RESTORE THE MAGIC | TRIAN PARTNERS

FEBRUARY 1, 2024

Dear Fellow Walt Disney Company Shareholder:

The Trian Group[1] owns more than $3 billion of shares of The Walt Disney Company.

Like you, we are enthusiastic owners of this iconic company because we believe Disney is the leading media and entertainment business, with outstanding assets:

- Beloved franchises like *Star Wars* and *Marvel*;
- Disney and Pixar Animation Studios, which produced some of the greatest films of all time;
- Theme parks and cruise lines that attract millions of people from around the world each year; and
- Disney+, an emerging streaming giant with a library of enviable content.

Disney occupies a unique place in the hearts of millions of people with its deep history of captivating stories while creating unforgettable experiences.

Despite Disney's enviable and unique position in media and entertainment, its stock price is half what it was less than three years ago and Disney shareholders – like you and us – have collectively lost nearly $200 billion of our investment in that time.[2] Disney's recent creative efforts have disappointed its once-loyal customer base and have caused losses for shareholders. Disney was forced to cut its dividend and only recently restored it[3]– meanwhile shareholders missed out on more than $12 billion in expected distributions between 2020 and 2023.[4]

Disney's stock is down over the last one, three and five years. In fact, over those time periods, Disney's total shareholder return ("TSR") has significantly underperformed the stocks of other media and entertainment companies, despite Disney's superior assets, capabilities and businesses. Disney's TSR has underperformed the S&P 500 by a wide margin over each of those time periods, too.[5]

One year ago, three years ago, five years ago or ten years ago, **you would have been far better served investing in an index fund like the S&P 500, or in a basket of Disney's self-selected peers, than in Disney itself.**[6] Instead, you, like us, have been caught in the Disney mousetrap.

With so many powerful competitive advantages, why has Disney cost shareholders so much?

The simple answer: **Disney has lost its way!**

The Company's creative engine has stalled.

For the first time in nearly a decade, Disney has lost its position as the highest-grossing movie studio.[7] Disney's last five films have collectively cost over $1 billion to produce, and yet two of those films have lost money, and another barely eked out a profit.[8] Disney's reputation as the world's preeminent entertainment company – and the flywheel that drives its business – is at risk.

Disney+, the emerging streaming business, has been poorly managed.

Since the service was launched in 2019, Disney+ has failed to achieve profitability in any fiscal year. And while Netflix generates attractive profits, margins and cash flow from its streaming service, success at Disney+ has been elusive. Today, Netflix generates approximately 21 cents of *profit* for every dollar of revenue; in its 2023 fiscal year, Disney *lost* approximately 14 cents for every dollar of streaming revenue.[9] In total, the streaming businesses have cost the Company more than $14 billion in operating losses over the last six years.[10]

ESPN is challenged and lacks a clear strategy.

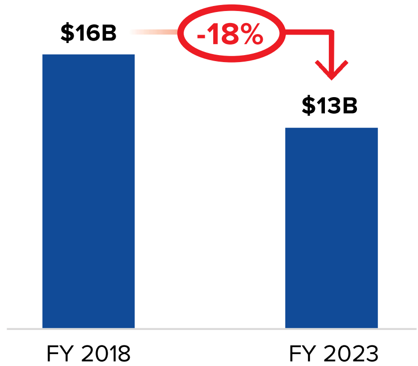
ESPN is one of the most respected brands in sports media, but the once-lucrative business has suffered as cord-cutting has accelerated and sports rights costs have dramatically increased. ESPN has continued to shed subscribers, and investments into the direct-to-consumer app appear to lack clear return targets and payback is uncertain. Operating income for Disney's Sports segment, which includes ESPN, dramatically declined in 2023.[11]

Prices have gone up in the Parks even as investment has been deferred.

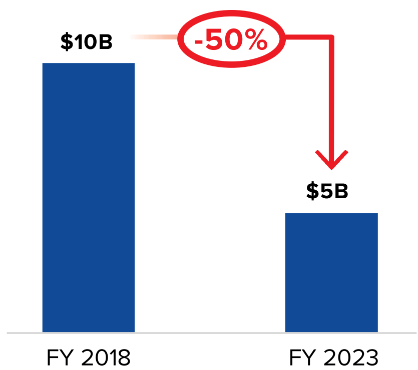
Disney's parks have long been a crown jewel of the Company and remain an important part of its future. But even though admission prices have increased by more than 35% over the last ten years,[12] Disney recently revealed the need to invest a whopping $60 billion into its parks and cruise lines over the next ten years, seemingly to catch up for delayed or deferred investment.[13] Disney has failed to answer how it plans to compete with Universal's new attractions, why it has not kept pace with development, how and where this money will be spent, or what returns shareholders can expect to earn on this massive investment.

