Fourth Quarter & Full Year 2021 Earnings Conference Call

February 10, 2022

IMPORTANT NOTICES

Forward-looking Statements: 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 and first quarter 2022 guidance (including net 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 February 10, 2022, 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 subsequently filed Quarterly Reports on Form 10-Q, 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 and depreciation of intangibles and other assets related to the Company's acquisitions (including an impairment charge of $174 million recorded in 2020), non-cash amortization of the debt discount related to the Company's convertible notes, acquisition and other non-recurring items (including a $253 million non-cash gain in 2021 resulting from the Company's pre-merger equity position in Topgolf), and a 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. The reconciliations are included in this presentation or in the schedules to the Company's February 10, 2022 earnings release, which is available on the Investor Relations section of the Company's website located at http://ir.callawaygolf.com/.

For forward-looking Adjusted EBITDA information provided in this presentation, 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 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 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.

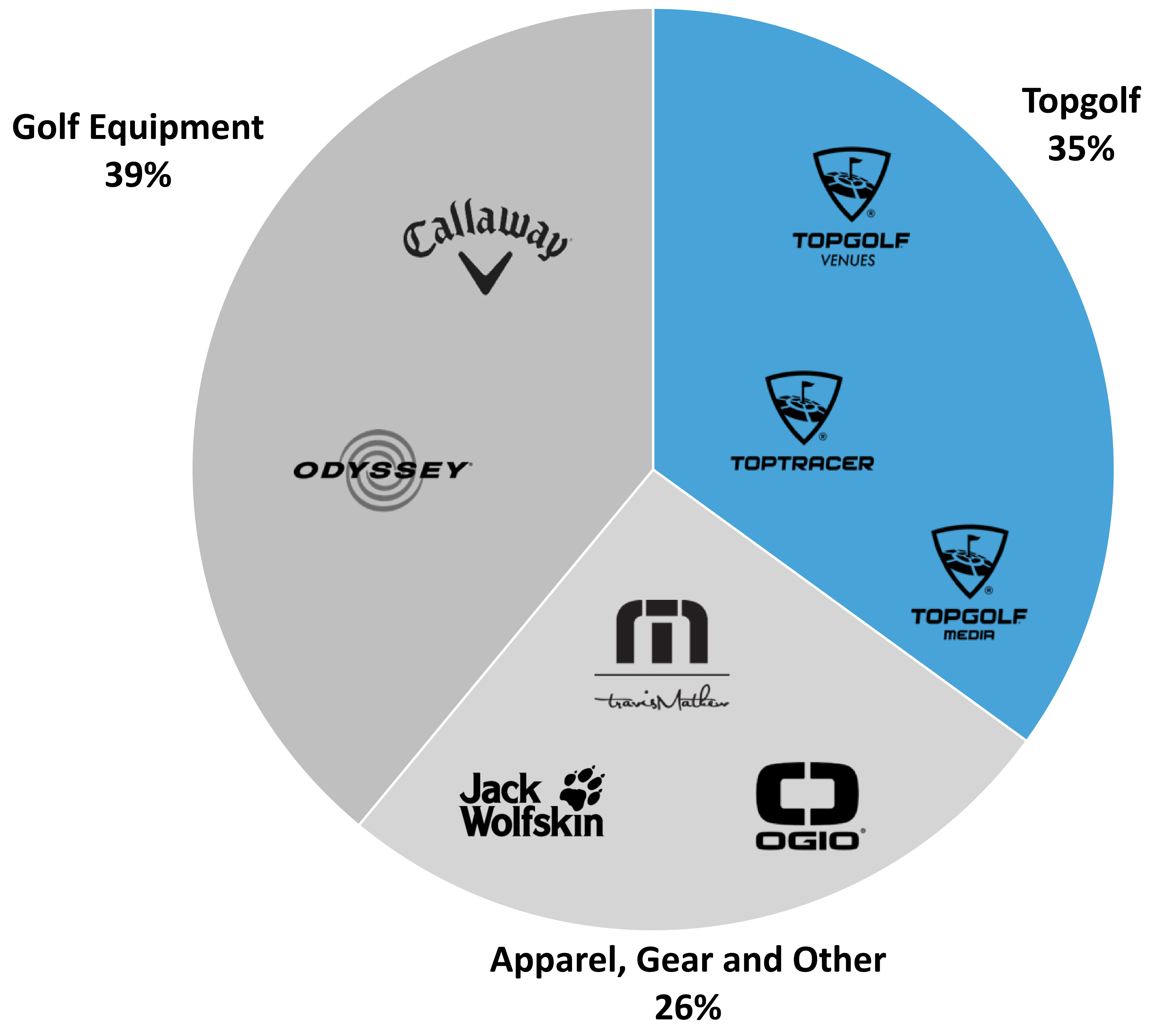
Chip Brewer
President and CEO

Company & Strategic Overview

2021 YEAR IN REVIEW

- Full year consolidated **net revenue +97%** to $3.1 billion
- Full year **adjusted EBITDA +170%** to $445 million
- Pivotal year, marked by **exceptional results, significant growth, and strong momentum** across all business segments
- Closed on the acquisition of Topgolf in Q1, transforming Callaway into the **unrivaled leader in the modern golf and lifestyle space**
- Made key **investments in infrastructure and people** to support a larger business and set Callaway up for continued growth and financial success

FY 2021 REVENUE BY SEGMENT[1]



LEADING TECH-ENABLED GOLF, LIFESTYLE APPAREL AND ENTERTAINMENT COMPANY

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.*

TOPGOLF SEGMENT UPDATE

Venue Update

