Third Quarter 2021 Earnings Conference Call

November 9, 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 guidance (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, you should consult the Company's earnings release issued on November 9, 2021, as well as Part I, Item 1A of the Company's most recent Annual Report on Form 10-K, and Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, together with the Company's other reports subsequently filed with the SEC from time to time. 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. The reconciliations are included in this presentation or in the schedules to the Company's November 9, 2021 earnings release, which is available on the Investor Relations section of the Company's website located at http://ir.callawaygolf.com/.

Chip Brewer
President and CEO

Company & Strategic Overview

Q3 BUSINESS UPDATE

Achieved another quarter of record results, driven by positive trends at Topgolf and continued high demand for golf equipment and apparel

	Q3 2021	Change vs. Q3 2020	Change vs. Q3 2019
Consolidated Revenue	**$856 million**	**+80%**	**+101%**
Topgolf	$334 million	-	-
Golf Equipment	$290 million	+8%	+38%
Apparel, Gear & Other	$233 million	+12%	+8%
Adjusted EBITDA	**$139 million**	**+57%**	**+145%**

- Topgolf delivered exceptional results, as increased walk-in traffic and social events bookings led to higher-than-anticipated sales and productivity
- Demand for golf equipment and apparel products remained at unprecedented levels, outpacing the impacts from macro supply chain disruptions

