Callaway Golf Company Investor Presentation

November 30, 2021

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 and Topgolf's full year 2021 financial outlook (including revenue and Adjusted EBITDA), continued impact of the COVID-19 pandemic on the Company's business and the Company's ability to improve and recover from such impact, impact of any measures taken to mitigate the effect of the pandemic, strength and demand of the Company's products and services, continued brand momentum, demand for golf and outdoor activities and apparel, continued investments in the business, benefits of strategic collaborations, increases in shareholder value, post-pandemic consumer trends and behavior, future industry and market conditions, the benefits of the Topgolf merger, including the anticipated operations, venue/bay expansion plans, financial position, liquidity, performance, prospects or growth and scale opportunities of the Company, Topgolf or the combined company, 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, 2020, 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 of intangibles and other assets related to the Company's acquisitions, non-recurring transaction and transition costs related to acquisitions, severance costs related to the Company's cost-reduction initiatives, and other non-recurring costs, including costs related to the merger and integration with Topgolf, transition to the Company's new North American Distribution Center, implementation of new IT systems, the cumulative $39 million non-cash valuation allowance recorded against certain of the Company's deferred tax assets as a result of the Topgolf merger, the $253 million non-cash gain as the result of the Company's prior equity position in Topgolf, the $174 million non-cash impairment charge related to the Jack Wolfskin goodwill and trade name, as well as non-cash amortization of the debt discount related to the Company's convertible notes. 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, which are included in this presentation.

Additionally, this presentation contains certain forward-looking Adjusted EBITDA information. A reconciliation of such forward-looking Adjusted EBITDA to the most closely comparable GAAP financial measure (net income) 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 net income in the future but would not impact Adjusted EBITDA. 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 and other assets related to the Company's acquisitions, non-recurring transition costs related to acquisitions, other non-recurring costs and non-cash adjustments, taxes and other items. Historically, the Company has excluded these items from Adjusted EBITDA. The Company currently expects to continue to exclude these items in future disclosures of Adjusted EBITDA 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 net income.

CALLAWAY: A NEW COMPANY WITH HISTORIC ROOTS

Leading tech-enabled golf and active lifestyle company delivering equipment, apparel and entertainment to a new generation

#1 *Callaway and Odyssey top ranked golf clubs by dollar share[1]*

#2 *ranked golf ball company by dollar share[1]*

over **1B** *golf balls hit at Topgolf and Toptracer annually*

growing **2x** *faster than the golf equipment market[2]*

154% *5-year TSR[3]*

DSPD *Demonstrably Superior & Pleasingly Different*

1. Golf Datatech monthly market share reports by dollar sales from January 2019 to October 2021.
2. Callaway Golf Equipment sales CAGR for 2012 - 2020 compared to U.S. market CAGR per Golf Datatech.
3. 5-year total shareholder return period from 11/16/2016 - 11/16/2021; assumes dividends reinvested in security.

STRONG FOUNDATION FOR CONTINUED GROWTH

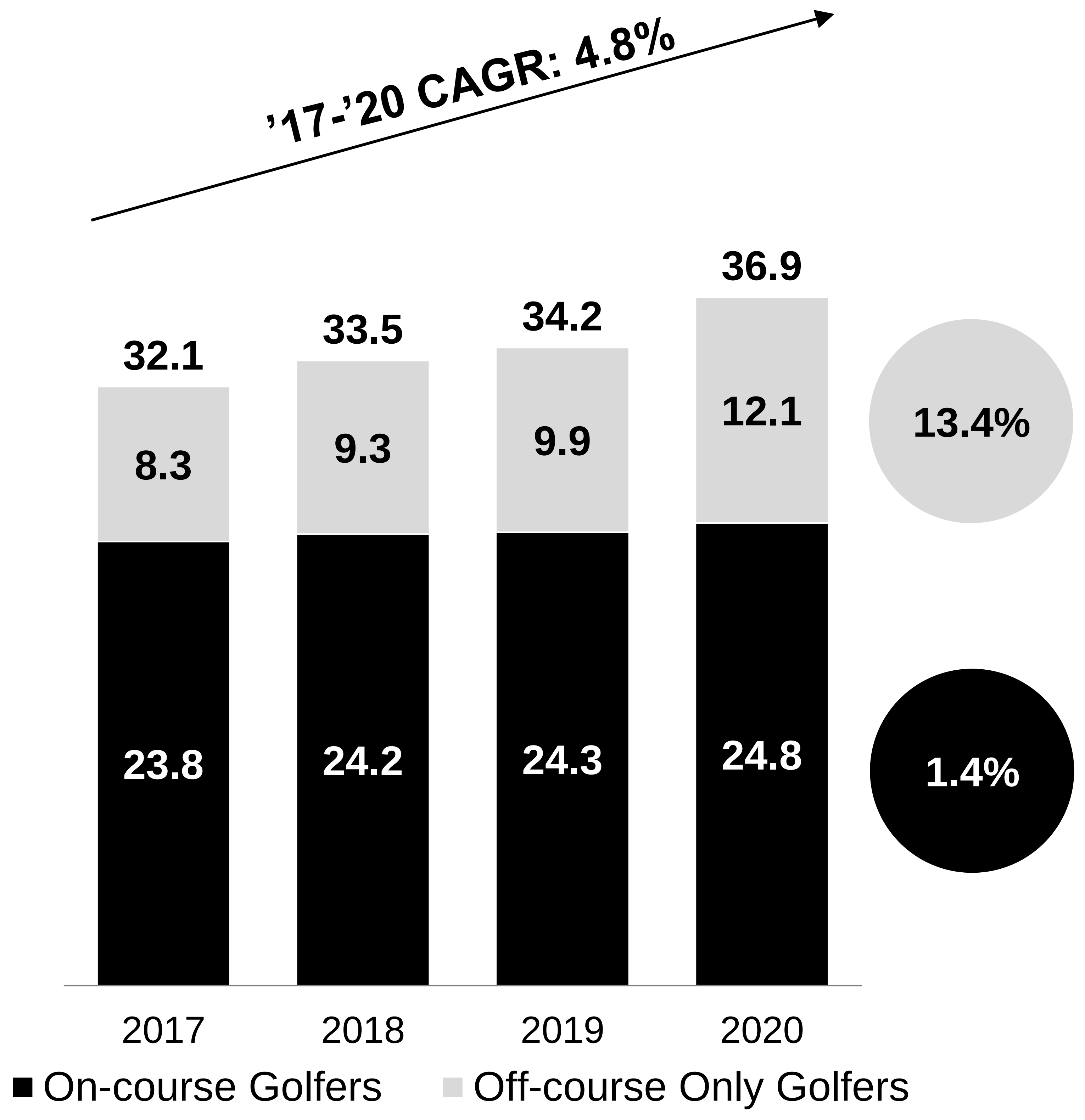
POSITIONED FOR LONG-TERM GROWTH AS COMPLEMENTARY BUSINESS SEGMENTS WORK TOGETHER TO INCREASE THE TOTAL ENTERPRISE VALUE

1. **Operate in attractive golf, outdoor and entertainment segments positioned to benefit from strong industry tailwinds**
2. **Diversified portfolio of coveted brands and proven concepts presents unique competitive advantage**
3. **Embedded growth within existing portfolio set to unlock long-term shareholder value**
4. **Long-term opportunity to generate more than $1B of Adjusted EBITDA**[1]

1. See page 7 of this presentation for more details on Topgolf unit economics and long-term Adjusted EBITDA opportunity. Additionally, as Adjusted EBITDA is a non-GAAP measure, please see the Regulation G disclaimers on page 1 of this presentation.

