

## Risk Factors Comparison 2025-02-26 to 2024-02-28 Form: 10-K

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A wide range of risks may affect our business, financial condition or results of operations, now and in the future. We consider the risks described below to be the most significant. There may be other currently unknown or unpredictable factors that could have adverse effects on our business, financial condition or results of operations. **Risk Factors Summary** Risks Relating to Our Business and Industry • **The success of our streaming business. • The impact of a variety of external factors on our advertising revenues. • Our ability to compete in a highly competitive and dynamic industry and business. • Anticipating and adapting to shifting content consumption patterns, evolving technologies and distribution models. • Uncertainties relating to investments in new businesses, products, services and technologies, and the evolution of our business strategy. • The loss of affiliation and distribution agreements, renewal of these agreements on less favorable terms or adverse interpretations thereof. • 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. • Increasing scrutiny of, and evolving expectations for, sustainability initiatives.** Risks Relating to Business Continuity, Cybersecurity and Privacy and Data Protection • **Disruptions or attacks on our or our service providers' networks, information systems and other technologies, resulting in the disclosure of business or personal information, business disruptions, damage to our brands and reputation, and legal exposure and financial losses.** Risks Relating to Intellectual Property • **Our ability to maintain and monetize our intellectual property rights.** Risks Relating to Macroeconomic and Political Conditions • **Economic and political conditions in the U. S. and around the world.** Risks Relating to Legal and Regulatory Matters • **Compliance with U. S. and foreign laws or regulations, including privacy and data protection.** Risks Relating to Human Capital • **The inability to hire or retain key employees or secure creative talent. • Disruptions to our business caused by labor disputes.** Risks Relating to the Transactions • **Challenges combining the Company' s and Skydance' s businesses and realizing expected benefits. • Dilution to the earnings per share of New Paramount may negatively affect the market price of the New Paramount Class B Common Stock. I- 14 • The market price for shares of New Paramount Class B Common Stock may be affected by factors different from those that have affected the market price for shares of our Common Stock. • Because the stock consideration exchange ratios are fixed and will not be adjusted for stock price changes, our stockholders cannot be sure of the value of the stock consideration they will receive. • Holders of our Class B Common Stock may not receive all merger consideration in the form they elect. • Our existing stockholders will have a reduced ownership and economic interest in New Paramount. • The PIPE Transaction is subject to certain cutbacks in the event that stock elections exceed specified thresholds. • The Transactions may be prevented or delayed or the anticipated benefits of the Transactions could be reduced if we do not obtain certain regulatory approvals. • The Transactions are subject to a number of conditions to Closing. • Significant transaction and merger- related transition costs in connection with the Transactions. • Business uncertainties and contractual restrictions while the Transactions are pending. • Under the terms of the Transaction Agreement, the go- shop period has expired and we are no longer permitted to pursue alternatives to the Transactions. • Tax consequences of the Transactions may adversely affect holders of our Common Stock. • A new 1 % U. S. federal excise tax could be imposed on us or New Paramount in connection with redemptions by us or New Paramount of our respective shares. • Our executive officers, directors and affiliates may have interests in the Transactions that are different from, or in addition to, the rights of our stockholders. • Failure to complete the Transactions could negatively impact our businesses or financial results and the stock price of our Common Stock. • Lawsuits filed in connection with the Transactions could result in substantial costs and / or delay or prevent the completion of the Transactions. • We may waive one or more of the conditions to Closing without re-obtaining stockholder approval. • Uncertainty regarding the Transactions may create difficulties retaining, motivating and recruiting executives and other key employees before and following the completion of the Transactions. • The Transactions may trigger change in control or other provisions in certain agreements, which may allow third parties to terminate or alter existing contracts or relationships. • Our stockholders will not be entitled to appraisal rights in connection with the Transactions. • Changes and uncertainties with respect to taxes in the jurisdictions in which New Paramount will operate may have an adverse effect on New Paramount' s business.** Risks Relating to Ownership of our Common Stock • **Volatility in the prices of our Common Stock. • NAI is in a position to control actions that require stockholder approval. • Sales of NAI' s shares of our Common Stock could adversely affect the stock prices.** If our streaming business is unsuccessful, our business, financial condition or results of operations could be adversely affected. Streaming is intensely competitive and cash intensive and there can be no assurance our streaming business will be profitable or otherwise successful. Our ability to continue to attract, engage and retain streaming subscribers and active users (together, “ users ”), as well as generate the corresponding subscription and advertising revenues, depends on a number of factors, including our ability to consistently provide appealing and differentiated content **I- 15** that resonates globally, **offer effectively market our content and services, and provide a quality experience for selecting and viewing that content, execute a windowing strategy that maximizes service appeal and the value of our content, successfully market our content and services, and make effective choices globally regarding whether we distribute our content and services directly through our owned- and- operated services or through third parties, including through hard bundles, MVPD bundles and channel distributors.** Our success will require significant investments to produce original content and acquire the rights to third- party content, including sports, as well as the establishment and maintenance of key content and distribution partnerships. If we are unable to

manage costs or maintain such partnerships, we may fail to meet our profitability goals. In addition to attracting new users, we must also meaningfully engage existing users with content to minimize “ churn ” and maximize our advertising and subscription revenues. If we are unable to successfully compete with competitors in attracting, engaging and retaining users, as well as creative talent, our business, financial condition or results of operations could be adversely affected. If consumers do not consider our streaming services to be of value compared to competing services, including because we fail to introduce compelling new content and features, do not maintain competitive pricing , especially during economic downturns or other adverse macroeconomic conditions, terminate or modify promotional or trial period offerings, change the mix of content in a manner that is unfavorably received, or offer an inferior consumer viewing experience, we may not be able to attract, engage and retain users, and our business, financial condition or results of operations could be adversely affected. **If subscribers who receive access to our streaming services through third - party bundles, including through MVPDs, cancel or discontinue their subscriptions, sale of advertising, and including as a decline in result of selecting an alternative bundle that does not include our services or canceling or discontinuing such bundled service, our business may be adversely affected. The advertising revenues has had we generate from our advertising- supported streaming offerings may also be affected by fluctuations in user engagement. If we are unable to attract , engage and could retain users and offset the losses of users who cancel or continue discontinue to have engage with our streaming services , an adverse effect on our business, financial condition or results of operations could be adversely affected. Our advertising revenues have been and may continue to be adversely impacted by several factors, including changes in consumer behavior and advertising market conditions . We generate substantial revenues from the sale of advertising . changes and a decline in advertising revenues has had, and could continue to have, an adverse effect on our business, financial condition or results of operations. The evolution of consumer behavior preferences toward streaming and deficiencies in other digital services, and the increasing number of entertainment choices available to consumers, have intensified audience measurement fragmentation and reduced viewership through traditional linear distribution models, which has caused and may continue to cause ratings and viewership declines for our television networks . This evolution has also given rise to new ways of purchasing advertising, as well as a general shift in total advertising expenditures toward streaming and digital, some of which may not be as beneficial to us as traditional advertising models. In addition, an increase in the number of advertising- supported streaming offerings has intensified, and may continue to intensify, competition for viewers and advertising. The There strength of can be no assurance we can successfully navigate the evolving streaming and digital advertising market or that can fluctuate, reflecting the impact of advertising revenues we generate in that market will replace the declines in advertising revenues generated from our traditional linear business. Our advertising business is sensitive to general macroeconomic conditions as well as the economic prospects and spending priorities of specific advertisers or industries , and may continue to decline. Our ability to generate advertising revenue is also dependent on demand for our content, the viewers in our targeted demographics, advertising rates and , targeting capabilities, results observed by advertisers , the perceived effectiveness of our advertising offerings and alternative advertising options .** Natural and other disasters, pandemics, acts of terrorism, political uncertainty or hostilities could also lead to a reduction in domestic and international advertising expenditures as a result of disrupted programming and services and economic uncertainty. Major sports events, such as the Super Bowl and the NCAA Division I Men’ s Basketball Tournament, and state, congressional and presidential elections cycles, may cause our advertising revenues to vary substantially from year to year. Political advertising expenditures are impacted by the ability and willingness of candidates and political action campaigns to spend funds on advertising and the competitive nature of the elections affecting viewers in markets featuring our content. **The evolution of consumer preferences toward streaming and other digital services and the increasing number of entertainment choices has intensified audience fragmentation and reduced viewership through traditional linear distribution models, which has caused and may continue to cause ratings and viewership declines for our television networks. This evolution has also given rise to new ways of purchasing advertising, as well as a general shift in total advertising expenditures toward streaming and digital, some of which may not be as beneficial to us as traditional advertising methods. In addition, an increase in the number of advertising- supported streaming offerings has intensified, and may continue to intensify, competition for viewers and advertising. There can be no assurance that we can successfully navigate the evolving streaming and digital advertising market or that the advertising revenues we generate in that market will replace the declines in advertising revenues generated from our traditional linear business.** Advertising sales are also largely dependent on audience measurement and could be negatively affected if measurement methodologies do not accurately reflect viewership levels. **In addition, if advertising buyers require the use of specific television measurement solutions, our inability to reach or maintain agreements with the providers of such television measurement solutions may negatively impact our advertising revenues.** The industry is currently transitioning to a multiplatform measurement environment in an effort to more completely measure viewership and advertising across linear, streaming and digital, but has not yet established a consistent methodology for such measurement. Currently, the primary measurement technique used in our television advertising sales does not fully measure viewership across streaming and digital platforms. We measure and monetize across our streaming services using census- based advertising- server data establishing the number of impressions served, combined with third- party data providing demographic composition estimates. Multiplatform campaign verification is still not measured by any one consistently applied method. While we expect innovation and standards around multiplatform measurement to benefit us as the advertising market continues to evolve, we are nevertheless partially dependent on third parties to deliver those solutions. Our ability to **generate advertising revenues can target and measure audiences is also limited be impacted, and in certain circumstances has already been impacted,** by an increasing number of global laws and regulations **that limit our ability to deliver to, target or measure audiences . See “ — Risks Relating to Legal and Regulatory Matters — We are subject to complex, often inconsistent and potentially costly laws, regulations, industry standards and contractual obligations relating to privacy and data protection. ”** We operate in highly competitive

