

April 2, 2021

To Our Stockholders,

When we wrote to you last year, ViacomCBS was in the early stages of our integration. We had just begun to unlock the power of our historic combination and propel our company's growth forward. We outlined our strategy to maximize the power of our content, generate more value from our revenue and cost synergies, and accelerate our momentum in streaming. And we shared our vision for how this strategy and our transformation as a pure-play content company would serve our audiences and partners and create long-term value for our stockholders.

Only a year after our merger – and despite being confronted with a global pandemic – our transformation is ahead of schedule.

In 2020, we forged a new company combining two great cultures, formalized our best-in-class leadership team and took significant steps to align our organization with our strategic growth priorities. This included our sale of non-core assets CNET Media Group to Red Ventures and our agreement to sell Simon & Schuster to Penguin Random House, which is subject to customary regulatory approvals. Importantly, we created a new global streaming organization to maximize our opportunity through a unified strategy and structure across our premium, pay and free services. And we're on track to exceed the cost synergies outlined at the outset of our merger. We realized more than \$350 million in cost savings in 2020 and are on course to achieve \$800 million in annualized run rate merger-related cost synergies by the end of 2022.

Operationally, we continued to optimize the power of our combined assets. We extended our distribution footprint through a number of major new and expanded cross-company deals, including with YouTube, Hulu, DISH and others. We launched EyeQ, our new digital advertising platform that reaches 50 million full-episode monthly unique viewers in the U.S. alone – delivering a massive audience to advertisers with quality, scale and unmatched capabilities. And in streaming, we drove robust user growth, reaching several milestones across our ecosystem of streaming services.

We finished 2020 with strong Q4 results that reflect this tremendous progress. Total company revenue was \$6.9 billion, up 3% year-over-year, Adjusted OIBDA was \$1.2 billion, up 5% year-over-year, and Adjusted Diluted EPS was \$1.04, up 13% year-over-year. Our revenue growth was driven by a 13% year-over-year increase in affiliate revenue and a 4% year-over-year increase in advertising revenue, demonstrating the underlying strength of our core businesses.

In Q4, CBS also maintained its position as the most-watched network in Daytime and Late Night and claimed the top drama, news magazine and 4 of the top 5 comedies, as well as the top new comedy series. Additionally, ViacomCBS owned the most top 30 cable networks among viewers 18-49 and 9 of the top 10 original series with kids 2-11. And Showtime had 2 of the top 4 scripted shows on premium cable.

In streaming, we also finished Q4 on a high note. We grew our global streaming subscribers to nearly 30 million, up 56% year-over-year, and had record sign-ups for *CBS All Access* and SHOWTIME® OTT. Pluto TV remained the #1 free ad-supported streaming television service in the U.S. and continued its worldwide expansion, reaching 43 million global monthly active users (MAUs), up 80% year-over-year. Our global streaming revenue also increased 71% year-over-year to \$888 million – an annual run rate of \$3.6 billion that highlights the power of our combined ad-supported and subscription streaming strategy.

And we're just getting started. On the heels of this success, we introduced the world to Paramount+, our powerful new super service that's built off the foundation of *CBS All Access* and anchors our linked streaming ecosystem of premium, pay and free services, which includes SHOWTIME® OTT, BET+ and Pluto TV.

Paramount+, launched in the U.S., Latin America and Canada on March 4th, is differentiated by the depth and breadth of our content offering, which harnesses our world-class studios, brands, franchises and IP to bring audiences the best in a unique trifecta of live sports, breaking news and a mountain of entertainment. From the *NFL* to *60 Minutes+* to *Halo*, the service will include an expansive slate of more than 50 exclusive original series across scripted dramas, kids and family, reality, comedy, music, sports, news and documentaries that will premiere in the next two years and join a massive offering of more than 1,000 live sporting events, 24/7 news coverage, 2,500 iconic films and 30,000 fan-favorite episodes with near-universal distribution.