OUR ADDRESSABLE MARKET IS INCREASING

TOTAL GOLF PARTICIPATION ON THE RISE[4]



OFF-COURSE GOLF

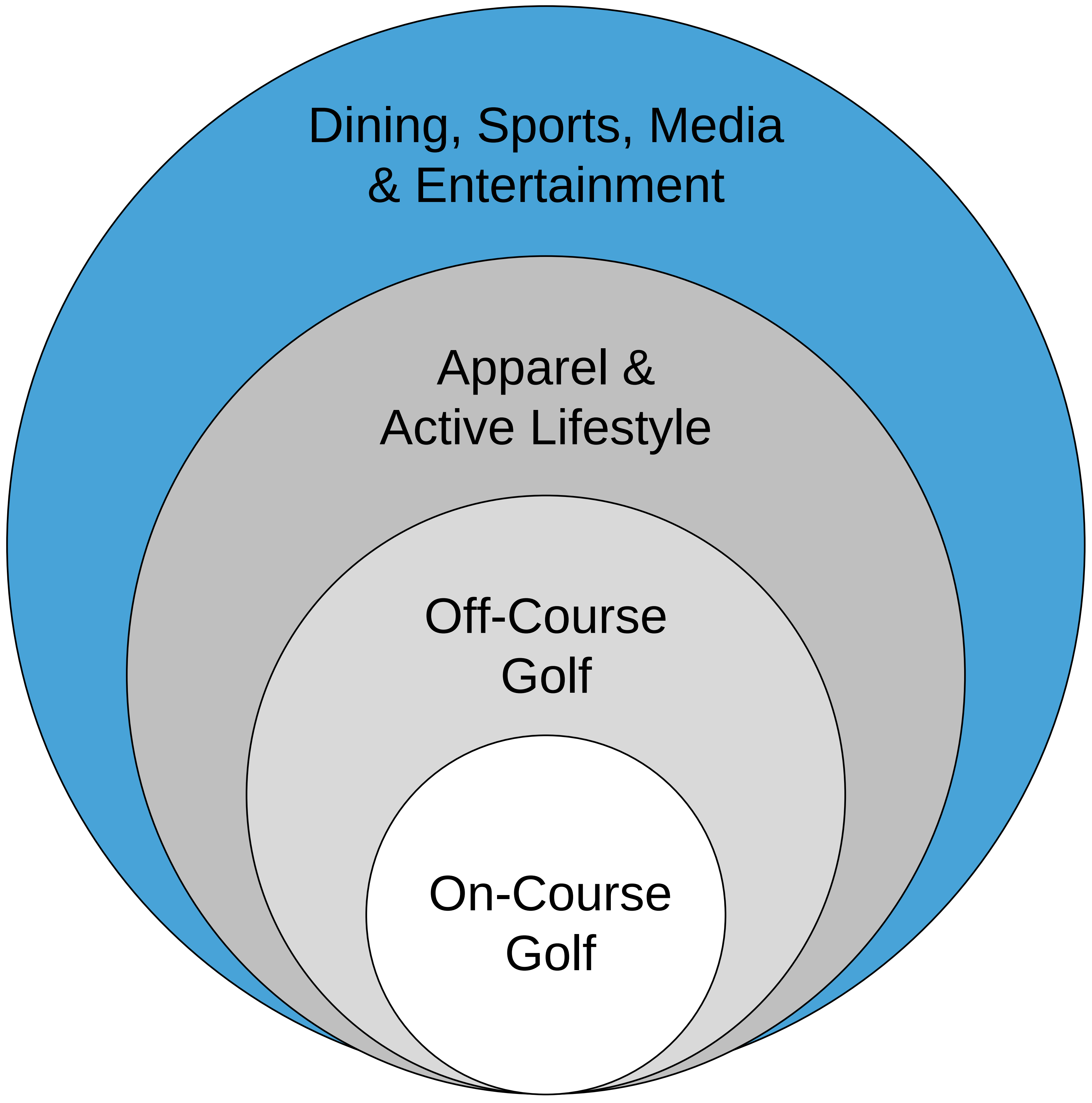
- Off-course golf remains the fastest growing segment across the golf ecosystem in the US, up 22% in 2020 to **12.1M** participants (from 9.9M 2019)[1]
- Projected **30M** Topgolf visitors per year by 2022, serving as key funnel for new entrants

ON-COURSE GOLF

- Added **500k** new on-course golfers in the US in 2020[1]
- YTD rounds played increased **16%** vs. 2020 and **20%** vs. 2019[3]
- Expect accelerated growth in on-course as Topgolf participation increases

APPAREL AND ACTIVE LIFESTYLE

- Global outdoor apparel market expected to grow **5.3%** CAGR through 2024[2]
- Significant runway related to new markets
- Creating significant infrastructure and operational synergies

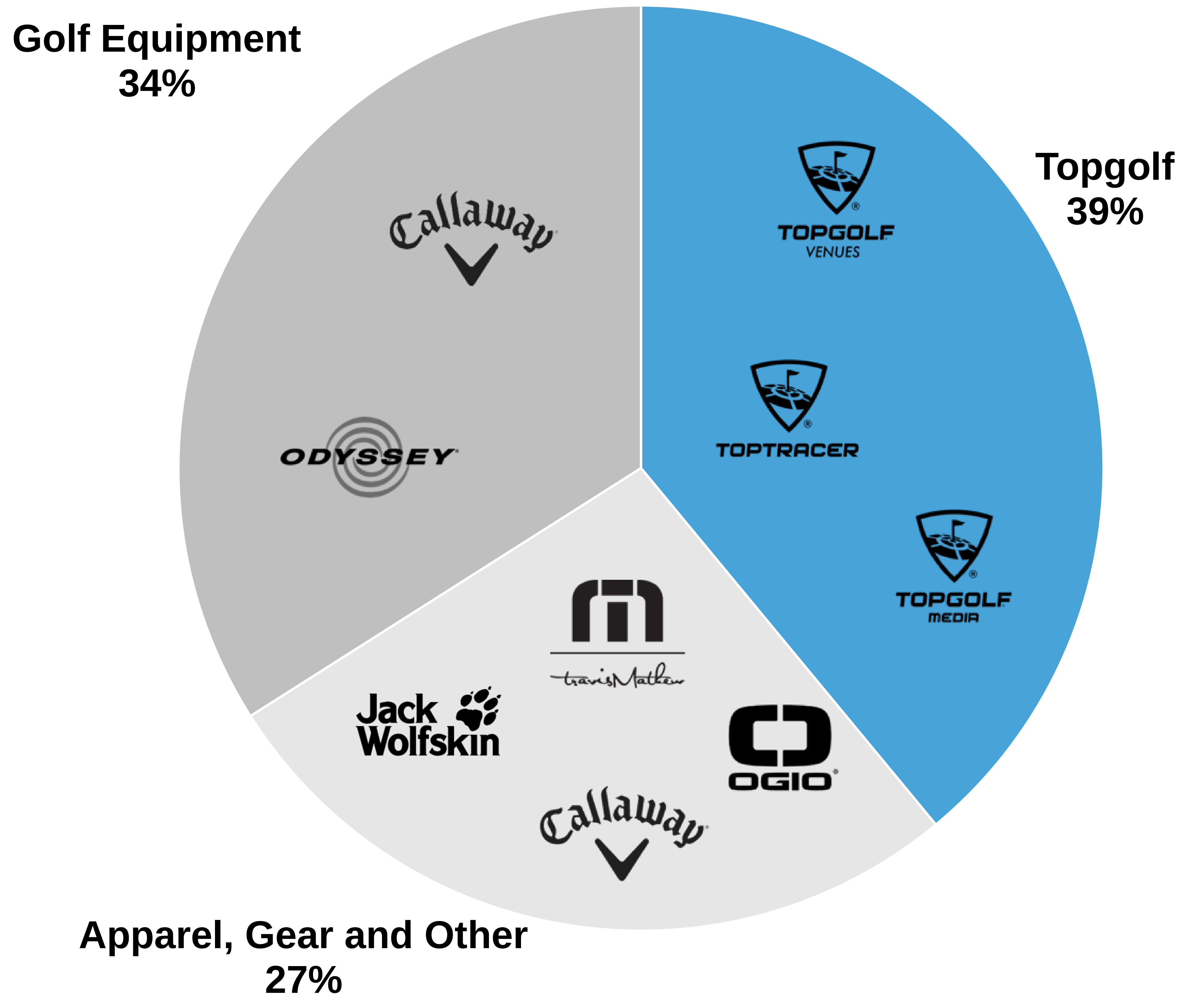


BENEFITING FROM MUTUALLY REINFORCING MARKET TRENDS ACROSS ALL PRODUCT SEGMENTS

1. National Golf Foundation 2020 Annual Report.
2. Technavio research as of November 2019.
3. Technomic research as of 2019.
4. Golf Datatech/National Golf Foundation July 2021 report.

