Topgolf Callaway Brands Corp.

Lender Presentation

March 6, 2023

MODG
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NYSE

IMPORTANT NOTICES

Forward-looking Statements. During the presentation, any comments made about future plans, events, financial results, performance, prospects, or growth opportunities, including statements relating to the Company's financial outlook (including, among others, projections of net revenues, Adjusted EBITDA, Segment Adjusted EBITDA, Adjusted EBITDA margin, capital expenditures, depreciation & amortization, net leverage, earnings per share, gross debt, same venue sales, free cash flow, venue economics and pro forma capitalization), strength and demand of the Company's products and services, addressable markets and the consumer base, continued brand momentum, continued investments in the business, benefits of strategic collaborations, consumer trends and behavior, future industry and market conditions, a potential downturn in Golf Equipment, TravisMathew store openings, Topgolf venue openings (including franchise venues), Toptracer installations, digital reservations, capital allocation priorities, foreign exchange and hedging, freight costs, the impacts of inflation, potential refinancing of the Company's debt and the receipt and use of proceeds thereof, the receipt of agency ratings on the Company's debt and statements of belief and any statement of assumptions underlying any of the foregoing, are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are often characterized by the use of words such as "estimate," "expect," "anticipate," "project," "plan," "intend," "seek," "believe," "forecast," "foresee," "likely," "may," "should," "goal," "target," "might," "will," "could," "predict," "continue" and the negative or plural of these words and other comparable terminology. Such statements reflect the Company's best judgment as of the time made based on then current market trends and conditions. Actual results could differ materially from those as a result of certain risks, unknowns and uncertainties applicable to the Company and its business. For additional details concerning these and other risks and uncertainties that could affect these statements and the Company's business, see the Company's Annual Report on Form 10-K for the year ended December 31, 2022, as well as other risks and uncertainties detailed from time to time in the Company's reports on Forms 10-Q and 8-K subsequently filed with the SEC from time to time. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Regulation G. In addition, in order to assist you with period-over-period comparisons on a consistent and comparable basis, today's presentation includes certain non-GAAP information. The Company provided information excluding certain non-cash amortization and depreciation of acquired intangible assets and purchase accounting adjustments. Non-recurring items including legal costs and credit agency fees related to a postponed debt refinancing, IT integration and implementation costs associated with new ERP systems stemming from acquisitions, reorganization expenses, and non-cash asset write-downs in 2022, non-cash amortization of the debt discount related to the Company's convertible notes in 2021, acquisition and other non-recurring items (including integration costs and a $252.5 million non-cash gain in 2021 resulting from the Company's pre-merger equity position in Topgolf), and changes in the Company's non-cash valuation allowance recorded against certain of the Company's deferred tax assets as a result of the Topgolf merger. This non-GAAP information may include non-GAAP financial measures within the meaning of Regulation G. These non-GAAP measures should not be considered as a substitute for any measure derived in accordance with GAAP. The non-GAAP information may also be inconsistent with the manner in which similar measures are derived or used by other companies. Management uses such non-GAAP information for financial and operational decision-making purposes and as a means to evaluate period-over-period comparisons and in forecasting the Company's business going forward. Management believes that the presentation of such non-GAAP information, when considered in conjunction with the most directly comparable GAAP information, provides additional useful comparative information for investors in their assessment of the underlying performance of the Company's business with regard to these items. The Company has provided reconciliations of such non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP in the appendix hereto.

For forward-looking Adjusted EBITDA, Segment Adjusted EBITDA, non-GAAP depreciation and amortization expense, non-GAAP diluted earnings per share, 4-Wall EBITDAR, 4-Wall EBITDAR margin, 4-Wall Cash Flow, net leverage ratio and cash-on-cash return information (collectively, the "Non-GAAP Projections") provided in this presentation, reconciliation of such Non-GAAP Projections to the most closely comparable GAAP financial measure is not provided because the Company is unable to provide such reconciliation without unreasonable efforts. The inability to provide a reconciliation is because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact the applicable GAAP financial measure in the future but would not impact the Non-GAAP Projections. These items may include certain non-cash depreciation, which will fluctuate based on the Company's level of capital expenditures, non-cash amortization of intangibles related to the Company's acquisitions, income taxes, which can fluctuate based on changes in the other items noted and/or future forecasts, and other non-recurring costs and non-cash adjustments. Historically, the Company has excluded these items from the Non-GAAP Projections. The Company currently expects to continue to exclude these items in future disclosures of such measures and may also exclude other items that may arise. The events that typically lead to the recognition of such adjustments are inherently unpredictable as to if or when they may occur, and therefore actual results may differ materially. This unavailable information could have a significant impact on the applicable GAAP measure.

WHO YOU'LL HEAR FROM TODAY

Chip Brewer
President & CEO

Brian Lynch
CFO &
Chief Legal Officer

Patrick Burke
SVP,
Global Finance

TOPGOLF CALLAWAY BRANDS

AGENDA

TRANSACTION OVERVIEW

TOPGOLF CALLAWAY BRANDS

TRANSACTION OVERVIEW

- Topgolf Callaway Brands Corp. (the "Company") is an unrivaled tech-enabled Modern Golf [1] and active lifestyle company delivering leading golf equipment, apparel, and entertainment, with a portfolio of global brands including Topgolf, Callaway Golf, TravisMathew, Toptracer, Odyssey, OGIO, Jack Wolfskin, and World Golf Tour ("WGT")
- For the LTM period ended 12/31/22, the Company generated Revenue and Adjusted EBITDA of $3,996 million and $558 million, respectively
- On the heels of the Company's continued strong performance through 2022, the Company is seeking to raise a new $1,100 million 7-year Term Loan B (the "Financing")
- Net proceeds from the Financing will be used to refinance the existing Topgolf Callaway Brands level and Topgolf subsidiary level Term Loan B borrowings and the existing revolving capacity, along with providing cash to balance sheet for general corporate purposes[2]
- Given continued strong performance across legacy Callaway Golf & Topgolf, now is an ideal time for the Company to simplify and unify financial reporting by combining capital structures and related documentation
- Pro forma for the Financing, Total Leverage and Total Net Leverage will be 4.3x and 3.4x[3], respectively, based on FY 2022 Adj. EBITDA of $558 million
- The Company is also concurrently refinancing and upsizing its ABL Revolver with a new 5-year $525 million ABL facility

1. "Modern Golf" is the dynamic and inclusive ecosystem that includes both on-course and off-course golf.
2. Existing Topgolf Callaway Brands level and Topgolf subsidiary level revolvers to be refinanced; existing JPY Revolver and German ABL tranche to remain in place.
3. Net leverage calculation excludes restricted cash and the convertible debt.

SOURCES & USES AND PRO FORMA CAPITALIZATION

($ in millions)	
Sources	**Amount ($)**
New ABL Revolver ($525mm)	--
New Term Loan B	1,100
Total Sources	**$1,100**

Uses	**Amount ($)**
Refinance Existing Callaway Term Loan B	$432
Refinance Existing Topgolf Term Loan B	337
Pay down Existing U.S. ABL Revolver	136
Pay down Topgolf Revolver	110
Cash to Balance Sheet	85
Total Uses	**$1,100**

($ in millions)	Maturity	12/31/2022	Pro Forma 12/31/2022
Combined Cash & Cash Equivalents		$180	$265
Callaway Indebtedness			
U.S. ABL Revolver ($400mm) (1)	5/17/24	181	45
Japanese ABL Revolver ($41.5mm)	1/25/25	38	38
Term Loan B	1/4/26	432	--
Equipment Loans	Various	28	28
Total Callaway Secured Debt		**$679**	**$111**
Convertible Note	5/1/26	258	258
Total Callaway Debt		**$937**	**$369**
Topgolf Indebtedness			
Revolver ($175mm)	2/8/24	110	--
Term Loan B	2/8/26	337	--
Deemed Landlord Financing (2)	--	660	660
Other Real Estate-Related Debt (3)	July '33 - July '36	277	277
Total Topgolf Debt		**$1,384**	**$937**
Combined Entity Indebtedness			
New ABL Revolver ($525mm)	***5 Years***	**--**	**--**
New Term Loan B	***7 Years***	**--**	***1,100***
Total Entity Secured Debt		**$2,063**	**$2,148**
Total Entity Debt		**$2,322**	**$2,407**
Operating Statistics (LTM 12/31/22)			
LTM Callaway Adj. EBITDA		$323	$323
LTM TG Adj. EBITDA		235	235
Combined LTM Adjusted EBITDA		$558	$558
Available Liquidity (LTM 12/31/22)		$415	$723
Consolidated LTM 12/31/22 Credit Stats			
Total Secured Debt / Adj. EBITDA		3.7x	3.8x
Total Debt / Adj. EBITDA		4.2x	4.3x
Net Debt / Adj. EBITDA (4)		3.4x	3.4x

Note: FY 2022 is based on preliminary financial results. Excludes estimated transaction fees & expenses.

