive career. The Board is grateful for her commitment and contribution to STV and wishes her future success. At the same time, Colin Jones, Independent Non-Executive Director, confirmed his intention not to seek re-election at the 2026 AGM but continued in his role as Chair of the Audit & Risk Committee through the year end process. I'd like to thank Colin for his financial expertise, constructive challenge and dedication to STV.

We welcomed Gillian Kent, who succeeded Colin Jones as Senior Independent Director in December, and was appointed to all Board Committees. Gillian brings extensive FTSE non-executive director experience, a background in media and strengthens the Board's breadth of digital, technology and consumer-facing expertise.

Following these changes, the Board comprises myself as Chair, four Independent Non-Executive Directors and two Executive Directors, retaining a clear majority of Independent Non-Executive Directors in accordance with the UK Corporate Governance Code 2024.

We are currently engaged in seeking a new Independent Non-Executive Director and Chair of the Audit & Risk Committee.

There is continued focus on developing a strong and diverse pipeline for both Board and senior leadership roles, ensuring that succession planning remains aligned with the Group's evolving strategic needs.

Diversity & Inclusion and culture

The Board continues to prioritise diversity and inclusion, applying a broad definition of diversity, incorporating differences in competence, experience, cognitive style and personal background, gender and ethnicity. At 31 December 2025, we exceeded the FCA UK Listing Rules and our own policy gender diversity targets at Board and senior leadership levels, while recognising the need to increase ethnic diversity at Board level following recent changes. This forms part of the objective selection criteria for the ongoing search for an Audit & Risk Committee Chair, while ensuring all appointments remain merit-based.

Our culture remains a core pillar of our governance framework. During a year of organisational change, we focused on clear communication, fairness, equal opportunity and inclusion for our people. The Designated Non-Executive Director for Workforce Engagement, David Bergg, continued to provide valuable insight through regular engagement with colleagues across offices. Colleague engagement sessions, CEO town halls, and Board visits supported open dialogue with all colleagues.

Stakeholders

The Board values engagement with all stakeholders and maintains oversight of their interests. Further details, including examples of how Board decisions have impacted stakeholders during the year, are provided on pages 34 to 38.

Governance reforms

This is the first year in which the Annual Report and Accounts has been prepared in accordance with the provisions of the UK Corporate Governance Code 2024 with full details provided on page 65. The Audit & Risk Committee has overseen preparation to comply with Provision 29 relating to the Company's risk management and internal control framework in order to support the Board's declaration of the effectiveness of material controls, which is required at the end of 2026.

Remuneration

At the 2026 AGM, shareholders will be asked to approve a revised Remuneration Policy designed to support the restoration of share price value and long term value creation. The Policy includes a one off grant of market value share options in 2026 to create strong alignment between reward outcomes and share price. The Remuneration Committee undertook extensive, multi phase consultation with major shareholders, whose feedback helped shape the proposal and informed the one off inclusion of the Chairman. We are grateful for the constructive engagement received and believe the updated Policy appropriately balances competitiveness, accountability and alignment with shareholder interests. Further details are set out in the Remuneration Report on pages 82 to 98.

Annual General Meeting 2026

Our AGM will be held on Friday 5 June 2026, at our offices at Pacific Quay, 120 Govan Road, Glasgow G51 1PQ. Arrangements for the 2026 AGM can be found in the Notice of Meeting on our website www.stvplc.tv. We look forward to seeing you there.

CLIVE WHILEY
CHAIRMAN
17 MARCH 2026

Board of Directors

As at 31 December 2025



CLIVE WHILEY
CHAIRMAN

Appointed: Non-Executive Director and Chair elect from 1 October 2025 and Chairman from 18 November 2025
Committees: Nomination (Chair); ESG
Clive brings with him over forty years' experience in executive and non-executive director roles across a wide range of industries and geographies in both regulated and listed companies since becoming a Member of the London Stock Exchange in 1983. In addition to his STV role, Clive is non-executive Chairman of Mothercare plc and Senior Independent Director of Griffin Mining Limited, as well as Senior Independent Director at Mpac Group plc. His previous Board roles include non-executive Chairman of De La Rue plc, Chairman of Dignity plc, Senior Independent Director of Sportech plc and a non-executive director of Grand Harbour Marina plc, Camper & Nicholsons Marina Investments Limited and Stanley Gibbons Group plc.



RUFUS RADCLIFFE
CHIEF EXECUTIVE

Appointed: November 2024
Committees: ESG
Rufus has extensive strategic and operational experience gained in senior roles in the media sector. Rufus joined from ITV where he was Managing Director of Streaming, Interactive and Data, a member of ITV's Executive Committee, and played a key role in the acceleration of ITV's digital transformation. He was responsible for the strategic development and successful launch of ITVX and led the interactive business and the group-wide data strategy. Over a 13-year career with ITV, Rufus previously held the position of Chief Marketing Officer where he ran all Direct-to-Consumer activities and led the brand transformation of ITV, as well as the marketing launch of BritBox. He also served as Group Marketing and Research Director. Prior to joining ITV, Rufus spent nine years at Channel 4 rising to the position of Controller of Marketing, during which time the business launched E4 and the channels' first streaming service, 4OD. Rufus is a trustee of the STV Children's Appeal and Chair of the London Wildlife Trust.



LINDSAY DIXON
CHIEF FINANCIAL & OPERATING OFFICER

Appointed: May 2019
Lindsay is a Chartered Accountant with extensive commercial experience gained across a range of sectors covering the FTSE 100, 250 and large private companies. Previously, Lindsay held the role of Group Financial Controller at William Grant & Sons Limited and prior to that was Group Financial Controller of The Weir Group plc. In addition to her core financial responsibilities, she has wide ranging M&A, investor relations and international experience. Lindsay qualified with Deloitte in 2002.



GILLIAN KENT
SENIOR INDEPENDENT DIRECTOR

Appointed: 5 December 2025
Committees: Audit & Risk; Remuneration; Nomination; ESG
Gillian has extensive experience as a non-executive director and remuneration committee chair, with an executive career of over 25 years in digital and technology-led businesses. She was Chief Executive of Propertyfinder and spent 15 years with Microsoft, including three years as Managing Director of MSN UK. She has significant expertise in scaling digital platforms, building markets, high-impact consumer brands and delivering strategic and operational transformation. She is currently Senior Independent Director and Remuneration Committee Chair Designate of Crest Nicholson Holdings plc, Non-Executive Director and Chair of the Risk Committee at THG plc, and Non-Executive Director and Chair of the Remuneration Committee at Mothercare Plc. Previously, she has held non-executive roles with Marlowe plc, Dignity plc, SIG Plc, Ascential Plc, NAHL Plc and Pendragon Plc.



NAOMI CLIMER CBE
NON-EXECUTIVE DIRECTOR

Appointed: May 2023
Committees: Remuneration (Chair); Nomination; ESG
Naomi has had a successful career in broadcast, media, engineering, and technology and was Vice President of Sony's European Professional Services division. Her career began at the BBC, where she trained as an engineer and later became Controller of Technology at BBC News. Before joining Sony in 2002, Naomi was Director of Technical Operations at ITV Digital. She was appointed Commander of the Order of the British Empire (CBE) for services to the engineering profession in the 2018 Birthday Honours List. Naomi brings significant plc Board experience as Senior Independent Director of Oxford Metrics plc and as Non-Executive Director of Focusrite plc. She is also Chair of the Remuneration Committee for both these companies. Naomi was previously a Trustee of The Institute for the Future of Work, a Non-Executive Board Member at Sony UK Technology Centre, and a member of the UK Government's Science and Technology Awards Committee.



COLIN JONES
NON-EXECUTIVE DIRECTOR

Appointed: September 2024
Committees: Audit & Risk (Chair); Remuneration
An experienced FTSE-250 CFO, Colin has had a successful career in the technology, media and telecommunications sector, and was COO and CFO at Euromoney Institutional Investor Plc, the global information and events business, where he worked for 22 years. Prior to this, Colin was a Director at PwC for 15 years, working across strategy, remuneration, financing, technology and M&A in the UK and Europe. Colin is currently a Non-Executive Director and Audit Committee Chair at M&C Saatchi Plc; and Non-Executive Director of Datatec Limited, a company listed on the JSE in South Africa. He was previously Chair of Centaur Media Plc and Non-Executive Director of Gateley (Holdings) Plc. Colin is also a Governor and Trustee of adult education college, The City Literary Institute.



DAVID BERGG
NON-EXECUTIVE DIRECTOR AND DESIGNATED
NON-EXECUTIVE DIRECTOR FOR WORKFORCE ENGAGEMENT

Appointed: May 2018
Committees: Audit & Risk; Remuneration; ESG (Chair)
David has worked in the broadcasting industry for over 30 years holding various roles at ITV, the BBC, Sky, TV-am and Channel Five. He started his career working in several ITV regional audience research teams (including Grampian Television), before moving into marketing and programme acquisition roles and then embarking on a succession of senior scheduling positions. David was Director of Programme Strategy at ITV for 20 years to 2017 and retains extensive contacts at senior levels in the broadcast and programme production sectors in the UK and USA.

EILEEN MALCOLMSON
COMPANY SECRETARY

Board of Directors

As at 31 December 2025

Board at a glance

Board and Committee composition and attendance at scheduled meetings from 1 January 2025 to 31 December 2025¹

Board member	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee	ESG Committee
Attendance					
Board Chairman					
Paul Reynolds ²	6/6			3/3	2/2
Clive Whiley ³	2/2				1/1
Executive Directors					
Rufus Radcliffe	7/7				3/3
Lindsay Dixon	7/7				
Non-Executive Directors					
Gillian Kent ⁴	1/1				
Naomi Climer	7/7		3/3	3/3	3/3
Colin Jones ⁵	7/7	4/4	2/3	3/3	
David Bergg	7/7	4/4	3/3		3/3
Aki Mandhar ⁶	4/6	3/4			2/2

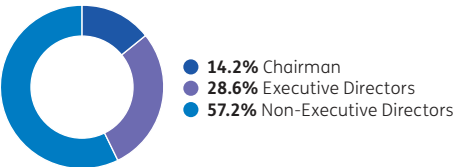
1 Data is based on scheduled meetings from 1 January 2025 to 31 December 2025 only. Additional ad hoc meetings of the Board also took place during the year.
2 Paul Reynolds stepped down from the Board as a Non-Executive Director and Chairman on 18 November 2025.
3 Clive Whiley was appointed as an Independent Non-Executive Director and Chair elect on 1 October 2025 and succeeded Paul Reynolds as Chairman on 18 November 2025. On that date, he was also appointed as Chair of the Nomination Committee and as a member of the ESG Committee.
4 Gillian Kent was appointed an Independent Non-Executive Director and succeeded Colin Jones as Senior Independent Director on 5 December 2025. Gillian was then appointed as a member of the Nomination Committee, the Remuneration Committee, the Audit & Risk Committee and the ESG Committee on 10 December 2025.
5 Colin Jones confirmed he will not stand for re-election at the Company's 2026 Annual General Meeting and will resign from the Board at that time. In anticipation of this, Colin stepped down as Senior Independent Director and as a member of the Nomination Committee on 5 December 2024.
6 Aki Mandhar stepped down from the Board on 5 December 2025.

STV's Board skills matrix

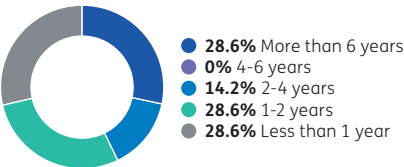
Board member	Governance				Functional experience								Sectoral experience
	Years on Board as at 31 December 2025	Board Committee membership	Board experience	Listed experience	Prior CEO/GM experience	Audit/financial reporting	Risk management	Technology/digital innovation	Customer/marketing	International	Regulation	Media	
Clive Whiley (Chair)	0.3	N, E	✓	✓	✓		✓			✓	✓		
Rufus Radcliffe (CEO)	1.2	E		✓	✓		✓	✓	✓				✓
Lindsay Dixon (CFO/COO)	6.5			✓		✓	✓			✓	✓		✓
Gillian Kent (SID)	0.1	A, N, R, E	✓	✓	✓		✓	✓	✓	✓			✓
Colin Jones (NED)	1.3	A, R	✓	✓		✓	✓	✓		✓			✓
David Bergg (NED)	7.5	A, R, E		✓						✓	✓		✓
Naomi Climer (NED)	2.6	N, R, E	✓	✓	✓			✓		✓			✓

Board Committees: A = Audit & Risk Committee; N = Nomination Committee; R = Remuneration Committee; E = ESG Committee

Board of Directors composition



Tenure of Non-Executive Directors and Chairman



Board and Executive Management diversity

Reporting table on gender identity or sex as at 31 December 2025

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management ¹	Percentage of Executive Management
Men	4	57.1%	2	4	50%
Women	3	42.9%	2	4	50%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Reporting table on ethnic background as at 31 December 2025²

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management ¹	Percentage of Executive Management
White British or other White (including minority-white groups)	7	100%	4	8	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic groups, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1 As prescribed by UKLR6.6.6R(9) for the purposes of this disclosure, the Executive Management is the members of the Management Board and the Company Secretary.
2 Board members and the Executive Management were requested to disclose their gender identity and ethnicity data individually. The data in respect of the two Executive Directors who are members of the Board and Management Board have been included in both the Board data and in the Executive Management data in the tables above. See further detail on achievement of diversity in Board positions in the Nomination Committee report on pages 73 and 74.

STV Leadership Team

The Leadership Team is responsible for driving STV’s strategic priorities while managing all operational aspects of the Group. It comprises senior managers from our key divisions and central Group functions.



RUFUS RADCLIFFE
CHIEF EXECUTIVE



LINDSAY DIXON
CHIEF FINANCIAL & OPERATING OFFICER



BOBBY HAIN
MD, AUDIENCE:
NEWS, AUDIO & REGULATORY

Bobby oversees delivery of the obligations associated with STV’s Channel 3 licences, including regional commitments for news and current affairs, and commercial radio station STV Radio. Bobby is trustee of charity, the STV Children’s Appeal.



RICHARD WILLIAMS
MD, AUDIENCE:
VIDEO & TECHNOLOGY

Richard leads STV’s audience-facing businesses, focussing on maximising audience and reach across STV’s channel and STV Player, while driving improvements to the marketing, creative, technology and operations underpinning them.



DAVID MORTIMER
CEO, STV STUDIOS

David provides creative and business leadership for STV Studios, overseeing significant growth in commissions across genres in domestic and international markets. He also leads the division’s investment and acquisition strategy.



SUZANNE BURNS
HR AND COMMUNICATIONS DIRECTOR

Suzanne oversees employee engagement and relations, talent acquisition, organisational development and strategic communications and is responsible for delivery of the social impact strategy to ensure STV is an efficient, inclusive organisation, strongly positioned for long-term sustainable growth.



DANIELLE KELLY
COMMERCIAL DIRECTOR

Danielle leads a dedicated team of specialists who deliver bespoke advertising solutions for clients across the country. Danielle was also responsible for developing and launching STV’s successful Growth Fund in 2018, making advertising more affordable for Scotland’s SMEs.

Corporate governance report

Compliance with the Code

STV and its Board of Directors are fully committed to upholding the highest standards of corporate governance as these are crucial to overall business integrity and performance. The Annual Report and Accounts for the year ended 31 December 2025 has been prepared in accordance with the provisions of the UK Corporate Governance Code 2024 (the ‘Code’), available at www.frc.org.uk. The Board’s view is that it has complied in full with all relevant provisions of the Code, aside from a departure from the following:

- Code Provision 21. Given the significant level of Board changes during the second half of the year, the externally facilitated performance review will not align with the Code recommendation that boards undertake an externally facilitated performance review at least every three years. Further information is on page 71.
- Code Provision 34. In 2026, the one-off grant of share options to the Chairman, intended to align reward structure across the Board in 2026 and subject to approval of the new Remuneration Policy, will not align with the Code recommendation that Non-Executive Director remuneration should not include share options. Further information and background, including how this one-off award was developed following consultation with our largest shareholders, is provided on page 91.

Responsibilities of the Board

The role of the Board is to provide effective and entrepreneurial leadership of the Group for the purposes of promoting long-term sustainable success, generating value for shareholders, and contributing to wider society. This requires the Board to take high-quality strategic decisions, promote the desired culture and ensure there is a robust system of internal controls and risk management whilst monitoring the financial and operational performance of the business and overseeing performance against the Group’s ESG ambitions and targets. The Board ensures that the necessary funding and talent are available to the business to meet its objectives and measure performance against them, and that effective succession planning processes, remuneration policies, governance arrangements and a framework of sound business ethics are in place.

The Board recognises that engaging with, and acting on the needs of, the Group’s stakeholders is key to achieving the strategy and long-term objectives of the Group. Read more about how the Board engages with stakeholders and the Directors’ statement of compliance with their duties under section 172 of the Companies Act 2006 on pages 34 to 38.

At the date of this report, the Board comprises the Chairman, two Executive Directors and four Independent Non-Executive Directors. The names of the Directors together with their biographies, including their skills and experience, are on pages 60 to 63.

Board governance framework

The components of the Board governance framework, being principal Committees of the Board, the Executives and Management Board are described in the diagram overleaf.

The Board discharges some of its responsibilities directly and delegates others through the Board governance framework. This enables the Board to spend a greater proportion of its time on strategic, forward-looking matters.

The Board has four main committees: the Nomination Committee, Remuneration Committee, Audit & Risk Committee and ESG Committee. The Board Committees are comprised solely of Non-Executive Directors, except for the ESG Committee to which the Chief Executive was appointed as an Executive member on 11 December 2024.

From time to time, the Board may also establish special purpose Committees to assist it in overseeing specific areas, with these Committees usually operating only for a defined period. Although a wide range of the Board’s powers and authorities are delegated to the Executive Directors and Leadership Team, the Board retains ultimate responsibility and authority for their exercise. Two Board Committees meetings were convened during the year to approve the interim and final results prior to their announcement to the market. Outside the formal Board governance structure, Clive Whiley also established a Corporate Development Committee (CDC) on his appointment as Chairman. The CDC was designed to reinforce the FastFwd strategy by facilitating a rapid analysis of emerging strategic imperatives associated in a global industry characterised by accelerating change.

The Board governance framework facilitates responsive and effective decision-making, ensuring that the Board and its Committees, the Executives and Leadership Team can collaborate proactively, consider issues and respond.

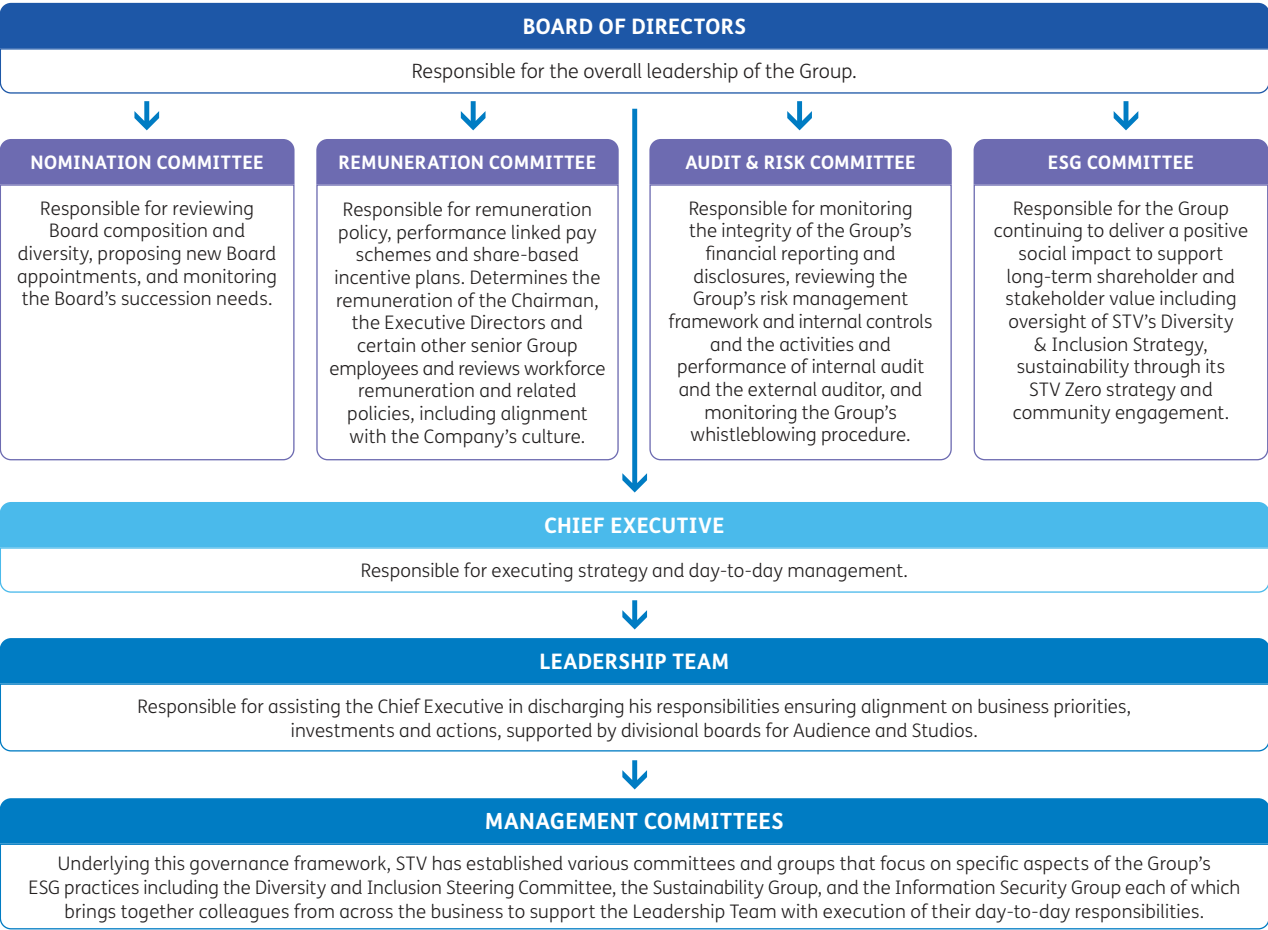
ESG is a core part of our broader Group strategy with culture, sustainability, diversity & inclusion and other related matters embedded into our Board governance framework.

The division of responsibilities of the Directors

The Board comprises Executive and Non-Executive Directors, which ensures that no individual or small group of individuals dominates the Board’s decision-making. All Non-Executive Directors, except for the Chairman of the Board, are considered to be independent in character and judgement. The Chairman of the Board was considered to be independent on appointment. The role of Chairman and Chief Executive are separate with a clear division of responsibility that is set out in writing and approved by the Board.

The roles and responsibilities of Board members are detailed overleaf and demonstrate a clear division between the roles and responsibilities of the Board and Executive management.

Corporate governance report



Roles and responsibilities of Board members

Chairman: Leading the Board and ensuring its overall effectiveness in discharging its duties	Clive Whiley leads the Board and is responsible for its overall effectiveness. He is expected to demonstrate objective judgement, to promote a culture of openness and constructive challenge and debate between all Directors, and to promote high standards of corporate governance. The Chairman sets the Board's agenda and ensures the Board receive accurate, clear and timely information, and are given adequate time for discussion. He also leads Board succession planning, ensures that Board induction, performance review and development are a priority, and seeks to ensure effective communication with shareholders. The Chairman meets regularly with the Senior Independent Director and Non-Executive Directors outside the scheduled, formal meetings during the year. As Chairman, Clive also leads the Nomination Committee.
Chief Executive: Leading the implementation of the Group's strategy set by the Board	As Chief Executive, Rufus Radcliffe has delegated responsibility from the Board for the day-to-day running of the business and, supported by the Leadership Team, is responsible for ensuring the overall operations and resources of the Group are managed effectively and for leading the implementation of the Group's strategy.
Executive Director – Chief Financial & Operating Officer: Supporting the Chief Executive in the implementation of the Group's strategy set by the Board	The Chief Financial & Operating Officer, Lindsay Dixon, is an Executive Director and member of the Board and the Leadership Team and supports the Chief Executive by providing financial and operational leadership in the implementation of the strategic business plan and its alignment with financial and non-financial objectives.
Independent Non-Executive Director: Ensuring that no individual or small group of individuals can dominate the Board's decision-making	The Independent Non-Executive Directors Naomi Climer, David Bergg, and Colin Jones, and Senior Independent Director, Gillian Kent, comprise more than half of the Board membership. They bring diverse business and commercial experience, objective judgement and specialist advice that inform Board discussions and decision making and are a major contributing factor towards the proper functioning of the Board and its Committees. They ensure that all matters are debated, and that no individual or group dominates the Board's decision-making process. They provide constructive challenge and give strategic guidance, holding executive management to account. Led by the Nomination Committee they are responsible for the appointment and removal of Executive Directors and determine the remuneration of Executive Directors through the Remuneration Committee.

Senior Independent Director: Providing a sounding board for the Chairman of the Board and serving as an intermediary for other Directors and shareholders	The Senior Independent Director, Gillian Kent (formerly Colin Jones until 10 December 2025), provides a sounding board for the Chairman and, if necessary, acts as an intermediary for the other Non-Executive Directors. She is also available to shareholders to discuss any concerns that have not been addressed through the normal engagement channels. She leads on the ongoing monitoring and annual performance review of the Board Chairman's performance. As part of her role, she meets with the Non-Executive Directors without the Board Chairman at least annually.
Designated Non-Executive Director for Workforce Engagement: Providing an effective engagement mechanism for the Board to understand the views of the workforce	David Bergg is STV's Designated Non-Executive Director for Workforce Engagement. Through this role he makes site visits to the Company's offices to meet and talk to a wider group of colleagues, and participates in meetings of the Employee Forum from time to time. He also meets on a bi-monthly basis with the HR & Communications Director to discuss employee engagement activities and plans, including the employee opinion survey. He brings the views and experiences of the workforce into the boardroom so the Board can consider their views in its discussions and decision-making.

Board and Committee operations

The structure of each Board and Committee meeting seeks to facilitate open discussion and debate and ensure adequate time for Directors to consider all agenda items and related proposals.

Meetings are held through a combination of virtual attendance and in person with the latter rotating around the main offices occupied by the Group. The Board held seven scheduled meetings during the year with attendance set out on page 62.

The Board also meets when necessary to discuss important emerging issues that require consideration between scheduled Board meetings. There were 9 ad hoc meetings of the Board between March and December to discuss, amongst other things, prelim results announcement for FY24, strategy refresh and Capital Markets Event, trading updates and shareholder engagement, and Board succession planning. The Chairman also met with the other Non-Executive Directors without the presence of Executive Directors.

All Directors are expected to attend all meetings of the Board and the meetings of the Committees on which they serve, and the AGM. When a Director is unable to attend (in person or virtually) a Board or Committee meeting, he or she receives the papers for consideration at that meeting and can provide feedback on the matters under consideration via the Chair of the relevant body in advance.

The powers of the Board are set out in the Company's articles of association. There is a schedule of matters reserved for the Board for its decision-making. There are also terms of reference for the Board Committees. These can be found on our website at www.stvplc.tv.

Time commitment and conflicts of interest

Non-Executive Directors, including the Chairman, are informed of the minimum time commitment required prior to their appointment and they are required to devote sufficient time to the Company to effectively discharge their responsibilities.

Before accepting any significant new commitment outside of STV, all Directors must seek approval from the Board, providing an indication of expected time commitment associated with the proposed new position. The Board monitors the extent of Directors' other interests and the time commitment required to fulfil those interests to ensure that the effectiveness of the Board is not compromised. A Director's preparation for, and attendance at, Board and Committee meetings is therefore only part of their role as they are expected to devote such time to the affairs of the Group as is necessary to enable them to perform their duties as Directors. The Board is satisfied that the Chairman and each of the Non-Executive Directors devote sufficient time to their duties.

Each Director has a duty under the Companies Act 2006 to avoid a situation in which they have, or might have, a direct interest that conflicts, or possibly may conflict, with the interests of the Company. This duty is in addition to the obligation owed to the Company to disclose to the Board an interest in any transaction or arrangement being considered by the Company. The Company's articles of association authorise the Directors to approve such situations and to comply and to apply other provisions to allow conflicts of interest to be dealt with.

Potential conflicts of interests are disclosed on appointment and on an ongoing basis via notification to the Company Secretary or the Chairman, and conflicts of interest are a standing agenda item at each Board and Committee meeting.

The Board has considered the current external appointments of all Directors which may give rise to a conflict. In any matter where a Director's interest does present a potential or actual conflict, the Director shall recuse themselves from any such discussion and will not vote or be counted in the quorum, when that matter is considered.

The Group maintains what the Board considers to be the appropriate insurance cover in respect of legal action against the Directors.

Talent and succession

The Board has overall responsibility to ensure there is adequate succession planning for the Board and senior management so that the right balance of skills and experience is available to set and deliver the Company's strategy.

The Board continues to review plans for the orderly succession of appointments to the Board with the support of the Nomination Committee, building on work previously undertaken. During the year, the Nomination Committee reviewed the balance of skills, experience, diversity, tenure and independence of Non-Executive Board members, and succession to the roles of Chief Executive and Chief Financial & Operating Officer were also reviewed. These activities ensure that appropriate plans are in place for the orderly succession of appointments to the Board, and to ensure satisfactory and compliant Board and Committee composition. Recommendations were made to the Board as required.

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The full Board, supported by the Nomination Committee on specific initiatives, is responsible for the depth and quality of the succession pipeline for the Leadership Team, senior management roles (direct reports to the Leadership Team) and other key operational roles across all areas of the Group. During a year of significant organisational change, the Board provided challenge and oversight of a comprehensive review of roles across the Group. The process sought to deliver cost efficiencies while retaining the skills and capabilities required to execute the Group's strategy and maintain a robust succession pipeline. A formal succession planning exercise will be undertaken in 2026 once the organisational design and related operational changes are fully implemented.

Board engagement with colleagues

The Board strongly believes in the importance of engaging with our stakeholders and hearing their views, which bring valuable outside perspectives to the Board. In particular, the Board recognises that our colleagues are critical to our success. Ensuring that Board members have an opportunity to engage directly with colleagues is an important part of workforce engagement and helps the Board take the issues of interest to our colleagues into account when making decisions about the future strategy and operations of the Company.