and dynamic industries and our business, financial condition or results of operations could be adversely affected if we do not compete effectively. We face substantial and increasing competition to attract creative talent, to produce and acquire the rights to high- quality content, to acquire, engage and retain audiences and users, and to distribute our content and services on a variety of third- party platforms. Competition for talent, content, audiences, subscribers, service providers, advertising, production infrastructure, advertising and distribution is intense and comes from other television networks and stations, streaming services (including those that provide pirated content), social media, content studios and independent content producers and distributors, consumer products companies and other entertainment outlets and platforms, as well as from “second screen” applications. We also compete with additional entrants into the market for the production of original content. Our competitors include companies with interests in multiple media and entertainment businesses that are often vertically integrated, as well as companies in adjacent sectors with significant financial, marketing and other resources, greater efficiencies of scale, fewer regulatory burdens and more competitive pricing. Our competitors may also consolidate or enter into business combinations or alliances that strengthen their competitive position. We also rely on third- party platforms with which we compete to make our content available to our users, and if these third parties are unwilling to continue to distribute our content or distribute it on terms that are favorable to us, our business, financial condition or results of operations could be adversely affected. These increased competitive pressures have increased, and may continue to result in, increased costs. Accordingly, including with respect to the prices we pay for talent and intellectual property rights, we have resulted in, and may continue to result in, significant cost increases. We invest significant resources to produce, market and distribute original content. We also acquire content and ancillary rights and pay related rights fees (including for sports and music rights), license fees, royalties and / or contingent compensation. If these competitive pressures continue to increase, we may not be able to produce or acquire content in a cost- effective manner. We may be outbid by our competitors for the rights to new, popular content or in connection with the renewals of popular rights we currently hold. Accordingly, there can be no assurance we will realize anticipated returns on our investments. This competition could result in a decrease in audiences and users, lower ratings and advertising revenues, lower affiliate and other revenues, and increased content costs and promotional and other expenses, which can negatively affect our ability to generate revenues and profitability. There can be no assurance we will be able to compete successfully in the future against existing or new competitors, or that competition in the marketplace will not have an adverse effect on our business, financial condition or results of operations. I- 17 The unpredictable and constantly shifting nature of consumer behavior, as well as evolving technologies and distribution models, have affected, and could continue to adversely affect, our business, financial condition or results of operations. Our success depends on our ability to anticipate and adapt to shifting content consumption patterns, evolving technologies and distribution models. Our ability to maintain attractive brands and to create, distribute and / or license popular content are key to our success and ability to generate revenues. The revenues we generate primarily depend on our ability to consistently anticipate and satisfy consumer tastes and expectations in the U. S. and internationally. Consumer tastes and behavior change frequently, and it is a challenge to anticipate what will be successful at any point in time. The popularity of our original content and the content we acquire from third parties is affected by our ability to target key audiences; the quality and attractiveness of competing content; and the availability and popularity of alternative forms of entertainment and leisure activities, general economic conditions and other tangible and intangible factors, all of which can be unpredictable. Declines in the popularity of the content we distribute, including sports for which we have acquired rights, could have an adverse effect on our business, financial condition or results of operations. Evolving technologies, such as artificial intelligence, and distribution models and the size of the entertainment and content market affect the demand for our content, how our content is generated, distributed and consumed, the sources and nature of competing content offerings and the options available to advertisers for reaching target audiences, all of which can affect how we generate and maintain predictable revenues and profitability. These developments have impacted certain traditional distribution models, including ones we have historically relied upon, as demonstrated by industrywide declines in broadcast and cable ratings, declines in cable subscribers, the development of alternative distribution platforms for broadcast and cable content and reduced theatergoing. Declines in linear viewership are expected to continue and may accelerate, which could adversely affect our advertising and affiliate revenues. These shifts in consumer behavior may also be exacerbated by future disruptions to our operations caused by events outside of our control, including prolonged disruptions to our ability to create content caused by global events outside our control such as health outbreaks or pandemics similar to COVID- 19 or industry- wide strikes similar to what we experienced in 2023 with the Writers Guild of America (“WGA”) and the Screen Actors Guild - 15 American Federation of Television and Radio Artists (“SAG- AFTRA”) strikes. To respond to these developments, we regularly consider, and from time to time adopt or develop, new technologies and changes to our business models and strategies to remain competitive, such as our increased investment in streaming. There can be no assurance we will successfully anticipate or respond to these developments, that we will not experience disruption, even as we respond to such developments, or that the new technologies or business models we develop will be as successful or as profitable as historical or existing ones. Our ongoing changes, including decisions to make investments in new businesses, products, services and technologies, and the evolution of our business strategy, including decisions to make investments in new businesses, products, services, technologies and other strategic activities, could have an adverse effect on our business, financial condition or results of operations. We. To effectively respond to market and consumer changes, we have made, and expect to continue to make, changes to our business strategy to effectively respond to market and consumer changes that are subject to execution risk, and there can be no assurance they will produce anticipated benefits. As part of the evolution of our business strategy, we have invested in, or otherwise implemented, and expect to continue to invest in, or implement, new businesses, products, services, technologies and other strategic initiatives, including through mergers such as the Transactions, acquisitions, and strategic partnerships and investments, and enter into, as well as through restructurings, cost savings and other transformation initiatives, including workforce reductions. For example, we have implemented, and are continuing to explore, certain updates to our international

**business strategy, including an increased focus on broad-based content, alternatives to how we deliver or package our streaming offerings and our approach to licensing.** These **changes investments and initiatives** may involve significant risks and uncertainties, including: difficulty integrating acquired businesses; failure to realize anticipated benefits; unanticipated expenses and liabilities; potential disruption to our business and operations; **I- 18** diversion of management’s attention; difficulty managing **expanded** operations; the loss or inability to retain key employees and creative talent; unanticipated challenges to or loss of our relationship with new or existing users, **viewers audiences**, advertisers, suppliers, distributors and licensors; legal and regulatory limitations; insufficient revenues from such investments to offset any new liabilities assumed and expenses associated with new investments; and failure to successfully develop an acquired business or technology. Many of these factors are outside of our control, and because new investments are inherently risky, and the anticipated benefits or value of these investments may not materialize, there can be no assurance such investments and other strategic initiatives will not adversely affect our business, financial condition or results of operations. The loss of affiliation and distribution agreements, renewal of these agreements on less favorable terms or adverse interpretations thereof could have an adverse effect on our business, financial condition or results of operations. A significant portion of our revenues are attributable to agreements with a limited number of distributors. There can be no assurance these agreements will be renewed in the future, or renewed on favorable terms, including **those terms** related to pricing, programming tiers and the types of the rights we grant to distributors. The loss of existing packaging, positioning, pricing or other opportunities and the loss of carriage or the failure to renew, **or any delay in renewing**, our agreements with any distributor, or renew them on favorable terms, could **lead to service blackouts**, reduce the distribution of our **content, programming and program services and decrease decreasing** the potential audience for our **content and programs**, thereby negatively affecting our growth prospects and, revenues from both affiliate fees and advertising **and our reputation with viewers**. The CBS Network provides affiliated television stations regularly scheduled programming in return for the insertion of network commercials during that programming and the payment of reverse compensation. The loss of such station affiliation agreements, **which could would reduce** adversely affect our results of operations by reducing the reach of our programming and therefore our **attractiveness appeal** to advertisers, **and as well as the** renewal of these affiliation agreements on less favorable terms **may also, could** adversely affect our results of operations. Consolidation among and vertical integration of distributors in the cable and broadcast network businesses **have has** provided more leverage to these distributors and could adversely affect our ability to maintain or obtain distribution for our network programming or distribution and / or marketing of our subscription services on favorable or commercially reasonable terms, or at all. Also, consolidation among television station group owners could increase their negotiating leverage. Competitive pressures faced by MVPDs, particularly in light of evolving consumer consumption patterns and new distribution models, could adversely affect the terms of our renewals with MVPDs. In addition, MVPDs continue to develop alternative offerings, and to the extent these offerings do not include our content and become widely accepted in lieu of traditional offerings, we could experience a decline in affiliate revenues. **I- 16** Our revenues are **also** dependent on the compliance of major distributors with the terms of our affiliation or distribution agreements. As these agreements have grown in complexity, the number of disputes regarding their interpretation and even their validity has grown, resulting in greater uncertainty and, from time to time, litigation with respect to our rights and obligations. Some of our distribution agreements contain “most favored nation” (“MFN”) clauses, which provide that if we enter into an agreement with a distributor and such agreement includes terms that are more favorable than those held by a distributor holding an MFN right, we must offer some of those terms to the distributor holding the MFN right. Disagreements with a distributor on the interpretation or validity of an agreement could adversely impact our affiliate and advertising revenues, as well as our relationship with that distributor. Damage to our reputation or brands could adversely affect **our us across businesses -- business and regions, financial condition or results of operations.** Our reputation and globally recognized brands are critical to our success. Our reputation depends on a number of factors, including the quality of our **content, services and other** offerings, the level of trust we maintain with our consumers and our ability to successfully innovate. Because our brands engage consumers across our businesses, damage to our reputation or brands in one business may have an impact on our others and, because some of our **I- 19** brands are recognized around the world, brand damage may not be locally contained. **Our reputation and brands may be damaged by Significant significant** negative claims or publicity regarding Paramount or its business decisions, operations, practices, content, products, social responsibility and culture, management, employees, business partners and individuals associated with the content we create and / or license, **as well as our inability to adequately prepare for or respond to such negative claims or publicity, may damage our brands or reputation**, even if such claims are untrue, **as well as by our inability to adequately prepare for or respond to such negative claims or publicity. Additionally, social media continues to impede our ability to meaningfully investigate, respond to and address negative publicity, including actual or perceived incidents, in light of the speed with which such publicity is disseminated**. Damage to our reputation or brands could impact our sales, number of viewers, users and other customers, business opportunities, profitability, retention, recruiting and the trading prices of our Common Stock. Losses due to asset impairment charges for goodwill, intangible assets, FCC licenses and content could have an adverse effect on our business, financial condition or results of operations. Certain events and circumstances **can result in a decline in the values of our reporting units, including further intangible assets or content, which could result in additional noncash impairment charges. In the second quarter of 2024, we performed an interim goodwill impairment test for each of our reporting units, as a result of recent indicators in the linear affiliate marketplace and the estimated total company market value indicated by the Transactions and the NAI Transaction. These tests indicated that a goodwill impairment charge was required for our Cable Networks reporting unit, and that three of our other reporting units had fair values that exceeded their respective carrying values by less than 10 %.** **deterioration-Deterioration** of market conditions, increases in interest rates, **and declines in / or unfavorable impacts to the projections used in our impairment tests** (including from **continued weakness further declines** in the **linear advertising and affiliate market markets**, **a an increased** shift by advertisers to competing advertising

