PARAMOUNT SKYDANCE SATISFIES ALL REGULATORY CONDITIONS UNDER THE MERGER AGREEMENT TO CLOSE WARNER BROS. DISCOVERY ACQUISITION, SECURING CLEARANCES IN NEARLY 70 COUNTRIES WORLDWIDE

August 14, 2026

LOS ANGELES and NEW YORK, Aug. 14, 2026 /PRNewswire/ -- Paramount Skydance Corporation (NASDAQ: PSKY) ("Paramount") has satisfied all regulatory clearances required under the merger agreement to close its proposed acquisition of Warner Bros. Discovery, Inc. (NASDAQ: WBD) ("WBD").

The eight-month review process has spanned 68 countries worldwide, including the European Union, UK, Australia, Canada, Brazil, China, COMESA, the U.S. Department of Justice and, most recently, Mexico, which announced its clearance today. These independent regulators from across the globe applied the law and market definitions that reflect how audiences consume entertainment and how media companies compete today – and have consistently found no basis to prevent the transaction from moving forward. Paramount and WBD could and would close today and begin delivering the benefits recognized by regulators around the world, theater owners and others across the industry but for the actions of just 12 state attorneys general.

"We are grateful that competition authorities in nearly 70 jurisdictions worldwide have independently and thoroughly reviewed this transaction and reached the same conclusion: it is pro-competitive, pro-consumer and pro-worker," said David Ellison, CEO of Paramount. "Despite this overwhelming global consensus, the litigation brought by the State of California and 11 other State AGs remains the final obstacle to completing a combination that will create a stronger competitor with greater capacity to invest in premium content, support creative talent and workers, and deliver more high-quality entertainment to audiences."

Paramount urges these 12 State AGs to engage with us in good faith, as we have repeatedly sought to do, to resolve this litigation and clear the way to bring these two companies together.

"While we remain confident that the law and the facts are on our side, we have offered commitments and concessions and remain open to working constructively with the State AGs to find a path forward in the interest of our employees and the creative community in California and across the world – just as we have with the regulators in 68 countries worldwide," said Ellison.

Rather than support a stronger Hollywood and deliver tangible commitments to invest in for the benefit of labor, talent and other industry participants, the current path the 12 State AGs are on inflicts harm without benefit to their own constituents. The unwarranted eight-plus month additional delay for a trial beyond the engagement of the last 9 months will impose needless costs from penalty fees, litigation expenses and business disruption. As a business with many stakeholders, including pension and state retirement funds, Paramount is required to consider how it can absorb the unnecessary additional financial costs while preserving the longer-term strength of the combined company. The better path would be to resolve this through a settlement that would serve the interests of workers, consumers and the consumers in each of the 12 states.

Across jurisdictions, antitrust regulators examining the same competitive dynamics have reached findings that directly contradict the states AGs' core theories about competition in theatrical film distribution, the range of studios competing in film production, and the competitive pressure facing linear television. What regulators have found:

Competition Overall

THEME: The unanimous clearance of the transaction by competition authorities around the world confirms that the combination of Paramount and WBD does not pose a threat to competition.

- **UK Competition and Markets Authority (CMA)**: The transaction "does not give rise to a realistic prospect of a substantial lessening of competition."

Cable Networks

THEME: As the European Commission, U.S. Department of Justice and others have recognized, the relevant competitive landscape today is not cable-vs-cable, as the 12 State AGs contend, but cable competing directly with streaming and other platforms for audiences.

- **European Commission**: "Streaming platforms offering children's content will continue to act as a competitive constraint on the merged entity's TV channels" – rejecting a cable-only competitive landscape.
- **U.S. DOJ:** Streaming services "compete aggressively" and place "increasing competitive pressure on legacy linear and broadcast networks."

Theatrical Film Distribution

THEME: Regulators worldwide recognize theatrical film as a broad, dynamic and hit-driven market in which films compete based on their ability to attract audiences – not whether they fall within an artificially narrow "top-grossing" category.