1. Main $400mm ABL is split between USD tranche ($340mm ($390mm through June 15, 2023); $260mm line cap)), Canadian tranche ($5mm; $25mm line cap), German tranche ($45mm; $70mm line cap) and UK/Dutch tranche ($10mm; $45mm line cap). $45 million draw on the German tranche to remain outstanding pro forma the transaction.
2. Deemed landlord financing represents construction advances for leased assets that are treated as owned for accounting purposes. Excluded from debt under existing TG credit agreement but included in debt above.
3. Includes capital leases, mortgages, venue finance leases, and financed tenant improvements.
4. Net leverage calculation excludes restricted cash and the convertible debt.

TOPGOLF CALLAWAY BRANDS

SUMMARY OF INDICATIVE TERM LOAN B TERMS

Borrower:	Topgolf Callaway Brands Corp.
Guarantors:	Material wholly-owned domestic subsidiaries (including Topgolf), subject to certain customary exceptions
Security:	"Crossing" lien with the Borrower's ABL credit agreement consisting of a: ▪ First Lien on substantially all assets of the Borrower and Guarantors (including (i) equity interests of subsidiaries held by the Borrower and the Guarantors, subject to customary exceptions, (ii) the intellectual property of Jack Wolfskin, Travis Mathew and Topgolf (other than IP related to the Toptracer fleet) and (iii) fee owned real property with a fair market value greater than $15 million), other than ABL Priority Collateral described below; and ▪ Second Lien on all domestic ABL Priority Collateral (including accounts receivable, inventory, deposit accounts, the TopTracer fleet (including IP related thereto) and intellectual property not described above)
Facility:	Senior Secured Term Loan B
Expected Ratings:	Corporate Family Rating: B1 / B+ | Issue Rating: B1 / B+
Amount:	$1,100 million
Maturity:	7 years
Amortization:	1.00% amortization per annum
Optional Redemption:	101 soft call for 6 months
Excess Cash Flow Sweep:	50% excess cash flow sweep with First Lien Leverage based step-downs to 25% and 0%
Financial Maintenance Covenants:	None; covenant-lite
Negative Covenants:	Usual and customary, including limitations on indebtedness, liens, investments, restricted payments and asset sales

TOPGOLF CALLAWAY BRANDS

EXECUTION TIMELINE

March 2023						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Lender Conference Call   Lender Commitments Due

Timing	Event
Week of March 6th	▪ Transaction Announcement (3/6) ▪ Lender Conference Call (3/6) ▪ Lender Commitments Due (3/9)
Thereafter	▪ Close and Fund

TOPGOLF CALLAWAY BRANDS

BUSINESS OVERVIEW & CREDIT HIGHLIGHTS

Chip Brewer

President & Chief Executive Officer

TOPGOLF CALLAWAY BRANDS

SUMMARY CREDIT HIGHLIGHTS

1. **Leading tech-enabled golf and active lifestyle company delivering premium equipment, apparel and entertainment**
2. **Operate in attractive golf, outdoor and entertainment segments positioned to benefit from strong industry tailwinds**
3. **Diversified portfolio of coveted brands and proven concepts presents unique competitive advantage**
4. **Embedded growth within existing portfolio set – supporting EBITDA stability and growth through various operating conditions**
5. **Business is at an inflection point where we expect that both the total company and the Topgolf business will be cash flow positive in 2023**

STRONG TRACK RECORD MANAGING LEVERAGE WHILE GROWING THE BUSINESS AND A CLEAR PATH TO REACH LONG-TERM NET LEVERAGE OF 3.0X OR BELOW

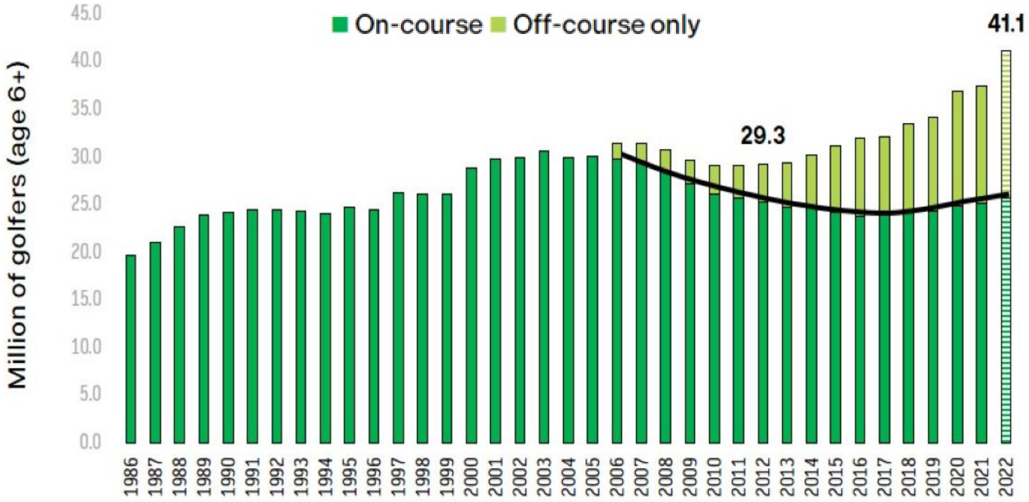
UNMATCHED SCALE AND CONSUMER REACH

MODERN GOLF ECOSYSTEM

	15.5M Off-Course Only	12.4M Both On/Off	13.2M On-Course Only
Average Age	31	42	46
% Female	41%	23%	28%
% Non-White	40%	22%	22%
Household Income $100K+	40%	52%	42%
% Financially Comfortable	51%	55%	54%

Off-course participation is expanding the demographics of golf, attracting younger, more female, and non-white participants[1].

U.S. GOLF PARTICIPATION[1]



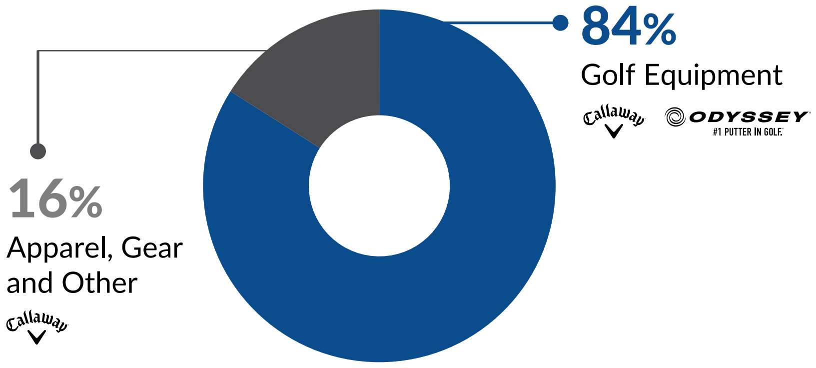
For the first time in history, total participation exceeded 40M and off-course surpassed on-course.