platforms, changes in consumer behavior, an acceleration in subscriber declines for our broadcast and cable networks, and / or a decrease in audience acceptance of our content and platforms, and delays or difficulties in achieving our profitability goals for our streaming services), could result in a further downward revision in the estimated fair value of our reporting unit intangible assets, including our FCC licenses, and / or content, which could result in a noncash impairment charge. In addition, in 2024 and 2023 we recorded programming charges totaling \$ 1. 12 billion and \$ 2. 37 billion, respectively, as a result of major strategic changes in our content strategy that led to the removal of significant levels of content from our platforms, the abandonment of development projects and the termination of certain programming agreements. Future strategic changes could result in further programming charges. Any such impairment charge for goodwill, intangible assets and / or content programming could have a material adverse effect on our reported net earnings. Our liabilities related to discontinued operations and former businesses could adversely affect our business, financial condition or results of operations. We have both recognized and potential liabilities and costs related to discontinued operations and former businesses, certain of which are unrelated to our existing business, including leases, guarantees, environmental liabilities, liabilities related to the pensions and medical expenses of retirees, asbestos liabilities, contractual disputes and other pending and threatened litigation. There can be no assurance that our accruals for these matters are sufficient to cover these liabilities, individually or in the aggregate, if and / or when they become due. Therefore, there can be no assurance that these liabilities will not have an adverse effect on our business, financial condition or results of operations. ESG matters Increasing scrutiny of, and evolving expectations for, sustainability initiatives could increase costs, harm our reputation or otherwise adversely affect impact our business, financial condition or results of operations. We, A number of new domestic and international laws and regulations relating to sustainability matters, including human capital management and cybersecurity, have been adopted and many more are committed to addressing ESG under consideration. In California, the Climate Corporate Data Accountability Act will require the disclosure of Scope 1, 2 and 3 greenhouse gas emissions, and the Climate- Related Financial Risk Act will require biennial climate risk management reports prepared in accordance with the recommendations of the Task Force on Climate - related Financial Disclosures. The E. U.' s Corporate Sustainability Reporting Directive ( " CSRD " ) as entered into force on January 5, 2023, mandates disclosure on a broad array of sustainability topics, including greenhouse gas I- 20 emissions and additional matters in our upstream and downstream operations, requiring reporting from a " double materiality " perspective, rather than under a traditional scope of financial materiality. These increased disclosure obligations have required announced a number of ESG initiatives and goals. Such initiatives, and our response may continue to ESG require, us to implement new practices and reporting processes and have created, and may continue to create, additional compliance risk. They may also result in increased costs relating to tracking, reporting and compliance. Globally, regulators may also enact new and varied sustainability - related laws and regulations, including newly enacted domestic and international. Our failure to comply with any applicable laws and or regulations related could lead to penalties climate change and adversely impact sustainability, will require additional investments, as well as the attention of our management team, in connection with implementation and oversight of new practices and reporting processes, and will impose additional compliance risk. Our ability to implement these new initiatives and achieve our goals will be dependent on a number of factors. In addition, the perceptions of our I- 17 initiatives, which may vary among our viewers, customers, advertisers, distributors, suppliers, creative talent, employees, licensors and other stakeholders, the goals that we set and our efforts to achieve them may present risks to our reputation and brands. If we are unable to meet the ESG goals we set or if our initiatives and goals are not aligned with the expectations of our stakeholders, consumer attraction it could impact our advertising revenue, number of viewers and retention users and business opportunities, all of access to capital and employee retention, which could have an adverse effect on our business, financial condition or results of operations. At the same time, there has been an increase in proposed or enacted " anti- ESG " or " anti- DEI " legislation, regulation, policies, enforcement priorities, directives, initiatives and legal opinions. Conflicting regulations and requirements, and a lack of harmonization of legal and regulatory environments across the jurisdictions in which we operate, may create enhanced compliance Risks risks and costs. We also have faced, and may continue to face, increasing scrutiny from our consumers, advertisers, distributors, suppliers, licensors, creative talent, employees and other stakeholders Relating relating to the appropriate role of sustainability- related programs, practices, targets and disclosures. While we have engaged, and may continue to engage, in various voluntary sustainability- related initiatives, such initiatives may be costly and may not have the desired effect. We may determine that continued participation in such initiatives is not practicable or advisable. In addition, we may not ultimately be able to achieve the voluntary goals we set out, and / or we may determine that further pursuit of those goals in light of changing circumstances is impracticable or inadvisable. Our expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established, singular approach to identifying, measuring and reporting on many sustainability- related matters. The goals or initiatives we do undertake may not align with the expectations of our stakeholders, which often vary significantly, and may not align with future stakeholder expectations, reporting frameworks, regulatory requirements, or best practices. The actions we may take, or the statements we may make, based on expectations or assumptions we believe reasonable at the time, may subsequently be determined to be ineffectual or subject to misinterpretation. As a result, our Business business Continuity, Cybersecurity and brand Privacy or reputation may be negatively impacted and Data Protection subject to additional investor or regulatory scrutiny. Furthermore, some market participants, including major institutional investors and providers of debt and equity financing, may also consider our performance in these areas and the ratings of third- party benchmarks or scores (which we have limited ability to influence) in their decisions involving our Company, which could impact our cost of capital and adversely affect our business, financial condition or results of operations. These opposing views may also be adopted by our investors. Disruptions or failures of, or attacks on, our or our service providers' networks,