During 2025, Board engagement with colleagues included:

- Informal sessions for the Board and colleagues from all areas of the business in our London and Aberdeen offices.
- The Designated Non-Executive Director for Workforce Engagement, David Bergg, visited the Group's offices outside the Board schedule to discuss a wide range of matters and to answer questions on the Group's trading performance, with feedback collated and shared with the Board.
- The Chief Executive hosted a regular all-colleague virtual town hall featuring highlights and challenges from different areas of the business, with the purpose of connecting colleagues and providing an opportunity to build an understanding of the wider business.

As well as Board engagement with colleagues directly, the Board receives papers providing updates on workforce engagement which provide Directors with valuable insights into the operation and culture of the business.

Key Board activities in 2025

The Board's engagement in strategy

On Rufus Radcliffe's appointment as Chief Executive in November 2024, he embarked on a programme of engagement with colleagues from across all offices in the Group and a number of our largest shareholders, advertisers and customers. He also led a number of strategy away days with the Leadership Team, supported by external advisors (as appropriate) to consider the evolutionary development of the existing Group strategy, later named FastFwd, to address the next stage of STV's growth.

The Board held a series of strategy sessions within the scheduled Board meetings to accommodate this and held an additional meeting exclusively to discuss strategy. The Board was provided with the briefing materials in advance, ensuring that the time Board members spent together was discussion-focused and provided time for challenge, debate and questions. The close engagement between the Board, Executive Directors and Leadership Team throughout the process ensured building on feedback from each session.

The strategy was developed through six workstreams (1) Digital/Player, (2) Studios (3) New Revenue Opportunities (4) News (5) Partnerships and (6) overall vision/framing and organisation design and cost, within the context of the changing landscape the business is operating in.

The FastFwd strategy, was presented to the Board in April 2025 and was duly approved. The associated Capital Markets presentation with the strategic targets and related financial and non-financial key performance indicators was presented to the Board in May 2025 and was duly approved before being shared with investors later that month.

The implementation of strategy has been monitored and evaluated on an ongoing basis.

Following the Capital Markets Event, the Board received presentations from the Executive Directors, divisional Managing Directors, and certain of their team members, to consider and challenge specific proposals for delivery of the respective strategies of each division. High quality briefing papers were provided to the Board for each of those meetings with updates provided between meetings to keep the Board informed of progress. The Board's work in this area also includes continual assessment of the changing landscape the business is operating in, and the need to adjust and reprioritise strategic actions accordingly.

Key matters in which the Board performed a pivotal role in the development of strategy included:

- Approval of the launch of STV Radio;
- Submission to Ofcom of proposals to amend the Company's Channel 3 licences to ensure provision of regional news would be on a sustainable footing and to enable the continued transition to digital output, where audiences are increasingly looking for their news updates;
- Review of organisational re-design, including combining Broadcast and Digital divisions into a single Audience division and the subsequent cost saving and efficiency programme determined in September 2025.

Within the overarching consideration of Group strategy, the Board continued to consider our STV Zero strategy and Diversity & Inclusion Strategy with its oversight supported by the ESG Committee. Further details can be found in the report of the ESG Committee on pages 80 and 81.

The Board's engagement liquidity and cash management

In light of the challenging trading conditions in 2025, which were heightened over the summer, the Board undertook Q3 reviews to assess the business model, financial resilience and guide a decisive programme of actions.

To protect liquidity and strengthen the balance sheet, and right-size the cost based, the Board approved:

- A cost-saving programme delivering c.£3m additional annualised savings, incremental to the existing £5m run-rate target;
- Stopping new development in STV Studios Entertainment and ending further investment in Mighty Productions following a Studios' strategic review; and
- Increasing the Group's Revolving Credit Facility to £75m and agreeing an amended Schedule of Contributions with the defined benefit pension schemes to support cash management flexibility.

These actions position the Group for long-term stability and future growth.

Further detail is set out in the section on Engaging with Stakeholders on page 38.

Other key Board activities in 2025

The Board executed its responsibilities across the full suite of core activities during the year, with the focus set out below:

Strategy (stakeholder groups impacted: Colleagues, Customers, Suppliers, Shareholders, Community and environment, Government and regulators)

- Reviewed, discussed and approved the FastFwd strategy and related financial modelling
- Oversight of changes to the organisational structure and design
- Participated in focus sessions on 'horizontal topics' to deepen the Board's understanding on key areas of impact/focus across the Group, such as viewing and competitive trends, emerging technology, the broader macroenvironment and evolution of the media sector
- Oversight of investment opportunities and divestments within STV Studios, and new advertising propositions in Audience
- Approval of the launch of STV Radio
- Approval of the revised targets associated with STV Zero, including the long-term target of achieving net zero by 2050
- Approval of the 2025 and 2026 Sustainability targets to support continued progression of STV Zero
- Approval of the Board Diversity Policy and review of the 2025 Diversity & Inclusion targets to support continued progression of the Diversity and Inclusion Strategy
- Discussions of various regulatory and legislative issues, including the new Media Act and the implementation of Less Healthy Food (LHF) advertising legislation

Operational and financial performance, including monitoring (stakeholder groups impacted: Colleagues, Customers, Suppliers, Shareholders, Government and regulators)

- Operational and financial updates for each business area and delivery plans against strategy including major project updates and legal and compliance reporting
- Monthly finance reports, including details of performance against budget/latest forecast, review of cashflow and assessment of balance sheet and net debt
- Approval of the Annual Report & Accounts, including assessment of the going concern basis of preparation and Viability Statement
- Approval of the Interim Financial Accounts including assessment of the going concern basis of preparation
- Approval of trading updates
- Review, challenge and monitoring of progress against the short and medium-term financial forecasts, including progress of actions to deliver identified cost savings

Risk management, including resilience (stakeholder groups impacted: Customers, Suppliers, Shareholders)

- Approval of the Group's Risk Appetite Statement and Risk Management Policy
- Assessment of the Group's principal and emerging risks
- Review of the Group risk register and identified mitigating controls
- Approval of sustainability and climate-related risks and mitigating actions and opportunities facing the Group
- Monitoring of cyber and data security practices and outcomes
- Oversight and approval of the refinancing of the Group's debt facilities
- Approval of implementation of interest rate swaps
- Presentations and training from the Company's pension adviser on new defined benefit pension legislation, the funding position of the Group's schemes, rephasing of the deficit recovery contributions, and ongoing review of future potential strategic options

Investor Relations (stakeholder groups impacted: Shareholders)

- Review of broking relationships and subsequent appointment of new brokers
- Review and approval of the Capital Markets Presentation of the FastFwd strategy
- Review of institutional investor feedback following meetings with the Chairman, Senior Independent Director, Executive Directors and Chair of the Remuneration Committee
- Regular reporting from brokers on markets, trading and investor feedback
- Review of draft RNS announcements and analyst results presentations, the latter for the Company's full and half year financial results
- Monitoring the wider investor engagement programme, including site visits

Corporate governance report

Culture (stakeholder groups impacted: Colleagues)

- Oversight of the succession planning review for the Leadership Team and senior management roles (direct reports to the Leadership Team) and other key operational roles
- Oversight of the 2025 and 2026 salary review
- Approval of the 2025 Modern Slavery and Human Trafficking Statement
- Review of whistleblowing reports
- Oversight of arrangements for the transition of the Chairman and Senior Independent Director roles

Governance and regulatory matters (stakeholder groups impacted: Customers, Shareholders, Government and regulators)

- Monitoring of Ofcom consultation for changes to news output and our Channel 3 licences
- New Radio Licence
- Annual Performance Review 2024 Board Action outcomes
- Approval of the appointment of the External Board evaluator for the External Board Performance Review in 2026
- Approval of the 2025 Board agenda
- Approval of 2025 AGM notice and arrangements
- Annual approval of matters reserved for the Board and Terms of Reference for each Board Committee
- Appointment of the Chairman and Senior Independent Director to the Board and related changes to Committee membership
- Annual approval of Non-Executive Director fees and annual minimum time commitment
- Approval of the new STV Group plc Deferred Bonus Plan 2025 Rules
- Updates on Corporate Governance developments and their applicability to the Company

Board support and the role of the Company Secretary

The role of the Company Secretary is to support the Chairman of the Board and ensure the Directors have access to the information they need to carry out their roles. She provides a channel for Board and Committee communications and is a link between the Board and management. The Company Secretary must ensure that all Board and Committee procedures are complied with and advise on corporate governance and related regulatory compliance. She facilitates Director induction, professional development and Board evaluations overseen by the Board Chairman.

The Company Secretary is also responsible for ensuring that the Board and Committees receive accurate, clear, and up-to-date information in sufficient time for them to review it before each meeting and are provided with sufficient resources to discharge their respective duties. In addition and separate to the support provided by the Company Secretary, the Directors have access to independent professional advice at the Group's expense.

Induction

All Directors who join the Board receive a comprehensive bespoke induction programme. Every programme builds on the skill set, attributes, and background of the joining Director, their interests in the Board or Committee roles, and the Company's recommendations.

In addition to background information on the Company, every induction covers a range of topics including Board procedures, recent operational performance and strategic direction of the Company, review of recent analyst coverage, and Directors' duties and responsibilities, including procedures for dealing in STV's shares. Any new or serving Director joining a Board Committee is also provided with an induction tailored to that Committee.

Each induction typically includes a series of meetings with the members of the Board, Leadership Team and external advisers (including brokers) and other senior management. Directors receive a walkthrough of the business from members of the Leadership Team and a briefing on STV's investor relations programme. A newly appointed Director will have met some, if not all, fellow Board members as part of the original search and appointment process but additional meetings may nevertheless occur with the same Board members as part of their induction.

Insight into the induction for Gillian Kent

Gillian Kent joined the Board as an Independent Non-Executive Director and succeeded Colin Jones as Senior Independent Director on 5 December 2025. Subsequently Gillian was appointed as a member of all Board Committees. As part of her onboarding programme, Gillian's induction included the following:

Orientation pack	• Information about Board operations and administration including meeting dates and logistics • Key Company policies including share dealing
Reading material	• Access to the Board portal containing Board and Board Committee papers, minutes and resource materials • Key Company governance documentation including Matters reserved for the Board and Board Committee Terms of Reference
Meetings	• One-to-one meetings with the members of the Board and Company Secretary • Deep dive sessions with members of the Leadership Team, certain of the senior management (direct reports to the Leadership Team) and other key operational roles, focusing on matters within their areas of responsibility • An extensive programme of engagement with the retained brokers and largest shareholders

Training & development

All Director training and development is an ongoing process. Throughout their period in office the Directors are regularly updated on the Company's business, the macro and competitive environments in which the Company operates and any other significant factors affecting the Company and the market sector of which it is a part. In addition, the Board regularly receives presentations from senior managers within the Company and from Company advisors to ensure that Directors' knowledge, skills, and familiarity with the Company's business are maintained. Directors are also provided with, and encouraged to take up, opportunities to meet major shareholders. These activities are supplemented with separate conversations between individual Non-Executive Directors and members of the Leadership Team as required.

Board and Committee performance reviews

In accordance with Code Provision 21, which recommends that boards undertake an externally facilitated performance review at least every three years, the Board completed an external review in 2022, followed by internally facilitated reviews in 2023 and 2024. An externally facilitated review was scheduled for 2025, however given the significant level of Board change during the second half of the year, including the appointment of a new Chairman on 18 November 2025, the Board concluded that an external performance review at that point would be of limited value. Accordingly, the Board approved a short deferral and committed to conducting an externally facilitated performance review in 2026, potentially in the first half of the year, and has approved the appointment of Chris Stamp of Ceradas to undertake this review.

There were no outstanding recommended actions arising for the Board from the 2024 performance review.

Shareholder engagement

STV believes that open and regular dialogue with investors is the basis of a trusted relationship. Its corporate website (www.stvplc.tv) has information for institutional and private shareholders alike, and shareholders seeking information may contact the Company directly through the year. In addition, STV has an electronic communication facility to allow shareholders to receive information more quickly and in a manner convenient for them.

The Board recognises the importance of having continual engagement with its shareholders and fully supports the principles of the Code that encourage open dialogue between companies and their shareholders. The Board welcomes and encourages participation of all shareholders at the Company's Annual General Meeting.

In addition, STV undertakes a comprehensive programme of meetings and events for institutional investors, retail investors, research analysts and the financial press throughout the year.

The Chairman, the Senior Independent Director and other Non Executive Directors are available to meet with shareholders to discuss governance, strategy and operational delivery, Directors' remuneration, and to develop a balanced understanding of shareholder views and concerns. Several such meetings took place during the year. Key areas of focus for shareholder engagement included trading performance, the strategy refresh announced in May 2025, Board composition and the accelerated process to appoint a new Chairman, as well as a comprehensive programme of engagement to inform the 2025 triennial remuneration policy review.

Discussions at these meetings are conveyed to all Directors in order that each can develop an understanding of major shareholders' views on the Company.

Minority voting

At the Annual General Meeting of STV Group plc held on 30 April 2025 all resolutions were passed with the requisite majority of votes, although there were more than 20% votes cast against the three Resolutions set out below:

- Resolution 2, to approve the Directors' Remuneration Report (the 'Remuneration Report') was approved by 67.40% of votes cast.
- Resolution 6, to re-elect Paul Reynolds as a Director of the Company was approved by 72.50% of votes cast.
- Resolution 8, to re-elect Naomi Climer CBE as a Director of the Company was approved by 74.55% of votes cast.

In accordance with Provision 4 of the Corporate Governance Code, the Company provided an update to the Investment Association on the views received from shareholders. This can be found on the Investment Association's public register of shareholder dissent or on our website at www.stvplc.tv.

The Company remains dedicated to its ongoing engagement with shareholders and their respective bodies on remuneration whilst continuing to evolve governance and seek to apply best practice.

Governance Committee reports

Report of the Remuneration Committee

The members of the Committee during the year and to the date of this report, all of whom are Independent Non-Executive Directors were:

Naomi Climer (Chair)
David Bergg
Colin Jones
Gillian Kent (appointed 10 December 2025)

The role and activities of the Committee are described in the Remuneration Report on pages 82 to 98.

Report of the Nomination Committee

The members of the Committee, comprising two independent Non-Executive Directors and the Chairman of the Board (independent on appointment), were:

Clive Whiley (Chair) (appointed 18 November 2025)
Paul Reynolds (Chair) (retired 18 November 2025)
Naomi Climer
Gillian Kent (appointed 10 December 2025)
Colin Jones (retired 5 December 2025)

The Committee's detailed responsibilities are set out in its terms of reference which are available on the Company's website www.stvplc.tv.

During the year, three scheduled meetings were held and there were five additional meetings to consider succession for the Chairman of the Board, Senior Independent Director and Chair of the Audit & Risk Committee. At the invitation of the Committee, meetings are attended by other members of the Board.

The principal activities undertaken by the Committee during 2025 have been summarised below.

Month	Activity
February	- Composition, structure of the Board and Committees, and succession planning - Review of Committee report in the 2024 Annual Report - Time commitments, and review of conflicts of interest and external appointments of Non-Executive Directors - Recommendation to the Board that all Directors be put forward for election or re-election at the 2025 AGM - Assessment of independence of Non-Executive Directors
July to September	- Chairman of the Board succession planning and appointment of Interim Chair of the Committee - Appointment of Clive Whiley as Independent Non-Executive Director and Chair Elect - Recommendation to the Board of the approval of the Board Diversity Policy
November	Appointment of Clive Whiley as Chairman of the Board
December	- Senior Independent Director and Chair of Audit & Risk Committee succession planning - Appointment of Gillian Kent as Senior Independent Director and member of all Board Committees

Composition of the Board and Changes

During the year, the Committee continually reviewed the structure, size and composition of the Board and its Committees, including the balance of skills, knowledge, experience, and diversity to ensure their effectiveness and ability to support the Group's strategy in a challenging environment and ultimately deliver value for all stakeholders. The Board skills and experience matrix is set out on page 62.

As announced to the market, during the year the Board was notified of the intention of three Directors to step down from the Board:

- Paul Reynolds, Chairman, who stepped down from the Board on 18 November 2025;
- Aki Mandhar, Independent Non-Executive Director, who stepped down from the Board on 5 December 2025; and
- Colin Jones, Senior Independent Director, who confirmed his intention that he will not stand for re-election at the Company's 2026 Annual General Meeting and will resign from the Board at that time. In anticipation of this, Colin stepped down as Senior Independent Director and as a member of the Nomination Committee on 5 December 2025. He has continued as Chair of the Audit & Risk Committee to ensure a full and orderly transition until his departure in 2026.

The Committee led an accelerated and comprehensive search and selection process for a new Chairman, led by Colin Jones, with Paul Reynolds recusing himself from all related decisions.

Lygon Group, an external search consultancy with no other connection to the Company or its Directors (other than contact in the context of other board searches), was appointed by the Board to support the process. A schedule of activities was agreed for each stage of the process, which included an interview with Lygon followed by two rounds of interviews with Board members. Throughout the process the Committee received feedback, with Clive Whiley being considered the preferred candidate.

The Committee also led the search and selection process for a Senior Independent Director. Further to an introduction to Gillian Kent by the Chairman, and without the services of a search consultancy, interviews were held with each member of the Board, except for Colin Jones, Senior Independent Director, who recused himself from the process. The Committee received feedback throughout.

Both searches were based on criteria agreed by the Committee, including the skills, experience, knowledge and characteristics required of the roles. These criteria considered stakeholder expectations and the composition of skills, experience and diversity required of the Board as a whole.

The Committee concluded that the skills and experience of both Clive Whiley and Gillian Kent would complement those of the existing Directors. The Committee also assessed whether both candidates would be considered independent, with reference to the circumstances set out in the Code and the requirement that at least half of the Board should be independent Non-Executive Directors. The Committee noted that, prior to appointment, both candidates had confirmed that they considered themselves independent in character and judgement. The Committee also assessed the time commitment required of them to fulfil their duties alongside their external appointments.

On finalisation of the processes, the Committee recommended Clive Whiley as the preferred candidate, as an Independent Non-Executive Director and Chair Elect, to the Board. The Committee also recommended Gillian Kent, as Non-Executive Director and Senior Independent Director, to the Board.

These processes were successfully completed with the appointment of Clive Whiley to the Board as Independent Non-Executive Director and Chair Elect on 1 October 2025 and subsequently as Chairman on 18 November 2025, and with the appointment of Gillian Kent to the Board as Senior Independent Director on 5 December 2025.

The Committee is seeking to appoint an independent Non-Executive Director who will chair the Audit & Risk Committee following the planned departure of Colin Jones at the time of the 2026 AGM.

Succession planning

Effective succession planning and development of a diverse succession pipeline are key aspects of good governance.

During the year, the Committee reviewed current succession plans for the Board building on the work previously undertaken. This included giving consideration to the tenure of individual Non-Executive Directors and the succession to the roles of Chief Executive and Chief Financial & Operating Officer, and potential future changes to Board composition, structure and size with a view to ensuring a succession plan that would address any gaps against the skills and experience required to support delivery of the strategy of the Company.

Further information can be found on pages 67 and 68 of the Governance Report.

Diversity and Inclusion

The Committee recognises the strategic importance of a diverse and inclusive Board and its Committees. We believe that Board diversity makes us a better and more sustainable business, contributing to high performance and enhanced commercial results. As well as a diverse Board, we promote an open and inclusive culture in Board and Committee meetings, where all Directors are encouraged to share their views, and all views are taken into account without bias or discrimination.

The Board's Diversity Policy sets out the objectives aligned with the FCA's UK Listing Rules, the FTSE Women Leaders Review, and the Parker Review, helping to support the development of a diverse pipeline. The Committee is tasked with the aim of ensuring these objectives meet regulatory standards and good practice, as well as monitoring progress in achieving them. The diversity data in the format prescribed by LR6.6.6R(9) is provided on page 63.

Performance against these targets as at 31 December 2025 is set out below, with statements of compliance given accordingly.

FCA Listing Rule	Performance as at 31 December 2025
Gender diversity target The proportion of women on the Board is at least 40%	57.1% of Directors are women. This target has been exceeded.
At least one of the following senior Board positions is held by a woman: Chair, Chief Executive, Senior Independent Director or Chief Financial Officer	This target has been exceeded with women in the roles of Chief Financial & Operating Officer and Senior Independent Director.
Ethnic diversity target At least one individual on its Board is from a minority ethnic background	This target has not been met following the decision of Aki Mandhar, Independent Non-Executive Director, to step down from the Board on 5 December 2025.

The Committee acknowledges that the Board's diversity is not in line with the ethnic diversity target set out in its Board Diversity Policy or the target set out in the FCA's UK Listing Rule 6.6.6R(9). This is due to the Board currently being in a period of change and, due to its relatively small size, the appointment or departure of an individual Director can have a significant impact on the achievement of these targets.

The Committee is seeking to appoint an independent Non-Executive Director to chair the Audit & Risk Committee following the planned departure of Colin Jones at the time of the 2026 AGM. In doing so, the Committee will have full regard to the benefits of diversity in all its forms and the aims of the Board's diversity policy, and compliance with relevant guidance and rules.

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The Committee will continue to keep the Board and Board Committee composition under review as part of its normal succession planning.

The Committee is also mindful of the voluntary target recommended by the FTSE Women Leaders Review of 40% female representation for management teams and their direct reports by the end of 2025. As at 31 December 2025, female representation amongst the Leadership Team and their direct reports was at 63% and so exceeded the suggested minimum. We will continue to ensure the Group has a diverse pipeline for Leadership Team succession and this will be an annual agenda item for the Board and its Committees.

The Board, with the support of the ESG Committee and together with management, also remains focussed on building a supportive and inclusive culture that ensures equal opportunity for all and driving measurable progress across the Group.

Independence, election, and re-election of Directors

A formal review of the independence of the four Independent Non-Executive Directors was undertaken by the Committee, which in each case considered relevant issues, including the skills and experience, number and nature of external appointments, potential conflicts of interest, and their length of service. The individual circumstances were also assessed against independence criteria, including those set out in the Code. The outcome of the review was that the Committee recommended to the Board that each Non-Executive Director was considered to be independent in character and judgement. Therefore, the Board continued to satisfy the requirement for at least half of its members, excluding the Chairman, to be Independent Non-Executive Directors.

During the year, the Committee kept under review the number of external directorships held by each Director, in order to assess any potential risks of ‘overboarding’. The Committee considered the limits on the number of directorships included in the related guidelines of shareholder bodies. Following the Committee’s recommendation, the Board is satisfied that there are no Directors whose time commitment causes concern and that all Directors have been able to devote sufficient time to the Company.

In accordance with the Code and on recommendation of the Committee to the Board, Clive Whiley and Gillian Kent will seek election at the 2026 AGM and, with the exception of Colin Jones, all other Directors of the Company will seek re-election at the next AGM. Further information in support of their election or re-election will be set out in the Notice of Meeting. The Board is of the view that each Director it has recommended to shareholders for election or re-election at the 2026 AGM continues to be effective and contributes to the Company’s long-term sustainable success.

Committee performance review

For 2025 the Board has approved a short deferral given the recent appointment of the Board Chairman and Senior Independent Director, and has committed to an externally facilitated performance review in 2026.

There were no outstanding recommended actions arising from the 2024 Committee performance review.

Report of the Audit & Risk Committee

The members of the Committee, all of whom were independent during the year, were:

Colin Jones (Chair)
David Bergg
Aki Mandhar (retired 5 December 2025)
Gillian Kent (appointed 10 December 2025)

The Committee’s detailed responsibilities are set out in its terms of reference which are available on the Company’s website, www.stvplc.tv.

The Audit & Risk Committee was chaired throughout the year by an Independent Non-Executive Director with appropriate recent and relevant financial experience. The Committee members have, through their other business activities, significant experience in financial and risk management matters. They have been selected with the aim of providing the wide range of financial and commercial experience necessary to fulfil the Committee’s responsibilities.

At the invitation of the Committee, meetings are attended by the Chairman, Chief Executive, Chief Financial & Operating Officer, and senior members of the Group Finance Team as required. Naomi Climer, Independent Non-Executive Director, has a standing invite as an attendee to all meetings. Representatives from both the external and internal auditors also participate in each meeting, and the Committee meets separately with each of senior management and the external and internal auditors at least once during the year. These separate meetings with the internal and external auditors provide the Committee with the opportunity for any issues to be raised by, or with, the auditors.

The Committee met four times during 2025. The Chair of the Committee reports on the main points of discussion to the Board following each meeting and conveys any recommendations for the Board’s own decision making.

The papers considered by the Committee are available to any Director who is not a member, should they wish to receive them.

Committee activities

The principal activities undertaken by the Audit & Risk Committee during 2025 included:

Month	Activity
February	- Review of Year End Results, including 2024 Annual Report & Accounts - Review of External Audit Report on Year End Results - Risk review and assessment, and internal control effectiveness - Review of Internal Audit reports - Corporate Governance updates - Review of Independence of External Auditors - Annual review of the effectiveness of the audit process and External Auditor performance
September (two meetings)	- Review of Half Year Results - Review of External Auditors’ Report on Half Year Results - Corporate Governance updates - Review of Internal Audit Report - Information Security update - Market insights – cybersecurity and AI - Review of risk management and internal controls
October	- Review of external audit plan for 2025 - Approval of Internal Audit Plan for 2026 - Approval of Internal Audit Charter for 2026 - Internal Audit progress report - Corporate Governance updates

The principal activities undertaken by the Committee during 2025 focussed on the four areas of financial reporting, internal control and risk management, internal audit, and external audit.

Financial reporting

The Committee’s principal responsibility in this area is to review and challenge the judgements and estimates taken by management in applying the critical accounting policies that underpin the interim and annual financial statements. The Committee is required to ensure that appropriate rigour has been applied to the Group’s financial statements, including the content of the Interim Financial Report, the Annual Report and Accounts, related results announcements and supporting analyst presentations, and that the critical accounting policies have been applied appropriately and the disclosures presented are transparent and sufficient. Based on the work of the Committee, a recommendation is made to the Board in relation to the application of the going concern principle, and approval of the Group’s financial statements taken as a whole. The Committee has a particular focus on:

- critical accounting policies, disclosure obligations and practices (including any changes during the period) and the Group’s use and explanation of alternative performance measures (APMs);
- decisions requiring significant judgement, areas of significant estimate, or where there has been discussion with the external auditor;

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- the existence of any errors, adjusted or unadjusted, arising from the audit;
- the clarity and compliance of disclosures with accounting standards and relevant reporting requirements;
- the oversight of the processes and controls in place to compile and report on the numerical elements of the Group’s climate-related financial reporting, including any external assurance sought;
- review of the Climate-related Financial Disclosures report, including the statement of compliance;
- assessment of the going concern basis of preparation and review of the process and financial modelling underpinning the Viability Statement; and
- the processes surrounding compilation of the Annual Report & Accounts, from the perspective of presenting a fair, balanced, and understandable assessment of the Group’s position and prospects.

Formal reports were received from the Chief Financial & Operating Officer and the external auditor during the year, summarising the main discussion points relevant to the interim financial report (in September 2025) and the Annual Report & Accounts (in February and March 2026).

The Committee has identified several areas of focus on which it received reporting from management and the external auditors. Within these areas of focus, the Committee considers that the significant risks from a financial reporting perspective in 2025 were revenue recognition for production revenue and impairment of parent company investments. Taking revenue recognition first, the Committee challenged management on the key underlying assumptions. This involved a review of the assessment undertaken by management to estimate the ‘percentage of completion’ of each producer-for-hire arrangement in place at the year end. The Committee also sought assurances from the external auditors that they were satisfied that management’s analysis and judgements were appropriate and reasonable. On the basis of work performed, the Committee concluded that it was satisfied that the assumptions underpinning the revenue recognition for production revenue were appropriate and the disclosures were transparent and complied with the relevant accounting standard.

The impairment of parent company investments is normally carried out at the end of the year but due to a deterioration in trading performance through 2025 the presence of an impairment indicator in July 2025 arose and therefore an impairment review was carried out at the time of interim reporting as well as the full year. At both times of the year, the Committee was satisfied that the analyses supported the conclusion that headroom remains adequate and that no impairment exists for parent company investments.

The other areas of focus for the Committee (none of which was considered a significant risk) that it received reporting on from management and the external auditors were: impairment of goodwill; adjustments to revenue; development stock and deferred production stock in Studios; retirement benefit obligation; acquisition accounting for Flicker Productions Limited; adjusting items; and alternative performance measures.

The Committee reviews the work in these areas given the judgement involved by management in the underlying assumptions and the need for transparent disclosures. Having reviewed reporting on each matter, the Committee was content with management’s treatment and disclosure across all areas.

Going concern and long-term viability

The Committee reviewed and challenged the appropriateness of adopting the going concern basis of accounting in preparing the full year financial statements and separately assessed whether the business was viable in accordance with the requirements of the Code.

A key factor in both assessments was the availability of finance and the Committee recognised the Revolving Credit Facility (RCF) arranged in February 2025 and amended in September 2025. The RCF matures in February 2028, with one 2-year extension option available to exercise in February 2027, with a facility size of £75m (and an uncommitted accordion is also available). The Committee is also cognisant of the amended schedule of contributions in place, providing cash management flexibility to the Company through FY26 and FY27 whilst maintaining the recovery plan end date of October 2030 for the Group’s defined benefit pension schemes.

The assessment included a review of the principal risks facing the Group, their financial impact, how they were managed, and forecast covenant compliance together with a discussion as to the appropriate period for the viability assessment. Under both a base case and severe but plausible downside scenario, the Group would remain within its banking facility and comply with all financial covenants.

Following this review, the Committee was satisfied that management had conducted robust viability and going concern assessments and recommended the approval of the viability and going concern statements to the Board. The Viability Statement of the Group is on pages 32 and 33.

FRC review

The FRC conducted a review of the Annual Report for the period ended 31 December 2024 and made one recommendation to explain the basis for classifying the purchase of additional shares in subsidiary undertakings as a cash flow from investing activities in the consolidated statement of cash flows. The comment has been taken on board and the Company has restated the comparatives in the Annual Report and Accounts for 2025 (note 2).