1. NGF 2022 Golf Business Symposium – State of the Golf Business. PAC activity survey and NGF's Participation and Engagement Survey.
Note: "Modern Golf" is the dynamic and inclusive ecosystem which includes both on-course and off-course golf.

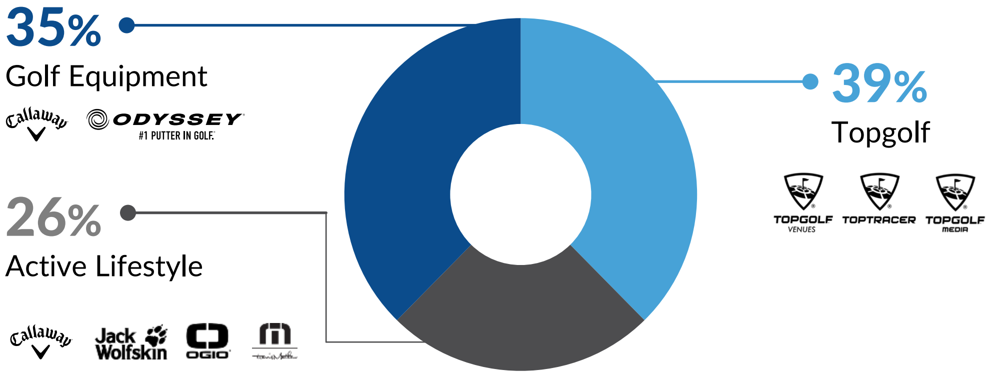
TOPGOLF CALLAWAY BRANDS

STRATEGIC SHIFT TOWARD HIGH GROWTH AND HIGH MARGIN SEGMENTS

2016 REVENUE MIX



2022 REVENUE MIX



2016
Increased Investment in R&D and Technology

2017

2018

2019

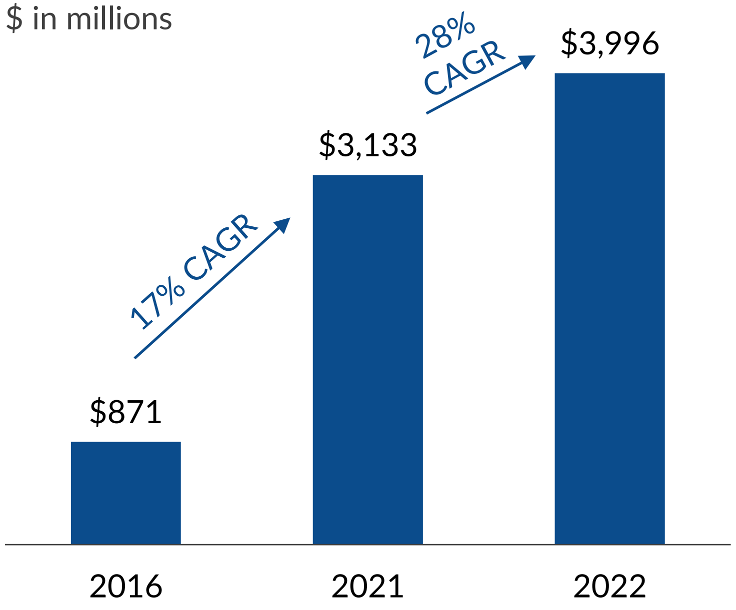
2020

2021

TRACK RECORD OF STRONG FINANCIAL PERFORMANCE

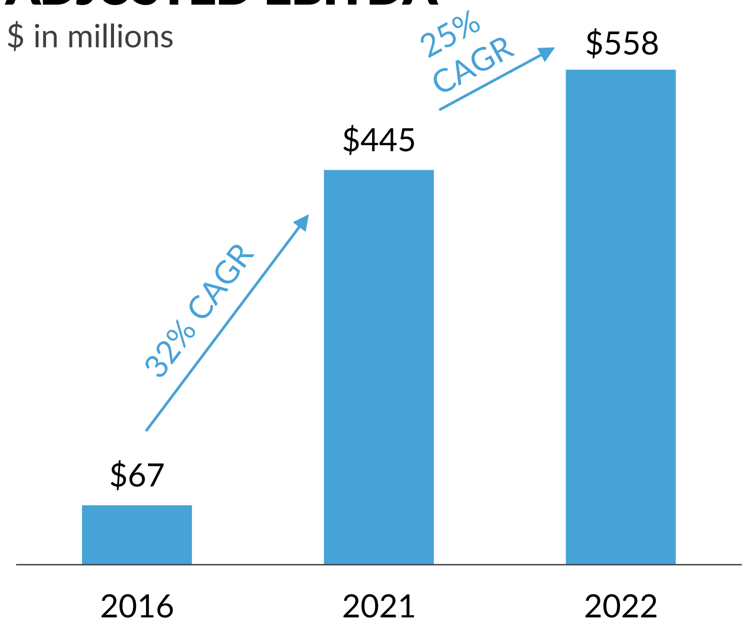
NET REVENUE

$ in millions



ADJUSTED EBITDA[1]

$ in millions



1. See Appendix for Adjusted EBITDA reconciliation to GAAP. Additionally, as Adjusted EBITDA is a non-GAAP measure, please see the Regulation G disclaimers on page 2 of this presentation.

TOPGOLF CALLAWAY BRANDS

CLEAR PATH TO SUSTAINABLE GROWTH

Maintain leadership position in golf equipment technology and innovation

Execute Topgolf domestic and international expansion strategy

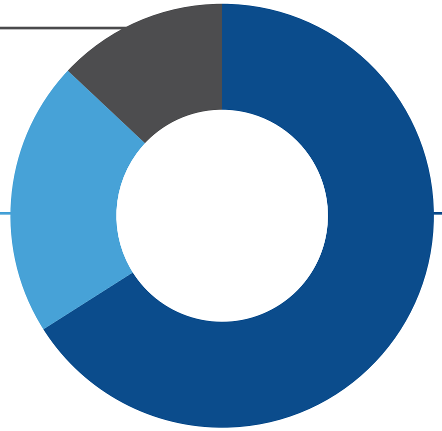
Sustain active lifestyle brand momentum and increase direct-to-consumer presence

Leverage global scale and integrated supply chain

CAPITALIZE ON DIGITAL REVENUE AND CROSS-SEGMENT COST SYNERGIES

A GLOBAL LEADER IN GOLF EQUIPMENT

Global Reach



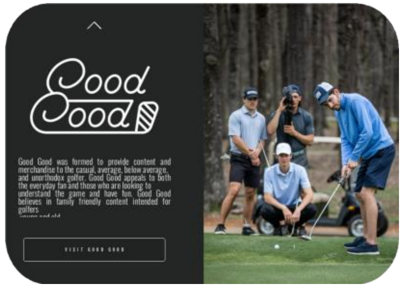
$1,407 million
Global FY 2022 Golf Equipment Revenue

Strong Market Share[1]

~24% Golf Clubs

~21% Golf Balls

Paradym Launch and New Partnerships



Niall Horan

PARADYM DRIVER HAS ALREADY WON 6 TIMES ON THE PGA TOUR IN 2023

TOPGOLF CALLAWAY BRANDS

1. Golf Datatech 2022 Full Year US Sales

ACTIVE LIFESTYLE: STRONG BRANDS ACROSS THE SEGMENT

Golf Apparel	Golf Accessories	Active Lifestyle	
Callaway APPAREL	Callaway / OGIO Acquired: 2017	TravisMathew Acquired: 2017	Jack Wolfskin Acquired: 2019
Innovative and performance driven apparel	Golf accessories include products such as gloves, and bags	TravisMathew has benefited from the movement to casualization	Jack Wolfskin is well positioned in a growth industry; outdoor
Combo of golf authenticity and classic styling	Opportunity for Ogio to expand in backpack, travel, and golf	Investments in DTC & Internationalization	Expanding into adjacent markets & improving DTC sales