information systems and other technologies could result in the disclosure of business or personal information, disruption of our businesses, damage to our brands and reputation, and legal exposure and financial losses. Cloud services, networks, software, information systems and other technologies we use or that are used by our third- party service providers and our product suppliers (“ Providers ”), including technology systems used by us and our Providers in connection with the production and distribution of our content (including content delivery networks to stream programming, films and other content in high volume to viewers and users of our online, mobile and app offerings over the internet) and that otherwise perform important functions (“ Systems ”), are critical to our business activities. These Systems have experienced, and are expected to continue to experience, cybersecurity attacks intended to disrupt our services and operations, exfiltrate, corrupt or prevent our access and / or use of our data, proprietary information or intellectual property, or exfiltrate or corrupt the personal and other information of third parties, employees, contractors and customers. Shutdowns, disruptions and attacks on our or our Providers’ Systems pose increasing risks to our business and may be caused by third- party hacking; dissemination of computer viruses, worms, malware, ransomware and other destructive or disruptive software; denial- of- service attacks and other bad acts; human error; and power outages, natural disasters, extreme weather, terrorist attacks or other similar events. Shutdowns, disruptions and attacks could have an adverse impact on us, our business partners, advertisers and other Providers, employees, **I- 21** consumers of our content, including degradation or disruption of service, loss of data or intellectual property, and damage to equipment and data. Steps we or our Providers take to enhance, improve or upgrade Systems may not be sufficient to avoid shutdowns, disruptions and attacks. **In addition, the rapid global advancement of artificial intelligence and machine learning technologies (“ AI Technologies ”) may also heighten our risks by making cyberattacks more difficult to detect, contain, and mitigate.** Significant events could result in a disruption of our operations and reduction of our revenues, the loss of or damage to intellectual property, the loss of or damage to the integrity of data used by management to make decisions and operate our businesses, viewer or advertiser dissatisfaction or a loss of viewers or advertisers, and damage to our reputation or brands. In addition, our recovery and business continuity plans may prove inadequate to address any such disruption, failure or cybersecurity attack. We are subject to risks caused by the misappropriation, misuse, falsification or intentional or accidental release or loss of business or personal data or content maintained in our or our Providers’ Systems, including proprietary and personal information of third parties, employees and users of our online, mobile and app offerings, business information, including intellectual property, or other confidential information. Outside parties may attempt to penetrate our or our Providers’ Systems, or fraudulently induce **or impersonate** employees, business partners or users of our online, mobile and app offerings to disclose sensitive or confidential information, to gain access to our proprietary data or the data of our users, employees or contractors, our content or other intellectual property. The number and sophistication of attempted and successful phishing, information security breaches or disruptive ransomware or denial- of- service attacks have increased significantly in recent years, and because of our prominence or the prominence of our content, we and / or our Providers may be a particularly attractive target for such attacks. Because the techniques used to obtain unauthorized access to, or disable, degrade or sabotage, networks and Systems change frequently, we or our Providers may be unable to anticipate these techniques, implement adequate security measures or remediate flaws or detect intrusion on a timely or effective basis. We also rely on proprietary and third- party technologies to optimize operations across certain areas of our business. The use of these technologies may lead to unintentional disclosure of sensitive, confidential, proprietary or personal **I- 18** information of ours and of our employees or customers. Such technologies may be subject to manipulation or prone to error from data or manipulation outside our direct control. We operate an information security program to identify and mitigate cybersecurity risk. Despite our efforts, the risk of unauthorized access, modification, exfiltration, destruction or denial of access with respect to our data, the data of our customers and employees or our Systems and other cybersecurity attacks cannot be eliminated entirely, and the risks associated with a potential incident remain. If a breach or perceived breach of our Systems or those of our Providers occurs, the perception of the effectiveness of our security measures could be harmed, we could lose consumers, revenues, advertisers and other business partners, and users of our online, mobile and app offerings; our reputation, brands, credibility and the overall attractiveness of our offerings could be damaged; and we could be required to expend significant amounts of money and other resources to repair, replace or recover such Systems. We could also be subject to actions by regulatory authorities and claims asserted in private litigation. The costs relating to any data breach could be material, and we may not have adequate insurance coverage to compensate us for any losses associated with such events. **Risks Relating to Intellectual Property**—Infringement of our content reduces revenue received from the distribution of our programming, films, interactive games and other entertainment content. Our success depends in part on our ability to maintain and monetize our intellectual property rights. We are fundamentally a content company and infringement of our content adversely affects the value of our content. Copyright infringement is particularly prevalent in many parts of the world that lack effective laws and technical protection measures similar to those in the U. S. and Europe or lack effective enforcement of such measures, or both. Such foreign copyright infringement can also create a supply of pirated content for major markets. The interpretation of copyright, trademark and other intellectual property laws as applied to our content, and our infringement- detection and enforcement efforts, remain in flux, and some methods of enforcement have **I- 22** encountered political or commercial opposition. The failure to appropriately enforce and / or the weakening of existing intellectual property laws could make it more difficult for us to adequately protect and monetize our intellectual property and thus negatively affect its value. Copyright infringement is made easier by the wide availability of higher bandwidth and reduced storage costs, as well as tools that undermine encryption and other security features and enable infringers to disguise their identities online. We and our production and distribution partners operate various technology systems in connection with the production and distribution of our programming and films, and intentional or unintentional acts could result in unauthorized access to our content. The continuing proliferation of digital formats and technologies heightens this risk. Internet- connected televisions, set- top boxes and mobile devices are ubiquitous, and many can support illegal retransmission platforms, illicit video- on- demand or streaming services and preloaded hardware, providing more accessible, versatile and legitimate- looking environments for

consuming unlicensed film and television content. Unauthorized access to our content could result in the premature release of films, television programs or other content as well as a reduction in demand for authorized content, which would likely have adverse effects on the value of the affected content and our ability to monetize it. **Additionally, laws The legal landscape continues to evolve with respect to the development and regulations governing increased prevalence of certain** new technologies, including generative-AI **Technologies. As a consequence, we face uncertainty with respect to remain unsettled, and legal and further technological developments in this area could impact our ability to protect against infringing our intellectual property from unauthorized uses— use, misappropriation, and infringement utilizing such technologies, and an increased risk of our content being subjected to claims brought by third- party rights owners with respect thereto** .

Copyright infringement reduces the revenue that we are able to generate from the legitimate sale and distribution of our content, undermines lawful distribution channels, reduces the public's and some affiliate partners' perceived value of our content and inhibits our ability to recoup or profit from the costs incurred to create such content. We are actively engaged in enforcement and other activities to protect our intellectual property, and it is likely that we will continue to expend resources in connection with these initiatives. Efforts to prevent the unauthorized reproduction, distribution and exhibition of our content may affect our profitability and may not be successful in preventing harm to our business. **I- 19 Risks Relating to Macroeconomic and Political Conditions** Economic and political conditions in the U. S. and around the world could have an adverse effect on our business, financial condition or results of operations . Our businesses operate and have audiences, customers and partners worldwide.

Accordingly, the economic conditions in the U. S. and around the world affect a number of aspects of our businesses. The global financial markets have experienced significant recent volatility, marked by declining economic growth, diminished liquidity and availability of credit, declines in consumer confidence, significant concerns about increasing and persistently high inflation and uncertainty about economic stability. The global financial markets have also been adversely affected by current geopolitical events. There can be no assurance further deterioration in credit and financial markets and confidence in economic conditions will not occur. Volatility and weakness in the capital markets, the tightening of credit markets or additional decreases in our debt ratings could adversely affect our ability to obtain cost- effective financing. Increasing inflation in the U. S. **over the past several years has raises-raised** our costs for labor and services and other costs required to operate our **business-businesses** .

Economic conditions in each market (such as current high inflation or global supply chain issues) can also impact our audience's discretionary spending and therefore their willingness to access our content, as well as the businesses of our partners who purchase advertising from us, causing them to reduce their spending. We may also be subject to longer payment cycles. In addition, foreign currency fluctuations have impacted, and may continue to impact, revenues and expenses of our international operations and expose us to foreign currency exchange rate risk. **We may Our business can** also be impacted by **broader supply chain delays political conditions in the U** . Our businesses **S, including in connection with changes in government leadership and corresponding shifts in political policies and priorities at the federal, state and local level. We** are also exposed to **certain** political risks inherent in conducting a global business , **including such as** retaliatory actions by governments reacting to changes in the U. S. and other countries, including in connection with trade negotiations **I- 23 and the potential imposition of tariffs** ; issues related to the presence of corruption in certain markets and enforcement of anticorruption laws and regulations; increased risk of political instability in some markets as well as conflict and sanctions preventing us from accessing those markets; escalating trade, immigration and nuclear disputes; wars, acts of terrorism or other hostilities; and other political, economic or other uncertainties. These **economic and** political **and economic** risks could create instability in any of the markets where our businesses generate revenues, which could result in a reduction of revenue or loss of investment that adversely affects our **businesses-- business** , financial condition or results of operations. **Risks Relating to Legal and Regulatory Matters** Failures to comply with or changes in U. S. or foreign laws or regulations could have an adverse effect on our business, financial condition or results of operations . We are subject to a variety of laws and regulations , in the U. S. and in the foreign jurisdictions in which we or our partners operate, including laws and regulations relating to intellectual property, **advertising and** content regulation, **consumer law**, privacy, data protection , **cybersecurity**, anticorruption, repatriation of profits, tax regimes, quotas, tariffs or other trade barriers, currency exchange controls, operating license and permit requirements, restrictions on foreign ownership or investment, anticompetitive conduct, export and market access restrictions. The broadcast and cable industries in the U. S. are highly regulated by U. S. federal laws and regulations issued and administered by various federal agencies , **including the FCC** . For example, we are required to obtain licenses from the FCC to operate our television stations and periodically renew them . **It, and it** cannot be assured that the FCC will approve our future renewal applications or that the renewals will be for full terms or will not include conditions or qualifications. The nonrenewal, or renewal with substantial conditions or modifications, of one or more of our licenses could have an adverse effect on our business, financial condition or results of operations. We must also comply with **extensive-various** FCC limits on the ownership **and operation** of our television stations **and the CBS Network in the U. S.** , which could restrict our ability to consummate future transactions and in certain circumstances could require us to divest some television stations , **and on the operation of both our television stations and the CBS Network in the U** . **I- 20 S. In addition, there has been consideration from time to time as to whether virtual MVPDs should be considered MVPDs as defined and regulated by the FCC** . Our businesses could be adversely affected by new laws and regulations, changes in existing laws, changes in the interpretation or enforcement of existing laws by courts and regulators and the threat that additional laws or regulations may be forthcoming, as well as our ability to enforce our legal rights. Laws and regulations governing new technologies, including generative-AI **Technologies** , remain unsettled **and are an area of increasing regulatory focus** , and legal and regulatory developments in this area could also impact our business. **We For example, the E. U. has introduced a new regulation applicable to certain AI Technologies and the data used to train, test and deploy them (the “ E. U. AI Act ”). The E. U. AI Act entered into force in August 2024, and its requirements will become effective on a staggered basis, beginning February 2, 2025. The E. U. AI Act will impose material requirements on both the providers and deployers of AI Technologies, with infringement**