Assessment of fair, balanced and understandable reporting

As part of the Committee’s work on assessing whether the Annual Report & Accounts, when taken as a whole, is fair, balanced and understandable, the Committee received reports from management setting down the process undertaken, and the factors considered when making the assessment. The Committee reviewed this report and determined that the controls underlying the production of the Annual Report & Accounts were appropriate. The Chief Financial & Operating Officer oversees production of the Annual Report & Accounts, with ownership of each section lying with individuals with recent, relevant experience and knowledge of the detailed content, supported by external advisors as appropriate. A robust review process of inputs by contributors from across the business was conducted to ensure disclosures were balanced, accurate and verified, and further comprehensive reviews were conducted by senior management. The Committee then formally reviewed the draft Annual Report & Accounts and fed back comments and questions to management, satisfied with all responses received.

The Committee also received reporting from management and reviewed the disclosures on the use of Alternative Performance Measures (APMs) used in the Annual Report & Accounts to ensure they are transparent and fully explained, as well as clearly reconciled, and given no more than equal prominence, to the relevant statutory measures. The Committee concluded that the narrative on APMs included in the Finance Review (on pages 22 to 24) and in note 7 to the financial statements met this objective.

As a result of their work, the Committee has determined the Annual Report & Accounts to be fair, balanced and understandable and recommended it to the Board for approval.

Sustainability-related reporting

During the year the Committee considered and provided oversight of the Group’s climate-related financial reporting disclosures in accordance with the requirements under the CFD Regulations, UK Listing Rule 6.6.6(8)R (TCFD), and SECR reporting.

Under the terms of reference of the Committee, a review was undertaken of the governance and assurance arrangements for these disclosures. This review was supported by reporting from management, which included an overview of the work undertaken by third parties in relation to the collation and analysis of carbon emission reporting (to enable accurate SECR disclosures).

The Committee reviewed the assurance obtained by management in relation to numerical sustainability reporting to ensure it was sufficient and appropriate. Based on work undertaken the Committee was satisfied that the Group’s climate-related reporting continues to be accurate and consistent.

Internal control and risk management

The Board has delegated responsibility to the Committee for monitoring and reviewing the Group’s risk management and internal control systems relating to operating, financial, and compliance internal controls on an ongoing basis and to carry out a review of their effectiveness. During the year, the Committee reported its findings to the Board.

Based on the work of the Committee and reports received from management and internal audit summarised below, it is recommended to the Board that the Group’s risk management and internal controls processes were operating effectively throughout the year.

The internal control framework is designed to facilitate effective and efficient operations, ensure a high quality of internal and external reporting, and ensure compliance with applicable laws and regulations. This work is supported by reporting from internal audit on the results of the programme of work completed and the overall assessment of the internal control environment and any reporting, either verbal or written, from senior management covering any investigations or suspected fraudulent activities. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss, acknowledging that no system can eliminate the risk of failure to achieve the Group’s strategic priorities entirely.

During the year, the following key controls across the Group were in place, all of which have been evidenced to the Committee through ongoing reporting either direct to the Committee or via Board papers/discussion:

- Key controls over the financial reporting process, including the preparation of financial statements and wider financial reporting process, include:
 - a comprehensive financial review cycle, including a detailed budgeting process where divisions/departments prepare annual budgets for approval by the Board, monthly reporting of trading results for review and, where necessary, an overview of corrective action as well as detailed and regular quarterly re-forecasting
 - regular reviews of key performance indicators and business risks with consequent steps to manage any matters arising
 - procedures for the approval of capital expenditure
 - key financial accounting controls including balance sheet reconciliations, payment controls, payroll approval controls and third party specialist advice relating to inputs for critical accounting judgments and estimates and corporation tax disclosures
 - general regulatory and other compliance controls.
- Annual Board approval of the Group’s Risk Appetite Statement and Group Risk Management Policy having taken into account the strategic objectives and business model of the Group as well as the changing environment in which it operates. The Committee supported the Board in a robust assessment of emerging risks, as well as principal risks and how they are being managed and/or mitigated. Risk management on pages 25 to 33 details how these requirements were addressed.
- The Committee reviewed the Climate-related Financial Disclosure report on pages 52 to 57 including the compliance statement under the CFD Regulations and the TCFD framework, with a particular focus on the impact of potential climate-related risks and opportunities on the Group.
- The Committee reviewed the ongoing improvements to the information security programme and the Board was provided with regular cyber security and data updates.

Governance Committee reports

- The Corporate Governance report on pages 65 and 66 provides details of a clearly defined management structure and delegation of authority to Committees of the Board, subsidiary boards and divisional board.
- The Board reviewed formal career development and training to ensure the integrity and competence of staff, controls around the engagement of freelancers and other contract staff and for leavers of the organisation.
- Independent confidential whistleblowing service, Safecall, is available for all members of the workforce to report concerns. A whistleblowing policy is in place and all matters raised are investigated and outcomes reported to the Board. During the year, there were no matters raised.
- The Committee reviewed the work to assess the Group's readiness for the introduction of the new Provision 29 requirements of the Code relating to enhanced reporting on the effectiveness of material controls which apply to STV's Annual Report for the financial year beginning on 1 January 2026.

Internal audit

The Group's internal auditor is KPMG. The primary focus of the internal audit programme is to, on a rotational basis, provide assurance over key financial processes, as well as over the Group's enterprise risk management frameworks and mitigating controls in place to manage emerging and existing principal risks. The internal auditor's work is designed to provide insights into the internal control environment and assess the operating efficiency of key processes and controls, as well as providing broader feedback on the application of the Group Risk Management Policy and related processes.

During the year, KPMG provided regular reporting to the Committee that included: (i) status updates on the performance of audits against the internal audit plan (for 2025); (ii) detailed reports on internal audits completed during the year, including findings and recommendations for improvement; and (iii) a proposed audit plan for 2026. In addition, the internal audit director shared insight in relation to cybersecurity and Artificial Intelligence (AI).

Internal audits completed during the year and to the date of this report, were on Core Financial Controls – Treasury, Core Financial Controls – IR35, and Broadcast: IT Operations Resilience.

For each audit, a detailed report was provided to the Committee that summarised the scope of the audit, identified areas of good practice, and any findings and recommended remediation activities. These reports are designed to give the Committee a detailed insight into the work of internal audit, the outcomes and therefore the strength and operating effectiveness of the Group's risk management activities and internal controls. In turn, this work provides an independent, critical component of the broader assurance sought by the Committee when reporting to the Board its determination of the assessment of the effectiveness of the Group's risk management and control frameworks. These reports also allow the Committee to monitor the role and effectiveness of the internal audit function whilst ensuring it is sufficiently resourced and skilled to provide the assurance required.

Each report was discussed between the Committee, internal auditor and management. In relation to those audits listed above, it was agreed that no high priority findings had been identified and conclusions were reached on the actions to be taken to enhance existing processes.

The internal audit team track and test completion of findings on an on-going basis, their most recent exercise in this area being conducted over Q4 2025. There were no matters outstanding at the date of this report and no matters raised for the Committee's attention.

The Committee approved the internal audit plan for 2026 at its meeting in October 2025. The audits confirmed for completion in 2026 are: Core Financial Controls: Purchase to Pay (STV Group and Studios); Core Financial Controls: Record to Report (Studios); Budgeting and Forecasting; Media Storage System Resilience and Follow up on prior audits. In addition, an internal audit will be undertaken under the umbrella of cyber security, which will be scoped over the first half of the year and completed in H2 2026.

External audit

The Committee oversees the relationship with the external auditor and is responsible for assessing its effectiveness, approving its terms of engagement including audit fees, and monitoring the auditors' independence and objectivity.

An external audit tender was carried out in 2022 with Deloitte LLP being appointed from the audit for the financial year ended 31 December 2023. The 2025 audit is therefore their third year as external auditor.

The audit partner, director and senior manager attend all Committee meetings to ensure full communication of matters relating to the external audit.

During the year, the Committee approved the annual external audit plan and received updates on the progress of the audit.

The Committee reviewed the external auditor engagement letter and agreed the auditors' remuneration, the findings of the external audit including their view on key judgements and the level of challenge provided by the external auditor, and management's responses to control findings, non-compliance and any other findings identified by the external auditor.

The external auditor has confirmed to the Committee that in relation to their services to the Company they comply with UK regulatory and professional requirements, including Ethical Standards issued by the Auditing Practices Board, and their independence and objectivity is not compromised.

External auditor effectiveness

As part of its responsibility for assessing the effectiveness of the external audit process and the external auditors' performance, the Committee sought feedback from its members, the Chief Financial & Operating Officer and senior members of the finance and wider management team, the latter to the extent they were involved in the audit. This feedback covered various aspects of the external audit process, including the audit team; how the audit is both planned and executed; the role of management; and communication. Comments are considered by the Committee and relayed to the auditors and to management. Following completion of this assessment for the 2025 year end, the Committee concluded that it was satisfied with the external auditors' performance and the effectiveness.

Independence policy and non-audit fees

Both the Board and the external auditor have safeguards in place to protect the independence and objectivity of the external auditor, which are detailed in the External Auditor Independence Policy. The Committee is responsible for approving, in advance, any non-audit work undertaken by the external auditor.

Before Deloitte takes on any engagement for other services from the Company, careful consideration is given as to whether the project could conflict with its role as auditor or impair its independence or infringe audit rules. This includes consideration of all safeguards that are in place to mitigate the risks to independence.

Deloitte also has an internal process whereby pre-engagement approval of all non-audit services is required to be given by the Audit Partner.

There is also a policy to regulate the appointment of former audit colleagues to senior finance positions in the Group.

The external auditor is required each year to confirm in writing to the Committee that it has complied with the independence rules of its profession and regulations governing independence, having taken into consideration matters such as the individual independence of members of the engagement team and the firm as a whole and the nature of any non-audit work undertaken.

During the year under review, the non-audit work carried out by Deloitte was in relation to the interim review. The fee for this work was c.5% of the audit fee, and the Committee was comfortable that Deloitte was the most suitable supplier for these services.

Statutory Audit Services compliance

The Committee confirms that the Group has complied during financial year 2025 and to the date of this report with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which relates to the frequency and governance for the appointment of the external auditor and the setting of a policy on the provision of non-audit services.

Committee performance review

For 2025 the Board has approved a short deferral given the recent appointment of the Board Chairman and Senior Independent Director, and committed to conducting an externally facilitated performance review in 2026.

There were no outstanding recommended actions arising from the 2024 Committee performance review.

Governance Committee reports

Report of the Environmental, Social and Governance (ESG) Committee

The members of the Committee, comprising three Independent Non-Executive Directors, the Chairman of the Board (independent on appointment) and the Chief Executive, were:

- David Bergg (Chair)
- Naomi Climer
- Clive Whiley (appointed 18 November 2025)
- Paul Reynolds (retired 18 November 2025)
- Rufus Radcliffe
- Aki Mandhar (retired 5 December 2025)
- Gillian Kent (appointed 10 December 2025)

The Committee’s responsibilities are set out in its terms of reference which are available on the Company’s website, www.stvplc.tv. Three scheduled meetings were held in 2025 with an additional meeting with an industry ESG specialist to consider ESG Governance trends and the development of a sustainability roadmap for STV. At the invitation of the Committee, meetings are attended by the HR & Communications Director and the Chief Financial & Operating Officer.

As a member of the ESG Committee, our Chief Executive brings invaluable ESG insight to the Committee’s discussions, including the views of key external stakeholders, knowledge of our sector and an internal Group perspective on ESG matters.

The principal activities undertaken by the Committee during 2025 have been summarised below:

Month	Activity
January	- ESG reporting and market trends - Development of a sustainability roadmap for STV
February	- Recommendation to the Board of updated sustainability and climate-related risks and mitigating actions facing the Group - Recommendation to the Board the approval of 2025 STV sustainability targets to support continued progression towards STV Zero - Approval of the ESG Report and ESG Committee Report in the 2024 Annual Report & Accounts
September	- Recommendation of the revised targets associated with STV Zero, including the long-term target of achieving net zero by 2050 (Scope 1,2 & 3 emissions) - STV Zero – progress report on 2025 targets for carbon emissions - Review of the Inclusion Strategy - Noted the STV Children’s Appeal’s strategic review priorities and its approach to grant giving with key areas of delivery in the first half of 2025
December	- ESG and sustainability related market trends in 2025 - Recommendation to the Board of updated sustainability and climate-related risks and mitigating actions and opportunities facing the Group - STV Zero – progress report on 2025 targets for carbon emissions - Recommendation to the Board of the approval of 2026 STV sustainability targets - Diversity & Inclusion Strategy: progress report on 2025 targets - Review of the 2025 Modern Slavery and Human Trafficking Statement

Environment

During the year, the Committee received reports from management on progress against targets set down in STV Zero, the Group’s sustainability strategy, as well as broader activities across the Group intended to ensure that sustainability was considered, as appropriate, in decision-making and operations.

An additional meeting was held at the beginning of the year with an external industry ESG specialist to review ESG Governance trends and the development of a sustainability roadmap for STV. A key decision taken by the Committee was to extend the Group’s long-term target to achieve net zero to include scope 3 carbon emissions and to seek net zero on this basis by 2050. This replaced the previous goal of net zero based on scope 1 and 2 reduction targets alone by 2030. The new carbon reduction targets are with reference to 2019 as the base year, which has been restated to include the emissions of businesses acquired subsequently. The Committee considered that these refreshed targets align with developments by the Science Based Targets initiative (SBTi) and its Corporate Net-Zero Standard.

The Committee formally reviewed and recommended to the Board the approval of the proposed 2025 and 2026 STV Zero targets, and received updates on progress against targets throughout the year.

The Committee recommended to the Board the updated sustainability risk register and related mitigating controls, as well as an overview of climate-related opportunities facing the Group. Further details can be found in the ESG Report on pages 39 to 58.

Social

The Committee acknowledged the organisation’s organisational restructuring in the second half of 2025 brought about a time of change and greater uncertainty for STV’s people. Through reporting from management direct to the Committee, it kept progress with the change programme under review, including associated communications both internally and externally.

The Committee supported the continued focus of the Board and management on building a supportive and inclusive culture that ensures equality of opportunity for all and driving measurable progress and discussed the activities in this area that focused on STV’s Open Access Charter. This Open Access Charter captures the commitments that have been identified to improve diversity and inclusion for employees and extends to the Group’s audiences and partners.

The Committee received updates on the progress against 2025 Diversity & Inclusion targets with an increased focus on inclusion opportunity and fairness. It reviewed, within the talent pipeline and succession planning, where opportunities lay for talent from under-represented groups and considered the communication and education programme internally of our Diversity & Inclusion Strategy. It acknowledged STV’s continuing commitment to using its privileged position as an employer, Public Service Media provider, and producer to address under-representation on- and off-screen.

The Committee was updated on the developments relating to the STV Children’s Appeal including its strategic review priorities and its approach to grant giving with key areas of delivery in the first half of 2025.

Further details can be found in the ESG Report on pages 39 to 58, with details of the composition of the Board and Executive Management and their direct reports to be found in the report of the Nomination Committee on pages 72 to 74.

Governance

Our Environmental and Social pillars are underpinned by robust governance, a strong culture and effective policies. In this regard the Committee reviewed ESG Governance trends to identify areas to be addressed in the future.

The Committee considered that the Sustainability Governance Structure (page 53) remained effective and provided a clear accountability and structured method to ensure a consistent approach to evaluate progress against targets.

The Committee reviewed and recommended to the Board its approval of its updated assessment of climate-related risks and opportunities facing the Group and it recommended to the Board that the Company’s 2025 Modern Slavery and Human Trafficking Statement be approved.

Committee performance review

For 2025 the Board has approved a short deferral given the recent appointment of the Board Chairman and Senior Independent Director, and committed to conducting an externally facilitated performance review in 2026.

There were no outstanding recommended actions arising from the 2024 Committee performance review.

Remuneration report

Annual Statement

I am pleased to introduce the Directors’ Remuneration Report for 2025. This sets out how the Policy has been applied during 2025 and, looking ahead to 2026, provides details of an important change we are seeking to make to the Remuneration Policy. This change supports the Board’s key priority of restoring value in the share price. We will be seeking formal shareholder approval for the new Policy at the 2026 AGM.

Overview of 2025 performance and key events

Performance

In a challenging year for media owners and production companies, STV’s Leadership Team had to respond to the impact of rapidly changing audience habits and persistent uncertainty in the macro-economic environment. Both led to sustained pressure on linear advertising and subdued activity in the commissioning market in the UK and internationally.

A refreshed strategic plan, FastFwd, was developed early in the year and announced in May. However, as the extent of the decline in revenue and profit due to trading conditions became apparent by the start of the second half of the year, short term priorities become the focus. The Executive Directors and Leadership Team took decisive action to protect profitability and provide balance sheet flexibility. A comprehensive cost savings programme was announced and a series of cash management measures implemented. As a result, a financial performance in line with revised guidance was achieved and early-stage progress delivered against strategic priorities.

2025 Remuneration outcomes

The Company’s performance in these market conditions was reflected in the incentive outcomes. No payments were made under the annual bonus plan, 75% of which was based on the key financial measures of operating profit and cash flow. Measurable progress was achieved against the personal objectives, including important strategic developments which will support growth in 2026 and beyond. Furthermore, delivery of cost savings targets have protected profitability and placed the business in a stronger and more financially sustainable position. Notwithstanding performance against the personal objectives, the Committee used downward discretion in light of the financial outcome and no bonus payment was made.

The 2023 Long Term Incentive Plan (LTIP) award vested by reference to performance over the three-year period to 31 December 2025. This award was based on EPS growth, earnings in digital and production activities and total shareholder return (TSR). None of the performance targets were met resulting in no vesting from the award. Lindsay Dixon participated in this award which was granted prior to Rufus Radcliffe’s appointment. Further detail on the targets and outcome is set out on page 93.

The Committee reviewed these outturns against a broader assessment of underlying performance for our stakeholders over the respective performance periods. The Committee noted the financial performance of the business through a sustained period of exceptionally challenging market conditions, but also considered the wider remuneration outcomes for staff across the business. Overall, the Committee concluded that the bonus and LTIP outcomes described above were an appropriate reflection of these factors.

Company-wide remuneration

The Committee has continued to have oversight of remuneration and related policies across the organisation and gives due consideration to these when determining pay for Executive Directors. In 2025, all colleagues received a consolidated increase of 3% and the Company maintained its commitment to the Real Living Wage.

Board changes

In September, Paul Reynolds gave the Board notice of his intention to step down as Chair and Clive Whiley joined as Non-Executive Director and Chair Elect on 1 October, succeeding Paul Reynolds as Chair in mid-November. Under Clive Whiley’s stewardship, the Board’s key priority is to restore value in the share price. To support achievement of this aim, the Remuneration Committee has reviewed the incentive structure and is seeking to make one change to the Policy: the introduction of a one off arrangement in 2026 to support delivery of long term shareholder value. It is proposed that the Chair will be included in this award.

Change to Remuneration Policy at 2026 AGM

The Committee’s aim is to ensure the incentive structure is optimally aligned with the Board’s key priorities of restoring value in the share price and long-term value creation for our investors. The introduction of a one-off plan that will award market-value share options will provide the simplest and most direct alignment between reward outcomes and the share price. Under the proposed arrangement, and unlike an LTIP, no value will accrue to participants unless the share price increases, irrespective of the Company’s performance against financial or strategic KPIs.

The structure of the award will align with best practice in all key areas. The award will vest over a period of three years, followed by a holding period of two years. There are no performance conditions, but the structure of the market-value option, which requires share price growth to generate value, ensures clear performance alignment. Vesting will also be subject to an underpin based on a discretionary and holistic assessment by the Committee of broader performance over the vesting period. In addition to the vesting timeframe of the award and underpin, provisions for leavers, change of control and malus and clawback will also reflect best practice.

The face value of the options awards will be set at 150% of salary for the Executive Directors. This represents a reduction in award size, on an ‘expected value’ basis, compared to the current LTIP award level of 100% of salary. The proposal is not about increasing quantum but implementing a structure which provides the opportunity for greater levels of upside potential for exceptional share price performance, aligning with the Board’s focus on share price recovery. We also intend to cascade the award to other management roles below the Board.

There is a significant amount of work ahead for our Board leadership as they execute the strategy to restore value in the share price. This will include our Board Chair, where we expect the contribution and time commitment to far exceed what we would expect for a non-executive chair in normal circumstances. As a result, the Committee considered how this should be reflected in his remuneration arrangements, including to ensure fair reward and alignment across our key Board leadership roles.

Having carefully considered this matter, including weighing up various alternative approaches, seeking input, and securing support, from a number of our largest shareholders, we propose to include the Chair in the option grant for 2026. For the avoidance of doubt, this would be on a one-off basis for 2026 only and no other Non-Executive Directors would participate.

The Chair’s award would be structured in exactly the same way as for the Executive Directors, as described above. The award level for the Chair will be 300% of the annual fee. The Committee believes this will provide a reasonable level of quantum given the one-off nature of the award and the absolute value of the fee (£120,000 per annum, reduced from £156,000 per annum received by the previous Chair).

The Committee has considered carefully that it is unusual for a non-executive chair to participate in an equity award, balancing this against our responsibility to structure remuneration in ways we think are best aligned to the interests of shareholders. On balance, in the current circumstances we are comfortable the proposed approach is the right thing to do. We have been encouraged that this view is shared by many of our largest shareholders as we have engaged with them to discuss the proposal. The Committee is also comfortable that the structure of the award, being a simple market-value option linked to share price recovery only (i.e. without performance targets that apply to an LTIP), will not impair the Chair’s independence.

Shareholder engagement

In developing the proposal outlined above, the Committee engaged extensively with our major shareholders in a multi-phased consultation programme. Our first step was to work closely with our two largest shareholders to develop and refine the outline of the proposal. We then extended our engagement more broadly, covering eight shareholders comprising c.60% of the register. We received good indications of support from those we have consulted and I would like to thank all those who participated in the consultation.

Other changes for 2026

In addition to the one-off share option plan which will replace the LTIP in 2026, the Executive Directors will continue to participate in the annual bonus plan with the award opportunity unchanged under the new Policy (CEO: 150%; CFO: 125% of salary). Targets will be heavily weighted to financial performance outcomes (80%), a higher weighting than in recent years reflecting the priority placed on recovery of financial performance in 2026. The remaining 20% will relate to stretching personal and strategic objectives to progress the core pillars of the FastFwd strategy, deliver efficiency and cost savings targets, and further embed of all aspects of the ESG strategy.

Base salary levels have not been increased since January 2025 as one of the measures taken to apply fiscal restraint and minimise increases to the cost base of the business.

Voting outcome at the 2025 AGM

Although the majority of votes cast were in favour of the advisory vote on the Directors’ Remuneration Report, the final outcome was due to the voting decisions of two shareholders, both with significant holdings. The first has a long-standing concern, expressed previously, about the use of nil-cost options in the LTIP. For this reason, this shareholder has confirmed their firm support for the replacement of the LTIP with a one-off award of market-value share options in 2026. The other large shareholder who voted against the advisory vote cited the fact that incentive payments in 2024 were triggered largely by short-term performance measures. In setting the targets for 2026, the Committee has sought to achieve an appropriately balanced outcome across short and long-term targets, alignment with refreshed business priorities, both short and long term, and shareholders’ interests.

In conclusion

I would like to thank shareholders for their continued engagement and support. Over recent months during a multi-phased consultation process with our largest shareholders, the helpful feedback received has shaped the Committee’s proposal for the one-off share option plan in 2026.

At the 2026 AGM, the Remuneration Policy, updated to include the share option plan, and the approval of the new plan itself, will both be subject to binding votes. The Directors’ Remuneration Report will be subject to an advisory vote.

As a Committee, we are happy to answer any questions you may have on our executive remuneration arrangements and look forward to your support at the forthcoming AGM.



NAOMI CLIMER
CHAIR OF THE REMUNERATION COMMITTEE
17 MARCH 2026

Remuneration report

Directors’ Remuneration Policy

The Directors’ Remuneration Policy (the Policy), determined by the Group’s Remuneration Committee (the Committee) and presented below, will be effective following shareholder approval at the 2026 Annual General Meeting.

As explained in the Chair’s introductory statement, a key priority of the Board is the restoration of value in the share price. It is therefore proposed that the Long Term Incentive Plan will be replaced with a one-off award of market-value share options in 2026. The Committee’s aim is to ensure the Board leadership are optimally aligned with this objective and incentivised to deliver long term shareholder value. No other changes are proposed to the Policy, which the Committee believes remains fit for purpose. In developing this change to the Policy, the Committee undertook an extensive, multi-phased engagement with major shareholders.

Policy table for Executive Directors

Objective and link to strategy	Operation	Maximum opportunity	Performance conditions
Base salary			
The Committee sets salaries as a retainer for the Executive Directors to recognise status and responsibility to deliver the strategy.	When determining the salary of the Executive Directors, the Committee takes into consideration a number of factors including: - the scale and complexity of the Company - the scope and responsibilities of the role - the skills, experience and performance of the individual - the Committee’s assessment of the competitive environment including consideration of similar positions in organisations of broadly similar size and complexity, including companies within the media sector - pay and conditions throughout the Company. Salaries are normally reviewed annually, with any changes effective from 1 January in the financial year. Salary reviews may also take place during the year, if required as a result of any of the factors above.	There is no prescribed maximum salary. In general, any salary increase for Executive Directors will be in line with other employees in the Group. The Committee retains discretion to award larger increases where considered appropriate to reflect the factors described in this table. Salaries with effect from 1 January 2026 are set out on page 90.	None
Benefits			
To provide competitive levels of employment benefits consistent with role.	Executives are entitled to receive a taxable cash allowance in lieu of benefits in kind, including car and private medical insurance. This cash allowance is excluded from the calculation of any other benefit provided by the Company. Other reasonable benefits may be granted to Executive Directors at the discretion of the Remuneration Committee. The Executive Directors are eligible to participate in the Company’s all employee share plans, as offered from time to time, on the same terms as all employees.	The maximum cash allowance paid to Executive Directors in lieu of benefits in kind is £25,000 per annum. Participation in all employee share plans is subject to HMRC plan rules and limits.	None
Pension			
To provide competitive levels of retirement benefit.	The Group operates a defined benefit (DB) scheme (closed to new members), a defined contribution (DC) scheme and a Group personal pension plan. Executive Directors have the option to receive a taxable cash allowance in lieu of pension benefits. Neither the Chief Executive Officer nor the Chief Financial Officer are members of the DB scheme.	The maximum pension contribution or taxable cash allowance in lieu of pension is set in line with the wider workforce, currently 7% of base salary.	None

Objective and link to strategy	Operation	Maximum opportunity	Performance conditions
Annual bonus			
Aligns reward to the delivery of annual financial and strategic performance measures. Deferral creates long term alignment with shareholders.	Provides an opportunity for additional reward (up to a maximum specified as a % of salary) based on annual performance against targets set and assessed by the Committee. A proportion of any bonus (normally 20%) is deferred into Company shares under the terms of the STV Deferred Bonus Plan (DBP) and will normally vest over three years, subject to continued employment. Recovery and dividend equivalent provisions apply (see explanatory notes).	Annual maximum bonus opportunity is: 150% of salary for the Chief Executive Officer 125% of salary for other Executive Directors	Payment is determined by reference to performance assessed over one financial year based on a range of financial and strategic performance measures. For 2026, these measures are: - operating profit - cash flow - personal and strategic objectives. As well as determining the measures and targets, the Committee will also determine the weighting of the various measures, which will normally be weighted towards the financial measures. At threshold and target performance 10% and 50% of maximum, respectively, is currently payable. The Committee has discretion to use different or additional measures, weightings or payout schedules to ensure that the bonus framework appropriately supports the business strategy and objectives for the relevant year. The Committee has discretion to adjust the formulaic outcome if it considers that this is inconsistent with overall Group performance, taking into account any factors it considers appropriate. The Committee has the discretion to adjust targets for any exceptional events that may occur during the year.
Share Option Plan			
Aligns reward to share price recovery and long-term value creation for shareholders.	Awards are made under the terms of the STV Share Option Plan, subject to shareholder approval at the 2026 AGM. Awards will be granted following the 2026 AGM. Awards will be in the form of market value share options, with the exercise price set by reference to the share price at the point of grant. Awards vest following a period of three years from grant. Any vested awards cannot be exercised before the end of the post-vesting holding period which normally ends on the fifth anniversary of grant. On exercise, awards may be settled by transferring the number of shares equal to the value of the option gain (i.e., value growth in excess of the exercise price). Vested awards may be exercised until the 10th anniversary of grant. Recovery provisions will apply (see explanatory notes). A portion of the award may be granted under a HMRC-compliant, Company Share Option Plan (CSOP). All terms of will be structured and operated in line with HMRC limits and requirements.	The maximum award which may be granted in respect of a financial year has a face value of 150% of salary.	While there are no performance conditions, vesting will be subject to an underpin based on a discretionary and holistic assessment by the Committee of broader performance over the vesting period.
Shareholding requirement			
To strengthen long term alignment with shareholders.	Executive Directors are required to hold shares equivalent to 150% of their annual salary. Executive Directors will, on leaving the Board, be required to maintain their in-employment shareholding guideline (or their actual shareholding if lower) for a period of two years.	The required level of holding is 150% of salary.	None

Remuneration report

Notes to the Policy table

Recovery provisions

Awards of variable remuneration made under the Policy for Executive Directors are subject to recovery provisions which allow the Committee to reduce or cancel unvested DBP or Share Option awards or seek to reclaim vested DBP or exercised Share Option awards, in certain circumstances.

The recovery provisions for the annual bonus apply for three years from the date of payment of the bonus/grant of deferred shares, and two years from the date of vesting under the Share Options. The circumstances which may trigger the recovery provisions are as follows:

- a material misstatement of the Company's (or any Group members) audited financial results
- misconduct on the part of the participant
- an error in assessing a performance condition
- action by a participant or participants which resulted in a material breach and subsequent loss of the Company's Channel 3 licence(s)
- serious reputational damage
- corporate failure

Dividend equivalents

The Committee may determine that the number of shares to which a participant's DBP award relates shall increase to take account of dividends that would have been paid on vested shares on such terms as it determines, or that an equivalent amount should be paid in cash. No dividend equivalents shall apply to Share Option awards.

