

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **001-09553**

Paramount Global

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

04-2949533

(I.R.S. Employer Identification No.)

1515 Broadway New York, New York

(Address of principal executive offices)

10036

(Zip Code)

(212) 258-6000

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Class A Common Stock, \$0.001 par value	PARAA	The Nasdaq Stock Market LLC
Class B Common Stock, \$0.001 par value	PARA	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of common stock outstanding at August 6, 2024:

Class A Common Stock, par value \$.001 per share— 40,702,763

Class B Common Stock, par value \$.001 per share— 626,011,612

PARAMOUNT GLOBAL
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

PARAMOUNT GLOBAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues	\$ 6,813	\$ 7,616	\$ 14,498	\$ 14,881
Costs and expenses:				
Operating	4,367	5,227	9,403	10,191
Programming charges	—	697	1,118	2,371
Selling, general and administrative	1,579	1,783	3,241	3,536
Depreciation and amortization	101	105	201	205
Impairment charges	5,996	—	5,996	—
Restructuring and other corporate matters	88	54	274	54
Total costs and expenses	12,131	7,866	20,233	16,357
Operating loss	(5,318)	(250)	(5,735)	(1,476)
Interest expense	(215)	(240)	(436)	(466)
Interest income	35	33	80	68
Gain (loss) from investments	—	168	(4)	168
Other items, net	(49)	(60)	(87)	(106)
Loss from continuing operations before income taxes and equity in loss of investee companies	(5,547)	(349)	(6,182)	(1,812)
Benefit from income taxes	215	95	387	476
Equity in loss of investee companies, net of tax	(72)	(109)	(162)	(184)
Net loss from continuing operations	(5,404)	(363)	(5,957)	(1,520)
Net earnings from discontinued operations, net of tax	—	73	9	118
Net loss (Paramount and noncontrolling interests)	(5,404)	(290)	(5,948)	(1,402)
Net earnings attributable to noncontrolling interests	(9)	(9)	(19)	(15)
Net loss attributable to Paramount	\$ (5,413)	\$ (299)	\$ (5,967)	\$ (1,417)
Amounts attributable to Paramount:				
Net loss from continuing operations	\$ (5,413)	\$ (372)	\$ (5,976)	\$ (1,535)
Net earnings from discontinued operations, net of tax	—	73	9	118
Net loss attributable to Paramount	\$ (5,413)	\$ (299)	\$ (5,967)	\$ (1,417)
Basic net earnings (loss) per common share attributable to Paramount:				
Net loss from continuing operations	\$ (8.12)	\$ (.59)	\$ (9.08)	\$ (2.40)
Net earnings from discontinued operations	\$ —	\$.11	\$.01	\$.18
Net loss	\$ (8.12)	\$ (.48)	\$ (9.06)	\$ (2.22)
Diluted net earnings (loss) per common share attributable to Paramount:				
Net loss from continuing operations	\$ (8.12)	\$ (.59)	\$ (9.08)	\$ (2.40)
Net earnings from discontinued operations	\$ —	\$.11	\$.01	\$.18
Net loss	\$ (8.12)	\$ (.48)	\$ (9.06)	\$ (2.22)
Weighted average number of common shares outstanding:				
Basic	667	651	660	651
Diluted	667	651	660	651

See notes to consolidated financial statements.

PARAMOUNT GLOBAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited; in millions)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net loss (Paramount and noncontrolling interests)	\$ (5,404)	\$ (290)	\$ (5,948)	\$ (1,402)
Other comprehensive income (loss), net of tax:				
Cumulative translation adjustments	(22)	90	(90)	143
Decrease to net actuarial loss and prior service costs	11	12	20	23
Other comprehensive income (loss) from continuing operations, net of tax (Paramount and noncontrolling interests)	(11)	102	(70)	166
Other comprehensive income from discontinued operations	—	2	—	4
Comprehensive loss	(5,415)	(186)	(6,018)	(1,232)
Less: Comprehensive income attributable to noncontrolling interests	7	10	17	17
Comprehensive loss attributable to Paramount	\$ (5,422)	\$ (196)	\$ (6,035)	\$ (1,249)

See notes to consolidated financial statements.

PARAMOUNT GLOBAL AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except per share amounts)

	At June 30, 2024	At December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,315	\$ 2,460
Receivables, net	6,545	7,115
Programming and other inventory	1,322	1,414
Prepaid expenses and other current assets	1,497	1,677
Current assets of discontinued operations	—	37
Total current assets	11,679	12,703
Property and equipment, net	1,567	1,666
Programming and other inventory	13,672	13,851
Goodwill	10,509	16,516
Intangible assets, net	2,558	2,589
Operating lease assets	1,069	1,183
Deferred income tax assets, net	1,362	1,242
Other assets	3,474	3,793
Total Assets	\$ 45,890	\$ 53,543
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 826	\$ 1,100
Accrued expenses	1,865	2,104
Participants' share and royalties payable	2,462	2,702
Accrued programming and production costs	1,769	1,842
Deferred revenues	708	746
Debt	126	1
Other current liabilities	1,250	1,161
Total current liabilities	9,006	9,656
Long-term debt	14,488	14,601
Participants' share and royalties payable	1,326	1,394
Pension and postretirement benefit obligations	1,329	1,337
Deferred income tax liabilities, net	35	503
Operating lease liabilities	1,127	1,256
Program rights obligations	229	204
Other liabilities	1,404	1,542
Commitments and contingencies (Note 14)		
Paramount stockholders' equity:		
5.75% Series A Mandatory Convertible Preferred Stock, par value \$.001 per share; 25 shares authorized; 10 (2023) shares issued	—	—
Class A Common Stock, par value \$.001 per share; 55 shares authorized; 41 (2024 and 2023) shares issued	—	—
Class B Common Stock, par value \$.001 per share; 5,000 shares authorized; 1,129 (2024) and 1,115 (2023) shares issued	1	1
Additional paid-in capital	33,299	33,210
Treasury stock, at cost; 503 (2024 and 2023) shares of Class B Common Stock	(22,958)	(22,958)
Retained earnings	7,779	13,829
Accumulated other comprehensive loss	(1,624)	(1,556)
Total Paramount stockholders' equity	16,497	22,526
Noncontrolling interests	449	524
Total Equity	16,946	23,050
Total Liabilities and Equity	\$ 45,890	\$ 53,543

See notes to consolidated financial statements.

PARAMOUNT GLOBAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Six Months Ended	
	June 30,	
	2024	2023
Operating Activities:		
Net loss (Paramount and noncontrolling interests)	\$ (5,948)	\$ (1,402)
Less: Net earnings from discontinued operations, net of tax	9	118
Net loss from continuing operations	(5,957)	(1,520)
Adjustments to reconcile net loss from continuing operations to net cash flow provided by (used for) operating activities from continuing operations:		
Programming charges	1,118	2,371
Depreciation and amortization	201	205
Impairment charges	5,996	—
Deferred tax benefit	(593)	(586)
Stock-based compensation	109	88
(Gain) loss from investments	4	(168)
Equity in loss of investee companies, net of tax and distributions	168	184
Change in assets and liabilities	(727)	(1,198)
Net cash flow provided by (used for) operating activities from continuing operations	319	(624)
Net cash flow provided by operating activities from discontinued operations	—	223
Net cash flow provided by (used for) operating activities	319	(401)
Investing Activities:		
Investments	(166)	(124)
Capital expenditures	(100)	(140)
Other investing activities	21	39
Net cash flow used for investing activities from continuing operations	(245)	(225)
Net cash flow provided by (used for) investing activities from discontinued operations	48	(2)
Net cash flow used for investing activities	(197)	(227)
Financing Activities:		
Proceeds from issuance of debt	—	45
Repayment of debt	—	(100)
Dividends paid on preferred stock	(29)	(29)
Dividends paid on common stock	(68)	(317)
Payment of payroll taxes in lieu of issuing shares for stock-based compensation	(18)	(19)
Payments to noncontrolling interests	(97)	(93)
Other financing activities	(25)	(34)
Net cash flow used for financing activities	(237)	(547)
Effect of exchange rate changes on cash and cash equivalents	(30)	4
Net decrease in cash and cash equivalents	(145)	(1,171)
Cash and cash equivalents at beginning of year	2,460	2,885
Cash and cash equivalents at end of period	\$ 2,315	\$ 1,714

See notes to consolidated financial statements.

PARAMOUNT GLOBAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited; in millions)

Three Months Ended June 30, 2024												
	Preferred Stock Outstanding		Class A and B Common Stock Outstanding		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Paramount Stockholders' Equity	Noncontrolling Interests	Total Equity	
	<i>(Shares)</i>		<i>(Shares)</i>									
March 31, 2024	10	\$ —	655	\$ 1	\$ 33,240	\$ (22,958)	\$ 13,226	\$ (1,615)	\$ 21,894	\$ 443	\$ 22,337	
Stock-based compensation activity	—	—	—	—	59	—	—	—	59	—	59	
Stock conversion	(10)	—	12	—	—	—	—	—	—	—	—	
Common stock dividends	—	—	—	—	—	—	(34)	—	(34)	—	(34)	
Noncontrolling interests	—	—	—	—	—	—	—	—	—	(1)	(1)	
Net earnings (loss)	—	—	—	—	—	—	(5,413)	—	(5,413)	9	(5,404)	
Other comprehensive loss	—	—	—	—	—	—	—	(9)	(9)	(2)	(11)	
June 30, 2024	—	\$ —	667	\$ 1	\$ 33,299	\$ (22,958)	\$ 7,779	\$ (1,624)	\$ 16,497	\$ 449	\$ 16,946	

Six Months Ended June 30, 2024												
	Preferred Stock Outstanding		Class A and B Common Stock Outstanding		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Paramount Stockholders' Equity	Noncontrolling Interests	Total Equity	
	<i>(Shares)</i>		<i>(Shares)</i>									
December 31, 2023	10	\$ —	653	\$ 1	\$ 33,210	\$ (22,958)	\$ 13,829	\$ (1,556)	\$ 22,526	\$ 524	\$ 23,050	
Stock-based compensation activity	—	—	2	—	89	—	—	—	89	—	89	
Stock conversion	(10)	—	12	—	—	—	—	—	—	—	—	
Preferred stock dividends	—	—	—	—	—	—	(14)	—	(14)	—	(14)	
Common stock dividends	—	—	—	—	—	—	(69)	—	(69)	—	(69)	
Noncontrolling interests	—	—	—	—	—	—	—	—	—	(92)	(92)	
Net earnings (loss)	—	—	—	—	—	—	(5,967)	—	(5,967)	19	(5,948)	
Other comprehensive loss	—	—	—	—	—	—	—	(68)	(68)	(2)	(70)	
June 30, 2024	—	\$ —	667	\$ 1	\$ 33,299	\$ (22,958)	\$ 7,779	\$ (1,624)	\$ 16,497	\$ 449	\$ 16,946	

See notes to consolidated financial statements.

PARAMOUNT GLOBAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Continued)
(Unaudited; in millions)

Three Months Ended June 30, 2023												
	Preferred Stock Outstanding		Class A and B Common Stock Outstanding		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Paramount Stockholders' Equity	Noncontrolling Interests	Total Equity	
	<i>(Shares)</i>		<i>(Shares)</i>									
March 31, 2023	10	\$ —	651	\$ 1	\$ 33,087	\$ (22,958)	\$ 13,463	\$ (1,742)	\$ 21,851	\$ 492	\$ 22,343	
Stock-based compensation activity	—	—	—	—	48	—	—	—	48	—	48	
Preferred stock dividends	—	—	—	—	—	—	(14)	—	(14)	—	(14)	
Common stock dividends	—	—	—	—	—	—	(34)	—	(34)	—	(34)	
Net earnings (loss)	—	—	—	—	—	—	(299)	—	(299)	9	(290)	
Other comprehensive income	—	—	—	—	—	—	—	103	103	1	104	
June 30, 2023	10	\$ —	651	\$ 1	\$ 33,135	\$ (22,958)	\$ 13,116	\$ (1,639)	\$ 21,655	\$ 502	\$ 22,157	

Six Months Ended June 30, 2023												
	Preferred Stock Outstanding		Class A and B Common Stock Outstanding		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Paramount Stockholders' Equity	Noncontrolling Interests	Total Equity	
	<i>(Shares)</i>		<i>(Shares)</i>									
December 31, 2022	10	\$ —	650	\$ 1	\$ 33,063	\$ (22,958)	\$ 14,737	\$ (1,807)	\$ 23,036	\$ 570	\$ 23,606	
Stock-based compensation activity and other	—	—	1	—	72	—	19	—	91	—	91	
Preferred stock dividends	—	—	—	—	—	—	(29)	—	(29)	—	(29)	
Common stock dividends	—	—	—	—	—	—	(194)	—	(194)	—	(194)	
Noncontrolling interests	—	—	—	—	—	—	—	—	—	(85)	(85)	
Net earnings (loss)	—	—	—	—	—	—	(1,417)	—	(1,417)	15	(1,402)	
Other comprehensive income	—	—	—	—	—	—	—	168	168	2	170	
June 30, 2023	10	\$ —	651	\$ 1	\$ 33,135	\$ (22,958)	\$ 13,116	\$ (1,639)	\$ 21,655	\$ 502	\$ 22,157	

See notes to consolidated financial statements.

PARAMOUNT GLOBAL AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Tabular dollars in millions, except per share amounts)

1) BASIS OF PRESENTATION

Description of Business—Paramount Global, a global media, streaming and entertainment company that creates premium content and experiences for audiences worldwide, is comprised of the following segments:

- *TV Media*—Our *TV Media* segment consists of our (1) broadcast operations—the CBS Television Network, our domestic broadcast television network; CBS Stations, our owned television stations; and our international free-to-air networks, Network 10, Channel 5, Telefe, and Chilevisión; (2) domestic premium and basic cable networks, including Paramount+ with Showtime, MTV, Comedy Central, Paramount Network, The Smithsonian Channel, Nickelodeon, BET Media Group, CBS Sports Network, and international extensions of certain of these brands; and (3) domestic and international television studio operations, including CBS Studios, Paramount Television Studios and Showtime/MTV Entertainment Studios, as well as CBS Media Ventures, which produces and distributes first-run syndicated programming. *TV Media* also includes a number of digital properties such as CBS News Streaming and CBS Sports HQ.
- *Direct-to-Consumer*—Our *Direct-to-Consumer* segment includes our portfolio of domestic and international pay and free streaming services, including Paramount+, Pluto TV, and BET+. Effective April 30, 2024, Showtime Networks' domestic premium subscription streaming service was no longer available.
- *Filmed Entertainment*—Our *Filmed Entertainment* segment consists of Paramount Pictures, Paramount Players, Paramount Animation, Nickelodeon Studio, Awesomeness, and Miramax.

References to “Paramount,” the “Company,” “we,” “us” and “our” refer to Paramount Global and its consolidated subsidiaries, unless the context otherwise requires.

On July 7, 2024, Paramount, Skydance Media, LLC (“Skydance”) and other parties entered into a definitive transaction agreement (the “Transaction Agreement”) pursuant to which Paramount and Skydance will become subsidiaries of a new holding company (the “Skydance Merger”). Concurrent with the execution of the Transaction Agreement, certain affiliates of existing investors of Skydance (the “Skydance Investor Group”), including members of the Ellison family and affiliates of RedBird Capital Partners, entered into an agreement with National Amusements, Inc. (“NAI”), the controlling stockholder of the Company, to purchase all of the outstanding equity interests of NAI (the “NAI Transaction”) (together with the Skydance Merger, the “Skydance Transactions”). In addition, certain affiliates of existing investors of Skydance, including the Skydance Investor Group, will make a \$6.0 billion investment into Paramount (the “Investment”) in exchange for up to 400 million newly issued shares of Class B common stock of the new holding company (“New Paramount Class B Common Stock”) valued at \$15.00 per share (subject to ratable reduction) as well as warrants to purchase 200 million shares of New Paramount Class B Common Stock at an initial strike price of \$30.50 per share (subject to customary anti-dilution adjustments), which expire five years after issuance. The Investment will be comprised of \$1.5 billion of cash to Paramount and up to \$4.5 billion to fund the cash-stock election discussed below. If the cash-stock elections are undersubscribed, up to \$1.5 billion of the unused portion of the \$4.5 billion will be contributed to Paramount.

The Skydance Merger will involve: (i) a transaction pursuant to which existing Skydance investors will receive 317 million shares of New Paramount Class B Common Stock valued at \$15.00 per share, and (ii) a cash-stock election pursuant to which Paramount Class A Common Stock held by holders other than NAI will be converted, at the holders' election, into the right to receive either \$23.00 in cash or 1.5333 shares of New Paramount Class B Common Stock, and Paramount Class B Common Stock held by holders other than NAI and the investors participating in the Investment will be converted, at the holders' election, into the right to receive either \$15.00 in cash (subject to proration) or one share of New Paramount Class B Common Stock.

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

The Skydance Transactions are subject to customary closing conditions, including regulatory approvals, and are expected to close in the first half of 2025. Consummation of the foregoing transactions is also subject to the contemporaneous consummation of each other transaction described above. In the event of a termination of the Transaction Agreement under certain specified circumstances, including in connection with the Company's entry into a Superior Proposal (as defined in the Transaction Agreement), the Company will be required to pay Skydance a termination fee in the amount of \$400 million.

At the closing of the Skydance Merger, our voting Class A Common Stock and non-voting Class B Common Stock (currently listed and traded on The Nasdaq Stock Market LLC under the symbols "PARAA" and "PARA," respectively) will cease to be listed, and only the shares of New Paramount Class B Common Stock will be listed on The Nasdaq Stock Market LLC.

On April 29, 2024, the Board of Directors of the Company established an Office of the Chief Executive Officer, consisting of the following three senior company executives who were appointed as co-CEOs: George Cheeks, President and Chief Executive Officer of CBS; Chris McCarthy, President and Chief Executive Officer, Showtime/MTV Entertainment Studios and Paramount Media Networks; and Brian Robbins, President and Chief Executive Officer of Paramount Pictures and Nickelodeon. On April 30, 2024, Robert M. Bakish stepped down as the Company's President and Chief Executive Officer and resigned from the Board of Directors. Mr. Bakish has agreed to remain employed with the Company as a Senior Advisor until October 31, 2024 to help ensure a seamless transition of his duties.

Basis of Presentation—The accompanying unaudited consolidated financial statements have been prepared on a basis consistent with accounting principles generally accepted in the United States ("GAAP") for interim financial information and pursuant to the rules of the Securities and Exchange Commission (the "SEC"). These financial statements should be read in conjunction with the more detailed financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023.

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of our financial position, results of operations and cash flows for the periods presented. Certain previously reported amounts have been reclassified to conform to the current presentation.

Discontinued Operations—On October 30, 2023, we completed the sale of Simon & Schuster, which has been presented as a discontinued operation in our consolidated financial statements (see Note 13).

Use of Estimates—The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from these estimates under different assumptions or conditions.

Net Earnings (Loss) per Common Share—Basic net earnings (loss) per share ("EPS") is based upon net earnings (loss) available to common stockholders divided by the weighted average number of common shares outstanding during the period. Net earnings (loss) available to common stockholders is calculated as net earnings (loss) from continuing operations or net earnings (loss), as applicable, adjusted to include a reduction for dividends recorded

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

during the applicable period on our 5.75% Series A Mandatory Convertible Preferred Stock (“Mandatory Convertible Preferred Stock”). On April 1, 2024, all outstanding shares of our Mandatory Convertible Preferred Stock were automatically and mandatorily converted into shares of our Class B Common Stock. The final dividend on the Mandatory Convertible Preferred Stock was declared during the first quarter of 2024 and paid on April 1, 2024 (see Note 9).

Weighted average shares for diluted EPS reflect the effect of the assumed exercise of stock options and vesting of restricted share units (“RSUs”) or performance share units (“PSUs”) only in the periods in which such effect would have been dilutive. In periods prior to the conversion of our preferred stock, diluted EPS also reflects the effect of the assumed conversion of preferred stock, if dilutive, which includes the issuance of common shares in the weighted average number of shares and excludes the above-mentioned preferred stock dividend adjustment to net earnings (loss) available to common stockholders.

All of our stock options and RSUs for the three and six months ended June 30, 2024, which totaled 30 million for each period, and for the three and six months ended June 30, 2023, which totaled 19 million and 20 million, respectively, were excluded from the calculations of diluted EPS because their inclusion would have been antidilutive since we reported a net loss. Also excluded from the calculation of diluted EPS for the six months ended June 30, 2024 prior to the preferred stock conversion discussed above, and for the three and six months ended June 30, 2023, was the effect of the assumed conversion of 10 million shares of Mandatory Convertible Preferred Stock into shares of common stock because the impact would have been antidilutive.

Additionally, because the impact of the assumed conversion of the Mandatory Convertible Preferred Stock would have been antidilutive, net loss from continuing operations and net loss used in our calculations of diluted EPS for the six months ended June 30, 2024 and the three and six months ended June 30, 2023 include a reduction for the preferred stock dividends recorded during each period prior to the April 2024 conversion. The table below presents a reconciliation of net loss from continuing operations and net loss to the amounts used in the calculations of basic and diluted EPS.

	Three Months Ended June 30, 2023	Six Months Ended June 30,	
		2024	2023
Amounts attributable to Paramount:			
Net loss from continuing operations	\$ (372)	\$ (5,976)	\$ (1,535)
Preferred stock dividends	(14)	(14)	(29)
Net loss from continuing operations for basic and diluted EPS calculation	\$ (386)	\$ (5,990)	\$ (1,564)
Amounts attributable to Paramount:			
Net loss	\$ (299)	\$ (5,967)	\$ (1,417)
Preferred stock dividends	(14)	(14)	(29)
Net loss for basic and diluted EPS calculation	\$ (313)	\$ (5,981)	\$ (1,446)

Accounting Pronouncements Not Yet Adopted

Segment Reporting

In November 2023, the Financial Accounting Standards Board (“FASB”) issued updated guidance for segment reporting, which requires the disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and included within the reported measure of segment profit or loss (“segment

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measure”), as well as the disclosure of the other segment items comprising the difference between segment revenues less these significant segment expenses and the segment measure. The update also requires an entity to disclose the title and position of the CODM and to describe how the CODM utilizes the segment measure to assess segment performance and allocate resources. In addition, the update aligns the interim disclosure requirements for segment profit or loss and assets with the annual requirements. The update is effective for us for our annual report for the year ended December 31, 2024, and for interim periods thereafter and is required to be applied retrospectively.

Income Taxes

In December 2023, the FASB issued guidance enhancing annual income tax disclosures. Under this guidance, certain enhancements to the effective tax rate reconciliation disclosure are required, including the disclosure of both percentages and amounts, specific categories, and additional information for reconciling items meeting a quantitative threshold defined by the guidance. Additionally, disclosures of income taxes paid and income tax expense must be disaggregated by federal, state and foreign taxes, with income taxes paid further disaggregated for individual jurisdictions that represent 5 percent or more of total income taxes paid. The guidance is effective for us for the year ended December 31, 2025, and should be applied prospectively, with retrospective application permitted.

2) PROGRAMMING AND OTHER INVENTORY

The following table presents our programming and other inventory at June 30, 2024 and December 31, 2023, grouped by type and predominant monetization strategy.

	At June 30, 2024	At December 31, 2023
Film Group Monetization:		
Acquired program rights, including prepaid sports rights	\$ 2,918	\$ 3,318
Internally-produced television and film programming:		
Released	6,318	6,666
In process and other	2,222	2,028
Individual Monetization:		
Acquired libraries	330	348
Films:		
Released	805	624
Completed, not yet released	22	179
In process and other	1,306	1,211
Internally-produced television programming:		
Released	534	496
In process and other	512	361
Home entertainment	27	34
Total programming and other inventory	14,994	15,265
Less current portion	1,322	1,414
Total noncurrent programming and other inventory	\$ 13,672	\$ 13,851

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The following table presents amortization of our television and film programming and production costs, which is included within “Operating expenses” on the Consolidated Statements of Operations.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Acquired program rights	\$ 1,066	\$ 1,234	\$ 2,848	\$ 2,648
Internally-produced television and film programming, and acquired libraries:				
Individual monetization	\$ 370	\$ 734	\$ 668	\$ 1,130
Film group monetization	\$ 1,280	\$ 1,358	\$ 2,340	\$ 2,726

Programming Charges

During the first quarter of 2024, in connection with our continued review of our content strategy, we made a strategic decision to focus on content with mass global appeal. As part of this, we decided to rationalize original content on our streaming services, especially internationally, and improve the efficiency of our linear network programming. As a result, we reviewed our expansive global content portfolio and removed select content from our platforms. In addition, we decided not to move forward with certain titles and therefore have abandoned some development projects and terminated certain programming agreements. Accordingly, we recorded programming charges on the Consolidated Statement of Operations during the first quarter of 2024 relating to these actions. These charges, which totaled \$1.12 billion, were comprised of \$909 million for the impairment of content to its estimated fair value, as well as \$209 million for development cost write-offs and contract termination costs.

During the first half of 2023, in connection with the integration of Showtime into Paramount+ across both streaming and linear platforms, we performed a comprehensive strategic review of the combined content portfolio of Showtime and Paramount+. Additionally, we commenced a review of our international content portfolio in connection with initiatives to rationalize and right-size our international operations to align with our streaming strategy, and close or globalize certain of our international channels. As a result, we changed the strategy for certain content, which led to content being removed from our platforms or abandoned, the write-off of development costs, distribution changes, and termination of programming agreements. Accordingly, we recorded programming charges on the Consolidated Statement of Operations relating to these actions in the first half of 2023. These charges, which totaled \$697 million and \$2.37 billion, for the three and six months ended June 30, 2023, respectively, were comprised of \$520 million and \$1.97 billion for the impairment of content to its estimated fair value, as well as \$177 million and \$402 million for development cost write-offs and contract termination costs.

For content that was removed from our platforms or abandoned in each period, the estimated fair value was determined using assumptions for secondary market licensing revenues, if any.

3) IMPAIRMENT, RESTRUCTURING AND OTHER CORPORATE MATTERS

Interim Impairment Testing

We perform fair value-based impairment tests of goodwill and intangible assets with indefinite lives, comprised primarily of television FCC licenses, annually during the fourth quarter and also between annual tests if an event occurs or if circumstances change that would more likely than not reduce the fair value of a reporting unit or an indefinite-lived intangible asset below its carrying value. For the second quarter of 2024, we assessed the relevant factors that could impact the fair value of our reporting units, including recent indicators in the linear affiliate marketplace and the estimated total company market value indicated by the Skydance Transactions announced on July 7, 2024. Based on this assessment, we determined that an interim goodwill impairment test was necessary for

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each of our reporting units. In addition, we considered factors that could impact the fair value of our FCC licenses, including recent projections by geographic market, and determined that interim impairment tests were necessary for eight markets in which we hold FCC licenses.

Goodwill — Goodwill is tested for impairment at the reporting unit level, which is an operating segment, or one level below. At June 30, 2024, we had five reporting units.

The impairment test for our Cable Networks reporting unit indicated that a goodwill impairment charge of \$5.98 billion was required, which represents the goodwill balance of the reporting unit prior to the impairment test. The impairment charge, which was recorded within the *TV Media* segment, resulted from a downward adjustment to the reporting unit's expected cash flows, primarily because of the linear affiliate market indicators noted above, and the estimated total company market value indicated by the Skydance Transactions. The estimated fair value of our Cable Networks reporting unit was based on the discounted cash flow method. The discounted cash flow method, which estimates fair value based on the present value of future cash flows, requires us to make various assumptions regarding the timing and amount of these cash flows, including growth rates, operating margins and capital expenditures for a projection period, plus the terminal value of the business at the end of the projection period. The assumptions about future cash flows are based on our internal forecasts of the applicable reporting unit, which incorporates our long-term business plans and historical trends. The terminal value is estimated using a long-term growth rate, which is based on expected trends and projections for the relevant industry. A discount rate is determined for the reporting unit based on the risks of achieving the future cash flows, including risks applicable to the industry and market as a whole, as well as the capital structure of comparable entities. For the impairment test of our Cable Networks reporting unit, we utilized a discount rate of 11% and a terminal value that was based on a long-term growth rate of (3)%.

The fair values of the remaining reporting units exceeded their respective carrying values and therefore no impairment charge was required. Three reporting units had fair values that exceeded their respective carrying values by less than 10% and the remaining reporting unit had a fair value that exceeded its carrying value by a significant amount.