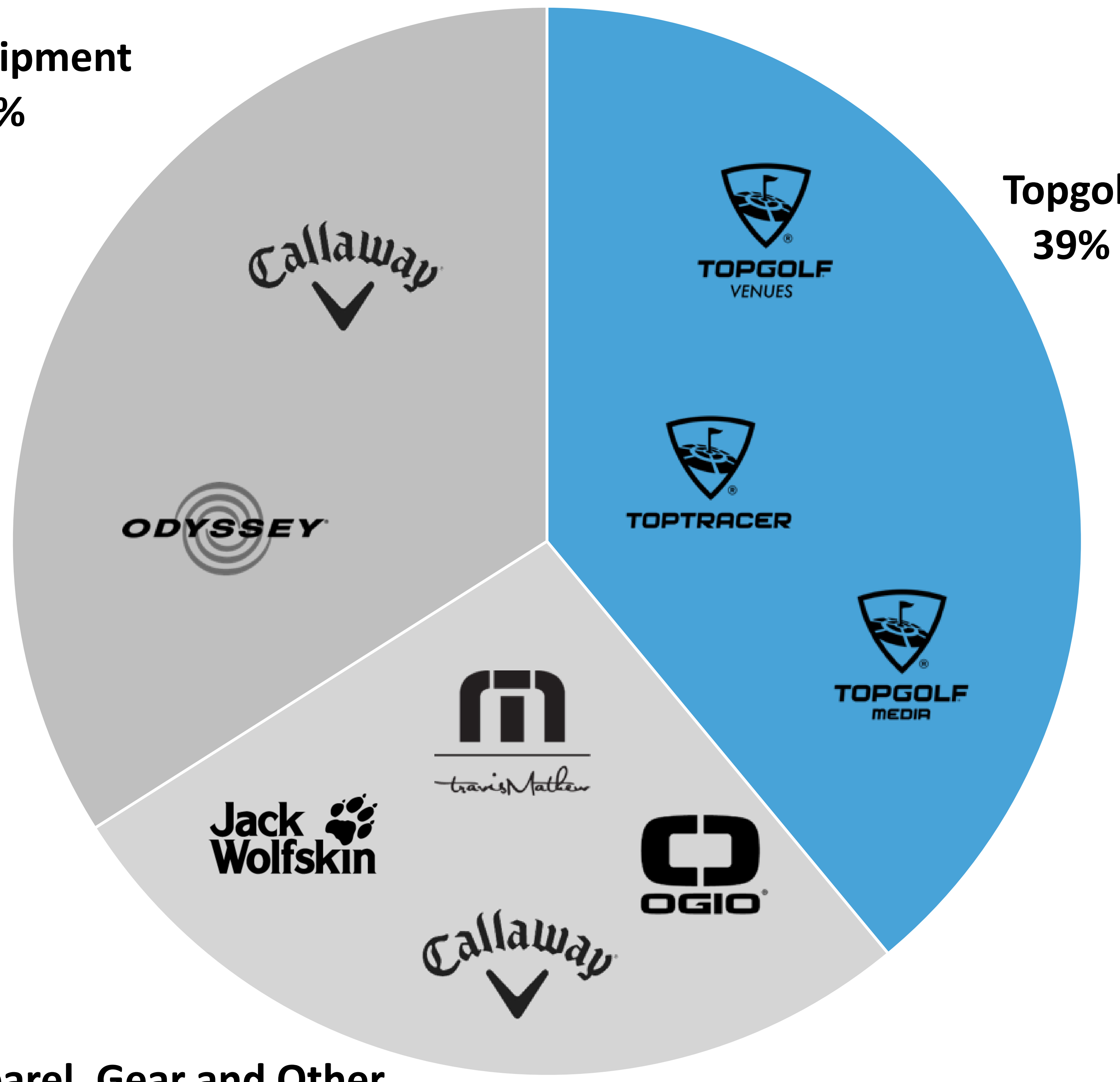
BELIEVE THERE IS SIGNIFICANT LONG-TERM EARNINGS POTENTIAL WITHIN THE BUSINESS

DIVERSIFIED PORTFOLIO WITH UNMATCHED REACH TO GOLF CONSUMERS

66% OF Q3 2021 REVENUE GENERATED FROM OUTSIDE THE GOLF EQUIPMENT SEGMENT

Golf Equipment
34%

Topgolf
39%



Apparel, Gear and Other
27%

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

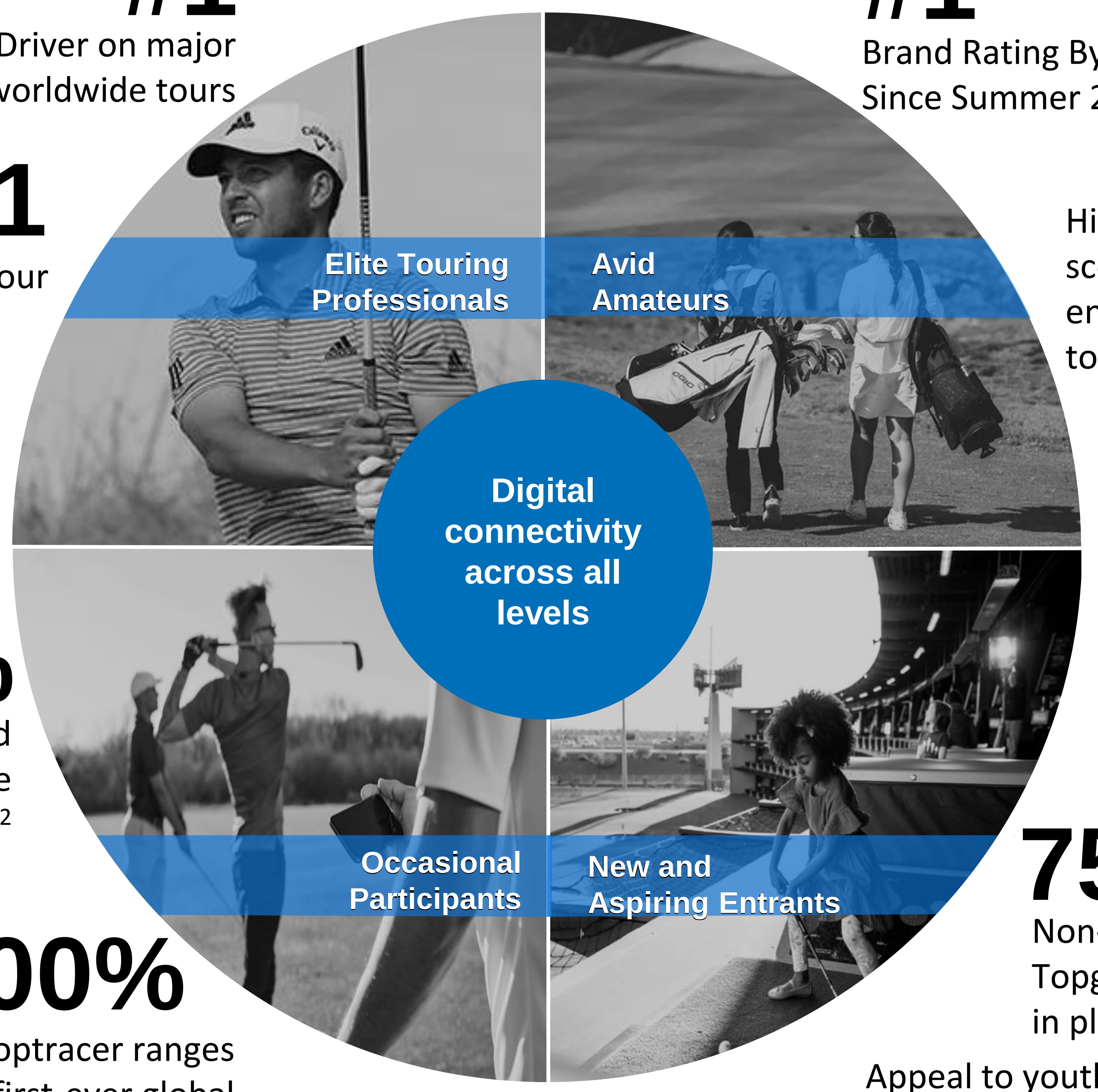
#1
Driver on major worldwide tours

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

#1
Putter on Tour

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

Hundreds of sponsored athletes across global tours



51%
Topgolf guests identify as non-golfers

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

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

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

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.*

OVERVIEW OF THE TOPGOLF BUSINESS

- Same venue sales[1] reached approximately 100% of 2019 levels driven by very strong walk-in traffic and increased social event bookings
  - Expect Q4 and full year same venue sales[1] to be in the low- to mid-90s compared to 2019, given the higher mix of corporate events
  - Although we expect corporate events to be down vs. 2019 in Q4, we are encouraged by improving trends

- New venue expansion update:
  - Added two new venues during the quarter: Colorado Springs and Holtsville (Long Island, NY)
  - On track to open a total of nine new domestic venues in 2021
  - Expect to end the year with 67 domestic venues and three owned UK venues in operation for a total of 70 owned venues in operation

- Toptracer installations were lower than expected during Q3 due to access restrictions in certain countries and supply chain constraints
  - Now expect total new bay installations for full year 2021 to be approximately 10% below our 8,000-bay install target
  - Demand remains high and we are confident we can return to our target of 8,000+ installations moving forward