Performance measures and targets

The Committee selects performance measures for the annual bonus which appropriately support the business strategy and objectives for the relevant year. The financial metrics used (such as operating profit and cash flow) are the key metrics used by the Directors to oversee the operation and performance of the business. Personal measures allow the Committee to reward the delivery of key strategic objectives. The performance targets are determined annually by the Committee, and are set at an appropriately stretching level taking into account relevant business forecasts at that time.

Discretion

The Committee has discretion in several areas of policy as set out in this report. The Committee may also exercise operational and administrative discretions under relevant plan rules approved by shareholders as set out in those rules.

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy where the terms of the payment were agreed (i) this Policy set came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' remuneration policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

The Committee may make minor amendments to the Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval.

Differences in remuneration policy for all employees

All employees are entitled to base salary, pension and benefits. Bonus plan participation is dependent on the role and seniority and responsibility of the role. Long-term incentive awards are only available to the management board and key senior staff by invitation.

Policy table for Non-Executive Directors

The table below sets out the key elements of the policy for Non-Executive Directors.

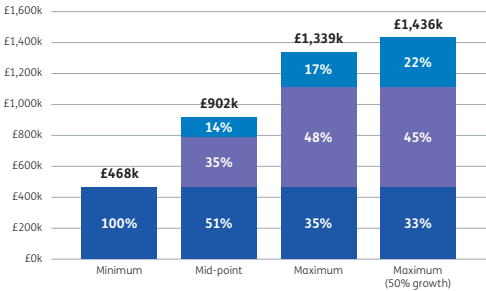
Objective and link to strategy	Operation	Maximum opportunity	Performance conditions
Fees			
To provide a market based level of fixed remuneration to attract Non-Executive Directors with the requisite skills and experience.	The fees of the Non-Executive Directors are determined by the Board based upon recommendations from the Chair and Chief Executive Officer (or, in the case of the Chair, based on recommendations from the Senior Independent Non-Executive Director and the Chief Executive Officer). The fee for Non-Executive Directors encompasses a basic fee and may also include supplementary fees for committee or other duties. The Chair receives a single fee for all duties. Fees are normally reviewed annually with changes effective from 1 January. Fees are paid in cash. The Chair and Non-Executive Directors do not participate in any annual bonus or pension arrangements Non-Executive Directors are required to build holdings of 20,000 shares for the Chair and 5,000 shares for other Non-Executive Directors.	Fees are set at a level which reflects skills, experience, time commitment and appropriate market data. Fees are set within the limits set by the Articles of Association. Fees with effect from 1 January 2026 are set out on page 90.	Not applicable

Objective and link to strategy	Operation	Maximum opportunity	Performance conditions
Share Option Award			
Alignment of Board leadership to execute the strategy to restore value in the share price.	The Chair will receive a one-off Share Option award in 2026. The key terms of the award are identical to that described in the Policy table for Executive Directors, and supporting notes, on pages 85 and 86. No other Non-Executive Director will receive an award.	The maximum award which may be granted has a face value of 300% of annual fees.	While there are no performance conditions, vesting will be subject to an underpin based on a discretionary and holistic assessment by the Committee of broader performance over the vesting period.

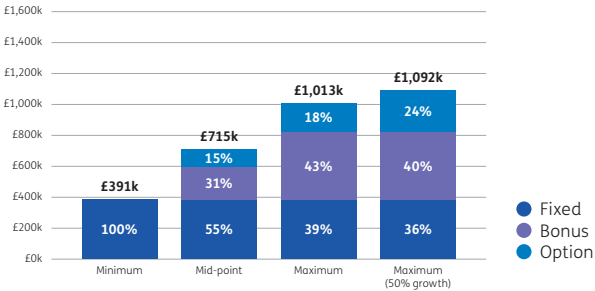
Illustrations of application of remuneration policy for Executive Directors

The graphs below demonstrate how pay varies with performance for the Executive Directors based on the Policy for Executive Directors. These charts are prepared to reflect the disclosure regulations, in particular to apply, and be consistent with, the requirement to illustrate the maximum value of the package using an assumed share price appreciation of 50%. The Board's expectation for share price performance is materially more ambitious than the assumptions used for this required disclosure.

CEO



CFO



Assumptions used in determining the level of pay-out under given scenarios are as follows:

- Minimum – reflects fixed pay only (base salary as at 1 January 2026, benefits allowance, and cash in lieu of pension contributions).
- Mid-point – reflects fixed pay, target bonus (50% of maximum) and Share Option awards valued using share price growth of 20%.
- Maximum – reflects maximum bonus (150% of salary for the Chief Executive and 125% of salary for the Chief Financial Officer) and Share Option awards valued using share price growth of 35%.
- Maximum using 50% share price growth – reflects maximum bonus Share Option awards valued using share price growth of 50% as required by the regulations.

Recruitment remuneration policy

The Committee's approach to recruitment remuneration is to pay no more than it considers necessary to secure appropriate candidates to the role.

The structure of the remuneration package would normally include the components, and be subject to relevant maxima, as set out in the Policy Table for Executive Directors. Salaries would typically be set at an appropriately competitive level to reflect skills and experience. They may be set at a level to allow future salary progression to reflect performance in role. The Executive Director would be eligible to participate in the annual bonus and be granted a Share Option award, subject to the maximum levels in the Policy table for Executive Directors above.

Where an individual forfeits remuneration with a previous employer as a result of appointment to the Company, the Committee may make compensatory payments or awards to facilitate recruitment. In determining the structure of these commitments, the Committee will normally seek to replicate, as far as practicable, the timing and performance requirements of remuneration foregone. Such payments or awards could include cash (where cash-based remuneration is forfeited) as well as share awards. There is no limit on the value of such compensatory awards, but the Committee's intention is that the value awarded would be no more generous than the broadly equivalent economic value of the forfeited remuneration.

In instances where the new Executive Director relocates from one work location to another, the Company may provide compensation to reflect the cost of relocation. The level of relocation package will be assessed on a case by case basis but will take into consideration any cost of living differences, housing allowance and schooling in accordance with the Company's normal relocation package for employees.

Where an existing employee is promoted to the Board, the Executive Director Remuneration Policy would apply from the date of promotion but there would be no retrospective application of the Policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, existing elements of the remuneration package of the employee would be honoured and form part of the ongoing remuneration for the person concerned.

Remuneration report

Remuneration for Non-Executive Directors would be in accordance with the Policy table for Non-Executive Directors above. It is not anticipated that a new Chair appointment would receive a Share Option award.

Service contracts

When setting notice periods, the Committee has regard to market practice and corporate governance best practice. The Company's policy is for Executive Directors to have service agreements with no fixed term, but which may be terminated by the Company with no more than 12 months' notice. The service contracts for the current Executive Directors may be terminated by the Company upon 12 months' notice and by the Executive Director upon six months' notice.

Non-Executive Directors' letters of appointment are for an initial three year term followed by annual re-election at the Company's AGM and are subject to a one month notice period by the Company or Non-Executive Director.

Policy on payment for loss of office

When determining any loss of office payment the Committee will always seek to minimise cost to the Company whilst seeking to reflect the circumstances in place at the time.

In the event of termination by the Company due to misconduct or normal resignation, there will be no compensation for loss of office. In other circumstances Executive Directors may be entitled to receive payment in lieu of notice which may be paid monthly in respect of any unexpired portion of the notice period. Such payments will be equivalent to the monthly salary that the Executive would have received if still in employment with the Company. Executive Directors will be expected to mitigate their loss during this period.

The treatment of incentive awards would be determined by the relevant plan rules. If the individual is a 'good leaver', the treatment of awards will be as set out in the table below (which also describes the Committee's areas of discretion). The 'good leaver' circumstances are death, ill-health, injury, disability, the sale of the business or entity that employs the participant out of the Group, or for any other reason at the Committee's discretion. If the individual is not a good leaver, unvested awards will lapse in full.

Treatment of awards for a 'good leaver'	
Annual bonus	The Committee has discretion to make a payment under the annual bonus in respect of the year of cessation. This would reflect performance in the year and be pro-rated to reflect the period worked in that year. The Committee retains discretion to deliver any such bonus solely in cash and to pay it at the normal date.
DBP	Unvested DBP awards will usually continue, unless the Committee determines that the award should vest as soon as reasonably practicable following the date of cessation. An award will normally vest in full but the Committee retains discretion to determine the extent to which it vests, taking account of the period of time that has elapsed since the award was granted until the date on which the participant ceases to hold office or employment with the Group.
Share Option	Share Option awards will usually continue until their normal vesting date, unless the Committee determines that the award should vest as soon as reasonably practicable following the date of cessation (or on such other date as determined by the Committee). The Committee will decide the extent to which an award vests in these circumstances, and may take into account the extent to which the underpin has been satisfied and the period of time that has elapsed since the award was granted until the date of cessation. If following cessation as a good leaver the individual agrees to start employment with another employer before the vesting date, the Committee may determine that the award will lapse. Vested awards will normally remain subject to post-cessation holding periods, and once exercisable, must normally be exercised within a period of 6 months. Any award granted under the CSOP element would be dealt with in accordance with the plan rules in line with HMRC requirements.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his cessation of office or employment. Incidental expenses may also be payable where appropriate.

Treatment of awards on a change of control

DBP	An award will normally vest in full but the Committee retains discretion to determine the extent to which it vests, taking account of the period of time that has elapsed since the award was granted until the date on which the participant ceases to hold office or employment with the Group.
Share Option	Awards will vest. The Committee will decide the extent to which an award vests in these circumstances, and may take into account the extent to which the underpin has been satisfied and the period of time that has elapsed since the award was granted until the date of cessation.

Consideration of employment conditions elsewhere in the Company

In making annual pay decisions the Committee gives consideration to pay and employment conditions in the rest of the Company. The Committee is provided with data on the remuneration structure for the management board, and uses this information to work with the HR team to ensure consistency of approach throughout the Company.

To appraise itself of conditions elsewhere in the Company, the Committee invites the HR & Communications Director to present on the proposals for salary increases for the employee population generally, and on any other changes to remuneration policy within the Company.

The Committee actively considers the relationship between general changes to employees pay and conditions and any proposed changes in the remuneration packages for Executive Directors to ensure it can be sufficiently robust in its determinations in light of the position of the Company as a whole.

Although the Committee takes into account the pay and conditions of other employees, the Company did not consult with employees when developing the Policy. There are however a number of different mechanisms in place to gather feedback from employees, including on remuneration. Relevant feedback is presented to the Board to help to inform decision-making.

Consideration of shareholder views

The views of the Company's shareholders are very important and the Committee welcomes constructive feedback with respect to the remuneration policies or structure. In developing this new Policy, the Committee has received significant input and support from our two largest shareholders and the Committee Chair has extended engagement from previous policy reviews to obtain input from our other major shareholders. The positive engagement and feedback received has been most helpful in finalising the proposal which has received widespread support.

Remuneration report

Annual Report on Remuneration

This section of the report sets out how the Policy will be implemented in 2026 and how it was implemented during 2025. Some sections of this report, where indicated, have been audited.

Statement of implementation for 2026

Executive Directors

Salaries

Base salaries with effect from 1 January 2026 are shown in the table below. In response to the need to exercise financial restraint to reduce the cost base of the business, the base salary levels of the Executive Directors were not increased in January 2026, consistent with the approach taken with colleagues across the business.

Executive Director	2026 salary (£)	2025 salary (£)	Increase (£)	Increase (%)
R Radcliffe	430,000	430,000	0	0
L Dixon	350,200	350,200	0	0

Benefits and pension

In line with the Policy, the Executive Directors will receive a taxable cash allowance in lieu of benefits-in-kind of £25,000 and a pension contribution (or cash allowance) aligned to the wider workforce rate of 7% of salary (up to the applicable earnings cap).

Annual bonus

The annual bonus will operate in line with the Policy. The maximum bonus opportunity for 2026 remains unchanged at 150% of salary for the Chief Executive Officer and 125% of salary for the Chief Financial & Operating Officer. Any bonus received will be paid 80% in cash at the end of the performance period and 20% will be deferred in shares for a period of three years. The Committee may amend the bonus pay out should any formulaic assessment of performance not reflect overall performance in the year.

For 2026, the bonus will be based on stretching targets set for the performance measures in the table below. As the primary objective for 2026 is recovery of financial performance, there will be an increased weighting allocated to financial performance measures (from 75% previously to 80%).

Performance measure	Weighting (% of max)
Adjusted operating profit	50%
Cash flow	30%
Personal objectives	20%

Personal objectives for 2026 will include progressing the strategic growth opportunities identified in the FastFwd strategy, delivery of cost savings in line with targets, effective capital management and increasing employee engagement following a period of uncertainty and change.

Share Option plan

Subject to shareholder approval of a proposed change to the Remuneration Policy, awards will be made under the terms of the STV Share Option Plan.

The award will have a face value of 150% of base salary and will vest over a period of three years, followed by a holding period of two years subject to an underpin based on discretionary and holistic assessment by the Committee of broader performance over the vesting period. Further details on the background to this award are set out on page 85.

Non-Executive Directors

Fees

The fees for the Non-Executive Directors for 2026 are set out in the following table. Consistent with the salary restraint applied to the Executive Directors and all colleagues, there will be no increase to the fees paid to the Non-Executive Directors in 2026.

Upon appointment in October 2025, the Chairman agreed to an annual fee of £130,000 pa representing a 17% reduction against the fee paid to the former Chairman. The fee will be further reduced to £120,000 pa if the one-off market value share option plan in which the Chairman is intended to participate is approved by shareholders.

Non-Executive Director	2026 fees (£)	2025 fees (£)	Change (£)	Change (%)
Chairman fee	130,000 ¹	156,560 ²	(26,560)	(17)
Basic Non-Executive Director fee	47,380	47,380	0	0
Additional fees: Senior Independent Director	13,493	13,493	0	0
Additional fees: Chair of Committee	7,725	7,725	0	0

1 Potentially reducing to £120,000 pa upon approval and grant of one-off market value share option. The share option grant will be based on this lower fee level.
2 Fee paid to Paul Reynolds, Chairman, who stood down from the Board in November 2025.

Share Option Plan – Chair only

As described in the Chair’s introductory statement, subject to approval at the AGM, the Chair will receive a one-off Share Option award in 2026.

The award will have a face value of 300% of the annual fee and will be structured consistently with the awards being granted to the Executive Directors, described above.

No other Non-Executive Directors will receive an award.

The Committee is comfortable that the one-off nature of the proposed structure and the single performance measure of share price recovery, will not impair the independence of the Chair.

Single total figure of remuneration

Executive Directors (audited)

The table below sets out the single total figure of remuneration for the Executive Directors for the 2025 and 2024 financial years.

Executive Director		Salary £000	Taxable benefits £000	Pension £000	Total fixed £000	Annual bonus £000	Long-term incentives £000	Total variable £000	Sub total excluding buy-out £000	Other £000	Total £000
R Radcliffe	2025	430	25	12	467	–	–	–	467	60	527
	2024	72	4	3	79	n/a	n/a	–	–	–	79
L Dixon	2025	350	25	16	391	–	–	–	391	–	391
	2024	316	25	15	356	238	–	238	594	–	594

Notes to the single figure table

Taxable Benefits – represents a taxable cash allowance in lieu of benefits-in-kind, as set out in the Remuneration Policy.

Pension – Rufus Radcliffe and Lindsay Dixon are members of the Company’s defined contribution scheme. The scheme has an employer contribution of 7% of salary up to the pension cap of £230,400.

Long-term Incentives – The 2025 row represents the value of the 2023 LTIP award which is due to vest in March 2026 based on performance over the three-year period to 31 December 2025. As described below, performance targets were not met resulting in no vesting from the plan. The 2024 row represents a value for the 2022 LTIP award which also had a vesting outcome of nil.

Other – This relates to Rufus Radcliffe’s buy-out package paid to compensate for forfeited remuneration from his previous employer. This constitutes a share award of 38,972 shares with a value of £59,822. 15,377 shares vested immediately upon grant on 9 April 2025 and the remainder of 23,595 shares will vest on 9 April 2026 subject to continued employment only.

Annual bonus (audited)

As a result of financial performance outcomes significantly below budget in 2025, the payment thresholds for the financial performance targets of operating profit and cash generation were not achieved.

Progress was achieved against the personal objectives, including Board approval of a new long-term growth strategy, FastFwd, the core pillars of which have been progressed resulting in delivery of a number of strategic developments in 2025. These include the formation of a new Audience business, the launch of STV Radio, applying for regulatory approval to change the Group’s two Public Service Media licences, and the review and rationalisation of the STV Studios portfolio. The Committee robustly assessed the outcome of personal objectives as 45% and 65% of maximum for the Chief Executive Officer and Chief Financial & Operating Officer, respectively (further detail is provided below).

Despite these areas of progress, in view of the overall financial performance and the need for fiscal restraint and delivery of cost savings, the Committee used downward discretion in light of the financial outcome and no bonus payment was made.

The table below sets out the targets and performance achieved against these for the year ended 31 December 2025.

Performance condition	Weighting	Performance targets			Actual performance		
		Threshold (10% of max)	Target (50% of max)	Maximum (100%)	(£m)	(% of max)	
						R Radcliffe	L Dixon
Adjusted operating profit	50%	£18.6m	£19.6m	£21.5m	£11.6m	0%	
Cash flow	25%	£18.6m	£23.2m	£27.8m	£15.5m	0%	
Personal objectives	25%	See below				45%	65%
Total (% max)	100%	–				11.25%	16.25%
Downward adjustment						(11.25%)	(16.25%)
Total (%)						0%	0%
Total (£)						£0	£0

Remuneration report

An assessment of performance against personal objectives is set out below for both Rufus Radcliffe and Lindsay Dixon.

Rufus Radcliffe, Chief Executive	
Strategic plan Launch strategy refresh with new targets	- FastFwd launched and core pillars of plan will be growth drivers in next phase of strategic transition - Targets to 2030 will require to be rebased in response to market conditions and outlook
STV Studios Deliver the next phase of STV Studios growth	- Completion of review and rationalisation of label portfolio to align with changing market demands - Investment in branded content label to address emerging market opportunities
Creation of single Audience business Focus on total reach and engagement to unlock new advertising opportunities	- New, simplified operating model implemented, eliminating duplication and set to deliver material cost savings in FY26 - New digital advertising products in pilot phase or launched, including pause ads and STV ADapt for new customer prospects
Sustainable PSM commitments Deliver a future-proofed, sustainable proposition for STV News	- Development of new output model that reflects changing viewer behaviour and is financially sustainable - Ofcom consultation opened with regulator supportive of proposed amendments to PSM licences
New ventures Develop a new radio proposition for Scotland	STV Radio ‘go to market’ plan developed including brand, marketing and commercial proposition with station launched in January 2026 to positive audience and advertiser reception
ESG Continue to grow STV’s positive impact through delivery of ESG priorities	Sustainability - Achievement of 9 of 10 targets Diversity & Inclusion - Achievement of 8 of 11 targets, on-screen and our people

Based on the above assessment of performance, the Committee determined that a formulaic outcome of 45% of maximum for this element of the bonus plan would have been payable.

Lindsay Dixon, Chief Financial & Operating Officer	
Growth strategy Support CEO in new growth strategy and related equity story	- FastFwd launched and core pillars of plan will be growth drivers in next phase of strategic transition - Targets to 2030 will require to be rebased in response to market conditions and outlook
Cost savings Achieve FY25 target and develop plan for FY26	- On track to achieve original targets and new plan to deliver incremental £3m of savings implemented - Articulation, internally and externally, of the key measures, rationale, and impact
Pension liability management Manage schemes’ impact on net debt, balance sheet and the Group’s equity story and valuation	- Ongoing consideration of emerging models for pension scheme management - Secured agreement with trustees to rephase deficit contribution payments to provide liquidity and financial flexibility in the face of adverse trading conditions
ESG Continue to support delivery of the Company’s positive impact through delivery of ESG priorities	Sustainability - Achievement of 9 of 10 targets - Progression of sustainability governance framework to meet increasing reporting and regulatory requirements D&I - Achievement of 8 of 11 targets, on-screen and our people Governance - Improved resilience in the Group’s policies and processes to protect information and assets against cyber risks - Continued progress towards compliance with Provision 29 of the UK Corporate Governance Code, coming into effect on 1 January 2027

Based on the above assessment of performance, the Committee determined that a formulaic outcome of 65% of maximum for this element of the bonus plan would have been payable.

Long-term Incentive Plan vesting (audited)

The table below sets out the performance achieved for the 2023 LTIP award, which was subject to performance over the three-year period from 1 January 2023 to 31 December 2025.

	Weighting	Threshold vesting (25% of maximum)	Maximum vesting (100% of maximum)	Actual outcome	Percentage vesting (% of maximum)
Adjusted EPS in FY25	50%	37 pence per share	44 pence per share	13.1 pence per share	Nil
Non-broadcast earnings in FY25	30%	£15.0m	£19.5m	£8.8m	Nil
Total shareholder return against FTSE Small Cap companies	20%	Median	Upper quartile	Below median	Nil
	100%			Overall vesting	Nil

Consideration of formulaic outcomes

The Committee considered the outcomes of the annual bonus and LTIP in the context of the current external environment, wider Company and individual performance, the shareholder experience, and the treatment of colleagues throughout the rest of the Group. In view of the Group’s financial performance in the current trading environment, the Committee concluded that the formulaic outcome for the LTIP was appropriate. In the case of the bonus, downward discretion was applied with no payment made for performance achieved against personal objectives.

Scheme interests awarded in the 2025 financial year (audited)

The table below shows awards made to the Executive Directors during 2025 under the LTIP.

Executive Director	Award type	Date of grant	Basis of award	Number of shares awarded ¹	Face value of award	Threshold vesting	Performance period
R Radcliffe	LTIP	9/4/25	150% of salary	420,195	£645,000	25% of maximum	1/1/25-31/12/27
L Dixon	LTIP	9/4/25	125% of salary	285,179	£437,750	25% of maximum	1/1/25-31/12/27

1 Calculated using the closing share price of 153.5pps on the date prior to the date of award.

These awards will vest after three years, subject to the performance targets set out in the table below. An additional two-year holding period will apply to any shares vesting.

	Calibration of targets	Weighting	Threshold vesting (25% of maximum) ¹	Maximum vesting (100% of maximum) ¹
Group EPS	Annualised growth in EPS from FY24 to FY27	40%	3%	8%
Group margin	Adjusted Group operating margin in FY27	20%	8%	13%
Digital and STV Studios revenue growth	Annualised growth in revenue from FY24 to FY27	20%	7.5%	11.5%
Relative TSR	Ranked position of the Company’s total shareholder return (TSR) against FTSE Small Cap index (using 3 month averaging)	20%	Median	Upper quartile

1 There is no vesting for performance below threshold, and straight-line vesting between threshold and maximum.

Payments for loss of office (audited)

No payments were made to past Directors for loss of office.

Payments to past Directors (audited)

No payments were made to past Directors during the year or the prior year.

External appointments

Neither of the Executive Directors held any external appointments during the year.

Remuneration report

Non-Executive Directors (audited)

The table below sets out the single total figure of remuneration for each Non-Executive Director. During 2025, Non-Executive Directors did not participate in any of the Company’s incentive arrangements, nor did they receive any benefits.

Non-Executive Director	Financial year	Basic fees £	Additional fees £	Total fees £
C Whiley ¹	2025	32,500	–	32,500
P Reynolds ²	2025	138,295	–	138,295
	2024	152,000	–	152,000
N Climer	2025	47,380	7,725	55,105
	2024	46,000	7,500	53,500
D Bergg	2025	47,380	7,725	55,105
	2024	46,000	7,500	53,500
A Mandhar ³	2025	44,290	–	44,290
	2024	46,000	–	46,000
C Jones ⁴	2025	47,380	13,419	60,799
	2024	17,833	–	17,833
G Kent ⁵	2025	3,262	929	4,191

- 1 Appointed 1 October 2025.
2 Stepped down from the Board on 18 November 2025.
3 Stepped down from the Board on 5 December 2025.
4 Stepped down as SID on 11 December 2025.
5 Appointed as Non-Executive Director and SID on 5 December 2025.

Statement of Directors’ shareholding and share interests on 31 December 2025 (audited)

Under the Remuneration Policy, Executive Directors are required to build up a shareholding equal to 150% of salary. Executive Directors will also, on leaving the Board, be required to maintain this in-employment shareholding guideline (or their actual shareholding if lower) for a period of two years.

The shareholding requirement for Non-Executive Directors is set at the level of 20,000 shares for the Chairman and 5,000 shares for other Non-Executive Directors.

Director	Number of beneficially owned shares ¹	Number of unvested deferred awards ²	Number of SAYE options subject to conditions	Number of unvested LTIP awards at 31/12/25	Number of shares vested not yet exercised ³	Current shareholding (% salary/ base fee) ⁵	Shareholding requirements	Requirement met
R Radcliffe	48,831	–	–	420,195	–	12%	150% of salary	n/a ⁴
L Dixon	8,785	58,158	–	511,609	89,914	16%	150% of salary	n/a ⁴
P Reynolds	25,000			n/a			20,000 shares	Y
C Whiley	100,000			n/a			20,000 shares	Y
D Bergg	12,489			n/a			5,000 shares	Y
A Mandhar	6,381			n/a			5,000 shares	Y
N Climer	5,000			n/a			5,000 shares	Y
C Jones	35,000			n/a			5,000 shares	Y
G Kent	–			n/a			5,000 shares	N

- 1 Beneficial interests include shares held directly or indirectly by connected persons and are stated at the year end or, for a Director who stepped down during the year, as at the date of stepping down.
2 This relates to the deferred portion of Lindsay Dixon’s 2022, 2023 and 2024 annual bonus plans.
3 This relates to shares vested but not exercised for Lindsay Dixon’s 2019, 2020 and 2021 LTIPs and 2021 annual bonus plan.
4 Value of shares are calculated based on the closing price of 105.5pps on the 31 December 2025.
5 This includes shares beneficially owned and the post tax value of all vested but unexercised share awards.

There were no changes to the shareholdings above between the year end and the date of this report.

The following table provides further detail of the share awards held by the Executive Directors.

Executive	Award	Granted	Held at 31/12/24	Granted in year	Released in year	Lapsed in year	Held at 31/12/25	Vesting dates ¹
R Radcliffe	Buy-out deferred shares	9/4/25	–	38,972	15,377	–	23,595	15,377 on 9/4/25 23,595 in 9/4/26
	2025 LTIP	9/4/25	–	420,195	–	–	420,195	9/4/28
L Dixon	2021 LTIP	24/3/21	10,841	–	–	–	10,841	24/3/24
	2022 LTIP	11/3/22	75,758	–	–	75,758	–	11/3/25
	2023 LTIP	17/3/23	96,994	–	–	–	96,994	17/3/26
	2024 LTIP	3/5/24	129,436	–	–	–	129,436	3/5/27
	2025 LTIP	9/4/25	–	285,179	–	–	285,179	9/4/28
	2022 DBP	10/3/23	11,424	–	–	–	11,424	10/3/26
	2023 DBP	2/4/204	9,233	–	–	–	9,233	2/4/27
	2024 DBP	20/3/25	–	57,564	–	–	57,564	20/3/28

- 1 LTIP awards are subject to an additional two-year holding period following vesting. Vested nil-cost options can be exercised for a period of up to ten years from the date of grant.

Dilution

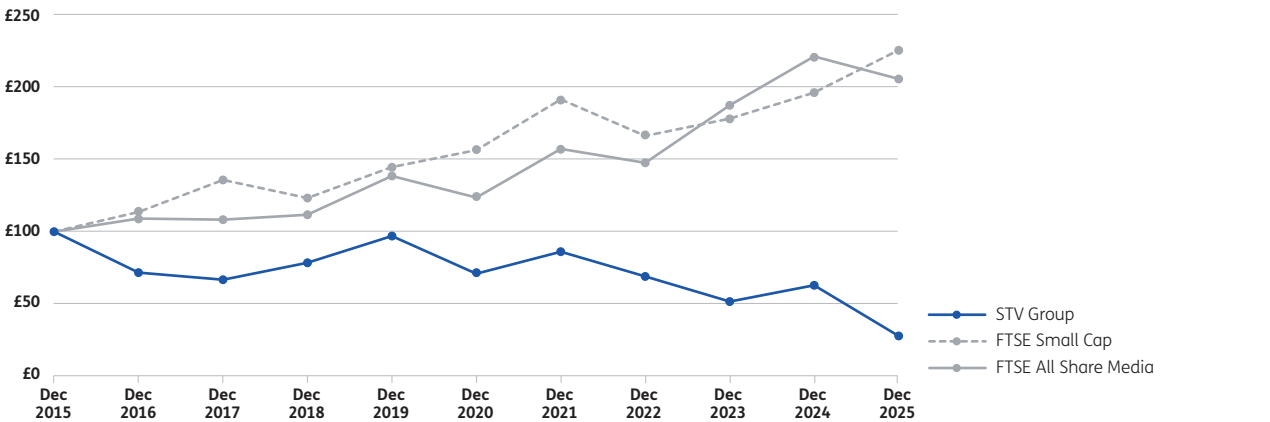
The following table sets out the current level of dilution against the limits in the bonus and long-term incentive plan and sets out the commitments to issue shares made during the financial year reported:

Maximum	Current dilution	Additional dilution during the year in question
10% dilution in ten years	5.97	0.99
5% dilution in ten years	0.36	0.11

10-year performance graph

The graph below shows the Company’s performance, measured by total shareholder return (TSR), compared to the performance of the FTSE Small Cap and FTSE All Share Media indices. The FTSE Small Cap index is used as a performance measure under the LTIP, and the FTSE All Share Media index provides a comparison of performance against companies in the media sector.

The chart illustrates the performance of a hypothetical investment of £100 in ordinary shares of STV Group plc over the ten-year period to 31 December 2025, compared to a similar investment in the FTSE Small Cap or FTSE All Share Media indices. TSR data is based on Returns Index data, calculated on a daily share price growth plus re-invested dividends (as measured at the ex-dividend rates).



Remuneration report

CEO single figure of total remuneration

The table below shows the total remuneration for the Chief Executive over the same period.