FCC Licenses — FCC licenses are tested for impairment at the geographic market level. We consider each geographic market, which is comprised of all of our television stations within that geographic market, to be a single unit of accounting because the FCC licenses at this level represent their highest and best use. The FCC licenses impairment tests were performed using the Greenfield Discounted Cash Flow Method, which estimates the fair values of FCC licenses by valuing a hypothetical start-up station in the relevant market by adding discounted cash flows over a five-year build-up period to a residual value. The assumptions for the build-up period include industry projections of overall market revenues; the start-up station's operating costs and capital expenditures, which are based on both industry and internal data; and average market share. The discount rate is determined based on the industry and market-based risk of achieving the projected cash flows, and the residual value is calculated using a long-term growth rate, which is based on projected long-range inflation and industry projections. The discount rate and the long-term growth rate were 8% and 0%, respectively.

The impairment tests indicated that the estimated fair values of FCC licenses in two of the eight markets tested were below their respective carrying values. Accordingly, we recorded an impairment charge of \$15 million to write down the carrying values of these FCC licenses to their aggregate estimated fair value of \$149 million. The impairment charge, which is recorded within the *TV Media* segment, was primarily the result of recent declines in industry projections in the markets where these FCC licenses are held.

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Restructuring and Other Corporate Matters

During the three and six months ended June 30, 2024 and 2023, we recorded the following costs associated with restructuring and other corporate matters.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Severance ^(a)	\$ 70	\$ 54	\$ 225	\$ 54
Exit costs	—	—	31	—
Restructuring charges	70	54	256	54
Other corporate matters	18	—	18	—
Restructuring and other corporate matters	\$ 88	\$ 54	\$ 274	\$ 54

(a) Severance costs include the accelerated vesting of stock-based compensation.

Severance charges of \$225 million for the six months ended June 30, 2024 are comprised of \$155 million recorded during the first quarter associated with strategic changes in our global workforce and \$70 million recorded during the second quarter related to the exit of our CEO and other management changes. Additionally, during the six months ended June 30, 2024, we recorded charges of \$31 million for the impairment of lease assets that we ceased use of in connection with initiatives to reduce our real estate footprint and create cost synergies. The impairments were primarily the result of a decline in market conditions since the inception of these leases and reflect the difference between the estimated fair values, which were determined based on the expected future cash flows of the lease assets, and the carrying values.

The restructuring charges of \$54 million for the three and six months ended June 30, 2023 were comprised of severance costs associated with initiatives to further streamline and transform our operations following our 2022 operating segment realignment and as we integrated Showtime into Paramount+.

The following is a rollforward of our restructuring liability, which is recorded in “Other current liabilities” and “Other liabilities” on the Consolidated Balance Sheets. The restructuring liability at June 30, 2024, which principally relates to severance payments, is expected to be substantially paid in the next 12 months.

	Balance at	2024 Activity		Balance at
	December 31, 2023	Charges ^(a)	Payments	June 30, 2024
TV Media	\$ 162	\$ 93	\$ (92)	\$ 163
Direct-to-Consumer	6	15	(12)	9
Filmed Entertainment	14	22	(12)	24
Corporate	10	81	(17)	74
Total	\$ 192	\$ 211	\$ (133)	\$ 270

(a) For the six months ended June 30, 2024, excludes stock-based compensation expense of \$14 million and lease impairments of \$31 million.

In addition, during the three months ended June 30, 2024, we recorded charges for other corporate matters of \$18 million associated with legal and advisory fees related to the Skydance Transactions.

4) RELATED PARTIES

National Amusements, Inc.

National Amusements, Inc. is the controlling stockholder of the Company. At June 30, 2024, NAI directly or indirectly owned approximately 77.4% of our voting Class A Common Stock, and approximately 9.5% of our

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Class A Common Stock and non-voting Class B Common Stock on a combined basis. NAI is controlled by the Sumner M. Redstone National Amusements Part B General Trust (the “General Trust”), which owns 80% of the voting interest of NAI. NA Administration, LLC is the corporate trustee of the General Trust and is governed by a seven-member board of directors, which acts by majority vote (subject to certain exceptions), including with respect to the NAI shares held by the General Trust. Shari E. Redstone, Chairperson, CEO and President of NAI and non-executive Chair of our Board of Directors, is one of the seven directors of NA Administration, LLC and one of two directors who are beneficiaries of the General Trust. No member of our management or other member of our Board of Directors is a director of NA Administration, LLC.

On July 7, 2024, following their receipt of the final form of the Transaction Agreement and approval of the Skydance Transactions by our Board of Directors, but prior to the execution of the Transaction Agreement, NAI and its wholly owned subsidiaries, NAI Entertainment Holdings LLC and SPV-NAIEH LLC (the “NAI Company Stockholders”), representing approximately 77.4% of the voting power of the Company, executed and delivered a written consent (the “Written Consent”) approving and adopting the Transaction Agreement, which Written Consent became effective immediately following the execution of the Transaction Agreement by all of the parties thereto. Since the Written Consent represents approval by the holders of at least a majority of the outstanding shares of the Company with the right to vote on the adoption and approval of the Transaction Agreement, no additional approval is required from the Company’s stockholders for the Skydance Transactions. Concurrent with the execution of the Transaction Agreement, the NAI Company Stockholders also entered into a voting and support agreement with the Company and Skydance (the “Voting Agreement”), pursuant to which the NAI Company Stockholders agreed to vote (or cause to be voted) their shares in the Company in favor of certain matters set forth therein relating to the Skydance Transactions.

Other Related Parties

In the ordinary course of business, we are involved in transactions with our equity method investees, primarily for the licensing of television and film programming. The following tables present the amounts recorded in our consolidated financial statements related to these transactions.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues	\$ 79	\$ 87	\$ 137	\$ 195
Operating costs ^(a)	\$ 19	\$ 9	\$ 37	\$ 13

(a) Includes costs expensed as operating expenses in each year. The three and six months ended June 30, 2024 also include costs capitalized in programming assets during the period.

	At	
	June 30, 2024	December 31, 2023
Receivables, net	\$ 202	\$ 193
Other assets (Receivables, noncurrent)	\$ 78	\$ 101

Through the normal course of business, we are involved in other transactions with related parties that have not been material in any of the periods presented.

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5) REVENUES

The table below presents our revenues disaggregated into categories based on the nature of such revenues. See Note 12 for revenues by segment disaggregated into these categories.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues by Type:				
Advertising	\$ 2,251	\$ 2,395	\$ 5,347	\$ 5,046
Affiliate and subscription	3,275	3,235	6,632	6,414
Theatrical	138	231	291	358
Licensing and other	1,149	1,755	2,228	3,063
Total Revenues	\$ 6,813	\$ 7,616	\$ 14,498	\$ 14,881

Receivables

Reserves for accounts receivable reflect our expected credit losses based on historical experience as well as current and expected economic conditions and industry trends. At June 30, 2024 and December 31, 2023, our allowance for credit losses was \$161 million and \$120 million, respectively.

Included in “Other assets” on the Consolidated Balance Sheets are noncurrent receivables of \$1.07 billion and \$1.39 billion at June 30, 2024 and December 31, 2023, respectively. Noncurrent receivables primarily relate to revenues recognized under long-term content licensing arrangements. Revenues from the licensing of content are recognized at the beginning of the license period in which programs are made available to the licensee for exhibition, while the related cash is generally collected over the term of the license period.

Contract Liabilities

Contract liabilities are included within “Deferred revenues” and “Other liabilities” on the Consolidated Balance Sheets and were \$0.8 billion at both June 30, 2024 and December 31, 2023. We recognized revenues of \$0.5 billion and \$0.6 billion for the six months ended June 30, 2024 and 2023, respectively, that were included in the opening balance of deferred revenues for the respective year.

Unrecognized Revenues Under Contract

At June 30, 2024, unrecognized revenues attributable to unsatisfied performance obligations under our long-term contracts were approximately \$6 billion, of which \$2 billion is expected to be recognized during the remainder of 2024, \$2 billion in 2025, \$1 billion in 2026, and \$1 billion thereafter. These amounts only include contracts subject to a guaranteed fixed amount or the guaranteed minimum under variable contracts, primarily consisting of television and film licensing contracts and affiliate agreements that are subject to a fixed or guaranteed minimum fee. Such amounts change on a regular basis as we renew existing agreements or enter into new agreements. In addition, the timing of satisfying certain of the performance obligations under these long-term contracts is uncertain and, therefore, is also subject to change. Unrecognized revenues under contracts disclosed above do not include (i) contracts with an original expected term of one year or less, mainly consisting of advertising contracts, (ii) contracts for which variable consideration is determined based on the customer’s subsequent sale or usage, mainly consisting of affiliate agreements and (iii) long-term licensing agreements for multiple programs for which variable consideration is determined based on the value of the programs delivered to the customer and our right to invoice corresponds with the value delivered.

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Performance Obligations Satisfied in Previous Periods

Under certain revenue arrangements, the amount and timing of our revenue recognition is determined based on our licensees' subsequent sale to its end customers. As a result, under such arrangements we often satisfy our performance obligation of delivery of our content in advance of revenue recognition. We recognized revenues for which our performance obligation was satisfied in a prior period of \$0.2 billion for each of the three months ended June 30, 2024 and 2023, and \$0.3 billion and \$0.2 billion for the six months ended June 30, 2024 and 2023, respectively. Included in each period were revenues from arrangements for the licensing of our content, including from distributors of transactional video-on-demand and electronic sell-through services and other licensing arrangements, as well as from the theatrical distribution of our films. In addition, the three and six months ended June 30, 2024 include advertising revenue for amounts received during the second quarter of 2024 for the underreporting of revenue by a sales partner in prior periods.

6) DEBT

Our debt consists of the following:

	At June 30, 2024	At December 31, 2023
4.75% Senior Notes due 2025	\$ 125	\$ 125
4.0% Senior Notes due 2026	345	345
3.45% Senior Notes due 2026	86	86
2.90% Senior Notes due 2027	581	581
3.375% Senior Notes due 2028	497	497
3.70% Senior Notes due 2028	496	495
4.20% Senior Notes due 2029	496	496
7.875% Senior Debentures due 2030	829	830
4.95% Senior Notes due 2031	1,230	1,229
4.20% Senior Notes due 2032	979	977
5.50% Senior Debentures due 2033	428	428
4.85% Senior Debentures due 2034	87	87
6.875% Senior Debentures due 2036	1,072	1,071
6.75% Senior Debentures due 2037	76	75
5.90% Senior Notes due 2040	298	298
4.50% Senior Debentures due 2042	45	45
4.85% Senior Notes due 2042	489	489
4.375% Senior Debentures due 2043	1,142	1,138
4.875% Senior Debentures due 2043	18	18
5.85% Senior Debentures due 2043	1,235	1,234
5.25% Senior Debentures due 2044	345	345
4.90% Senior Notes due 2044	541	541
4.60% Senior Notes due 2045	591	591
4.95% Senior Notes due 2050	949	948
6.25% Junior Subordinated Debentures due 2057	644	643
6.375% Junior Subordinated Debentures due 2062	989	989
Obligations under finance leases	1	1
Total debt ^(a)	14,614	14,602
Less current portion	126	1
Total long-term debt, net of current portion	\$ 14,488	\$ 14,601

(a) At June 30, 2024 and December 31, 2023, the senior and junior subordinated debt balances included (i) a net unamortized discount of \$410 million and \$419 million, respectively, and (ii) unamortized deferred financing costs of \$78 million and \$81 million, respectively. The face value of our total debt was \$15.10 billion at both June 30, 2024 and December 31, 2023.

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Commercial Paper

At both June 30, 2024 and December 31, 2023, we had no outstanding commercial paper borrowings.

Credit Facility

At June 30, 2024, we had a \$3.50 billion revolving credit facility that matures in January 2027 (the “Credit Facility”). The Credit Facility is used for general corporate purposes and to support commercial paper borrowings, if any. We may, at our option, also borrow in certain foreign currencies up to specified limits under the Credit Facility. Borrowing rates under the Credit Facility are determined at the time of each borrowing and are generally based on either the prime rate in the U.S. or an applicable benchmark rate plus a margin (based on our senior unsecured debt rating), depending on the type and tenor of the loans entered into. The benchmark rate for loans denominated in U.S. dollars is Term SOFR, and for loans denominated in euros, sterling and yen is based on EURIBOR, SONIA and TIBOR, respectively. At June 30, 2024, we had no borrowings outstanding under the Credit Facility and the availability under the Credit Facility was \$3.50 billion.

The Credit Facility has one principal financial covenant which sets a maximum Consolidated Total Leverage Ratio (“Leverage Ratio”) at the end of each quarter. The maximum Leverage Ratio was 5.75x for the quarter ended June 30, 2024 and will remain at this level for the quarter ending September 30, 2024, and will then decrease to 5.5x for the quarters ending December 31, 2024 and March 31, 2025, with decreases of 0.25x for each subsequent quarter until the quarter ending March 31, 2026 when it will be 4.5x, and will remain at this level until maturity. The Leverage Ratio reflects the ratio of our Consolidated Indebtedness, net of unrestricted cash and cash equivalents at the end of a quarter, to our Consolidated EBITDA (each as defined in the credit agreement) for the trailing twelve-month period. For quarters ending on or after September 30, 2024, the maximum amount of unrestricted cash and cash equivalents that can be netted against Consolidated Indebtedness in the calculation of the Leverage Ratio will be \$1.50 billion. We met the covenant as of June 30, 2024.

The Credit Facility also includes a provision that the occurrence of a change of control of Paramount will be an event of default that would give the lenders the right to accelerate any outstanding loans and terminate their commitments. On August 1, 2024, we entered into amendments to the Credit Facility and our \$1.9 billion standby letter of credit facility (see Note 14), which, among other things, revise the change of control provision and related definitions to reflect the ownership structure of Paramount after giving effect to the Skydance Transactions. In addition, the amendments increase the amount of unrestricted cash and cash equivalents that can be netted against Consolidated Indebtedness in the calculation of the Leverage Ratio to \$3.0 billion. These amendments will only become operative upon closing of the Skydance Transactions (see Note 1).

Other Bank Borrowings

At both June 30, 2024 and December 31, 2023, we had no outstanding bank borrowings under Miramax’s \$50 million credit facility that matures in November 2024.

7) FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The carrying value of our financial instruments approximates fair value, except for notes and debentures. At June 30, 2024 and December 31, 2023, the carrying value of our outstanding notes and debentures was \$14.61 billion and \$14.60 billion, respectively, and the fair value, which is determined based on quoted prices in active markets (Level 1 in the fair value hierarchy) was \$12.4 billion and \$13.6 billion, respectively.

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Investments

Our investments without a readily determinable fair value for which we have no significant influence, which are principally comprised of our investment in Viacom18, had a carrying value of \$607 million and \$612 million at June 30, 2024 and December 31, 2023, respectively. These investments are included in “Other assets” on the Consolidated Balance Sheets. In April 2023, our ownership of Viacom18 was diluted from 49% to 13% following investment by other parties. The difference between the carrying value of our 49% interest and the fair value of our 13% interest, as indicated by the additional investments, resulted in a noncash gain of \$168 million during the second quarter of 2023.

In March 2024, we entered into an agreement to sell our 13% interest in Viacom18 to Reliance Industries Limited (“Reliance”), the majority interest holder, for an aggregate purchase price of 42.86 billion Indian rupees (approximately \$514 million based on the foreign exchange rate on June 30, 2024). The closing of this transaction is subject to the satisfaction of certain customary conditions, including receipt of applicable regulatory approvals and the completion of a separate transaction between Viacom18, Reliance and a third party.

Foreign Exchange Contracts

We use derivative financial instruments primarily to manage our exposure to market risks from fluctuations in foreign currency exchange rates. We do not use derivative instruments unless there is an underlying exposure and, therefore, we do not hold or enter into derivative financial instruments for speculative trading purposes.

Foreign exchange forward contracts have principally been used to hedge projected cash flows in currencies such as the British pound, the euro, the Canadian dollar and the Australian dollar, generally for periods up to 24 months. We designate foreign exchange forward contracts used to hedge committed and forecasted foreign currency transactions as cash flow hedges. Additionally, we enter into non-designated forward contracts to hedge non-U.S. dollar denominated cash flows.

At June 30, 2024 and December 31, 2023, the notional amount of all foreign exchange contracts was \$3.21 billion and \$2.72 billion, respectively. At June 30, 2024, \$2.79 billion related to future production costs and \$417 million related to our foreign currency balances and other expected foreign currency cash flows. At December 31, 2023, \$2.20 billion related to future production costs and \$523 million related to our foreign currency balances and other expected foreign currency cash flows.

Gains (losses) recognized on derivative financial instruments were as follows:

	Three Months Ended		Six Months Ended		Financial Statement Account
	June 30,		June 30,		
	2024	2023	2024	2023	
Non-designated foreign exchange contracts	\$ 1	\$ (7)	\$ 10	\$ (6)	Other items, net

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Fair Value Measurements

The table below presents our assets and liabilities measured at fair value on a recurring basis at June 30, 2024 and December 31, 2023. These assets and liabilities have been categorized according to the three-level fair value hierarchy established by the FASB, which prioritizes the inputs used in measuring fair value. Level 1 is based on publicly quoted prices for the asset or liability in active markets. Level 2 is based on inputs that are observable other than quoted market prices in active markets, such as quoted prices for the asset or liability in inactive markets or quoted prices for similar assets or liabilities. Level 3 is based on unobservable inputs reflecting our own assumptions about the assumptions that market participants would use in pricing the asset or liability. All of our assets and liabilities that are measured at fair value on a recurring basis use Level 2 inputs. The fair value of foreign currency hedges is determined based on the present value of future cash flows using observable inputs including foreign currency exchange rates. The fair value of deferred compensation liabilities is determined based on the fair value of the investments elected by employees.

	At June 30, 2024	At December 31, 2023
Assets:		
Foreign currency hedges	\$ 21	\$ 40
Total Assets	\$ 21	\$ 40
Liabilities:		
Deferred compensation	\$ 364	\$ 366
Foreign currency hedges	17	30
Total Liabilities	\$ 381	\$ 396

The estimated fair values of our assets that were impaired during the periods presented were determined using Level 3 inputs. See Notes 2 and 3.

8) VARIABLE INTEREST ENTITIES

In the normal course of business, we enter into joint ventures or make investments with business partners that support our underlying business strategy and provide us the ability to enter new markets to expand the reach of our brands, develop new programming and/or distribute our existing content. In certain instances, an entity in which we make an investment may qualify as a variable interest entity (“VIE”). In determining whether we are the primary beneficiary of a VIE, we assess whether we have the power to direct matters that most significantly impact the activities of the VIE, and have the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

The following tables present the amounts recorded in our consolidated financial statements related to our consolidated VIEs.

	At June 30, 2024	At December 31, 2023
Total assets	\$ 1,917	\$ 1,886
Total liabilities	\$ 201	\$ 232

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	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues	\$ 130	\$ 201	\$ 267	\$ 346
Operating loss	\$ (30)	\$ (1)	\$ (64)	\$ (32)

9) STOCKHOLDERS' EQUITY

Mandatory Convertible Preferred Stock

On April 1, 2024, each of the 9.7 million outstanding shares of our Mandatory Convertible Preferred Stock was automatically and mandatorily converted into 1.1765 shares of our Class B Common Stock, resulting in the issuance of 11.5 million shares of Class B Common Stock. Prior to the mandatory conversion, 0.3 million shares of Mandatory Convertible Preferred Stock were voluntarily converted into Class B Common Stock during the first quarter of 2024. The final dividend on the Mandatory Convertible Preferred Stock was declared during the first quarter of 2024 and paid on April 1, 2024.

Dividends

The following table presents dividends declared per share and total dividends for our Class A and Class B Common Stock and our Mandatory Convertible Preferred Stock for the three and six months ended June 30, 2024 and 2023.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
<u>Class A and Class B Common Stock</u>				
Dividends declared per common share	\$.05	\$.05	\$.10	\$.29
Total common stock dividends	\$ 34	\$ 34	\$ 69	\$ 194
<u>Mandatory Convertible Preferred Stock</u>				
Dividends declared per preferred share	\$ —	\$ 1.4375	\$ 1.4375	\$ 2.8750
Total preferred stock dividends	\$ —	\$ 14	\$ 14	\$ 29

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

Accumulated Other Comprehensive Income (Loss)

The following tables summarize the changes in the components of accumulated other comprehensive loss.

	Cumulative Translation Adjustments	Net Actuarial Loss and Prior Service Cost	Accumulated Other Comprehensive Loss
At December 31, 2023	\$ (504)	\$ (1,052)	\$ (1,556)
Other comprehensive loss before reclassifications	(88)	—	(88)
Reclassifications to net loss	—	20 ^(a)	20
Other comprehensive income (loss)	(88)	20	(68)
At June 30, 2024	\$ (592)	\$ (1,032)	\$ (1,624)

	Continuing Operations		Discontinued Operations	Accumulated Other Comprehensive Loss
	Cumulative Translation Adjustments	Net Actuarial Loss and Prior Service Cost	Other Comprehensive Income (Loss) ^(b)	
At December 31, 2022	\$ (680)	\$ (1,097)	\$ (30)	\$ (1,807)
Other comprehensive income before reclassifications	97	—	4	101
Reclassifications to net loss	44 ^(c)	23 ^(a)	—	67
Other comprehensive income	141	23	4	168
At June 30, 2023	\$ (539)	\$ (1,074)	\$ (26)	\$ (1,639)

(a) Reflects amortization of net actuarial losses (see Note 11).

(b) Reflects cumulative translation adjustments.

(c) Reflects amounts realized within "Gain (loss) from investments" on the Consolidated Statement of Operations in connection with the dilution of our interest in Viacom18 (see Note 7).

The net actuarial loss and prior service cost related to pension and other postretirement benefit plans included in other comprehensive income (loss) is net of a tax benefit of \$7 million and \$8 million for the six months ended June 30, 2024 and 2023, respectively.

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

10) INCOME TAXES

The provision for/benefit from income taxes represents federal, state and local, and foreign taxes on earnings (loss) from continuing operations before income taxes and equity in loss of investee companies. For the three and six months ended June 30, 2024, we recorded a benefit from income taxes of \$215 million and \$387 million, reflecting an effective income tax rate of 3.9% and 6.3%, respectively. Included in the benefit from income taxes are the following items identified as affecting the comparability of our results, which in aggregate decreased our effective income tax rate by 13.8 percentage points and 13.9 percentage points for their respective periods.

	Three Months Ended June 30, 2024		Six Months Ended June 30, 2024	
	Impact from Items Affecting Comparability			
	Earnings (Loss) Before Income Taxes	Benefit from (Provision for) Income Taxes	Earnings (Loss) Before Income Taxes	Benefit from (Provision for) Income Taxes
Programming charges (Note 2)	\$ —	\$ —	\$ (1,118)	\$ 275
Impairment charges (Note 3)	\$ (5,996)	\$ 349	\$ (5,996)	\$ 349
Restructuring and other corporate matters (Note 3)	\$ (88)	\$ 9	\$ (274)	\$ 55
Loss from investment	\$ —	\$ —	\$ (4)	\$ 1
Net discrete tax provision ^(a)	n/a	\$ (48)	n/a	\$ (49)

n/a - not applicable

(a) Primarily attributable to the establishment of a valuation allowance on a deferred tax asset that is not expected to be realized because of a reduction in our deferred tax liabilities caused by the second quarter goodwill impairment charge. This impact was partially offset by amounts realized in connection with the filing of our tax returns in certain international jurisdictions.

For the three and six months ended June 30, 2023, we recorded a benefit from income taxes of \$95 million and \$476 million, reflecting an effective income tax rate of 27.2% and 26.3%, respectively. Included in the benefit from income taxes are the following items identified as affecting the comparability of our results, which in aggregate increased our effective income tax rate by 11.8 percentage points and 5.2 percentage points for their respective periods.

	Three Months Ended June 30, 2023		Six Months Ended June 30, 2023	
	Impact from Items Affecting Comparability			
	Earnings (Loss) Before Income Taxes	Benefit from (Provision for) Income Taxes	Earnings (Loss) Before Income Taxes	Benefit from (Provision for) Income Taxes
Programming charges (Note 2)	\$ (697)	\$ 173	\$ (2,371)	\$ 582
Restructuring charges (Note 3)	\$ (54)	\$ 14	\$ (54)	\$ 14
Gain from investment (Note 7)	\$ 168	\$ (60)	\$ 168	\$ (60)
Net discrete tax benefit ^(a)	n/a	\$ 4	n/a	\$ 34

n/a - not applicable

(a) Principally reflects a tax benefit from the resolution of an income tax matter in a foreign jurisdiction.

The Company and its subsidiaries file income tax returns with the Internal Revenue Service (“IRS”) and various state and local and foreign jurisdictions. For periods prior to the merger of Viacom Inc. (“Viacom”) with and into CBS Corporation (“CBS”), Viacom and CBS filed separate tax returns. For CBS, during the fourth quarter of 2023, the Company and the IRS settled the income tax audit for the 2017 and 2018 tax years with the exception of one item. This item is currently being resolved through the Mutual Agreement Procedure process. For Viacom, we are currently under examination by the IRS for the 2016 through 2019 tax years. For tax returns filed as a merged

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

company, we are currently under examination by the IRS for the 2019 tax year. Various tax years are also currently under examination by state and local and foreign tax authorities. With respect to open tax years in all jurisdictions, we currently do not believe that it is reasonably possible that the reserve for uncertain tax positions will significantly change within the next 12 months; however, it is difficult to predict the final outcome or timing of resolution of any particular tax matter and events could cause our current expectation to change in the future.

11) PENSION AND OTHER POSTRETIREMENT BENEFITS

The following table presents the components of net periodic cost for our pension and postretirement benefit plans, which are included within “Other items, net” on the Consolidated Statements of Operations.

Three Months Ended June 30,	Pension Benefits		Postretirement Benefits	
	2024	2023	2024	2023
Components of net periodic cost ^(a) :				
Interest cost	\$ 50	\$ 52	\$ 3	\$ 3
Expected return on plan assets	(34)	(32)	—	—
Amortization of actuarial loss (gain) ^(b)	20	21	(5)	(5)
Net periodic cost	\$ 36	\$ 41	\$ (2)	\$ (2)

Six Months Ended June 30,	Pension Benefits		Postretirement Benefits	
	2024	2023	2024	2023
Components of net periodic cost ^(a) :				
Interest cost	\$ 99	\$ 103	\$ 5	\$ 6
Expected return on plan assets	(68)	(64)	—	—
Amortization of actuarial loss (gain) ^(b)	40	42	(9)	(9)
Net periodic cost	\$ 71	\$ 81	\$ (4)	\$ (3)

(a) Amounts reflect our domestic plans only.

(b) Reflects amounts reclassified from accumulated other comprehensive loss to net earnings (loss).

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

12) SEGMENT INFORMATION

The tables below set forth our financial information by reportable segment. Our operating segments, which are the same as our reportable segments, have been determined in accordance with our internal management structure, which is organized based upon products and services.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenues:				
Advertising	\$ 1,733	\$ 1,946	\$ 4,315	\$ 4,202
Affiliate and subscription	1,908	2,011	3,906	4,078
Licensing and other	630	1,200	1,281	2,070
TV Media	4,271	5,157	9,502	10,350
Advertising	513	441	1,033	839
Subscription	1,367	1,224	2,726	2,336
Direct-to-Consumer	1,880	1,665	3,759	3,175
Advertising	7	11	8	16
Theatrical	138	231	291	358
Licensing and other	534	589	985	1,045
Filmed Entertainment	679	831	1,284	1,419
Eliminations	(17)	(37)	(47)	(63)
Total Revenues	\$ 6,813	\$ 7,616	\$ 14,498	\$ 14,881

Revenues generated between segments are principally from intersegment arrangements for the distribution of content, rental of studio space, and advertising, as well as licensing revenues earned from third parties who license our content to our internal platforms either through a sub-license or co-production arrangement. These transactions are recorded at market value as if the sales were to third parties and are eliminated in consolidation. For content that is licensed between segments, content costs are allocated across segments based on the relative value of the distribution windows within each segment. Accordingly, no intersegment licensing revenues or profits are recorded by the licensor segment.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Intercompany Revenues:				
TV Media	\$ 4	\$ 8	\$ 17	\$ 21
Filmed Entertainment	13	29	30	42
Total Intercompany Revenues	\$ 17	\$ 37	\$ 47	\$ 63

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

We present operating income excluding depreciation and amortization, stock-based compensation, restructuring charges and other corporate matters, programming charges, and impairment charges, each where applicable (“Adjusted OIBDA”), as the measure of profit and loss for our operating segments in accordance with FASB guidance for segment reporting since it is the measure used by our management. Stock-based compensation is excluded from our segment measure of profit and loss because it is set and approved by our Board of Directors in consultation with corporate executive management.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Adjusted OIBDA:				
TV Media	\$ 1,018	\$ 1,194	\$ 2,463	\$ 2,500
Direct-to-Consumer	26	(424)	(260)	(935)
Filmed Entertainment	(54)	5	(57)	(94)
Corporate/Eliminations	(73)	(124)	(197)	(233)
Stock-based compensation ^(a)	(50)	(45)	(95)	(84)
Depreciation and amortization	(101)	(105)	(201)	(205)
Programming charges	—	(697)	(1,118)	(2,371)
Impairment charges	(5,996)	—	(5,996)	—
Restructuring and other corporate matters	(88)	(54)	(274)	(54)
Operating loss	(5,318)	(250)	(5,735)	(1,476)
Interest expense	(215)	(240)	(436)	(466)
Interest income	35	33	80	68
Gain (loss) from investments	—	168	(4)	168
Other items, net	(49)	(60)	(87)	(106)
Loss from continuing operations before income taxes and equity in loss of investee companies	(5,547)	(349)	(6,182)	(1,812)
Benefit from income taxes	215	95	387	476
Equity in loss of investee companies, net of tax	(72)	(109)	(162)	(184)
Net loss from continuing operations	(5,404)	(363)	(5,957)	(1,520)
Net earnings from discontinued operations, net of tax	—	73	9	118
Net loss (Paramount and noncontrolling interests)	(5,404)	(290)	(5,948)	(1,402)
Net earnings attributable to noncontrolling interests	(9)	(9)	(19)	(15)
Net loss attributable to Paramount	\$ (5,413)	\$ (299)	\$ (5,967)	\$ (1,417)

(a) Stock-based compensation expense of \$12 million and \$14 million for the three and six months ended June 30, 2024, respectively, and \$4 million for both the three and six months ended June 30, 2023 is included in “Restructuring and other corporate matters”.