DIVERSIFIED PORTFOLIO WITH UNMATCHED REACH

Q3 2021 REVENUES



UNPARALLELED CONSUMER REACH ACROSS $80B+ GLOBAL GOLF INDUSTRY[1]

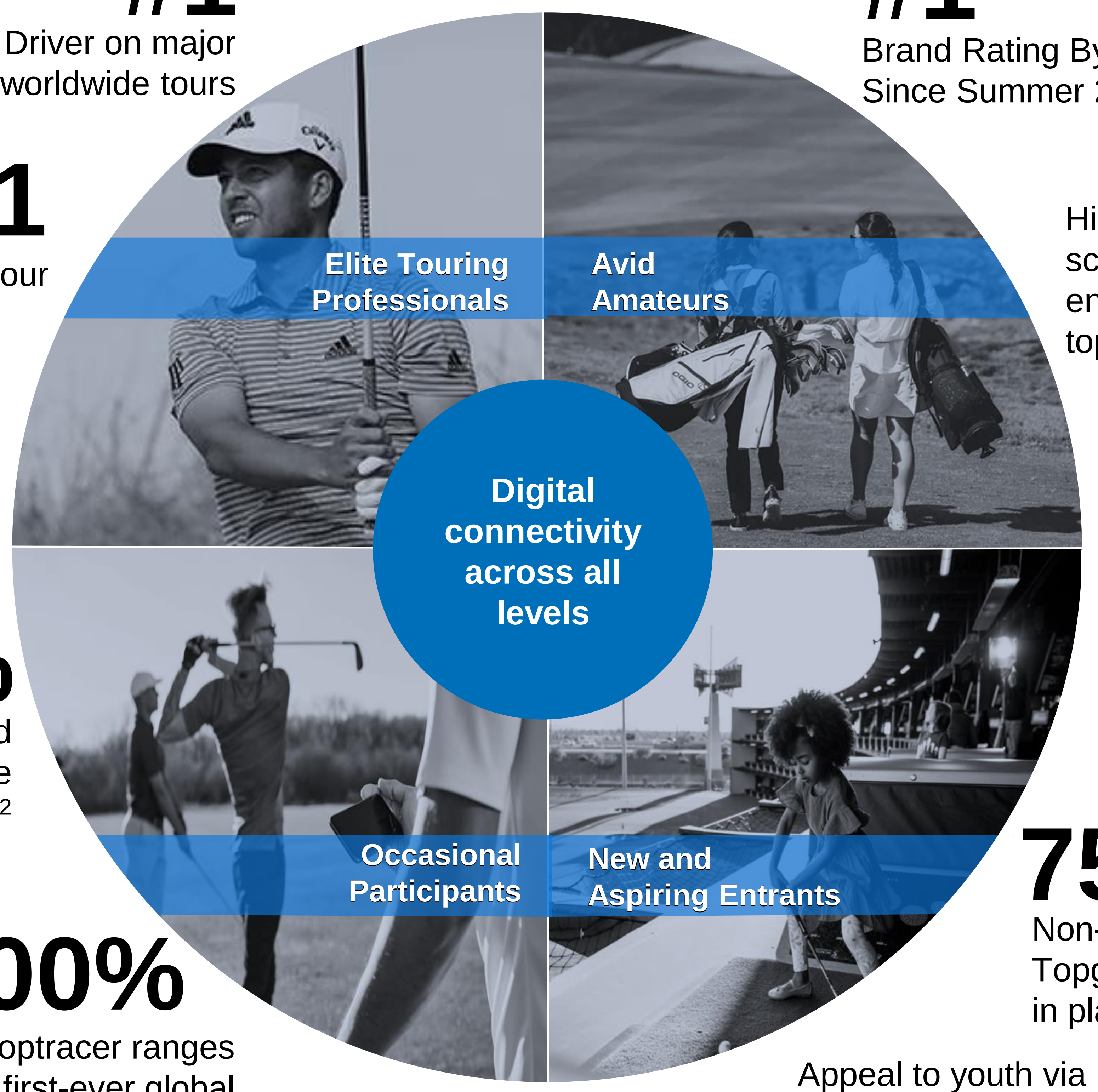
#1
Driver on major worldwide tours

#1
Putter on Tour

Hundreds of sponsored athletes across global tours

#1
Brand Rating By Avid Golfers Since Summer 2017[3]

Highest net promoter score amid golf enthusiasts compared to top four golf brands[4]



+27%
Beginning and returning on-course golfers vs. prior years[2]

100%
Active Toptracer ranges participated in first-ever global digital competition in 2021

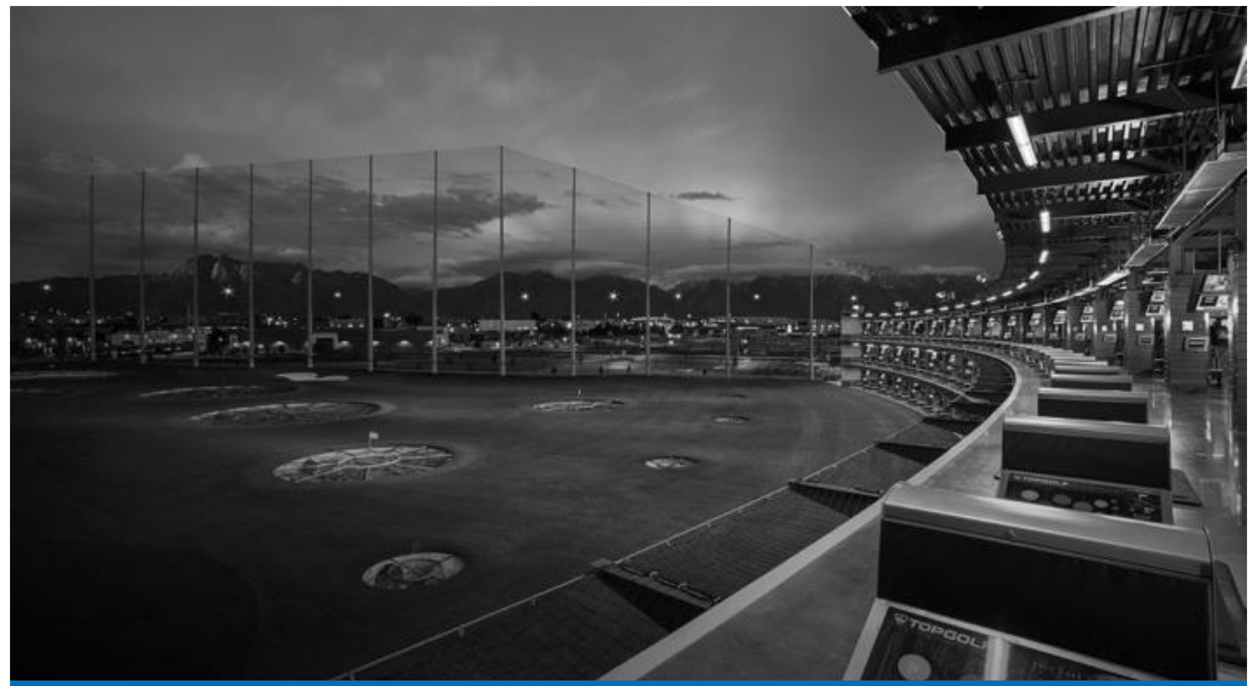
51%
Topgolf guests identify as non-golfers

75%
Non-golfers who visited Topgolf said now interested in playing on a course[5]

Appeal to youth via games and social atmosphere

1. Golf Datatech industry report published September 21, 2020.
2. National Golf Foundation, The Gaffis Report: Golf Industry 2020 – Year in Review.
3. Golf Datatech GPAU Study: Spring 2021 Club Report.
4. Boston Consulting Group study as of July 2021.Top four golf brands include Callaway, PING, Titleist and TaylorMade.
5. National Golf Foundation survey conducted for Topgolf.