As a result of these and other issues, and despite spending $200 billion since 2018 on assets and acquisitions (such as the purchase of 21st Century Fox), Disney's financial performance has suffered. Operating income, free cash flow and earnings per share have declined by 18%, 50% and 85%, respectively, since 2018.[14]

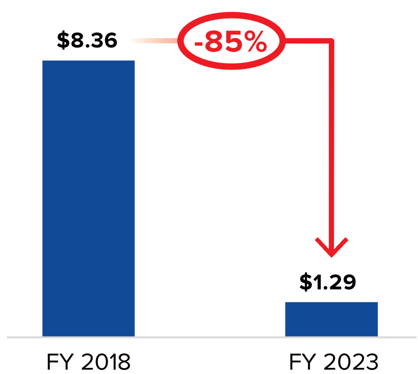
OPERATING INCOME



FREE CASH FLOW



EARNINGS PER SHARE



Source: SEC filings. Note: Earnings per Share represents "Diluted EPS from continuing operations."

In our view, Disney's strategic missteps and declining financial performance can be laid at the feet of its Board, which we believe lacks focus, alignment and accountability.

Lack of Focus

Many of Disney's directors have important day jobs running some of the largest automobile, apparel, sporting goods and software companies in the world. They have demanding, full-time work commitments and are likely waking up every day thinking about things other than Disney. Faced with complicated challenges in their executive roles, we believe these busy directors have taken their "eyes off the ball" at Disney.

Lack of Accountability

Despite years of Disney underperformance and shareholder discontent that has been repeatedly expressed at Disney's annual shareholder meeting votes,[15] the Board continues to claim it knows best, refusing to heed input from shareholders or add shareholder-selected directors to the Board who can bring fresh perspectives to Disney's challenges.

Lack of Alignment

Disney's non-management directors have amassed great personal wealth, having received in the aggregate more than $700 million in compensation from their jobs at companies other than Disney during their tenures on the Disney Board.[16] Yet, despite their significant resources and sizable investment portfolios, Disney's eleven non-management directors appear to have so little faith in Disney's future that they have purchased a total of less than $350,000 of Disney stock during their tenures. Nine of them have never bought a single share![17] Relative to their wealth, they have almost no skin in the game. Meanwhile, Disney's CEO, Bob Iger, has *sold* nearly all of his Disney stock, reaping proceeds in cash of more than $1 billion; today, he is left owning comparatively few shares.[18]

VALUE OF POSITIONS IN DISNEY IN CONTEXT

Source: SEC filings. Note: Represents market value of Disney shares held by all Disney non-management directors and Bob Iger, as applicable, as reported in Disney's 2024 Proxy Statement. Nelson Peltz beneficially owns Disney shares worth approximately $3 billion and Jay Rasulo owns Disney shares worth approximately $658,000, in each case as further detailed in Trian's 2024 Proxy Statement. Market value based on Disney's share price at close of business on 01/03/24, the latest reported date noting Disney common stock beneficially owned by Directors.

We do not believe the current Board can solve Disney's problems. To **Restore the Magic**, we need new perspectives, fresh thinking and tangible goals. We certainly do not expect this same Board that has sat idle, watching Disney's decline, to suddenly change and have the drive to *fix* Disney. So, to ensure a better future for this great company, we, its owners, must act!

We are therefore asking you to elect two new, independent directors – Nelson Peltz and Jay Rasulo – to Disney's Board of Directors.

Real change is needed! There is much to be done to revive Disney, delight consumers again and drive value for its owners.

Disney's current directors do not want our candidates inside the board room. Perhaps they do not want the hard questions and focus on shareholder value. The Disney Board is seeking to exclude them and appease shareholders with its own appointments, adding two new, hand-selected directors that were chosen without shareholder input. You should be wary of cosmetic "change" orchestrated by the same directors who have consistently failed shareholders.