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

13) DISCONTINUED OPERATIONS

The following table sets forth details of net earnings from discontinued operations for the three and six months ended June 30, 2023, which primarily reflects the results of Simon & Schuster. On October 30, 2023, we completed the sale of Simon & Schuster to affiliates of Kohlberg Kravis Roberts & Co. During the first quarter of 2024, we recorded an additional pretax gain of \$12 million on the sale as a result of a working capital adjustment.

	Three Months Ended	Six Months Ended
	June 30, 2023	June 30, 2023
Revenues	\$ 292	\$ 550
Costs and expenses:		
Operating	155	306
Selling, general and administrative	44	89
Total costs and expenses ^(a)	199	395
Operating income	93	155
Other items, net	(4)	(7)
Earnings from discontinued operations	89	148
Provision for income taxes ^(b)	(16)	(30)
Net earnings from discontinued operations, net of tax	\$ 73	\$ 118

(a) Included in total costs and expenses are amounts associated with the release of indemnification obligations for leases relating to a previously disposed business of \$2 million and \$6 million for the three and six months ended June 30, 2023, respectively.

(b) The tax provision includes amounts relating to previously disposed businesses of \$1 million for the six months ended June 30, 2023.

14) COMMITMENTS AND CONTINGENCIES

Guarantees

Letters of Credit and Surety Bonds

At June 30, 2024, we had outstanding letters of credit and surety bonds of \$1.23 billion that were not recorded on the Consolidated Balance Sheet, including \$1.02 billion that was issued under a \$1.9 billion standby letter of credit facility in accordance with the contractual requirements of one of our commitments. The amount outstanding under the letter of credit facility decreases throughout 2024 as we make payments under the related contractual commitment. Letters of credit and surety bonds are primarily used as security against non-performance in the normal course of business under contractual requirements of certain of our commitments. The standby letter of credit facility, which matures in May 2026, is subject to provisions similar to the Credit Facility, including the same principal financial covenant (see Note 6).

Lease Guarantees

We have certain indemnification obligations with respect to leases primarily associated with the previously discontinued operations of Famous Players Inc. Our guarantee liability relating to these lease commitments totaled \$8 million at June 30, 2024, and is presented within "Other liabilities" on the Consolidated Balance Sheet. The amount of these lease commitments varies over time depending on the expiration or termination of individual underlying leases, or the related indemnification obligation, and foreign exchange rates, among other things. We may also have exposure for certain other expenses related to the leases, such as property taxes and common area maintenance. We believe our accrual is sufficient to meet any future obligations based on our consideration of

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

available financial information, the lessees' historical performance in meeting their lease obligations and the underlying economic factors impacting the lessees' business models.

Other

In the course of our business, we both provide and receive indemnities which are intended to allocate certain risks associated with business transactions. Similarly, we may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not live up to its obligations under an indemnification obligation. We record a liability for our indemnification obligations and other contingent liabilities when probable and reasonably estimable.

Legal Matters

General

On an ongoing basis, we vigorously defend ourselves in numerous lawsuits and proceedings and respond to various investigations and inquiries from federal, state, local and international authorities (collectively, "Litigation"). Litigation may be brought against us without merit, is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the following matters are not likely, in the aggregate, to result in a material adverse effect on our business, financial condition and results of operations.

Litigation Related to the Skydance Transactions

On July 24, 2024, a purported holder of Paramount Class B Common Stock filed a putative class action lawsuit in the Court of Chancery of the State of Delaware against NAI, Shari E. Redstone, Barbara Byrne, Linda M. Griego, Judith McHale, Charles E. Phillips, Jr. and Susan Schuman, among other defendants (the "Complaint"). The Complaint alleges breaches of fiduciary duties to Paramount's Class B stockholders in connection with the negotiation and approval of the Transaction Agreement, among other claims. The Complaint seeks unspecified damages, costs and expenses, as well as other relief.

Litigation Related to Stock Offerings

In August 2021, Camelot Event Driven Fund filed a putative securities class action lawsuit in New York Supreme Court, County of New York, and in November 2021, an amended complaint was filed that, among other changes, added an additional named plaintiff (as used in this paragraph, the "Complaint"). The Complaint is on behalf of investors who purchased shares of the Company's Class B Common Stock and 5.75% Series A Mandatory Convertible Preferred Stock pursuant to public securities offerings completed in March 2021, and was filed against the Company, certain senior executives, members of our Board of Directors, and the underwriters involved in the offerings. The Complaint asserts violations of federal securities law and alleges that the offering documents contained material misstatements and omissions, including through an alleged failure to adequately disclose certain total return swap transactions involving Archegos Capital Management referenced to our securities and related alleged risks to the Company's stock price. In December 2021, the plaintiffs filed a stipulation seeking the voluntary dismissal without prejudice of the outside director defendants from the lawsuit, which the Court subsequently ordered. On the same date, the defendants filed motions to dismiss the lawsuit, which were heard in January 2023. In February 2023, the Court dismissed all claims against the Company while allowing the claims against the underwriters to proceed. The plaintiffs and underwriter defendants appealed the ruling, and in April 2024, the New York Supreme Court, Appellate Division, First Department, ruled in our favor and upheld the decision of the trial court dismissing the case against the Company and its officers. The plaintiffs sought leave to

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

reargue, or alternatively, appeal the ruling to the New York Court of Appeals, and in July 2024, the New York Supreme Court, Appellate Division, First Department, denied the plaintiffs' request.

Claims Related to Former Businesses

Asbestos

We are a defendant in lawsuits claiming various personal injuries related to asbestos and other materials, which allegedly occurred as a result of exposure caused by various products manufactured by Westinghouse, a predecessor, generally prior to the early 1970s. Westinghouse was neither a producer nor a manufacturer of asbestos. We are typically named as one of a large number of defendants in both state and federal cases. In the majority of asbestos lawsuits, the plaintiffs have not identified which of our products is the basis of a claim. Claims against us in which a product has been identified most commonly relate to allegations of exposure to asbestos-containing insulating material used in conjunction with turbines and electrical equipment.

Claims are frequently filed and/or settled in groups, which may make the amount and timing of settlements, and the number of pending claims, subject to significant fluctuation from period to period. We do not report as pending those claims on inactive, stayed, deferred or similar dockets that some jurisdictions have established for claimants who allege minimal or no impairment. As of June 30, 2024, we had pending approximately 19,100 asbestos claims, as compared with approximately 19,970 as of December 31, 2023. During the second quarter of 2024, we received approximately 740 new claims and closed or moved to an inactive docket approximately 1,150 claims. We report claims as closed when we become aware that a dismissal order has been entered by a court or when we have reached agreement with the claimants on the material terms of a settlement. Settlement costs depend on the seriousness of the injuries that form the basis of the claims, the quality of evidence supporting the claims and other factors. Our total costs for the years 2023 and 2022 for settlement and defense of asbestos claims after insurance recoveries and net of tax were approximately \$54 million and \$57 million, respectively. Our costs for settlement and defense of asbestos claims may vary year to year and insurance proceeds are not always recovered in the same period as the insured portion of the expenses.

Filings include claims for individuals suffering from mesothelioma, a rare cancer, the risk of which is allegedly increased by exposure to asbestos; lung cancer, a cancer which may be caused by various factors, one of which is alleged to be asbestos exposure; other cancers, and conditions that are substantially less serious, including claims brought on behalf of individuals who are asymptomatic as to an allegedly asbestos-related disease. A significant number of pending claims against us are non-cancer claims. It is difficult to predict long-term future asbestos liabilities, as events and circumstances may impact the estimate. We record an accrual for a loss contingency when it is both probable that a liability has been incurred and when the amount of the loss can be reasonably estimated. The reasonably estimable period for our long-term asbestos liability is 10 years, which we determined in consultation with a third-party firm with expertise in estimating asbestos liability and is due to the inherent uncertainties in the tort litigation system. Our estimated asbestos liability is based upon many factors, including the number of outstanding claims, estimated average cost per claim, the breakdown of claims by disease type, historic claim filings, costs per claim of resolution and the filing of new claims, and is assessed in consultation with the third-party firm. Changes in circumstances in future periods could cause our actual liabilities to be higher or lower than our current accrual. We will continue to evaluate our estimates and update our accrual as needed.

Other

From time to time, we receive claims from federal and state environmental regulatory agencies and other entities asserting that we are or may be liable for environmental cleanup costs and related damages principally relating to our historical and predecessor operations. In addition, from time to time we receive personal injury claims

PARAMOUNT GLOBAL AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

including toxic tort and product liability claims (other than asbestos) arising from our historical operations and predecessors. While we believe that our accruals for these matters are adequate, there can be no assurance that circumstances will not change in future periods and, as a result, our actual liabilities may be higher or lower than our accrual.

15) SUPPLEMENTAL FINANCIAL INFORMATION

Supplemental Cash Flow Information

	Six Months Ended	
	June 30,	
	2024	2023
Cash paid for interest	\$ 418	\$ 449
Cash paid for income taxes:		
Continuing operations	\$ 174	\$ 56
Discontinued operations	\$ —	\$ 14
Noncash additions to operating lease assets	\$ 60	\$ 69

Lease Income

We enter into operating leases for the use of our owned production facilities and office buildings. Lease payments received under these agreements consist of fixed payments for the rental of space and certain building operating costs, as well as variable payments based on usage of production facilities and services, and escalating costs of building operations. We recorded total lease income, including both fixed and variable amounts, of \$9 million and \$15 million for the three and six months ended June 30, 2024, respectively, and \$8 million and \$22 million for the three and six months ended June 30, 2023, respectively.

Item 2. Management’s Discussion and Analysis of Results of Operations and Financial Condition.
(Tabular dollars in millions, except per share amounts)

Management’s discussion and analysis of the results of operations and financial condition of Paramount Global should be read in conjunction with the consolidated financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2023. References in this document to “Paramount,” the “Company,” “we,” “us” and “our” refer to Paramount Global.

On July 7, 2024, Paramount, Skydance Media, LLC (“Skydance”) and other parties entered into a definitive transaction agreement (the “Transaction Agreement”) pursuant to which Paramount and Skydance will become subsidiaries of a new holding company (the “Skydance Merger”). Concurrent with the execution of the Transaction Agreement, certain affiliates of existing investors of Skydance (the “Skydance Investor Group”), including members of the Ellison family and affiliates of RedBird Capital Partners, entered into an agreement with National Amusements, Inc. (“NAI”), the controlling stockholder of the Company, to purchase all of the outstanding equity interests of NAI (the “NAI Transaction”) (together with the Skydance Merger, the “Skydance Transactions”). In addition, certain affiliates of existing investors of Skydance, including the Skydance Investor Group, will make a \$6.0 billion investment into Paramount (the “Investment”) in exchange for up to 400 million newly issued shares of Class B common stock of the new holding company (“New Paramount Class B Common Stock”) valued at \$15.00 per share (subject to ratable reduction) as well as warrants to purchase 200 million shares of New Paramount Class B Common Stock at an initial strike price of \$30.50 per share (subject to customary anti-dilution adjustments), which expire five years after issuance. The Investment will be comprised of \$1.5 billion of cash to Paramount and up to \$4.5 billion to fund the cash-stock election discussed below. If the cash-stock elections are undersubscribed, up to \$1.5 billion of the unused portion of the \$4.5 billion will be contributed to Paramount.

The Skydance Merger will involve: (i) a transaction pursuant to which existing Skydance investors will receive 317 million shares of New Paramount Class B Common Stock valued at \$15.00 per share, and (ii) a cash-stock election pursuant to which Paramount Class A Common Stock held by holders other than NAI will be converted, at the holders’ election, into the right to receive either \$23.00 in cash or 1.5333 shares of New Paramount Class B Common Stock, and Paramount Class B Common Stock held by holders other than NAI and the investors participating in the Investment will be converted, at the holders’ election, into the right to receive either \$15.00 in cash (subject to proration) or one share of New Paramount Class B Common Stock.

The Skydance Transactions are subject to customary closing conditions, including regulatory approvals, and are expected to close in the first half of 2025. Consummation of the foregoing transactions is also subject to the contemporaneous consummation of each other transaction described above. In the event of a termination of the Transaction Agreement under certain specified circumstances, including in connection with the Company’s entry into a Superior Proposal (as defined in the Transaction Agreement), the Company will be required to pay Skydance a termination fee in the amount of \$400 million.

On April 29, 2024, the Board of Directors of the Company established an Office of the Chief Executive Officer, consisting of the following three senior company executives who were appointed as co-CEOs: George Cheeks, President and Chief Executive Officer of CBS; Chris McCarthy, President and Chief Executive Officer, Showtime/MTV Entertainment Studios and Paramount Media Networks; and Brian Robbins, President and Chief Executive Officer of Paramount Pictures and Nickelodeon. On April 30, 2024, Robert M. Bakish stepped down as the Company’s President and Chief Executive Officer and resigned from the Board of Directors. Mr. Bakish has agreed to remain employed with the Company as a Senior Advisor until October 31, 2024 to help ensure a seamless transition of his duties.

**Management’s Discussion and Analysis of
Results of Operations and Financial Condition (Continued)
(Tabular dollars in millions, except per share amounts)**

Significant components of management’s discussion and analysis of results of operations and financial condition include:

- *Overview*—Summary of our business and operational highlights.
- *Consolidated Results of Operations*—Analysis of our results on a consolidated basis for the three and six months ended June 30, 2024, including a comparison to the three and six months ended June 30, 2023.
- *Segment Results of Operations*—Analysis of our results on a reportable segment basis for the three and six months ended June 30, 2024, including a comparison to the three and six months ended June 30, 2023.
- *Liquidity and Capital Resources*—Discussion of our cash flows, including sources and uses of cash, for the six months ended June 30, 2024 and 2023; and of our outstanding debt as of June 30, 2024.
- *Critical Accounting Estimates*— Updates to the *Goodwill and Intangible Assets Impairment Tests* disclosure included in our Annual Report on Form 10-K for the year ended December 31, 2023.
- *Legal Matters*—Discussion of legal matters to which we are involved.

Overview

Operational Highlights - Three Months Ended June 30, 2024 versus Three Months Ended June 30, 2023

Consolidated Results of Operations			Increase/(Decrease)	
	2024	2023	\$	%
<i>GAAP:</i>				
Revenues	\$ 6,813	\$ 7,616	\$ (803)	(11)%
Operating income (loss)	\$ (5,318)	\$ (250)	\$ (5,068)	n/m
Net earnings (loss) from continuing operations attributable to Paramount	\$ (5,413)	\$ (372)	\$ (5,041)	n/m
Diluted EPS from continuing operations	\$ (8.12)	\$ (.59)	\$ (7.53)	n/m
<i>Non-GAAP: (a)</i>				
Adjusted OIBDA	\$ 867	\$ 606	\$ 261	43 %
Adjusted net earnings from continuing operations attributable to Paramount	\$ 361	\$ 80	\$ 281	n/m
Adjusted diluted EPS from continuing operations	\$.54	\$.10	\$.44	n/m

n/m - not meaningful

(a) Certain items identified as affecting comparability are excluded in non-GAAP results. See “*Reconciliation of Non-GAAP Measures*” for details of these items and reconciliations of non-GAAP results to the most directly comparable financial measures in accordance with accounting principles generally accepted in the United States (“GAAP”).

For the three months ended June 30, 2024, revenues decreased 11% to \$6.81 billion, driven by lower licensing revenues. The decrease also reflects lower revenues from our linear networks and theatrical releases. These decreases were partially offset by growth in revenue from our streaming services, led by Paramount+.

We reported an operating loss of \$5.32 billion for the three months ended June 30, 2024 compared with an operating loss of \$250 million for the comparable prior-year period. The comparison was impacted by a goodwill impairment charge of \$5.98 billion in 2024 and programming charges of \$697 million in 2023. Adjusted operating income before depreciation and amortization (“Adjusted OIBDA”), which excludes these charges as well as other items described under *Reconciliation of Non-GAAP Measures*, increased 43% driven by improved results for our streaming services, partially offset by declines for our linear networks.

**Management's Discussion and Analysis of
Results of Operations and Financial Condition (Continued)
(Tabular dollars in millions, except per share amounts)**

For the three months ended June 30, 2024, we reported a net loss from continuing operations attributable to Paramount of \$5.41 billion, or \$8.12 per diluted share, compared with a net loss from continuing operations attributable to Paramount of \$372 million, or \$.59 per diluted share, for the same prior-year period. The comparison was affected by the charges described above, as well as a gain from investment of \$168 million in 2023. Adjusted net earnings from continuing operations attributable to Paramount and adjusted diluted EPS from continuing operations, which exclude these items as well as other items described under *Reconciliation of Non-GAAP Measures*, improved by \$281 million, or \$.44 per diluted share, primarily reflecting the higher tax-effected Adjusted OIBDA, lower interest expense, and a lower loss from equity method investments in 2024.

Operational Highlights - Six Months Ended June 30, 2024 versus Six Months Ended June 30, 2023

Consolidated Results of Operations			Increase/(Decrease)	
Six Months Ended June 30,	2024	2023	\$	%
<i>GAAP:</i>				
Revenues	\$ 14,498	\$ 14,881	\$ (383)	(3)%
Operating income (loss)	\$ (5,735)	\$ (1,476)	\$ (4,259)	n/m
Net earnings (loss) from continuing operations attributable to Paramount	\$ (5,976)	\$ (1,535)	\$ (4,441)	n/m
Diluted EPS from continuing operations	\$ (9.08)	\$ (2.40)	\$ (6.68)	n/m
<i>Non-GAAP: (a)</i>				
Adjusted OIBDA	\$ 1,854	\$ 1,154	\$ 700	61 %
Adjusted net earnings from continuing operations attributable to Paramount	\$ 785	\$ 152	\$ 633	n/m
Adjusted diluted EPS from continuing operations	\$ 1.16	\$.19	\$.97	n/m

(a) Certain items identified as affecting comparability are excluded in non-GAAP results. See "*Reconciliation of Non-GAAP Measures*" for details of these items and reconciliations of non-GAAP results to the most directly comparable financial measures in accordance with GAAP.

For the six months ended June 30, 2024, revenue decreased 3% to \$14.50 billion, driven by lower licensing revenue, including the impact to 2024 from labor strikes in 2023; declines in the linear advertising market; and a decline in linear affiliate revenues. These decreases were partially offset by growth in revenues from our streaming services, led by Paramount+, and a 4-percentage point benefit to total revenue from CBS' broadcast of *Super Bowl LVIII*. We have these rights on a rotational basis with other networks so did not have a comparable broadcast in 2023.

We reported an operating loss of \$5.74 billion for the six months ended June 30, 2024 compared with an operating loss of \$1.48 billion for the comparable prior-year period. The operating loss in 2024 includes programming charges of \$1.12 billion, a goodwill impairment charge of \$5.98 billion and restructuring charges and costs associated with other corporate matters totaling \$274 million, and 2023 includes programming charges of \$2.37 billion and restructuring charges of \$54 million. Adjusted OIBDA, which excludes these charges, as well as other items described under *Reconciliation of Non-GAAP Measures*, increased 61%, driven by improved results for our streaming services.

For the six months ended June 30, 2024, we reported a net loss from continuing operations attributable to Paramount of \$5.98 billion, or \$9.08 per diluted share, compared with a net loss from continuing operations attributable to Paramount of \$1.54 billion, or \$2.40 per diluted share, for the same prior-year period. The comparison was impacted by the charges noted above and the other items described under *Reconciliation of Non-GAAP Measures*. These items have been excluded in adjusted net earnings from continuing operations attributable

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to Paramount and adjusted diluted EPS, which improved by \$633 million, or \$.97 per diluted share, primarily reflecting the higher tax-effected Adjusted OIBDA.

Reconciliation of Non-GAAP Measures

Results for the three and six months ended June 30, 2024 and 2023 included certain items identified as affecting comparability. Adjusted OIBDA, adjusted earnings from continuing operations before income taxes, adjusted provision for income taxes, adjusted net earnings from continuing operations attributable to Paramount, adjusted diluted EPS from continuing operations, and adjusted effective income tax rate (together, the “adjusted measures”) exclude the impact of these items and are measures of performance not calculated in accordance with GAAP. We use these measures to, among other things, evaluate our operating performance. These measures are among the primary measures used by management for planning and forecasting of future periods, and they are important indicators of our operational strength and business performance. In addition, we use Adjusted OIBDA to, among other things, value prospective acquisitions. We believe these measures are relevant and useful for investors because they allow investors to view performance in a manner similar to the method used by our management; provide a clearer perspective on our underlying performance; and make it easier for investors, analysts and peers to compare our operating performance to other companies in our industry and to compare our year-over-year results.

Because the adjusted measures are measures of performance not calculated in accordance with GAAP, they should not be considered in isolation of, or as a substitute for, operating income (loss), earnings (loss) from continuing operations before income taxes, (provision for) benefit from income taxes, net earnings (loss) from continuing operations attributable to Paramount, diluted EPS from continuing operations, and effective income tax rate, as applicable, as indicators of operating performance. These measures, as we calculate them, may not be comparable to similarly titled measures employed by other companies.

The following tables reconcile the adjusted measures to their most directly comparable financial measures in accordance with GAAP. The tax impacts on the items identified as affecting comparability in the tables below have been calculated using the tax rate applicable to each item.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Operating loss (GAAP)	\$ (5,318)	\$ (250)	\$ (5,735)	\$ (1,476)
Depreciation and amortization	101	105	201	205
Programming charges ^(a)	—	697	1,118	2,371
Impairment charges ^(a)	5,996	—	5,996	—
Restructuring and other corporate matters ^(a)	88	54	274	54
Adjusted OIBDA (Non-GAAP)	\$ 867	\$ 606	\$ 1,854	\$ 1,154

(a) See notes on the following tables for additional information on items affecting comparability.

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	Three Months Ended June 30, 2024			
	Earnings (Loss) from Continuing Operations Before Income Taxes	Benefit from (Provision for) Income Taxes	Net Earnings (Loss) from Continuing Operations Attributable to Paramount	Diluted EPS from Continuing Operations
Reported (GAAP)	\$ (5,547)	\$ 215 ^(d)	\$ (5,413)	\$ (8.12) ^(e)
Items affecting comparability:				
Impairment charges ^(a)	5,996	(349)	5,647	8.44
Restructuring and other corporate matters ^(b)	88	(9)	79	.12
Discrete tax items ^(c)	—	48	48	.07
Impact of antidilution	—	—	—	.03
Adjusted (Non-GAAP)	\$ 537	\$ (95) ^(d)	\$ 361	\$.54 ^(e)

(a) Reflects a goodwill impairment charge for our Cable Networks reporting unit of \$5.98 billion, as well as a charge of \$15 million to reduce the carrying values of FCC licenses in two markets to their estimated fair values. The goodwill charge resulted from a downward adjustment to the reporting unit's expected cash flows, primarily as a result of recent indicators in the linear affiliate marketplace, and the estimated total company market value indicated by the Skydance Transactions.

(b) Reflects severance charges related to the exit of our CEO as well as other management changes, and costs associated with legal and advisory fees related to the Skydance Transactions.

(c) Primarily attributable to the establishment of a valuation allowance on a deferred tax asset that is not expected to be realized because of a reduction in our deferred tax liabilities caused by the second quarter goodwill impairment charge. This impact was partially offset by amounts realized in connection with the filing of our tax returns in certain international jurisdictions.

(d) The reported effective income tax rate for the three months ended June 30, 2024 was 3.9% and the adjusted effective income tax rate, which is calculated as the adjusted provision for income taxes of \$95 million divided by adjusted earnings from continuing operations before income taxes of \$537 million, was 17.7%. These adjusted measures exclude the items affecting comparability described above.

(e) For the three months ended June 30, 2024, the weighted average number of common shares outstanding used in the calculation of reported diluted EPS from continuing operations is 667 million and in the calculation of adjusted diluted EPS from continuing operations is 669 million. The dilutive impact was excluded in the calculation of reported diluted EPS from continuing operations because it would have been antidilutive since we reported a net loss from continuing operations.

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	Three Months Ended June 30, 2023			
	Earnings (Loss) from Continuing Operations Before Income Taxes	Benefit from (Provision for) Income Taxes	Net Earnings (Loss) from Continuing Operations Attributable to Paramount	Diluted EPS from Continuing Operations
Reported (GAAP)	\$ (349)	\$ 95 ^(d)	\$ (372)	\$ (.59)
Items affecting comparability:				
Programming charges ^(a)	697	(173)	524	.80
Restructuring charges ^(b)	54	(14)	40	.06
Gain from investment ^(c)	(168)	60	(108)	(.16)
Discrete tax items	—	(4)	(4)	(.01)
Adjusted (Non-GAAP)	\$ 234	\$ (36) ^(d)	\$ 80	\$.10

- (a) Comprised of programming charges recorded in connection with the integration of Showtime into Paramount+, resulting in a change in strategy for certain content, which led to content being removed from our platforms or abandoned, the write-off of development costs, distribution changes, and termination of programming agreements.
- (b) Consists of severance costs associated with the implementation of initiatives to transform and streamline our operations following our 2022 operating segment realignment and as we integrated Showtime into Paramount+.
- (c) Reflects a gain recognized on our retained interest in Viacom18 following the discontinuance of equity method accounting resulting from the dilution of our interest from 49% to 13%.
- (d) The reported effective income tax rate for the three months ended June 30, 2023 was 27.2% and the adjusted effective income tax rate, which is calculated as the adjusted provision for income taxes of \$36 million divided by adjusted earnings from continuing operations before income taxes of \$234 million, was 15.4%. These adjusted measures exclude the items affecting comparability described above.

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	Six Months Ended June 30, 2024			
	Earnings (Loss) from Continuing Operations Before Income Taxes	Benefit from (Provision for) Income Taxes	Net Earnings (Loss) from Continuing Operations Attributable to Paramount	Diluted EPS from Continuing Operations
Reported (GAAP)	\$ (6,182)	\$ 387 ^(e)	\$ (5,976)	\$ (9.08) ^(f)
Items affecting comparability:				
Programming charges ^(a)	1,118	(275)	843	1.27
Impairment charges ^(b)	5,996	(349)	5,647	8.52
Restructuring and other corporate matters ^(c)	274	(55)	219	.33
Loss from investment	4	(1)	3	.01
Discrete tax items ^(d)	—	49	49	.07
Impact of antidilution	—	—	—	.04
Adjusted (Non-GAAP)	\$ 1,210	\$ (244) ^(e)	\$ 785	\$ 1.16 ^(f)

(a) In connection with our strategic decision to focus on content with mass global appeal, we decided to rationalize original content on our streaming services, especially internationally, and improve the efficiency of our linear network programming. As a result, we reviewed our expansive global content portfolio and removed select content from our platforms. In addition, we decided not to move forward with certain titles and therefore abandoned some development projects and terminated certain programming agreements. Accordingly, we recorded programming charges relating to these actions.

(b) Reflects a goodwill impairment charge for our Cable Networks reporting unit of \$5.98 billion, as well as a charge of \$15 million to reduce the carrying values of FCC licenses in two markets to their estimated fair values.

(c) Consists of severance costs associated with strategic changes in our global workforce, the exit of our CEO, and other management changes; the impairment of lease assets; and costs related to the Skydance Transactions.

(d) Primarily attributable to the establishment of a valuation allowance on a deferred tax asset that is not expected to be realized because of a reduction in our deferred tax liabilities caused by the second quarter goodwill impairment charge. This impact was partially offset by amounts realized in connection with the filing of our tax returns in certain international jurisdictions.