TOPGOLF: THE CATEGORY-DEFINING TECH-ENABLED GOLF ENTERTAINMENT BUSINESS

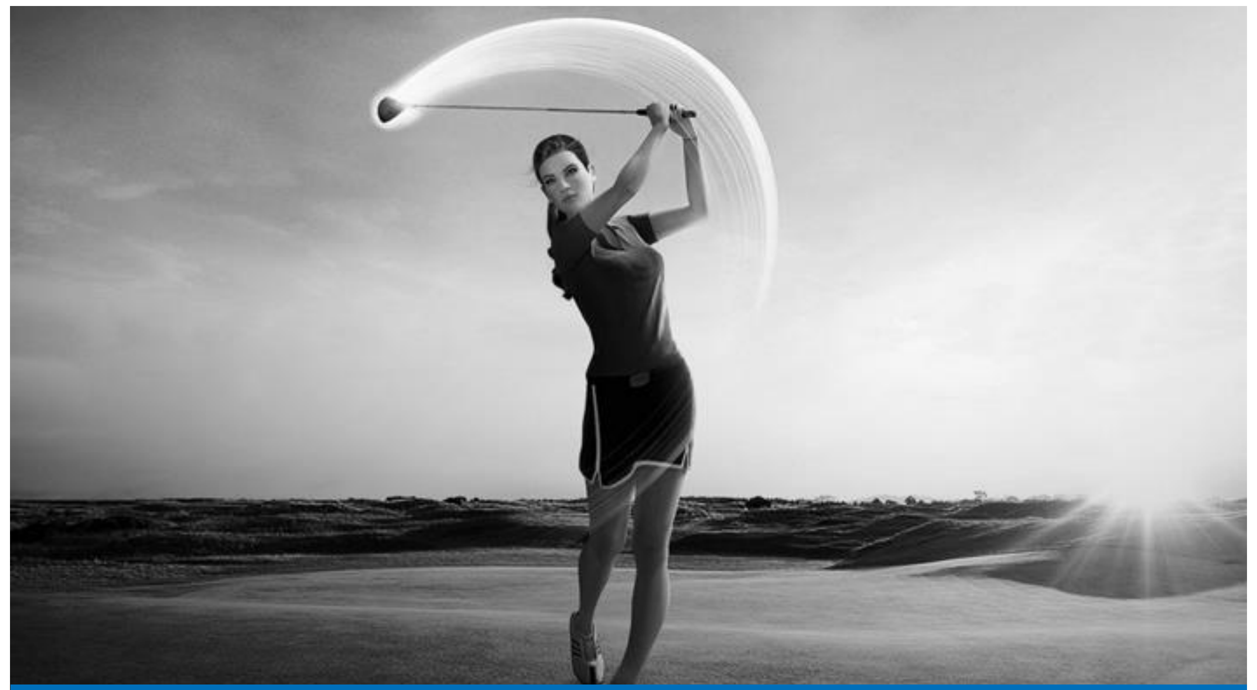


VENUES

Cutting-edge entertainment facilities with attractive economics and expansion capabilities

TOPTRACER RANGE

Transforming the traditional driving range experience and televised golf through a capital light, high margin model



MEDIA

Facilitate engagement across the Topgolf ecosystem through games and sponsorships

~30M *Venue visits projected in 2022*

450 *Potential global venue addressable market*

2% *Penetration in Toptracer Range addressable market*

140+ *Televised golf tournaments that feature Toptracer*

34M *World Golf Tour members*

110+M *Total fan touchpoints[1]*

PROVEN EARLY-STAGE BUSINESSES REALIZING RAPID GROWTH WITH LONG-TERM POTENTIAL

Data as of September 30, 2021.

1. "Fan touchpoints" refers to the connections Topgolf has to members of its fan base. Topgolf calculates its fan touchpoints at any point in time based on the total number of venue memberships, social media subscriptions, short message service ("SMS") subscriptions, e-mail subscriptions and lifetime installs for Topgolf, Toptracer and WGT apps. A fan of Topgolf's who engages with Topgolf across more than one of these areas, such as by having a venue membership, following Topgolf on one or more social media platforms, subscribing to Topgolf's SMS messages and emails, and/or installing one or more of Topgolf's apps, will account for a corresponding number of fan touchpoints.

TOPGOLF UNIT ECONOMICS AND LONG-TERM OPPORTUNITY

	DOMESTIC VENUES	TOPTRACER RANGE	INTERNATIONAL VENUES	MEDIA	TOTAL
Identified path to:	200 venues	152,500 bays[1]	250 venues	~2 Game Potential; $1.50 sponsorships revenue / visit	
Unit-level Revenue[2]	$6-24M	$2,000 / Bay	$1.1M / Venue	N/A	
Total Revenue	$3,000M	$305M	$275M	$240M	$3,820M
Adjusted EBITDA per Unit[3,5]	$3.5M[4]	$1,500 / Bay[6]	$0.9M	N/A	
Business Unit Adjusted EBITDA[3,5]	$700M	$230M	$225M	$110M	$1,265M

1. Assumes 23% market share of worldwide addressable market of 650,000 bays.
2. For venues: assumes higher mix of Small venues in outer years of growth opportunities.
3. Adjusted EBITDA. The Company provides information about its results excluding interest, taxes, depreciation and amortization expense, and non-cash stock compensation expense. Additionally, Adjusted EBITDA excludes these same line items from forecasted net income. A long-term forecast of each of these line items is not available without unreasonable efforts due to the variability of these items and the inability to predict them with certainty. Accordingly, we have not provided a further reconciliation of Adjusted EBITDA to GAAP net income.
4. Long-term blended average across Large, Medium and Small venues.
5. Excludes overhead and opening cost.
6. Cash Adjusted EBITDA.

GOLF EQUIPMENT: INNOVATING TO MAINTAIN LEADERSHIP POSITION

CONTINUE TO INVEST IN NEW TECHNOLOGIES

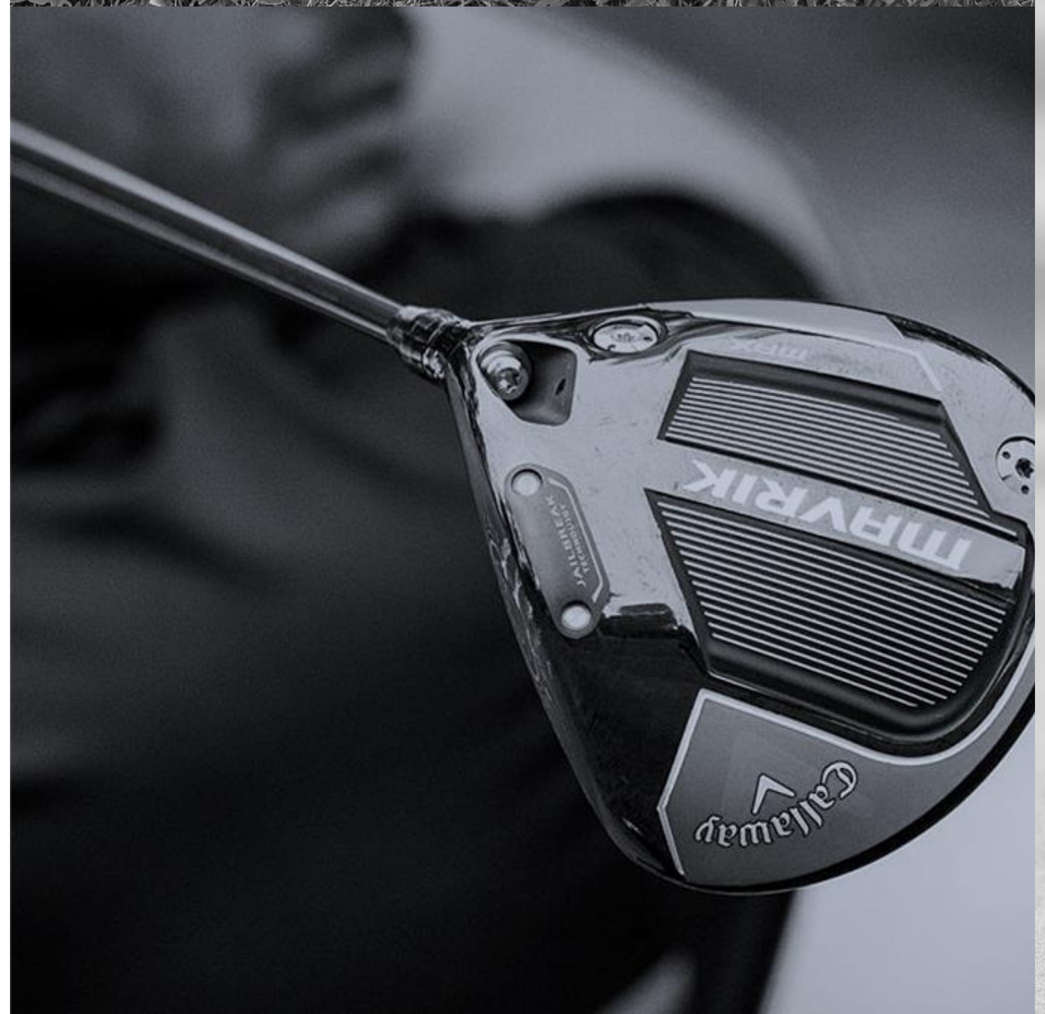
- Leveraging Artificial Intelligence to design physical products
- Expect to increase R&D spend for the 9th consecutive year
- Golf ball investments resulting in record 20% market share in July 2021[1] and 18.4% market share as of October 2021 year-to-date, up 160 bps compared to October 2020 year-to-date[2]

LEADING MARKETING AND TOUR STRATEGY

- Industry leading digital media strategy
- Tour team winning major tournaments with Callaway balls and clubs
- Investing in younger golfers to maintain pipeline of talented golfers

PROVEN ABILITY TO ADAPT AND DRIVE GROWTH

- Delivered record units and revenues, despite challenging supply chain environment
- Record low inventory provides opportunity for retail fill-in in 2022