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**punishable by sanctions of up to 7 % of annual worldwide turnover or € 35 million (whichever is higher) for the most serious breaches. In parallel, the E. U. has proposed a new artificial intelligence liability directive that may facilitate certain claims for damages in respect of AI Technologies. Changes in the legal or regulatory landscape could be required—**

**require us** to change or limit certain of our business practices, which could impact our ability to generate revenues. We could also incur substantial costs to comply with new and existing laws and regulations, or face substantial fines and penalties or other liabilities, or be subjected to increased scrutiny from regulators and stakeholders, if we fail to comply with such laws and regulations. We are subject to **complex, often inconsistent and potentially costly laws, regulations, industry standards and contractual obligations relating to privacy and personal data protection** We are subject to laws, regulations, industry standards and contractual obligations in the U. S. and in other countries relating to privacy and the collection, use, **process**, transfer, storage and security of personal data. **I- 24** In the E. U., for example, **we are subject to the European Union General Data Protection Regulation (“ E. U. GDPR ”) and in the U. K., to the U. K. General Data Protection Regulation and Data Protection Act 2018 (“ U. K. GDPR, ” and together with E. U. GDPR, “ GDPR ”), which mandates— mandate** data protection compliance obligations and authorizes significant fines for noncompliance, requiring extensive compliance resources and efforts on our part. Further, several other **regions jurisdictions** where we do business have enacted, amended or are considering new data protection regulations that may impact our business activities. In the U. S., numerous states have passed comprehensive data privacy laws. These laws mandate a host of obligations for businesses regarding how they handle personal information and provide new and expansive rights to the residents of these states. **In addition As an example**, beginning in 2023, California began to offer **equivalent** privacy rights in the employment and business- to- business context, similar to what exists under **the requirements of the GDPR in**. **In addition, the these E-laws may be modified, or there may be changes in how these laws are interpreted, and new laws may be enacted in the future, which could increase our costs of regulatory compliance or require us to change our business practices**. For example, on October 23, 2024, the **U. K. government introduced the draft Data (Use and Access) Bill, which proposes various amendments to the current U. K. data protection regime, including to bring the maximum fine threshold for infringement of certain requirements relating to direct marketing and the use of cookies (currently £ 500, 000) in line with the U. K. GDPR threshold (i. e., the higher of £ 17. 5 million or 4 % of annual global turnover), and the introduction of new data sharing frameworks**. Other data privacy laws, such as health data privacy laws, may also have an impact on our business, especially with regard to some of our digital advertising offerings to advertisers in the health and wellness industries. We are also subject to laws and regulations **in the U. S. and in other jurisdictions around the world that are** intended specifically to protect the interests of children and the online safety and privacy of minors, such as **, in the U. S., the federal Children’s Online Privacy Protection Act (COPPA) and various evolving and newly enacted** state laws, including comprehensive privacy laws and laws specifically directed to the protection of children online. **In Further, in** the E. U. and the U. K., we are subject to the GDPR, **and as well as** codes of conduct and rules relating to the design of digital products and services likely to be accessed by children, including the U. K.’ s Age Appropriate Design Code and other guidance documents issued in France, Ireland, the Netherlands, Spain, Sweden and other jurisdictions. As a result, we have been required to limit some functionality on digital properties and may be limited relative to our abilities to leverage new media with respect to children’s programming or services. Such regulations also restrict the types of advertising we are able to sell on these digital properties and how we perform measurement for advertising purposes and impose strict liability on us for certain of our actions, as well as certain actions of our advertisers and other third parties, which could affect advertising demand and pricing. **Compliance Although we strive to comply** with privacy and data protection **rules laws**, regulations, industry standards and contractual obligations, **which these requirements are continuously evolving and may be modified, interpreted, and applied in an** inconsistent **manner from one jurisdiction to another and may conflict** with one another **or other legal obligations with which we must comply**, which raises both costs of compliance and **likelihood that we will fail to satisfy all of our legal requirements. Any actual or perceived** noncompliance could result in regulatory investigations and enforcement, **investigation and remediation costs**, significant monetary fines, breaches of contractual obligations **and**, private litigation. **Any actual or perceived noncompliance could also lead to** harm to our reputation and market position. **Risks Relating to Human Capital Labor..... as they expire or without work stoppages**. The inability to hire or retain key employees or secure creative talent could adversely affect our business, financial condition or results of operations. Our business depends on the continued efforts, abilities and expertise of our executives and other employees and the creative talent with whom we work. We compete for executives in highly specialized and evolving industries and our ability to attract, retain and engage such individuals may be impacted by our reputation ; workplace culture ; **restructurings**, **cost savings and other transformation initiatives, including workforce reductions**; the training, development, compensation and benefits we provide ; our commitment to effectively managing executive succession ; and our efforts with respect to **DEI-inclusion** and **ESG-sustainability** matters. We also employ or contract with entertainment personalities with loyal audiences and produce films and other content with highly regarded **I- 25** directors, producers, writers, actors and other creative talent in highly competitive markets. These individuals are important to attracting viewers and to the success of our content, and our ability to attract and retain them may also be impacted by our reputation, culture, **inclusion** and **sustainability** **DEI and ESG** efforts. There can be no assurance these individuals will remain with us or will retain their current appeal, or that the costs associated with retaining them or new talent will be reasonable. If we fail to retain or attract new key employees or creative talent, our business, financial condition or results of operations could be adversely affected. **Risks Relating to Human Capital** Labor disputes could disrupt our operations and adversely affect our business, financial condition or results of operations —We and our business partners engage the services of writers, directors, actors, musicians and other creative talent, production crew members, trade employees, professional athletes and others who are subject to collective bargaining agreements. Any labor dispute may disrupt our operations and cause production delays, which could increase our costs and have an adverse effect on our businesses, financial condition or results of operations. In 2023, for example, the **Writers Guild of America (“ WGA ”)** and

the Screen Actors Guild- American Federation of Television and Radio Artists (“SAG- AFTRA”) commenced industry-wide strikes following the expiration of their collective bargaining agreements with the Alliance of Motion Picture and Television Producers (“AMPTP”), which negotiates with the guilds on behalf of certain content producers. These strikes resulted in months- long shutdowns in I- 21 television and film production, and while new three- year agreements were ultimately reached with the WGA and SAG- AFTRA (expiring in May and June 2026, respectively), upcoming and ongoing negotiations with other unions could lead to further work stoppages. In addition, For example, the AMPTP’ s agreement with the International Alliance of Theatrical Stage Employees U.S. has in recent years experienced a surge in labor activity, including unionization Moving Picture Technicians, Artists and strikes Allied Crafts of the United States, Its Territories and Canada (IATSE) will expire in July 2024 . There can be no assurance we will be able to renew our collective bargaining agreements on favorable terms as they expire or without work stoppages . Combining the Company’ s and Skydance’ s businesses may be more difficult, time- consuming or costly than expected and the actual benefits of combining the Company’ s and Skydance’ s businesses may be less than expected, either or both Risks Relating to Ownership the Transactions — Failure to complete the Transactions could negatively impact our businesses or financial results and the stock price of our Common Stock .” The Transactions are subject to a number of conditions to the Closing and, if these conditions are not satisfied, the Transaction Agreement may be terminated in accordance with its terms and the Transactions may not be completed. In addition, the parties have the right to terminate the Transaction Agreement under certain circumstances, in which case the Transactions would not be completed. The Transactions are subject to a number of conditions and, if such conditions are not satisfied or waived (to the extent permitted by law), the Transactions will not be completed. These conditions include, among others: (i) the effectiveness of New Paramount’ s registration statement on Form S- 4 (which was declared effective by the SEC on February 13, 2025) 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 HSR Act (which condition was satisfied on August 19, 2024); (iii) the clearance and obtaining of approvals under certain specified antitrust laws, foreign direct investment laws and communications laws (which are still in the process of being obtained as of the date of this Annual Report on Form 10- K); (iv) the absence of any order or legal requirement that enjoins, restrains or otherwise prohibits the consummation of the Transactions or that would impose a material adverse effect on New Paramount and its subsidiaries, taken as a whole after giving effect to the mergers pursuant to the Transaction Agreement (the “Mergers”); (v) the authorization for listing on Nasdaq of New Paramount Class B Common Stock; (vi) the lapse of at least 20 calendar days from the date of completion of the mailing of New Paramount’ s information statement / prospectus to our stockholders; (vii) the consummation of each of the NAI Transaction and the PIPE Transaction 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; (ix) customary conditions regarding the accuracy of the parties’ representations and warranties and material compliance by the parties with their respective obligations under the Transaction Agreement and (x) the receipt by Paramount of an opinion from its tax counsel that the Transactions, taken together, should qualify as an exchange described in Section 351 of the Internal Revenue Code of 1986 (the “Code”). The consummation of the Transactions is not subject to a financing condition. These conditions to the Closing may not be fulfilled and, accordingly, the Transactions may not be completed on a timely basis, or at all. Additionally, the regulatory approvals may be significantly delayed by military conflict, including conflicts in Eastern Europe and the Middle East, such as Russia’ s invasion of Ukraine, terrorism or other geopolitical events. In addition, if the Transactions are not completed by April 7, 2025 (subject to two automatic extensions of 90 days each in certain circumstances), we or Skydance may elect to terminate the Transaction Agreement. Moreover, we and Skydance can mutually decide to terminate the Transaction Agreement at any time prior to the Closing. In addition, each of us and Skydance may elect to terminate the Transaction Agreement in certain other circumstances. If the Transaction Agreement is terminated in certain circumstances, we would be required to pay Skydance the Termination Fee and may incur substantial additional fees, and we would not realize the anticipated benefits of the Transactions. There is no requirement for Skydance to pay us a break- up fee under any circumstance. We have incurred, and along with New Paramount will incur, significant transaction and merger- related transition costs in connection with the Transactions. We have incurred, and expect that we, along with New Paramount, will incur, significant costs in connection with the completion of the Transactions and the integration of the operations of Paramount and Skydance. We and / or New Paramount may incur additional costs to maintain employee morale and to retain key employees. We will I- 32 also incur significant fees and expenses relating to regulatory filings, legal, accounting, financial advisory and consulting fees and other costs associated with the Transactions. Some of these costs are payable regardless of whether the Transactions are completed. In addition, we may be required to pay to Skydance the Termination Fee in the event of a termination of the Transaction Agreement for certain specified reasons. Additionally, such costs could adversely affect our business, financial condition or results of operations prior to the completion of the Transactions and limit or eliminate New Paramount’ s ability to make any post- closing cash dividend. We will be subject to business uncertainties and contractual restrictions under the Transaction Agreement while the Transactions are pending. Uncertainty about the effect of the Transactions on employees, commercial partners, clients, customers, suppliers and vendors may have an adverse effect on our ongoing business operations and, consequently, have an adverse impact on the business operations of New Paramount. Parties with whom we have business relationships, including distributors, advertisers, talent and content providers, may be uncertain as to the future of such 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. These uncertainties may impair our ability to retain and motivate key personnel and