To make room for Nelson Peltz and Jay Rasulo on the Board, you also need to "WITHHOLD" your vote on two of the Board's current directors. We are strongly recommending shareholders "WITHHOLD" on incumbent directors Michael Froman and Maria Elena Lagomasino.

We are also asking that you **"WITHHOLD"** your vote on the three candidates nominated by Blackwells Capital LLC.

If elected, Nelson Peltz and Jay Rasulo will seek to work diligently and collaboratively with the other Disney directors and management to:

- Initiate a Board-led review of the Company's creative processes and structure so that **Disney can once again claim its #1 position at the box office** while consistently delivering industry-leading content and Disney hallmarks;
- Insist that management **finally develop and implement an executable plan for the streaming business** in order to achieve Netflix-like levels of profitability;
- **Have the leadership team commit to a detailed plan that includes a reasonable payback period and return profile** for all future investments in the direct-to-consumer ESPN business;
- Press management to **disclose the expected returns on the $60 billion of announced investments** in the Parks and Experiences business;
- **Align pay and performance for the Company's senior leaders** by tying compensation to clear, measurable and ambitious goals; and
- **Finally execute a successful CEO succession process**, while cultivating a deep bench of capable, next-generation leaders.

We encourage you to vote "FOR" Nelson Peltz and Jay Rasulo using the instructions on the enclosed BLUE proxy card to enable them to pursue this ambitious agenda.

"WITHHOLD" on Michael B.G. Froman.
Apart from his wife's long personal relationship with the wife of Disney CEO Bob Iger[19], it is unclear to us why Mr. Froman – who has spent much of the past 25 years of his career as a financial executive, a federal trade representative and a national security advisor – was appointed to the Board. It appears that Disney is equally mystified: by the Company's own admission, Mr. Froman possesses just *one* skill that is central to Disney's strategy.[20] Mr. Froman has never served on another public company board. He also does not appear to believe in Disney's future the way we all do: throughout his tenure as a director, he has never bought even a single share of Disney stock with his own money.

"WITHHOLD" on Maria Elena Lagomasino.
Ms. Lagomasino has Chaired Disney's Compensation Committee since 2019 and has been a member of that Committee since 2015. During her tenure on the Compensation Committee, Ms. Lagomasino has overseen payments of over $800 million to Disney's executives[21] while shareholders have suffered, with Disney's stock *losing* nearly 20% of its value and your dividend being significantly reduced.[22] Among other things, Ms. Lagomasino oversaw the awarding of a four-year compensation package to CEO Bob Iger valued at more than $250 million[23] in connection with the value-destructive, but Board endorsed (and unanimously approved), 21st Century Fox acquisition. Furthermore, Ms. Lagomasino's background in wealth management appears unrelated to any of Disney's businesses and, like Mr. Froman, Ms. Lagomasino possesses just one skill that is central to Disney's strategy, according to Disney's own analysis.[24]

Together, we can Restore the Magic at Disney!
Vote using the enclosed BLUE proxy card.

Nelson Peltz beneficially owns more than $3 billion of Disney stock.[25] He is one of the most experienced directors in corporate America, having served on more than a dozen public company boards, including world-class companies and household names like Procter & Gamble, Unilever, Wendy's, H. J. Heinz and Mondelēz. During his tenure on these and other boards, he has helped create tremendous value for shareholders and drive important initiatives including leadership succession, management compensation realignment, organizational improvements and operational turnarounds.[26]

Jay Rasulo beneficially owns more than $600,000 of Disney stock. He is a Disney veteran who spent three decades at the Company in a variety of roles, including five years as Chief Financial Officer. During his tenure as CFO, Disney's stock price increased by more than 250% and the Company paid more than $8 billion in dividends to shareholders.[27] Prior to being appointed Chief Financial Officer, Mr. Rasulo ran Disney's Parks and Resorts business, during which time the Parks and Resorts division delivered consistent revenue and operating income growth.