(e) The reported effective income tax rate for the six months ended June 30, 2024 was 6.3% and the adjusted effective income tax rate, which is calculated as the adjusted provision for income taxes of \$244 million divided by adjusted earnings from continuing operations before income taxes of \$1.21 billion, was 20.2%. These adjusted measures exclude the items affecting comparability described above.

(f) For the six months ended June 30, 2024, the weighted average number of common shares outstanding used in the calculation of reported diluted EPS from continuing operations is 660 million and in the calculation of adjusted diluted EPS from continuing operations is 663 million. The dilutive impact was excluded in the calculation of reported diluted EPS from continuing operations because it would have been antidilutive since we reported a net loss from continuing operations.

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	Six Months Ended June 30, 2023			
	Earnings (Loss) from Continuing Operations Before Income Taxes	Benefit from (Provision for) Income Taxes	Net Earnings (Loss) from Continuing Operations Attributable to Paramount	Diluted EPS from Continuing Operations
Reported (GAAP)	\$ (1,812)	\$ 476 ^(e)	\$ (1,535)	\$ (2.40)
Items affecting comparability:				
Programming charges ^(a)	2,371	(582)	1,789	2.74
Restructuring charges ^(b)	54	(14)	40	.06
Gain from investment ^(c)	(168)	60	(108)	(.16)
Discrete tax items ^(d)	—	(34)	(34)	(.05)
Adjusted (Non-GAAP)	\$ 445	\$ (94) ^(e)	\$ 152	\$.19

(a) Comprised of programming charges recorded in connection with the integration of Showtime into Paramount+ and initiatives to rationalize and right-size our international operations to align with our streaming strategy and close or globalize certain of our international channels. These initiatives resulted in a change in strategy for certain content, which led to content being removed from our platforms or abandoned, the write-off of development costs, distribution changes, and termination of programming agreements.

(b) Consists of severance costs associated with the implementation of initiatives to transform and streamline our operations following our 2022 operating segment realignment and as we integrated Showtime into Paramount+.

(c) Reflects a gain recognized on our retained interest in Viacom18 following the discontinuance of equity method accounting resulting from the dilution of our interest from 49% to 13%.

(d) Principally reflects a tax benefit from the resolution of an income tax matter in a foreign jurisdiction.

(e) The reported effective income tax rate for the six months ended June 30, 2023 was 26.3% and the adjusted effective income tax rate, which is calculated as the adjusted provision for income taxes of \$94 million divided by adjusted earnings from continuing operations before income taxes of \$445 million, was 21.1%. These adjusted measures exclude the items affecting comparability described above.

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Consolidated Results of Operations

Three and Six Months Ended June 30, 2024 versus Three and Six Months Ended June 30, 2023

Revenues

Revenues by Type	Three Months Ended June 30,					
	2024	% of Total Revenues	2023	% of Total Revenues	Increase/(Decrease)	
					\$	%
Advertising	\$ 2,251	33 %	\$ 2,395	31 %	\$ (144)	(6)%
Affiliate and subscription	3,275	48	3,235	43	40	1
Theatrical	138	2	231	3	(93)	(40)
Licensing and other	1,149	17	1,755	23	(606)	(35)
Total Revenues	\$ 6,813	100 %	\$ 7,616	100 %	\$ (803)	(11)%

Revenues by Type	Six Months Ended June 30,					
	2024	% of Total Revenues	2023	% of Total Revenues	Increase/(Decrease)	
					\$	%
Advertising	\$ 5,347	37 %	\$ 5,046	34 %	\$ 301	6 %
Affiliate and subscription	6,632	46	6,414	43	218	3
Theatrical	291	2	358	2	(67)	(19)
Licensing and other	2,228	15	3,063	21	(835)	(27)
Total Revenues	\$ 14,498	100 %	\$ 14,881	100 %	\$ (383)	(3)%

Advertising

For the three and six months ended June 30, 2024, advertising revenues decreased 6% and increased 6%, respectively. Each period was impacted by declines in the linear advertising market, but the six-month period also included a 12-percentage point benefit from the broadcast of *Super Bowl LVIII* on CBS. We have the rights to broadcast the Super Bowl on a rotational basis with other networks, and therefore did not have a comparable broadcast in 2023. The comparison in each period also includes growth from Paramount+ and Pluto TV.

Affiliate and Subscription

Affiliate and subscription revenues are principally comprised of affiliate fees we receive from distributors for their carriage of both our cable networks (cable affiliate fees) and television stations (retransmission fees), as well as fees received from third-party television stations for their affiliation with the CBS Television Network (reverse compensation), and subscription fees for our streaming services.

For the three and six months ended June 30, 2024, affiliate and subscription revenues increased 1% and 3%, respectively, primarily driven by increases in subscribers and domestic pricing for Paramount+. Subscribers grew to 68.4 million at June 30, 2024 from 60.7 million at June 30, 2023. The increases in revenue for the three- and six-month periods were partially offset by lower affiliate fees for our linear networks and a negative impact of 3- percentage points and 2-percentage points, respectively, from the absence of pay-per-view boxing events in 2024. In connection with changes in our content strategy described under *Programming Charges*, we no longer broadcast pay-per-view boxing events.

Theatrical

For the three and six months ended June 30, 2024, theatrical revenues of \$138 million and \$291 million, respectively, decreased \$93 million and \$67 million from the comparable prior-year periods, reflecting the success of *Transformers: Rise of the Beasts* in the prior-year quarter, and the timing of releases in each year. Releases in

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the second quarter of 2024 included *IF* and *A Quiet Place: Day One*, which was released at the end of the quarter, while the prior-year period also benefited from *Dungeons & Dragons: Honor Among Thieves*. In addition to the second quarter releases, the six-month period also benefited from the first quarter 2024 releases of *Bob Marley: One Love*, *Mean Girls* and Miramax's release of *The Beekeeper*.

Licensing and Other

Licensing and other revenues are principally comprised of fees from the licensing of the rights to exhibit our internally-produced television and film programming on various platforms in the secondary market after its initial exhibition on our owned or third-party platforms; license fees from content produced or distributed for third parties; home entertainment revenues, which include the viewing of our content on a transactional basis through transactional video-on-demand (TVOD) and electronic sell-through services and the sale and distribution of our content through DVDs and Blu-ray discs to wholesale and retail partners; fees from the use of our trademarks and brands for consumer products, recreation and live events; and revenues from the rental of production facilities.

For the three and six months ended June 30, 2024, licensing and other revenues decreased 35% and 27%, respectively, primarily reflecting a lower volume of content produced for third parties as the second quarter of 2023 included the licensing of the final seasons of *Jack Ryan* and *Swagger*, and the limited series, *Black Cake*. The decline in each period also reflects a lower volume of licensing in the secondary market. Content available for licensing in 2024 was impacted by temporary production shutdowns due to labor strikes in 2023.

Operating Expenses

Operating Expenses by Type	Three Months Ended June 30,					
	2024		2023		Increase/(Decrease)	
	\$	% of Operating Expenses	\$	% of Operating Expenses	\$	%
Content costs	\$ 3,282	75 %	\$ 4,146	79 %	\$ (864)	(21)%
Distribution and other	1,085	25	1,081	21	4	—
Total Operating Expenses	\$ 4,367	100 %	\$ 5,227	100 %	\$ (860)	(16)%

Operating Expenses by Type	Six Months Ended June 30,					
	2024		2023		Increase/(Decrease)	
	\$	% of Operating Expenses	\$	% of Operating Expenses	\$	%
Content costs	\$ 7,262	77 %	\$ 8,041	79 %	\$ (779)	(10)%
Distribution and other	2,141	23	2,150	21	(9)	—
Total Operating Expenses	\$ 9,403	100 %	\$ 10,191	100 %	\$ (788)	(8)%

Content Costs

Content costs include the amortization of costs of internally-produced television and theatrical film content; amortization of acquired program rights; other television production costs, including on-air talent; and participation and residuals expenses, which reflect amounts owed to talent and other participants in our content pursuant to contractual and collective bargaining arrangements.

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For the three and six months ended June 30, 2024, content costs decreased 21% and 10%, respectively, primarily driven by lower costs associated with lower licensing revenues, and the impact from changes in our content strategy further described under *Programming Charges*. The lower content costs for the six months also includes the impacts from the 2023 production shutdowns, which resulted in CBS' broadcast season being delayed to February 2024. The decrease for the six-month period was partially offset by costs associated with CBS' broadcast of *Super Bowl LVIII*.

Distribution and Other

Distribution and other operating expenses primarily include costs relating to the distribution of our content, including marketing for theatrical releases; revenue-sharing costs, including for third-party distribution and to television stations affiliated with the CBS Television Network; compensation and other ancillary and overhead costs associated with our operations.

For the three and six months ended June 30, 2024, distribution and other operating expenses remained relatively flat. The comparison for each period reflects higher revenue sharing costs for our streaming services, mainly costs for third-party distribution, offset by lower theatrical distribution costs, reflecting the timing of releases in each year, and lower compensation costs.

Programming Charges

During the first quarter of 2024, in connection with our continued review of our content strategy, we made a strategic decision to focus on content with mass global appeal. As part of this, we decided to rationalize original content on our streaming services, especially internationally, and improve the efficiency of our linear network programming. As a result, we reviewed our expansive global content portfolio and removed select content from our platforms. In addition, we decided not to move forward with certain titles and therefore have abandoned some development projects and terminated certain programming agreements. Accordingly, we recorded programming charges on the Consolidated Statement of Operations during the first quarter of 2024 relating to these actions. These charges, which totaled \$1.12 billion, were comprised of \$909 million for the impairment of content to its estimated fair value, as well as \$209 million for development cost write-offs and contract termination costs.

During the first half of 2023, in connection with the integration of Showtime into Paramount+ across both streaming and linear platforms, we performed a comprehensive strategic review of the combined content portfolio of Showtime and Paramount+. Additionally, we commenced a review of our international content portfolio in connection with initiatives to rationalize and right-size our international operations to align with our streaming strategy, and close or globalize certain of our international channels. As a result, we changed the strategy for certain content, which led to content being removed from our platforms or abandoned, the write-off of development costs, distribution changes, and termination of programming agreements. Accordingly, we recorded programming charges on the Consolidated Statement of Operations relating to these actions in the first half of 2023. These charges, which totaled \$697 million and \$2.37 billion, for the three and six months ended June 30, 2023, respectively, were comprised of \$520 million and \$1.97 billion for the impairment of content to its estimated fair value, as well as \$177 million and \$402 million for development cost write-offs and contract termination costs.

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Selling, General and Administrative Expenses

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
			\$	%			\$	%
Selling, general and administrative expenses	\$ 1,579	\$ 1,783	\$ (204)	(11)%	\$ 3,241	\$ 3,536	\$ (295)	(8)%

Selling, general and administrative (“SG&A”) expenses include costs incurred for advertising, marketing, occupancy, professional service fees, and back office support, including employee compensation and technology. For the three and six months ended June 30, 2024, SG&A expenses decreased 11% and 8%, respectively, principally reflecting lower marketing costs for our streaming services and cable networks.

Depreciation and Amortization

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
			\$	%			\$	%
Depreciation and amortization	\$ 101	\$ 105	\$ (4)	(4)%	\$ 201	\$ 205	\$ (4)	(2)%

Impairment Charges

During the second quarter of 2024, we recorded a goodwill impairment charge for our Cable Networks reporting unit of \$5.98 billion, as well as a charge of \$15 million to write down the carrying values of FCC licenses in two markets to their estimated fair values. See *Critical Accounting Estimates — Goodwill and Intangible Assets Impairment Tests*.

Restructuring and Other Corporate Matters

During the three and six months ended June 30, 2024, we recorded the following costs associated with restructuring and other corporate matters.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Severance ^(a)	\$ 70	\$ 54	\$ 225	\$ 54
Exit costs	—	—	31	—
Restructuring charges	70	54	256	54
Other corporate matters	18	—	18	—
Restructuring and other corporate matters	\$ 88	\$ 54	\$ 274	\$ 54

(a) Severance costs include the accelerated vesting of stock-based compensation.

Severance charges of \$225 million for the six months ended June 30, 2024 are comprised of \$155 million recorded during the first quarter associated with strategic changes in our global workforce and \$70 million recorded during the second quarter related to the exit of our CEO and other management changes. Additionally, during the six months ended June 30, 2024, we recorded charges of \$31 million for the impairment of lease assets that we ceased use of in connection with initiatives to reduce our real estate footprint and create cost synergies. In addition, during the three months ended June 30, 2024, we recorded charges for other corporate matters of \$18 million associated with legal and advisory fees related to the Skydance Transactions.

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During the third quarter of 2024, we expect to incur additional restructuring charges for severance in the range of approximately \$300 million to \$400 million associated with plans to streamline and transform our organization.

The restructuring charges of \$54 million for the three and six months ended June 30, 2023 were comprised of severance costs associated with initiatives to further streamline and transform our operations following our 2022 operating segment realignment and as we integrated Showtime into Paramount+.

Interest Expense/Income

	Three Months Ended June 30,				Six Months Ended June 30,			
			Increase/(Decrease)				Increase/(Decrease)	
	2024	2023	\$	%	2024	2023	\$	%
Interest expense	\$ 215	\$ 240	\$ (25)	(10)%	\$ 436	\$ 466	\$ (30)	(6)%
Interest income	\$ 35	\$ 33	\$ 2	6 %	\$ 80	\$ 68	\$ 12	18 %

The following table presents our outstanding debt balances, excluding finance leases, and the weighted average interest rates as of June 30, 2024 and 2023.

	At June 30,			
	2024		2023	
	\$	Weighted Average Interest Rate	\$	Weighted Average Interest Rate
Total notes and debentures	\$ 14,613	5.17 %	\$ 15,794	5.13 %

Gain/Loss from Investments

During the first quarter of 2024, we recorded a loss of \$4 million associated with the sale of an investment. During the second quarter of 2023, we recorded a gain of \$168 million on our retained interest in Viacom18 following the discontinuance of equity method accounting resulting from the dilution of our interest from 49% to 13%.

Other Items, Net

The following table presents the components of "Other items, net".

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Pension and postretirement benefit costs	\$ (35)	\$ (38)	\$ (69)	\$ (75)
Foreign exchange loss	(15)	(25)	(19)	(34)
Other	1	3	1	3
Other items, net	\$ (49)	\$ (60)	\$ (87)	\$ (106)

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Provision for/Benefit from Income Taxes

The provision for/benefit from income taxes represents federal, state and local, and foreign taxes on earnings (loss) from continuing operations before income taxes and equity in loss of investee companies. For the three and six months ended June 30, 2024, we recorded a benefit from income taxes of \$215 million and \$387 million, reflecting an effective income tax rate of 3.9% and 6.3%, respectively. These income tax benefits are primarily the result of a tax benefit of \$349 million on impairment charges for goodwill and FCC licenses totaling \$6.00 billion for both the three- and six-month periods and, for the six-month period, a tax benefit of \$275 million on programming charges of \$1.12 billion. Our adjusted effective income tax rates, which exclude the impacts from impairment and programming charges, as well as the other items impacting comparability described under *Reconciliation of Non-GAAP Measures*, were 17.7% and 20.2% for the three and six months ended June 30, 2024, respectively.

For the three and six months ended June 30, 2023, we recorded a benefit from income taxes of \$95 million and \$476 million, reflecting an effective income tax rate of 27.2% and 26.3%, respectively. These income tax benefits are primarily the result of tax benefits of \$173 million and \$582 million on programming charges of \$697 million and \$2.37 billion for the three- and six-month periods, respectively. Our adjusted effective income tax rates, which exclude the impacts from these programming charges, as well as the other items impacting comparability described under *Reconciliation of Non-GAAP Measures*, were 15.4% and 21.1% for the three and six months ended June 30, 2023, respectively.

Equity in Earnings (Loss) of Investee Companies, Net of Tax

The following table presents equity in earnings (loss) of investee companies for our equity method investments.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
			\$	%			\$	%
Equity in earnings (loss) of investee companies	\$ (71)	\$ (112)	\$ 41	37 %	\$ (162)	\$ (190)	\$ 28	15 %
Tax (provision) benefit	(1)	3	(4)	n/m	—	6	(6)	n/m
Equity in earnings (loss) of investee companies, net of tax	\$ (72)	\$ (109)	\$ 37	34 %	\$ (162)	\$ (184)	\$ 22	12 %

n/m - not meaningful

Net Earnings (Loss) from Continuing Operations Attributable to Paramount and Diluted EPS from Continuing Operations

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	Increase/(Decrease)		2024	2023	Increase/(Decrease)	
			\$	%			\$	%
Net earnings (loss) from continuing operations attributable to Paramount	\$ (5,413)	\$ (372)	\$ (5,041)	n/m	\$ (5,976)	\$ (1,535)	\$ (4,441)	n/m
Diluted EPS from continuing operations	\$ (8.12)	\$ (.59)	\$ (7.53)	n/m	\$ (9.08)	\$ (2.40)	\$ (6.68)	n/m

n/m - not meaningful

**Management's Discussion and Analysis of
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For the three months ended June 30, 2024, we reported a net loss from continuing operations attributable to Paramount of \$5.41 billion, or \$8.12 per diluted share, compared with a net loss from continuing operations attributable to Paramount of \$372 million, or \$.59 per diluted share, for the same prior-year period. For the six months ended June 30, 2024, we reported a net loss from continuing operations attributable to Paramount of \$5.98 billion, or \$9.08 per diluted share, compared with a net loss from continuing operations attributable to Paramount of \$1.54 billion, or \$2.40 per diluted share, for the same prior-year period. 2024 includes the second quarter goodwill impairment charge of \$5.98 billion and first quarter programming charges of \$1.12 billion. 2023 includes programming charges of \$697 million for the three-month period and \$2.37 billion for the six-month period as well as the second quarter 2023 gain on Viacom18 of \$168 million.

Net Earnings from Discontinued Operations

The following table sets forth details of net earnings from discontinued operations for the three and six months ended June 30, 2023, which primarily reflects the results of Simon & Schuster. On October 30, 2023, we completed the sale of Simon & Schuster to affiliates of Kohlberg Kravis Roberts & Co. During the first quarter of 2024, we recorded an additional pretax gain of \$12 million on the sale as a result of a working capital adjustment.

	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023
Revenues	\$ 292	\$ 550
Costs and expenses:		
Operating	155	306
Selling, general and administrative	44	89
Total costs and expenses ^(a)	199	395
Operating income	93	155
Other items, net	(4)	(7)
Earnings from discontinued operations	89	148
Provision for income taxes ^(b)	(16)	(30)
Net earnings from discontinued operations, net of tax	\$ 73	\$ 118

(a) Included in total costs and expenses are amounts associated with the release of indemnification obligations for leases relating to a previously disposed business of \$2 million and \$6 million for the three and six months ended June 30, 2023, respectively.

(b) The tax provision includes amounts relating to previously disposed businesses of \$1 million for the six months ended June 30, 2023.

**Management’s Discussion and Analysis of
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Segment Results of Operations

We are a global media, streaming and entertainment company that creates premium content and experiences for audiences worldwide, and are comprised of the following segments:

- *TV Media*—Our *TV Media* segment consists of our (1) broadcast operations—the CBS Television Network, our domestic broadcast television network; CBS Stations, our owned television stations; and our international free-to-air networks, Network 10, Channel 5, Telefe, and Chilevisión; (2) domestic premium and basic cable networks, including Paramount+ with Showtime, MTV, Comedy Central, Paramount Network, The Smithsonian Channel, Nickelodeon, BET Media Group, CBS Sports Network, and international extensions of certain of these brands; and (3) domestic and international television studio operations, including CBS Studios, Paramount Television Studios and Showtime/MTV Entertainment Studios, as well as CBS Media Ventures, which produces and distributes first-run syndicated programming. *TV Media* also includes a number of digital properties such as CBS News Streaming and CBS Sports HQ.
- *Direct-to-Consumer*—Our *Direct-to-Consumer* segment includes our portfolio of domestic and international pay and free streaming services, including Paramount+, Pluto TV, and BET+. Effective April 30, 2024, Showtime Networks’ domestic premium subscription streaming service was no longer available.
- *Filmed Entertainment*—Our *Filmed Entertainment* segment consists of Paramount Pictures, Paramount Players, Paramount Animation, Nickelodeon Studio, Awesomeness, and Miramax.

We present operating income excluding depreciation and amortization, stock-based compensation, restructuring charges and other corporate matters, programming charges, and impairment charges, each where applicable (“Adjusted OIBDA”), as the measure of profit and loss for our operating segments in accordance with Financial Accounting Standards Board guidance for segment reporting since it is the measure used by our management. Stock-based compensation is excluded from our segment measure of profit and loss because it is set and approved by our Board of Directors in consultation with corporate executive management. Stock-based compensation is included as a component of our consolidated Adjusted OIBDA. See *Reconciliation of Non-GAAP Measures* for a reconciliation of total Adjusted OIBDA to operating income (loss), the most directly comparable financial measure in accordance with GAAP.

Three Months Ended June 30, 2024 and 2023

	Three Months Ended June 30,					
	2024	% of Total Revenues	2023	% of Total Revenues	Increase/(Decrease)	
					\$	%
Revenues:						
TV Media	\$ 4,271	63 %	\$ 5,157	68 %	\$ (886)	(17)%
Direct-to-Consumer	1,880	27	1,665	21	215	13
Filmed Entertainment	679	10	831	11	(152)	(18)
Eliminations	(17)	—	(37)	—	20	54
Total Revenues	\$ 6,813	100 %	\$ 7,616	100 %	\$ (803)	(11)%

**Management's Discussion and Analysis of
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	Three Months Ended June 30,			
			Increase/(Decrease)	
	2024	2023	\$	%
Adjusted OIBDA:				
TV Media	\$ 1,018	\$ 1,194	\$ (176)	(15)%
Direct-to-Consumer	26	(424)	450	n/m
Filmed Entertainment	(54)	5	(59)	n/m
Corporate/Eliminations	(73)	(124)	51	41
Stock-based compensation ^(a)	(50)	(45)	(5)	(11)
Total Adjusted OIBDA	867	606	261	43
Depreciation and amortization	(101)	(105)	4	4
Programming charges	—	(697)	697	n/m
Impairment charges	(5,996)	—	(5,996)	n/m
Restructuring and other corporate matters	(88)	(54)	(34)	(63)
Total Operating Loss	\$ (5,318)	\$ (250)	\$ (5,068)	n/m

n/m - not meaningful

(a) For the three months ended June 30, 2024 and 2023, stock-based compensation expense of \$12 million and \$4 million, respectively, is included in "Restructuring and other corporate matters".

Six Months Ended June 30, 2024 and 2023

	Six Months Ended June 30,					
					Increase/(Decrease)	
	2024	% of Total Revenues	2023	% of Total Revenues	\$	%
Revenues:						
TV Media	\$ 9,502	65 %	\$ 10,350	70 %	\$ (848)	(8)%
Direct-to-Consumer	3,759	26	3,175	21	584	18
Filmed Entertainment	1,284	9	1,419	9	(135)	(10)
Eliminations	(47)	—	(63)	—	16	25
Total Revenues	\$ 14,498	100 %	\$ 14,881	100 %	\$ (383)	(3)%

	Six Months Ended June 30,			
			Increase/(Decrease)	
	2024	2023	\$	%
Adjusted OIBDA:				
TV Media	\$ 2,463	\$ 2,500	\$ (37)	(1)%
Direct-to-Consumer	(260)	(935)	675	72
Filmed Entertainment	(57)	(94)	37	39
Corporate/Eliminations	(197)	(233)	36	15
Stock-based compensation ^(a)	(95)	(84)	(11)	(13)
Total Adjusted OIBDA	1,854	1,154	700	61
Depreciation and amortization	(201)	(205)	4	2
Programming charges	(1,118)	(2,371)	1,253	53
Impairment charges	(5,996)	—	(5,996)	n/m
Restructuring and other corporate matters	(274)	(54)	(220)	n/m
Total Operating Loss	\$ (5,735)	\$ (1,476)	\$ (4,259)	n/m

n/m - not meaningful

(a) For the six months ended June 30, 2024 and 2023, stock-based compensation expense of \$14 million and \$4 million, respectively, is included in "Restructuring and other corporate matters".

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TV Media

Three Months Ended June 30, 2024 and 2023

TV Media	Three Months Ended June 30,			
	2024	2023	Increase/(Decrease)	
			\$	%
Advertising	\$ 1,733	\$ 1,946	\$ (213)	(11)%
Affiliate and subscription	1,908	2,011	(103)	(5)
Licensing and other	630	1,200	(570)	(48)
Revenues	\$ 4,271	\$ 5,157	\$ (886)	(17)%
Adjusted OIBDA	\$ 1,018	\$ 1,194	\$ (176)	(15)%

Revenues

For the three months ended June 30, 2024, revenues decreased 17%.

Advertising

The 11% decrease in advertising revenues was primarily the result of declines in the linear advertising market. Domestic advertising revenues declined 16% to \$1.40 billion, including a 3-percentage point negative impact from the comparison to CBS' broadcast in 2023 of the National Semifinals and National Championship games of the *NCAA Division I Men's Basketball Championship*, which we have the rights to broadcast every other year. International advertising revenues increased 17% to \$331 million, primarily reflecting amounts received during the second quarter of 2024 for the underreporting of revenue by a sales partner in prior periods.

Affiliate and Subscription

Affiliate and subscription revenues decreased 5% for the three months ended June 30, 2024, reflecting decreases of 6% from linear subscriber declines and 1% from the absence of pay-per-view boxing events, partially offset by an increase of 2% from contractual pricing.

Licensing and Other

Licensing and other revenues decreased 48%, reflecting lower revenues from content produced for third parties as the prior-year quarter included the licensing of the final seasons of *Jack Ryan* and *Swagger*, and the limited series, *Black Cake*. The decline also reflects a lower volume of licensing in the secondary market.

Adjusted OIBDA

Adjusted OIBDA decreased 15%, reflecting the decline in advertising and affiliate revenue, partially offset by lower costs for content exhibited on our networks, including the impacts from actions relating to changes in our content strategy in prior periods (as further described under *Consolidated Results of Operations — Programming Charges*), and lower marketing costs for our cable networks.

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Six Months Ended June 30, 2024 and 2023

TV Media	Six Months Ended June 30,			
	2024	2023	Increase/(Decrease)	
			\$	%
Advertising	\$ 4,315	\$ 4,202	\$ 113	3 %
Affiliate and subscription	3,906	4,078	(172)	(4)
Licensing and other	1,281	2,070	(789)	(38)
Revenues	\$ 9,502	\$ 10,350	\$ (848)	(8)%
Adjusted OIBDA	\$ 2,463	\$ 2,500	\$ (37)	(1)%

Revenues

For the six months ended June 30, 2024, revenues decreased 8%, reflecting lower licensing and affiliate revenues, partially offset by higher advertising revenues, driven by CBS' broadcast of *Super Bowl LVIII* in the first quarter of 2024.

Advertising

The 3% increase in advertising revenues includes a 13-percentage point benefit from CBS' broadcast of *Super Bowl LVIII* in the first quarter of 2024. We have the rights to broadcast the Super Bowl on a rotational basis with other networks, and therefore did not have a comparable broadcast in 2023. Domestic advertising revenues increased 3% to \$3.74 billion, driven by the benefit of *Super Bowl LVIII*, and international advertising revenues increased 4% to \$573 million, driven by amounts received during the period relating to the under reporting of revenue by a sales partner in prior periods. The increases were partially offset by declines in the linear advertising market.

Affiliate and Subscription

Affiliate and subscription revenues decreased 4% for the six months ended June 30, 2024, reflecting a decrease of 7% from linear subscriber declines, partially offset by an increase of 3% from contractual pricing.

Licensing and Other

Licensing and other revenues decreased 38%, reflecting a lower volume of licensing in the secondary market and lower revenues from content produced for third parties. Content available for licensing was impacted by temporary production shutdowns due to labor strikes in 2023.

Adjusted OIBDA

Adjusted OIBDA decreased 1%, primarily reflecting the impact from declines in the linear advertising market, lower affiliate revenues, and lower licensing profits, partially offset by the benefit from the broadcast of *Super Bowl LVIII* and lower costs for other content exhibited on our networks and marketing.