could cause customers and others that deal with us to defer or decline entering into contracts with us or make other decisions concerning us. Certain of our media rights contracts, vendor or supplier contracts, leases and financing-related agreements contain change in control restrictions that may give rise to a right of termination or cancellation in connection with the Transactions. See “ — Risks Relating to the Transactions — The Transactions may trigger change in control or other provisions in certain agreements, which may allow third parties to terminate or alter existing contracts or relationships with us. ” In addition, if our key employees depart because of uncertainty about their future roles and the potential complexities of the Transactions, our business could be adversely affected. Furthermore, the Transaction Agreement contains restrictions on our ability to undertake certain actions or business opportunities outside the ordinary course of business prior to the completion of the Transactions without the consent of the other party, which may adversely affect each company’s ability to execute certain of its business strategies. As a result, we may be unable, during the pendency of the Transactions, without the consent of the other, to make certain acquisitions, capital expenditures and sales or divestitures of assets, to borrow money, to enter into certain new business arrangements or opportunities and to otherwise pursue these or other actions specified in the Transaction Agreement, even if such actions would prove beneficial to us on a standalone basis, or to New Paramount. The Transaction Agreement contains provisions that restrict our ability to enter into alternative transactions. Under the Transaction Agreement, starting on the no-shop period start date, we became subject to “ no-shop ” provisions that prohibit us from, among other things, soliciting, initiating or knowingly facilitating or knowingly encouraging any proposal or offer that constitutes, or could reasonably be expected to constitute or lead to, any acquisition proposal from a third party. If such a proposal were made, we would not be able to engage in or participate in any discussions or negotiations with the party making the proposal and would have no ability to terminate the Transaction Agreement in favor of the proposal. The restrictions imposed on us under the “ no-shop ” provisions in the Transaction Agreement may discourage a potential acquiror that might have had an interest in acquiring all or a significant part of Paramount from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share value than the currently proposed merger consideration. If the Transaction Agreement is terminated and we decide to seek another business combination, we 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 addition, we may be required to pay to Skydance the Termination Fee if such I- 33 business combination is agreed to or consummated within 12 months after such termination of the Transaction Agreement, subject to certain conditions. There may be tax consequences of the Transactions that may adversely affect holders of our Common Stock if the Transactions fail to qualify as a tax- deferred exchange pursuant to Section 351 of the Code for U. S. federal income tax purposes. The exchange of our Common Stock for New Paramount Common Stock pursuant to the Transactions generally is expected to qualify as a tax- deferred exchange pursuant to Section 351 of the Code for U. S. federal income tax purposes. If such an exchange fails to qualify as a transaction described in Section 351 of the Code, then a U. S. Holder (as that term is defined in the section entitled “ Material United States Federal Income Tax Consequences ” in New Paramount’s registration statement on Form S- 4) would recognize gain in an amount equal to the excess (if any) of (i) the fair market value of the New Paramount Common Stock received over (ii) such U. S. Holder’s adjusted tax basis in its Common Stock. Any such gain would be capital gain and generally would be long-term capital gain if the U. S. Holder’s holding period for the Common Stock exceeded one year at the time of the Transactions. The Inflation Reduction Act of 2022 imposes a 1 % excise tax on the fair market value of stock repurchased by “ covered corporations ” beginning in 2023 (the “ Excise Tax ”). The Excise Tax is imposed on the repurchasing corporation itself, not its stockholders from which the stock is repurchased. In general, publicly traded domestic corporations are “ covered corporations. ” Because each of us and New Paramount is a Delaware corporation and its securities are or will be traded on Nasdaq, we believe that we are, and New Paramount will be, a “ covered corporation ” for this purpose. The amount of the Excise Tax is generally 1 % of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the Excise Tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the Excise Tax. Any redemption or other repurchase that we or New Paramount make of our respective shares may be subject to the Excise Tax. Whether and to what extent we or New Paramount would be subject to the Excise Tax with respect to any such redemption or other repurchase would depend on a number of factors, including the nature and amount of any “ PIPE ” or other equity issuances within the same taxable year of the redemption or repurchase. Executive officers, directors and affiliates of Paramount may have interests in the Transactions that are different from, or in addition to, the rights of our stockholders. Certain of our and Skydance’s executive officers, directors and affiliates may have interests in the Transactions that are different from, or in addition to, those of our stockholders. These interests include the potential continued employment of certain of our and Skydance’s executive officers by New Paramount, the potential payment of transaction awards in connection with the Closing and enhanced change in control severance benefits on certain qualifying terminations following the Closing, the potential appointment of certain of our and Skydance’s directors as directors of New Paramount and the rights of our and Skydance’s executive officers and directors to indemnification by New Paramount and the other surviving entities in the Mergers. These interests may also include the conversion of our outstanding equity awards into equity awards of New Paramount in the New Paramount Merger, following the Closing. In addition, the interests of our executive officers, directors and affiliates may not be the same as the interests of our other stockholders. For instance, the potential payment of transaction awards in connection with the Closing and enhanced change in control severance benefits on certain qualified terminations following the Closing may create incentives for our officers that are different from those of our other stockholders. Furthermore, the board of directors of