- **Australian Competition and Consumer Commission (ACCC):** The transaction is "unlikely to have the effect of substantially lessening competition," with the merged company "constrained by other film studios," including Disney, Sony, Universal, Amazon MGM, StudioCanal, and numerous independent providers.

- **Brazil's CADE**: Treated film distribution as "a single relevant market, without additional segmentation" – unlike the 12 State AGs' narrower "top-grossing" theatrical market.
- **COMESA – Eastern & Southern Africa:** Described the theatrical film market as "highly competitive, dynamic, and hit-driven," citing the "presence of numerous competitors."

Film Output & Quality

THEME: Regulators found no basis for claims that the transaction will reduce film output or quality – a conclusion further reinforced by Paramount's commitment to release at least 30 high-quality films annually across the combined company.

- Contrary to the 12 State AGs' claim of "higher prices, lower quality, and less content," the **ACCC** found the merged company "would still be incentivised to produce and supply a similar number of films, and films of similar quality."

Across markets and continents, independent competition authorities scrutinized every major facet of the transaction – including theatrical distribution, film production, streaming and content licensing – and consistently found robust competition, directly contradicting the artificially narrow market definitions relied on by the state attorneys general.

The judgment of 68 jurisdictions cannot simply be dismissed. Their conclusion is clear: this transaction is lawful, pro-competitive and raises no antitrust concerns. The lawsuit brought by just 12 of 50 State AGs stands alone – contrary to the global regulatory consensus, the facts, the law and sound economic analysis. While we are prepared to make our case at trial, the delay occasioned by this lawsuit is inflicting harm not merely on the two companies involved, but on the broader industry and, ultimately, the very constituents these 12 State AGs represent.

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. Paramount'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.

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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 Paramount 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 Paramount 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 Paramount's streaming business; the adverse impact on Paramount'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 Paramount's decisions to invest in new businesses, products, services and technologies, and the evolution of Paramount's business strategy; the potential for loss of carriage or other reduction in, or the impact of negotiations for, the distribution of Paramount's content; damage to Paramount'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 Paramount's intellectual property rights; domestic and global political, economic and regulatory factors affecting Paramount's businesses generally; the inability to hire or retain key employees or secure creative talent; disruptions to Paramount's operations as a result of labor disputes; risks and costs associated with the integration of, and Paramount'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 Paramount's Class B common stock; the effect Paramount'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 Paramount, including that Paramount's stockholders may not realize any change of control premium on shares of Paramount's Class B common stock and that Paramount may become subject to the control of a presently unknown third party; risks associated with Paramount'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 Paramount's Class B common stock; risks that anti-takeover provisions in Paramount'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 Paramount'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 Paramount; risks associated with Paramount's holding company structure, including its dependence on distributions from its subsidiaries to meet tax obligations and other cash requirements; disruptions the merger may cause to Paramount's and WBD's business and commercial relationships; the negative impact that a failure to consummate the merger could have on Paramount's business, financial condition, results of operations and stock price; the risk that the merger may be prevented or delayed or the anticipated benefits reduced if Paramount does not obtain certain regulatory approvals; the risk that the Merger Agreement may be terminated in accordance with its terms, including if any conditions to the closing of the merger are not satisfied; the risk that litigation relating to the merger could prevent or further delay the closing of the merger or result in the payment of damages after closing; challenges realizing synergies and other anticipated benefits expected from the merger, including integrating WBD's business successfully; risks to Paramount's business, financial condition or results of operations as a result of the incurrence of substantial costs and indebtedness in connection with the merger; and risks of reduced ownership and economic interest by Paramount's existing stockholders as a result of the merger. A further list and description of these risks, uncertainties and other factors and the general risks associated with the respective businesses of Paramount and WBD can be found in Paramount's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 25, 2026, Paramount's Form 10-Q for the quarterly period ended March 31, 2026, filed with the SEC on May 4, 2026, and Paramount's Form 10-Q for the quarterly period ended June 30, 2026, filed with the SEC on August 4, 2026, including, in each case, in the sections captioned "Cautionary Note Concerning Forward-Looking Statements" and "Item 1A. Risk Factors," and Paramount'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 Paramount or WBD. Paramount 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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