Year	Chief Executive	Single figure of total remuneration (£000)	Bonus pay-out (% maximum opportunity)	Long-term incentive vesting (% maximum opportunity)
2025	R Radcliffe	527 ¹	–	n/a
2024	R Radcliffe	79	n/a ²	n/a
	S Pitts	662	48	–
2023	S Pitts	738	35	15
2022	S Pitts	949	47	35
2021	S Pitts	1,337	96	50
2020	S Pitts	467	–	–
2019	S Pitts	1,050	87	18
2018	S Pitts	1,712 ³	72	–
2017	R Woodward	697	32	14
2016	R Woodward	807	29	–

1 Includes buy-out of forfeited remuneration.

2 Although eligible to receive a pro-rated bonus in 2024, Rufus Radcliffe decided to forego this payment.

3 Simon Pitts' single figure for 2018 includes an amount of £857,000 in respect of his buy-out package paid to compensate for forfeited remuneration from his previous employer. His single figure excluding this amount would have been £855,000.

Percentage change in remuneration

The table below shows the percentage change in the salary/fees, benefits and annual bonus of all Directors of the Company compared to all employees from 2024 to 2025, 2023 to 2024, 2022 to 2023, and 2021 to 2022.

	Salary/fees ²					Taxable benefits ¹					Annual bonus ¹				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
All employees	4%	4%	4.4%	3%	0%	n/a ¹	n/a ¹	n/a ¹	n/a ¹	n/a ¹	n/a ¹	n/a ¹	n/a ¹	n/a ¹	n/a ¹
R Radcliffe	0%	n/a	n/a	n/a	n/a	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
S Pitts	n/a	0.2%	0.4%	3%	15% ²	n/a	0%	(84)%	0%	62%	–	32%	(25)%	(50)%	n/a ³
L Dixon	3%	0.4%	0.8%	3%	15% ²	0%	0%	0%	39%	16%	(100)%	166%	(25)%	(50)%	n/a ³
C Whiley ⁴	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
P Reynolds ⁵	3%	0%	1.3%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
S Miller	3%	0%	3.5%	7%	15%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A M Cannon	3%	n/a	n/a	14%	15%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D Bergg	3%	0%	14.4%	10%	15%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A Mandhar ⁶	3%	0%	4.5%	10%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
N Climer	3%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
C Jones	3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
G Kent ⁷	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1 These benefits are not available to all employees.

2 All Executive and Non-Executive Directors volunteered a 25% cut in base salary/fees from 1 April to 31 August 2020, in response to Covid-19, and so the increase in salary/fees in 2021 reflects reinstatement to full pay and is not a real increase.

3 Following suspension of the annual bonus plan in 2020, it was reinstated in 2021 with an outcome of 96.25% and 97.5% of the maximum for the Chief Executive and Chief Financial Officer respectively.

4 Appointed on 1 October 2025.

5 Stepped down on 18 November 2025.

6 Stepped down on 5 December 2025.

7 Appointed on 5 December 2025.

Chief Executive pay ratio

The table below discloses the ratio of the Chief Executive's pay for 2025, using the single total figure of remuneration (as disclosed on page 96), to the comparable earnings of employees at the 25th, 50th and 75th percentiles.

Year	Method	25th percentile (P25) pay ratio	Median (P50) pay ratio	75th percentile (P75) pay ratio
2025	Option B	17:1	14:1	10:1
2024	Option B	22:1	16:1	14:1
2023	Option B	27:1	21:1	14:1
2022	Option B	37:1	29:1	21:1
2021	Option B	54:1	39:1	32:1
2020	Option B	20:1	14:1	11:1

The ratios were calculated using Option B in the disclosure regulations, with the employees at the 25th, 50th and 75th percentiles determined based on the Group's gender pay data. Total remuneration for 2025 for these employees was then calculated using a valuation methodology consistent with that used for the Chief Executive in the single figure table on page 96. Whilst the gender pay gap legislation and CEO pay ratio legislation employ different calculations, the Committee considers that the three identified employees are reasonably representative of the respective percentiles. The calculation is undertaken on a full-time equivalent basis.

The salary and total remuneration received during 2025 by employees at the 25th, 50th and 75th percentiles and used in the above analysis is as follows:

	25th percentile (P25)	Median (P50)	75th percentile (P75)
2025 salary £	29,141	36,565	47,248
2025 total remuneration £	30,221	37,939	50,805

Typically, a significant proportion of the Chief Executive's total remuneration is delivered in variable remuneration, the value of which is linked to stretching performance targets and, in the case of LTIP awards, share price performance. As a result, the pay ratio is driven largely by the outcome of these awards, hence the significant fluctuations on a year-to-year basis. In 2025, no variable elements of remuneration were awarded due to the impact of trading conditions on the financial performance of the business resulting in a decrease in the pay ratio across all quartiles.

The Committee considers the median pay ratio to be consistent with the pay, reward and progression policies for all colleagues, the majority of whom receive fixed remuneration only. In 2025, only colleagues in the Commercial team or in senior management roles were eligible to participate in a bonus plan.

Workforce pay

The Committee has oversight of remuneration and related policies across the Company and gives them due consideration when determining pay for Executive Directors. All roles across the Company are graded with reference to a compensation and benefits survey of companies in the UK media and technology sectors undertaken by Willis Towers Watson. The Company's policy is to ensure pay and benefits provided are positioned fairly, are market competitive in the context of the relevant talent market and reflect market data and other relevant benchmarks for each role. Pay ratios are also considered as one of several reference points when making decisions on remuneration.

The Company continues to develop its approach to employee engagement on executive remuneration, building on the various mechanisms in place to gather feedback from colleagues, including regular 'Have Your Say' employee engagement surveys and engagement with trade union representatives which includes a collective bargaining agreement that covers pay determination for certain members of staff. Relevant feedback is considered by the Board, via the Designated Non-Executive Director for Workforce Engagement, and through regular updates to the Board on the organisation, people and culture.

Remuneration report

Relative importance of spend on pay

The table below sets out the relative importance of spend on pay in the 2025 and 2024 financial years. These were the most significant outgoings for the Company in the last financial year. Overall spend on pay increased by 16% as a result of one off redundancy payments committed as part of the restructuring programme and full year impact of acquisitions made part way through 2024.

Significant distributions	2025	2024	% change
Overall spend on pay	£43.7m	£38.8m	12.6%
Dividend or share buy back	£3.3m	£ 5.1m	(35.3)%

Consideration by the Directors of matters relating to Directors' remuneration

Members of the Committee

During the year, the Committee comprised the following Non-Executive Directors: Naomi Climer, Chair; David Bergg; Colin Jones; and Gillian Kent (member since 10 December 2025). The Committee met six times during the year.

The Committee is responsible for recommending to the Board the remuneration policy for Executive Directors. The Committee also has oversight of remuneration and related policies for the wider workforce as this pertains to determining the remuneration of the Executive Directors. The Committee has formal terms of reference which describe its full remit and can be downloaded from the Company's website, [www.stvplc.tv](#).

Advisors to the Committee

The Committee seeks independent advice to assist in its consideration of executive remuneration. This includes updating the Committee on compensation trends and governance matters and advising the Committee in connection with the design and operation of the Company's incentive arrangements.

During 2025, the Committee received advice from Alvarez & Marsal (A&M). The total fees paid to A&M for the provision of advice to the Committee in 2025 were £40,750 (excluding VAT) charged on a time and materials basis. A&M provided no other services to the Company during the year. A&M is a member of the Remuneration Consultants' Group and has signed up to their Code of Conduct on executive remuneration consulting. The Committee is satisfied that the advice received from A&M is objective and independent.

During its deliberations throughout the period under review, the Committee sought the assistance of the Chairman on matters relating to the Directors' performance and remuneration. The Chairman, Chief Executive and the HR & Communications Director attended Committee meetings by invitation.

Statement of voting at general meeting

The table below shows the voting outcomes on the most recent Remuneration Report (2025 AGM) and Remuneration Policy (2024 AGM).

	Votes for	%	Votes against	%	Total votes cast	Votes withheld ¹
2024 Remuneration Report (2025 AGM)	24,600,565	67.40	11,896,559	32.60	36,497,124	2,733
Remuneration Policy (2024 AGM)	28,524,910	73.57	10,245,179	26.43	38,770,089	1,129

1 A vote withheld is not a vote in law and counts neither for nor against a resolution.

Although the majority of votes cast were in favour of the advisory vote on the Directors' Remuneration Report, the outcome was principally due to the voting decisions of two shareholders, both with significant holdings. The first has a long-standing concern, expressed previously, about the use of nil-cost options in the LTIP. For this reason, this shareholder has confirmed their support for the proposed one-off long term incentive which awards market value options rather than nil cost options. The other shareholder cited the fact that incentive payments in 2024 were triggered by short-term performance measures alone. For the level of payout delivered, they would have preferred a more balanced outcome across short and long-term targets. Following the Company's strategy refresh, announced in May 2025, the Remuneration Committee reviewed all incentive performance measures to ensure alignment with refreshed business priorities, in the short and long term, and shareholders' interests.

NAOMI CLIMER
CHAIR OF THE REMUNERATION COMMITTEE
17 MARCH 2026

Directors' report

The Directors present their report for the year ended 31 December 2025. The Directors' report comprises pages 99 to 101 and the sections of the annual report incorporated by reference, as set out below:

Directors during 2025 financial year – See pages **60, 61 and 100**

Risk management – See pages **25 to 33**

Streamlined Energy and Carbon Reporting (SECR) – See pages **56 and 57**

Climate-related Financial Disclosures report – See pages **52 to 57**

Corporate governance report – See pages **59 to 98**

Stakeholder engagement (S.172) – See pages **34 to 38**

Employee diversity and inclusion – See pages **42 to 45**

Employee involvement and engagement – See pages **41 and 42**

Principal risks and uncertainties – See pages **28 to 32**

Disability reporting – See pages **42 and 43**

This Annual Report has been prepared for, and only for, the members of the Company, as a body, and for no other persons. The Company, its Directors, employees, agents and advisers, do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.

Management Report

The Directors' report, together with the Strategic Report set out on pages 2 to 58, form part of the Management Report for the purposes of DTR 4.1.5R.

Company number

STV Group plc is registered in Scotland under company number SC203873.

Dividends

The Directors do not propose a dividend in respect of 2025.

Share capital and substantial shareholders

On 17 March 2026 there were 46,722,499 ordinary shares of 50p each in issue, each with one vote attached. There were no shares held in treasury. The rights and obligations to the Company's shares are set out in its Articles of Association (the Articles). Details of Directors' interests in shares can be found on page 94.

As at 17 March 2026, the following information had been received, in accordance with DTR5, from holders of notifiable interests in STV's issued share capital:

Shareholders	Shares held	%
Slater Investments	6,987,957	14.96
Harwood Capital	4,300,000	9.20
Schroder Investment Mgt	3,689,500	7.90
Aberforth Partners	3,685,701	7.89
Janus Henderson Investors	2,619,792	5.61
HSBC Securities	2,113,171	4.52
Spreadex Limited	2,099,541	4.49
Unicorn Asset Mgt	2,050,000	4.39
Royal London Asset Mgt	1,527,962	3.27
Richard Griffiths	1,506,471	3.22
Chelverton Asset Mgt	1,480,000	3.17
Charles Stanley	1,473,076	3.15

Annual General Meeting (AGM)

Details of the 2026 AGM, together with the resolutions being put to shareholders, can be found in the separate Notice of AGM.

Directors’ report

Directors

The Directors of the Company as at 31 December 2025 and their profiles are detailed on pages 60 and 61.

Changes to the composition of the Board since 1 January 2025 up to the date of this report are shown in the table below:

Name	Role	Date of appointment	Date of resignation
Paul Reynolds	Chairman		18 November 2025
Clive Whiley	Independent Non-Executive Director and Chair Elect	1 October 2025	
	Chairman	18 November 2025	
Aki Mandhar	Independent Non-Executive Director		5 December 2025
Gillian Kent	Senior Independent Non-Executive Director	5 December 2025	

Details of Directors’ interests are on page 94 of the Remuneration Report.

The Company’s Articles of Association require Clive Whiley and Gillian Kent to seek election at the 2026 AGM. With the exception of Colin Jones, and in accordance with the Code, all other Directors will put themselves forward for re-election at the 2026 AGM.

Directors’ indemnities

Directors and officers of the Company and its subsidiaries have the benefit of a Directors’ and Officers’ liability insurance policy. The Company’s Articles also provide that every Director and other officer of the Company is to be indemnified from the assets of the Company against any liability he or she incurs in defending any proceedings brought against them in connection with the execution of their powers, duties, and responsibilities as Directors (provided that judgement is not given against them).

Donations

The Group made no political donations or any contributions to any political party during the year (2024: £nil).

Voting rights and restrictions on transfer of shares

None of the ordinary shares carry any special rights with regard to control of the Company. There are no restrictions on transfers of shares other than certain restrictions which may from time to time be imposed by laws or regulations. These include those relating to insider dealing and are pursuant to the Company’s share dealing code, whereby the Directors and designated employees require approval to deal in the Company’s shares.

The Company is not aware of any arrangements between shareholders that may result in restrictions on the transfer of securities or voting rights. Further details of the rights, restrictions and obligations attaching to the share capital of the Company, including voting rights, are contained in the Company’s Articles. The Articles may only be amended by special resolution at a general meeting of shareholders. Copies are available by writing to the Company Secretary and are open to inspection at Companies House.

The STV Group plc Employee Benefit Trust, which is used to acquire and hold shares in the Company for the benefit of employees, waives its right to vote and to receive cash dividends on those shares it holds that are unallocated.

Change of control

All the Company’s employee share plans contain provisions relating to a change of control. On a change of control, options and awards granted to employees under the Company’s share plans may vest and become exercisable, subject to the satisfaction of any applicable performance conditions at that time. Certain of the Company’s credit facilities and banking arrangements contain change of control clauses under which lenders may cancel their commitments and declare all outstanding amounts immediately due and payable.

The Channel 3 broadcasting licences and the Radio licence require STV, as the licence holder, to notify Ofcom on a change of control. Ofcom would thereafter be required to assess the actual or potential impact of the change on factors set out in the Communications Act 2003, such as the quality and range of programmes, and if Ofcom determines that the change of control is, or would be prejudicial to any of these matters, it may take action to safeguard the position which existed before the change of control, such as a variation of the licence.

There are no other significant agreements that would take effect, alter, or terminate upon a change of control following a takeover bid.

Going concern

The going concern statement is set out on page 114. The statement is incorporated by reference and deemed to form part of this report.

Disclosures required under UK Listing Rule 6.6.1(R)

There are no disclosures required to be made under the UK Listing Rule 6.6.1(R) which have not already been disclosed elsewhere in this report. Details of long-term incentive plans can be found in the Directors’ Remuneration Report on pages 82 to 98. Details of dividends waived can be found under the heading Voting rights and restrictions on transfer of shares on page 100.

Directors’ responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have also chosen to prepare the parent company financial statements under United Kingdom adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and financial performance; and
- make an assessment of the Company’s ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company’s position and performance, business model and strategy.

In the case of each Director in office at the date the Directors’ report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group’s and parent company’s auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group’s and parent company’s auditors are aware of that information.

The Directors’ report was approved by the Board and signed on its behalf by:



CLIVE WHILEY
CHAIRMAN
17 MARCH 2026

Independent auditors’ report to the members of STV Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of STV Group plc (the ‘parent company’) and its subsidiaries (the ‘Group’) give a true and fair view of the state of the Group’s and of the parent company’s affairs as at 31 December 2025 and of the Group’s loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company statements of cash flows; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and parent company for the year are disclosed in note 5 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC’s Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: - Cut off of programme production revenue; and - Carrying value of parent company investment in subsidiaries. Within this report, key audit matters are identified as follows: - Newly identified - Similar level of risk
Materiality	The materiality that we used for the Group financial statements was £800,000 which was determined on the basis of approximately 0.5% of revenue.
Scoping	We performed audit procedures across 19 components accounting for 99% of revenue, 99% of profit before tax and 98% of net assets.
Significant changes in our approach	Our audit approach is consistent with the prior year with the exception of: - Acquisition of Two Cities Television – valuation of acquired intangible assets is no longer a key audit matter as there was no significant acquisitions in the current year; and - Carrying value of parent company investment in subsidiaries has been identified as a key audit matter in the current year. The impairment assessment involves significant management judgement in the application of valuation models and assumptions

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors’ assessment of the Group’s and parent company’s ability to continue to adopt the going concern basis of accounting included:

- Obtaining management’s going concern assessment, understanding the process undertaken by management to evaluate the operational and economic impacts of economic uncertainty on the assumptions, and understanding of the relevant controls relating to the going concern assessment;
- Assessing the integrity of the model used to prepare the forecasts, testing the clerical accuracy of those forecasts, and considering the historical accuracy of the forecasts prepared by management;
- Assessing headroom in the forecasts (liquidity and covenants);
- Evaluating the financing facilities that are in place during the forecast period including the repayment terms and covenants, and the impact of refinancing, and assessing whether these have been appropriately reflected in the model;
- Challenging the reasonableness of the assumptions used in the downside scenarios and sensitivities by assessing the Group’s past performance, UK advertising and global commissioning market; and
- Assessing the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s and parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Cut off of programme production revenue

Key audit matter description	Within Studios revenue of £83m (2024: £84.1m), the Group recognises revenue from third party programme commissions. Revenue from third party commissions is recognised both: - Over time in relation to producer for hire contracts, where, in the event of cancellation, cost is recovered plus an agreed margin. The associated revenue is therefore recognised over the term of the contract. - On delivery of the finished programme to the commissioning broadcaster, the point at which the performance obligations are delivered, and control passes to the broadcaster for the period of their licence. There is a risk that programme production revenue is recognised too early and in the incorrect period or before the performance obligation has been met. The cut off risk exists for producer for hire contracts where the key judgement made is in determining the costs to complete and the impact of any potential variation to the original contract. There is also cut-off risk in respect of productions where revenue is recognised on delivery where this is close to year end due to judgement required in determining whether the performance obligation has been met. Further details in relation to revenue are included in notes 2 and 4 to the financial statements.
How the scope of our audit responded to the key audit matter	We performed the following procedures: - Obtained an understanding of the relevant controls over the programme production revenue recognition process; - Met with the Studios team to understand the productions that have occurred in the year including those which span the year end; - Reviewed the minutes of the Studios divisions board meetings including for evidence of variation of contract; - Tested the recognition of programme production revenue relating to a sample of productions recognised on delivery around year end by obtaining contractual and other related agreements, assessed and challenged whether the performance obligation has been met to allow revenue to be recognised. Where we have been unable to evidence transmission of a programme, we have obtained acceptance by the commissioners for a sample of productions where revenue has been recognised on delivery in the last quarter of the year to evidence that the performance obligation has been met; and - Tested producer for hire contracts by obtaining the commissioning and other related agreements, assessed and challenged the accuracy and completeness of costs to complete by reference to programme production budgets in addition to costs incurred to date. We have then recalculated the expected revenue that should be recognised as a proportion of the total revenue for the programme and compared this to the revenue recognised by management.
Key observations	Based on our procedures performed, we concluded that programme production revenue is appropriately recognised.

Independent auditors’ report to the members of STV Group plc

5.2 Carrying value of parent company investment in subsidiaries ⓘ

Key audit matter description	The carrying value of direct and indirect investment in subsidiaries held by the parent company was £121.8m (2024: £121.8m) and net amounts due from fellow subsidiaries was £101.4m (2024: £109.0m) as at 31 December 2025. As required by IAS 36 <i>Impairment of Assets</i>, management performs an impairment review over investments where there is an indication of impairment. Management’s conclusion is that the investment’s recoverable amount is greater than its carrying value and consequently no impairment is considered necessary. The impairment assessment involves significant management judgement in the application of valuation models and assumptions. We identified a key audit matter relating to the most sensitive and judgemental assumptions, being the forecast cash flows used in management’s assessment, pinpointed to short term growth rates. Further details are included within critical accounting judgements and estimates within note 3 and note 15 to the financial statements.
How the scope of our audit responded to the key audit matter	We have performed the following procedures: • Obtained an understanding of the relevant controls over the impairment review of parent company investment in subsidiaries; • Engaged our valuations specialists to independently determine a reasonable range for the discount rate and compare to the rate used by management; • Assessed historical forecasting and budget accuracy, considering third-party data where available, and test the mechanical accuracy of the model; • Challenged management’s assessment of the future cash flows used including both short-term and long-term growth rates. This included assessing whether forecast cash flows were consistent with Board approved budgets and forecasts; • Evaluating the mechanical accuracy of the budget and impairment models and methodology applied for consistency with the requirements of IAS 36, and assessing the underlying assumptions within the model; • Compared the value in use to the market capitalisation as at the year-end date and the post year-end period to consider market expectations against management forecasts in search of contradictory evidence; and • Assessed the adequacy of the disclosures made in the financial statements, particularly disclosures around the IAS 1 sensitivities.
Key observations	Based on our procedures performed, we conclude that the carrying value of parent company investment in subsidiaries is appropriate and there is no impairment of these assets in the year.

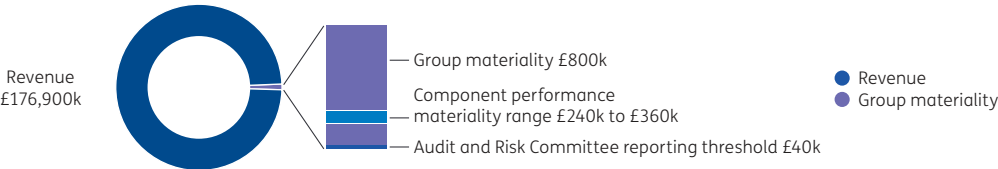
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£800,000 (2024: £820,000)	£400,000 (2024: £410,000)
Basis for determining materiality	Approximately 0.5% of revenue (2024: 5% of adjusted profit before tax).	Parent company materiality was based on 1% (2024: 1%) of net assets, but capped at 50% (2024: 50%) of Group materiality.
Rationale for the benchmark applied	We have used revenue as the benchmark for our determination of materiality rather than adjusted profit before tax as in prior years. Revenue reflects a more stable base which is aligned to the interests of stakeholders and to the business strategy and consistent with the level of business activity.	We consider that net assets is the most appropriate measure given the company is an investment holding company with no revenue.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	60% (2024: 60%) of Group materiality	60% (2024: 60%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • Our risk assessment, including our assessment of the Group’s overall control environment; and • The nature and the level of corrected and uncorrected misstatements identified in prior periods.	

6.3. Error reporting threshold

We agreed with the Audit & Risk Committee that we would report to the Committee audit differences that are in excess of £100,000 individually and will aggregate all audit differences above £40,000 (2024: £41,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The Group operates throughout the UK and is organised into two operating divisions namely Audience and Studios. Our Group audit was scoped by developing an audit plan for each significant account balance, class of transaction and disclosure. This was completed through discussion with IT, internal audit, and the commercial and finance teams, and by performing walkthroughs of processes, including Group-wide controls. We have assessed the risk of material misstatement at a Group level including assessing the qualitative and quantitative characteristics of each financial statement line item and considered the relative contribution of each component to these line items.

Based on this assessment, we focused our work on 19 (2024: 18) components across 2 divisions (2024: 3) which represent 99% of revenue (2024: 100%), 99% of profit before tax (2024: 97%) and 98% of net assets (2024: 97%).

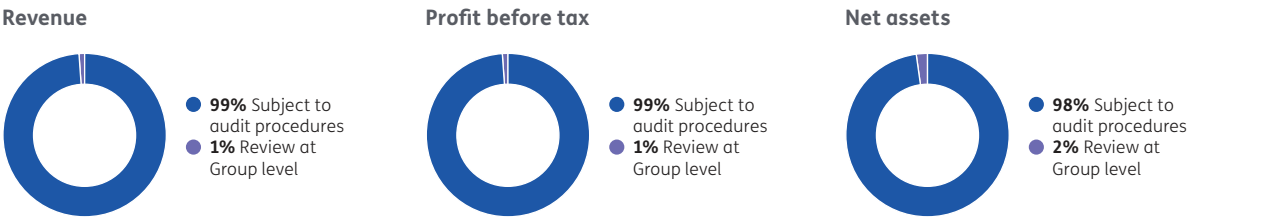
We performed audit procedures to performance materiality levels applicable to each component, which was lower than the Group materiality level and ranged from £240k to £360k (2024: £246k to £344k).

The components which were identified on a legal entity level that on which we performed audit procedures on are as follows:

- STV Group plc
- STV Central Limited
- STV Studios Limited
- STV Drama Productions Limited
- STV North Limited
- STV TOD Productions Limited
- STV Studio Services Limited
- Primal Media Limited
- Teal Media Limited
- Tuesday’s Child Television Limited
- Crackit Productions Limited
- Rumpus Media Limited
- Hello Halo Productions Limited
- STV Services Limited
- STV Television Limited
- STV News Services Limited
- Two Cities Television Limited
- Two Cities (Blue Lights 3) Limited
- Two Cities (Vienna) Limited

We audited STV Central Limited, the largest trading component, at component performance materiality determined as 75% of Group performance materiality. Our audit work on remaining components was executed at component performance materiality, capped at 50% of Group performance materiality. At the Group level, we also tested the consolidation process.

All work was performed directly by the Group engagement team.



Independent auditors' report to the members of STV Group plc

7.2. Our consideration of the control environment

With the involvement of our IT specialists, we obtained an understanding of the relevant IT environment and relevant general IT controls. We obtained an understanding of the processes and relevant controls over the key business cycles, being the revenue and financial reporting cycle in addition to certain manual controls over complex and judgemental areas such as deferred production and development stock, impairment and going concern. Consistent with the prior year, in the current year we did not plan to rely on the operating effectiveness of controls (automated or otherwise). This strategy reflected our historical knowledge of the control environment.

The Group continues to invest in its internal controls as part of its ongoing control improvement activities and its preparations for the introduction of the Directors' declaration over the effectiveness of material internal controls set out in the 2024 UK Corporate Governance Code.

The Audit and Risk Committee discusses their review of the effectiveness of risk management and internal control on pages 77 and 78.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group has assessed the risk and opportunities relevant to climate change as highlighted in the Climate-related Financial Disclosures Report included on pages 52 to 58.

As part of our audit, we have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and to evaluate the impact on the Group's financial statements. As part of our assessment, we have considered the broader industry and market-wide practice.

Our procedures included reading disclosures included in the strategic report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit. We also assessed the Directors' considerations of climate change in their assessment of going concern and viability, along with the associated disclosures.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, Directors and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the cut off of programme production revenue. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation, tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's Channel 3 operating licences that are regulated by Ofcom.

11.2. Audit response to risks identified

As a result of performing the above, we identified cut off of programme production revenue as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit & Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and Ofcom; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

Independent auditors’ report
to the members of STV Group plc

13. Corporate Governance Statement

The Listing Rules require us to review the Directors’ statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group’s compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors’ statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 114;
- the Directors’ explanation as to its assessment of the Group’s prospects, the period this assessment covers and why the period is appropriate set out on pages 32 and 33;
- the Directors’ statement on fair, balanced and understandable set out on page 77;
- the board’s confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 28 to 32;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 77 and 78; and
- the section describing the work of the Audit & Risk Committee set out on page 75 to 79.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors’ remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors’ remuneration have not been made or the part of the Directors’ remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit & Risk Committee, we were appointed by the members on 27 April 2023 to audit the financial statements for the year ending 31 December 2023 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is three years, covering the years ending 31 December 2023 to 31 December 2025.

15.2. Consistency of the audit report with the additional report to the Audit & Risk Committee

Our audit opinion is consistent with the additional report to the Audit & Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor’s report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

David Mitchell

DAVID MITCHELL CA (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF DELOITTE LLP
STATUTORY AUDITOR
GLASGOW, UNITED KINGDOM
17 MARCH 2026

Consolidated income statement

Year ended 31 December 2025

	Note	2025			2024*		
		Adjusted results £m	Adjusting items (note 7) £m	Statutory results £m	Adjusted results £m	Adjusting items (note 7) £m	Statutory results £m
Continuing operations							
Revenue	4	176.9	–	176.9	188.0	–	188.0
Operating expenses	5	(165.3)	(7.8)	(173.1)	(167.4)	(7.4)	(174.8)
Operating profit		11.6	(7.8)	3.8	20.6	(7.4)	13.2
Finance costs							
– borrowings		(3.6)	–	(3.6)	(3.4)	–	(3.4)
– defined benefit pension schemes		–	(2.4)	(2.4)	–	(2.4)	(2.4)
– lease interest	20	(0.5)	–	(0.5)	(0.5)	–	(0.5)
– other finance (costs)/income		(0.7)	(1.6)	(2.3)	0.4	(1.7)	(1.3)
Total finance costs		(4.8)	(4.0)	(8.8)	(3.5)	(4.1)	(7.6)
Other gains and losses	14	–	(0.8)	(0.8)	–	4.8	4.8
Share of loss in associates		(0.1)	–	(0.1)	–	–	–
(Loss)/profit before tax		6.7	(12.6)	(5.9)	17.1	(6.7)	10.4
Tax credit	8	0.4	1.5	1.9	(1.5)	4.2	2.7
(Loss)/profit for the year		7.1	(11.1)	(4.0)	15.6	(2.5)	13.1
Attributable to:							
Owners of the parent company		6.1	(11.1)	(5.0)	13.3	(2.5)	10.8
Non-controlling interests		1.0	–	1.0	2.3	–	2.3
		7.1	(11.1)	(4.0)	15.6	(2.5)	13.1
Earnings per share	9						
Basic		13.1p		(10.8)p	29.0p		23.5p
Diluted		13.1p		(10.8)p	29.0p		23.4p

* Presentation in the prior year has been updated to reflect the treatment of HETV tax credits in the column for adjusting items for transparency.

