

NEWS ANNOUNCEMENT



STATE ATTORNEYS GENERAL CHALLENGE TO PROPOSED MERGER DEFIES EVIDENCE-BASED ANTITRUST ENFORCEMENT AND MUST BE REJECTED— DELAY IN CLOSING OF TRANSACTION ONLY BENEFITS BIG TECH AND HARMS CONSUMERS AND HOLLYWOOD TALENT

LOS ANGELES and NEW YORK, July 13, 2026 – The complaint filed by the state attorneys general in federal district court in the Northern District of California distorts settled antitrust law and is based on a misrepresentation of competition in the entertainment industry today. As numerous antitrust authorities around the world have already concluded after months of review, this transaction creates a stronger competitor against dominant streaming and technology platforms who have harmed the market for theatrical exhibition and jobs in the entertainment industry. This merger will create a company capable of investing more aggressively in premium content, theatrical releases, and creative talent at a time when those investments matter more than ever.

“The lawsuit filed by the state attorneys general, in the most generous light, reflects a fundamentally flawed application of the antitrust laws and is wrong on both the facts and the law. We will vigorously defend the transaction and demonstrate that this challenge is inconsistent with sound competition policy and the competitive realities of the media marketplace. Delaying this transaction will only harm entertainment workers who have already suffered over recent years as technology has disrupted their livelihood and cost California tens of thousands of entertainment jobs.”

“The combination of Paramount and WBD will create a stronger, well-capitalized, creative-first media company that is better positioned to compete with companies like Netflix that have come to dominate the industry for audiences, premium content, and creative talent. Put simply, any attempt to block this transaction undermines the very principles antitrust law is designed to promote: more competition, more choice for consumers, and more opportunities for creators and workers,” according to a Paramount spokesperson.

“The practical effect of this lawsuit is to shield those dominant streaming platforms like Netflix and technology companies from much needed competition while preventing the significant benefits this transaction will deliver for consumers, creators, workers, and the broader Hollywood economy. We will continue to fight against any attempt to derail a deal that strengthens competition, expands opportunity, and positions the combined company to compete in an increasingly competitive global media landscape,” the spokesperson said.

Competition and FDI Regulators in 24 Jurisdictions Have Cleared the Transaction

The regulators that have reviewed the transaction have cleared it or allowed the waiting periods to expire, underscoring the deal's lack of anticompetitive effects on the industry. For example, the [Australian Competition and Consumer Commission](#) found that: "[T]he Acquisition is unlikely to have the effect of substantially lessening competition in relation to the wholesale supply of films for theatrical release in Australia." The ACCC expressly noted that while "the Acquisition would remove competition between Paramount and Warner Brothers, the merged entity would continue to be constrained by other film studios post-Acquisition" and "[t]he materials do not support the view that Paramount and Warner Brothers are particularly close competitors or that they compete more closely with each other than with the other major film studios." The U.S. Department of Justice reached a similar conclusion when it closed its merger investigation.

In addition to the United States, competition regulators around the world have concluded that the merger will not pose any threat to competition. Paramount has received competition clearances in Australia, Austria, Brazil, Canada, China, the Common Market for Eastern and Southern Africa (COMESA), Kuwait, Montenegro, New Zealand, North Macedonia, Saudi Arabia, Serbia, South Africa, South Korea, and Ukraine. Paramount has also received foreign direct investment (FDI) clearances in Australia, Germany, France, Spain, Slovenia, Belgium, Czechia, New Zealand, Italy, and Romania.

The careful review undertaken by these regulators and their uniform decision to clear the transaction or allow it to proceed contrasts sharply with the approach taken by the state attorneys general in this case. We will fight any effort to block a merger that has clear benefits for consumers, creators, and the wider entertainment industry, and where the alternative is to entrench a failing status quo.

Paramount Has Consistently Demonstrated How the Transaction Benefits Workers, Creators, and Theaters

Throughout the merger review process, Paramount has consistently demonstrated to enforcement bodies and other key stakeholders how this transaction will strengthen—not weaken—the creative economy.

Paramount CEO David Ellison has been clear since announcing the transaction that it will benefit consumers, theater exhibitors and creatives alike, because Paramount will release at least 30 high-quality films annually for full theatrical exhibition with a minimum 45-day window and continue licensing content to and acquiring content from third parties. In a [May 7, 2026 letter](#) to California Attorney General Rob Bonta, Paramount explained that Netflix, Amazon, and Disney are the largest subscription streaming services by far, that Paramount and WBD "lack the scale to compete effectively against the leading SVODs," and that, "[a]bsent something transformative, neither party is positioned to grow to a scale where they would catch up to the leading streamers." Later, in a [May 28, 2026 letter](#) to the Attorney General, Paramount expanded on that point by explaining why the transaction's output-enhancing strategy is central to competing at scale, noting that "the proposed transaction will increase output, expand theatrical releases, and enhance competition with scaled streaming platforms, all of which depend on sustained and growing demand for creative talent," and made clear the economic logic behind the deal: "A firm seeking to grow market share against larger competitors, including the streaming giants, must invest in more and better content and talent, not cut."

Paramount also has detailed how this transaction will help workers rather than continue to subject them to a failing Hollywood system. In a [June 5, 2026 letter](#) to the Department of Justice responding to a white paper submitted by the International Brotherhood of Teamsters, Paramount explained how “[its] content strategy aligns directly with the Teamsters’ interests. More films and series in production means more call sheets, more location days, more transportation, casting, and catering work.” As Paramount observed, “[t]he combined company will have no incentive to shrink the production engine that drives its competitiveness. Increasing production volume is the central pillar of how Paramount intends to compete.” Moreover, “[i]nvigorated competition to produce more content across the entertainment industry will translate to more opportunities for organized labor beyond Paramount’s projects.” Ultimately, “Paramount cannot enhance and expand content production without organized labor” and “the Teamsters and other unions will stand as must-have partners for Paramount for years to come.”