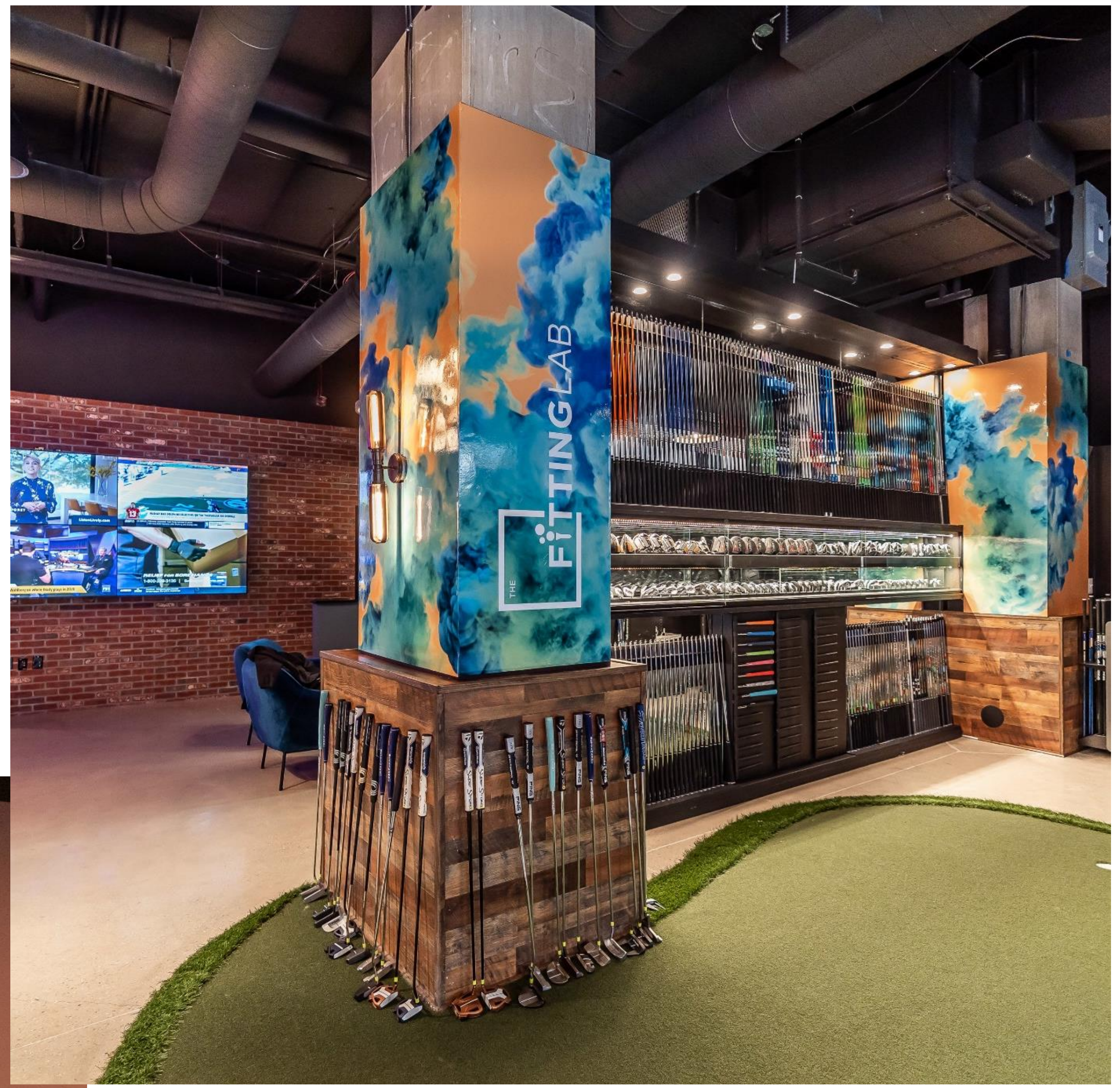
TOPGOLF RECOVERING TO PRE-PANDEMIC LEVELS FASTER THAN ORIGINALLY EXPECTED

1. Same venue sales 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.

FIVE IRON GOLF INVESTMENT

About Five Iron Golf

- Emerging, privately-owned, urban indoor golf and entertainment company offering simulator rentals, golf lessons, custom club fittings, social events and a curated food and beverage menu
- Select locations feature The Fitting Lab, a custom club-fitting operation and a Golf Digest Top 100 Clubfitter
- Currently operate nine domestic venues (New York, Chicago, Baltimore, Las Vegas, Philadelphia, Washington, D.C., Pittsburgh) and one international franchise venue in Singapore
- Seven additional venue locations currently under development



Transaction Details

- $30 million minority investment, which Callaway will be accounting for on a cost basis
- Partnership includes a non-exclusive marketing agreement where Five Iron participants will have the opportunity to demo Callaway clubs and balls, increasing our reach to golfers at all levels as they engage with the sport
- Valuable opportunity for strategic collaboration that will benefit both brands