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

Year ended 31 December 2025

	Note	2025 £m	2024 £m
(Loss)/profit for the year from continuing operations		(4.0)	13.1
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension schemes	25	2.6	(0.3)
Deferred tax (charge)/credit	22	(0.6)	0.1
Other comprehensive income/(expense) – net of tax		2.0	(0.2)
Total comprehensive (expense)/income for the year		(2.0)	12.9
Attributable to:			
Owners of the parent company		(3.0)	10.6
Non-controlling interests		1.0	2.3
		(2.0)	12.9

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated and parent company balance sheets

At 31 December 2025

	Note	Group	Company		
		31 December 2025 £m	31 December 2024 £m	31 December 2025 £m	31 December 2024 £m
Non-current assets					
Intangible assets	11	35.0	36.5	–	–
Property, plant and equipment	12	7.1	6.8	–	–
Right-of-use assets	13	16.3	16.2	–	–
Investments	15	1.3	2.3	121.8	121.8
Deferred tax assets	22	19.8	19.5	4.1	4.8
Trade and other receivables	17	0.3	0.5	105.3	112.3
		79.8	81.8	231.2	238.9
Current assets					
Inventories	16	24.5	28.8	–	–
Trade and other receivables	17	43.7	46.3	1.0	0.9
Corporation tax recoverable		1.6	1.7	–	–
Cash and cash equivalents		12.3	11.1	0.2	0.1
		82.1	87.9	1.2	1.0
Total assets		161.9	169.7	232.4	239.9
Equity					
Ordinary shares	23	23.3	23.3	23.3	23.3
Share premium	23	115.1	115.1	115.1	115.1
Capital redemption reserve		0.2	0.2	0.2	0.2
Merger reserve		173.4	173.4	–	–
Other reserve		1.9	2.1	1.9	2.1
Accumulated (losses)/profit		(322.4)	(316.0)	71.6	76.7
Shareholders' equity		(8.5)	(1.9)	212.1	217.4
Non-controlling interests		(9.6)	(11.0)	–	–
Total equity		(18.1)	(12.9)	212.1	217.4
Non-current liabilities					
Borrowings	19	55.3	39.6	–	–
Lease liabilities	20	16.9	16.6	–	–
Retirement benefit obligations	25	39.2	48.3	16.4	19.2
Deferred tax liabilities	22	3.2	3.8	–	–
Trade and other payables	18	10.7	15.2	–	–
		125.3	123.5	16.4	19.2
Current liabilities					
Borrowings	19	2.3	10.2	–	–
Trade and other payables	18	51.2	48.1	3.9	3.3
Lease liabilities	20	1.2	0.8	–	–
		54.7	59.1	3.9	3.3
Total liabilities		180.0	182.6	20.3	22.5
Total equity and liabilities		161.9	169.7	232.4	239.9

The above consolidated and Company balance sheets should be read in conjunction with the accompanying notes.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement or statement of comprehensive income. The loss for the parent company for the year was £2.4m (2024: loss of £2.3m).

The consolidated financial statements on pages 109 to 144 were approved by the Board on 17 March 2026 and were signed on its behalf by:

Rufus Radcliffe

Chief Executive

Lindsay Dixon

Chief Financial & Operating Officer

Company registration number SC203873

Consolidated and parent company statements of changes in equity

Year ended 31 December 2025

	Share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Other reserve £m	Accumulated (losses)/profit £m	Attributable to owners of the parent £m	Non-controlling interest £m	Total equity £m
Group									
At 1 January 2025	23.3	115.1	0.2	173.4	2.1	(316.0)	(1.9)	(11.0)	(12.9)
Loss for the year	–	–	–	–	–	(5.0)	(5.0)	1.0	(4.0)
Other comprehensive income	–	–	–	–	–	2.0	2.0	–	2.0
Total comprehensive expense for the year	–	–	–	–	–	(3.0)	(3.0)	1.0	(2.0)
Net share based compensation	–	–	–	–	(0.2)	0.3	0.1	–	0.1
Dividends paid (note 10)	–	–	–	–	–	(3.3)	(3.3)	–	(3.3)
Changes in non-controlling interest	–	–	–	–	–	(0.4)	(0.4)	0.4	–
At 31 December 2025	23.3	115.1	0.2	173.4	1.9	(322.4)	(8.5)	(9.6)	(18.1)
At 1 January 2024	23.3	115.1	0.2	173.4	2.4	(321.9)	(7.5)	(5.1)	(12.6)
Profit for the year	–	–	–	–	–	10.8	10.8	2.3	13.1
Other comprehensive expense	–	–	–	–	–	(0.2)	(0.2)	–	(0.2)
Total comprehensive income for the year	–	–	–	–	–	10.6	10.6	2.3	12.9
Net share based compensation	–	–	–	–	(0.3)	0.4	0.1	–	0.1
Dividends paid (note 10)	–	–	–	–	–	(5.1)	(5.1)	(0.6)	(5.7)
Changes in non-controlling interest (note 14)	–	–	–	–	–	–	–	(7.6)	(7.6)
At 31 December 2024	23.3	115.1	0.2	173.4	2.1	(316.0)	(1.9)	(11.0)	(12.9)
Company									
At 1 January 2025	23.3	115.1	0.2	–	2.1	76.7	217.4		
Loss for the year	–	–	–	–	–	(2.4)	(2.4)		
Other comprehensive income	–	–	–	–	–	0.3	0.3		
Total comprehensive expense for the year	–	–	–	–	–	(2.1)	(2.1)		
Net share based compensation	–	–	–	–	(0.2)	0.3	0.1		
Dividends paid (note 10)	–	–	–	–	–	(3.3)	(3.3)		
At 31 December 2025	23.3	115.1	0.2	–	1.9	71.6	212.1		
At 1 January 2024	23.3	115.1	0.2	–	2.4	80.7	221.7		
Loss for the year	–	–	–	–	–	(2.3)	(2.3)		
Other comprehensive income	–	–	–	–	–	3.0	3.0		
Total comprehensive income for the year	–	–	–	–	–	0.7	0.7		
Net share based compensation	–	–	–	–	(0.3)	0.4	0.1		
Dividends paid (note 10)	–	–	–	–	–	(5.1)	(5.1)		
At 31 December 2024	23.3	115.1	0.2	–	2.1	76.7	217.4		

Consolidated and parent company statements of cash flows

Year ended 31 December 2025

	Note	Group		Company	
		2025 £m	Restated* 2024 £m	2025 £m	2024 £m
Operating activities					
Cash generated by operations	24	15.5	17.7	7.3	12.1
Interest and fees paid in relation to banking facilities		(3.6)	(3.3)	–	–
Corporation tax credits received		0.6	4.2	–	–
Pension deficit funding – recovery plan payment		(10.2)	(9.9)	(3.9)	(3.7)
Net cash generated by operating activities		2.3	8.7	3.4	8.4
Investing activities					
Acquisition of subsidiary undertakings, net of cash acquired	14	(0.3)	(1.1)	–	–
Purchase of shares in associates and other investments		(0.6)	–	–	–
Production finance provided to associates		(0.1)	–	–	–
Purchase of intangible assets		(0.8)	(0.7)	–	–
Purchase of property, plant and equipment		(2.5)	(0.7)	–	–
Net cash used in investing activities		(4.3)	(2.5)	–	–
Financing activities					
Purchase of additional shares in subsidiary undertakings	14	–	(4.4)	–	–
Payment of obligations under leases		(1.6)	(1.8)	–	–
Borrowings drawn		26.1	31.4	–	–
Borrowings repaid		(18.0)	(23.9)	–	–
Dividends paid to non-controlling interests		–	(0.6)	–	–
Dividends paid to equity holders		(3.3)	(5.1)	(3.3)	(5.1)
Net cash generated by/(used in) financing activities		3.2	(4.4)	(3.3)	(5.1)
Net increase in cash and cash equivalents		1.2	1.8	0.1	3.3
Net cash and cash equivalents, including overdraft balances, at beginning of year		11.1	9.3	0.1	(3.2)
Net cash and cash equivalents, including overdraft balances, at end of year		12.3	11.1	0.2	0.1

* Details of the restatement are disclosed in note 2.

Notes to the financial statements

For the year ended 31 December 2025

1. General information

The consolidated financial statements of STV Group plc (the ‘Company’) and its subsidiaries (together the ‘Group’) for the year ended 31 December 2025 were approved and authorised for issue in accordance with a resolution of the Directors on 17 March 2026. The comparative information is presented for the year ended 31 December 2024.

STV Group plc is a public limited company, limited by shares, incorporated in Scotland, United Kingdom, and is listed on the London Stock Exchange.

The principal activities of the Group are the production of content for UK and international commissioners, acquisition of content for viewers of its linear broadcast and Video on Demand player, and the sale of advertising airtime and space in these media and on the newly launched STV Radio.

2. Material accounting policy information

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the current and prior years.

Basis of preparation

The financial statements are prepared in accordance with IFRS as adopted by the UK Endorsement Board and in accordance with the UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

These financial statements are presented in Sterling, which is the currency of the primary economic environment in which the Group and Company operates and rounded to the nearest 0.1 million pounds (£m) except where otherwise indicated. They have been prepared under the historical cost convention and where other bases are applied these are identified in the relevant accounting policy below.

Basis of consolidation

The Group financial statements incorporate the financial statements of STV Group plc and all its subsidiaries up to 31 December each year, using consistent accounting policies.

Subsidiaries are entities over which the Company has control. Control is achieved when the Company has the power over the subsidiary, is exposed, or has rights to, variable returns from its involvement with the subsidiary, and has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Subsidiary undertakings acquired during the year are recorded using the acquisition method of accounting and their results are included from the date of acquisition.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

An associate is an entity, other than a subsidiary or joint venture, over which the Group has significant influence. Significant influence is the power to participate in, but not control or jointly control, the financial and operating decisions of an entity. These investments are accounted for using the equity method.

Non-controlling interests represent the portion of profit or loss and net assets/(liabilities) in subsidiaries that are not held by the Group and are presented within equity in the consolidated balance sheet, separately from the Company shareholders’ equity.

Adoption of new and revised standards

In the current year, the Group has adopted the following new amendments with no material impact:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, in the publication titled Lack of Exchangeability.
- Standards and amendments to standards that have been issued but are not effective for 2025 and have not been adopted early are:
- Amendments to IFRS 9 and IFRS 7 (The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted).
 - Amendments to the Classification and Measurement of Financial Instruments
 - Annual Improvements to IFRS Accounting Standards – Volume 11 (The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted).
 - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows
 - Amendments to IFRS 9 and IFRS 7 (The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted).
 - Contracts Referencing Nature-dependent Electricity
 - IFRS 18 (An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted).
 - Presentation and Disclosures in Financial Statements
 - IFRS 19 (The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted).
 - Subsidiaries without Public Accountability: Disclosures

Notes to the financial statements

For the year ended 31 December 2025

2. Material accounting policy information continued

The above standards and amendments issued but not yet effective will be adopted in accordance with their effective dates. Management do not expect any material impact from the implementation of the above standards when they become effective.

Prior year adjustments

The Group acquired 100% of Greenbird Media Limited in July 2023, with put options in place to acquire the remaining shareholding of majority interests in subsidiaries held by the acquired company at the date of acquisition. During 2024, some of these options were exercised, resulting in a cash outflow of £4.4m. In the 2024 consolidated statement of cashflows, this transaction was incorrectly disclosed within investing activities. In consideration of paragraphs 42A and 42B of IAS 7, the cash outflows arising from changes in ownership interests in a subsidiary that do not result in a loss of control should have been disclosed within financing activities. Therefore, the 2024 consolidated statement of cash flows, shown as a comparator to the 2025 statement, has been restated to reclassify the £4.4m outflow from investing activities to financing activities. There was no impact on net cash flows for the period.

The above change was prompted by an enquiry from the Corporate Reporting Review team of the Financial Reporting Council (FRC) as part of its regular review and assessment of the quality of corporate reporting in the UK. The Group agreed to make the change above within the 2025 financial statements.

When reviewing the Group’s 2024 Annual Report and Accounts, the FRC has made clear the scope and limitations of its review as follows:

“The review was based on the Group’s 2024 Annual Report and Accounts and did not benefit from detailed knowledge of the Group’s business or an understanding of the underlying transactions entered into. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework.

“The FRC review provides no assurance that the Group’s Annual Report and Accounts are correct in all material respects; the FRC’s role is not to verify the information provided to it but to consider compliance with reporting requirements. Communications from the FRC are written on the basis that the FRC (which includes its officers, employees and agents) accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders.”

Going concern

At 31 December 2025, the Group was in a net debt position of £45.3m comprising drawdowns under its Revolving Credit Facility of £56.0m and production financing facility of £2.3m, partially offset by unamortised finance fees of £0.7m and net cash balances of £12.3m. The Group is in a net current asset position and generates cash from operations that enables it to meet its liabilities as they fall due, and other obligations. Headroom under the Group’s banking facilities at 31 December 2025 was £19m under the RCF plus the £15m accordion facility (31 December 2024: £30m plus £10m accordion).

During the year, the Group has operated within its key financial covenants of leverage (ratio of net debt to EBITDA) and interest cover, with limits of 3 times maximum and 4 times minimum, respectively. At 31 December 2025, the Group’s leverage was 2.5 times and its interest cover was 6.1 times, both well within covenant limits.

As part of the going concern review, the Group considers forecasts of the advertising and commissioning markets to determine the impact on liquidity. The Group’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current available funding and financial covenants.

The Directors performed a full review of principal risks and uncertainties during 2025 as part of its process to review and approve the three-year plan covering the period to 31 December 2028.

A severe but plausible downside scenario was identified that reflected crystallisation of several risks, principally in relation to advertising revenues and the number and scale of programme commissions anticipated to be won and delivered in the period. This scenario did not make any assumptions around a broad UK economic recovery but reflected the benefit of certain mitigating actions within the control of management, including the flexibility agreed with pension trustees on the timing of contributions payable (note 25). Under this scenario, the Group is projected to generate sufficient cash to enable it to continue in operation and remain within the covenant levels under the Group banking arrangements.

Following completion of these activities, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the date of this report. Accordingly, the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

Revenue recognition

Under IFRS 15, the performance obligations promised in contracts with customers are identified and revenue recognition is based on an assessment of when control of the good or service promised in the contract is transferred to the customer. Revenue is recognised when the performance obligation in the contract is satisfied which is either at a ‘point in time’ or ‘over time’ depending on when or as control of the good or service is transferred to the customer.

Key classes of revenue are recognised as follows:

a. Advertising and sponsorship revenues

Revenues are stated net of advertising agency commissions.

Television advertising revenue and online advertising revenue are recognised at the point of transmission of the advert. Revenue from sponsorship of the Group’s programmes is recognised on a straight-line basis over the period of the transmission schedule for each sponsorship campaign.

b. Programme production revenues

For producer for hire contracts where, in the event of cancellation, cost is recovered plus an agreed margin, the associated revenue is recognised over the term of the contract. The input method is used to measure costs and therefore revenue, as it is considered to be the method that best reflects the measure of the Group’s performance and transfer of control. All other revenue from third party commissions is recognised on delivery of the finished programme to the commissioning broadcaster as at that point the performance obligations are delivered and control passes to the broadcaster for the period of their licence.

Revenue from the licencing of programmes to overseas broadcasters or in the UK secondary market (usually digital channels) is recognised on the licence commencement date. An element of the original cost of production is deferred and recognised against the future revenue stream expected to be generated in the secondary and overseas sales markets. The amount to be deferred varies by programme based on future overseas and secondary sales potential and involves significant estimate (see note 3).

Dividend income

Dividend income is recognised when the right to receive payment is established.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is deducted from the related expense. When the grant relates to an asset, it is deducted from the asset’s carrying value.

Taxation

Taxation expense comprises current and deferred tax. Tax is recognised in the income statement, except to the extent it relates to items recognised in other comprehensive income or directly in equity, in which case the related tax is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of tax payable or recoverable in respect of the taxable profit or loss for the year, using tax rates that are in force during the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the reversal of the temporary difference can be controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Adjusting items

Adjusting items are items that are unusual because of their size, nature or incidence and which the Directors consider should be disclosed separately to enable a full understanding of the Group’s results. They are presented on the face of the Consolidated Income Statement in a column before statutory results.

Adjusting items may include but are not restricted to: profits or losses arising on disposal or closure of a business; the cost of significant business restructuring; significant impairments of intangible or tangible assets; significant gains or losses on sale of investments, intangible or tangible assets; adjustments to the fair value of acquisition-related items; amortisation of fair value adjustments in regard to intangible assets recognised in a business combination; IAS 19 finance costs; presentation of HETV production tax credits; and other items due to their significance, size or nature. Details of specific adjusting items recognised during the year are included within note 7.

Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Currency translation differences are recognised in the consolidated income statement.

Business combinations

Business combinations are accounted for using the acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred and liabilities incurred. Acquisition-related costs are recognised in the income statement as incurred.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value.

Notes to the financial statements

For the year ended 31 December 2025

2. Material accounting policy information continued

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement as a bargain purchase gain (or loss if the liabilities assumed exceed the identifiable assets).

Goodwill in respect of an acquired business is recognised as an intangible asset. Goodwill is carried at cost less any recognised impairment losses and is tested at least annually.

Intangible assets

Intangible assets, other than goodwill, are held at cost less accumulated amortisation and any provision for impairment. Included within intangible assets are:

Web development – assets in the course of construction which comprise the development of STV Player, STV’s online streaming platform, including directly attributable costs to bring the assets into use and may include capitalised borrowing costs.

Intellectual property – fair value of intangible assets recognised on acquisition of subsidiaries, which comprise production intellectual property and distribution intellectual property. Production intellectual property relates to the rights owned by acquired subsidiaries to established profitable formats that are likely to be re-commissioned in future periods. Distribution intellectual property relates to the value attributable to existing and expected renewal of distribution agreements of back-catalogue productions in secondary markets.

Amortisation is provided at the following rates per annum to write off the costs of intangible assets, less residual value, on a straight line basis from the date they are brought into use:

Web development	between 20% and 33%
Intellectual property	between 7% and 13%

Property, plant and equipment

The Group’s policy is to state property, plant and equipment at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost of the assets, less estimated residual values, in equal annual instalments as follows:

Leasehold improvements	between 5% and 10%
Plant, technical equipment and other	between 10% and 20%

Residual values and useful economic lives are reviewed annually. Depreciation is charged on all additions to, or disposals of, depreciating assets in the year of purchase or disposal, from the date of being brought into use or to the date of disposal.

Any impairment in value is charged to the income statement.

Depreciation and amortisation are both presented within operating expenses in the consolidated income statement.

Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability

The lease liability is initially measured as the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or the Group’s incremental borrowing rate where not readily available.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of purchase options, if the Group is reasonably certain to exercise those options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost element is charged to the income statement over the lease period in order to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets

Right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are predominantly in relation to leasehold properties.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount.

An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU’s) fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value represents the estimated selling price less estimated costs to complete and the estimated selling costs.

The Group has the following items included in inventory:

- **Programme production work in progress**
Programme production work in progress for programmes being made for third parties is recorded at cost less any provision for impairment. When the programme production has been completed, and at the point of delivery to the commissioner, the inventory value is charged to the income statement to match the cost of production with the revenue recognised. Costs incurred in the development of creative ideas and the programme slate are recognised as inventory at the lower of cost and net realisable value and are reviewed at least annually. Provision is made where appropriate.
- **Deferred programme production**
Deferred programme production stock represents original costs of production that are deferred and recognised against future revenue streams expected to be generated in the secondary sales markets, or from advertising revenue generated on STV Player. This is to ensure that revenue and costs are matched as closely as possible. The amount to be deferred varies by programme based on future secondary sales potential. The estimate of future sales and deferred programme production stock is referred to in the critical accounting judgements and estimates section (note 3).
- **Recorded programmes**
Recorded programmes are programmes which the Group purchases for transmission on its broadcast and Video on Demand platforms. They are valued at direct cost including labour and overheads less appropriate provisions and are charged to the income statement after the first transmission or sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognised in the Group’s balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recorded at amortised cost with the exception of equity investments which are recognised at fair value through other comprehensive income (FVOCI) and derivative financial instruments which are recognised at fair value through profit and loss (FVTPL). Financial liabilities are measured at amortised cost.

i) Trade and other receivables

Trade receivables do not carry any interest and are stated at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, contract assets and other receivables.

A provision is established for trade receivables if there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of trade.

Notes to the financial statements

For the year ended 31 December 2025

2. Material accounting policy information continued

ii) Investments

Investments are classified as fair value through other comprehensive income (FVOCI) with subsequent gains or losses arising from changes in fair value recognised in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment.

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured by other means are held at cost unless the Group is deemed to hold significant influence. Investments, whereby the Group is deemed to hold significant influence, are initially recognised at cost and adjusted thereafter for the post-acquisition change in the net assets of the investment. A share of the profit or loss, based on equity holding, is recognised in the income statement for the period.

iii) Classification of financial liabilities and equity

Financial liabilities and equity instruments are classified according to the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

iv) Bank borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value being the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost. Premiums payable on settlement or redemption and direct issue costs, are accounted for using an effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Accrued interest is recognised within accrued expenses.

v) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

vi) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

vii) Derivative financial instruments

Financial liabilities in regard to put option contracts which require the Group to purchase its own equity instruments for cash or another financial asset are recognised at the present value of the estimated put option exercise price, with a corresponding charge included within non-controlling interest. Any subsequent remeasurement of the put option liability is recognised within the consolidated income statement.

Financial liabilities or assets in regard to foreign currency forward contracts are recognised at fair value through profit or loss at the balance sheet date.

The Group uses interest swaps to hedge its exposure to fluctuations in interest rates. Gains or losses arising from the movement in fair value are taken to the income statement, with an associated financial asset or liability recognised for the fair value at the balance sheet date.

viii) Production financing facilities

Separate production financing facilities are entered into with third parties for individual programme production activities. These short-term facilities are available for the duration of programme production activity, and are used in circumstances when the Group is cash-flowing the production (with the commissioner paying in full on delivery of the final programme). These facilities are initially recorded at fair value being the amounts drawn down, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest rate method.

Pensions

For defined benefit pension schemes, the annual service cost is calculated using the projected unit credit method and is recognised over the future service lives of participating employees, in accordance with the advice of qualified actuaries. Current service cost and administration expenses are recognised in operating costs and net interest on the net pension liability is recognised in finance costs.

The finance cost recognised in the consolidated income statement reflects the net interest on the net pension liability. This represents the change in the net pension liability resulting from the passage of time, and is determined by applying the discount rate to the opening net liability, taking into account employer contributions paid into the scheme, and hence reducing the net liability during the year.

Past service costs resulting from enhanced benefits are recognised immediately in the consolidated income statement. Actuarial gains and losses, which represent the difference between interest on scheme assets, experience on the defined benefit obligation and the effect of changes in actuarial assumptions, are recognised in full in the consolidated statement of comprehensive income in the year in which they occur.

The retirement benefit obligation recognised in the consolidated balance sheet comprises the net total for each scheme of the present value of the benefit obligation, using a discount rate based on yields at the balance sheet date on appropriate high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and are denominated in sterling, minus the fair value of the scheme assets at the balance sheet date.

Payments to defined contribution schemes are charged to the income statement as an expense as they fall due.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. A fair value for the equity-settled share awards is measured at the date of grant. The Group measures the fair value of each award using an appropriate option pricing model.

The fair value of each award is recognised as an expense over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will eventually vest. The level of vesting is reviewed at each reporting period and the charge is adjusted, where appropriate, to reflect actual and estimated levels of vesting. The other reserve within equity relates to share based payments.

Dividend distribution

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

3. Critical accounting judgements and estimates

The preparation of the consolidated and Company financial statements, in conformity with IFRS, requires management to make judgements that affect the application of accounting policies and the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Management bases these judgements and estimates on a combination of past experience, professional expert advice and other evidence that is relevant to each individual circumstance. Actual results may differ from these judgements and the resulting estimates and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised. Significant judgements in the current year and on a recurring basis are presented to the Audit & Risk Committee.

Judgements

In the course of preparing the financial statements, no judgements have been made in applying the Group's accounting policies that have had a significant effect on the amounts recognised in the consolidated Group or parent company financial statements, other than those involving estimation below.

Estimates

The Directors consider the following to be the key estimates applicable to the financial statements, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Group

Inventory

Deferred programme production stock forms part of inventory and is stated in the financial statements at the lower of cost or net realisable value. The key assumptions are estimating the likely future revenues that associated programme costs are expensed in line with, and the discount rate applied. A detailed forecast of future secondary sales is prepared by management based on historic experience and expected future trends. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. A different estimate of the projected future revenues, or a different discount rate, could result in a material adjustment to the projected value of the cash flows of the asset, and consequently result in a material adjustment to the carrying value of the asset in the next financial year. During the year, £1.7m was expensed through the income statement (2024: £1.2m).

Additional information is disclosed in note 16.

Group and Company

Pension obligations

The present value of the pension obligations depends on several factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate, inflation and mortality rate. These assumptions are reviewed and updated at least bi-annually. A small change in these assumptions could materially impact the carrying amount of pension obligations in the next financial year.

The Group determines the appropriate discount rate at the end of each year. This is the rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Regarding mortality, the base tables used are updated every three years (to coincide with triennial valuations) or more frequently when there is evidence of a change in experience. The CMI tables relating to future improvements in mortality are updated when new information is available, usually annually.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information, along with details of sensitivities, is disclosed in note 25.

Notes to the financial statements

For the year ended 31 December 2025

3. Critical accounting judgements and estimates continued

Company

Carrying value of parent company investments

At the end of each reporting period, the Company assesses whether there are any internal or external indicators that an asset may be impaired (i.e. its carrying amount may be higher than its recoverable amount). The market capitalisation of the parent company was less than its net assets at 31 December 2025 and therefore the recoverable amount of the investment in subsidiary companies has been calculated. In determining the recoverable amount, key assumptions are made regarding future performance of subsidiary undertakings, long term growth rates and discount rate. A different estimate of the projected future cash flows, or a different long term growth rate or discount rate, could result in a material adjustment to the recoverable amount of the asset, and as a consequence result in a material adjustment to the carrying value of the asset in the next financial year. Based on the assumptions applied in the current year, the investments' recoverable amount is greater than its carrying value and consequently no impairment is considered necessary. Additional information is disclosed in note 15.

4. Business segments

Information reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance is by product. The Group's operating segments are Audience (combining Broadcast and Digital following merger of the businesses in H1 2025) and Studios.

	Audience		Studios		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Continuing operations						
Sales	104.5	112.2	83.2	84.4	187.7	196.6
Inter-segment sales	(10.6)	(8.3)	(0.2)	(0.3)	(10.8)	(8.6)
Segment revenue	93.9	103.9	83.0	84.1	176.9	188.0
Segment result						
Adjusted operating profit before unallocated corporate expenses	12.5	19.3	3.9	6.1	16.4	25.4
Unallocated corporate expenses					(4.8)	(4.8)
Adjusted operating profit					11.6	20.6
Adjusting items in operating profit (note 7)					(7.8)	(7.4)
Statutory operating profit					3.8	13.2
Other adjusting items – finance costs (note 7)					(4.0)	(4.1)
Finance costs					(4.8)	(3.5)
Other gains and losses (note 7)					(0.8)	4.8
Share of loss of associates					(0.1)	–
(Loss)/profit before tax					(5.9)	10.4
Tax credit					1.9	2.7
(Loss)/profit for the year					(4.0)	13.1

Adjusted operating profit (as shown above) is the statutory operating profit before adjusting items and includes production tax credits receivable. The production tax credits receivable relate solely to the Studios operating segment. Unallocated corporate expenses relate to central expenses not directly attributable to divisions.

Revenue includes £28.0m from sources outside the UK (2024: £14.8m). Operating profit includes £5.2m arising outside the UK (2024: £4.5m).

	Audience		Studios		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Segment assets and liabilities						
Assets	40.3	28.1	100.3	102.2	140.6	130.3
Liabilities	(39.8)	(28.1)	(43.7)	(46.5)	(83.5)	(74.6)
Segment total	0.5	–	56.6	55.7	57.1	55.7
Unallocated corporate assets					21.3	39.4
Unallocated corporate liabilities					(96.5)	(108.0)
Consolidated					(18.1)	(12.9)

Segment assets consist primarily of property, plant and equipment, certain leased assets, inventories, trade and other receivables and cash and bank deposits. Amounts due from HMRC in regard to production tax credits are disclosed within Studios. All other corporation tax balances are disclosed within corporate.

Segment liabilities comprise operating liabilities including trade and other payables, provisions and certain lease liabilities. They exclude Group borrowings, retirement benefit obligations, tax liabilities and other non-current liabilities, including the remaining lease liabilities.

All the net assets in both years were held in the UK and therefore operate in a single geographical segment.

	Audience		Studios		Other		Total	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Other segment information								
Capital additions	2.6	1.2	0.1	7.2	2.3	0.5	5.0	8.9
Depreciation and amortisation	2.0	2.1	2.1	1.8	2.0	2.2	6.1	6.1

5. Operating expenses

	2025 £m	2024 £m
Programming costs	27.9	31.7
Production costs	67.1	70.6
Staff costs (note 6)	38.2	37.3
Other operational costs	27.8	23.4
Depreciation and amortisation (excluding adjusting items)	4.3	4.4
Adjusted operating expenses	165.3	167.4
Operating adjusting items (note 7)	7.8	7.4
Operating expenses	173.1	174.8

Services provided by the Group's auditors

During the year the Group obtained the following services from the Company's auditors:

	2025 £m	2024 £m
Group		
Fees payable to Company auditors for the audit of the parent company and consolidated financial statements	0.4	0.4
Fees payable to the Company's auditors and their associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	0.1	0.1
– Audit-related assurance services	–	–
	0.5	0.5

The audit fees paid in respect of the parent company were less than £0.1m for the current and prior year.

6. Staff

Group

	2025 £m	2024 £m
Aggregate remuneration		
Wages and salaries	43.7	38.8
Share based payments	0.1	0.1
Social security costs	5.3	4.4
Other pension costs	1.2	1.1
Total aggregate remuneration	50.3	44.4
Less: staff costs allocated to productions, adjusting items or capitalised	(12.1)	(7.1)
Aggregate remuneration within operating expenses	38.2	37.3

Notes to the financial statements

For the year ended 31 December 2025

6. Staff continued

Average monthly number of employees (including Executive Directors)	2025 Number	2024 Number
Audience	392	379
Studios	285	195
Group/Corporate	61	69
Total average number of employees	738	643

Details of Directors’ remuneration is provided in the Remuneration Report on pages 82 to 98.