About Paramount, a Skydance Corporation

Paramount, a Skydance Corporation is a next-generation global media and entertainment company, comprised of three business segments: Studios, Direct-to-Consumer, and TV Media. PSKY’s portfolio unites legendary brands, including Paramount Pictures, Paramount Television, CBS, CBS News, CBS Sports, Nickelodeon, MTV, BET, Comedy Central, Showtime, Paramount+, Pluto TV, and Skydance Animation, Film, Television, Interactive/Games, and Paramount Sports Entertainment.

Cautionary Note Concerning Forward-Looking Statements

This communication contains “forward-looking statements” regarding the merger. The reader is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of PSKY or WBD. Risks and uncertainties include, but are not limited to: the risk that the closing conditions for the merger will not be satisfied, including the risk that clearances under applicable antitrust or regulatory laws will not be obtained; the possibility that the transaction will not be completed in the expected timeframe or at all; potential adverse effects to the businesses of PSKY or WBD during the pendency of the transaction, such as employee departures or distraction of management from business operations; the risk of stockholder litigation relating to the transaction, including resulting expense or delay; the potential that the expected benefits and opportunities of the merger, if completed, may not be realized or may take longer to realize than expected; risks related to PSKY’s streaming business; the adverse impact on PSKY’s advertising revenues as a result of changes in consumer behavior, advertising market conditions and deficiencies in audience measurement; risks related to operating in highly competitive and dynamic industries; the unpredictable nature of consumer behavior, as well as evolving technologies and distribution models; risks related to PSKY’s decisions to invest in new businesses, products, services and technologies, and the evolution of PSKY’s business strategy; the potential for loss of carriage or other reduction in, or the impact of negotiations for, the distribution of PSKY’s content; damage to PSKY’s reputation or brands; losses due to asset impairment charges for goodwill, content and long-lived assets, including finite-lived intangible assets; liabilities related to discontinued operations and former businesses; increasing scrutiny of, and evolving expectations for, sustainability initiatives; evolving business continuity, cybersecurity, privacy and data protection and similar risks; challenges in protecting and maintaining PSKY’s intellectual property rights; domestic and global political, economic and regulatory factors affecting PSKY’s businesses generally; the inability to hire or retain key employees or secure creative talent; disruptions to PSKY’s operations as a result of labor disputes; risks and costs associated with the integration of, and PSKY’s ability to integrate, the businesses of Paramount Global and Skydance successfully and to achieve anticipated synergies; litigation relating to the transactions contemplated by the transaction agreement entered into on July 7, 2024, between Paramount Global and Skydance, potentially resulting in substantial costs; volatility in the price of PSKY’s Class B common stock; the effect PSKY’s dual-class capital structure and the concentrated ownership may have on the price of its Class B common stock or business; risks related to a private sale of a controlling interest in PSKY, including that PSKY’s stockholders may not realize any change of control premium on

shares of PSKY's Class B common stock and that PSKY may become subject to the control of a presently unknown third party; risks associated with PSKY's status as a "controlled company" under Nasdaq rules, including its exemption from certain corporate governance requirements; risks associated with the lack of voting rights of PSKY's Class B common stock; risks that anti-takeover provisions in PSKY's amended and restated certificate of incorporation (the "Charter") and amended and restated bylaws, and under Delaware law, could deter, delay, or prevent a change of control; risks that exclusive forum provisions in the Charter could limit a stockholder's choice of forum for certain claims and discourage lawsuits against PSKY's directors and officers; risks that corporate opportunity provisions in the Charter could permit certain persons to pursue competitive opportunities that might otherwise be available to PSKY; risks associated with PSKY's holding company structure, including its dependence on distributions from its subsidiaries to meet tax obligations and other cash requirements; risks related to PSKY's indebtedness, including PSKY's substantial outstanding debt obligations; risks related to PSKY's ability to incur substantially more debt and PSKY's ability to meet the financial and other covenants contained in the agreements governing PSKY's indebtedness; risks relating to PSKY's ability to deleverage the business in accordance with management's targets, including risks arising from assumptions, uncertainties and contingencies that may affect PSKY's ability to reduce indebtedness; risks relating to management's ability to execute on its strategic plan and improve its financial profile and cash flows from operations; and risks relating to any capital or other financing PSKY may have to raise in order to reduce its indebtedness following the merger. A further list and description of these risks, uncertainties and other factors and the general risks associated with the respective businesses of PSKY and WBD can be found in PSKY's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 25, 2026, and PSKY's Form 10-Q for the quarterly period ended March 31, 2026, filed with the SEC on May 4, 2026, including, in each case, in the sections captioned "Cautionary Note Concerning Forward-Looking Statements" and "Item 1A. Risk Factors," and PSKY's subsequent filings with the SEC, and WBD's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 27, 2026, and WBD's Form 10-Q for the quarterly period ended March 31, 2026, filed with the SEC on May 6, 2026, including, in each case, in the sections captioned "Cautionary Note Concerning Forward-Looking Statements" and "Item 1A. Risk Factors," and WBD's subsequent filings with the SEC. Copies of these filings, as well as subsequent filings, are available online at www.sec.gov, ir.wbd.com or on request from PSKY or WBD. PSKY undertakes no obligation to update any forward-looking statement as a result of new information or future events or developments, except as required by law.

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