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Direct-to-Consumer

Three Months Ended June 30, 2024 and 2023

Direct-to-Consumer	Three Months Ended June 30,			
	2024	2023	Increase/(Decrease)	
			\$	%
Advertising	\$ 513	\$ 441	\$ 72	16 %
Subscription	1,367	1,224	143	12
Revenues	\$ 1,880	\$ 1,665	\$ 215	13 %
Adjusted OIBDA	\$ 26	\$ (424)	\$ 450	n/m

n/m - not meaningful

(in millions)	Three Months Ended June 30,			
	2024	2023	Increase/(Decrease)	
			\$	%
Paramount+ (Global)				
Subscribers ^(a)	68.4	60.7	7.7	13 %
Revenues	\$ 1,445	\$ 990	\$ 455	46 %

(a) Subscribers include customers who are registered for Paramount+, either directly through our owned and operated apps and websites, or through third-party distributors. Subscribers also include customers who are provided with access through a subscription bundle with a domestic linear video streaming service (vMVPD) or an international third-party distributor. Our subscribers include paid subscriptions and those customers registered in a free trial. For the periods above, subscriber counts reflect the number of subscribers as of the applicable period-end date.

Revenues

For the three months ended June 30, 2024, the 13% increase in revenues was primarily driven by growth from Paramount+.

Advertising

The 16% increase in advertising revenues reflects growth in impressions and pricing for Paramount+ and Pluto TV.

Subscription

The 12% increase in subscription revenues was driven by growth in Paramount+ subscribers and pricing increases for each of our domestic Paramount+ subscription plans, which took effect in June 2023 when we launched the Paramount+ with Showtime subscription plan. Paramount+ subscribers increased 7.7 million, or 13%, compared with June 30, 2023, reflecting growth in domestic subscribers. Growth in Paramount+ subscribers includes the migration of certain subscribers from Showtime's premium subscription streaming service, which was no longer offered as a standalone service to new subscribers effective July 6, 2023 and was no longer available as of April 30, 2024. The growth was partially offset by a negative impact of 5-percentage points from the absence of pay-per-view boxing events in 2024. In connection with changes in our content strategy described under *Consolidated Results of Operations — Programming Charges* we terminated our rights to pay-per-view boxing.

During the quarter, global Paramount+ subscribers decreased 2.8 million, or 4%, to 68.4 million, compared with 71.2 million at March 31, 2024, principally reflecting the exit of a distribution agreement in South Korea, which did not contribute significantly to revenue or Adjusted OIBDA.

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During the third quarter of 2024, pricing increases will take effect for all subscribers to the Paramount+ with Showtime plan and new subscribers to the Paramount+ Essential plan, our advertising-supported subscription plan.

Adjusted OIBDA

Adjusted OIBDA improved by \$450 million to \$26 million, reflecting the revenue growth, and lower marketing and content costs, including the impacts from actions relating to changes in our content strategy in prior periods (as further described under *Consolidated Results of Operations — Programming Charges*), partially offset by higher revenue sharing costs.

Six Months Ended June 30, 2024 and 2023

	Six Months Ended June 30,			
	2024	2023	Increase/(Decrease)	
Direct-to-Consumer			\$	%
Advertising	\$ 1,033	\$ 839	\$ 194	23 %
Subscription	2,726	2,336	390	17
Revenues	\$ 3,759	\$ 3,175	\$ 584	18 %
Adjusted OIBDA	\$ (260)	\$ (935)	\$ 675	72 %

	Six Months Ended June 30,			
	2024	2023	Increase/(Decrease)	
Paramount+ (Global)			\$	%
Revenues	\$ 2,904	\$ 1,955	\$ 949	49 %

Revenues

For the six months ended June 30, 2024, the 18% increase in revenues was primarily driven by growth from Paramount+.

Advertising

The 23% increase in advertising revenues was driven by growth from Pluto TV and Paramount+. The increase for Paramount+ reflects the benefit of *Super Bowl LVIII* and an increase in subscribers to the advertising-supported subscription plan, Paramount+ Essential.

Subscription

The 17% increase in subscription revenues was driven by growth in Paramount+ subscribers and the June 2023 pricing increases discussed above, partially offset by a negative impact of 3-percentage points from the absence of pay-per-view boxing events.

Adjusted OIBDA

Adjusted OIBDA improved by \$675 million, reflecting revenue growth and lower marketing and content costs, partially offset by higher revenue sharing costs.

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Filmed Entertainment

Three Months Ended June 30, 2024 and 2023

Filmed Entertainment	Three Months Ended June 30,			
	2024	2023	Increase/(Decrease)	
			\$	%
Advertising ^(a)	\$ 7	\$ 11	\$ (4)	(36)%
Theatrical	138	231	(93)	(40)
Licensing and other	534	589	(55)	(9)
Revenues	\$ 679	\$ 831	\$ (152)	(18)%
Adjusted OIBDA	\$ (54)	\$ 5	\$ (59)	n/m

n/m - not meaningful

(a) Primarily reflects advertising revenues earned from the use of *Filmed Entertainment* content on third party digital platforms.

Revenues

For the three months ended June 30, 2024, revenues decreased 18%, primarily driven by lower theatrical revenues.

Theatrical

Theatrical revenues decreased 40%, reflecting the success of *Transformers: Rise of the Beasts* in the prior-year quarter, as well as the timing of releases. Releases in the second quarter of 2024 included *IF* and *A Quiet Place: Day One*, which was released at the end of the quarter, while the prior-year quarter also benefited from *Dungeons & Dragons: Honor Among Thieves*.

Licensing and Other

Licensing and other revenues decreased 9%, principally due to lower revenues from the licensing of film library titles.

Adjusted OIBDA

Adjusted OIBDA decreased \$59 million, reflecting the lower revenue, partially offset by lower content and marketing costs in the second quarter of 2024.

Fluctuations in results for the *Filmed Entertainment* segment may occur as a result of the timing of the recognition of distribution costs, including marketing costs, which are generally incurred before and throughout the theatrical release of a film, while the revenues for the respective film are recognized as earned through the film's theatrical exhibition and distribution to other platforms.

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Six Months Ended June 30, 2024 and 2023

Filmed Entertainment	Six Months Ended June 30,			
	2024	2023	Increase/(Decrease)	
			\$	%
Advertising ^(a)	\$ 8	\$ 16	\$ (8)	(50)%
Theatrical	291	358	(67)	(19)
Licensing and other	985	1,045	(60)	(6)
Revenues	\$ 1,284	\$ 1,419	\$ (135)	(10)%
Adjusted OIBDA	\$ (57)	\$ (94)	\$ 37	39 %

(a) Primarily reflects advertising revenues earned from the use of *Filmed Entertainment* content on third party digital platforms.

Revenues

For the six months ended June 30, 2024, revenues decreased 10%, primarily driven by lower theatrical and licensing revenues.

Theatrical

For the six months ended June 30, 2024, theatrical revenues decreased \$67 million, reflecting the comparison against the success of *Transformers: Rise of the Beasts* in the prior-year period. In addition to the above-mentioned second quarter releases, theatrical revenue also benefited from the first quarter 2024 releases of *Bob Marley: One Love*, *Mean Girls* and Miramax's release of *The Beekeeper*. The comparable prior-year period reflects the previously mentioned second quarter 2023 releases as well as the first quarter release of *Scream VI*.

Licensing and Other

Licensing and other revenues decreased 6%, primarily due to lower revenues from the licensing of theatrical releases in the home entertainment market.

Adjusted OIBDA

Adjusted OIBDA improved by \$37 million, principally as a result of lower marketing costs, reflecting the timing and mix of theatrical releases in each year.

Liquidity and Capital Resources

Sources and Uses of Cash

We project anticipated cash requirements for our operating, investing and financing needs as well as cash flows expected to be generated and available to meet these needs. Our operating needs include, among other items, expenditures for content for our broadcast and cable networks and streaming services, including television and film programming, sports rights, and talent contracts, as well as advertising and marketing costs to promote our content and platforms; payments for leases, interest, and income taxes; and pension funding obligations.

Our investing and financing spending includes capital expenditures; acquisitions; funding relating to new and existing investments, including SkyShowtime, our streaming joint venture with Comcast Corporation, under which both parent companies have committed to support initial operations over a multiyear period; discretionary share repurchases; dividends; and principal payments on our outstanding indebtedness. Our long-term debt obligations due over the next five years were \$2.64 billion as of June 30, 2024. We routinely assess our capital structure and

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opportunistically enter into transactions to manage our outstanding debt maturities, which could result in a charge from the early extinguishment of debt.

Funding for both our short-term and long-term operating, investing and financing needs will come primarily from cash flows from operating activities, cash and cash equivalents, which were \$2.32 billion as of June 30, 2024, and our ability to refinance our debt. Any additional cash funding requirements are financed with short-term borrowings, including commercial paper, and long-term debt. To the extent that commercial paper is not available to us, the borrowing capacity under our \$3.50 billion Credit Facility described below is sufficient to satisfy short-term borrowing needs. In addition, if necessary, we can increase our liquidity position by reducing non-committed spending.

Our access to capital markets and the cost of any new borrowings are impacted by factors outside our control, including economic and market conditions, as well as by ratings assigned by independent rating agencies. As a result, there can be no assurance that we will be able to access capital markets on terms and conditions that will be favorable to us.

Cash Flows

The changes in cash and cash equivalents were as follows:

	Six Months Ended June 30,		
	2024	2023	Increase/(Decrease)
Net cash flow provided by (used for) operating activities from:			
Continuing operations	\$ 319	\$ (624)	\$ 943
Discontinued operations	—	223	(223)
Net cash flow provided by (used for) operating activities	319	(401)	720
Net cash flow (used for) provided by investing activities from:			
Continuing operations	(245)	(225)	(20)
Discontinued operations	48	(2)	50
Net cash flow used for investing activities	(197)	(227)	30
Net cash flow used for financing activities	(237)	(547)	310
Effect of exchange rate changes on cash and cash equivalents	(30)	4	(34)
Net decrease in cash and cash equivalents	\$ (145)	\$ (1,171)	\$ 1,026

Operating Activities

Operating cash flow from continuing operations for the six months ended June 30, 2024 was a net source of cash of \$319 million compared with a net use of cash of \$624 million for the six months ended June 30, 2023. The increase in operating cash flow from continuing operations primarily reflects lower spending for content.

Net cash flow provided by operating activities includes payments of \$100 million and \$136 million for the six months ended June 30, 2024 and 2023, respectively, associated with restructuring, merger-related costs and transformation initiatives, net of insurance recoveries received related to merger-related litigation matters. Our transformation initiatives are related to future-state technology, including the unification and evolution of systems and platforms, and migration to the cloud. In addition, we have adapted our facilities to accommodate our hybrid and agile work model.

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Cash flow provided by operating activities from discontinued operations for the six months ended June 30, 2023 reflected the operating activities of Simon & Schuster, which was sold in October 2023 (see *Consolidated Results of Operations — Net Earnings from Discontinued Operations*).

Investing Activities

	Six Months Ended June 30,	
	2024	2023
Investments	\$ (166)	\$ (124)
Capital expenditures ^(a)	(100)	(140)
Other investing activities	21	39
Net cash flow used for investing activities from continuing operations	(245)	(225)
Net cash flow provided by (used for) investing activities from discontinued operations	48	(2)
Net cash flow used for investing activities	\$ (197)	\$ (227)

(a) Includes payments associated with the implementation of our transformation initiatives of \$5 million and \$11 million for the six months ended June 30, 2024 and 2023, respectively.

Financing Activities

	Six Months Ended June 30,	
	2024	2023
Proceeds from issuance of debt	\$ —	\$ 45
Repayment of debt	—	(100)
Dividends paid on preferred stock	(29)	(29)
Dividends paid on common stock	(68)	(317)
Payment of payroll taxes in lieu of issuing shares for stock-based compensation	(18)	(19)
Payments to noncontrolling interests	(97)	(93)
Other financing activities	(25)	(34)
Net cash flow used for financing activities	\$ (237)	\$ (547)

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Dividends

The following table presents dividends declared per share and total dividends for our Class A and Class B Common Stock and our 5.75% Series A Mandatory Convertible Preferred Stock (“Mandatory Convertible Preferred Stock”) for the three and six months ended June 30, 2024 and 2023. On April 1, 2024, each outstanding share of our Mandatory Convertible Preferred Stock automatically and mandatorily converted into 1.1765 shares of our Class B Common Stock. The final dividend on the Mandatory Convertible Preferred Stock was declared during the first quarter of 2024 and paid on April 1, 2024.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
<u>Class A and Class B Common Stock</u>				
Dividends declared per common share	\$.05	\$.05	\$.10	\$.29
Total common stock dividends	\$ 34	\$ 34	\$ 69	\$ 194
<u>Mandatory Convertible Preferred Stock</u>				
Dividends declared per preferred share	\$ —	\$ 1.4375	\$ 1.4375	\$ 2.8750
Total preferred stock dividends	\$ —	\$ 14	\$ 14	\$ 29

Capital Structure

The following table sets forth our debt.

	At	At
	June 30, 2024	December 31, 2023
Senior debt	\$ 12,980	\$ 12,969
Junior debt	1,633	1,632
Obligations under finance leases	1	1
Total debt ^(a)	14,614	14,602
Less current portion	126	1
Total long-term debt, net of current portion	\$ 14,488	\$ 14,601

(a) At June 30, 2024 and December 31, 2023, the senior and junior subordinated debt balances included (i) a net unamortized discount of \$410 million and \$419 million, respectively, and (ii) unamortized deferred financing costs of \$78 million and \$81 million, respectively. The face value of our total debt was \$15.10 billion at both June 30, 2024 and December 31, 2023.

Senior Debt

At June 30, 2024, our senior debt was comprised of senior notes and debentures due between 2025 and 2050 with interest rates ranging from 2.90% to 7.875%.

Junior Debt

At June 30, 2024, our junior debt was comprised of \$644 million 6.25% junior subordinated debentures due 2057 and \$989 million 6.375% junior subordinated debentures due 2062. The subordination and extended term, as well as an interest deferral option of our junior subordinated debentures provide significant credit protection measures for senior creditors and, as a result of these features, the debentures received a 50% equity credit by Standard & Poor’s Rating Services, Fitch Ratings Inc., and Moody’s Investors Service, Inc.

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Commercial Paper

At both June 30, 2024 and December 31, 2023, we had no outstanding commercial paper borrowings.

Credit Facility

At June 30, 2024, we had a \$3.50 billion revolving credit facility that matures in January 2027 (the “Credit Facility”). The Credit Facility is used for general corporate purposes and to support commercial paper borrowings, if any. We may, at our option, also borrow in certain foreign currencies up to specified limits under the Credit Facility. Borrowing rates under the Credit Facility are determined at the time of each borrowing and are generally based on either the prime rate in the U.S. or an applicable benchmark rate plus a margin (based on our senior unsecured debt rating), depending on the type and tenor of the loans entered into. The benchmark rate for loans denominated in U.S. dollars is Term SOFR, and for loans denominated in euros, sterling and yen is based on EURIBOR, SONIA and TIBOR, respectively. At June 30, 2024, we had no borrowings outstanding under the Credit Facility and the availability under the Credit Facility was \$3.50 billion.

The Credit Facility has one principal financial covenant which sets a maximum Consolidated Total Leverage Ratio (“Leverage Ratio”) at the end of each quarter. The maximum Leverage Ratio was 5.75x for the quarter ended June 30, 2024 and will remain at this level for the quarter ending September 30, 2024, and will then decrease to 5.5x for the quarters ending December 31, 2024 and March 31, 2025, with decreases of 0.25x for each subsequent quarter until the quarter ending March 31, 2026 when it will be 4.5x, and will remain at this level until maturity. The Leverage Ratio reflects the ratio of our Consolidated Indebtedness, net of unrestricted cash and cash equivalents at the end of a quarter, to our Consolidated EBITDA (each as defined in the credit agreement) for the trailing twelve-month period. For quarters ending on or after September 30, 2024, the maximum amount of unrestricted cash and cash equivalents that can be netted against Consolidated Indebtedness in the calculation of the Leverage Ratio will be \$1.50 billion. We met the covenant as of June 30, 2024.

The Credit Facility also includes a provision that the occurrence of a change of control of Paramount will be an event of default that would give the lenders the right to accelerate any outstanding loans and terminate their commitments. On August 1, 2024, we entered into amendments to the Credit Facility and our \$1.9 billion standby letter of credit facility (see *Guarantees — Letters of Credit and Surety Bonds*), which, among other things, revise the change of control provision and related definitions to reflect the ownership structure of Paramount after giving effect to the Skydance Transactions. In addition, the amendments increase the amount of unrestricted cash and cash equivalents that can be netted against Consolidated Indebtedness in the calculation of the Leverage Ratio to \$3.0 billion. These amendments will only become operative upon closing of the Skydance Transactions.

Other Bank Borrowings

At both June 30, 2024 and December 31, 2023, we had no outstanding bank borrowings under Miramax’s \$50 million credit facility that matures in November 2024.

Guarantees

Letters of Credit and Surety Bonds

At June 30, 2024, we had outstanding letters of credit and surety bonds of \$1.23 billion that were not recorded on the Consolidated Balance Sheet, including \$1.02 billion that was issued under a \$1.9 billion standby letter of credit facility in accordance with the contractual requirements of one of our commitments. The amount outstanding under the letter of credit facility decreases throughout 2024 as we make payments under the related contractual commitment. Letters of credit and surety bonds are primarily used as security against non-performance in the

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normal course of business under contractual requirements of certain of our commitments. The standby letter of credit facility, which matures in May 2026, is subject to provisions similar to the Credit Facility, including the same principal financial covenant (see *Capital Structure — Credit Facility*).

Lease Guarantees

We have certain indemnification obligations with respect to leases primarily associated with the previously discontinued operations of Famous Players Inc. Our guarantee liability relating to these lease commitments totaled \$8 million at June 30, 2024, and is presented within “Other liabilities” on the Consolidated Balance Sheet. The amount of these lease commitments varies over time depending on the expiration or termination of individual underlying leases, or the related indemnification obligation, and foreign exchange rates, among other things. We may also have exposure for certain other expenses related to the leases, such as property taxes and common area maintenance. We believe our accrual is sufficient to meet any future obligations based on our consideration of available financial information, the lessees’ historical performance in meeting their lease obligations and the underlying economic factors impacting the lessees’ business models.

Other

In the course of our business, we both provide and receive indemnities which are intended to allocate certain risks associated with business transactions. Similarly, we may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not live up to its obligations under an indemnification obligation. We record a liability for our indemnification obligations and other contingent liabilities when probable and reasonably estimable.

Critical Accounting Estimates

See Item 7, Management’s Discussion and Analysis of Results of Operations and Financial Condition in our Annual Report on Form 10-K for the year ended December 31, 2023, for a discussion of our other critical accounting estimates.

Goodwill and Intangible Assets Impairment Tests

We perform fair value-based impairment tests of goodwill and intangible assets with indefinite lives, comprised primarily of television FCC licenses, annually during the fourth quarter and also between annual tests if an event occurs or if circumstances change that would more likely than not reduce the fair value of a reporting unit or an indefinite-lived intangible asset below its carrying value. For the second quarter of 2024, we assessed the relevant factors that could impact the fair value of our reporting units, including recent indicators in the linear affiliate marketplace and the estimated total company market value indicated by the Skydance Transactions announced on July 7, 2024. Based on this assessment, we determined that an interim goodwill impairment test was necessary for each of our reporting units. In addition, we considered factors that could impact the fair value of our FCC licenses, including recent projections by geographic market, and determined that interim impairment tests were necessary for eight markets in which we hold FCC licenses.

Goodwill—Goodwill is tested for impairment at the reporting unit level, which is an operating segment, or one level below. At June 30, 2024, we had five reporting units.

For the goodwill impairment tests we calculated an estimated fair value for each reporting unit to determine whether it exceeded the carrying value of the respective reporting unit. Approaches used to estimate the fair values were the discounted cash flow method, the traded values of comparable businesses, and the transaction values of comparable businesses. The discounted cash flow method, which estimates fair value based on the present value of

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future cash flows, requires us to make various assumptions regarding the timing and amount of these cash flows, including growth rates, operating margins and capital expenditures for a projection period, plus the terminal value of the business at the end of the projection period. The assumptions about future cash flows are based on our internal forecasts of the applicable reporting unit, which incorporates our long-term business plans and historical trends. The terminal value is estimated using a long-term growth rate, which is based on expected trends and projections for the relevant industry. A discount rate is determined for the reporting unit based on the risks of achieving the future cash flows, including risks applicable to the industry and market as a whole, as well as the capital structure of comparable entities. Traded and transaction values were determined using comparable company trading multiples as well as multiples from recent transactions of comparable companies. The selected multiples consider each reporting unit's relative growth, profitability, size, and risk relative to the selected publicly traded companies. We also considered the reasonableness of the market capitalization of our Company in relation to the estimated aggregate fair value of our reporting units.

The impairment test for our Cable Networks reporting unit indicated that a goodwill impairment charge of \$5.98 billion was required, which represents the goodwill balance of the reporting unit prior to the impairment test. The impairment charge, which was recorded within the *TV Media* segment, resulted from a downward adjustment to the reporting unit's expected cash flows, primarily because of the linear affiliate market indicators noted above, and the estimated total company market value indicated by the Skydance Transactions. The estimated fair value of our Cable Networks reporting unit was based on the discounted cash flow method, utilizing a discount rate of 11% and a terminal value that was based on a long-term growth rate of (3)%.

The fair values of our remaining reporting units exceeded their respective carrying values and therefore no impairment charge was required. Our Filmed Entertainment reporting unit had a fair value that exceeded its carrying value by a significant amount, and the remaining three reporting units had fair values that exceeded their respective carrying values by less than 10%.

The estimated fair value of our CBS Entertainment reporting unit, which exceeded its carrying value by 4% and had a goodwill balance of \$5.16 billion at June 30, 2024, was based on both the discounted cash flow method and the traded values of comparable businesses utilizing an OIBDA multiple. An increase to the discount rate of 50 basis points, or a decrease to the long-term growth rate of 50 basis points, assuming no changes to other factors, would cause a decrease to the estimated fair value of the reporting unit of \$200 million and \$100 million, respectively, and the fair value would exceed the carrying value by 3% and 4%, respectively.

The estimated fair value of our Paramount+ reporting unit, which exceeded its carrying value by 5% and had a goodwill balance of \$1.47 billion at June 30, 2024, was based on the traded and transaction values of comparable businesses utilizing revenue multiples. A decrease of 0.1x to the multiple would cause the fair value of the reporting unit to fall below its carrying value by \$299 million.

The estimated fair value of our Pluto TV reporting unit, which exceeded its carrying value by 4% and had a goodwill balance of \$1.26 billion at June 30, 2024, was based on the traded and transaction values of comparable businesses utilizing revenue multiples. A decrease of 0.1x to the multiple would cause the fair value of the reporting unit to fall below its carrying value by \$41 million.

Certain future events and circumstances, including deterioration of market conditions, increases in interest rates, and unfavorable impacts to the projections used in the impairment tests for the reporting units discussed above, including from further declines in the linear advertising and affiliate markets, an increased shift by advertisers to competing advertising platforms, changes in consumer behavior, a decrease in audience acceptance of our content and platforms, and delays or difficulties in achieving our profitability goals for our streaming services, could cause

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the fair values of these reporting units to fall below their respective carrying values and a noncash impairment charge would be required. Such a charge could have a material effect on the Consolidated Statement of Operations and Consolidated Balance Sheet.

FCC Licenses—FCC licenses are tested for impairment at the geographic market level. We consider each geographic market, which is comprised of all of our television stations within that geographic market, to be a single unit of accounting because the FCC licenses at this level represent their highest and best use. At June 30, 2024, we had 14 television markets with FCC license book values, which totaled \$2.29 billion.

The FCC licenses impairment tests were performed using the Greenfield Discounted Cash Flow Method, which estimates the fair values of FCC licenses by valuing a hypothetical start-up station in the relevant market by adding discounted cash flows over a five-year build-up period to a residual value. The assumptions for the build-up period include industry projections of overall market revenues; the start-up station's operating costs and capital expenditures, which are based on both industry and internal data; and average market share. The discount rate is determined based on the industry and market-based risk of achieving the projected cash flows, and the residual value is calculated using a long-term growth rate, which is based on projected long-range inflation and industry projections. The discount rate and the long-term growth rate were 8% and 0%, respectively.

The impairment tests indicated that the estimated fair values of FCC licenses in two of the eight markets tested were below their respective carrying values. Accordingly, we recorded an impairment charge of \$15 million to write down the carrying values of these FCC licenses to their aggregate estimated fair value of \$149 million. The impairment charge, which is recorded within the *TV Media* segment, was primarily the result of recent declines in industry projections in the markets where these FCC licenses are held. The estimated fair values of FCC licenses in the six remaining markets, which had an aggregate carrying value of \$1.08 billion, were each within 10% of their respective carrying values. For the eight markets tested, an increase to the discount rate of 50 basis points, or a decrease to the long-term growth rate of 50 basis points, assuming no changes to other factors, would cause the aggregate fair value of FCC licenses to fall below the aggregate carrying value by an additional \$89 million and \$59 million, respectively.

The estimated fair values of FCC licenses are highly dependent on the assumptions of future economic conditions in the individual geographic markets in which we own and operate television stations. Certain future events and circumstances, including market volatility and increases in interest rates, or a decline in the local television advertising marketplace could result in a downward revision to our current assumptions and judgments. Various factors may contribute to a future decline in an advertising marketplace including declines in economic conditions; an other-than-temporary decrease in spending by advertisers in certain industries that have historically represented a significant portion of television advertising revenues in that market; a shift by advertisers to competing advertising platforms; changes in consumer behavior; and/or a change in population size. A further downward revision to the present value of future cash flows could result in an additional impairment and a noncash charge would be required. Such a charge could have a material effect on the Consolidated Statement of Operations and Consolidated Balance Sheet.

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Legal Matters

General

On an ongoing basis, we vigorously defend ourselves in numerous lawsuits and proceedings and respond to various investigations and inquiries from federal, state, local and international authorities (collectively, "Litigation"). Litigation may be brought against us without merit, is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the following matters are not likely, in the aggregate, to result in a material adverse effect on our business, financial condition and results of operations.

Litigation Related to the Skydance Transactions

On July 24, 2024, a purported holder of Paramount Class B Common Stock filed a putative class action lawsuit in the Court of Chancery of the State of Delaware against NAI, Shari E. Redstone, Barbara Byrne, Linda M. Griego, Judith McHale, Charles E. Phillips, Jr. and Susan Schuman, among other defendants (the "Complaint"). The Complaint alleges breaches of fiduciary duties to Paramount's Class B stockholders in connection with the negotiation and approval of the Transaction Agreement, among other claims. The Complaint seeks unspecified damages, costs and expenses, as well as other relief.

Litigation Related to Stock Offerings

In August 2021, Camelot Event Driven Fund filed a putative securities class action lawsuit in New York Supreme Court, County of New York, and in November 2021, an amended complaint was filed that, among other changes, added an additional named plaintiff (as used in this paragraph, the "Complaint"). The Complaint is on behalf of investors who purchased shares of the Company's Class B Common Stock and 5.75% Series A Mandatory Convertible Preferred Stock pursuant to public securities offerings completed in March 2021, and was filed against the Company, certain senior executives, members of our Board of Directors, and the underwriters involved in the offerings. The Complaint asserts violations of federal securities law and alleges that the offering documents contained material misstatements and omissions, including through an alleged failure to adequately disclose certain total return swap transactions involving Archegos Capital Management referenced to our securities and related alleged risks to the Company's stock price. In December 2021, the plaintiffs filed a stipulation seeking the voluntary dismissal without prejudice of the outside director defendants from the lawsuit, which the Court subsequently ordered. On the same date, the defendants filed motions to dismiss the lawsuit, which were heard in January 2023. In February 2023, the Court dismissed all claims against the Company while allowing the claims against the underwriters to proceed. The plaintiffs and underwriter defendants appealed the ruling, and in April 2024, the New York Supreme Court, Appellate Division, First Department, ruled in our favor and upheld the decision of the trial court dismissing the case against the Company and its officers. The plaintiffs sought leave to reargue, or alternatively, appeal the ruling to the New York Court of Appeals, and in July 2024, the New York Supreme Court, Appellate Division, First Department, denied the plaintiffs' request.

Claims Related to Former Businesses

Asbestos

We are a defendant in lawsuits claiming various personal injuries related to asbestos and other materials, which allegedly occurred as a result of exposure caused by various products manufactured by Westinghouse, a predecessor, generally prior to the early 1970s. Westinghouse was neither a producer nor a manufacturer of asbestos. We are typically named as one of a large number of defendants in both state and federal cases. In the majority of asbestos lawsuits, the plaintiffs have not identified which of our products is the basis of a claim. Claims

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against us in which a product has been identified most commonly relate to allegations of exposure to asbestos-containing insulating material used in conjunction with turbines and electrical equipment.