Future Growth Aligned With Golf Equipment

Growth Will Outpace Total Company

SEGMENT NET SALES SURPASSED $1B IN 2022

TOPGOLF GROWTH DRIVEN BY MULTIPLE PLAY VERTICALS

TOPGOLF

- New Venue Openings
  11 New Owned & Operated/Year
- Estimate High Single Digit SVS Growth in 2023 vs 2022
- New Digital Access and Inventory Optimization Solution
- Attractive and Growing Venue Operating Economics
- Global Franchise Expansion

TOPTRACER

- New Bay Installs
  7K+ Annually
- Significant White Space Opportunities
- Strong Synergies with Callaway Golf

TOPGOLF MEDIA

- New Games/Mobile
- Engaging Digital Content supporting Venues and Toptracer

500 GLOBAL VENUE OPPORTUNITIES

Domestic

900+ Total Addressable US Markets

100+ Markets with pop. >600K (Large/ Medium Venue)

100+ Markets with pop. 250K-600K (Small Venue)

~250 Total Venue Build-out[1]

88 Domestic Venues by EOY 2023

International

~50 Total Addressable Countries

~250 Venues in 44 Countries

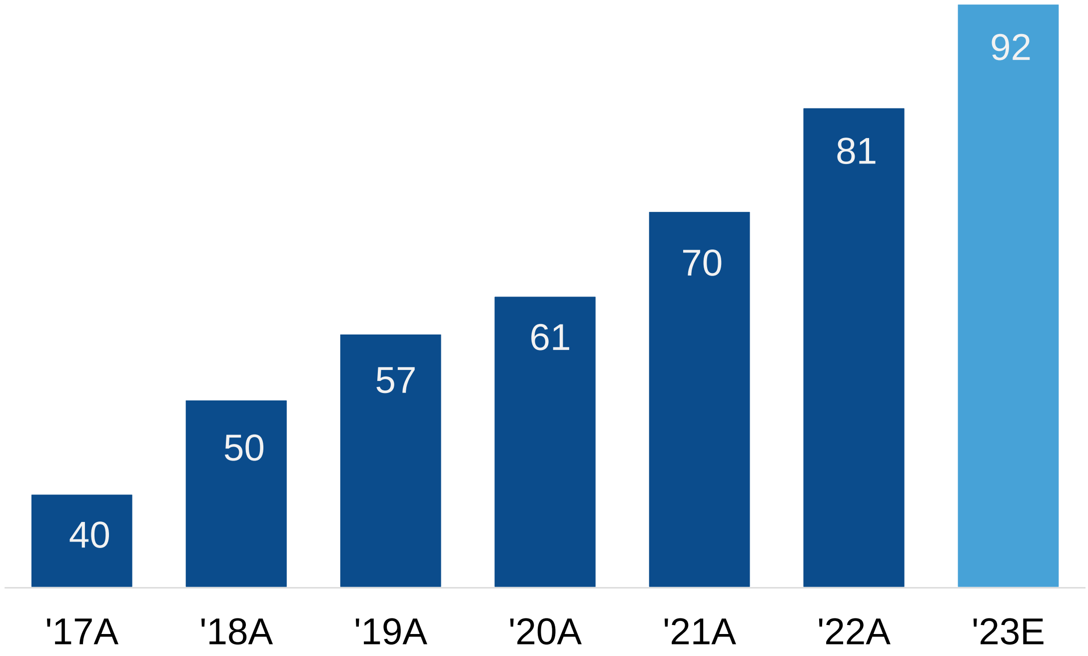
~250 Venue Build-out[1]

10 International Venues by EOY 2023

1. Includes currently open venues.

PROVEN AND REPEATABLE VENUE MODEL WITH STRONG COMPETITIVE MOATS

Consistent Owned & Operated Venue Growth…



…with an Attractive Financial Model

~40-50%[1]

Target Cash-on-Cash Returns

…and a Differentiated Competitive Positioning

Significant **brand halo with first mover advantage** and strong customer advocacy

Innovative, proprietary technology that enhances all of our business lines

Brand power and venue real estate execution make us a **tenant of choice**

Deep experience operating large, complex venues with significant capital invested at scale

1. Calculated as 4-Wall Cash Flow excluding pre-opening costs and corporate venue support divided by total development costs net of third-party financing and excluding maintenance capex.

TOPGOLF CALLAWAY BRANDS

OUR CONFIDENCE IN ACHIEVING OUR TARGETS IS SUPPORTED BY ACTUAL PERFORMANCE

Of the 43 new venues opened over the past 5 years…

32

delivered a full year of results in 2022

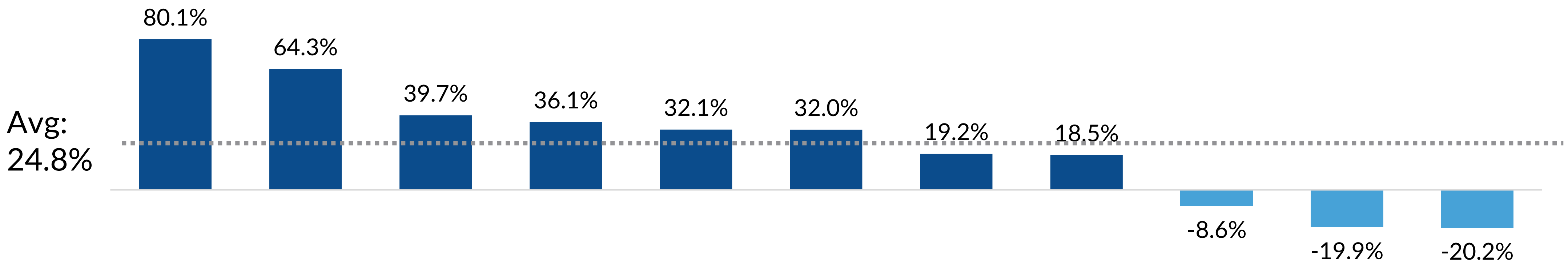
29 of 32

were **cash flow positive** in 2022

Average Cash-on-Cash return was in-line with our target of

~40-50%

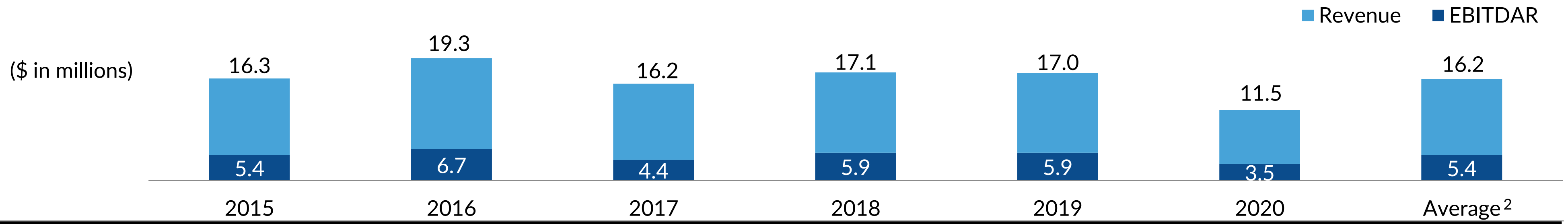
And 2022 new venues are outperforming revenue expectations[1]



TOPGOLF CALLAWAY BRANDS

1. Data reflects 2022 new venue revenue to date compared to pro forma revenue expectations.

VENUE PERFORMANCE PROVEN OVER TIME



2021 Performance by Cohort							
Venues Opened in Cohort (L-M-S)[1]	9-0-0	6-0-0	5-2-0	9-1-0	4-4-0	1-2-2	34-9-2
Avg. Revenue	\$16.3M	\$19.3M	\$14.4M	\$17.1M	\$17.0M	\$11.5M	\$16.2M
Avg. Adjusted EBITDAR[4]	**\$5.4M**	**\$6.7M**	**\$4.4M**	**\$5.9M**	**\$5.9M**	**\$3.5M**	**\$5.4M**
Avg. Adjusted EBITDAR Margin[4]	33.2%	34.9%	30.4%	34.8%	34.5%	30.4%	33.5%
Avg Third-Party Financed CoC Return[3]	**59.6%**	**63.1%**	**27.7%**	**39.5%**	**63.9%**	**41.4%**	**~49%**

1. Excludes flagship venues (Vegas - 2016, Orlando – 2017, Nashville – 2017).
2. Average of 2015 – 2020 cohorts.
3. Excludes 7 self-financed venues. 4-Wall Cash Flow excluding pre-opening costs divided by total development costs net of third-party financing and excluding maintenance capex.
4. For purposes of estimating Adjusted EBITDAR by venue, management has estimated the amounts of depreciation, amortization, tax, interest and certain other expenses allocable to each venue, as the Company does not record such expenses at that level of detail for its GAAP financial measures. Please see page 2 of this presentation for further information.