New Paramount will consist of up to 13 members designated by Skydance prior to the Closing, including David Ellison. I- 34 Additionally, pursuant to the NAI Transaction, the NAI Equity Investors agreed to purchase, upon the terms and subject to the conditions set forth in the NAI Stock Purchase Agreement (as defined in the Transaction Agreement), all of the outstanding equity interests of NAI from the NAI Shareholders (as defined in the Transaction Agreement). As a beneficiary of the NAI Shareholders, Shari E. Redstone (“ Ms. Redstone ”) will receive a portion of the proceeds from the NAI Transaction. Ms. Redstone is the non- executive Chair of our Board of Directors. As of December 31, 2024, Ms. Redstone was the beneficial owner of 52, 226 cash- settled Class A Common Stock phantom units, 61, 920 cash- settled Class B Common Stock phantom units, and 617, 409 shares of Class B Common Stock, which includes 177, 326 vested, deferred Paramount RSU Awards. Ms. Redstone is a beneficiary of the NAI Shareholders, and, as of December 31, 2024, NAI beneficially owned, directly and through two wholly- owned subsidiaries, approximately 77. 4 % of our Class A Common Stock outstanding and approximately 9. 5 % of our Class A Common Stock and Class B Common Stock outstanding on a combined basis. NAI is controlled by 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. Ms. Redstone is the Chairperson, CEO and President of NAI, is one of the seven directors of NA Administration, LLC and one of two directors who are beneficiaries of the General Trust. Ms. Redstone also has a minority indirect beneficial interest in the Class A Common Stock and the Class B Common Stock owned by NAI (and its wholly- owned subsidiaries). Further, in connection with the NAI Transaction, (i) the NAI Shareholders, (ii) certain directors and officers of NAI, including Ms. Redstone in her capacity as Chairperson, CEO and President of NAI (such individuals, the “ NAI D & O Indemnitees ”) and (iii) NAI and NAI Entertainment Holdings LLC (“ NAIEH ”) entered into an indemnification and contribution agreement, which terminated and superseded certain existing indemnification arrangements among the parties thereto and provided the NAI Shareholders and the NAI D & O Indemnitees with certain indemnification rights relating to the Transactions and the NAI Transaction from NAI and NAIEH capped at a maximum of \$ 200 million. Affiliates of the NAI Equity Investors have guaranteed the payment and performance of the foregoing indemnification obligations of NAI and NAIEH, subject to the limitations set forth in the indemnification and contribution agreement. The foregoing indemnification obligations of NAI and NAIEH continue for ten years following the date of execution of the indemnification and contribution agreement, subject to extension for active claims thereunder and automatic termination upon the occurrence of certain triggering events set forth in the indemnification and contribution agreement, including the termination of the NAI Stock Purchase Agreement. The indemnification arrangements that were in place prior to the signing of the NAI Stock Purchase Agreement and that were terminated and superseded by the indemnification and contribution agreement provided, among other things, for uncapped indemnification of the NAI D & O Indemnitees and the NAI Shareholders by NAI and NAIEH for losses incurred in connection with their status as the controller of NAI and, in the case of Ms. Redstone, Paramount, in any litigation relating to the Transactions or the NAI Transaction. Additionally, Ms. Redstone, the current non- executive Chair of our Board of Directors, is a beneficiary of the NAI Shareholders. As a beneficiary of the NAI Shareholders and an employee of NAI, Ms. Redstone has interests in the NAI Transaction, including the right to receive a portion of the proceeds from the NAI Transaction, and therefore Ms. Redstone’ s interests in the NAI Transaction may not be the same as the interests of our other stockholders. The members of the special committee of our Board of Directors (the “ Special Committee ”) and our Board of Directors who recommended that Paramount stockholders entitled to vote adopt the Transaction Agreement and approve the Transactions were aware of and considered these interests to the extent such interests existed at the time, among other matters, during their respective deliberations on the merits of the Transactions, in negotiating, evaluating and approving the Transaction Agreement and the Transactions, and in making our Board of Director’ s recommendation that the Paramount stockholders entitled to vote adopt the Transaction Agreement and approve the Transactions. If the Transactions are not completed, the ongoing business of Paramount may be adversely affected, and we will be subject to several risks or consequences, including, but not limited to, the following: I- 35 • we will be required to pay certain costs relating to the Transactions whether or not the Transactions are completed, such as significant fees and expenses relating to regulatory filings, legal, accounting, financial advisory, consulting or other advisory fees and expenses, employee- benefit related expenses and / or filing and printing fees; • under the Transaction Agreement, we are subject to certain restrictions on the conduct of our business prior to completing the Transactions, which may adversely affect our ability to execute certain of our business strategies; • litigation related to the failure to complete the Transactions or related to any enforcement proceeding that may be commenced against us to perform our obligations pursuant to the Transaction Agreement; • matters relating to the Transactions 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; and • we may be required, under certain circumstances, to pay Skydance the Termination Fee. We may experience negative reactions from the financial markets and from our customers, commercial partners or employees in respect of the Transactions, including if the Transactions are not completed. We could also be subject to litigation related to a failure to complete the Transactions or to enforce our obligations under the Transaction Agreement. If the Transactions are not completed, we cannot assure our stockholders that the risks described above will not materialize and such risks may materially affect the business, financial results or prices of our Class A Common Stock and Class B Common Stock. As of the date of this Annual Report on From 10- K, several lawsuits have been filed in connection with the Transactions and additional lawsuits may be filed in the future against us, Skydance, NAI, our and their respective affiliates and / or boards of directors and management and the Special Committee, challenging the Transactions. An

adverse ruling in any such lawsuit could result in substantial costs and / or delay or prevent the completion of the Transactions. In connection with the Transactions, on July 24, 2024, Scott Baker, a purported holder of Class B Common Stock, filed a putative class action lawsuit in the Court of Chancery of the State of Delaware (the “ Court ”) against NAI, Shari E. Redstone, Barbara M. Byrne, Linda M. Griego, Judith A. McHale, Charles E. Phillips, Jr., Susan Schuman, Skydance and David Ellison (the “ Baker Action ”). The complaint alleges breaches of fiduciary duties to Class B stockholders in connection with the negotiation and approval of the Transaction Agreement, among other claims, and seeks unspecified damages, costs and expenses, as well as other relief. On November 4, 2024, the Court granted the parties’ stipulation in the Baker Action agreeing to (i) postpone briefing on motions to dismiss until the filing or designation of an operative complaint following the resolution of the plaintiff’ s motion to appoint him and the Baerlocher Family Trust, a purported holder of Class B Common Stock, as co- lead plaintiffs and Berger Montague PC as interim class counsel (the “ Baker Leadership Motion ”), and (ii) stay discovery until the resolution of any motions to dismiss any operative complaint following resolution of the Baker Leadership Motion. Throughout October 2024, various purported stockholders filed motions for intervention to oppose the Baker Leadership Motion. On December 31, 2024, the plaintiff, along with Mark Baerlocher, as trustee for the Baerlocher Family Trust, filed an amended complaint alleging the same breaches of fiduciary duties against the same defendants as in the original complaint. Further, on April 30, 2024, a purported holder of Class B Common Stock filed a verified complaint for the inspection of books and records under Section 220 of the General Corporation Law of the State of Delaware (the “ DGCL ”) in the Court against us, seeking the inspection of our books and records in order to investigate whether our Board of Directors, NAI, Shari E. Redstone and / or our executive officers may have breached their fiduciary duties to our stockholders for alleged diversion of corporate opportunities (the “ 220 Action ”). The magistrate judge held a trial on July 24, 2024 relating to the 220 Action and denied the request for the inspection of books and records. The plaintiff in the 220 Action noticed an exception to the Court, and on January 29, 2025, the Court I- 36 ruled that the plaintiff is entitled to obtain books and records that are both necessary and sufficient to fulfill the purpose of its request. On February 25, 2025, the Court granted an implementing order that returned the 220 Action to the magistrate judge for further proceedings on the scope of production. Certain other purported holders of Class B Common Stock and Class A Common Stock have delivered demand letters to investigate similar alleged breaches of fiduciary duties in connection with the Transactions and are requesting the inspection of books and records. We have also received demand letters from purported holders of Class B Common Stock related to alleged omissions in New Paramount’ s registration statement on Form S- 4. Additionally, on August 20, 2024, LiveVideo. AI Corp. filed a lawsuit in the Southern District of New York against Shari E. Redstone, NAI, Christine Varney and Monica Seligman, alleging that defendants did not fairly consider its offer to purchase Paramount. The complaint asserts claims for unfair competition, tortious interference, unjust enrichment and aiding and abetting breach of fiduciary duty, among others, and seeks unspecified monetary damages, costs and other relief. As of the date of this Annual Report on Form 10- K, the defendants have not been served. On December 30, 2024, a purported holder of Class B Common Stock and Class A Common Stock filed a complaint for the inspection of books and records under Section 220 of the DGCL (the “ Section 220 Demand ”) in the Court against us to investigate possible breaches of fiduciary duties in connection with the Transactions. The complaint alleges that the documents produced to such purported stockholder thus far pursuant to the Section 220 Demand are insufficient to determine whether our officers, Board of Directors, Special Committee, NAI or Skydance breached their fiduciary duties (or aided and abetted such breaches). The complaint seeks an order requiring us to produce the documents identified in the Section 220 Demand, among other relief. Trial is scheduled for April 2025. On February 4, 2025, New York City Employees’ Retirement System, the New York City Fire Department Pension Fund, the New York City Police Pension Fund, the New York City Board Of Education Retirement System, and the Teachers’ Retirement System of the City of New York, purported holders of Class B Common Stock and Class A Common Stock, filed a putative class action lawsuit in the Court against Barbara M. Byrne, Linda M. Griego, Judith A. McHale and Susan Schuman, which alleges breaches of fiduciary duties for their alleged failure to sufficiently consider an alternate offer that the plaintiffs claim is superior to the Transactions (the “ NYCERS Action ”). The plaintiffs argue that the no- shop provision in the Transaction Agreement should be declared invalid and unenforceable because it prevents the parties from engaging in further deal discussions and negotiations with companies other than Skydance, including, specifically, Project Rise Partners, after the no- shop period begins. The plaintiffs further assert that the Court has the power to invalidate this provision because Skydance allegedly aided and abetted NAI’ s and Shari E. Redstone’ s breach of fiduciary duties, including by agreeing to indemnify Shari E. Redstone (through Skydance’ s separate agreement with NAI) for any breach of fiduciary duty claims arising out of the Transactions up to a certain amount. Skydance, NAI, Shari E. Redstone and Paramount are not parties to the action. The NYCERS Action seeks, among other forms of relief, an order from the Court enjoining the closing of the Transactions until the Court has reached a final resolution on the plaintiffs’ claims and an order compelling the Special Committee to evaluate Project Rise Partners’ alternative offer to, among other things, acquire Class A Common Stock for \$ 23. 00 per share and Class B Common Stock for \$ 19. 00 per share. The Project Rise Partners offer was made after the go- shop period in the Transaction Agreement had ended. The complaint does not seek compensatory damages at this time. The plaintiffs filed a motion for expedited proceedings along with their complaint. On February 18, 2025, the plaintiffs moved to join Paramount and Skydance (and various other entities named in the Transaction Agreement) as necessary parties to the litigation and moved for a temporary restraining order preventing the closing of the Transactions until the Court considers the plaintiffs’ anticipated motion for injunctive relief following expedited discovery. The same day, Project Rise Partners moved the Court to grant it leave to file an affidavit under seal. Oral argument on the plaintiffs’ motion to expedite, motion for a temporary restraining order and motion for