Claims are frequently filed and/or settled in groups, which may make the amount and timing of settlements, and the number of pending claims, subject to significant fluctuation from period to period. We do not report as pending those claims on inactive, stayed, deferred or similar dockets that some jurisdictions have established for claimants who allege minimal or no impairment. As of June 30, 2024, we had pending approximately 19,100 asbestos claims, as compared with approximately 19,970 as of December 31, 2023. During the second quarter of 2024, we received approximately 740 new claims and closed or moved to an inactive docket approximately 1,150 claims. We report claims as closed when we become aware that a dismissal order has been entered by a court or when we have reached agreement with the claimants on the material terms of a settlement. Settlement costs depend on the seriousness of the injuries that form the basis of the claims, the quality of evidence supporting the claims and other factors. Our total costs for the years 2023 and 2022 for settlement and defense of asbestos claims after insurance recoveries and net of tax were approximately \$54 million and \$57 million, respectively. Our costs for settlement and defense of asbestos claims may vary year to year and insurance proceeds are not always recovered in the same period as the insured portion of the expenses.

Filings include claims for individuals suffering from mesothelioma, a rare cancer, the risk of which is allegedly increased by exposure to asbestos; lung cancer, a cancer which may be caused by various factors, one of which is alleged to be asbestos exposure; other cancers, and conditions that are substantially less serious, including claims brought on behalf of individuals who are asymptomatic as to an allegedly asbestos-related disease. A significant number of pending claims against us are non-cancer claims. It is difficult to predict long-term future asbestos liabilities, as events and circumstances may impact the estimate. We record an accrual for a loss contingency when it is both probable that a liability has been incurred and when the amount of the loss can be reasonably estimated. The reasonably estimable period for our long-term asbestos liability is 10 years, which we determined in consultation with a third-party firm with expertise in estimating asbestos liability and is due to the inherent uncertainties in the tort litigation system. Our estimated asbestos liability is based upon many factors, including the number of outstanding claims, estimated average cost per claim, the breakdown of claims by disease type, historic claim filings, costs per claim of resolution and the filing of new claims, and is assessed in consultation with the third-party firm. Changes in circumstances in future periods could cause our actual liabilities to be higher or lower than our current accrual. We will continue to evaluate our estimates and update our accrual as needed.

Other

From time to time, we receive claims from federal and state environmental regulatory agencies and other entities asserting that we are or may be liable for environmental cleanup costs and related damages principally relating to our historical and predecessor operations. In addition, from time to time we receive personal injury claims including toxic tort and product liability claims (other than asbestos) arising from our historical operations and predecessors. While we believe that our accruals for these matters are adequate, there can be no assurance that circumstances will not change in future periods and, as a result, our actual liabilities may be higher or lower than our accrual.

Related Parties

See Note 4 to the consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

See Note 1 to the consolidated financial statements.

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Cautionary Note Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains both historical and forward-looking statements, including statements related to our future results, performance and achievements. All statements that are not statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. These forward-looking statements reflect our current expectations concerning future results and events; generally can be identified by the use of statements that include phrases such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee,” “likely,” “will,” “may,” “could,” “estimate” or other similar words or phrases; and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause our actual results, performance or achievements to be different from any future results, performance or achievements expressed or implied by these statements. These risks, uncertainties and other factors include, among others: risks related to our streaming business; the adverse impact on our advertising revenues as a result of advertising market conditions, changes in consumer viewership and deficiencies in audience measurement; risks related to operating in highly competitive and dynamic industries, including cost increases; the unpredictable nature of consumer behavior, as well as evolving technologies and distribution models; risks related to our ongoing changes in business strategy, including investments in new businesses, products, services, technologies and other strategic activities; the potential for loss of carriage or other reduction in or the impact of negotiations for the distribution of our content; damage to our reputation or brands; losses due to asset impairment charges for goodwill, intangible assets, FCC licenses and content; liabilities related to discontinued operations and former businesses; risks related to environmental, social and governance (ESG) matters; evolving business continuity, cybersecurity, privacy and data protection and similar risks; content infringement; domestic and global political, economic and regulatory factors affecting our businesses generally; disruptions to our operations as a result of labor disputes; the inability to hire or retain key employees or secure creative talent; volatility in the prices of our common stock; potential conflicts of interest arising from our ownership structure with a controlling stockholder; business uncertainties, including the effect of the Merger on the Company's employees, commercial partners, clients and customers, and contractual restrictions while the Merger is pending; prevention, delay or reduction of the anticipated benefits of the Skydance Transactions as a result of Closing conditions; the Transaction Agreement's limitation on our ability to pursue alternatives to the Skydance Transactions; risks related to a failure to complete the Merger, including payment of a termination fee and negative reactions from the financial markets and from our employees, commercial partners, clients and customers; risks related to change in control or other provisions in certain agreements that may be triggered by the Skydance Transactions; litigation relating to the Merger potentially preventing or delaying the Closing and/or resulting in payment of damages; challenges realizing synergies and other anticipated benefits expected from the Merger, including integrating the Company's and Skydance's businesses successfully; potential unforeseen direct and indirect costs as a result of the Merger; any negative effects of the announcement, pendency or consummation of the Skydance Transactions on the market price of the Company Common Stock and New Paramount Class B Common Stock; and other factors described in our news releases and filings with the Securities and Exchange Commission, including but not limited to our most recent Annual Report on Form 10-K and reports on Form 10-Q and Form 8-K. There may be additional risks, uncertainties and factors that we do not currently view as material or that are not necessarily known. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date of this report, and we do not undertake any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no significant changes to market risk since reported in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures.

Our principal executive officer and principal financial officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended) were effective, based on the evaluation of these controls and procedures required by Rule 13a-15(b) or 15d-15(b) of the Securities Exchange Act of 1934, as amended.

No change in our internal control over financial reporting occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

The information set forth in Note 14 to the consolidated financial statements appearing in Item 1 of Part I of this Quarterly Report on Form 10-Q under the caption “Legal Matters” is incorporated by reference herein.

Item 1A. Risk Factors.

In addition to the risk factors included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 (filed with the Securities and Exchange Commission (the “SEC”) on February 28, 2024), the following risks relating to the pending Skydance Transactions, including the Skydance Merger (in this section, the “Merger”), between the Company and Skydance, among others, could adversely affect the Company’s business, financial condition or results of operations before and after the completion of the Merger.

Risk Relating to the Merger

We will be subject to business uncertainties and contractual restrictions while the Merger is pending

Uncertainty about the effect of the Merger on employees, commercial partners, clients or customers may have an adverse effect on us. Parties with whom we have business relationships, including distributors, advertisers or content providers, may be uncertain as to the future of such relationships or may delay or defer certain business decisions, seek alternative relationships with third parties or seek to alter their present business relationships with us. Parties with whom we otherwise may have sought to establish business relationships may seek alternative relationships with third parties. In addition, if key employees depart because of uncertainty about their future roles or the potential complexities of the Skydance Transactions, our business could be harmed. Furthermore, the Transaction Agreement contains limitations with respect to our ability to take certain actions that are outside the ordinary course of business prior to the closing of the Merger (the “Closing”), which may delay or prevent us from undertaking certain actions or business opportunities that may arise prior to the Closing. For additional information, see the Transaction Agreement, which was included as Exhibit 2.1 to our Current Report on Form 8-K filed with the SEC on July 11, 2024. The foregoing reference to the Transaction Agreement and the Skydance Transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Transaction Agreement.

The Company, Skydance and the Skydance Investor Group must obtain certain regulatory approvals in order to complete the Skydance Transactions; if such approvals are not obtained or are obtained with conditions, the Skydance Transactions may be prevented or delayed or the anticipated benefits of the Skydance Transactions could be reduced

The Closing is conditioned upon, among other things, the clearance or approval by various regulatory authorities in the United States and other jurisdictions. As a condition to granting the necessary approvals or clearances, regulatory authorities may impose conditions, terms, obligations or restrictions or require divestitures or place restrictions on the conduct of the new holding company’s (“New Paramount”) business after consummation of the Skydance Transactions. Any such requirements or restrictions sought by regulatory authorities could negatively affect the business, financial condition or results of operations of New Paramount following completion of the Skydance Transactions. Any such requirements or restrictions may prevent or delay completion of the Skydance Transactions or may reduce the anticipated benefits of the Skydance Transactions, which could also have a material adverse effect on New Paramount’s business, financial condition, results of operations or cash flows.

The Transaction Agreement limits our ability to pursue alternatives to the Skydance Transactions, which may discourage other companies from making a favorable alternative transaction proposal

The Transaction Agreement contains provisions that make it more difficult for us to enter into alternative transactions. Under the Transaction Agreement, commencing at 11:59 p.m., New York City Time, on August 21, 2024 (the “No-Shop Period Start Date”) (as may be extended with respect to certain third parties in accordance with the Transaction Agreement), we are subject to “no-shop” provisions that restrict our ability to, among other things, solicit, initiate or knowingly facilitate or knowingly encourage competing third party proposals for the acquisition of Company voting or equity securities or assets. In addition, before our Board of Directors (acting upon the recommendation of the special committee of our Board of Directors (the “Special Committee”)) or the Special Committee terminates the Transaction Agreement to enter into a superior proposal, Skydance generally has an opportunity to offer to modify the terms of the Skydance Transactions. Upon termination of the Transaction Agreement under certain circumstances, including in connection with our entry into a superior proposal, we would be required to pay Skydance a termination fee of \$400 million (the “Termination Fee”).

These provisions could discourage a potential third party that has an interest in making a competing proposal, even if such party were prepared to pay consideration with a higher per share value than the currently proposed merger consideration.

If the Transaction Agreement is terminated and the Company decides to seek another business combination, it may not be able to negotiate or consummate transactions with another party on terms comparable to, or better than, the terms of the Transaction Agreement. In certain circumstances, we would be required to pay to Skydance the Termination Fee if such a business combination is agreed to or consummated within 12 months after such termination.

The Skydance Transactions are subject to a number of Closing conditions and, if these conditions are not satisfied, the Transaction Agreement may be terminated in accordance with its terms and the Skydance Transactions may not be completed. In addition, the parties have the right to terminate the Transaction Agreement under certain circumstances, in which case the Skydance Transactions would not be completed

The Skydance Transactions are subject to a number of Closing conditions and, if these conditions are not satisfied or waived (to the extent permitted by law), the Skydance Transactions will not be completed. These conditions include, among others: (i) the effectiveness of New Paramount’s registration statement on Form S-4 pursuant to which shares of New Paramount Class B Common Stock issuable in connection with the Skydance Transactions will be registered with the SEC, and the absence of any stop order or other proceeding that suspends or otherwise threatens such effectiveness; (ii) the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (iii) the clearance and obtainment of approvals under certain specified antitrust laws, foreign direct investment laws, and communications laws; (iv) the absence of any order or legal requirement that enjoins, restrains or otherwise prohibits the consummation of the Mergers (as defined in the Transaction Agreement) or that would impose a material adverse effect on New Paramount and its subsidiaries, taken as a whole after giving effect to the Mergers (as defined in the Transaction Agreement); (v) the registration, and the authorization for listing on The Nasdaq Stock Market LLC, of New Paramount Class B Common Stock; (vi) the mailing of the information statement contemplated by Rule 14c-2 of the Securities Exchange Act of 1934, as amended by the Company to the stockholders of the Company, and the lapse of at least 20 calendar days from the date of completion of such mailing; (vii) the consummation of each of the NAI Transaction and the PIPE Transaction (each as defined in the Transaction Agreement) immediately prior to or substantially concurrent with the Closing; (viii) the delivery by each of Skydance and Paramount to the other party of duly executed counterparts to each of the ancillary agreements required to be delivered at the Closing to which it is a party; and (ix) customary conditions regarding the accuracy of the representations and warranties and material compliance by the parties with their respective obligations under the Transaction Agreement.

These Closing conditions may not be fulfilled and, accordingly, the Skydance Transactions may not be completed. In addition, we may choose not to proceed with the Skydance Transactions if, among other things, (i) any of the Subscription Agreements or the NAI Stock Purchase Agreement (each as defined in the Transaction Agreement) is terminated in accordance with their respective terms; (ii) the consummation of the Skydance Transactions does not occur before April 7, 2025, subject to two automatic extensions of 90 days each if on such date all of the Closing conditions except those relating to regulatory approvals have been satisfied or waived; (iii) a governmental authority having jurisdiction over Skydance or Paramount has issued any law permanently restraining, enjoining or otherwise prohibiting the Merger and such law becomes final and non-appealable; or (iv) the other party breaches its representations, warranties or covenants in the Transaction Agreement in a manner that would result in a failure of an applicable Closing condition, subject in certain cases to the right of the breaching party to cure the breach. We may also (acting with the prior approval of the Special Committee), prior to the No-Shop Period Start Date, terminate the Transaction Agreement to enter into a definitive agreement with respect to a Superior Proposal (as defined in the Transaction Agreement), subject to complying with certain requirements including the payment to Skydance of the Termination Fee.

Failure to complete the Merger could negatively impact our business, financial condition, results of operations and stock price

The Merger cannot be completed until conditions to Closing are satisfied or, if permissible under applicable law, waived. The Merger is subject to numerous Closing conditions, including the receipt of required regulatory approvals. If the Merger is not completed, our ongoing business may be adversely affected and we will be subject to several risks or consequences, including:

- we may be required, under certain circumstances, to pay Skydance the Termination Fee;
- we will be required to pay certain costs relating to the Merger, whether or not the Merger is completed, such as significant fees and expenses relating to financial advisory, legal, accounting, consulting or other advisory fees or expenses, employee-benefit or related expenses, regulatory filings or filing and printing fees; or
- matters relating to the Merger may require substantial commitments of time and resources by our management or the expenditure of significant funds in the form of fees and expenses, which could otherwise have been devoted to day-to-day operations or other opportunities that may have been beneficial to us.

In addition, if the Merger is not completed, we may experience negative reactions from the financial markets or from our employees, commercial partners, clients or customers. We could also be subject to litigation, including litigation related to failure to complete the Merger or to enforce our obligations under the Transaction Agreement. If the Merger is not consummated, including for the reasons described in the risk factors above, there can be no assurance that the risks described above will not materially affect our business, financial condition, results of operations or stock price. For a description of the circumstances under which the Termination Fee is payable, see the Transaction Agreement.

The Skydance Transactions may trigger change in control or other provisions in certain agreements, which may, among other things, allow third parties to terminate or alter existing contracts or relationships with us

We have contracts with customers, licensees, vendors, landlords, lenders, business partners and other third parties, which may require us to obtain consents from these other parties in connection with the Skydance Transactions. If these consents cannot be obtained, the counterparties to these contracts and other third parties with which we currently have relationships may have the ability to terminate, reduce the scope of or otherwise materially adversely alter their relationships with us in anticipation of or as a result of the Skydance Transactions. The pursuit of such rights may result in us or New Paramount suffering a loss of potential future revenue or incurring liabilities in connection with a breach of such agreements or losing rights that are material to its business.

Any such disruptions could adversely impact New Paramount's ability to achieve the anticipated benefits of the Skydance Transactions. The adverse effect of such disruptions could also be exacerbated by a delay in the completion of the Skydance Transactions or the termination of the Transaction Agreement.

Litigation relating to the Merger may be filed against Our Board of Directors and/or the Special Committee that could prevent or delay the Closing and/or result in the payment of damages following the Closing

In connection with the Merger, it is possible that our stockholders may file putative class action lawsuits against our Board of Directors and/or the Special Committee. Among other remedies, our stockholders could seek damages and/or to enjoin the Merger. The outcome of any litigation is uncertain and any such potential lawsuits could prevent or delay the Closing and/or result in substantial costs to the Company. Any such actions may create uncertainty relating to the Merger and may be costly and distracting to management. Further, the defense or settlement of any lawsuit or claim that remains unresolved at the time the Merger is completed may involve significant costs and may otherwise adversely affect New Paramount's business, financial condition, results of operations or cash flows. See Note 14 to the consolidated financial statements appearing in Item 1 of Part I of this Report under the caption "Litigation Related to the Skydance Transactions" for further information.

Although we expect the Merger will result in synergies and other benefits, those synergies and benefits may not be realized or may not be realized within the expected time frame. The Company's and Skydance's businesses may not be integrated successfully or such integration may be more difficult, time consuming or costly than expected. Operating costs, customer loss and business disruption, including difficulties in maintaining relationships with employees, customers, suppliers or vendors, may be greater than expected following the Merger. Revenues following the Merger may be lower than expected

Our ability to realize the anticipated benefits of the Merger will depend, to a large extent, on New Paramount's ability to integrate the Company's or Skydance's businesses in a manner that facilitates growth opportunities or achieves the projected standalone cost savings or revenue growth trends identified by each company without adversely affecting current revenues or investments in future growth. Even if New Paramount is able to integrate the two companies successfully, the anticipated benefits of the Merger, including the expected synergies, may not be realized fully or at all or may take longer to realize than expected.

The combination of two independent businesses is complex, costly and time-consuming and may divert significant management attention or resources towards integration planning at the expense of the Company's and Skydance's ordinary course business practices and operations. This process also may disrupt the Company's or Skydance's businesses. Paramount and Skydance have been operated as independent businesses, and they will continue to be operated as such until the completion of the Skydance Transactions. Upon completion of the Skydance Transactions, the management of New Paramount may face significant challenges in integrating the technologies, organizations, systems, procedures, policies and operations, as well as addressing the different business cultures at Paramount and Skydance, managing the increased scale and scope of the combined businesses, identifying and eliminating duplicative programs, and retaining key personnel. Failure to meet the challenges involved in combining the two businesses and to realize the anticipated benefits of the Merger could adversely affect the business, financial condition or results of operations of New Paramount. The overall combination of the Company's and Skydance's businesses may also result in material unanticipated problems, expenses, liabilities, competitive responses, and loss of customer and other business relationships. The difficulties of combining the operations of the companies include, among others:

- the diversion of management attention to integration matters;
- difficulties in integrating operations and systems, including intellectual property and communications systems, administrative and information technology infrastructure and financial reporting and internal control systems;

- challenges in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;
- difficulties in integrating employees and attracting and retaining key personnel, including talent;
- challenges in retaining existing, and obtaining new customers, viewers, suppliers, distributors, licensors, lessors, employees, business associates and others, including material content providers, studios, authors, producers, directors, actors and other talents, guilds and advertisers;
- difficulties in achieving anticipated cost savings, synergies, accretion targets, business opportunities, financing plans and growth prospects from the combination;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- challenges in continuing to develop valuable and widely-accepted content and technologies;
- contingent liabilities that are larger than expected; and
- potential unknown liabilities, adverse consequences and unforeseen increased expenses associated with the Merger.

Many of these factors are outside of the control of the Company and Skydance and/or will be outside the control of New Paramount, and any one of them could result in lower revenues, higher costs and diversion of management time and energy, which could materially and adversely impact the business, financial condition or results of operations of New Paramount. In addition, even if the operations of the businesses of the Company and Skydance are integrated successfully, the full benefits of the Merger may not be realized, including, among others, the synergies, cost savings or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame or at all. Further, additional unanticipated costs may be incurred in the integration of the businesses of the Company and Skydance. All of these factors could cause dilution to the earnings per share of New Paramount, decrease or delay the projected accretive effect of the Merger, and negatively impact the price of the New Paramount Class B Common Stock following the Merger. As a result, no assurances can be provided that the combination of the Company and Skydance will result in the realization of the full benefits expected from the Merger within the anticipated time frames or at all.

We have incurred, and will continue to incur, substantial direct and indirect costs as a result of the Merger

We have incurred, and will continue to incur, substantial expenses in connection with and as a result of completing the Merger, including financial advisory, legal, accounting, consulting and other advisory fees and expenses, employee-benefit and related expenses, regulatory filings and filing and printing fees. In addition, over a period of time following the Closing, New Paramount is expected to incur substantial expenses in connection with integrating and coordinating the businesses, operations, policies and procedures of the Company and Skydance. A portion of the transaction costs related to the Merger will be incurred regardless of whether the Merger is completed. While we have assumed that a certain level of transaction expenses will be incurred, factors beyond our control could affect the total amount or the timing of these expenses. Many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses may exceed the costs historically borne by the Company. These costs could adversely affect the business, financial condition or results of operations of the Company prior to the Merger and of New Paramount following the Merger.

The market price for New Paramount Class B Common Stock following the Closing may be affected by factors different from those that historically have affected or currently affect the Company Common Stock

The business, financial condition and results of operations of New Paramount will be affected by factors that are different from those currently affecting the business, financial condition or results of operations of the Company. Accordingly, the market price and performance of New Paramount Class B Common Stock is likely to be different

from the market price and performance of our Class B Common Stock in the absence of the Merger. In addition, general fluctuations in stock markets could have a material adverse effect on the market for, or liquidity of, New Paramount Class B Common Stock, regardless of New Paramount's actual operating performance.

The Merger may not be accretive and may cause dilution to the earnings per share of New Paramount, which may negatively affect the market price of the New Paramount Class B Common Stock

The issuance of shares of New Paramount Class B Common Stock as part of the Merger could have the effect of depressing the market price of the New Paramount Class B Common Stock. In addition, the Company (or New Paramount after the Merger) could encounter other transaction-related costs, such as the failure to realize all of the benefits anticipated in the Merger, which could cause dilution to New Paramount's earnings per share or decrease or delay the expected accretive effect of the Merger and cause a decrease in the market price of the New Paramount Common Stock.

Risks Relating to Ownership of our Common Stock

NAI, through its voting control of the Company, is in a position to control actions that require stockholder approval

NAI, through its direct and indirect ownership of our Class A Common Stock, has voting control of the Company. As of June 30, 2024, NAI directly or indirectly owned approximately 77.4% of our voting Class A Common Stock, and approximately 9.5% of our Common Stock. NAI is controlled by the Sumner M. Redstone National Amusements Part B General Trust (the "General Trust"), which owns 80% of the voting interest of NAI. NA Administration, LLC is the corporate trustee of the General Trust and is governed by a seven-member board of directors, which acts by majority vote (subject to certain exceptions), including with respect to the NAI shares held by the General Trust. Shari E. Redstone, Chairperson, CEO and President of NAI and non-executive Chair of our Board of Directors, is one of the seven directors of NA Administration, LLC and one of two directors who are beneficiaries of the General Trust. No member of our management or other member of our Board of Directors is a director of NA Administration, LLC.

NAI is in a position to control the outcome of corporate actions that require, or may be accomplished by, stockholder approval, including amending our bylaws, the election or removal of directors and transactions involving a change of control. For example, our bylaws provide that:

- the affirmative vote of not less than a majority of the aggregate voting power of all outstanding shares of our capital stock then entitled to vote generally in an election of directors, voting together as a single class, is required for our stockholders to amend, alter, change, repeal or adopt any of our bylaws;
- any or all of our directors may be removed from office at any time prior to the expiration of his or her term of office, with or without cause, only by the affirmative vote of the holders of record of outstanding shares representing at least a majority of all the aggregate voting power of outstanding shares of our Common Stock then entitled to vote generally in the election of directors, voting together as a single class at a special meeting of our stockholders called expressly for that purpose; and
- in accordance with the General Corporation Law of the State of Delaware, our stockholders may act by written consent without a meeting if such stockholders hold the number of shares representing not less than the minimum number of votes that would be necessary to authorize or take such actions at a meeting at which all shares entitled to vote thereon were present and voted.

Accordingly, our stockholders who may have different interests are unable to affect the outcome of any such corporate actions for so long as NAI retains voting control. For example, in connection with the Skydance Transactions, NAI and its wholly owned subsidiaries, NAI Entertainment Holdings LLC and SPV-NAIEH LLC (the "NAI Company Stockholders"), which hold shares of our Class A Common Stock, executed and delivered to

the Company a written consent approving and adopting the Transaction Agreement and, to the extent the consent of the Company's stockholders is required therefor, the Skydance Transactions, and the delivery of the written consent constituted the necessary approval of the Company's stockholders for the Skydance Transactions. The NAI Company Stockholders also are party to a voting agreement with the Company and Skydance pursuant to which the NAI Company Stockholders have generally agreed to vote (or cause to be voted) all of the shares of our Class A Common Stock held by the NAI Company Stockholders in favor of certain matters set forth in such voting agreement relating to the Skydance Transactions.

If the pending acquisition of 100% of the equity interests of NAI by the Skydance Investor Group is consummated, such acquiring entities will collectively own and control 100% of NAI.

Sales of NAI's shares of our Common Stock, some of which are pledged to lenders or otherwise encumbered, could adversely affect the stock prices

According to information received from NAI, NAI has pledged to its lenders a portion of shares of our Class A Common Stock and our Class B Common Stock owned directly or indirectly by NAI. As of June 30, 2024, the aggregate number of shares pledged by NAI to its lenders or otherwise encumbered represented approximately 3.5% of the total outstanding shares of our Common Stock. If there is a default on NAI's debt obligations and the lenders foreclose on the encumbered shares, the lenders may not effect a transfer, sale or disposition of any such shares of our Class A Common Stock unless NAI and its affiliates beneficially own 50% or less of our Class A Common Stock then outstanding or such shares have first been converted into our Class B Common Stock. A sale of the pledged Common Stock could adversely affect the stock prices. In addition, a change in ownership of NAI, such as the pending acquisition of 100% of the equity interests of NAI by the Skydance Investor Group, or additional sales or pledges of shares of our Common Stock by NAI, could adversely affect the stock prices.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Company Purchases of Equity Securities

In November 2010, we announced that our Board of Directors approved a program to repurchase \$1.5 billion of our common stock in open market purchases or other types of transactions (including accelerated stock repurchases or privately negotiated transactions). Since then, various increases totaling \$16.4 billion have been approved and announced, including most recently, an increase to the share repurchase program to a total availability of \$6.0 billion on July 28, 2016. During the second quarter of 2024, we did not purchase any shares under our publicly announced share repurchase program, which had remaining authorization of \$2.36 billion at June 30, 2024.

Item 6. Exhibits.

Exhibit No.	Description of Document
(2)	Plan of acquisition, reorganization, arrangement, liquidation or succession
(a)	Transaction Agreement, dated as of July 7, 2024, by and among Skydance Media, LLC, Paramount Global, New Pluto Global, Inc., Pluto Merger Sub, Inc., Pluto Merger Sub II, Inc., Sparrow Merger Sub, LLC and the Upstream Blocker Holders signatory thereto (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of Paramount Global filed July 11, 2024) (File No. 001-09553).
(b)	Form of Subscription Agreement, dated as of July 7, 2024, by and among Paramount Global, New Pluto Global, Inc. and the Subscriber signatory thereto (incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K of Paramount Global filed July 11, 2024) (File No. 001-09553).
(3)	Articles of Incorporation and Bylaws
(a)	Amended and Restated Certificate of Incorporation of Paramount Global, effective as of June 4, 2024 (filed herewith) (clean) and as Annex B to the Definitive Proxy Statement of Paramount Global filed April 22, 2024 (marked)).
(b)	Amended and Restated Bylaws of Paramount Global, effective as of June 4, 2024 (filed herewith) (clean) and as Exhibit 3.1 to the Current Report on Form 8-K of Paramount Global filed June 7, 2024 (marked)).
(10)	Material Contracts
(a)	Paramount Global Amended and Restated Long-Term Incentive Plan, effective as of June 4, 2024 (incorporated by reference to Annex B to the Definitive Proxy Statement of Paramount Global filed April 22, 2024) (File No. 001-09553).*
(b)	Letter Agreement, dated as of June 7, 2024, between Paramount Global and Nancy Phillips (filed herewith).*
(c)	Voting Agreement, dated as of July 7, 2024, by and among the parties listed therein (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Paramount Global filed July 11, 2024) (File No. 001-09553).
(31)	Rule 13a-14(a)/15d-14(a) Certifications
(a)	Certification of the principal executive officer of Paramount Global pursuant to Rule 13a-14(a), or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (filed herewith).
(b)	Certification of the principal financial officer of Paramount Global pursuant to Rule 13a-14(a), or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (filed herewith).
(32)	Section 1350 Certifications
(a)	Certification of the principal executive officer of Paramount Global furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (furnished herewith).
(b)	Certification of the principal financial officer of Paramount Global furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (furnished herewith).

Exhibit No.**Description of Document**

(101) Interactive Data File

101. INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101. SCH Inline XBRL Taxonomy Extension Schema.

101. CAL Inline XBRL Taxonomy Extension Calculation Linkbase.

101. DEF Inline XBRL Taxonomy Extension Definition Linkbase.

101. LAB Inline XBRL Taxonomy Extension Label Linkbase.

101. PRE Inline XBRL Taxonomy Extension Presentation Linkbase.

(104) Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

*Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PARAMOUNT GLOBAL
(Registrant)

Date: August 8, 2024

/s/ Naveen Chopra

Naveen Chopra
*Executive Vice President,
Chief Financial Officer*

Date: August 8, 2024

/s/ Katherine Gill-Charest

Katherine Gill-Charest
*Executive Vice President, Controller and
Chief Accounting Officer*

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
PARAMOUNT GLOBAL

(Originally incorporated on November 10, 1986 under the name Arsenal Holdings, Inc.)

ARTICLE I

NAME

The name of this Corporation is Paramount Global.