LEADING THE MODERN GOLF EVOLUTION

Unrivaled, tech-enabled golf and active lifestyle company with unmatched scale and consumer reach in the evolving Modern Golf industry.

TOPGOLF | Callaway | travisMathew | TOPTRACER | ODYSSEY #1 PUTTER IN GOLF | OGIO | Jack Wolfskin | WGT

RECENT FINANCIAL PERFORMANCE

Brian Lynch

Chief Financial Officer & Chief Legal Officer

2022 FULL YEAR FINANCIAL RESULTS

GAAP RESULTS[1]

($ in millions, except per share data)

	FY 2022	FY 2021	Change (%)
Net Revenues	$3,995.7	$3,133.4	27.5%
Income from Operations	$256.8	$204.7	25.5%
Other (Expense)/Income, net[4]	($114.9)	$145.9	(178.8%)
Income Before Income Taxes	$141.9	$350.6	(59.5%)
Net Income	$157.9	$322.0	(51.0%)
Earnings per Share – Diluted[5]	$0.82	$1.82	(54.9%)

NON-GAAP RESULTS[1,2]

($ in millions, except per share data)

	FY 2022	FY 2021	Change (%)	Constant Currency Change (%)[3]
Net Revenues	$3,995.7	$3,133.4	27.5%	32.2%
Income from Operations	$297.3	$255.8	16.2%	44.3%
Other (Expense)/Income, net	($110.0)	($91.4)	(20.4%)	(20.4%)
Income Before Income Taxes	$187.3	$164.4	13.9%	57.7%
Net Income	$158.2	$137.9	14.7%	58.8%
Earnings per Share – Diluted[5]	$0.82	$0.78	5.1%	43.6%
Adjusted EBITDA	$558.1	$445.4	25.3%	41.5%

1. Due to the timing of the merger with Topgolf International, Inc. ("Topgolf") on March 8, 2021, the Company's results of operations during the full year 2021 do not include Topgolf's results for January and February, which in the aggregate totaled $142.9 million in net revenues, a loss before income taxes of $27.8 million, and $2.3 million in Adjusted EBITDA.
2. See Appendix for reconciliations of non-GAAP measures to the most directly comparable GAAP measure.
3. "Constant Currency" information estimates the impact of changes in foreign currency rates on the translation of the Company's current or projected future period financial results as compared to the applicable comparable period. This impact is derived by taking the current or projected local currency results and translating them into U.S. dollars based upon the foreign currency exchange rates for the applicable comparable period. It does not include any other effect of changes in foreign currency rates on the Company's results or business.
4. The Company's full year 2021 GAAP other (expense) income, net includes the recognition of a $252.5 million one-time gain on the Company's pre-merger investment in Topgolf.
5. In connection with the adoption of ASU 2020-06, starting in January 2022, the if-converted method was used to calculate the dilutive effect from the Company's outstanding convertible notes. For the twelve months ended December 31, 2022, 14.7 million shares were included in the diluted share count from the assumed conversions, and $6.4 million of interest expense was added back to net income.

TOPGOLF CALLAWAY BRANDS

SEGMENT HIGHLIGHTS

TOPGOLF

- 7% SVS growth in FY 2022 and 11% SVS growth in Q4 2022[1]
- Opened 11 new owned and operated venues in 2022, including 6 in Q4
- Increasing digital reservation capabilities and launched national advertising campaign in early 2023

GOLF EQUIPMENT

#1 PUTTER IN GOLF.

- Continued strong demand
- ~21% US golf ball share[2]
- FY and Q4 2022 segment net revenues up 14% and 18% year-over-year, respectively

ACTIVE LIFESTYLE

- Brand momentum and strength continued across all brands
- TravisMathew opened 11 new retail doors in 2022, and expects to have 50 doors by the end of 2023
- Surpassed $1B in net revenues in FY22

1. Same venue sales (SVS) represents sales for the comparable venue base, which is defined as the number of Company-operated venues with at least 24 full fiscal months of operations. SVS growth is compared to the same period in 2019.
2. Source: Golf Datatech. Hard goods US market share and US golf ball share represent year to date data through December 31, 2022.

KEY LIQUIDITY METRICS

Metric ($ in millions)	As of Dec 31, 2022	As of Dec 31, 2021
Available Liquidity[1]	$415	$753
Net Debt[2]	$1,883	$1,124
Net Leverage Ratio[3]	3.4x	2.5x

Metric ($ in millions)	As of Dec 31, 2022	As of Dec 31, 2021 (Reported)	As of Dec 31, 2021 (Illustrative)[6]
Capital Expenditures[4]	$357	$233	$245
Depreciation & Amortization[5]	$167	$129	$148

1. Available Liquidity is defined as cash on hand plus availability under credit facilities.
2. Net Debt is calculated as debt, including all Venue Financing Liabilities related to the Topgolf venues, less unrestricted cash and the Company's $258.3 million Convertible Notes. See appendix for additional details.
3. Net Leverage Ratio is a non-GAAP measure, which is calculated as debt, including all Venue Financing Liabilities related to the Topgolf venues, less unrestricted cash and the Company's $258.3 million Convertible Notes, divided by the Company's trailing twelve-month Adjusted EBITDA. See the Regulation G disclaimers on page 2 of this presentation and the Appendix for a reconciliation to GAAP.
4. Capital expenditures are net of proceeds from lease financing of $175.7M for the twelve months ended December 31, 2022 and $89.2M for the twelve months ended December 31, 2021
5. Depreciation & Amortization excludes purchase price amortization and fair-value write-up of PP&E related to any acquisitions or the Topgolf merger. Amounts excluded were $25.0 million for the twelve months ended December 31, 2022 and $27.2 million for the twelve months ended December 31, 2021.
6. Due to the timing of the merger with Topgolf on March 8, 2021, the Company's reported full year financial results only include 10 months of Topgolf's results in 2021. The 2021 results presented on an Illustrative basis include Topgolf's financials for January and February 2021 prior to the closing of the merger.

2023 OUTLOOK

FULL YEAR 2023

($ in millions)	Current FY 2023 Guidance	FY 2022 Reported Results	% Increase
Net Revenue	$4,415 - $4,470	$3,996	11%
Adjusted EBITDA[1]	$620 - $640	$558	13%
Gross Debt[2]	$2,296	$2,063	

Full Year Guidance Assumptions

- Topgolf segment revenue of approximately $1.9 billion
- Golf Equipment segment revenue to be approximately flat compared to 2022
- Active Lifestyle segment revenue to increase low teens compared to 2022
- FY 2023 Net Revenue includes a $15 million negative foreign currency impact based on exchange rates as of the end of December 2022 and early January 2023
- Topgolf expected to generate ~50% of the Company's total Adjusted EBITDA
- FY 2023 Adjusted EBITDA includes a $20 million negative foreign currency impact based on exchange rates as of the end of December 2022 and early January 2023
- Non-GAAP diluted earnings per share estimated to be $0.70 - $0.78 on ~200 million shares outstanding
- Non-GAAP Depreciation and Amortization expense[3] of approximately $200 million
- Capital Expenditures of $255 million, net of reimbursements related to venue financing (includes ~$175 million from Topgolf)