Company

The Company had no employees during the current or preceding year.

The only element of Directors’ remuneration recognised in the Company income statement in the year is the estimated charge associated with share-based payments of £0.1m (2024: £0.1m). No Director received any other remuneration from the Company during the year (2024: £nil). The emoluments of the Directors are paid by another Group company which makes no recharge to the parent company.

7. Adjusting items and reconciliation of statutory results to adjusted results

In reporting financial information, the Group presents alternative performance measures (APMs) which are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business.

The table below sets out a reconciliation of the statutory results to the adjusted results:

	2025			2024		
	Operating profit £m	(Loss)/profit before tax £m	Basic EPS pence	Operating profit £m	Profit before tax £m	Basic EPS pence
Statutory results	3.8	(5.9)	(10.8)p	13.2	10.4	23.5p
Acquisition and integration costs (i)	–	–		0.8	0.8	
Restructuring costs (ii)	4.0	4.0		1.0	1.0	
Amortisation and impairment of intangible assets (iii)	2.9	2.9		1.7	1.7	
Production tax credits (iv)	0.9	0.9		3.9	3.9	
IAS 19 net finance costs (v)	–	2.4		–	2.4	
Other finance costs (vi)	–	1.6		–	1.7	
Other gains and losses (vii)	–	0.8		–	(4.8)	
Adjusted results	11.6	6.7	13.1p	20.6	17.1	29.0p

Adjusting items within operating profit £7.8m (2024: £7.4m)

- i) On 6 July 2023, the Group acquired Greenbird Media Limited. Integration costs of £0.8m were charged in 2024 relating to the final earn-out payable to founding members, professional fees and restructuring costs.
- ii) The Group announced a £5m cost saving programme in March 2024, which was extended in September 2025 in response to continued challenging advertising and content commissioning markets. Restructuring costs of £1.7m were incurred in relation to these plans, primarily attributable to redundancy costs. Restructuring costs of £1.0m in the prior year were attributable to professional fees, redundancy costs and loss on disposal of assets.

In addition, restructuring costs were incurred following a review of the unscripted label portfolio. No further investment will be made in Mighty Productions with the investment carrying value written off in full (£1.1m) and following the cessation of development activity in STV Studios Entertainment, development stock of £0.8m has been written off. Loss on disposal of a minority investment in Pi Productions Limited has been recognised of £0.4m (2024: £nil).
- iii) Following the acquisitions detailed in note 14, the Group has undertaken fair value assessments of the assets acquired and liabilities assumed. The fair value attributable to intellectual property has been amortised in the year, resulting in a total charge of £1.8m (2024: £1.7m). The basis of measurement of production intellectual property on initial recognition was determined by reference to established retuning formats that were expected to be recommissioned post-acquisition. As at 31 December 2025, recommissioning of certain titles used in this assessment were considered remote and therefore the associated carrying value attributable to these titles has been impaired, resulting in a charge of £1.1m (2024: £nil).

Amortisation and impairment of assets acquired through business combinations are included within adjusted results as they are acquisition related and, in line with our treatment of other acquisition related costs, we consider that they do not reflect the underlying trading performance of the Group.

- iv) The Group meets the eligibility criteria to claim tax relief on the production of certain programmes created in its Studios division. This incentive was introduced in the UK to support the creative industries and is a critical factor when assessing the viability of investment decisions in the production of qualifying programmes. These production tax credits are reported within the total tax charge in the income statement in accordance with IAS 12. However, STV considers the production tax credits to be a contribution to production costs and therefore more aligned to working capital in nature. Therefore, the adjusted results for the Group reflect these credits as a contribution to operating costs and not a tax item. The tax credit regime is transitioning to an ‘above the line’ Audio-Visual Expenditure credits (AVEC) arrangement which is accounted for in a similar way to the alternative performance measure presented above. Due to the timing of expenditure for the relevant productions and the transition period between the regimes, the tax credit of £0.9m recognised in the current period (2024: £3.9m) will be claimed under the previous regime, and therefore has been adjusted in the results.

Other adjusting items

- v) IAS 19 net finance costs are excluded from non-statutory measures as they are non-cash costs that relate to legacy defined benefit pension schemes.
- vi) The Group recognised amounts payable to minority shareholders under put options at the date of acquisition of Greenbird Media Limited, Two Cities Television Limited and Hello Halo Productions Limited. A finance cost of £1.6m (2024: £1.7m) has been recognised in the year in relation to the unwinding of the discount on these liabilities.
- vii) Other gains and losses of £0.8m loss (2024: £4.8m gain) have arisen in relation to (i) £0.1m gain (2024: £2.9m gain) from acquisitions achieved in stages and (ii) £0.9m loss (2024: £1.9m gain) from acquired put option liabilities being revalued to fair value at the balance sheet date. See note 14 for details.

8. Tax credit

	2025 £m	2024 £m
Corporation tax		
Current year charge	(0.3)	(1.4)
Production tax credits	0.9	3.9
	0.6	2.5
Deferred tax (note 22)	1.3	0.2
Tax credit for the year	1.9	2.7

The credit for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2025 £m	2024 £m
(Loss)/profit before tax	(5.9)	10.4
Tax at the UK corporation tax rate of 25% (2024: 23.5%)	1.5	(2.6)
Tax effects of:		
Other (expenses)/income not deductible for tax purposes	(1.6)	0.2
Other timing differences	(0.3)	(0.2)
Losses not recognised	(0.2)	–
Production tax credits	0.9	3.9
Losses utilised	0.2	–
Changes in estimates related to prior years	1.4	1.4
Tax credit for the year	1.9	2.7

9. Earnings per share

The calculation of earnings per share is based on earnings after tax and the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held for use by the STV Employee Benefit Trust.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has one type of dilutive potential ordinary shares, namely share options granted to employees. In the current year, potential ordinary shares have been excluded from diluted EPS because they would decrease the loss per share and be anti-dilutive.

Notes to the financial statements

For the year ended 31 December 2025

9. Earnings per share continued

The adjusted earnings per share figures that have also been calculated are based on earnings before adjusting items that are significant in nature and/or quantum and not expected to recur every year and are therefore considered to be distortive.

The adjusting items recognised in the current and prior year are detailed in note 7 and presented below net of the related tax effect. Adjusted earnings per share have been presented to provide shareholders with an additional measure of the Group's year on year performance.

Earnings per share	2025 pence	2024 pence
Basic earnings per share	(10.8)p	23.5p
Diluted earnings per share	(10.8)p	23.4p
Adjusted basic earnings per share	13.1p	29.0p
Adjusted diluted earnings per share	13.1p	29.0p

The following reflects the earnings and share data used in the calculation of earnings per share:

Earnings	Ref	2025 £m	2024 £m
(Loss)/profit for the year attributable to equity shareholders		(5.0)	10.8
Adjusting items in operating profit (net of tax)	(i)	6.3	3.2
IAS 19 net financing cost	(ii)	2.4	2.4
Other finance costs	(iii)	1.6	1.7
Other gains and losses	(iv)	0.8	(4.8)
Adjusted profit for the year		6.1	13.3
Number of shares		2025 million	2024 million
Weighted average number of ordinary shares for the purposes of basic earnings per share		46.0	45.9
Dilution due to share options		0.2	0.1
Weighted average number of ordinary shares for the purposes of diluted earnings per share		46.2	46.0

Details of the adjustments to earnings are as follows:

- i) Adjusting items in operating (loss)/profit (net of tax): £6.3m (2024: £3.2m)**
Charge of £6.9m (2024: £3.5m), net of related tax credit of £0.6m (2024: £0.3m). The gross amount is the related adjusting items within operating profit per note 7, excluding HETV tax credits.
- ii) Adjustment for IAS 19 financing cost: £2.4m (2024: £2.4m)**
The IAS 19 financing cost is adjusted as it is a non-cash item that relates to historical defined benefit pension schemes.
- iii) Adjustment for other finance costs: £1.6m (2024: £1.7m)**
Other finance costs relate to unwinding of the discount of put options acquired in a business combination.
- iv) Adjustment for other gains and losses: £0.8m loss (2024: gain of £4.8m)**
Other gains and losses relate to fair value adjustments as detailed in note 7.

10. Dividends

	2025 per share	2024 per share	2025 £m	2024 £m
Dividends on equity ordinary shares				
Paid final dividend	7.4p	7.4p	3.3	3.3
Paid interim dividend	–	3.9p	–	1.8
Dividends paid	7.4p	11.3p	3.3	5.1

The Board is not proposing any dividend in respect of the current financial year in light of the uncertain trading environment. The Board will keep the position under review.

11. Intangible assets

	Goodwill £m	Production intellectual property £m	Distribution intellectual property £m	Web development £m	Total £m
Cost					
At 1 January 2024	14.5	5.0	5.0	6.7	31.2
Additions	–	–	–	0.7	0.7
Acquisitions (note 14)	5.8	7.1	–	–	12.9
Disposals	–	–	–	(3.7)	(3.7)
At 1 January 2025	20.3	12.1	5.0	3.7	41.1
Additions	–	–	–	0.8	0.8
Acquisitions (note 14)	1.6	(0.5)	–	–	1.1
At 31 December 2025	21.9	11.6	5.0	4.5	43.0
Accumulated amortisation and impairment					
At 1 January 2024	–	0.3	0.2	5.7	6.2
Amortisation	–	1.4	0.3	0.4	2.1
Disposals	–	–	–	(3.7)	(3.7)
At 1 January 2025	–	1.7	0.5	2.4	4.6
Amortisation	–	1.5	0.3	0.5	2.3
Impairment	–	1.1	–	–	1.1
At 31 December 2025	–	4.3	0.8	2.9	8.0
Net book value at 31 December 2025	21.9	7.3	4.2	1.6	35.0
Net book value at 31 December 2024	20.3	10.4	4.5	1.3	36.5

During the year, the Group acquired an increased equity stake in Flicker Productions Limited, which resulted in the recognition of goodwill of £1.2m and intellectual property of £0.1m. The fair value of the acquired assets and liabilities has been finalised during the year for Hello Halo Productions Limited and Rumpus Media Limited. This resulted in an additional £0.4m of goodwill being recognised, and a reduction to intellectual property of £0.6m. An impairment charge of £1.1m has been recognised relating to the carrying value of production intellectual property attributable to titles that are not expected to return, as detailed in note 7.

In 2024, intangible assets recognised on acquisition totalled £12.9m, relating to the acquisition of Two Cities Television Limited, Hello Halo Productions Limited and Rumpus Media Limited.

The remaining average useful life of production intellectual property and distribution intellectual property is 5.3 years (2024: 7.3 years) and 12.5 years (2024: 13.5 years) respectively.

Web development primarily relates to the development of STV Player. In 2024, disposals related to web development assets with £nil net book value that were no longer in use.

Impairment review
The Group has £21.9m goodwill recognised in relation to acquisitions of production businesses between 2023-2025 (note 14), which has been attributed in full to the STV Studios cash-generating unit (CGU). The recoverable amount of the CGU has been determined by calculating its value in use. This is based on five-year cash flow projections, which are grounded in the three-year plan for the Studios CGU, prepared by the divisional Leadership Team and approved by the Executive Directors. Consideration has also been given to the severe but plausible downside scenario identified in the viability modelling as it relates to the Studios CGU. The key assumptions on which the forecasts are based include revenue generation (including revenue from new commissions and returning series), production and operating margin achievable, and the applicable discount rate. These assumptions have been determined by using a combination of extrapolation of historic trends in the business, internal and industry estimates, and long-term growth rates in the primary markets in which the CGU operates. A long-term growth rate of 2.0% has been applied (2024: 2.0%). A pre-tax discount rate of 12.0% has been used in discounting the projected cashflows (2024: 12.8%). No reasonably possible change in assumptions or discount rate would lead to an impairment.

Notes to the financial statements

For the year ended 31 December 2025

12. Property, plant and equipment

	Leasehold improvements £m	Plant, technical equipment and other £m	Assets under construction £m	Total £m
Cost				
At 1 January 2024	0.4	24.9	0.3	25.6
Additions	–	0.4	0.3	0.7
Transfers	–	0.3	(0.3)	–
Disposals	(0.4)	(2.0)	–	(2.4)
At 1 January 2025	–	23.6	0.3	23.9
Additions	–	1.4	1.1	2.5
Transfers	–	1.3	(1.3)	–
Disposals	–	(0.9)	–	(0.9)
At 31 December 2025	–	25.4	0.1	25.5
Accumulated depreciation and impairment				
At 1 January 2024	0.2	16.5	–	16.7
Charge for year	–	2.6	–	2.6
Disposals	(0.2)	(2.0)	–	(2.2)
At 1 January 2025	–	17.1	–	17.1
Charge for year	–	2.2	–	2.2
Disposals	–	(0.9)	–	(0.9)
At 31 December 2025	–	18.4	–	18.4
Net book value at 31 December 2025	–	7.0	0.1	7.1
Net book value at 31 December 2024	–	6.5	0.3	6.8

The Group and Company did not have any capital commitments at 31 December 2025 (2024: £nil). Disposals of plant, technical equipment and other assets relates to the write down of assets with £nil net book value that are no longer in use. In 2024, disposals of leasehold improvements relates to assets written down on exit from the leasehold premises.

13. Right-of-use assets

The balance sheet shows the following amounts relating to leases:

	Property £m	Vehicles £m	Total £m
Cost			
At 1 January 2024	25.6	0.3	25.9
Additions	0.1	0.3	0.4
Disposals	(1.7)	(0.3)	(2.0)
At 1 January 2025	24.0	0.3	24.3
Additions	1.6	–	1.6
Acquisitions (note 14)	0.1	–	0.1
Disposals	(1.2)	–	(1.2)
At 31 December 2025	24.5	0.3	24.8
Depreciation			
At 1 January 2024	7.7	0.3	8.0
Disposals	(1.0)	(0.3)	(1.3)
Charge for the year	1.4	–	1.4
At 1 January 2025	8.1	–	8.1
Disposals	(1.2)	–	(1.2)
Charge for the year	1.5	0.1	1.6
At 31 December 2025	8.4	0.1	8.5
Net book value at 31 December 2025	16.1	0.2	16.3
Net book value at 31 December 2024	15.9	0.3	16.2

Additions in the year of £1.6m relate to the commencement of two new property leases. Disposals in the year of £1.2m relate to the end of the lease term and relocation.

14. Business combinations

Flicker Productions Limited

In July 2023, the Group acquired a minority stake of 40% in Flicker Productions Limited (Flicker), as part of the acquisition of Greenbird Media Limited group. On 8 April 2025, the Group increased its equity stake in Flicker to 100% with the additional 60% transferring to the Group for nominal consideration.

In line with accounting requirements for a business combination achieved in stages, the initial stake of 40% has been remeasured at fair value at the acquisition date, resulting in a gain of £0.1m, which is presented within other gains and losses on the face of the income statement.

The Group has completed its work in relation to assessing the fair values of identifiable assets acquired and liabilities assumed, therefore the amounts presented below are considered final. There were no adjustments required to the provisional values previously disclosed within the interim statement as at 30 June 2025.

Fair value of identifiable assets and liabilities of Flicker Productions Limited	Final £m
Intangible assets	0.1
Right of use asset	0.1
Inventory	0.2
Trade and other receivables	0.1
Cash and cash equivalents	0.1
Trade and other payables	(1.4)
Contract liabilities	(0.2)
Lease liabilities	(0.1)
Fair value of net identifiable liabilities	(1.1)
Goodwill	1.2
Consideration	0.1

Total net cash inflow relating to acquisition of Flicker Productions Limited	£m
Consideration paid	–
Cash and cash equivalents acquired	0.1
Total cash inflow	0.1

Goodwill of £1.2m represents the value placed on the opportunity to enhance the future growth prospects of the STV Studios unscripted division through increasing the volume of new productions, formats and intellectual property. This has been calculated as the fair value of the consideration transferred less the net of the fair value of the identifiable assets acquired and liabilities assumed.

From the date of acquisition, Flicker contributed revenue of £0.5m and an operating loss of £0.1m to the Group's results. If the acquisition had occurred on 1 January 2025, Flicker would have contributed revenue of £0.6m and an operating loss of £0.5m to the Group's results.

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For the year ended 31 December 2025

14. Business combinations continued

Hello Halo Productions Limited

During the year, the Group finalised its fair value assessment of the identifiable assets acquired and liabilities assumed of Hello Halo Productions Limited and subsidiary company, acquired on 30 August 2024. The table below sets out the adjustments that have been made to the provisional fair values previously disclosed within the annual financial statements for year ended 31 December 2024, to reach the final position.

Fair value of identifiable assets and liabilities of Hello Halo Productions Limited and subsidiary company	Provisional £m	Adjustments £m	Final £m
Intangible assets	0.2	(0.2)	–
Inventory	2.1	0.2	2.3
Trade and other receivables	1.3	–	1.3
Contract assets	0.1	–	0.1
Cash and cash equivalents	–	0.3	0.3
Deferred tax liabilities	(0.1)	0.1	–
Trade and other payables	(3.3)	(0.5)	(3.8)
Contract liabilities	(3.2)	–	(3.2)
Fair value of net identifiable liabilities	(2.9)	(0.1)	(3.0)
Adjustments to non-controlling interest regarding put options	2.8	–	2.8
Goodwill	1.9	0.1	2.0
Consideration	1.8	–	1.8
	£m	£m	£m
Present value of expected liability on put options	2.8	–	2.8

Rumpus Media Limited

During the year, the Group finalised its fair value assessment of the identifiable assets acquired and liabilities assumed of Rumpus Media Limited, acquired on 17 July 2024. The table below sets out the adjustments that have been made to the provisional fair values previously disclosed within the annual financial statements for year ended 31 December 2024, to reach the final position.

Fair value of identifiable assets and liabilities of Rumpus Media Limited	Provisional £m	Adjustments £m	Final £m
Intangible assets	0.4	(0.4)	–
Inventory	0.4	–	0.4
Trade and other receivables	0.8	–	0.8
Contract assets	0.3	–	0.3
Cash and cash equivalents	0.7	–	0.7
Deferred tax liabilities	(0.1)	0.1	–
Trade and other payables	(1.1)	–	(1.1)
Contract liabilities	(0.9)	–	(0.9)
Borrowings	(0.3)	–	(0.3)
Fair value of net identifiable assets/(liabilities)	0.2	(0.3)	(0.1)
Goodwill	0.2	0.3	0.5
Consideration	0.4	–	0.4

Summary of acquisition related transactions for year ended 31 December 2025

	Two Cities £m	Hello Halo £m	Flicker £m	Greenbird Media £m	Total £m
Cash (outflow)/inflow					
Consideration paid, net of cash acquired	–	–	0.1	–	0.1
Deferred consideration paid	–	–	–	(0.4)	(0.4)
Acquisition of subsidiary undertakings, net of cash acquired	–	–	0.1	(0.4)	(0.3)
Other gains and (losses)					
Revaluation of initial investment to fair value at acquisition date	–	–	0.1	–	0.1
Revaluation of expected liability of put options to fair value as at 31 December 2025	(1.3)	0.5	–	(0.1)	(0.9)
	(1.3)	0.5	0.1	(0.1)	(0.8)

Summary of acquisition related transactions for year ended 31 December 2024

	Two Cities £m	Hello Halo £m	Rumpus £m	Greenbird Media £m	Total £m
Cash (outflow)/inflow					
Consideration paid, net of cash acquired	(0.4)	(0.8)	0.7	–	(0.5)
Deferred consideration paid	–	–	–	(0.6)	(0.6)
Acquisition of subsidiary undertakings, net of cash acquired	(0.4)	(0.8)	0.7	(0.6)	(1.1)
Purchase of additional shares in subsidiary undertakings	–	–	–	(4.4)	(4.4)
Changes in non-controlling interest					
Proportionate share of net (assets)/liabilities at acquisition date	(2.0)	–	–	–	(2.0)
Present value of expected liability on put options recognised on acquisition	7.1	2.8	–	–	9.9
Adjustments recognised following finalisation of fair value of assets acquired and liabilities assumed	–	–	–	(0.3)	(0.3)
	5.1	2.8	–	(0.3)	7.6
Other gains and (losses)					
Revaluation of initial investment held to fair value at acquisition date	2.3	0.8	(0.2)	–	2.9
Revaluation of expected liability of put options to fair value as at 31 December 2024	1.0	–	–	0.9	1.9
	3.3	0.8	(0.2)	0.9	4.8

15. Investments

	2025 £m	2024 £m
Group		
Associates	0.5	2.1
Other	0.8	0.2
	1.3	2.3

The movement in other investments in the year relates to the acquisition of an 18.75% stake in branded content startup, Fan Club, for a total consideration of £0.6m.

Notes to the financial statements

For the year ended 31 December 2025

15. Investments continued

	2025 £m	2024 £m
Associates		
At 1 January	2.1	3.9
Share of loss	(0.1)	–
Disposals	(0.4)	–
Impairment	(1.1)	–
Reallocations	–	(1.8)
At 31 December	0.5	2.1

The investments in associates are initially recognised at cost and then subsequently updated to reflect the Group’s share of post-acquisition profits or losses in accordance with the equity method of accounting.

During the year, the Group disposed of its minority stake in Pi Productions Ltd resulting in a £0.4m write-off. In addition, and as detailed in note 7, no further investment will be made in Mighty Productions with the carrying value written off in full (£1.1m).

In 2024, minority investments were held in Two Cities Television Limited, Hello Halo Productions Limited and Rumpus Media Limited, totalling £1.8m. The Group’s shareholding was increased to a majority stake in each of these entities during the prior year, and the £1.8m investment value held in these associates was reallocated to investments in subsidiaries and eliminated on consolidation.

The Group also owns a 25% shareholding in the unscripted production company, Hello Mary.

No dividends have been received from any associate undertaking. The class of shares held in associates are all ordinary.

The Group also holds shares in Mirriad Advertising plc which has a nominal fair value at the balance sheet date. This investment is measured at fair value through the Consolidated Statement of Comprehensive Income.

	2025 £m	2024 £m
Company		
Share in Group undertakings	121.8	121.8
	121.8	121.8

Impairment of investments in subsidiary undertakings

At the end of each reporting period, the Company assesses whether there is any indication that its investments in subsidiary undertakings may be impaired. The market capitalisation of the parent company was less than its net assets at 31 December 2025, which is considered to be an impairment indicator. In addition, the significant slowdown in both the UK advertising and PSB commissioning markets seen around the half way point in 2025, which adversely impacted the short to medium term forecasts for the business, is another indicator of potential impairment. As a result of both of these factors, management performed an impairment assessment.

The recoverable amount of the investment has been calculated by determining the higher of its fair value less cost of disposal and value in use, which has then been compared to the carrying value of the investment. As the fair value less cost of disposal could not readily be determined, the value in use is deemed to be the recoverable amount. The value in use was calculated based on five year cash flow projections which were grounded in the three year plan, prepared by management and approved by the Board, and which reflected the subdued trading conditions referred to above. A terminal value was determined thereafter based on a long term growth rate of 2.0% (2024: 2.0%). The pre-tax discount rate applied was 11.1% (2024: 12.2%). The valuation resulted in headroom between value in use and the carrying value of investments, albeit at a reduced level relative to the prior year, and consequently an impairment charge is not considered necessary.

The headroom is sensitive to changes in key assumptions, particularly the discount rate and forecast operating cash flows. A reasonably possible change in these key assumptions would cause the following impact:

- An increase of 1% in the post-tax discount rate (to 10.7%) would result in an impairment charge of £3.1m.
- A reduction in forecast operating cash flows of 10% in each year would result in headroom between the carrying value of the investments and their recoverable amount. A further 4% reduction in forecast operating cash flows to 10% in each year and applying a post-tax discount rate of 9.7% would result in the carrying value of the investments being equivalent to their recoverable amount.
- A combination of a 1% increase in the post-tax discount rate and a 10% reduction in forecast operating cashflows in each year would result in an impairment charge of £21.5m.

Subsidiary undertakings

A full list of subsidiary undertakings as at 31 December 2025 is as follows:

Undertaking	Principal activity	Registered address	Audit exemption	Year end
STV News Services Limited*	Investment holding undertaking	(1)	(4)	
STV Television Limited	Investment holding undertaking			
STV Central Limited	Television broadcasting			
STV North Limited	Television broadcasting			
STV Studios Limited	Programme production			
STV Drama Productions Limited	Programme production			
STV Documentaries Limited	Dormant			
STV Factual Limited	Dormant			
STV Drama Productions 3 Limited	Programme production			31 July
STV Tod Productions Limited	Programme production			31 August
Primal Media Limited (80%)	Programme production	(1)		
STV Studios Services Limited (formerly Greenbird Media Limited)	Investment holding undertaking	(1)		
Teal Media Limited	Advertising inventory trading	(1)		
Crackit Productions Limited (99%)	Programme production	(2)		
Tuesday’s Child Television Limited (63%)	Programme production	(2)		
Interstellar Television Limited (32%)	Programme production	(2)		
Show Me The Honey Limited (32%)	Dormant	(2)		
Rumpus Media Limited (99%)	Programme production	(2)		
Hello Halo Productions Limited (51%)	Programme production	(2)		
Hello Halo Kids Limited (51%)	Programme production	(2)		
Flicker Productions Limited†	Programme production	(2)		
Two Cities Television Limited (51%)	Programme production	(3)		
Two Cities (Blue Lights) Limited (51%)	Programme production	(3)		31 May
Two Cities (Blue Lights 2) Limited (51%)	Programme production	(3)		30 June
Two Cities (Blue Lights 3) Limited (51%)	Programme production			30 June
Two Cities (Blue Lights 4) Limited (51%) (formerly Two Cities 1984 Limited)	Programme production	(3)		31 July
Two Cities (Vienna) Limited (51%)	Programme production	(3)		31 August
Ginger Television Productions Limited	Dormant	(1)		
SKA Ginger Productions Limited (50%)	Dormant	(1)		
Altissimo Music Limited	Music rights			
stv.tv Limited	Dormant			
Solutions.tv Limited	Dormant			
Grampian Television Limited	Dormant			
STV Audio Limited*	Radio broadcasting		(4)	
STV Services Limited*	Group services undertaking		(4)	
Scottish News Network Limited	Dormant			
Rise & Shine (Television) Limited*	Dormant			
Peoples champion.com Limited	Dormant			
The Ginger Media Group Limited	Dormant	(1)		

* Directly held. † Acquired in the year.

The registered address for all companies (except where noted) is Pacific Quay, Glasgow, G51 1PQ.

- (1) 6th Floor, 236 Grays Inn Road, London, England, WC1X 8HB
- (2) 71 Queen Victoria Street, London, England, EC4V 4BE
- (3) 18 Glasshouse Studios Fryern Court Road, Fordingbridge, Hampshire, England, SP6 1QX
- (4) Certain subsidiaries of the Group can take an exemption from having an audit. Strict criteria must be met for this exemption to be taken, and it must be agreed by the Directors of that subsidiary entity. Listed above are subsidiaries controlled and consolidated by the Group, where the Directors have taken the exemption from having an audit of its financial statements. This exemption is taken in accordance with the Companies Act 2006 s479A.

Notes to the financial statements

For the year ended 31 December 2025

15. Investments continued

The investments are stated in the balance sheet at cost less amounts written off for impairment in value. All the above investments are 100% shareholdings except where stated. All subsidiary undertakings are incorporated in the United Kingdom. All shares held are classed as ordinary shares.

All subsidiary undertakings have a financial year end of 31 December 2025 except where otherwise stated above. The reason that the financial years are non-coterminous with the Group is due to the timing of production commissions and deliveries.

16. Inventories

	Group	
	2025 £m	2024 £m
Deferred programme production	13.8	14.2
Programme production work in progress	10.7	14.6
	24.5	28.8

Deferred programme production stock represents costs of original production which are deferred and recognised against future revenue streams expected to be generated in the secondary sales market. This asset is classified as current, even though it will be realised into cash over several years, due to the homogeneous nature of the inventory which would result in an arbitrary split between current and non-current, and to be consistent with normal industry practice. It is anticipated that £1.8m (2024: £1.3m) is likely to be realised within 12 months.

At 31 December 2025, the net present value (NPV) of the future sales, estimated over a maximum period of 15 years for drama and 10 years for other genres of programming, was £18.5m (2024: £17.6m), compared to a net book value of £13.8m (2024: £14.2m). A discount rate of 9.7% (2024: 10.1%) was applied. Future sales in 2026 are expected to be £3.5m.

The sensitivities regarding the principal assumptions used to support the carrying value of the deferred programme production stock are set out below:

Assumption	Change in assumption	Impact on NPV
Discount rate	Increase/decrease by 0.25%	Decrease/increase by £0.2m
Rate of price inflation (RPI)	Increase/decrease by 0.25%	Increase/decrease by £0.2m
Sales	Increase/decrease by 10.0%	Increase/decrease by £1.5m

17. Trade and other receivables

Group	Current		Non-current	
	2025 £m	2024 £m	2025 £m	2024 £m
Trade receivables	14.3	16.3	–	–
Prepayments	6.4	4.1	–	–
Contract assets	7.1	9.0	–	–
Other receivables	15.9	16.9	0.3	0.5
	43.7	46.3	0.3	0.5

Contract assets (accrued income) primarily relate to the Group’s right to consideration for work completed but not billed at the reporting date.

Other receivables includes £12.9m (2024: £2.1m) in relation to net credits receivable under the Audio-Visual Expenditure Credits regime. Presentation of these items has been updated in the year, reallocated from corporation tax recoverable for 2024. Other receivables also includes £1.0m (2024: £9.8m) relating to foreign tax credits receivable.

Company

	Current		Non-current	
	2025 £m	2024 £m	2025 £m	2024 £m
Amounts owed by Group undertakings	–	–	105.3	112.3
Other receivables	1.0	0.9	–	–
	1.0	0.9	105.3	112.3

A reconciliation of the contract assets balance is included in note 18.

Amounts owed by Group undertakings are unsecured with no interest chargeable.

Group

At 31 December, the ageing analysis of the trade receivables, net of any provisions for impairment, is as follows:

	2025 £m	2024 £m
Not past due	10.2	10.2
Up to 30 days overdue	2.8	4.7
Between 30 and 90 days overdue	0.9	0.6
Over 90 days overdue	0.4	0.8
	14.3	16.3

The Group engages in a number of contra deals whereby advertising is provided in exchange for goods and services instead of cash consideration. The proportion of contra deals not yet utilised by the Group sits within balances that are more than 90 days overdue.