> ***[Nelson] Peltz can be a change agent because right now the [Disney] Board seems downright unfocused.***
>
> — Jim Cramer, Mad Money
> DECEMBER 5, 2023

> ***Adding Peltz and Rasulo would change the dynamic in the boardroom, making the directors more accountable to the shareholders they work for.***
>
> — Paulina Likos, CNBC
> JANUARY 18, 2024

TRIAN'S NOMINEES ARE A BETTER FIT BASED ON DISNEY'S OWN CRITERIA

Skills "Central to Disney's Strategy" according to Disney[28]	*Trian's Nominees*		*Disney's Nominees*[29] (Skills as disclosed by Disney)	
	Nelson Peltz	**Jay Rasulo**	**Michael Froman**	**Maria Lagomasino**
Media and Entertainment	✓	✓		
Direct-to-Consumer Expertise	✓	✓		
Technology and Innovation				
Strategic Transformation	✓	✓		
360 Degree Brand Activation	✓	✓	✓	✓
Succession Planning	✓	✓		

"WITHHOLD" on Michael B.G. Froman.
Mr. Froman is the President of the Council on Foreign Relations. He has never served on another public company Board or bought a single share of Disney stock with his own money during his tenure on the Disney board. His wife is a long-standing acquaintance of Disney CEO Bob Iger's wife.[30]

"WITHHOLD" on Maria Elena Lagomasino.
Ms. Lagomasino is an expert on helping very high net worth people manage their affairs. She has served on Disney's Compensation Committee since 2015, during which time Disney has paid its executives more than $800 million,[31] even as the stock has declined by more than 20%.[32]

Vote using the enclosed BLUE proxy card.

DISCLAIMER

Except as otherwise set forth in this letter, the views expressed herein reflect the opinions of Trian Fund Management, L.P. and its affiliates ("Trian"), and are based on publicly available information with respect to The Walt Disney Company (the "Company" or "Disney"). Trian recognizes that there may be confidential information in the possession of the Company that could lead it or others to disagree with Trian's conclusions. Trian reserves the right to change any of its opinions expressed herein at any time as it deems appropriate and disclaims any obligation to notify the market or any other party of any such change, except as required by law. Trian disclaims any obligation to update the information or opinions contained herein. For the avoidance of doubt, this letter is not affiliated with or endorsed by Disney.

This letter is provided merely as information and is not intended to be, nor should it be construed as, an offer to sell or a solicitation of an offer to buy any security nor as a recommendation to purchase or sell any security. Funds, investment vehicles, and accounts managed by Trian currently beneficially own shares of the Company. These funds, investment vehicles, and accounts are in the business of trading – buying and selling– securities and intend to continue trading in the securities of the Company. You should assume such funds may from time to time sell all or a portion of their holdings of the Company in open market transactions or otherwise, buy additional shares (in open market or privately negotiated transactions or otherwise), or trade in options, puts, calls, swaps or other derivative instruments relating to such shares.

Some of the materials herein contain forward-looking statements. All statements contained herein that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words "anticipate," "believe," "expect," "potential," "could," "opportunity," "estimate," "plan," "once again" and "achieve" and similar expressions are generally intended to identify forward-looking statements. The projected results and statements contained herein that are not historical facts are based on current expectations, speak only as of the date of these materials and involve risks, uncertainties and other factors that may cause actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such projected results and statements. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of Trian.

The estimates, projections and potential impact of the opportunities identified by Trian herein are based on assumptions that Trian believes to be reasonable as of the date of this letter, but there can be no assurance or guarantee (i) that any of the proposed actions set forth herein will be completed, (ii) that the actual results or performance of the Company will not differ, and such differences may be material, or (iii) that any of the assumptions provided herein are accurate.

Trian has neither sought nor obtained the consent from any third party to use any statements or information contained herein that have been obtained or derived from statements made or published by such third parties, nor has it paid for any such statements. Any such statements or information should not be viewed as indicating the support of such third parties for the views expressed herein. Trian does not endorse third-party estimates or research which are used herein solely for illustrative purposes. No warranty is made that data or information, whether derived or obtained from filings made with the Securities and Exchange Commission or any other regulatory agency or from any third party, are accurate. Past performance is not an indication of future results.

Additional information, including instructions for how to vote your shares and stay connected with us, can be found at: www.restorethemagic.com.

ENDNOTES

Financials, Wall Street Consensus estimates, share price, ownership, and Total Shareholder Return ("TSR") data referenced are sourced from SEC filings and FactSet unless otherwise noted.

[1] Please refer to the definitive proxy statement, filed with the United States Securities and Exchange Commission by Trian Fund Management L.P. and certain of its affiliates and other persons ("Trian's 2024 Proxy Statement"), for information regarding the members of the "Trian Group." Nelson Peltz beneficially owns Disney shares worth approximately $3 billion and Jay Rasulo owns Disney shares worth approximately $658,000, in each case as further detailed in Trian's 2024 Proxy Statement.