ARTICLE II

REGISTERED OFFICE AND AGENT FOR SERVICE

The registered office of the Corporation in the State of Delaware is located at 251 Little Falls Drive, City of Wilmington 19808, County of New Castle. The name and address of the Corporation's registered agent for service of process in Delaware is:

Corporation Service Company
251 Little Falls Drive
Wilmington, Delaware 19808

ARTICLE III

CORPORATE PURPOSES

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

CAPITAL STOCK

(1) *Shares, Classes and Series Authorized.* The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 5,080,000,000 shares. The classes and the aggregate number of shares of stock of each class which the Corporation shall have authority to issue are as follows:

- (a) 55,000,000 shares of Class A Common Stock, \$0.001 par value ("Class A Common Stock").
- (b) 5,000,000,000 shares of Class B Common Stock, \$0.001 par value ("Class B Common Stock").
- (c) 25,000,000 shares of Preferred Stock, \$0.001 par value ("Preferred Stock").

(2) *Powers and Rights of the Class A Common Stock and the Class B Common Stock.* Except as otherwise expressly provided in this Amended and Restated Certificate of Incorporation, all issued and outstanding shares of Class A Common Stock and Class B Common Stock shall be identical and shall entitle the holders thereof to the same rights and powers.

(a) *Voting Rights and Powers.* Except as otherwise provided in this Amended and Restated Certificate of Incorporation or required by law, with respect to all matters upon which stockholders are entitled to vote, the holders of the outstanding shares of Class A Common Stock shall vote together with the holders of any other outstanding shares of capital stock of the Corporation entitled to vote, without regard to class, and every holder of outstanding shares of Class A Common Stock shall be entitled to cast thereon one vote in person or by proxy for each share of Class A Common Stock standing in the holder's name. The holders of shares of Class A Common Stock shall have the relevant class voting rights and powers set forth in Section (3) of this Article IV and in Article IX. Except as otherwise required by law, the holders of outstanding shares of Class B Common Stock shall not be entitled to any votes upon any questions presented to stockholders of the Corporation, including, but not limited to, whether to increase or decrease the number of authorized shares of Class B Common Stock.

(b) *Dividends.* Subject to the rights and preferences of any Preferred Stock set forth in any resolution or resolutions providing for the issuance of such stock as set forth in Section (3) of this Article IV, the holders of Class A Common Stock and Class B Common Stock shall be entitled to receive ratably such dividends, other than Share Distributions (as hereinafter defined), as may from time to time be declared by the Board of Directors out of funds legally available therefor. The Board of Directors may, at its discretion, declare a dividend of any securities of the Corporation or of any other corporation, limited liability company, partnership, joint venture, trust or other legal entity (a "Share Distribution") to the holders of shares of Class A Common Stock and Class B Common Stock (i) on the basis of a ratable distribution of identical securities to holders of shares of Class A Common Stock and Class B Common Stock or (ii) on the basis of a distribution of one class or series of securities to holders of shares of Class A Common Stock and another class or series of securities to holders of Class B Common Stock, *provided* that the securities so distributed (and, if the distribution consists of convertible or exchangeable securities, the securities into which such convertible or exchangeable securities are convertible or for which they are exchangeable) do not differ in any respect other than (x) differences in their rights (other than voting rights and powers) consistent in all material respects with differences between Class A Common Stock and Class B Common Stock and (y) differences in their relative voting rights and powers, with holders of shares of Class A Common Stock receiving the class or series of such securities having the higher relative voting rights or powers (without regard to whether such voting rights or powers differ to a greater or lesser extent than the corresponding differences in the voting rights or powers of Class A Common Stock and Class B Common Stock provided in Section (2)(a) of this Article IV).

(c) *Distribution of Assets Upon Liquidation.* In the event the Corporation shall be liquidated, dissolved or wound up, whether voluntarily or involuntarily, after there shall have been paid or set aside for the holders of all shares of the Preferred Stock then outstanding the full preferential amounts to which they are entitled under this Article IV or the resolutions, as the case may be, authorizing the issuance of such Preferred Stock, the net assets of the Corporation remaining thereafter shall be divided ratably among the holders of Class A Common Stock and Class B Common Stock.

(d) *Split, Subdivision or Combination.* If the Corporation shall in any manner split, subdivide or combine the outstanding shares of Class A Common Stock or Class B Common Stock, the outstanding shares of the other class of Common Stock shall be proportionally split, subdivided or combined in the same manner and on the same basis as the outstanding shares of the other class of Common Stock have been split, subdivided or combined.

(e) *Conversion.* So long as there are at least 5,000 shares of Class A Common Stock outstanding, each record holder of shares of Class A Common Stock may convert any or all of such shares into an equal number of shares of Class B Common Stock by delivering written notice to the Corporation's transfer agent stating that such record holder desires to convert such shares into the same number of shares of Class B Common Stock and requesting that the Corporation issue all of such Class B Common Stock to the persons named therein, setting forth the number of shares of Class B Common Stock to be issued to each such person (and, in the case of a request for registration in a name other than that of such record holder, providing proper evidence of succession, assignation or authority to transfer), accompanied by payment of documentary, stamp or similar issue or transfer taxes, if any.

(3) *Powers and Rights of the Preferred Stock.* The Preferred Stock may be issued from time to time in one or more series, with such distinctive serial designations as may be stated or expressed in the resolution or resolutions providing for the issuance of such stock adopted from time to time by the Board of Directors; and in such resolution or resolutions providing for the issuance of shares of each particular series, the Board of Directors is also expressly authorized to fix: the right to vote, if any, *provided* that the Corporation shall not issue any Preferred Stock, or Preferred Stock that is convertible into or exchangeable for securities, that, in the aggregate with all other outstanding shares of Preferred Stock, have the ability to elect a number of Directors constituting a majority of the Board of Directors unless the issuance of such Preferred Stock shall have been approved by the holders of a majority of the outstanding shares of Class A Common Stock, voting separately as a class; the consideration for which the shares of such series are to be issued; the number of shares constituting such series, which number may be increased (except as otherwise fixed by the Board of Directors) or decreased (but not below the number of shares thereof then outstanding) from time to time by action of the Board of Directors; the rate of dividends upon shares of such series and the times at which such dividends shall be payable and the preference, if any, which such dividends shall have relative to dividends on shares of any other class or classes or any other series of stock of the Corporation; whether such dividends shall be cumulative or non-cumulative, and, if cumulative, the date or dates from which dividends on shares of such series shall be cumulative; the rights, if any, which the holders of shares of such series shall have in the event of any voluntary or involuntary liquidation, merger, consolidation, distribution or sale of assets, dissolution or winding up of the affairs of the Corporation; the rights, if any, which the holders of shares of such series shall have to convert such shares into or exchange such shares for shares of any other class or classes or any other series of stock of the Corporation or for any debt securities of the Corporation and the terms and conditions, including, without limitation, price and rate of exchange, of such conversion or exchange; whether shares of such series shall be subject to redemption, and the redemption price or prices and other terms of redemption, if any, for shares of such series including, without limitation, a redemption price or prices payable in shares of Class A Common Stock or Class B Common Stock; the terms and amounts of any sinking fund for the purchase or redemption of shares of such series; and any and all other powers, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof pertaining to shares of such series permitted by law.

(4) *Issuance of Class A Common Stock, Class B Common Stock and Preferred Stock.* The Board of Directors of the Corporation may from time to time authorize by resolution the issuance of any or all shares of Class A Common Stock, Class B Common Stock and Preferred Stock herein authorized in accordance with the terms and conditions set forth in this Amended and Restated Certificate of

Incorporation for such purposes, in such amounts, to such persons, corporations, or entities, for such consideration, and in the case of the Preferred Stock, in one or more series, all as the Board of Directors in its discretion may determine and without any vote or other action by any of the stockholders of the Corporation, except as otherwise required by law.

ARTICLE V

DIRECTORS

(1) *Power of the Board of Directors.* The property and business of the Corporation shall be controlled and managed by or under the direction of its Board of Directors. In furtherance, and not in limitation, of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized:

- (a) To adopt, amend, alter, change or repeal the Bylaws of the Corporation; *provided* that no Bylaws hereafter adopted shall invalidate any prior act of the Directors that would have been valid if such Bylaws had not been adopted;
- (b) To determine the rights, powers, duties, rules and procedures that affect the power of the Board of Directors to manage and direct the property, business and affairs of the Corporation, including, without limitation, the power to designate and empower committees of the Board of Directors, to elect, appoint and empower the officers and other agents of the Corporation, and to determine the time and place of, and the notice requirements for, Board meetings, as well as the manner of taking Board action; and
- (c) To exercise all such powers and do all such acts as may be exercised by the Corporation, subject to the provisions of the laws of the State of Delaware, this Amended and Restated Certificate of Incorporation, and the Bylaws of the Corporation.

(2) *Number of Directors.* The number of directors constituting the entire Board of Directors shall be fixed from time to time by resolution of the Board of Directors but shall not be less than three nor more than twenty. Directors shall be elected to hold office until the next annual meeting of stockholders of the Corporation or until their successors are duly elected and shall qualify, unless sooner displaced. As used in this Amended and Restated Certificate of Incorporation, the term "entire Board of Directors" means the total number of Directors fixed in the manner provided in this Article V, Section (2) and in the Bylaws.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS AND OFFICERS

(1) *Right to Indemnification.* The Corporation shall indemnify any person who was or is involved in or is threatened to be involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a Director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer (including, without limitation, a trustee) of another corporation, limited liability company, partnership, joint venture, trust or other enterprise (such person, an "indemnitee"), to the fullest extent authorized by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment and unless applicable law otherwise requires, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against judgments, fines, amounts paid in

settlement and expenses (including, without limitation, attorneys' fees), actually and reasonably incurred by such person in connection with such action, suit or proceeding. Notwithstanding the foregoing, except as provided in Section (7) of this Article VI with respect to proceedings to enforce rights to indemnification and advancement of expenses, the Corporation shall indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by the indemnitee, if and only if the Board of Directors authorized the bringing of the action, suit or proceeding (or part thereof) in advance of the commencement of the proceeding.

(2) *Successful Defense.* To the extent that an indemnitee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section (1) of this Article VI, or in defense of any claim, issue or matter therein, such indemnitee shall be indemnified against expenses (including, without limitation, attorneys' fees) actually and reasonably incurred by the indemnitee in connection therewith.

(3) *Advance Payment of Expenses.* Expenses (including attorneys' fees) incurred by a present or former Director or officer of the Corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding; *provided, however,* that, to the extent required by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended, a present Director or officer of the Corporation shall be required to submit to the Corporation, prior to the payment of such expenses, an undertaking (an "undertaking") by or on behalf of such Director or officer to repay such amount if it shall ultimately be determined in a final, non-appealable judicial decision that such Director or officer is not entitled to be indemnified by the Corporation for such expenses as authorized in this Article VI; *provided, further,* that a former Director or officer of the Corporation shall be required to submit to the Corporation, prior to the payment of such expenses, an undertaking to the extent an undertaking would be required of a present Director or officer of the Corporation pursuant to this Section (3).

(4) *Not Exclusive.* The indemnification and advancement of expenses provided by, or granted pursuant to, the other sections of this Article VI shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any statute, bylaw, agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. Without limiting the foregoing, the Corporation is authorized to enter into an agreement with any Director or officer of the Corporation providing indemnification for such person against expenses, including, without limitation, attorneys' fees, judgments, fines and amounts paid in settlement that result from any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, including, without limitation, any action, suit or proceeding by or in the right of the Corporation, that arises by reason of the fact that such person is or was a Director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, to the fullest extent allowed by law, except that no such agreement shall provide for indemnification for any actions that constitute fraud, actual dishonesty or willful misconduct.

(5) *Insurance.* The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, limited liability company, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VI.

(6) *Certain Definitions.* For the purposes of this Article VI, (a) any Director, officer or employee of the Corporation who shall serve or has served as a director or officer of any other corporation, limited

liability company, partnership, joint venture, trust or other enterprise of which the Corporation, directly or indirectly, is or was a stockholder or creditor, or in which the Corporation is or was in any way interested, or (b) any current or former director or officer of any subsidiary corporation, limited liability company, partnership, joint venture, trust or other enterprise wholly owned by the Corporation, shall be deemed to be serving as such director or officer at the request of the Corporation, unless the Board of Directors of the Corporation shall determine otherwise. In all other instances where any person shall serve or has served as a director or officer of another corporation, limited liability company, partnership, joint venture, trust or other enterprise of which the Corporation is or was a stockholder or creditor, or in which it is or was otherwise interested, if it is not otherwise established that such person is or was serving as such director or officer at the request of the Corporation, the Board of Directors of the Corporation may determine whether such service is or was at the request of the Corporation, and it shall not be necessary to show any actual or prior request for such service. For purposes of this Article VI, references to a corporation include all constituent corporations absorbed in a consolidation or merger (including any constituent of a constituent) as well as the resulting or surviving corporation so that any person who is or was a director or officer of such a constituent corporation, or is or was serving at the request of such constituent corporation as a director or officer of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as such person would if such person had served the resulting or surviving corporation in the same capacity. For purposes of this Article VI, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a Director or officer of the Corporation which imposes duties on, or involves services by, such Director or officer with respect to an employee benefit plan, its participants, or beneficiaries, and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VI.

(7) *Proceedings to Enforce Rights to Indemnification.* (a) If a claim under Section (1) of this Article VI is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, or a claim under Section (3) of this Article VI is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. Any such written claim under Section (1) of this Article VI shall include such documentation and information as is reasonably available to the indemnitee and reasonably necessary to determine whether and to what extent the indemnitee is entitled to indemnification. Any written claim under Sections (1), (2) and (3) of this Article VI shall include reasonable documentation of the expenses incurred by the indemnitee.

(b) If successful in whole or in part in any suit brought pursuant to Section (7)(a) of this Article VI, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall also be entitled to be paid and indemnified for the expense of prosecuting or defending such suit.

(c) In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the General Corporation Law of the State of Delaware. Neither the failure of the Corporation (including its Directors who are not parties to such action, a committee of such Directors, independent legal counsel or its stockholders) to have made a determination prior to

the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Directors who are not parties to such action, a committee of such Directors, independent legal counsel or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VI or otherwise shall be on the Corporation.

(8) *Preservation of Rights.* The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director or officer of the Corporation, or has ceased to serve at the request of the Corporation as a director or officer of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, and shall inure to the benefit of the heirs, executors and administrators of such a person. Any repeal or modification of this Article VI by the stockholders of the Corporation entitled to vote thereon shall not adversely affect any right or protection of a Director or officer of the Corporation, or any person serving at the request of the Corporation as a director or officer of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, existing at the time of such repeal or modification.

ARTICLE VII

DIRECTOR AND OFFICER LIABILITY TO THE CORPORATION

(1) *Limitation on Director and Officer Liability.* A Director's or an officer's personal liability to the Corporation and its stockholders for breach of fiduciary duty as a Director or officer, as applicable, shall be limited to the fullest extent permitted by Delaware law. In particular, no Director or officer of the Corporation shall be liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability (a) for any breach of the Director's or officer's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) for any transaction from which the Director or officer derived an improper personal benefit, (d) in the case of a Director, under Section 174 of the General Corporation Law of the State of Delaware, as the same exists or hereafter may be amended, or (e) in the case of an officer, in any action by or in the right of the Corporation. For purposes of this Article VII, "officer" shall have the meaning ascribed to it in Section 102(b)(7) of the General Corporation Law of the State of Delaware.

(2) *Repeal or Modification.* Any repeal or modification of the foregoing Section (1) by the stockholders of the Corporation entitled to vote thereon shall not adversely affect any right or protection of a Director or an officer of the Corporation existing at the time of such repeal or modification.

(3) *Amendment.* If the General Corporation Law of the State of Delaware is amended to authorize corporate action further eliminating or limiting the liability of directors or officers, then a Director or officer of the Corporation shall be free of liability to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

ARTICLE VIII

RESERVATION OF RIGHT TO AMEND CERTIFICATE OF INCORPORATION

- (1) *Reservation of Right to Amend.* The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner now or hereafter prescribed by law, and all the provisions of this Amended and Restated Certificate of Incorporation and all rights and powers conferred in this Amended and Restated Certificate of Incorporation on stockholders, directors and officers are subject to this reserved power.
- (2) *Construction.* Each reference in this Amended and Restated Certificate of Incorporation to "the Amended and Restated Certificate of Incorporation," "hereunder," "hereof," or words of like import and each reference to the Amended and Restated Certificate of Incorporation set forth in any amendment to the Amended and Restated Certificate of Incorporation shall mean and be a reference to the Amended and Restated Certificate of Incorporation, as supplemented and amended through such amendment to the Amended and Restated Certificate of Incorporation.

ARTICLE IX

VOTING RIGHTS

In addition to any other approval required by law or by this Amended and Restated Certificate of Incorporation, the affirmative vote of a majority of the then outstanding shares of Class A Common Stock, voted separately as a class, shall be necessary to approve any consolidation of the Corporation with another corporation, any merger of the Corporation into another corporation or any merger of any other corporation into the Corporation pursuant to which shares of Common Stock are converted into or exchanged for any securities or any other consideration.

The Corporation shall not, and shall not have the legal power to, do any of the following without the prior written consent of the holders of a majority of the Class A Common Stock ("Common A Holders"), which consent may be granted or withheld by Common A Holders in their sole discretion:

- (1) to enter into any agreement regarding, or consummate, any Paramount Transaction (as defined below),
- (2) vote or provide the consent of any shares of capital stock, other equity interests, or other securities of any Paramount Entity (as defined below) owned or held, directly or indirectly, by the Corporation or any direct or indirect subsidiary thereof, with respect to, or in connection with, a Paramount Transaction, or
- (3) whether by merger, consolidation, reorganization or otherwise, amend this Amended and Restated Certificate of Incorporation in a manner that will or may eliminate or change in any way any of the approval rights of the Class A Common Stock with respect to any of the matters described in this Article IX, subsection (1) through (3).

"Paramount Transaction" means any of the following actions or events: to authorize, enter into, commit to or otherwise legally bind the Corporation and its subsidiaries taken as a whole (the "Company") to any transaction not in the ordinary course of business consistent with past practice (by joint venture, consortium, affiliation, agreement, guarantee, understanding or otherwise), for:

(i) Any sale, issuance, transfer, redemption, lien, encumbrance, or other disposition (including, without limitation, by way of recapitalization, reclassification, dividend, distribution, merger, consolidation or otherwise) of (A) any shares of capital stock or ownership interest of Paramount Pictures Corporation (“Paramount”) or of any direct or indirect subsidiary of the Corporation involved with or supporting, in either case, in a material respect, the Corporation’s filmed entertainment business or any other business of Paramount (Paramount and each such subsidiary, a “Paramount Entity”), or (B) any options, warrants, convertible securities or other rights to purchase or acquire or encumber any shares of such capital stock or ownership interest of any Paramount Entity, in any case to a party that is not the Company; or

(ii) Any sale, transfer, license, lien, encumbrance or other disposition of any material asset of (A) any Paramount Entity or (B) the Paramount Entities taken as a whole, in each case, to a party that is not the Company.

ARTICLE X

STOCK OWNERSHIP

AND THE FEDERAL COMMUNICATIONS LAWS

(1) *Restrictions on Stock Ownership or Transfer.* As contemplated by this Article X, the Corporation may restrict the ownership, or proposed ownership, of shares of capital stock of the Corporation by any person if such ownership or proposed ownership (a) is or could be inconsistent with, or in violation of, any provision of the Federal Communications Laws (as hereinafter defined), (b) limits or impairs or could limit or impair any business activities or proposed business activities of the Corporation under the Federal Communications Laws or (c) subjects or could subject the Corporation to any regulation under the Federal Communications Laws to which the Corporation would not be subject but for such ownership or proposed ownership (clauses (a), (b) and (c) collectively, "FCC Regulatory Limitations"). For purposes of this Article X, the term "Federal Communications Laws" shall mean any law of the United States now or hereafter in effect (and any regulation thereunder), including, without limitation, the Communications Act of 1934, as amended (the "Communications Act"), and regulations thereunder, pertaining to the ownership and/or operation or regulating the business activities of (x) any television or radio station, daily newspaper, cable television system or other medium of mass communications or (y) any provider of programming content to any such medium.

(2) *Requests for Information.* If the Corporation believes that the ownership or proposed ownership of shares of capital stock of the Corporation by any person may result in an FCC Regulatory Limitation, such person shall furnish promptly to the Corporation such information (including, without limitation, information with respect to citizenship, other ownership interests and affiliations) as the Corporation shall request.

(3) *Denial of Rights, Refusal to Transfer.* If (a) any person from whom information is requested pursuant to Section (2) of this Article X should not provide all the information requested by the Corporation, or (b) the Corporation shall conclude that a stockholder's ownership or proposed ownership of, or that a stockholder's exercise of any rights of ownership with respect to, shares of capital stock of the Corporation results or could result in an FCC Regulatory Limitation, then, in the case of either clause (a) or clause (b), the Corporation may (i) refuse to permit the transfer of shares of capital stock of the Corporation to such proposed stockholder, (ii) suspend those rights of stock ownership the exercise of which causes or could cause such FCC Regulatory Limitation, (iii) require the conversion of any or all

shares of Class A Common Stock held by such stockholder into an equal number of shares of Class B Common Stock, (iv) redeem such shares of capital stock of the Corporation held by such stockholder in accordance with the terms and conditions set forth in this Section (3), and/or (v) exercise any and all appropriate remedies, at law or in equity, in any court of competent jurisdiction, against any such stockholder or proposed transferee, with a view towards obtaining such information or preventing or curing any situation which causes or could cause an FCC Regulatory Limitation. Any such refusal of transfer or suspension of rights pursuant to clauses (i) and (ii), respectively, of the immediately preceding sentence shall remain in effect until the requested information has been received and the Corporation has determined that such transfer, or the exercise of such suspended rights, as the case may be, will not result in an FCC Regulatory Limitation. The terms and conditions of redemption pursuant to clause (iv) of this Section (3) shall be as follows:

- (i) the redemption price of any shares to be redeemed pursuant to this Section (3) shall be equal to the Fair Market Value (as hereinafter defined) of such shares;
- (ii) the redemption price of such shares may be paid in cash, Redemption Securities (as hereinafter defined) or any combination thereof;
- (iii) if less than all such shares are to be redeemed, the shares to be redeemed shall be selected in such manner as shall be determined by the Board of Directors, which may include selection first of the most recently purchased shares thereof, selection by lot or selection in any other manner determined by the Board of Directors;
- (iv) at least 15 days' written notice of the Redemption Date (as hereinafter defined) shall be given to the record holders of the shares selected to be redeemed (unless waived in writing by any such holder); *provided* that the Redemption Date may be the date on which written notice shall be given to record holders if the cash or Redemption Securities necessary to effect the redemption shall have been deposited in trust for the benefit of such record holders and subject to immediate withdrawal by them upon surrender of the stock certificates for their shares to be redeemed;
- (v) from and after the Redemption Date, any and all rights of whatever nature in respect of the shares selected for redemption (including, without limitation, any rights to vote or participate in dividends declared on stock of the same class or series as such shares), shall cease and terminate and the holders of such shares shall thenceforth be entitled only to receive the cash or Redemption Securities payable upon redemption; and
- (vi) such other terms and conditions as the Board of Directors shall determine.

For purposes of this Section (3):

- (A) "Fair Market Value" shall mean, with respect to a share of the Corporation's capital stock of any class or series, the volume weighted average sales price for such a share on the Nasdaq Global Select Market or, if such stock is not listed on such exchange, on the principal U.S. registered securities exchange on which such stock is listed, during the 30 most recent days on which shares of stock of such class or series shall have been traded preceding the day on which notice of redemption shall be given pursuant to this Section (3); *provided, however*, that if shares of stock of such class or series are not traded on any securities exchange, "Fair Market Value" shall be determined by the Board of Directors in good faith; and *provided, further*, that "Fair Market Value" as to any stockholder who purchased stock within 120 days of a Redemption Date need not (unless otherwise determined by the Board of Directors) exceed the purchase price paid.

(B) "Redemption Date" shall mean the date fixed by the Board of Directors for the redemption of any shares of stock of the Corporation pursuant to this Section (3).

(C) "Redemption Securities" shall mean any debt or equity securities of the Corporation, any subsidiary of the Corporation or any other corporation or other entity, or any combination thereof, having such terms and conditions as shall be approved by the Board of Directors and which, together with any cash to be paid as part of the redemption price, in the opinion of any nationally recognized investment banking firm selected by the Board of Directors (which may be a firm which provides other investment banking, brokerage or other services to the Corporation), has a value, at the time notice of redemption is given pursuant to this Section (3), at least equal to the Fair Market Value of the shares to be redeemed pursuant to this Section (3) (assuming, in the case of Redemption Securities to be publicly traded, such Redemption Securities were fully distributed and subject only to normal trading activity).

(4) *Legends.* The Corporation shall instruct the Corporation's transfer agent that the shares of capital stock of the Corporation are subject to the restrictions set forth in this Article X and such restrictions shall be noted conspicuously on the certificate or certificates representing such capital stock or, in the case of uncertificated securities, contained in the notice or notices sent as required by applicable law.

(5) *Certain Definitions.* For purposes of this Article, the word "person" shall include not only natural persons but partnerships (limited or general), associations, corporations, limited liability companies, joint ventures and other legal entities, and the word "regulation" shall include not only regulations but rules, published policies and published controlling interpretations by an administrative agency or body empowered to administer a statutory provision of the Federal Communications Laws.

ARTICLE XI

COMPROMISE AND REORGANIZATION

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agrees to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation, which restates, integrates and further amends the provisions of the Amended and Restated Certificate of Incorporation of the Corporation, as heretofore amended or supplemented, and which has been duly adopted in accordance with Sections 242 and 245 of the Delaware General Corporation Law, has been executed by its duly authorized officer on the date set forth below.

PARAMOUNT GLOBAL

By: /s/ Christa A. D'Alimonte
Christa A. D'Alimonte
Executive Vice President,
General Counsel and Secretary

Date: June 7, 2024

Effective June 4, 2024

AMENDED AND RESTATED

BYLAWS

OF

PARAMOUNT GLOBAL

ARTICLE I

OFFICES

Section 1. The registered offices of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. The Corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Meetings of stockholders may be held at such time and place (if any), which may be within or without the State of Delaware and may be held by means of remote communication in accordance with Delaware law, as shall be stated in the notice of the meeting or in a valid waiver of notice thereof. The annual meeting of stockholders may be held at such place (if any), which may be within or without the State of Delaware and may be held by means of remote communication in accordance with Delaware law, as shall be designated by the board of directors and stated in the notice of the meeting or in a valid waiver of notice thereof.

Section 2. The annual meeting of stockholders for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting shall be held at such date and hour as shall be determined by the board of directors.

Section 3. Whenever stockholders are required or permitted to take any action at a meeting, notice of the meeting shall be given and shall state the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for determining stockholders entitled to notice of the meeting), and in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise required by applicable law (meaning, here and hereinafter, as required by the Delaware General Corporation Law (the "DGCL")) or the Amended and Restated Certificate of Incorporation (the "Charter"), the notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. The board of directors may postpone or reschedule any previously scheduled meeting.

Section 4. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Charter, may be called by the affirmative vote of a majority of the board of directors, the Chair of the Board or the Chief Executive Officer and shall be called by the Chair of the Board, the Chief Executive Officer or Secretary at the request in writing of the holders of record of at least 50.1% of the aggregate voting power of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, acting together as a single class. Such request shall state the purpose or purposes of the proposed meeting.

Section 5. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 6. The officer who has charge of the stock ledger of the Corporation shall make available, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of ten days ending on the day before the meeting date, at the principal place of business of the Corporation. The list shall also be made available for examination during the meeting in the manner, if any, required by Section 219 of the DGCL.

Section 7. The holders of a majority of the aggregate voting power of the shares of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by applicable law or by the Charter. Whether or not a quorum is present, the chair of the meeting or the holders of a majority of the aggregate voting power of the shares of capital stock entitled to vote who are present in person or represented by proxy at the meeting shall have the power to adjourn the meeting.

Section 8. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication) if the time and place, if any, thereof (and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting) are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxyholders to participate in the meeting by means of remote communication, or (iii) set forth in the notice of meeting given in accordance with Article II, Section 3 of these bylaws; provided, however, that if the date of any adjourned meeting is more than thirty days after the date for which the meeting was originally noticed, notice of the time and place of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting in accordance with Article VI, Section 2(a) of these bylaws, and shall give notice of the

adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the aggregate voting power of the shares of the capital stock entitled to vote who are present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by provision of applicable law or of the Charter, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 10. At every meeting of the stockholders, each stockholder shall be entitled to vote, in person or by a valid proxy given by the stockholder or the stockholder's duly authorized attorney-in-fact, each share of the capital stock having voting power held by such stockholder in accordance with the provisions of the Charter and, if applicable, the certificate of designations relating thereto, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

Section 11. Any action required to be taken at any annual or special meeting of the stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing (or deemed to be in writing under applicable law), setting forth the action so taken, shall be signed by stockholders (or deemed to be signed by stockholders under applicable law) representing not less than the minimum number of votes that would be necessary to authorize or take such actions at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered and dated as required by law. Prompt notice of the taking of such action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. The Secretary shall file such consents with the minutes of the meetings of the stockholders.