1. Golf Datatech July 2021 monthly market share.
2. Golf Datatech October 2021 year-to-date market share.

SOFT GOODS: MAINTAINING MOMENTUM IN A HIGH-GROWTH SEGMENT

- Southern California-based active lifestyle brand that is styled for both on and off the golf course
- Brand is experiencing significant growth through products that resonate with consumers and marketing strategies that reach target demographics
- Increasing geographic footprint in US and internationally
- Comparable store sales growth for owned stores in Q3 2021 was up 84% vs. Q3 2020 and up 50% vs. Q3 2019[1]

- Germany-based outdoor brand focused on function and design
- Strong presence in both DACH and China regions
- Tailoring product design to local markets
- Spring/Summer 2022 line showing strong pre-book
- Positioned to continue to grow as brand awareness increases and direct-to-consumer model grows

- Performance apparel and golf and lifestyle bags
- Enthusiasm for the sport of golf driving increased demand for Callaway and OGIO branded soft goods
- Assumed the operations of Korea Callaway Apparel business in July 2021, building on successful takeover of Japan business in 2019
- OGIO business provides strong profitability after consolidating the brand into Callaway infrastructure

GLOBAL SCALE NOW DRIVING MEANINGFUL COST SYNERGIES AMONG THESE BRANDS

1. Comparable store sales is a comparison of net sales to the same period of prior year for the comparable store base. A comparable TravisMathew store includes only those stores open for 12 months or longer.

CLEAR PATH TO UNLOCK EMBEDDED GROWTH

GOLF EQUIPMENT

- Multi-year increase in consumer spending expected with new entrants to sport
- Opportunity to increase price on 2022 new launch products
- Historically low inventory levels at retail
- Opportunity to continue to gain share in all categories, especially golf ball

APPAREL

- TravisMathew expansion into key accounts and category expansion opportunities
- Jack Wolfskin reinvigorated brand strength and direct-to-consumer growth
- Continued international expansion of TravisMathew and Jack Wolfskin brands in non-core markets
- Expanded owned Callaway apparel business in Asian markets
- Introducing concept shops at Topgolf venues

TOPGOLF

- Clear visibility into venue pipeline through 2023
- Expect to open 10 new owned Topgolf venues and install 8,000+ Toptracer range bays per year
- Significant international franchise development plans over next 5 years
- Engaging a global audience through digital games
- Co-branding on Tour to drive more experienced golfers to venues
- Leverage proprietary customer data to explore new opportunities to target consumers

UNMATCHED REACH TO CONSUMERS AND CROSS-SELLING OPPORTUNITY ACROSS SEGMENTS

RECENT PERFORMANCE UPDATE

- Topgolf outperforming with Q3 same venue sales[1] at approximately 100% of Q3 2019 levels and strong flow through to adjusted EBITDA
- Demand for golf equipment and related soft goods remains very high amid sustained increase in interest in the sport
- Accelerated growth in apparel brands reflects strong brand momentum and improved retail sales following significant closures due to COVID-19
- 67 domestic Topgolf venues, 6 international[2] and over 13,000 Toptracer bays

Achieved Record Results Year-to-Date in 2021

($ in millions)	**First Nine Months of 2021[3]**	**Change vs. 2020**	**Change vs. 2019**
Consolidated Net Revenue	**$2,422**	**+99%**	**+74%**
Topgolf	$752	-	-
Golf Equipment	$1,068	+39%	+29%
Apparel, Gear & Other	$602	+35%	+7%
Adjusted EBITDA[4]	**$431**	**+146%**	**+100%**

EXCEEDING EXPECTATIONS ACROSS ALL BUSINESS SEGMENTS AND SHOWING STRONG GROWTH OVER 2019 PRE-PANDEMIC LEVELS

1. Same venue sales represents sales for the comparable venue base, which is defined as company-operated venues with at least 24 full fiscal months of operations.
2. Venue count as of November 30, 2021. International includes three owned and three franchised venues.
3. Due to the timing of the Topgolf acquisition on March 8, 2021, Callaway's reported first nine months of 2021 financial results only include approximately seven months of Topgolf results.
4. See Appendix for Adjusted EBITDA reconciliation to GAAP.

STRONG BALANCE SHEET & CLEAR CAPITAL ALLOCATION PRIORITIES

CAPITAL ALLOCATION PRIORITIES

1. Reinvest in the business to unlock high ROI embedded growth
2. Maintain favorable leverage levels
3. Opportunistically and thoughtfully explore investments in complementary areas
4. Return capital to shareholders through buybacks and dividends

STRONG LIQUIDITY TO FUND GROWTH

($ in millions)

	As of Sept. 30, 2021	As of Sept. 30, 2020	% Change
Available Liquidity[1]	$918	$637	+44%
Net Debt[2]	$1,025	$498	+106%
Cash and Cash Equivalents	$508	$366	+39%
Leverage Ratio[3]	2.5x	3.5x	100bps improvement

Expect leverage ratio to trend slightly higher, depending on the level of Topgolf development and Deemed Landlord Financing

STRONG TRACK RECORD OF DEPLOYING CAPITAL TO CREATE VALUE FOR SHAREHOLDERS

1. Available Liquidity defined as cash on hand + availability under credit facilities.
2. Net Debt is calculated as debt, including Deemed Landlord Financing related to the Topgolf venues, less unrestricted cash.
3. Net debt leverage ratio is calculated as debt, including Deemed Landlord Financing related to the Topgolf venues, less unrestricted cash, divided by the Company's trailing twelve-month Adjusted EBITDA.

INVESTMENT THESIS

UNIQUE ASSET

A unique new business, strategically positioned at the center of the growing golf, entertainment and lifestyle ecosystems

Competitive advantage in golf consumer reach

Diversified portfolio with synergistic fit

WELL-POSITIONED

Brands ideally situated for the current and post-pandemic environment

Brands have leadership positions in attractive and growing markets

Deep competitive moats across the portfolio

STRONG TRACK RECORD

154% 5-year total shareholder return[1]

Proven ability to drive both revenue and adjusted EBITDA growth through various operating conditions

UNDERVALUED

We believe the stock is undervalued at current levels given the attractive near and long-term embedded growth opportunities and track record of delivering strong results

Trading below analysts' fair market valuation multiple of 17x - 24x EV/EBITDA[2] and recent trading levels[3]

1. 5-year total shareholder return period from 11/16/2016 - 11/16/2021; assumes dividends reinvested in security.
2. EV/EBITDA range based on 2022 adjusted EBITDA expectations and includes estimates for all 11 ELY covering research analysts as of November 30, 2021. See page 15 in the appendix for additional details.
3. From March to July of 2021, following the close of the Topgolf merger announcement on March 4, 2021, ELY stock was trading at a multiple between 20x to 27x EV/EBITDA.

APPENDIX

CALLAWAY ANALYST CONSENSUS SNAPSHOT

Callaway Golf Company (ELY) is covered by 11 sell-side equity research analysts who make financial projections on the Company's performance, as summarized below:

($ in millions)	**2019 Actual Results**	**2020 Actual Results**	**2021 Consensus Estimate[2]**	**2022 Consensus Estimate[2]**
Revenue	**$1,701**	**$1,590**	**$3,115**	**$3,660**
Year-over-year growth	*+37%*	*(6.5%)*	*+96%*	*+17%*
Adjusted EBITDA	**$210**	**$165**	**$431**	**$489**
Year-over-year growth	*+25%*	*(21%)*	*+161%*	*+13%*

average price target[2]

$43.78

average EV/EBITDA multiple[2,3]

18.7x

CURRENTLY TRADING WELL BELOW ANALYSTS' APPLIED MULTIPLES AND PRICE TARGETS AT $27.32 PER SHARE[4]

1. Sell-side covering firms include: B. Riley Securities, BofA Securities, Berenberg, Compass Point, Cowen and Company, Jefferies, KeyBanc Capital Markets Inc., Raymond James, ROTH Capital Partners, Inc., Stephens Inc. and Truist Securities.
2. Analyst projections reflect the latest projections as of November 30, 2021. Berenberg and Cowen and Company estimates have been excluded from the consensus, as the models do not reflect ELY's latest financial results or guidance outlook.
3. EV/EBITDA multiple based on FY 2022 Adjusted EBITDA projection.
4. Based on the November 29, 2021 closing price.