[2] Based on closing prices of $201.91 and $93.06 on 03/08/21 and 01/26/24, respectively, and approximately 1.8 billion shares outstanding.

[3] Disney was one of the last eight companies in the S&P 500 to restore a dividend that was cut during the pandemic. Barron's article titled "Disney's Dividend Won't Be Coming Back Any Time Soon," by Lawrence C. Strauss published on 01/20/23.

[4] Represents aggregate dividend payments assuming Disney continued to pay a semi-annual dividend of $0.88 per share – equivalent to the last dividend per share paid before it was suspended – from July 2020 through December 2023 (8 payments in total, adjusted for the $0.30 dividend declared on 11/30/23), multiplied by approximately 1.8 billion shares outstanding.

[5] Disney relative performance measures TSR through 10/06/23 defined as the total return an investor would have received if they purchased one share of stock on the first day of the measured period, inclusive of share price appreciation and dividends paid. 10/06/23 represents the trading day prior to the WSJ article titled "Nelson Peltz Boosts Disney Stake, Seeks Board Seats," by Lauren Thomas and Robbie Whelan reporting on Trian's increased beneficial ownership in Disney shares and expected request for Board representation; "other media and entertainment companies" represents the simple average of "Media Industry Peers" as defined in Disney's 2024 Preliminary Proxy Statement and consists of Alphabet, Amazon, Apple, Comcast, Meta, Netflix, Paramount, and Warner Bros. Discovery; the S&P 500 is highlighted here only as a widely recognized index, however, for various reasons the performance of the index and that of the securities mentioned above may not be comparable. One cannot invest directly in an index.

[6] See endnote 5 above. "Disney's self-selected media peers" represents the simple average of "Media Industry Peers" as defined in Disney's 2024 Preliminary Proxy Statement filed on 01/16/24 ("Disney's 2024 Preliminary Proxy Statement") and consists of Alphabet, Amazon, Apple, Comcast, Meta, Netflix, Paramount, and Warner Bros. Discovery.

[7] Source: Adam Bentz, Screen Rant, "Disney Caps Off Disappointing 2023 By Losing Top Spot At Global Box Office" published on 01/03/24.

[8] IMDB; Variety article titled "Thanksgiving Box Office: 'Hunger Games' Pulls Ahead of Disney's 'Wish,' 'Napoleon' Outpacing Projections," by J. Kim Murphy and Michaela Zee published 11/25/23; Variety article titled "The Marvels' Ends Box Office Run as Lowest-Grossing MCU Movie in History," by Rebecca Rubin published 12/03/23; Variety article titled "Why Didn't Disney Save 'Haunted Mansion' for Halloween," by Rebecca Rubin published 07/31/23; Variety article titled "Big Budgets, Big Headaches: Why 'Indiana Jones 5' and 'Mission: Impossible 7' are Struggling to Make a Profit," by Rebecca Rubin, Brent Lang, Matt Donnelly published 08/15/23; Variety article titled "Disney's Harsh New Reality: Costly Film Flops, Creative Struggles and a Shrinking Global Box Office," by Rebecca Rubin, Brent Lang published 07/05/23.

[9] "Profit" refers to operating income. Netflix and Disney revenue and operating income represent each company's fiscal year ("FY") 2023 financials. Disney Direct-to-Consumer revenue and operating income adjusted to include an allocation of corporate expense based on pro rata share of Disney's FY 2023 revenue.

[10] Includes operating losses from Disney+, Hulu and ESPN+.

[11] Disney's Sports segment operating profit declined -9% between FY 2022 and FY 2023.

[12] CNBC article titled "A Disney World ticket was $3.50 in 1971—here's how much it cost the year you were born," by Jade Scipioni published 08/09/19, and the Walt Disney World Admission website, available at: https://disneyworld.disney.go.com/admission/tickets/. Current price as of January 26, 2024.

[13] Disney announced on 09/19/23 that it is "developing plans to accelerate and expand investment in its DPEP segment, to nearly double, as compared to the previous approximately 10-year period, consolidated capital expenditures for the segment over the course of an approximately 10-year period to approximately $60 billion in aggregate" which equates to an annual average capital expenditure of ~$6 billion as compared to Disney's prior 10-year historical average of ~$4 billion of reported "investments in parks, resorts and other property."