SUPPORTING THE GROWTH OF OFF-COURSE VENUES AND CONNECTING WITH MORE GOLFERS

OVERVIEW OF GOLF EQUIPMENT SEGMENT

- Demand and interest in golf remains at all-time highs
  - Hard goods retail sell-through has continued to trend higher according to Golf Datatech, with Q3 up 1.3% year-over-year and up 46.5% compared to 2019
  - Customers are telling us that they expect a strong year for golf in 2022

- Successfully navigated the challenges of the quarter to capture as much demand as possible

- All manufacturing facilities are open and production has shifted to 2022 new product launches

- We believe we are well-positioned heading into 2022 and are encouraged by continued strong demand

DEMAND AND INTEREST IN GOLF REMAIN AT ALL-TIME HIGHS

1. Per Golf Datatech

TravisMathew

- Momentum and regional expansion continued, gaining strong traction in newer East Coast markets
- Comp store sales at own stores for the quarter were very strong, up 84% vs. 2020 and 50% vs. 2019[1]
- Opened two new stores in Florida in Q3 for a total of 26 locations; expect to end the year with 29 stores
- Launched the TravisMathew Eco collection in September in partnership with the Surfrider Foundation, an organization dedicated to protecting the world's oceans and beaches

SURFRIDER FOUNDATION

Jack Wolfskin

- 2022 Spring / Summer pre-books up significantly over 2020
- Comp store sales increased almost 10% over both 2019 and 2020
- Despite port delays, successfully fulfilled orders in the quarter without cancellations

Callaway Apparel

- Continued to be a top performing brand in the wholesale channel in Japan, holding the #1 position year-to-date
- Korea, the brand was off to a solid start as well with positive reception from the major department stores in the region.

POSITIONED TO CONTRIBUTE SUBSTANTIALLY TOWARD ELY GROWTH IN 2021 AND BEYOND

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.*

LOOKING AHEAD

Positioned for long-term success as complementary business segments work together to grow the total enterprise

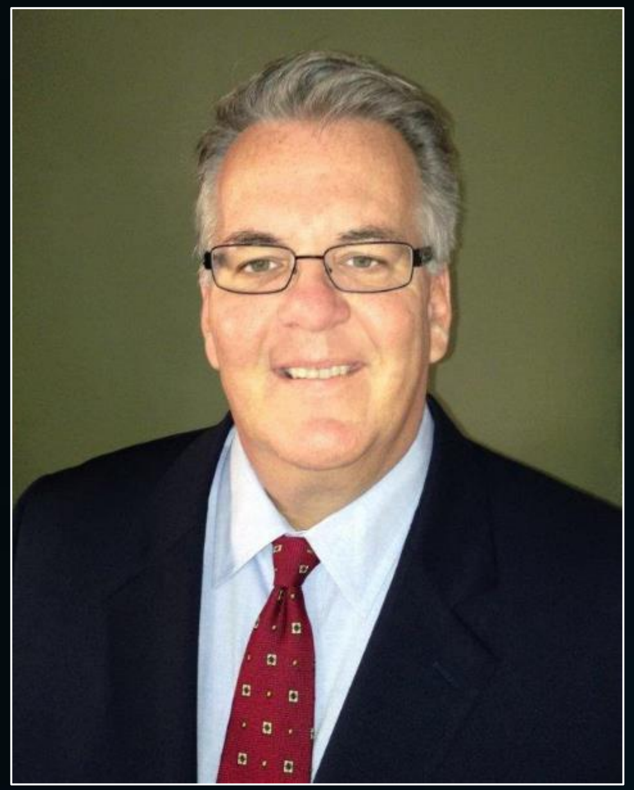
Operate in great categories that appeal to a wide consumer audience

Unique portfolio of coveted golf and outdoor brands underpinned by strong momentum

Embedded growth within existing portfolio set to unlock additional long-term shareholder value

Expect to achieve FY 2021 Adjusted EBITDA of $424-$430 million – and expect all businesses to grow in 2022