joinder, as well as Project Rise Partners' motion for leave to file an affidavit, is scheduled for March 3, 2025. We may waive one or more of the conditions to the Closing without re-obtaining stockholder approval. We (upon the recommendation of the Special Committee) have the right to waive, in whole or in part, certain of the conditions to the Closing, to the extent permitted by applicable law. Any such waiver may not require re-obtaining the approval of our stockholders (which has already been obtained via the written consent adopting and approving the Transaction Agreement), in which case we will have the ability to complete the Transactions without seeking additional stockholder approval. Additionally, if a new stockholder approval were to be required for any such waiver, the approval of NAI and its wholly-owned subsidiaries, NAI Entertainment Holdings LLC and SPV- NAIEH LLC (the "NAI Company Stockholders") would be sufficient. Any determination as to whether to waive any condition to the Closing, whether stockholder approval would be re-obtained as a result of any such waiver will be made by us (upon the recommendation of the Special Committee) at the time of such waiver based on the facts and circumstances as they exist at that time, and any such waiver could have an adverse effect on New Paramount and our current stockholders. We and, following completion of the Transactions, New Paramount must continue to retain, motivate and recruit executives and other key employees, which may be difficult in light of uncertainty regarding the Transactions and failure to do so could negatively affect us and New Paramount. We must continue to retain, motivate and recruit executives and other key employees during the period prior to completion of the Transactions. Moreover, New Paramount must be successful at retaining and motivating key employees and service providers, including entertainers, performers and production talent, following the completion of the Transactions. New Paramount's performance will be substantially dependent on the performance of members of its executive management, other key employees, and service providers, including entertainers, performers and production talent. Experienced employees and talent in the industries in which we operate are in high demand, and competition for such employees and talent can be intense. Our employees may experience uncertainty about their future role with New Paramount until, or even after, strategies with regard to New Paramount as a combined company are announced or executed. The potential distractions of the Transactions may adversely affect the ability of us or, following completion of the Transactions, New Paramount to retain, motivate and recruit executives and other key employees and service providers, including entertainers, performers and production talent, and keep them focused on applicable strategies and goals. A failure by us or, following the completion of the Transactions, New Paramount to attract, retain and motivate executives, other key employees and service providers, including entertainers, performers and production talent, during the period prior to or after the completion of the Transactions, as applicable, could have a negative impact on the businesses of us and New Paramount. Furthermore, if key employees or talent depart or are at risk of departing due to issues including the uncertainty and difficulty of integration, financial security or a desire not to become employees or talent of New Paramount, we and / or New Paramount may incur significant costs to retain such individuals or to identify, hire and retain replacements for departing employees and talent and may lose significant expertise and talent relating to the business of us and / or New Paramount, and New Paramount's ability to realize the anticipated benefits of the Transactions may be adversely affected. The loss of any member of New Paramount's senior management team could impair its ability to execute its business plan and growth strategy, have a negative impact on its revenues and the effective working relationships that its executive management have developed and cause employee morale problems and the loss of additional key employees, agents, managers and clients. 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 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 the Transactions or with New Paramount following the 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 their respective businesses. I- 38 Any such disruptions could adversely impact New Paramount's ability to achieve the anticipated benefits of the Transactions. The adverse effect of such disruptions could also be exacerbated by a delay in the completion of the Transactions or the termination of the Transaction Agreement. Section 262 of the DGCL provides that stockholders have the right, in some circumstances, to dissent from certain corporate actions and to instead demand payment of the fair value of their shares. Stockholders do not have appraisal rights with respect to shares of any class or series of stock if such shares of stock, or depositary receipts in respect thereof, are either (a) listed on a national securities exchange or (b) held of record by more than 2,000 holders, unless the stockholders receive in exchange for their shares anything other than shares of stock of the surviving or resulting corporation (or depositary receipts in respect thereof), or of any other corporation that is publicly listed or held by more than 2,000 holders of record, cash in lieu of fractional shares or fractional depositary receipts described above or any combination of the foregoing. Therefore, because the shares of our Common Stock are currently listed on Nasdaq, a national securities exchange, and the holders of our Common Stock (other than the Specified Stockholders (as defined in the Transaction Agreement), with respect to shares of Class B Common Stock, and the Specified NAI Stockholders, with respect to shares of Class A Common Stock) will be entitled to elect to receive, in connection with the Transactions, the entirety of their merger consideration in the form of shares of New Paramount Class B Common Stock (i. e., shares of which will also be listed on Nasdaq), holders of our Common Stock (other than the Specified Stockholders, with respect to shares of Class B Common Stock, and the Specified NAI Stockholders, with respect to shares of Class A Common Stock) will not have rights under the DGCL to dissent from, or demand payment for, their shares in connection with the Transactions. NAI, NAIEH and SPV- NAIEH LLC irrevocably waived all dissent rights under the DGCL pursuant to a voting agreement with the Company and Skydance (the "Voting Agreement").

Changes and uncertainties with respect to taxes in the jurisdictions in which New Paramount will operate may have an adverse effect on New Paramount's business, financial condition or results of operations. New Paramount and its subsidiaries will conduct business globally and be subject to tax in multiple U. S. federal, state and local and non- U. S. jurisdictions. New Paramount's tax position could be materially adversely affected by several factors, including: new or changing tax laws both domestically and internationally, including regulations and treaties, or the interpretation thereof, tax policy initiatives and reforms under consideration by the international community (such as those related to the Organization for Economic Co- operation and Development's Base Erosion and Profit Shifting Project, the European Commission's state aid investigations and other initiatives), the practices of tax authorities in jurisdictions in which New Paramount operates, and the resolution of issues arising from tax audits, examinations or assessments and any related interest or penalties. New Paramount is currently unable to predict whether such changes or events will occur and, if so, the ultimate impact on New Paramount's business. To the extent that any such changes or events have a negative impact on New Paramount, including as a result of related uncertainty, New Paramount's business, financial condition and results of operations may be adversely impacted. Certain jurisdictions in which Paramount or its subsidiaries own real property may impose transfer taxes and / or reassess property values for property tax purposes upon certain transfers or deemed transfers of real property interests. The Transactions and / or the NAI Transaction, or other transactions undertaken by our direct or indirect equityholders in connection with or following such transactions, could be deemed to result in a transfer of real property directly or indirectly owned by Paramount for purposes of such rules. If any transfer taxes or increased annual property taxes were assessed on properties of Paramount or New Paramount or any of their respective subsidiaries, the amount of such taxes may be material and could adversely affect the business, financial condition and results of operations of New Paramount. I- 39

We have experienced, and may continue to experience, volatility in the prices of our Common Stock. We have experienced, and may continue to experience, volatility in the prices of our Common Stock. Various factors have impacted, and may continue to impact, the prices of our Common Stock, including variations in our operating results; changes in our estimates, guidance or business plans; variations between our actual results and expectations of securities analysts, and changes in recommendations by securities analysts; changes by any ratings agency to our outlook or credit ratings; market sentiment about our business, including the viability of our streaming business and views related to its profitability; the activities, operating results or stock price of our competitors or other industry participants in the industries in which we operate; changes in management; the announcement or completion of significant transactions by us or a competitor such as the Transactions; events affecting the stock market generally; and the broader macroeconomic and political environment in the U. S. and internationally, as well as other factors and risks described in this section. Some of these factors may adversely affect the prices of our Common Stock, regardless of our operating performance. NAI, through its voting control of the Company, is in a position to control actions that require stockholder approval. For so long as we have a controlling stockholder, our other stockholders, who may have different interests than our controlling stockholder, are unable to affect the outcome of corporate actions requiring stockholder approval. NAI, through its direct and indirect ownership of our Class A Common Stock, has voting control of the Company. As of December 31, 2023-2024, NAI directly or indirectly owned approximately 77.4% of our voting Class A Common Stock, and approximately 9.75% 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. Accordingly, I- 22

NAI is currently 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 in 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 DGCL 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, In connection with the Transactions, 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 who may is required therefor, the Transactions, I- 40 and the delivery of the written consent constituted the necessary approval of the Company's stockholders for the Transactions. The NAI Company Stockholders also are party to the Voting Agreement pursuant to which the NAI Company Stockholders have different 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 the Voting Agreement relating to the Transactions. If the pending acquisition of 100% of the equity interests are unable to affect the outcome of any NAI by certain affiliates of existing investors of Skydance (the "Skydance Investor Group") is consummated, such corporate actions for so long as acquiring entities will collectively own and control 100% of NAI retains voting control.

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 December 31, 2023-2024, the aggregate number of shares pledged by NAI to its lenders or otherwise encumbered represented approximately 4.3-5% of the total outstanding shares of our Common Stock. **Although** ~~If there is a default on NAI's debt obligations and~~ the lenders **(i) 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 **and (ii) have agreed to forbear from foreclosing on the encumbered shares until the earlier of (A) the maturity date of the debt obligations and (B) the date on which the definitive transaction agreement with respect to the NAI Transaction is terminated in accordance with its terms, the lenders otherwise have the right to foreclose on the encumbered shares in the event of a default on NAI Entertainment Holdings LLC's (a direct subsidiary of NAI) debt obligations**. A sale of the pledged Common Stock could adversely affect the stock prices. In addition, ~~there can be no assurance that at some future time there will not be a change in ownership of NAI or that~~, **such as the pending acquisition of 100 % of the equity interests of NAI will not sell by the Skydance Investor Group,** or ~~pledge~~ additional **sales or pledges of shares of our Common Stock by NAI**, which could adversely affect the stock prices.