[14] Represents the change in Disney's reported total segment operating income, diluted EPS from continuing operations, and free cash flow between FY 2018 and FY 2023.

[15] Source: SEC filings, FactSet. Note: Since 2011, only one company in the S&P 500 has received more Say-on-Pay votes below 70% than Disney's six. "Vote" indicates "For" votes as a percentage of votes "For" and votes "Against."

[16] Represents the aggregate publicly disclosed compensation (from respective SEC filings) awarded for director and officer roles of Disney's non-management directors earned excluding Disney-related director compensation.

[17] Per FactSet ownership and transaction detail, only two of Disney's non-management directors have made open market purchases of Disney stock.

[18] Robert A. Iger stock sold represents the cumulative net value of Disney shares sold based on Form 4 filings and Disney's 2024 Preliminary Proxy Statement.

[19] Source: Alex Sherman, CNBC, "Disney's Wildest Ride: Iger, Chapek and the Making of an Epic Succession Mess" published on 09/06/23. See also, Robbie Whelan, The Wall Street Journal, "The Disney Sequel Bob Iger Never Wanted" published on 01/24/24.

[20] Per Disney's "Director Skills and Experience Matrix" in Disney's 2024 Preliminary Proxy Statement filed 01/16/24, page 14.

[21] Represents Disney's cumulative NEO compensation disclosed in the Summary Compensation Tables from FY 2015 through FY 2023, over which period Maria Elena Lagomasino was either a member or Chair of Disney's Compensation Committee.

[22] Represents Disney's share price performance between the end of FY 2015 (10/03/15) through the end of FY 2023 (09/30/23).

[23] In connection with Disney's entry into a definitive transaction agreement with 21st Century Fox, Disney extended Bob Iger's employment agreement through 12/31/21 and significantly increased his compensation thereunder. From FY 2018 through FY 2021, Bob Iger received compensation valued at over $250 million (reflecting Iger's compensation recorded in the summary compensation table of Disney's proxy statements corresponding to each fiscal year plus the estimated target value of the performance share units granted in connection with the extension of Iger's employment agreement, which were not reflected in the summary compensation table).

[24] Per Disney's "Director Skills and Experience Matrix" in Disney's 2024 Preliminary Proxy Statement filed 01/16/24, page 14.

[25] See Endnote 1 above.

[26] For instance, at The Procter & Gamble Company ("P&G"), a household products company where Mr. Peltz served on the Board from 2018 until 2022, he helped P&G develop and oversee a "Four-Year Overhaul" that resulted in P&G "making several dramatic changes to help improve performance" and "streamlin[ing] its operations from 10 business units to six, improv[ing] its earnings growth, clear[ing] out bureaucracy and increas[ing] accountability." (Source: Article titled "Peltz to Depart P&G Board, Capping Nearly Four-Year Overhaul," published August 5, 2021 by Bloomberg.) At Mondēlez International, an international snack company, during Mr. Peltz's tenure on the board of directors from 2014 to 2018, the company improved its cash flow generation through margin improvement and development of working capital efficiencies. (Source: SEC filings. In 2014, operating income margins were 11.7% and improved to 16.7% in 2018. Cash flow from operations were $3.56 billion in 2014 and improved to $3.95 billion in 2018.)

[27] James A. Rasulo was Chief Financial Officer at Disney from 01/01/10 through 06/30/15.

[28] Michael B.G. Froman and Maria Elena Lagomasino "skills" per Disney's "Director Skills and Experience Matrix" in Disney's 2024 Preliminary Proxy Statement filed 01/16/24, page 14.

[29] Id.

[30] Source: Alex Sherman, CNBC, "Disney's Wildest Ride: Iger, Chapek and the Making of an Epic Succession Mess" published on 09/06/23. See also, Robbie Whelan, The Wall Street Journal, "The Disney Sequel Bob Iger Never Wanted" published on 01/24/24.

[31] Represents Disney's cumulative NEO compensation disclosed in the Summary Compensation Tables from FY 2015 through FY 2023, over which period Maria Elena Lagomasino was either a member or Chair of Disney's Compensation Committee.

[32] Represents Disney's share price performance between the end of FY 2015 (10/03/15) through the end of FY 2023 (09/30/23).

For more information or assistance with voting your shares

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