STRONG EMBEDDED GROWTH WITH UNIQUE PORTFOLIO OF BUSINESSES



Brian Lynch

EVP, CFO

Third Quarter 2021
Financial Results

Q3 & YTD FINANCIAL RESULTS

($ in millions, except EPS)

GAAP RESULTS

	Q3 2021	Q3 2020	Change	YTD 2021	YTD 2020	Change
Net Revenue	$856	$476	$381	$2,422	$1,215	$1,207
Income from Operations	$76	$64	$12	$259	$(73)	$332
Other Income/(Expense), net	$(26)	$(6)	$(20)	$187	$(7)	$194
Income (Loss) before Income Taxes	$50	$58	$(8)	$446	$(80)	$526
Net Income (Loss)	$(16)	$52	$(68)	$348	$(86)	$434
Earnings (Loss) Per Share – diluted	$(0.09)	$0.54	$(0.63)	$2.03	$(0.92)	$2.95

NON-GAAP RESULTS

	Q3 2021	Q3 2020	Change	YTD 2021	YTD 2020	Change
Net Revenue	$856	$476	$381	$2,422	$1,215	$1,207
Income from Operations	$85	$70	$15	$299	$117	$182
Other Income/(Expense), net	$(22)	$(3)	$(19)	$(54)	$(3)	$(51)
Income before Income Taxes	$63	$67	$(4)	$245	$114	$131
Net Income	$26	$59	$(33)	$173	$95	$78
Earnings Per Share - diluted	$0.14	$0.61	$(0.47)	$1.01	$0.99	$0.02
Adjusted EBITDA[1]	$139	$88	$51	$431	$177	$254

1. See appendix for Adjusted EBITDA reconciliation

Q3 & YTD 2021 SEGMENT RESULTS

($ in millions)

NET REVENUE BY SEGMENT

	Q3 2021	Q3 2020	$ Change	% Change	YTD 2021	YTD 2020	$ Change	% Change
Topgolf	$334	$—	$334	8%	$752	$—	$752	
Golf Equipment	$290	$267	$23	8%	$1,068	$769	$299	39
Apparel, Gear & Other	$233	$208	$25	12%	$602	$446	$156	35
Total Net Revenue	**$856**	**$476**	**$381**	80%	**$2,422**	**$1,215**	**$1,207**	**99**

OPERATING INCOME BY SEGMENT

	Q3 2021	Q3 2020	Change	YTD 2021	YTD 2020	Change
Topgolf	$24	-	$24	$52	-	$52
% of segment revenue	*7.2%*	-	-	*6.9%*	-	-
Golf Equipment	$46	$57	($11)	$229	$145	$84
% of segment revenue	*15.9%*	*21.3%*	*(540) bps*	*21.4%*	*18.9%*	*250 bps*
Apparel, Gear & Other	$35	$26	$9	$71	$10	$61
% of segment revenue	*15.0%*	*12.5%*	*250 bps*	*11.8%*	*2.2%*	*960 bps*
Total Segment Operating Income	**$104**	**$83**	**$21**	**$352**	**$155**	**$197**
% of total net revenue	***12.1%***	***17.4%***	***(530) bps***	***14.5%***	***12.8%***	***170 Bps***

TOPGOLF DETAILED FINANCIAL DISCLOSURE

($ in millions)

	Q3 2021	YTD (7 months)	Pro Forma YTD[1] (9 months)
Net Revenue	$334	$752	$895
Segment Income from Operations[2]	$24	$52	$34
Depreciation & Amortization	$28	$64	$82
Non-cash Rent	$3	$6	$6
Non-cash Compensation Expense	$4	$9	$11
Segment Adjusted EBITDA[3]	$59	$131	$133
Capital Expenditures[4]	$43	$109	$142
Deemed Landlord Financing Liability	$311	$311	$311