TOPGOLF CALLAWAY BRANDS

1. See Appendix for Adjusted EBITDA reconciliations.
2. Gross Debt is calculated as debt, including all Venue Financing Liabilities related to the Topgolf venues, less the Company's $258.3 million Convertible Notes. See appendix for additional details.
3. Non-GAAP Depreciation & Amortization expense excludes purchase price amortization and fair-value write-up of PP&E related to any acquisitions or the Topgolf merger

FINANCIAL OVERVIEW

Patrick Burke

SVP, Global Finance

TOPGOLF CALLAWAY BRANDS

FINANCIAL POLICY OVERVIEW

Balanced approach to capital allocation focused on investments to capture organic growth opportunities while ensuring a strong balance sheet, ample liquidity and financial flexibility

- Ample liquidity to support growth with cash flow, cash on hand and ABL facility
- Strong track record managing leverage and delivering on our commitments to de-lever
- We will continue to evaluate capital allocation for Topgolf funding based on the prevailing business environment and financial performance, with a focus on maintaining appropriate liquidity and sound credit metrics

Focus on de-levering

- Net leverage[1] expected to remain flat in 2023 compared to 2022, then trend meaningfully lower over the long term as Topgolf profit increases and investment in new venues remains constant
  - During 2023, net leverage is expected to peak at 4.3x in Q1 and return to 3.4x by year end 2023
- Focus on reaching long-term target net leverage[1] of 3.0x or below

Given strong performance of all three business segments, now is an ideal time for the Company to simplify and unify financial reporting by combining capital structures and related documentation

STRONG ABILITY TO FINANCE GROWTH INITIATIVES WHILE EFFICIENTLY PAYING DOWN DEBT

TOPGOLF CALLAWAY BRANDS

1. Net Leverage Ratio is a non-GAAP measure, which is calculated as debt, including all Venue Financing Liabilities related to the Topgolf venues, less unrestricted cash and the Company's $258.3 million Convertible Notes, divided by the Company's trailing twelve-month Adjusted EBITDA. See the Regulation G disclaimers on page 2 of this presentation and the Appendix for a reconciliation to GAAP.

STRONG FINANCIAL POSITION WITH AMPLE FLEXIBILITY

- $415M in available liquidity as of December 31, 2022, not including the $50M temporary increase in the Callaway ABL.
- For 2023 Topgolf expected to generate $60M in Free Cash Flow including new venue funding.
- Demonstrated ability through COVID to cut-off spending when needed:
  - Topgolf reduced CAPEX by $100M
  - Non-Topgolf working capital reduction was substantial
- 10% downturn in Golf Equipment would not impact ability to deliver $800M in EBITDA by 2025

($ in millions)	2022	2023 Est.	2023 Refi[4]
Cash and Cash Equivalents	$180	$120	$364
Global Available Liquidity[1]	$415	$465	$710
Gross Debt[2]	$2,063	$2,296	$2,512
Net Debt[3]	$1,883	$2,135	$2,147
Gross Leverage	3.7	3.6	4.0
Net Leverage	3.4	3.4	3.4

STRONG LIQUIDITY POSITION WITH THE FLEXIBILITY TO ADJUST CASH OUTFLOWS AS NEEDED

1. Excludes restricted cash.
2. Excludes convertible debt.
3. Excludes convertible debt and restricted cash.
4. Assumes refinancing takes place in the timeline and on the terms presented.

TOPGOLF CALLAWAY BRANDS

SUMMARY CREDIT HIGHLIGHTS

1. Leading tech-enabled golf and active lifestyle company delivering premium equipment, apparel and entertainment
2. Operate in attractive golf, outdoor and entertainment segments positioned to benefit from strong industry tailwinds
3. Diversified portfolio of coveted brands and proven concepts presents unique competitive advantage
4. Embedded growth within existing portfolio set – supporting EBITDA stability and growth through various operating conditions
5. Business is at an inflection point where we expect that both the total company and the Topgolf business will be cash flow positive in 2023

STRONG TRACK RECORD MANAGING LEVERAGE WHILE GROWING THE BUSINESS AND A CLEAR PATH TO REACH LONG-TERM NET LEVERAGE OF 3.0X OR BELOW

APPENDIX

TOPGOLF TARGET 4-WALL VENUE ECONOMICS

Target 4-Wall Economics	Representative Venue[1]
Revenue	**$17.5 million**
Adjusted EBITDAR	**$5.6 million**
Adjusted EBITDAR Margin	**32%**
Average Construction Cost (Before Financing)	**$30 million**
Topgolf Construction Cost Cash Outlay (After Financing)	**$7.5 million**
Occupancy Costs[2]	**$1.9 million**
Cash Flow[3]	**$3.7 million**
Average Annual Maintenance Capex[4]	**$0.3 million**

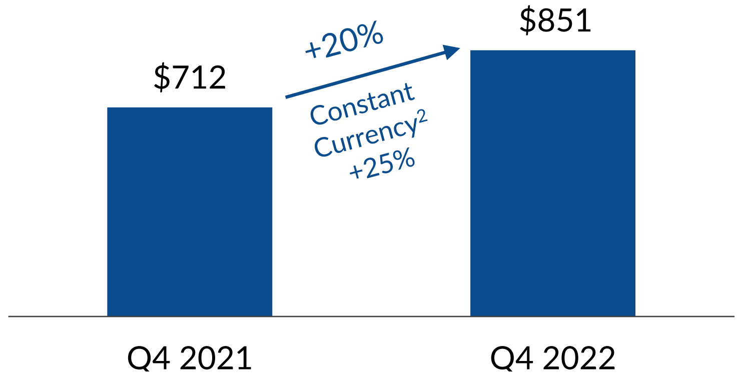
Target Cash-on-Cash Return[1,5]	
Initial Cash Investment: Topgolf Construction Cost Cash Outlay (After Financing)	**$7.5 million**
Adjusted EBITDAR	**$5.60 million**
Annual Costs	**$2.20 million**
Venue Financed Facility Payment	$1.55 million
Estimated Ground Rent	$0.35 million
Average Annual Maintenance Capex[4]	$0.30 million
Cash-on-Cash Return[5]	**~40-50%**

1. Targets are based on a representative middle-market venue in year 3 blended across our Large, Medium, and Small venue classes.
2. Occupancy Costs include the venue financed facility payment and ground rent.
3. Excludes pre-opening costs and annual venue maintenance, enhancement capex, refresh capex, and new technology improvements.
4. The Average Annual Maintenance Capex over the first 8 years of a venue's life. This excludes venue refresh components, enhancement capex, and new technology improvements.
5. (4-Wall Topgolf Cash Flow less the Average Annual Maintenance Capex) divided by the 4-Wall Topgolf Construction Cost Cash Outlay (After Financing). This calculation excludes pre-opening costs.

STRONG Q4 PERFORMANCE

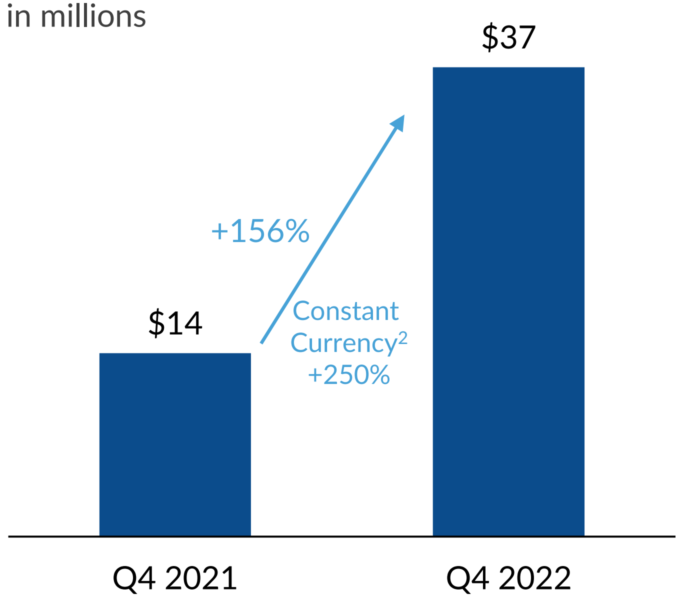
NET REVENUE

$ in millions



ADJUSTED EBITDA[1]

$ in millions



Continued momentum across all segments

1. See Appendix for Adjusted EBITDA reconciliation to GAAP. Additionally, as Adjusted EBITDA is a non-GAAP measure, please see the Regulation G disclaimers on page 2 of this presentation.
2. "Constant Currency" information estimates the impact of changes in foreign currency rates on the translation of the Company's current or projected future period financial results as compared to the applicable comparable period. This impact is derived by taking the current or projected local currency results and translating them into U.S. dollars based upon the foreign currency exchange rates for the applicable comparable period. It does not include any other effect of changes in foreign currency rates on the Company's results or business.

