

June 2, 2025

To Our Stockholders,

Against the backdrop of a dynamic and complicated time in the macro-economic environment and our industry, we are proud that 2024 proved to be a transformative year for Paramount.

We successfully executed on our strategic priorities with one of the strongest content slates in the industry. This resulted in significant improvement in DTC profitability driven by continued topline growth. Paramount+ revenue grew 33% in the year, 10 million new subscribers came to Paramount+ for a total of 77.5 million, and DTC profitability improved by nearly \$1.2 billion. More importantly, more than a quarter of the company's revenue is now generated in our DTC segment, which positions us well for the future. And, with continued focus on strengthening our financial position, we also executed our stated goal of \$500 million in annual run-rate cost savings.

Underpinned by our differentiated strategy of fewer, bigger breakthrough series with electrifying movie stars to set us apart in a crowded space, quarter after quarter, our powerful slate of high-performing hit series, blockbuster films and live sports drove outsized results. With hit shows that everyone is talking about, such as *Landman*, *Lioness*, *Tulsa King*, *The Agency* and the return of *Dexter*, engagement soared, and Paramount+ reached a new high as the #2 domestic subscription video on demand (SVOD) service for hours watched across all original series in Q4. Pluto TV also had a record year in terms of global watch time as it delivered hundreds of live linear channels and thousands of titles on-demand.

CBS had another record year, finishing the 2023-2024 season as America's #1 broadcast network in primetime for the 16<sup>th</sup> consecutive season with 8 of the top 10 broadcast series, including *Tracker* and *NCIS*. We started the 2024-2025 season strong with our returning shows as well as hit new series, including *Matlock*, the #1 new series. Coming off a strong *Super Bowl LVIII*, the NFL on CBS saw another season of massive broadcast audiences with 3 of the top 4 regular season games, averaging over 19 million viewers on broadcast alone. On cable, audiences flocked to our culture-defining shows, such as *Yellowstone*, the #1 cable entertainment series, *The Daily Show*, the #1 cable entertainment series in Late Night, and *SpongeBob SquarePants*, the #1 kids' series among ages 6-11.

Capitalizing on Paramount's rich library and IP, we continued to focus on franchise growth. This strategy paid off at Paramount Pictures with *Sonic the Hedgehog 3* – the latest installment and highest grossing film in the franchise – and another #1 domestic debut for the studio, along with *Mean Girls*, *Bob Marley: One Love, IF*, and *Smile 2*.

These impressive results were achieved by focused execution from our talented teams and creative partners, and we are grateful for their many contributions.

As the FCC continues its review of the Skydance transactions, we remain focused on delivering high-performing hits, supporting our creative culture, and driving value for shareholders.

Thank you,  
Shari, George, Chris, and Brian