TOPGOLF VENUES OVERVIEW

~30M *Venue visits projected in 2022*

67 *U.S. venues in three format sizes*[1]

6 *International venues*[1]

Large venue
- 100+ bays
- 49 locations

Medium venue
- 70-100 bays
- 17 locations

Small venue
- 30-60 bays
- 6 locations

Q3 SAME VENUE SALES APPROXIMATELY 100% AS COMPARED TO SAME VENUE SALES IN Q3 2019

1. Venue count as of November 30, 2021. International includes three owned venues and three franchised venues.

SIGNIFICANT VENUE GROWTH OPPORTUNITIES FOR TOPGOLF

Innovation in multiple size formats

- Continued innovation across different venue sizes has expanded addressable market
- Proven success in all size formats and regions
- Identified opportunity of 200 venues domestically

Franchise model for international expansion

- $1.1M in target revenue per franchised venue
- 3 international franchised venues open with strong pipeline of contracts with existing partners
- 3 owned and operated venues in the UK
- Identified opportunity of 250 venues internationally

$900M+ VENUE-LEVEL LONG-TERM ADJ. EBITDA OPPORTUNITY[1]

10 *target new U.S. venues per year starting in 2022*

28 *under construction, contracted or LOI / due diligence*

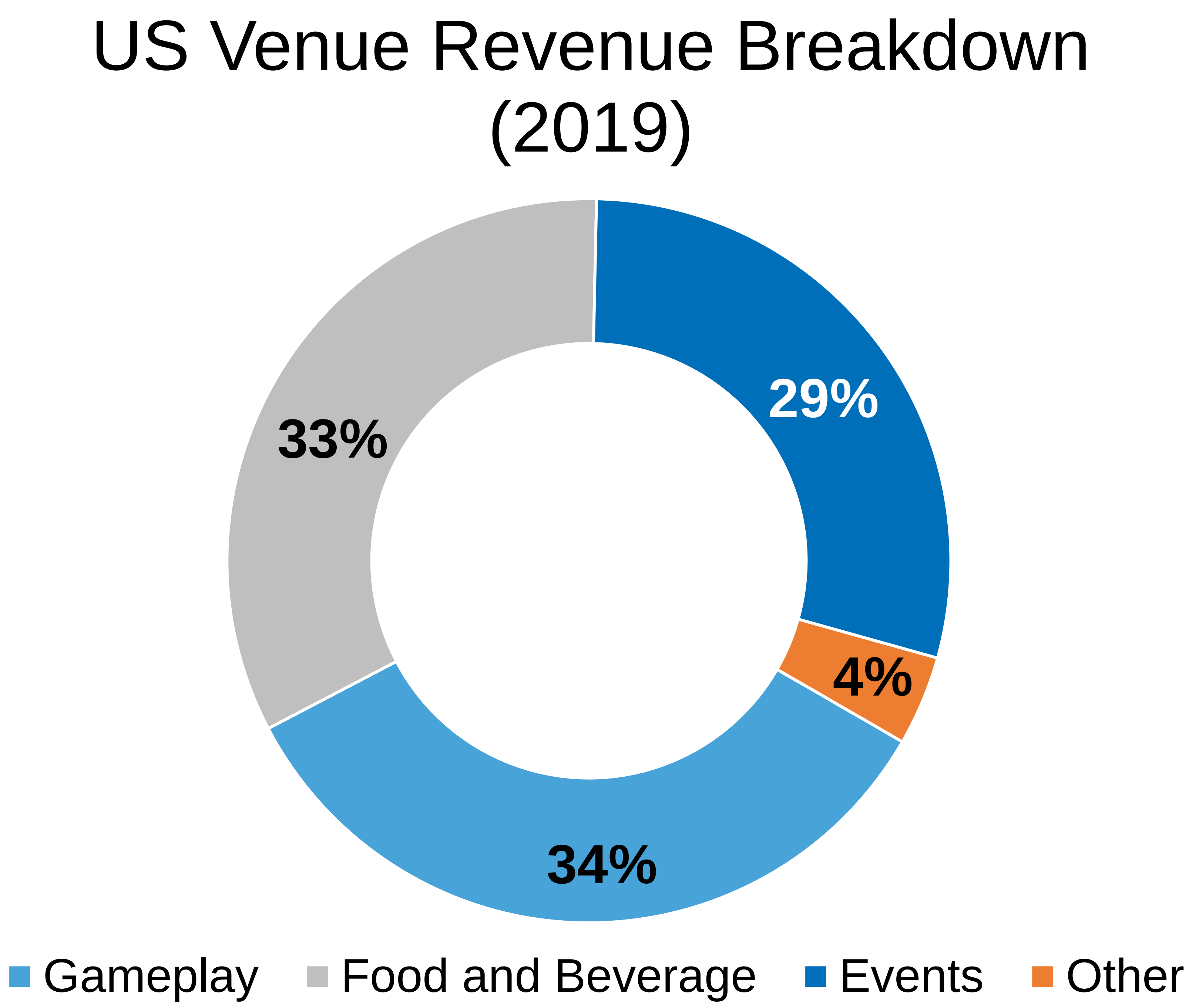
10+ *years of domestic venue growth opportunity*

2% *of international addressable market penetration*

1. Includes both domestic and international venues. Excludes overhead and opening costs. See page 7 of this presentation for more details on unit economics and long-term Adjusted EBITDA opportunity. Additionally, as Adjusted EBITDA is a non-GAAP measure, please see the Regulation G disclaimers on page 1 of this presentation.

TOPGOLF VENUES GENERATING ATTRACTIVE ECONOMICS

Target Avg. Venue Revenue[1]	**$17 M**
Target Avg. Venue Level Adj. EBITDA[1,2]	**$5 M**
Average Construction Cost per Venue[3]	**$10-40 M**
Target Average Cash on Cash Returns	**~50%**



2021 ADJUSTED EBITDA MARGIN PERFORMING AHEAD OF TARGET UNIT ECONOMICS

1. Near- to medium-term blended average across large, medium and small venues, with the majority of new development coming from large venues. Excludes overhead and opening costs and assumes Deemed Landlord Financing. Additionally, as Adjusted EBITDA is a non-GAAP measure, please see the Regulation G disclaimers on page 1 of this presentation.
2. Adjusted EBITDA. The Company provides information about its results excluding interest, taxes, depreciation and amortization expense, and non-cash stock compensation expense. Additionally, Adjusted EBITDA excludes these same line items from forecasted net income.
3. Topgolf seeks to finance underlying land and 75% of construction costs on the majority of its venues through third-party developer or real estate financing companies

TOPTRACER GENERATING ATTRACTIVE ECONOMICS

Annual Target Revenue per Bay **$2,000**

Annual Target Cash Adj. EBITDA per Bay **$1,500**

Target Average Cash on Cash Returns **~50%**

Bay Installs in '20 **4,600+**

Potential Total WW Bays **+650k**

Targeted New Bays per Year **8,000+**

$200M+ UNIT-LEVEL LONG-TERM CASH ADJ. EBITDA OPPORTUNITY[1]

- 12,000+ active bays worldwide as of September 2021
- Attractive recurring revenue potential with limited upfront investment
- Callaway expertise and network present compelling opportunity to accelerate Toptracer growth globally
- Highly visible brand presence featured in over 140 golf tournament broadcasts globally, reaching an estimated 500+ M viewers annually[2]
- Strong upside for independent range owners – many licensees have reported 25-60% revenue increases
- Continued momentum expected to accelerate globally and contribute meaningful EBITDA
- Ability to deliver connected digital experiences from games to lessons and more

1. Assumes 23% market share of worldwide addressable market of 650,000 bays. See page 7 of this presentation for more details on unit economics and long-term Adjusted EBITDA opportunity. Additionally, as Adjusted EBITDA is a non-GAAP measure, please see the Regulation G disclaimers on page 1 of this presentation.
2. 2019 Estimate

GAAP RECONCILIATION (Q3 2021)

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Reconciliation
(Unaudited)
(In thousands)

	Three Months Ended September 30,										
	2021						2020				
	GAAP	Non-Cash Amortization and Depreciation[1]	Non-Cash Amortization of Discount on Convertible Notes[2]	Acquisition & Other Non-Recurring Items[3]	Tax Valuation Allowance[4]	Non-GAAP[5]	GAAP	Non-Cash Amortization and Impairment Charges[1]	Non-Cash Amortization of Discount on Convertible Notes[2]	Other Non-Recurring Items[3]	Non-GAAP
Net revenues	$ 856,461	$ —	$ —	$ —	$ —	$ 856,461	$ 475,559	$ —	$ —	$ —	$ 475,559
Total costs and expenses	780,451	6,654	—	1,875	—	771,922	412,050	1,235	—	5,088	405,727
Income (loss) from operations	76,010	(6,654)	—	(1,875)	—	84,539	63,509	(1,235)	—	(5,088)	69,832
Other income/(expense), net	(25,772)	(941)	(2,663)	(306)	—	(21,862)	(5,717)	—	(2,415)	—	(3,302)
Income tax provision (benefit)	66,229	(1,823)	(639)	(523)	32,799	36,415	5,360	(284)	(555)	(1,170)	7,369
Net income (loss)	$ (15,991)	$ (5,772)	$ (2,024)	$ (1,658)	$ (32,799)	$ 26,262	$ 52,432	$ (951)	$ (1,860)	$ (3,918)	$ 59,161
Diluted earnings (loss) per share:	($0.09)	($0.03)	($0.01)	($0.01)	($0.18)	$0.14	$0.54	($0.01)	($0.02)	($0.04)	$0.61
Weighted-average shares outstanding:	185,963	185,963	185,963	185,963	185,963	193,925	96,612	96,612	96,612	96,612	96,612

(1) Represents non-cash amortization expense of intangible assets in connection with the acquisitions of OGIO, TravisMathew and Jack Wolfskin. 2021 also includes non-cash amortization of Topgolf intangible assets, depreciation expense from the fair value step-up of Topgolf property, plant and equipment and amortization expense related to the fair value adjustments to Topgolf leases and Topgolf debt, all recorded in connection with the Topgolf merger.