TOPGOLF CALLAWAY BRANDS

Q4 2022 FINANCIAL RESULTS

GAAP RESULTS
($ in millions, except per share data)

	Q4 2022	Q4 2021	Change (%)
Net Revenues	$851.3	$711.7	19.6%
Loss from Operations	($34.7)	($54.7)	36.6%
Other Expense, net	($41.5)	($41.0)	(1.2%)
Loss Before Income Taxes	($76.2)	($95.7)	20.4%
Net Loss	($72.7)	($26.2)	(177.5%)
Loss per Share – Diluted	($0.39)	$(0.14)	(178.6%)

NON-GAAP RESULTS[1]
($ in millions, except per share data)

	Q4 2022	Q4 2021	Change (%)	Constant Currency Change (%)[2]
Net Revenues	$851.3	$711.7	19.6%	24.9%
Loss from Operations	($24.9)	($43.2)	42.4%	73.1%
Other Expense, net	($40.3)	($37.1)	(8.6%)	(8.6%)
Loss Before Income Taxes	($65.2)	($80.3)	18.8%	35.4%
Net Loss	($50.8)	($35.5)	(43.1%)	(14.1%)
Loss per Share – Diluted	($0.27)	($0.19)	(42.1%)	(10.5%)
Adjusted EBITDA	$36.6	$14.3	155.9%	249.6%

1. See Appendix for reconciliations of non-GAAP measures to the most directly comparable GAAP measure.
2. "Constant Currency" information estimates the impact of changes in foreign currency rates on the translation of the Company's current or projected future period financial results as compared to the applicable comparable period. This impact is derived by taking the current or projected local currency results and translating them into U.S. dollars based upon the foreign currency exchange rates for the applicable comparable period. It does not include any other effect of changes in foreign currency rates on the Company's results or business.

TOPGOLF CALLAWAY BRANDS

TOPGOLF DETAILED FINANCIAL DISCLOSURE

($ in millions)	FY 2022	FY 2021 Reported Results	FY 2021 Illustrative Results[1]	Q4 2022	Q4 2021
Net Revenue	$1,549	$1,088	$1,231	$410	$336
Segment Income from Operations[2]	$77	$58	$40	$3	$6
Depreciation & Amortization[3]	$125	$93	$111	$35	$29
Non-cash Rent[3]	$20	$12	$12	$5	$6
Non-cash stock compensation expense	$15	$14	$16	$2	$4
Adjusted Segment EBITDA[4]	$235	$177	$179	$43	$46
Capital Expenditures[5]	$281	$173	$185	$113	$63
Venue Financing Liability[6]	$886	$593	$593	$886	$593
Venue Financing Liability Interest[7]	$55	$33	$35	$17	$19

1. Due to the timing of the merger with Topgolf on March 8, 2021, the Company's reported full year financial results only include 10 months of Topgolf's results in 2021. The 2021 results presented on an Illustrative basis include Topgolf's financials for January and February 2021 prior to the closing of the merger.
2. Segment income from operations does not include interest expense and taxes as well as other non-cash and non-recurring items.
3. Depreciation & Amortization excludes purchase price amortization and fair-value write-up of PP&E related to any of the acquisitions or the Topgolf merger. Non-Cash Rent excludes purchase price amortization related to the Topgolf merger.
4. Adjusted Segment EBITDA is a non-GAAP measure calculated as segment income from operations plus depreciation & amortization, non-cash rent and non-cash stock compensation expense. See the Regulation G disclaimers on page 2 of this presentation and the Appendix for a reconciliation to GAAP.
5. Capital expenditures are net of venue financing reimbursements.
6. Venue Financing Liability combines Venue Finance Lease Obligations and Deemed Landlord Financing, which were $225.7 million and $660.4 million, respectively, as of December 31, 2022, and $132.0 million and $461.5 million, respectively, as of December 31, 2021.
7. Represents interest expense on Venue Financing Liabilities.

TOPGOLF CALLAWAY BRANDS

ADJUSTED EBITDA RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information
($ in millions)
(Unaudited)

	2022 Trailing Twelve Month Adjusted EBITDA					2021 Trailing Twelve Month Adjusted EBITDA				
	Quarter Ended					Quarter Ended				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	Total	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	Total
Net income (loss)	$ 86.7	$ 105.4	$ 38.5	$ (72.7)	$ 157.9	$ 272.5	$ 91.7	$ (16.0)	$ (26.2)	$ 322.0
Interest expense, net	31.4	32.5	36.4	42.5	142.8	17.5	28.9	28.7	40.5	115.6
Income tax provision (benefit)	(15.7)	2.9	0.3	(3.5)	(16.0)	47.7	(15.8)	66.2	(69.5)	28.6
Depreciation and amortization expense	42.5	48.9	48.4	53.0	192.8	20.3	43.3	44.4	47.9	155.9
Non-cash stock compensation and stock warrant expense, net	14.5	11.6	10.3	9.7	46.1	4.6	11.0	10.8	12.0	38.4
Non-cash lease amortization expense	3.5	6.6	4.4	4.5	19.0	0.8	2.1	2.8	7.7	13.4
Acquisitions & other non-recurring costs, before taxes(1)	6.9	(0.6)	6.1	3.1	15.5	(235.6)	3.3	1.9	1.9	(228.5)
Adjusted EBITDA	$ 169.8	$ 207.3	$ 144.4	$ 36.6	$ 558.1	$ 127.8	$ 164.5	$ 138.8	$ 14.3	$ 445.4

(1) In 2022, amounts include $5.7 million of non-cash asset write-downs, $5.9 million of implementation costs associated with new ERP systems stemming from acquisitions, $3.6 million for legal costs and credit agency fees related to a postponed debt refinancing, and $0.9 million for reorganization expenses. In 2021, amounts include the recognition of a $252.5 million gain on the Company's pre-merger investment in Topgolf, as well as $20.2 million in transaction, transition, and other non-recurring costs associated with the merger with Topgolf, and $3.8 million in expenses related to the implementation of new IT systems for Jack Wolfskin.

TOPGOLF CALLAWAY BRANDS

TOPGOLF ADJUSTED EBITDA RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information
($ in millions)
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Segment operating income[1]:	$ 2.5	$ 6.1	$ 76.8	$ 58.2
Depreciation and amortization expense	34.5	29.0	125.2	93.1
Non-cash stock compensation expense	1.5	4.4	15.2	13.8
Non-cash lease amortization expense	4.8	6.4	19.6	12.0
Other income (expense)	(0.1)	0.1	(1.4)	—
Adjusted segment EBITDA	43.2	46.0	235.4	177.1
Topgolf pre-merger EBITDA contribution for Jan. and Feb. 2021	—	—	—	2.3
Illustrative segment adjusted EBITDA[2]	$ 43.2	$ 46.0	$ 235.4	$ 179.4

(1) The Company does not calculate GAAP net income at the operating segment level, but has provided Topgolf's segment income from operations as a relevant measurement of profitability. Segment income from operations does not include interest expense and taxes as well as other non-cash and non-recurring items. Segment operating income is reconciled to the Company's consolidated pre-tax income in the Consolidated Net Revenues and Operating Segment Information included in this release.