Section 12. At all meetings of stockholders, the chair of the meeting shall have absolute authority over matters of procedure, and there shall be no appeal from the ruling of the chair.

Section 13. Attendance of a stockholder, in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where the stockholder, in person or by proxy, attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 14. Notice of Director Nominations and Stockholder Business.

(a) Nominations of persons for election to the board of directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of the stockholders only (i) pursuant to the Corporation's notice of the meeting (or any supplement thereto), (ii) by or at the direction of the board of directors, (iii) by any stockholder or stockholders that, pursuant to Section 11 hereof, represent a sufficient number of votes to take such action by written consent without a meeting or (iv) by any stockholder of the Corporation who is a stockholder of record at the time of the giving of the notice provided for in

this Section 14, who is entitled to vote at the meeting and who complies fully with the notice requirements and other procedures set forth in this Section 14.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to Section 14(a)(iv) above, the stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation and any such proposed business, other than the nomination of persons for election to the board of directors, must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must include all information required by these bylaws and be sent and received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred twentieth (120th) day, prior to the first anniversary of the date of the immediately preceding annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days earlier or more than sixty (60) days later than such anniversary date, notice by the stockholder to be timely must be so sent and received not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder notice as described herein. To be in proper written form, a stockholder's notice to the Secretary shall set forth in writing: (i) as to each person whom the stockholder proposes to nominate for election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement, including, as required, the accompanying proxy card, as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the complete text of any resolutions proposed for consideration or any amendment to any Corporation document intended to be presented at the meeting), the reasons for conducting such business at the annual meeting and a description of any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (A) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (B) the class or series and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (C) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination and (D) a representation whether the stockholder or the beneficial owner, if any, intends to solicit proxies in support of such nomination or proposal, including whether such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to adopt and/or carry out the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares to elect such nominee or nominees; provided that in the event that the stockholder giving such notice, or any party associated with

the stockholder, intends to solicit proxies in support of nominations of persons for election to the board of directors other than the Corporation's nominees for election to the board of directors, such representation shall include a statement that such person intends to solicit the holders of at least 67% of the voting power of the Corporation's shares of outstanding capital stock entitled to vote on the election of directors in support of director nominees other than the Corporation's nominees for election to the board of directors in accordance with Rule 14a-19 under the Exchange Act ("Rule 14a-19") and has otherwise complied or will otherwise comply with the requirements of Rule 14a-19. The Corporation may require the stockholder giving such notice to furnish additional information regarding any proposed nominee as it may reasonably require in order to determine the eligibility of such proposed nominee to serve as a director of the Corporation, or that could be material to a stockholder's understanding of the independence, or lack thereof, of such proposed nominee, under the listing standards of each securities exchange upon which the shares of the Corporation's capital stock and other securities are listed, any applicable rules of the Securities and Exchange Commission, any publicly disclosed standards used by the board of directors in determining and disclosing the independence of the Corporation's directors, including those applicable to a director's service on any of the committees of the board of directors, or the requirements of any other laws or regulations applicable to the Corporation. If requested by the Corporation, the supplemental information required under this paragraph shall be provided by such stockholder within ten (10) days after it has been requested by the Corporation.

(c) Notwithstanding anything in this Section 14 to the contrary, in the event that the number of directors to be elected to the board of directors of the Corporation at an annual meeting is increased and there is no public announcement naming all of the nominees for directors or specifying the size of the increased board of directors made by the Corporation at least one hundred (100) days prior to the first anniversary of the date of the immediately preceding annual meeting, a stockholder's notice required by this Section 14 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be sent and received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(d) Only such business shall be conducted at a special meeting of stockholders as shall have been stated in the Corporation's notice of meeting. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the board of directors, (ii) by any stockholder or stockholders that, pursuant to Section 11 hereof, represent a sufficient number of votes to take such action by written consent without a meeting or (iii) by any stockholder of the Corporation who is a stockholder of record at the time of the giving of the notice provided for in this Section 14, who is entitled to vote at the meeting and who complies fully with the notice and other information requirements and other procedures set forth in this Section 14, including those requirements and procedures applicable to nominations made in connection with an annual meeting as set forth in paragraph (b) of this Section 14. In the event that the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the

stockholder's notice required by paragraph (b) of this Section 14 shall include all information required by these bylaws and be sent and received by the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder notice as described herein.

(e) Only such persons who are nominated in accordance with the requirements and procedures set forth in this Section 14 shall be eligible and qualified to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 14. The stockholder providing the notice set forth in paragraph (b) of this Section 14 shall notify the Secretary in writing at the principal executive offices of the Corporation of any inaccuracy or change in any information provided by such stockholder, including if a stockholder giving notice of any nomination no longer plans to solicit proxies in accordance with its representation pursuant to paragraph (b) of this Section 14 within two (2) business days of becoming aware of such inaccuracy or change. Any information provided pursuant to this paragraph (e) of this Section 14 shall not be deemed to cure any deficiencies in any notice provided by a stockholder, extend any applicable deadlines under these bylaws, or enable or be deemed to permit a stockholder to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business, and/or resolutions proposed to be brought before a meeting of stockholders. Except as otherwise provided by law, the chair of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the requirements and procedures set forth in this Section 14 (including whether the stockholder or beneficial owner, if any, on whose behalf the nominee or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (b)(iii)(D) of this Section 14) and, in the event any proposed nomination or business was not so made or proposed in compliance with this Section 14, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 14, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 14, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(f) Notwithstanding the foregoing provisions of this Section 14, unless otherwise required by law, (1) no stockholder or person associated with a stockholder, if any, on whose behalf a nomination is made, shall solicit proxies in support of director nominees, other than the Corporation's nominees, unless such stockholder and person associated with a stockholder, if any, has complied with Rule 14a-19 in connection with the solicitation of such proxies, including the requirement to provide the Corporation with the notices required thereunder in a timely manner and (2) if any stockholder or person associated with a stockholder (A) provides notice pursuant to Rule 14a-19(b) and (B) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) or fails to timely provide reasonable evidence sufficient to satisfy the Corporation in good faith that such stockholder or person associated with a stockholder has met the requirements of Rule 14a-19(a)(3) in accordance with the following sentence, then the nomination of each such director nominee shall be disregarded and any proxies or votes solicited for the stockholder or person associated with a stockholder's director nominees shall be disregarded. If any stockholder or person associated with a stockholder provides notice pursuant to Rule 14a-19(b), such stockholder or person associated with a stockholder shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting, reasonable documentary evidence that such person has met the requirements of Rule 14a-19, including clause (a)(3) thereof, together with a representation that such person has complied with the requirements of Rule 14a-19.

(g) A stockholder directly or indirectly soliciting proxies for other stockholders must use a proxy card color other than white, which such color shall be reserved for the exclusive use of the board of directors.

(h) For purposes of this Section 14, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press, or any comparable or successor national news service or in a document publicly filed by the Corporation with the Securities Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(i) Notwithstanding the foregoing provisions of this Section 14, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 14. Nothing in this Section 14 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 of Regulation 14A under the Exchange Act (or any successor provision thereto).

Section 15. Delivery to the Corporation. Whenever this Article II requires one or more persons (including a record or beneficial owner of stock) to deliver a document or information to the Corporation or any officer, employee or agent thereof, the Corporation shall not be required to accept delivery of such document or information unless the document or information is in writing exclusively (and not in an electronic transmission) and delivered exclusively by hand (including overnight courier service) or by certified or registered mail, return receipt requested.

ARTICLE III

DIRECTORS

Section 1. The number of directors which shall constitute the entire board of directors shall be fixed as set forth in Article V of the Charter.

Section 2. Subject to the rights of the holders of any series of Preferred Stock or any other class of capital stock of the Corporation then outstanding (other than Common Stock), vacancies in the board of directors for any reason, including by reason of an increase in the authorized number of directors, shall, if occurring prior to the expiration of the term of office in which the vacancy occurs, be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual meeting of stockholders of the Corporation or until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

Section 3. The property and business of the Corporation shall be controlled and managed in accordance with the terms of the Charter by its board of directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Charter or by these bylaws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the Corporation, or any committees thereof, may hold meetings, both regular and special, which may be within or without the State of Delaware or otherwise held in accordance with Delaware law.

Section 5. A regular annual meeting of the board of directors, including newly elected directors, shall be held in connection with each annual meeting of stockholders, and no notice of such meeting to the directors shall be necessary in order legally to constitute the meeting, provided that a quorum shall be present. If such meeting is held at any other time or place, if any, notice thereof must be given or waived as hereinafter provided for special meetings of the board of directors.

Section 6. Additional regular meetings of the board of directors shall be held on such dates and at such times, and at such places, if any, as shall from time to time be determined by the board of directors.

Section 7. The Chair of the Board or the Chief Executive Officer may call a special meeting of the board of directors at any time by giving notice as provided in these bylaws to each member of the board at least twenty-four (24) hours before the time appointed. Every such notice shall state the time and place (and/or method of participation) but need not state the purpose of the meeting. Notwithstanding anything to the contrary herein, the board of directors may not consider any issuance of shares of Class A common stock or other voting securities of the Corporation or any of its subsidiaries at any annual, regular or special meeting unless notice of such proposed issuance shall have been provided personally, orally by telephone or by

electronic transmission to each member of the board at least ten (10) business days prior to such meeting.

Section 8. At all meetings of the board a majority of the entire board of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the Charter or these bylaws. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present.

(A) "Paramount Transaction" means any of the following actions or events: to authorize, enter into, commit to or otherwise legally bind the Corporation and its subsidiaries taken as a whole (the "Company") to any transaction not in the ordinary course of business consistent with past practice (by joint venture, consortium, affiliation, agreement, guarantee, understanding or otherwise), for:

(i) any sale, issuance, transfer, redemption, lien, encumbrance, or other disposition (including, without limitation, by way of recapitalization, reclassification, dividend, distribution, merger, consolidation or otherwise) of (A) any shares of capital stock or other ownership interest of Paramount Pictures Corporation ("Paramount") or of any direct or indirect subsidiary of the Corporation involved with or supporting, in either case, in a material respect, the Corporation's filmed entertainment business or any other business of Paramount (Paramount and each such subsidiary, a "Paramount Entity"), or (B) any options, warrants, convertible securities or other rights to purchase or acquire or encumber any shares of such capital stock or ownership interest of any Paramount Entity, in any case to a party that is not the Company, or

(ii) any sale, transfer, license, lien, encumbrance or other disposition of any material asset of (A) any Paramount Entity or (B) the Paramount Entities taken as a whole, in each case, to a party that is not the Company.

(B) Notwithstanding the foregoing, none of the board, any committee thereof, any member of the board or any executive officer shall, or shall have the power to, authorize, agree to, knowingly cause or permit or take, directly or indirectly, any "Paramount Transaction" without the prior consent of at least 67% of the members of the board.

Section 9. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, setting forth the action so taken, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee.

Section 10. Unless otherwise restricted by the Charter or these bylaws, members of the board of directors, or any committee thereof, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or other communications

equipment, whereby all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 11. *Designation of Committees.* The board of directors may, by resolution passed by a majority of the board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

Section 12. *Vacancies.* In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member.

Section 13. *Powers.* Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors to the extent provided by Section 141(c) of the DGCL as it exists now or may hereafter be amended.

Section 14. *Minutes.* Each committee of the board of directors shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 15. Unless otherwise restricted by the Charter or these bylaws, the board of directors shall have the authority to fix the compensation of directors. All directors may be paid their expenses, if any, of attendance at each meeting of the board of directors, and directors who are not full-time employees of the Corporation may be paid a fixed sum for attendance at each meeting of the board of directors, and/or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation and expenses for attending committee meetings.

REMOVAL OF DIRECTORS

Section 16. Subject to the rights of the holders of any series of Preferred Stock or any other class of capital stock of the Corporation (other than the Common Stock) then outstanding, any or all directors may be removed from office at any time prior to the expiration of such director's or directors' term of office, with or without cause, only by the affirmative vote of the holders of record of outstanding shares representing at least a majority of all the aggregate voting power of outstanding shares of capital stock of the Corporation then entitled to vote generally in the election of directors, voting together as a single class at a special meeting of stockholders called expressly for that purpose.

ARTICLE IV

NOTICES

Section 1. Whenever, under the provisions of applicable law, the Charter or these bylaws, notice is required to be given to (a) any director, it shall be construed to mean oral notice given telephonically or written or printed notice given either personally or by mail, wire or electronic transmission, or (b) any stockholder, it shall be construed to mean written or printed notice given either personally or by mail, wire or electronic transmission in the manner and to the extent provided by Section 232 of the DGCL, in each case, addressed to such director or stockholder, at the director's or stockholder's address as it appears on the records of the Corporation, with postage or other charges thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail or at the appropriate office for transmission by wire or, in the case of electronic transmission, at the time specified by Section 232 of the DGCL.

Section 2. Whenever any notice is required to be given under the provisions of applicable law or of the Charter or of these bylaws, a waiver thereof in writing or by electronic transmission, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 3. Attendance at a meeting shall constitute a waiver of notice except where a director or stockholder attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Neither the business to be transacted at, nor the purpose of, any meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

ARTICLE V

OFFICERS

Section 1. The officers of the Corporation shall be elected by the board of directors at its first meeting in connection with each annual meeting of the stockholders and shall be a Chief Executive Officer, a Chief Financial Officer, a Treasurer and a Secretary. The board of directors may also elect a Chair of the Board, one or more Presidents and Vice Presidents and one or more Assistant Treasurers and Assistant Secretaries, and such other officers of the Corporation as the board of directors deems appropriate. Any number of offices may be held by the same person. Vice Presidents may be given distinctive designations such as Executive Vice President or Senior Vice President. At the time of election, the board of directors may determine that the Chair of the Board shall be a Non-Executive Chair of the Board.

Section 2. The board of directors may elect such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors.

Section 3. The officers of the Corporation shall hold office until their successors are elected or appointed and qualify or until their earlier resignation or removal. Any officer elected

or appointed by the board of directors may be removed at any time with or without cause by the affirmative vote of majority of the board of directors. Any vacancy occurring in any office of the Corporation shall be filled by the board of directors.

CHAIR OF THE BOARD

Section 4. The Chair of the Board, if any shall be elected, shall preside at all meetings of the board of directors and the stockholders and shall have such other powers and perform such other duties as may from time to time be assigned to the Chair by the board of directors.

THE CHIEF EXECUTIVE OFFICER

Section 5. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall have the general powers and duties of supervision, management and control of the business and affairs of the Corporation, subject to the control of the board of directors. The Chief Executive Officer shall perform the duties and exercise the powers incident to the office of Chief Executive Officer and shall have such other powers and perform such other duties as may from time to time be assigned to the Chief Executive Officer by the board of directors or these bylaws.

THE PRESIDENT

Section 6. The President, if any shall be elected, shall, under the direction of the Chief Executive Officer, be responsible for the operations of the Corporation and shall have all the powers, rights, functions and responsibilities normally exercised by a president. The President shall have such other powers and perform such other duties as may from time to time be assigned to the President by the Chief Executive Officer, the board of directors or these bylaws.

THE VICE PRESIDENTS

Section 7. The Vice Presidents, if any shall be elected, shall have such powers and perform such duties as may from time to time be assigned to them by the board of directors or the Chief Executive Officer.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 8. The Secretary, if any shall be elected, shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the board of directors in a book and/or electronic repositories to be kept for that purpose and shall perform like duties for the standing committees of the board of directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and the special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or the Chief Executive Officer. The Secretary shall be under the supervision of the Chief Executive Officer. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by the signature of the Secretary or by the signature of such Assistant Secretary. The

board of directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by such officer's signature.

Section 9. The Assistant Secretary, if any shall be elected, or if there be more than one, the Assistant Secretaries, shall, in the absence of the Secretary or in the event of the Secretary's inability or refusal to act or upon proper delegation by the Secretary, perform the duties and exercise the powers of the Secretary and shall have such other powers and perform such other duties as may from time to time be assigned to them by the board of directors, the Chief Executive Officer or the Secretary.

THE TREASURER AND ASSISTANT TREASURERS

Section 10. The Treasurer, under the supervision of the Chief Executive Officer, shall have charge of the corporate funds and securities and shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by or at the direction of the board of directors.

Section 11. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation as may be ordered by or at the direction of the Chief Executive Officer or the board of directors, taking proper vouchers for such disbursements, and subject to the supervision of the Chief Executive Officer, shall render to the board of directors, when they or either of them so require, an account of the Treasurer's transactions as Treasurer and of the financial condition of the Corporation.

Section 12. If required by the board of directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the Treasurer's office and for the restoration to the Corporation, in case of the Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

Section 13. The Assistant Treasurer, if any shall be elected, or if there shall be more than one, the Assistant Treasurers, shall, in the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act or upon proper delegation by the Treasurer, perform the duties and exercise the powers of the Treasurer and shall have such other powers and perform such other duties as may from time to time be assigned to them by the board of directors, the Chief Financial Officer or the Treasurer.

Section 14. In addition to the corporate officers elected by the board of directors pursuant to this Article V, the Chief Executive Officer may, from time to time, appoint one or more other persons as appointed officers who shall not be deemed to be corporate officers, but may, respectively, be designated with such titles as the Chief Executive Officer may deem appropriate. The Chief Executive Officer may prescribe the powers to be exercised and the duties to be performed by each such appointed officer, may designate the term for which each such appointment is made, and may, from time to time, terminate any or all of such

appointments. Such appointments and termination of appointments shall be reported to the board of directors.

ARTICLE VI

TRANSFERS OF STOCK

Section 1. Unless otherwise provided by resolution of the board of directors, each class or series of the shares of capital stock in the Corporation shall be issued in uncertificated form pursuant to the customary arrangements for issuing shares in such form. Shares shall be transferable only on the books of the Corporation by the holder thereof in person or by attorney upon presentment of proper evidence of succession, assignation or authority to transfer in accordance with the customary procedures for transferring shares in uncertificated form.

FIXING RECORD DATE

Section 2. (a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which shall, except as otherwise required by applicable law, not be more than sixty nor less than ten days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 2(a) at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action without a meeting, (including by electronic transmission, as permitted by law), the board of directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which shall be not more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors and no prior action by the board of directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action without a meeting shall be the first date on which a consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by Article II, Section 11 hereof. If no record date has been fixed by the board of directors and prior action by the board of directors is required by

applicable law with respect to the proposed action by consent of the stockholders without a meeting, the record date for determining stockholders entitled to consent to corporate action without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted, and which shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

REGISTERED STOCKHOLDERS

Section 3. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

INDEMNIFICATION OF EMPLOYEES

Section 1. *Right to Indemnification.* The Corporation shall indemnify any present or former employee of the Corporation who was or is involved in or is threatened to be involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was an employee of the Corporation, or is or was serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise (such person, an “indemnitee”), to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment and unless applicable law otherwise requires, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against judgments, fines, amounts paid in settlement and expenses (including, without limitation, attorneys’ fees), actually and reasonably incurred by such person in connection with such action, suit or proceeding. Notwithstanding the foregoing, except as provided in Section 7 of this Article VII with respect to proceedings to enforce rights to indemnification and advancement of expenses, the Corporation shall indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by the indemnitee, if and only if the board of directors authorized the bringing of the action, suit or proceeding (or part thereof) in advance of the commencement of the proceeding.

Section 2. *Successful Defense.* To the extent that an indemnitee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article VII, or in defense of any claim, issue or matter therein, such indemnitee shall be indemnified against expenses (including, without limitation, attorneys' fees) actually and reasonably incurred by the indemnitee in connection therewith.

Section 3. *Advance Payment of Expenses.* Expenses (including attorneys' fees) incurred by an indemnitee in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon such terms and conditions, if any, as the Corporation deems appropriate, by resolution of the board of directors.

Section 4. *Not Exclusive.* The indemnification and advancement of expenses provided by, or granted pursuant to, the other sections of this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. Without limiting the foregoing, the Corporation is authorized to enter into an agreement with any employee of the Corporation providing indemnification for such person against expenses, including, without limitation, attorneys' fees, judgments, fines and amounts paid in settlement that result from any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, including, without limitation, any action, suit or proceeding by or in the right of the Corporation, that arises by reason of the fact that such person is or was an employee of the Corporation, or is or was serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, to the fullest extent allowed by law, except that no such agreement shall provide for indemnification for any actions that constitute fraud, actual dishonesty or willful misconduct.

Section 5. *Insurance.* The Corporation may purchase and maintain insurance on behalf of any person who is or was an employee of the Corporation, or is or was serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VII.

Section 6. *Certain Definitions.* For the purposes of this Article VII, (a) any employee of the Corporation who shall serve or has served as an employee of any other corporation, limited liability company, partnership, joint venture, trust or other enterprise of which the Corporation, directly or indirectly, is or was a stockholder or creditor, or in which the Corporation is or was in any way interested, or (b) any current or former employee of any subsidiary corporation, limited liability company, partnership, joint venture, trust or other enterprise wholly owned by the Corporation, shall be deemed to be serving as such employee at the request of the Corporation, unless the board of directors of the Corporation shall determine otherwise. In all other instances where any person shall serve or has served as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise of which the Corporation is

or was a stockholder or creditor, or in which it is or was otherwise interested, if it is not otherwise established that such person is or was serving as such employee at the request of the Corporation, the board of directors of the Corporation may determine whether such service is or was at the request of the Corporation, and it shall not be necessary to show any actual or prior request for such service. For purposes of this Article VII, references to a corporation include all constituent corporations absorbed in a consolidation or merger (including any constituent of a constituent) as well as the resulting or surviving corporation so that any person who is or was an employee of such a constituent corporation, or is or was serving at the request of such constituent corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as such person would if such person had served the resulting or surviving corporation in the same capacity. For purposes of this Article VII, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as an employee of the Corporation which imposes duties on, or involves services by, such employee with respect to an employee benefit plan, its participants, or beneficiaries, and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article VII.

Section 7. *Proceedings to Enforce Rights to Indemnification.* (a) If a claim under Section 1 of this Article VII is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, or a claim under Section 3 of this Article VII is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. Any such written claim under Section 1 of this Article VII shall include such documentation and information as is reasonably available to the indemnitee and reasonably necessary to determine whether and to what extent the indemnitee is entitled to indemnification. Any written claim under Sections 1, 2 and 3 of this Article VII shall include reasonable documentation of the expenses incurred by the indemnitee.

(b) If successful in whole or in part in any suit brought pursuant to Section 7(a) of this Article VII, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking to the extent an undertaking would be required of a present director or officer of the Corporation pursuant to Article VI of the Charter of the Corporation (an “undertaking”), the indemnitee shall also be entitled to be paid and indemnified for the expense of prosecuting or defending such suit.

(c) In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such

directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

Section 8. *Preservation of Rights.* The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be an employee of the Corporation, or has ceased to serve at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, and shall inure to the benefit of the heirs, executors and administrators of such a person. Any repeal or modification of this Article VII by the stockholders of the Corporation entitled to vote thereon shall not adversely affect any right or protection of an employee of the Corporation, or any person serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, existing at the time of such repeal or modification.

ARTICLE XIII

FORUM FOR ADJUDICATION OF DISPUTES

The Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state or federal court located within the State of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action or proceeding asserting a claim against the Corporation or any director or officer of the Corporation arising pursuant to, or seeking to enforce any right, obligation, or remedy under, any provision of the DGCL, the Charter, or these bylaws (as each may be amended from time to time), (iv) any action or proceeding to interpret, apply, enforce, or determine the validity of any provision or provisions of the Charter or these bylaws (as each may be amended from time to time), or any amendment thereto or modification thereof, (v) any action or proceeding asserting a claim against the Corporation or any director or officer of the Corporation governed by the internal affairs doctrine, or (vi) any action or proceeding to determine the result of any vote or action by written consent of stockholders. The board of directors may consent in writing to the selection of an alternative forum; provided, however, that any such consent shall require the affirmative vote of all the directors then in office.

ARTICLE IX
GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends upon the capital stock of the Corporation, subject to the provisions of the Charter, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of any statute, the Charter and these bylaws.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purposes as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

CHECKS

Section 3. All checks or demands for money of the Corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 4. The fiscal year of the Corporation shall end on December 31 unless otherwise specified by the board of directors.

SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ELECTRONIC SIGNATURES

Section 6. Except as otherwise required by the Charter (including any certificate of designation relating to any series of Preferred Stock) or these bylaws, any document required by the DGCL, the Charter (including any certificate of designation relating to any series of Preferred Stock) or these bylaws to be executed by any officer, director, stockholder, employee or agent of the Corporation, and any other documents to be executed on behalf of the Corporation, may be executed using a facsimile or other form of electronic signature to the fullest extent permitted by applicable law. The term "electronic signature" as used herein shall have the meaning ascribed thereto in the DGCL.

ARTICLE X

AMENDMENTS

In furtherance of and not in limitation of the powers conferred by statute, the board of directors of the Corporation from time to time may adopt, amend, alter, change or repeal the bylaws of the Corporation; provided, that any bylaws adopted, amended, altered, changed or repealed by the board of directors or the stockholders of the Corporation may be amended, altered, changed or repealed by the stockholders of the Corporation. Notwithstanding any other provisions of the Charter or these bylaws (and notwithstanding the fact that a lesser percentage may be specified by law, the Charter or these bylaws), the affirmative vote of not less than a majority of the aggregate voting power of all outstanding shares of capital stock of the Corporation then entitled to vote generally in an election of directors, voting together as a single class, shall be required for the stockholders of the Corporation to amend, alter, change, repeal or adopt any bylaws of the Corporation.



As of June 4, 2024

Ms. Nancy Phillips
c/o last address on file
with the Company

Dear Nancy:

Reference is made to your employment agreement with Paramount Global (the "Company"), dated as of April 11, 2022 (the "Agreement"). All defined terms used without being defined herein shall have the meanings ascribed to them in the Agreement. This letter further amends the Agreement, effective on the date shown above, as set forth below (the "Amendment").

1. The "Contract Period," as such term is defined in paragraph 1 of the Agreement, is hereby modified such that it ends on the third anniversary of the date of this Amendment.

2. Paragraph 3(a) of the Agreement is hereby modified to increase your Salary to One Million Dollars (\$1,000,000).

3. Paragraph 3(b)(ii) of the Agreement is hereby modified to increase your Target Bonus to 120% of your Salary; *provided* that your Target Bonus for the 2024 fiscal year shall be blended to reflect your Target Bonus before and after the date shown above.

4. Paragraph 3(c) of the Agreement is hereby modified to increase your target long-term incentive value to One Million Eight Hundred Thousand Dollars (\$1,800,000), beginning with the annual grants for the 2025 fiscal year.

5. Except as provided herein, your acceptance of the arrangements described in this Amendment shall in no way constitute a waiver of any rights you may have under the Agreement.

6. This Amendment may be executed in one or more counterparts, including by facsimile, and all counterparts shall constitute one fully executed agreement. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart. Additionally, the parties agree that this Amendment may be electronically signed, and that electronic signatures appearing on this Amendment are the same as handwritten signatures for the purposes of validity, enforcement, and admissibility.

7. Except as otherwise provided herein, the Agreement shall continue in full force and effect in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Please confirm your understanding of the Agreement by signing and returning this Agreement. This document shall constitute a binding agreement between us only after it also has been executed by the Company and a fully executed copy has been returned to you. Facsimile signatures, digital signatures, and signatures delivered and obtained in e-mail PDF format will be deemed originals for all purposes.

Very truly yours,

PARAMOUNT GLOBAL

By: /s/ Chris McCarthy

Chris McCarthy
Office of the Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Nancy Phillips

Nancy Phillips

Dated: 6/7/2024

CERTIFICATION

I, Christopher D. McCarthy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Paramount Global;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024

/s/ Christopher D. McCarthy

Christopher D. McCarthy

Office of the Chief Executive Officer

CERTIFICATION

I, Naveen Chopra, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Paramount Global;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024

/s/ Naveen Chopra

Naveen Chopra

Executive Vice President, Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Paramount Global (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Christopher D. McCarthy, Office of the Chief Executive Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher D. McCarthy

Christopher D. McCarthy

August 8, 2024

**Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Paramount Global (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Naveen Chopra, Executive Vice President, Chief Financial Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Naveen Chopra

Naveen Chopra

August 8, 2024