(2) Represents the non-cash amortization of the debt discount on the Company's convertible notes issued in May 2020.

(3) In 2021, non-recurring costs include transition costs associated with the Topgolf merger and costs related to the implementation of new IT systems for Jack Wolfskin and Topgolf. In 2020, non-recurring costs include costs associated with the Company's transition to its new North America Distribution Center, implementation of new IT systems for Jack Wolfskin, and severance related to the Company's cost reduction initiatives.

(4) As Topgolf's losses exceed Callaway's income in prior years, the Company has recorded a valuation allowance against certain of its deferred tax assets until the Company can demonstrate sustained cumulative earnings.

(5) Non-GAAP diluted earnings per share for the three months ended September 30, 2020 was calculated using the diluted weighted average outstanding shares, as earnings on a non-GAAP basis resulted in net income after giving effect to pro forma adjustments.

GAAP RECONCILIATION (YTD)

CALLAWAY GOLF COMPANY
Supplemental Financial Information and Non-GAAP Reconciliation
(Unaudited)
(In thousands)

Nine Months Ended September 30,

	2021						2020				
	GAAP	Non-Cash Amortization and Depreciation[1]	Non-Cash Amortization of Discount on Convertible Notes[2]	Acquisition & Other Non-Recurring Items[3]	Tax Valuation Allowance[4]	Non-GAAP	GAAP	Non-Cash Amortization and Impairment Charges[1]	Non-Cash Amortization of Discount on Convertible Notes[2]	Other Non-Recurring Items[3]	Non-GAAP[5]
Net revenues	$ 2,421,723	$ —	$ —	$ —	$ —	$ 2,421,723	$ 1,214,831	$ —	$ —	$ —	$ 1,214,831
Total costs and expenses	2,162,345	17,620	—	22,086	—	2,122,639	1,288,091	177,861	—	12,526	1,097,704
Income (loss) from operations	259,378	(17,620)	—	(22,086)	—	299,084	(73,260)	(177,861)	—	(12,526)	117,127
Other income/(expense), net	186,955	(2,693)	(7,796)	251,820	—	(54,376)	(6,518)	—	(3,914)	—	(2,604)
Income tax provision (benefit)	98,119	(4,875)	(1,871)	(5,471)	38,983	71,353	6,580	(8,750)	(900)	(2,881)	19,111
Net income (loss)	$ 348,214	$ (15,438)	$ (5,925)	$ 235,205	$ (38,983)	$ 173,355	$ (86,358)	$ (169,111)	$ (3,014)	$ (9,645)	$ 95,412
Diluted earnings (loss) per share:	$2.03	($0.09)	($0.03)	$1.37	($0.23)	$1.01	($0.92)	($1.80)	($0.03)	($0.10)	$0.99
Weighted-average shares outstanding:	171,194	171,194	171,194	171,194	171,194	171,194	94,207	94,207	94,207	94,207	96,055

(1) Represents non-cash amortization expense of intangible assets in connection with the acquisitions of OGIO, TravisMathew and Jack Wolfskin. 2021 also includes non-cash amortization of Topgolf intangible assets, depreciation expense from the fair value step-up of Topgolf property, plant and equipment and expense related to the fair value adjustments to Topgolf leases and Topgolf debt, all recorded in connection with the Topgolf merger. Additionally, in 2020 there was an impairment charge of $174.3 million related to Jack Wolfskin.

(2) Represents the non-cash amortization of the debt discount on the Company's convertible notes issued in May 2020.

(3) Acquisition and other non-recurring items in 2021 includes transaction, transition and other non-recurring costs associated with the merger with Topgolf completed on March 8, 2021, the recognition of a $252.5 million gain on the Company's pre-merger investment in Topgolf, and expenses related to the implementation of new IT systems for Jack Wolfskin and Topgolf. 2020 includes costs associated with the Company's transition to it's new North America Distribution Center, in addition to implementation costs related to new IT systems for Jack Wolfskin, and severance charges associated with workforce reductions due to the COVID-19 pandemic.

(4) As Topgolf's losses exceed Callaway's income in prior years, the Company has recorded a valuation allowance against certain of its deferred tax assets until the Company can demonstrate sustained cumulative earnings.

(5) Non-GAAP diluted earnings per share for the nine months ended September 30, 2020 was calculated using the diluted weighted average outstanding shares, as earnings on a non-GAAP basis resulted in net income after giving effect to pro forma adjustments.

ADJUSTED EBITDA RECONCILIATION (2020 and 2021)

CALLAWAY GOLF COMPANY
Non-GAAP Reconciliation and Supplemental Financial Information
(Unaudited)
(In thousands)

	2021 Trailing Twelve Month Adjusted EBITDA					2020 Trailing Twelve Month Adjusted EBITDA				
	Quarter Ended					Quarter Ended				
	December 31, 2020	March 31, 2021	June 30 2021	September 30 2021	Total	December 31, 2019	March 31, 2020	June 30 2020	September 30 2020	Total
Net income (loss)	$ (40,576)	$ 272,461	$ 91,744	$ (15,991)	$ 307,638	$ (29,218)	$ 28,894	$ (167,684)	$ 52,432	$ (115,576)
Interest expense, net	12,927	17,457	28,876	28,730	87,990	9,049	9,115	12,163	12,727	43,054
Income tax provision (benefit)	(7,124)	47,743	(15,853)	66,229	90,995	(2,352)	9,151	(7,931)	5,360	4,228
Depreciation and amortization expense	10,840	20,272	43,270	44,377	118,759	9,480	8,997	9,360	10,311	38,148
JW goodwill and trade name impairment(1)	—	—	—	—	—	—	—	174,269	—	174,269
Non-cash stock compensation and stock warrant expense, net	2,861	4,609	11,039	10,832	29,341	3,418	1,861	2,942	3,263	11,484
Non-cash lease amortization expense	(76)	872	2,103	2,792	5,691	(120)	264	207	(99)	252
Acquisitions & other non-recurring costs, before taxes(2)	8,607	(235,594)	3,274	1,875	(221,838)	4,090	1,516	5,856	4,402	15,864
Adjusted EBITDA	$ (12,541)	$ 127,820	$ 164,453	$ 138,844	$ 418,576	$ (5,653)	$ 59,798	$ 29,182	$ 88,396	$ 171,723

(1) In 2020, amounts include an impairment charge of $174.3 million related to Jack Wolfskin.

(2) In 2021, amounts include transaction, transition and other non-recurring costs associated with the merger with Topgolf completed on March 8, 2021, the recognition of a $252.5 million gain to step-up the Company's former investment in Topgolf to its fair value in connection with the merger, and expenses related to the implementation of new IT systems for Jack Wolfskin and Topgolf. In 2020, amounts include costs associated with the Company's transition to its new North America Distribution Center and the implementation of new IT systems for Jack Wolfskin, as well as severance related to the Company's cost reduction initiatives.