(2) Due to the timing of the merger with Topgolf on March 8, 2021, the Company's reported full year financial results only include 10 months of Topgolf's results in 2021. The 2021 results presented on an Illustrative basis include Topgolf's financials for January and February 2021 prior to the closing of the merger.

TOPGOLF CALLAWAY BRANDS

NON-GAAP RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information
($ in millions)
(Unaudited)

	Three Months Ended December 31,										
	2022					2021					
	GAAP	Non-Cash Amortization and Depreciation(1)	Non-Recurring Items(2)	Tax Valuation Allowance(3)	Non-GAAP	GAAP	Non-Cash Amortization, Depreciation (1)	Non-Cash Amortization of Discount on Convertible Notes(4)	Acquisition & Other Non-Recurring Items(5)	Tax Valuation Allowance(3)	Non-GAAP
Net revenues	$ 851.3	$ —	$ —	$ —	$ 851.3	$ 711.7	$ —	$ —	$ —	$ —	$ 711.7
Total costs and expenses	886.0	6.7	3.1	—	876.2	766.4	9.6	—	1.9	—	754.9
Income (loss) from operations	(34.7)	(6.7)	(3.1)	—	(24.9)	(54.7)	(9.6)	—	(1.9)	—	(43.2)
Other (expense) income, net	(41.5)	(0.9)	(0.3)	—	(40.3)	(41.0)	(1.0)	(2.6)	(0.3)	—	(37.1)
Income (loss) before income taxes	(76.2)	(7.6)	(3.4)	—	(65.2)	(95.7)	(10.6)	(2.6)	(2.2)	—	(80.3)
Income tax (benefit) provision	(3.5)	(1.8)	(0.9)	13.6	(14.4)	(69.5)	(2.5)	(0.6)	(0.6)	(21.0)	(44.8)
Net income (loss)	$ (72.7)	$ (5.8)	$ (2.5)	$ (13.6)	$ (50.8)	$ (26.2)	$ (8.1)	$ (2.0)	$ (1.6)	$ 21.0	$ (35.5)
Earnings (loss) per share - diluted	$ (0.39)	$ (0.03)	$ (0.01)	$ (0.08)	$ (0.27)	$ (0.14)	$ (0.04)	$ (0.01)	$ (0.01)	$ 0.11	$ (0.19)
Weighted-average shares outstanding - diluted	184.9	184.9	184.9	184.9	184.9	186.0	186.0	186.0	186.0	186.0	186.0

(1) Includes the amortization and depreciation of acquired intangible assets and purchase accounting adjustments.

(2) Primarily includes $2.4 million of IT integration and implementation costs stemming from acquisitions in addition to $0.9 million of reorganization expenses.

(3) In connection with the merger with Topgolf in 2021, the Company acquired valuation allowances against certain deferred tax assets and recorded additional valuation allowances. Based on the Company's ongoing assessment, a portion of these valuation allowances were released in the fourth quarter of 2022 and 2021.

(4) Includes non-cash interest expense related to the amortization of the discount on the Convertible Notes issued in 2020. In accordance with the adoption of ASC 2020-06 effective January 1, 2022, the Company derecognized the discount on the 2020 Convertible Notes and as such, will no longer recognize amortization expense in future periods.

(5) Primarily includes $1.3 million of IT integration and implementation costs stemming from acquisitions and $0.5 million of transaction and transition costs related to the merger with Topgolf.

NON-GAAP RECONCILIATION

Non-GAAP Reconciliation and Supplemental Financial Information
($ in millions)
(Unaudited)

	Twelve months ended December 31,										
	2022					2021					
	GAAP	Non-Cash Amortization and Depreciation(1)	Non-Recurring Items(2)	Tax Valuation Allowance(3)	Non-GAAP	GAAP	Non-Cash Amortization, Depreciation (1)	Non-Cash Amortization of Discount on Convertible Notes(4)	Acquisition & Other Non-Recurring Items(5)	Tax Valuation Allowance(3)	Non-GAAP(7)
Net revenues	$ 3,995.7	$ —	$ —	$ —	$ 3,995.7	$ 3,133.4	$ —	$ —	$ —	$ —	$ 3,133.4
Total costs and expenses	3,738.9	25.0	15.5	—	3,698.4	2,928.7	27.2	—	23.9	—	2,877.6
Income (loss) from operations	256.8	(25.0)	(15.5)	—	297.3	204.7	(27.2)	—	(23.9)	—	255.8
Other (expense) income, net	(114.9)	(3.7)	(1.2)	—	(110.0)	145.9	(3.7)	(10.5)	251.5	—	(91.4)
Income (loss) before income taxes	141.9	(28.7)	(16.7)	—	187.3	350.6	(30.9)	(10.5)	227.6	—	164.4
Income tax (benefit) provision	(16.0)	(6.9)	(3.8)	(34.4)	29.1	28.6	(7.4)	(2.5)	(6.0)	18.0	26.5
Net income (loss)	$ 157.9	$ (21.8)	$ (12.9)	$ 34.4	$ 158.2	$ 322.0	$ (23.5)	$ (8.0)	$ 233.6	$ (18.0)	$ 137.9
Earnings (loss) per share - diluted	$ 0.82	$ (0.11)	$ (0.06)	$ 0.17	$ 0.82	$ 1.82	$ (0.13)	$ (0.05)	$ 1.32	$ (0.10)	$ 0.78
Weighted-average shares outstanding - diluted (6)	201.3	201.3	201.3	201.3	201.3	176.9	176.9	176.9	176.9	176.9	176.9

(1) Includes the amortization and depreciation of acquired intangible assets and purchase accounting adjustments.

(2) Includes $5.7 million of non-cash asset write-downs, $5.9 million of implementation costs associated with new ERP systems stemming from acquisitions, $3.6 million for legal and credit agency fees related to a postponed debt refinancing and $0.9 million for reorganization expenses.

(3) In connection with the merger with Topgolf in 2021, the Company acquired valuation allowances against certain deferred tax assets. Based on the Company's ongoing assessment, a portion of these valuation allowances were released in 2022, and additional valuation allowances were recorded in 2021.

(4) Includes non-cash interest expense related to the amortization of the discount on the Convertible Notes issued in 2020. In accordance with the adoption of ASC 2020-06 effective January 1, 2022, the Company derecognized the discount on the 2020 Convertible Notes and as such, will no longer recognize amortization expense in future periods.

(5) Includes $20.2 million of transaction, transition and other non-recurring costs associated with the merger with Topgolf, $3.8 million of implementation costs associated with new ERP systems stemming from acquisitions, in addition to the recognition of a $252.5 million gain on the Company's pre-merger investment in Topgolf.

(6) In connection with the adoption of ASU 2020-06, starting in January 2022, the if-converted method was used to calculate the dilutive effect from the Company's outstanding convertible notes. For the twelve months ended December 31, 2022, 14.7 million shares were included in the diluted share count from the assumed conversions, and $6.4 million of interest expense was added back to net income.

TOPGOLF CALLAWAY BRANDS

NET DEBT LEVERAGE RATIO

Non-GAAP Reconciliation and Supplemental Financial Information
($ in millions)
(Unaudited)

	December 31, 2022	December 31, 2021
Total debt	$ 1,433.7	$ 1,139.3
Add: Deemed landlord financing obligations	660.4	461.5
Add: Finance lease obligations[1]	227.6	134.3
Less: Convertible notes	(258.3)	(258.8)
Less: Unrestricted cash	(180.2)	(352.2)
Net Debt	$ 1,883.2	$ 1,124.1
Trailing twelve month Adjusted EBITDA[2]	$ 558.1	$ 445.4
Net Debt Leverage Ratio	3.4x	2.5x

[1] Includes $225.7 million and $132.0 million of Venue Finance Lease Obligations as of December 31, 2022 and December 31, 2021, respectively.
[2] See slide 26 of this presentation for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure (net income).

TOPGOLF CALLAWAY BRANDS