The Group applies the simplified approach to measuring expected credit losses, and so uses a lifetime expected loss allowance. At 31 December 2025 and 31 December 2024, trade receivables impaired and fully provided for were less than £0.1m.

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Except for those trade receivables that have been provided for, all trade receivables are expected to be recovered.

Company

Amounts owed by Group undertakings have no fixed date of repayment and therefore there is no distinction between 12-month or lifetime expected credit losses from the measurement point of view. There is no change to the credit risk of this balance and no loss allowance has been identified.

18. Trade and other payables

	Group				Company	
	Current		Non-current		Current	
	2025 £m	2024 £m	2025 £m	2024 £m	2025 £m	2024 £m
Trade and other payables	18.3	7.1	10.7	15.2	–	–
Accrued expenses	16.0	16.1	–	–	–	–
Contract liabilities	13.3	21.4	–	–	–	–
Amounts owed to Group undertakings (payable on demand)	–	–	–	–	3.9	3.3
Social security and other taxes	3.6	3.5	–	–	–	–
	51.2	48.1	10.7	15.2	3.9	3.3

The Directors consider that the carrying amount of trade and other payables approximates their fair value.

Trade and other payables include put option liabilities and deferred consideration acquired from business combinations of £6.9m current (2024: £nil) and £10.7m non-current (2024: £15.2m). See note 21 for further details.

Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service.

The amounts owed to Group undertakings are unsecured with no interest chargeable.

Notes to the financial statements

For the year ended 31 December 2025

18. Trade and other payables continued

	2025		2024	
	Contract assets £m	Contract liabilities £m	Contract assets £m	Contract liabilities £m
Balance at 1 January	9.0	(21.4)	12.9	(6.0)
Acquisitions (note 14)	–	(0.2)	0.4	(15.6)
Transfers to trade receivables	(8.6)	–	(13.2)	–
Changes to the measurement of progress	6.7	–	8.9	–
Revenue recognised in the period	–	20.9	–	21.5
Cash received	–	(12.6)	–	(21.3)
Balance at 31 December	7.1	(13.3)	9.0	(21.4)

The contract liabilities balance will all be recognised as revenue within one year of the balance sheet date.

19. Borrowings

Non-current liabilities

	Group	
	2025 £m	2024 £m
Bank loans	55.3	39.6

At the balance sheet date, the Group had a £75m Revolving Credit Facility (RCF) in place, with a £15m accordion. The RCF matures in February 2028. The principal financial covenants are the ratio of net debt to EBITDA (which must be below 3 times) and interest cover (which must be higher than 4 times), with the exception of the period from March 2026 to March 2027 inclusive when covenant levels were relaxed slightly. The ratio of net debt to EBITDA varies between below 3 times and below 3.75 times, and interest cover varies between higher than 4 times and higher than 3.5 times.

The effective interest rate on bank loans was:

	2025 %	2024 %
Bank loans (floating)	6.3	7.2

The Group put in place an interest rate swap in November 2025. This swap has a notional principal of £40m and is for a period of two years at a rate of 3.586% which is set against the SONIA floating rate over the term of the swap.

Current liabilities

	Group	
	2025 £m	2024 £m
Bank loans	2.3	10.2

The Group has one loan facility (2024: two) relating to production financing of which £2.3m (2024: £9.9m) was drawn down at the balance sheet date. The commissioned programme to which the facility at 31 December 2025 relates, delivered at the end of 2025 with all amounts drawn down to be settled during 2026. The two facilities in place at end of 31 December 2024 have been fully settled during 2025.

At 31 December 2024, there also existed borrowings under CBILS of £0.3m in one of the Group’s subsidiary companies, which was repaid in H1 2025.

20. Lease liabilities

	Group	
	2025 £m	2024 £m
Current	1.2	0.8
Non-current	16.9	16.6
	18.1	17.4

The income statement shows the following amounts relating to leases:

	Group	
	2025 £m	2024 £m
Interest expense (included in finance costs)	0.5	0.5

Maturity analysis

	Minimum payments		Present value of payments	
	2025 £m	2024 £m	2025 £m	2024 £m
Not later than 1 year	1.7	1.3	1.2	0.8
Later than 1 year but not later than 5 years	6.2	5.3	4.7	3.7
Later than 5 years	14.2	15.1	12.2	12.9
	22.1	21.7	18.1	17.4
Less: future finance charges	(4.0)	(4.3)		
Present value of lease obligations	18.1	17.4		

21. Fair value measurement

Group

The financial instruments included in the Consolidated balance sheet are measured at either fair value or amortised cost. Financial assets are recorded at amortised cost with the exception of equity investments which are recognised at fair value through other comprehensive income (FVOCI) and derivative financial instruments which are recognised at fair value through profit and loss (FVTPL). Financial liabilities are measured at amortised cost with the exception of derivative financial instruments which are recognised at fair value through profit and loss (FVTPL). The different valuation methods are called ‘hierarchies’ and are described and categorised below.

- Level 1 – Fair values are measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Fair values are measured using inputs, other than quoted prices included within Level 1, which are observable for the asset or liability either directly or indirectly.
- Level 3 – Fair values are measured using inputs for the asset or liability that are not based on observable market data.
- The level which the financial asset or financial liability is categorised is based on the lowest level input that is significant to the fair value measurement.
- There have been no changes in the classification of assets and liabilities and there have been no movements within levels, from that disclosed in the prior year.

Notes to the financial statements

For the year ended 31 December 2025

21. Fair value measurement continued

Financial assets measured at fair value through profit or loss

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Interest rate swap	–	0.1	–	0.1
At 31 December 2025	–	0.1	–	0.1

Interest swap contracts are accounted for as the difference between the contract interest rate and the quoted interest rate at the reporting date.

The financial asset relating to the interest rate swap is presented within current other receivables (note 17).

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Foreign exchange forward contracts	–	0.5	–	0.5
At 31 December 2024	–	0.5	–	0.5

Foreign exchange forward contracts are accounted for as the difference between the contract exchange rate and the quoted forward exchange rate at the reporting date.

The foreign exchange forward contracts are presented within current other receivables (note 17).

Financial liabilities measured at fair value through profit or loss

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Acquisition-related liabilities – payable to sellers under put options agreed on acquisition	–	–	(17.6)	(17.6)
At 31 December 2025	–	–	(17.6)	(17.6)

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Acquisition-related liabilities – payable to sellers under put options agreed on acquisition	–	–	(15.2)	(15.2)
At 31 December 2024	–	–	(15.2)	(15.2)

Acquisition-related liabilities are disclosed within trade and other payables (note18) and have been classified within level 3 as their measurement is derived from unobservable input; principally the present value of expected average operating profit before interest, depreciation and amortisation over a maximum of five years (EBITDA).

The discount rate applied in calculating the present value is based on the internal rate of return from the acquired investments identified at the date of acquisition date. The weighted average discount rate used is 10.6% (2024: 10.6%).

The liabilities are recognised at the acquisition date and then adjusted at each reporting date for payments made, unwind of the discount and the fair value recalculated in line with latest available forecasts as required. A reconciliation of the movement in Level 3 liabilities is included below:

	2025 £m	2024 £m
Acquisition related liabilities		
Opening balance at 1 January	15.2	10.2
Present value of expected liability on put options recognised on acquisition	–	9.6
Exercise of put options	–	(4.4)
Unwind of discount – other finance costs	1.6	1.7
Revaluation of liabilities – other (gains) and losses	0.8	(1.9)
Closing balance at 31 December	17.6	15.2

22. Deferred tax

The analysis of the deferred tax balance is as follows:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Deferred tax assets	19.8	19.5	4.1	4.8
Deferred tax liabilities	(3.2)	(3.8)	–	–
Net deferred tax assets	16.6	15.7	4.1	4.8

The movement in deferred tax assets and liabilities during the year, taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax trading losses £m	Other temporary differences £m	Accelerated tax depreciation £m	Retirement benefit obligations £m	Total £m
Group					
At 1 January 2024	5.6	(1.9)	(0.2)	13.7	17.2
Credit/(charge) to income	1.5	0.2	0.2	(1.7)	0.2
Credit to equity/OCI	–	–	–	0.1	0.1
Liability recognised on acquisition (note 14)	–	(1.8)	–	–	(1.8)
At 1 January 2025	7.1	(3.5)	–	12.1	15.7
Credit/(charge) to income	2.7	0.5	(0.3)	(1.6)	1.3
Charge to equity/OCI	–	–	–	(0.6)	(0.6)
Adjustment to liability recognised on acquisition (note 14)	–	0.2	–	–	0.2
At 31 December 2025	9.8	(2.8)	(0.3)	9.9	16.6

Company

At 1 January 2024	–	–	–	6.4	6.4
Charge to income	–	–	–	(0.6)	(0.6)
Charge to equity/OCI	–	–	–	(1.0)	(1.0)
At 1 January 2025	–	–	–	4.8	4.8
Charge to income	–	–	–	(0.6)	(0.6)
Charge to equity/OCI	–	–	–	(0.1)	(0.1)
At 31 December 2025	–	–	–	4.1	4.1

The Finance Act 2025, which received Royal Assent on 20 March 2025, had no impact on the corporation tax figures. The deferred tax balances at 31 December 2025 have been stated at a rate of 25% (2024: 25%), which is the rate at which the temporary differences are expected to unwind. A deferred tax asset has been recognised in respect of certain temporary differences as it is probable that the Group will generate sufficient taxable profits in the future against which these temporary differences can be offset.

A deferred tax asset of £16.6m has not been recognised (2024: £13.5m), calculated with reference to the headline rate of 25%. There are no associated expiry dates applicable. The following table summarises the nature and size of deferred tax assets not recognised.

Loss category	Gross amount £m	Deferred tax asset not recognised £m
Capital	42.7	10.7
Non-trade loan relationships	10.0	2.4
Trade	13.1	3.3
Management expenses	0.7	0.2

Notes to the financial statements

For the year ended 31 December 2025

23. Ordinary shares and share premium

	Number of shares (thousands)	Ordinary shares £m	Share premium £m	Total £m
Group and Company				
At 1 January and 31 December 2025	46,723	23.3	115.1	138.4

The total authorised number of ordinary shares is 63 million shares (2024: 63 million shares) with a par value of £0.50 per share (2024: £0.50 per share). All issued shares are fully paid.

24. Notes to the consolidated and parent statement of cash flows

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Operating profit/(loss) for the year	3.8	13.2	(0.8)	(0.6)
Adjustments for:				
Depreciation and amortisation (note 4)	6.1	6.1	–	–
Share based payments	0.1	0.1	0.1	0.1
Loss on disposal of assets (note 7)	0.4	0.2	–	–
Impairment of assets*	3.0	–	–	–
Decrease in inventories	3.7	8.0	–	–
Decrease/(increase) in trade and other receivables	1.8	(5.0)	(0.1)	(0.3)
(Decrease)/increase in trade and other payables	(3.4)	(4.9)	0.5	0.3
Decrease in intra Group balances	–	–	7.6	12.6
Cash generated by operations	15.5	17.7	7.3	12.1

* Impairment of assets are included in adjusting items relating to restructuring as explained in note 7.

Non-cash investing and financing activities

Right of use assets of £0.1m were acquired during the year (2024: £nil). Right of use asset additions were £1.6m (2024: £0.4m) during the year.

Net debt reconciliation

	RCF £m	Production financing £m	Net cash and cash equivalents, including overdrafts £m	Net (debt)/ cash £m	Lease liabilities £m	Net debt including lease liabilities £m
At 1 January 2024	(38.3)	(3.3)	9.3	(32.3)	(19.1)	(51.4)
Cash flows	(0.9)	(6.6)	1.8	(5.7)	1.8	(3.9)
Non-cash movements*	(0.7)	–	–	(0.7)	(0.1)	(0.8)
At 31 December 2024	(39.9)	(9.9)	11.1	(38.7)	(17.4)	(56.1)
Cash flows	(14.8)	7.6	1.2	(6.0)	1.6	(4.4)
Non-cash movements*	(0.6)	–	–	(0.6)	(2.2)	(2.8)
At 31 December 2025	(55.3)	(2.3)	12.3	(45.3)	(18.0)	(63.3)

Net debt excluding production financing was £43.0m (2024: £28.8m).

* Non-cash movements relate to the amortisation of borrowing costs (for long-term borrowings), borrowings recognised on acquisition, the acquisition and additions of right-of-use assets and lease interest.

25. Retirement benefit schemes

Defined contribution schemes

The Group operates two money purchase schemes, the STV Pension Scheme and the Pearl & Dean Cinemas Pension Scheme. Total employer contributions expensed by the Group in the year were £1.2m (2024: £1.1m).

Defined benefit schemes

The Group operates two defined benefit pension schemes, the benefits of which are related to service and final salary. The schemes are trustee administered and the schemes’ assets are held independently from those of the Group. Pension costs are assessed in accordance with the advice of an independent professionally qualified actuary. Details on the principal risk identified in relation to defined benefit pension scheme liabilities are shown on page 31.

The schemes are the Scottish and Grampian Television Retirement Benefit Scheme and the Caledonian Publishing Pension Scheme. Both are closed schemes and accounted for under the projected unit credit method.

The net deficit of the schemes is recognised in the consolidated balance sheet, with the deficit of the Caledonian Publishing Pension Scheme recognised in the Company balance sheet as STV Group plc is the sponsoring employer. In both the Group and Company balance sheets, the net deficits are presented within non-current liabilities as follows:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Defined benefit scheme obligations	(310.6)	(319.1)	(118.5)	(121.8)
Defined benefit scheme assets	271.4	270.8	102.1	102.6
Net pension deficit	(39.2)	(48.3)	(16.4)	(19.2)

A related offsetting deferred tax asset for the Group of £9.8m (2024: £12.1m) and the Company of £4.1m (2024: £4.8m) is included within non-current assets. Therefore, the pension scheme deficit net of deferred tax for the Group was £29.4m at 31 December 2025 (2024: £36.2m) and the Company was £12.3m (2024: £14.4m).

Assumptions used to estimate the scheme obligations

The significant actuarial assumptions used for accounting purposes reflect prevailing market conditions in the UK and are as follows:

	Group and Company	
	2025 %	2024 %
Rate of increase in salaries	nil	nil
Rate of increase of pensions in payment	2.90	3.25
Discount rate	5.40	5.45
Rate of price inflation (RPI)	2.90	3.25

Assumptions regarding future mortality experience are set based on advice, published statistics and experience in each scheme and are reflected in the table below (average life expectations of a pensioner retiring at age 65).

	Group		Company	
	2025 Years	2024 Years	2025 Years	2024 Years
Retiring at balance sheet date:				
Male	21.0	20.7	20.6	20.3
Female	23.0	22.9	22.7	22.6
Retiring in 25 years:				
Male	22.1	21.9	22.0	21.8
Female	24.0	24.0	24.0	24.0

Notes to the financial statements

For the year ended 31 December 2025

25. Retirement benefit schemes continued

The sensitivities regarding the principal assumptions used to measure the defined benefit obligation are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Group		
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 2%
Rate of price inflation (RPI)	Increase/decrease by 0.25%	Increase/decrease by 1%
Rate of mortality	Decrease by 1 year	Decrease by 4%
Company		
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 2%
Rate of price inflation (RPI)	Increase/decrease by 0.25%	Increase/decrease by 1%
Rate of mortality	Decrease by 1 year	Decrease by 5%

These sensitivities have been calculated to show the movement in the defined benefit obligations in isolation, and assuming no other changes in market conditions at the balance sheet date.

Defined benefit scheme assets

The movement in the fair value of the defined benefit scheme’s assets is analysed below:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Fair value of scheme assets at 1 January	270.8	295.4	102.6	111.8
Interest income	14.3	12.9	5.4	4.9
Return on plan assets excluding interest income	2.0	(22.8)	0.9	(7.6)
Contributions from the employer	10.2	10.2	3.9	3.9
Administrative expenses paid from plan assets	(1.3)	(1.0)	(0.6)	(0.5)
Benefits paid from plan	(24.6)	(23.9)	(10.1)	(9.9)
Fair value of scheme assets at 31 December	271.4	270.8	102.1	102.6

At 31 December 2025, the assets were invested in a diversified portfolio that consisted primarily of investment funds and instruments. One of the schemes also holds insurance policies that pay an income into the scheme. The corresponding assets are included within the fair value of the scheme assets. The fair value of the Scheme’s assets is shown below:

Group	At 31 December 2025			At 31 December 2024		
	Quoted £m	Unquoted £m	Total £m	Quoted £m	Unquoted £m	Total £m
Equity and equity options	12.0	44.3	56.3	9.2	47.5	56.7
Alternative return seeking	11.0	18.6	29.6	8.0	24.2	32.2
Cashflow matching credit	0.2	85.4	85.6	1.7	61.9	63.6
Liability-driven investments and cash	119.8	(29.7)	90.1	147.5	(39.1)	108.4
Currency hedge	–	0.3	0.3	–	(0.1)	(0.1)
Annuity policies	–	9.5	9.5	–	10.0	10.0
	143.0	128.4	271.4	166.4	104.4	270.8
Company	At 31 December 2025			At 31 December 2024		
	Quoted £m	Unquoted £m	Total £m	Quoted £m	Unquoted £m	Total £m
Equity and equity options	4.6	17.3	21.9	3.6	18.7	22.3
Alternative return seeking	4.4	7.1	11.5	3.2	9.6	12.8
Cashflow matching credit	0.1	33.3	33.4	0.7	25.1	25.8
Liability-driven investments and cash	48.2	(13.1)	35.1	58.5	(16.8)	41.7
Currency hedge	–	0.2	0.2	–	–	–
	57.3	44.8	102.1	66.0	36.6	102.6

Defined benefit scheme obligations

The movement in the present value of the defined benefit obligation is analysed below:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Defined benefit obligation at 1 January	319.1	350.2	121.8	137.3
Experience loss/(gain)	1.1	5.4	0.4	(2.0)
Interest cost	16.7	15.3	6.3	6.0
Remeasurement (gain)/loss	(1.7)	(27.9)	0.1	(9.6)
Benefits paid from the schemes	(24.6)	(23.9)	(10.1)	(9.9)
Defined benefit obligation at 31 December	310.6	319.1	118.5	121.8

The defined benefit obligation at 31 December 2025 includes an amount of £9.5m relating to the benefits payable to the holders of the annuity contracts.

Amounts recognised through the income statement

Amounts recognised through the consolidated income statement are as follows:

	2025 £m	2024 £m
Amount charged to operating expenses:		
Administration expenses	(1.3)	(1.0)
Amount charged to finance costs:		
Net interest expense	(2.4)	(2.4)
Total charged in the consolidated income statement	(3.7)	(3.4)

Amounts recognised through the statement of comprehensive income

The amounts recognised in the consolidated statement of comprehensive income are:

	2025 £m	2024 £m
Return on plan assets excluding interest income	2.0	(22.8)
Actuarial losses on liabilities arising from change in:		
– demographic assumptions	(1.9)	0.3
– financial assumptions	3.6	27.6
– experience adjustments	(1.1)	(5.4)
Total recognised in the consolidated statement of comprehensive income	2.6	(0.3)

Funding arrangements

Contribution rates to the scheme are determined by a qualified independent actuary on the basis of a triennial valuation using the projected unit credit method. The most recent triennial valuation was carried out as at 31 December 2023. This valuation resulted in a deficit of £61m on a pre-tax basis compared to £116m on a pre-tax basis at the previous settlement date.

Deficit recovery plans end in October 2030, with the aggregate monthly payments slightly lower than the previous recovery plans. The 2025 deficit recovery payments totalled £10.2m, with annual payments then increasing at the rate of 2% per annum over the term of the recovery plans. In September 2025, the Group agreed a re-phased Schedule of Contributions with the Trustees as one of the cash protection measures implemented following the Group reducing its short term revenue and operating profit forecasts. This ensures the same level of contribution paid into the schemes over the recovery plan period but with a rephasing of amounts payable in 2026 into 2027. The contingent cash mechanism previously in place has been paused until at least 2028 with no further contingent payments required until then unless the Group and the Trustees agree otherwise.

The recovery plans are designed to enable the schemes to reach a fully funded position, using prudent assumptions about the future, by 2030.

Notes to the financial statements

For the year ended 31 December 2025

26. Share-based compensation

The purpose of the share-based compensation plans is to align the interests of management and employees with those of shareholders by providing incentives to improve the Company’s performance on a long-term basis, thereby increasing shareholder value.

The Company has the following plans currently operating:

- i) Long-term incentive plans
- ii) Employee share plans

Total share-based compensation costs were £0.1m (2024: £0.1m).

i) Long-term incentive plans (LTIP)

The Group has a long-term incentive plan for Executive Directors and other senior executives. Awards are normally granted in the form of a right to acquire shares in the Company for a zero or nominal amount. Awards vest over a period of at least three years, subject to the satisfaction of performance conditions.

The performance measures are agreed by the Remuneration Committee based on what they consider to be aligned with the delivery of strategy and creation of long term shareholder value. The Committee has discretion to use different or additional measures or weightings to ensure that the LTIP remains appropriately aligned to the business strategy and objectives. The performance measures are based on a combination of earnings growth and total shareholder return and are valued based on an appropriate option pricing model.

The assumptions used for the 2025 LTIP valuation are:

	%
Risk-free interest rate expected	4.0
Dividend yield expected share	4.5
Price volatility	31.7

Awards granted under the Company’s long term incentive plan that were outstanding at the end of the year had the following market prices at the date of award:

Year awarded	Market price on grant date £	2025 Number	2024 Number
2015 LTIP	4.25	1,607	1,607
2016 LTIP	3.67	3,755	3,755
2017 LTIP	3.65	7,118	7,118
2019 LTIP	3.55	78,179	142,780
2020 LTIP	2.85	139,943	139,943
2021 LTIP	3.30	51,894	51,894
2023 LTIP	2.52	437,331	437,331
2024 LTIP	2.40	489,123	489,123
2025 LTIP	1.54	1,098,956	–

The weighted average fair value of share options outstanding was £2.1m (2024: 2.7m).

ii) Employee share plans

The employee share plans are open to all employees. They provide for a grant price approximately equal to 90% of the middle market quotation of a share on the dealing day last preceding the relevant date of invitation, as derived from the London Stock Exchange daily office list, and can be purchased once a year. There are currently 2 employee share plans outstanding and the exercise prices for options under these plans range from £2.35 to £2.47. At 31 December 2025 there were 224,327 (2024: 335,187) options outstanding under the plans. The employee share plans are valued using the Black-Scholes model.

Employee Benefits Trust

The Group has investments in its own shares as a result of shares purchased by the STV Employees’ Benefit Trust (EBT). Transactions with the Group-sponsored EBT are included in these financial statements and consist of the EBT’s purchases of shares in STV plc, which is accounted for as a reduction to retained earnings. The table below shows the number of STV plc shares held in the EBT at 31 December 2025 and the purchases/(releases) from the EBT made in the year to satisfy awards under the Group’s share schemes disclosed above and in relation to shares awarded to certain employees for the achievement of long term service milestones (Loyalty awards):

Scheme	Shares held at	Average exercise price £	Number of shares (released)/purchased	Nominal value £
	1 January 2025		1,032,044	516,022
2019 LTIP releases		1.92	(64,601)	
2021 DBP releases		1.63	(12,134)	
Loyalty releases		1.65	(9,090)	
	31 December 2025		946,219	473,109

The total number of shares held by the EBT at 31 December 2025 represents 2.0% (2024: 2.2%) of STV’s issued share capital.

The market value of own shares held at 31 December 2025 is £1.0m (2024: £2.2m). The weighted average exercise price of share options outstanding was £2.11 (2024: £2.67). The weighted average remaining contractual life of share options outstanding was 7.7 years (2024: 7.5 years).

27. Financial risk management

Capital management

The Group’s objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. This is achieved through monitoring cashflow forecasts, utilising cost effective production financing where practical and through regular review of both current and forecast covenant metrics. The Group also targets a return on invested capital at a rate that is at least equivalent to the Group’s weighted average cost of capital when assessing potential investments.

The capital structure of the Company consists of debt, which includes the bank loans disclosed in note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings.

Covenants

The Group is subject to two financial covenants in respect of its committed borrowing facilities. The terms of the Facility Agreement contain the following covenants (i) the ratio of average net debt to adjusted earnings (pre adjusting) before interest, tax, depreciation and amortisation (EBITDA) and (ii) the ratio of adjusted EBITDA to cash interest, both of which are tested quarterly. The Group complied with all the required covenants in each of the test periods to the balance sheet date.

Financial risk management objectives

The Group’s activities expose it to a variety of financial risks: currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

Risk management is carried out under policies approved by the Board with financial risks being identified, evaluated and hedged in close co-operation with the Group’s operating divisions. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk, use of financial instruments and investing excess liquidity.

a. Currency risk

The Group operates almost wholly within the UK and is exposed to minimal currency risk. The Group’s borrowings are denominated in Sterling which is also the Group’s intra-UK net currency flow. Currency risk arises primarily with respect to the Euro and the US dollar, and from future commercial transactions and trade assets and liabilities in foreign currencies, including productions that have filming taking place overseas. The Group manages its exposure to currency risk where required and it is Group policy to ensure that all material payments or receipts are fully hedged. At 31 December 2025 the Group had foreign currency forward contracts in place with a total financial asset recognised of £nil (2024: £0.5m) as detailed in note 21.

b. Credit risk

Credit risk is the risk of losses due to the failure of the Group’s customers to meet their payment obligations towards the Group. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. Independent credit ratings are sought for all potential customers and based on the outcome of the feedback from the ratings agency, a judgement is made on the appropriate level of credit to be given.

Notes to the financial statements

For the year ended 31 December 2025

Corporate advisers

27. Financial risk management continued

c. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations. Prudent liquidity management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the nature of the underlying business, the aim is to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facility (note 19) and net cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at a Group level. In addition, the Group's liquidity management policy includes projecting cash flows and considering the level of liquid assets necessary to meet these: monitoring balance sheet liquidity ratios against internal targets and bank facility requirements; and maintaining debt financing plans.

d. Cash flow interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings.

Borrowings issued at short-term floating rates expose the Group to cash flow interest rate risk.

Regular sensitivity analysis is carried out and following an Interest Rate Risk Management review, the Group put in place an interest rate swap in November 2025. This swap has a notional principal of £40m and is for a period of two years at a rate of 3.586% which is set against the SONIA floating rate over the term of the swap.

With average borrowings of £52m in 2025 and with £40m hedged under the swap arrangement, the impact of volatility in interest rates is significantly reduced. At this level of borrowing, a 1% movement in interest rates would change interest paid by +/- £0.1m per annum against an unhedged change of +/-£0.5m. 1.00% is considered a reasonably possible change from the decrease already observed in the Bank of England base rate in the year.

28. Transactions with related parties

Group
Key management compensation
Key management personnel are deemed to be the Executive and Non-Executive Directors of the Group, as they have authority and responsibility for controlling the Group's activities. Key management remuneration is detailed as follows:

	2025 £m	2024 £m
Short-term employee benefits*	1.3	1.8

* See the Directors’ Remuneration Report on pages 82 to 98 for details.

Other related party transactions

The Group provided advertising with an estimated fair value of £0.6m (2024: £0.6m) for nil consideration to the charity organisation STV Appeal. The charity purchased advertising from the Group for a total of £0.2m (2024: £0.2m).

In 2024, A £0.6m dividend was paid to the Managing Director and minority shareholder of subsidiary company Tuesday’s Child Television Limited.

Amounts paid to the Group’s retirement benefit plans are set out in note 25.

Company

The Company had no related party transactions with its subsidiaries in the year other than cashflow movements within the Group resulting in the movement of intercompany balances. See note 24 for details of the cashflow movement in intra group balances. See note 17 and note 18 for the amounts owed by and owed to Group companies as at the balance sheet date.

29. Contingent liabilities and other commitments

Company

Under a group registration for Value Added Tax, the companies within the Group are jointly and severally liable for Value Added Tax due by any member of the group registration. At 31 December 2025, the Value Added Tax payable by other members of the group registration amounted to £1.8m (2024: £1.8m).

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Company registration number

SC203873

Annual Report on internet

The 2025 Annual Report of STV Group plc including the financial statements is available at: www.stvplc.tv

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* Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9am-5:30pm, Monday to Friday excluding public holidays in England and Wales.

Shareholder services

Share price information

The share price of STV Group plc is published in most newspapers and the current price of the Company's shares (delayed by up to 15 minutes) can be obtained from the Company's website **www.stvplc.tv**

Individual Savings Accounts (ISAs)

The Company has Maxi and Mini ISAs which offer United Kingdom resident shareholders a simple, low-cost and tax efficient way to invest in the Company's shares. Full details and an application form are available from Stocktrade, a division of Brewin Dolphin Securities Limited, on 0131 240 0441.

Shareholder queries

If you have any questions in relation to your shareholding, please contact MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL; email: **shareholderenquiries@cm.mpms.mufg.com**; telephone 0371 664 0300*.

Shareholder portal

You can register online to view your holdings using the Investor Centre, a service offered by MUFG Corporate Markets at **uk.investorcentre.mpms.mufg.com**. The Investor Centre is an online service enabling you to quickly and easily access and maintain your shareholding online, reducing the need for paperwork and providing 24 hour access for your convenience.

You will need to log into your Investor Centre account or register if you have not previously done so. Once you have setup your account you will need to add your shareholding by clicking 'Add Holding' in the 'Portfolio' section and following the on-screen instructions. You will require your Investor Code (IVC) to add your shareholding – this can be found on your share certificate.

Alternatively you can download the Investor Centre app which is available on both the Apple App Store and Google Play, or by scanning the relevant QR code below.



Through the Investor Centre you may:

- Cast your proxy vote online
- View your holding balance and get an indicative valuation
- View movements on your holding
- View the dividend payments you have received
- Update your address
- Register and change bank mandate instructions so that dividends can be paid directly to your bank account
- Elect to receive shareholder communications electronically
- Access a wide range of shareholder information including the ability to download shareholder forms

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