Paramount Skydance Moves to Protect Against Costs of Delay as WBD Merger Is Ready to Close

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LOS ANGELES and NEW YORK, Sept. 8, 2026 /PRNewswire/ -- Today, Paramount Skydance Corporation (NASDAQ: PSKY) filed reply briefs in support of its request that the district court enforce the requirement that the State Attorneys General and the Writers Guild of America post a bond in connection with their lawsuit to block Paramount's merger with Warner Bros. Discovery, Inc. (NASDAQ: WBD) ("WBD"). The company has satisfied all closing conditions under the merger agreement and received clearances from regulators representing 69 jurisdictions. These two lawsuits are the only remaining barrier to closing this transaction.

"If plaintiffs insist that this transaction is paused during the pendency of their lawsuit, they must accept the financial consequences if their challenge ultimately fails. Paramount agreed to delay closing to facilitate a prompt resolution of the case, while expressly preserving its legal rights and we continue to honor that agreement. We are not asking the district court to lift the no-close order, but to require enforcement of the bond that protects our financial interests while the litigation remains pending," said a Paramount spokesperson.

"But for these lawsuits, the transaction is now otherwise ready to close, and the resulting costs of delay are substantial and quantifiable. The Clayton Act and Rule 65 provide for a bond precisely to protect against exactly those types of losses if a court determines an injunction ultimately is unwarranted. We are confident that the evidence will show that these lawsuits are meritless and look forward to closing the transaction and delivering its benefits in California, across the United States, and around the world."

Our filing today makes the following key points:

- The Clayton Act and Rule 65 require plaintiffs to accept responsibility for the substantial financial harm incurred if their challenge ultimately fails.
- Paramount agreed to delay closing to facilitate a prompt trial. It did not waive its right to the bond protection required while the transaction is paused.
- Paramount has satisfied all conditions to closing the deal. These lawsuits are now the only obstacle to closing and the direct cause of substantial ticking and financing costs.
- Plaintiffs do not dispute Paramount's evidence that the potential harm is real and quantifiable, reaching up to $1.88 billion.
- The WGA itself previously argued that the Clayton Act makes a bond mandatory and requires a "very substantial bond" where an injunction threatens significant financial harm.

As noted in the briefs:

- "[A]t the eleventh hour, after dragging their investigations out for many months without providing feedback on any areas of competitive concern, and just days before final regulatory approvals from the European Commission were secured, plaintiff states filed suit seeking to stymie the transaction while immunizing themselves from economic accountability if Paramount prevails."
- "Paramount simply asks that Plaintiffs honor what the Clayton Act requires: A bond that will compensate Paramount for the damage it will suffer if the injunction proves improvidently granted, i.e., if Paramount ultimately prevails in the litigation and was therefore wrongly prevented from consummating the merger now, as it is prepared to do."
- "Paramount provided unrebutted evidence that, but-for the Order, it may suffer $1.88 billion in damages. Critically, the states never dispute that evidence or otherwise contest that Paramount will suffer financial injury as a result of the Order, both from the ticking fee and the incremental financing costs—a financial harm that the states outright ignore."

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.

PSKY-IR

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.

View original content:https://www.prnewswire.com/news-releases/paramount-skydance-moves-to-protect-against-costs-of-delay-as-wbd-merger-is-ready-to-close-302872846.html

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Media Contacts: Melissa Zukerman / Laura Watson, msz@paramount.com / laura.watson@paramount.com; Brunswick Group: ParamountSkydance@brunswickgroup.com