Paramount+ combines every aspect of what makes ViacomCBS a global leader in media and entertainment. And, as the number of streaming services per household continues to rise, we're confident we can also become a global leader in streaming. By the end of 2024, we aim to reach 65 to 75 million global streaming subscribers across our services, 100 to 120 million global Pluto TV MAUs and more than \$7 billion in global streaming revenue.

We believe that we can accomplish these goals because we have the foundation and momentum to succeed. In the past two years alone, our global streaming subscriber base has nearly tripled. And, with Paramount+, we're expanding our position with a strategy that's unique to the marketplace. This includes the immense marketing channels of our streaming, linear and social platforms, and strong distribution and advertising relationships that will help us quickly grow our reach and revenue. We can also leverage our content investments across platforms to create economies of scale and cost efficiencies. And we have the benefit of our global infrastructure and expertise, reaching 4.2 billion cumulative homes through our broadcast and cable channels, the strength of our local relationships and experience around the globe. As the only media company to fully embrace an ecosystem of premium, pay and free streaming services, we'll be everywhere our audiences need us, at every price point, with content, creativity and experiences that are second to none.

In just over one year, our progress is evident. And while our achievements would have been remarkable in normal circumstances, they're even more impressive given the complications of the COVID-19 global pandemic.

The pandemic has changed so much in our lives, including forcing us to reinvent the way we work on a scale we never imagined. Despite these challenges, our employees, crew and talent continue to persevere and demonstrate incredible adaptive creativity. We've made great headway in safely returning to production – all very focused on implementing a strong set of protocols with the health of our people top-of-mind.

2020 was also a year in which our company demonstrated who we are and how we show up for our employees, audiences and communities in these times of need. We believe we must lead with action and use the power of our brands, content and global reach to positively impact the issues that matter.

To help slow the spread of COVID-19, we launched #AloneTogether, a massive social and talent-led campaign that included over 174,000 TV spots and social media posts to educate our audiences about the importance of social distancing and drive unity through entertainment. We also committed \$100 million in relief to support the staff whose livelihoods were impacted by production shutdowns. And we joined the world in acknowledging the incredible work of healthcare workers and first responders across all of our ViacomCBS linear channels and social platforms. We remain grateful for everything they continue to do.

In response to the events of racial injustice in 2020, our efforts to amplify the voices of Black communities, condemn systemic racism and honor George Floyd and other victims of police violence were just a handful of the actions we took to stand up for what's right. We continue to use our content and platforms to drive change for our audiences and communities. And internally, we're focused on strengthening our culture of inclusion and ensuring our company reflects, celebrates and elevates the diversity of our audiences globally.

As a civic-minded company, our brands came together with campaigns and programming to support and inspire our audiences to exercise their rights, represent their interests and vote. And CBS News, amid the global pandemic, civil unrest, and the U.S. Presidential election and its aftermath, provided critical reporting to equip and educate our nation's citizens on what was at stake.

For the first time, we also made our diversity data public and published an Environmental, Social & Governance (ESG) Report to address the ESG impacts that are most material to our business and stakeholders. While we know we have more work to do, these efforts reflect our dedication to greater transparency and disclosure as we strengthen our impact and set new and higher standards for ourselves and our industry.

Looking ahead, ViacomCBS is well-positioned to succeed. Our traditional business is strong, and we're leaning into our substantial growth opportunity in streaming. We're committed to unlocking value across our business for our employees, audiences, partners and stockholders and are thrilled about our future. As always, we appreciate your ongoing support in this important next chapter for ViacomCBS.

Best,
Bob & Shari



Robert M. Bakish
President and Chief Executive Officer



Shari Redstone
Non-Executive Chair of the Board, Director

This letter should be read in conjunction with ViacomCBS' 2020 Annual Report on Form 10-K, including the risk factors discussed therein. Reconciliations of non-GAAP measures to the most directly comparable GAAP measures can be found in our earnings release for the fourth quarter and full year 2020.