ADJUSTED EBITDA RECONCILIATION (2019)

CALLAWAY GOLF COMPANY
Non-GAAP Reconciliation and Supplemental Financial Information
(Unaudited)
(In thousands)

	2019 Trailing Twelve Month Adjusted EBITDA				
	Quarter Ended				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	Total
Net income (loss)	$ 48,647	$ 28,931	$ 31,048	$ (29,218)	$ 79,408
Interest expense, net	9,639	10,260	9,545	9,049	38,493
Income tax provision (benefit)	9,556	7,208	2,128	(2,352)	16,540
Depreciation and amortization expense	7,977	9,022	8,472	9,480	34,951
Non-cash stock compensation expense	3,435	3,530	2,513	3,418	12,896
Non-cash lease amortization expense	(140)	(9)	(36)	(120)	(305)
Acquisitions & other non-recurring costs, before taxes[1]	13,986	6,939	3,009	4,090	28,024
Adjusted EBITDA	$ 93,100	$ 65,881	$ 56,679	$ (5,653)	$ 210,007

(1) Acquisitions and other non-recurring costs for the year ended December 31, 2019, include (i) $14.1 million of transaction and transition related costs associated with the acquisition of Jack Wolfskin, including banker's fees, legal fees, consulting fees, audit fees for SEC reporting requirements, valuation services associated with preparing Jack Wolfskin's opening balance sheet and travel expenses; (ii) the recognition of a $3.9 million foreign currency exchange loss primarily related to the re-measurement of a foreign currency contract established to mitigate the risk of foreign currency fluctuations on the purchase price of Jack Wolfskin, which was denominated in Euros; and (iii) consulting fees to address an activist investor. These amounts exclude any depreciation or amortization, which has been presented in a separate line above.

SEGMENT RECONCILIATION

CALLAWAY GOLF COMPANY
Consolidated Net Sales and Operating Segment Information
(Unaudited)
(In thousands)

	Operating Segment Information				Non-GAAP Constant Currency vs. 2020[1]
	Three Months Ended September 30,		Growth		
	2021	2020	Dollars	Percent	Percent
Net revenues:					
Topgolf	$ 333,783	$ —	$ 333,783	n/a	—
Golf Equipment	289,615	267,277	22,338	8.4%	7.9%
Apparel, Gear and Other	233,063	208,282	24,781	11.9%	11.1%
Total net revenue	$ 856,461	$ 475,559	$ 380,902	80.1%	79.2%
Segment operating income (loss):					
Topgolf	$ 23,928	$ —	$ 23,928	n/a	
Golf Equipment	45,815	56,784	(10,969)	-19.3%	
Apparel, Gear and Other	34,634	25,909	8,725	33.7%	
Total segment operating income	104,377	82,693	21,684	26.2%	
Corporate G&A and other[2]	(28,367)	(19,184)	(9,183)	47.9%	
Total operating income (loss)	76,010	63,509	12,501	19.7%	
Interest expense, net	(28,730)	(12,727)	(16,003)	125.7%	
Other income (expense), net	2,958	7,010	(4,052)	-57.8%	
Total income (loss) before income taxes	$ 50,238	$ 57,792	$ (7,554)	-13.1%	

[1] Calculated by applying 2020 exchange rates to 2021 reported sales in regions outside the U.S.

[2] Amount includes corporate general and administrative expenses not utilized by management in determining segment profitability, including non-cash amortization expense for intangible assets acquired in connection with the Jack Wolfskin, TravisMathew and OGIO acquisitions. In addition, the amount for 2021 includes (i) $1.4 million of transaction, transition and other non-recurring costs associated with the merger with Topgolf completed on March 8, 2021; (ii) $5.4 million of non-cash amortization expense for intangible assets acquired in connection with the merger with Topgolf, combined with depreciation expense from the fair value step-up of Topgolf property, plant and equipment and amortization expense related to the fair value adjustments to Topgolf leases; and (iii) $0.5 million of costs related to the implementation of new IT systems for Jack Wolfskin. The amount for the third quarter of 2020 includes (i) $2.3 million of non-recurring costs associated with the Company's transition to the new North America Distribution Center; (ii) $1.5 million of professional and legal fees associated with the acquisition of Topgolf; (iii) $0.5 million of costs related to the implementation of new IT systems for Jack Wolfskin; and (iv) $0.7 million of cost reductions initiatives, including severance charges associated with workforce reductions due to the COVID-19 pandemic.

	Operating Segment Information				Non-GAAP Constant Currency vs. 2020[1]
	Nine Months Ended September 30,		Growth		
	2021	2020	Dollars	Percent	Percent
Net revenues:					
Topgolf	$ 751,873	$ —	$ 751,873	n/a	—
Golf Equipment	1,067,756	768,881	298,875	38.9%	36.2%
Apparel, Gear and Other	602,094	445,950	156,144	35.0%	31.7%
Total net revenue	$ 2,421,723	$ 1,214,831	$ 1,206,892	99.3%	96.1%
Segment operating income (loss):					
Topgolf	$ 52,086	$ —	$ 52,086	n/a	
Golf Equipment	228,825	144,585	84,240	58.3%	
Apparel, Gear and Other	70,792	10,399	60,393	580.8%	
Total segment operating income	351,703	154,984	196,719	126.9%	
Corporate G&A and other[2]	(92,325)	(53,975)	(38,350)	71.1%	
Goodwill and tradename impairment[3]	—	(174,269)	174,269	-100.0%	
Total operating income (loss)	259,378	(73,260)	332,638	454.1%	
Gain on Topgolf investment[4]	252,531	—	252,531	n/a	
Interest expense, net	(75,063)	(34,005)	(41,058)	120.7%	
Other income, net	9,487	27,487	(18,000)	-65.5%	
Total income before income (loss) taxes	$ 446,333	$ (79,778)	$ 526,111	659.5%	

[1] Calculated by applying 2020 exchange rates to 2021 reported sales in regions outside the U.S.

[2] Amount includes corporate general and administrative expenses not utilized by management in determining segment profitability, including non-cash amortization expense for intangible assets acquired in connection with the Jack Wolfskin, TravisMathew and OGIO acquisitions. In addition, the amount for 2021 includes (i) $20.1 million of transaction, transition and other non-recurring costs associated with the merger with Topgolf completed on March 8, 2021, (ii) $13.9 million of non-cash amortization expense for intangible assets acquired in connection with the merger with Topgolf, combined with depreciation expense from the fair value step-up of Topgolf property, plant and equipment and amortization expense related to the fair value adjustments to Topgolf leases, and (iii) $2.0 million of costs related to the implementation of new IT systems for Jack Wolfskin. The amount for 2020 also includes certain non-recurring costs, including (i) $5.3 million of costs associated with the Company's transition to its new North America Distribution Center; (ii) $1.5m of professional fees and legal expenses associated with the acquisition of Topgolf; (iii) $0.9 million related to the implementation of new IT systems for Jack Wolfskin, and (iv) $4.8 million related to cost-reduction initiatives, including severance charges associated with workforce reductions due to the COVID-19 pandemic.

GUIDANCE RECONCILIATION

CALLAWAY GOLF COMPANY
2021 Adjusted EBITDA Guidance GAAP to NON-GAAP Reconciliation
(Unaudited)
(In millions)

	Twelve Months Ended December 31, 2021
Net (loss) income	$271 - $276
Adjusted EBITDA[1]	$424 - $430

[1] Adjusted EBITDA excludes the following from forecasted net income: Interest expense, taxes, depreciation and amortization expense, non-cash stock compensation expense, non-cash lease amortization expense, transaction and transition costs associated with the merger with Topgolf completed on March 8, 2021, the recognition of a $252.5 million gain to step-up the Company's former investment in Topgolf to its fair value in connection with the merger, and expenses related to the implementation of new IT systems for Jack Wolfskin and Topgolf. A forecast of each of these line items is not available without unreasonable efforts due to the variability of these items and the inability to predict them with certainty. Accordingly, we have not provided a further reconciliation of Adjusted EBITDA to GAAP net income.

CALLAWAY GOLF COMPANY
2021 Topgolf Adjusted EBITDA Guidance GAAP to Non-GAAP Reconciliation
(Unaudited)
(In millions)

		Twelve Months Ended December 31, 2021[1]
Topgolf segment income from operations[2]	$	43
Topgolf Adjusted EBITDA[3]	$	158

[1] Due to the timing of the Topgolf acquisition on March 8, 2021, Callaway's reported financial results for the twelve months ended December 31, 2021 will only include 10 months of Topgolf results in 2021.

[2] The Company does not forecast GAAP net income at the subsidiary level, but has provided Topgolf's forecasted segment income from operations as a relevant measurement of profitability. Segment income from operations does not include corporate general and administrative expenses not utilized by management in determining segment profitability, including non-cash amortization, interest expense and taxes as well as other non-cash and non-recurring items.

[3] Topgolf forecasted Adjusted EBITDA excludes the following from forecasted segment income from operation: depreciation expense, non-cash stock compensation expense and non-cash lease amortization expense. A forecast of each of these line items is not available without unreasonable efforts due to the variability of these items and the inability to predict them with certainty. Accordingly, we have not provided a further reconciliation of Topgolf Adjusted EBITDA to segment income from operations.