1. *Due to the timing of the Topgolf acquisition on March 8, 2021, Callaway's reported full year financial results will only include 10 months of Topgolf results in 2021. The pro forma YTD results detailed on this slide include Topgolf financials for January and February.*
2. *Segment income from operations does not include interest expense or tax expense.*
3. *Segment Adjusted EBITDA is segment income from operations plus depreciation & amortization, non-cash rent and non-cash compensation expense.*
4. *Capital expenditures are net of expected REIT reimbursement.*

BALANCE SHEET & OTHER ITEMS

($ in millions)

	As of September 30, 2021	As of September 30, 2020	% Change
Available Liquidity	$918	$637	+44%
Net Debt[1]	$1,025	$498	+106%
Net Accounts Receivables	$255	$240	+6%
Inventory	$385	$325	+18%

	YTD 2021	YTD 2020	Change
Capital Expenditures[2]	$149	$31	+381%
Depreciation & Amortization[3]	$108	$24	+350%

1. Net Debt includes $311 million of Deemed Landlord Financing related to the Topgolf venues.
2. Capital Expenditures are net of proceeds from lease financing.
3. Depreciation & Amortization excludes purchase price amortization and any write-up of P,P&E related to any of the acquisitions or the Topgolf merger.

2021 OUTLOOK AND GUIDANCE

($ in millions)

FULL YEAR 2021

	Current 2021 Estimate[1]	Previous 2021 Estimate[1]	2020 Results	2019 Results
Net Revenue	$3,110 – $3,120	$3,065 - $3,095	$1,590	$1,701
Adjusted EBITDA	$424 – $430	$370 - $390	$165	$210

- **Full Year Net Revenue Guidance Assumptions**
  - Topgolf 2021 10-month segment revenue slightly above 2019 full year (12-month) levels of $1,059 million
  - Topgolf same venue sales in the low- to mid-90s compared to 2019[2]
  - Continued positive demand fundamentals for Callaway's Golf Equipment and Apparel, Gear and Other segments, as well as improved supply in Golf Equipment in the fourth quarter

- **Full Year 2021 Adjusted EBITDA Guidance Assumptions**
  - Topgolf segment to deliver approximately $158 million in Adjusted EBITDA for the 10 months beginning March 8, 2021

- **Additional Full Year 2021 Guidance Metrics**
  - Non-GAAP tax rate in the low-20% range
  - Fully diluted share count of approximately 177 million shares
  - Capital expenditures of approximately $225 million, net of REIT reimbursements, including $60 million for the golf equipment and soft goods business[3]
  - Depreciation and amortization expenses of approximately $130 million, including $93 million for the Topgolf business[4]

INCREASED GUIDANCE IMPLIES STRONGER Q4 2021 OUTLOOK

1. *Based on 10 months of Topgolf business included in consolidated results.*
2. *Same venue sales 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*
3. *Excludes approximately $33 million in capital expenditures for Topgolf in January and February pre-merger.*
4. *Excludes approximately $18 million of Topgolf non-GAAP depreciation and amortization expense for January and February in aggregate.*

APPENDIX

REVENUE BY REGION

($ in millions, except EPS)

Q3 2021 NET REVENUES

	Q3 2021	Q3 2020	$ Change	% Change	% Change (Constant Currency)
United States	$553	$215	$338	+158%	+158%
Europe	$157	$135	$23	+17%	+14%
Japan	$63	$57	$7	+12%	+17%
Rest of World	$83	$70	$13	+19%	+15%
Total Net Revenue	**$856**	**$476**	**$381**	**+80%**	**+79%**

FIRST NINE MONTHS OF 2021 NET REVENUES

	YTD 2021	YTD 2020	$ Change	% Change	% Change (Constant Currency)
United States	$1,584	$604	$980	+162%	+162%
Europe	$387	$281	$105	+37%	+29%
Japan	$197	$159	$39	+24%	+26%
Rest of World	$254	$171	$83	+49%	+39%
Total Net Revenue	**$2,422**	**$1,215**	**$1,207**	**+99%**	**+96%**

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.