- Fourth quarter walk-in traffic and event business sales for both social and corporate events surpassed expectations, driving Q4 2021 same venue sales to +6% over 2019 levels
- Full year 2021 same venue sales were approximately 95% of 2019 levels, meaningfully higher than projected and a very strong result given the operating environment
- Opened nine new venues in 2021 with one opened in Q4 2021 in Ft. Myers, FL
- 2022 pipeline includes 10 new venues with the potential of adding one more in very late Q4
- Timing of the venue openings will be heavily weighted toward the back half of the year, with five expected to open in Q4 2022

Toptracer

- Installed over 1,700 new bays in Q4 2021 for a total of just under 7,000 new bay installations in FY 2021
- Expect to install 8,000 bays or more in 2022

Topgolf Media

- Developing a new game to launch in 2022 that caters to the younger, more traditional gamer, whereas the World Golf Tour game focuses more on the traditional golfer
- Opportunity to grow digital community and integrate technology into digital offerings at both venues and Toptracer ranges to drive synergies from our game development capabilities

STRONG QUARTER AND YEAR DRIVEN BY CONSISTENT WALK-IN TRAFFIC AND A RECOVERY IN EVENTS

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.

GOLF EQUIPMENT SEGMENT UPDATE

Fourth Quarter Recap
- Results in-line with expectations
- Shifted production to build 2022 new product launch

2022 Outlook
- Demand remains very high for golf clubs and balls and inventory remains low across the industry
- Positive reception of new Rogue ST family of woods and irons and new Chrome Soft Balls

National Golf Foundation's 2022 Graffis Report highlights continued growth in both on-course and off-course golf:

- On-course golfers increased by ~300,000 in 2021 to 25.1 million players; **fourth straight year of increased participation** and the highest total since 2012
- **Off-course participation continued to grow with 24.8 million people** visiting non-traditional venues and approximately half of those playing exclusively off-course
- New first-time on-course golfers hit **3.2 million in 2021, a new record** and up from 3 million in 2020

DEMAND AND INTEREST IN GOLF REMAIN AT ALL-TIME HIGHS

APPAREL AND GEAR SEGMENT UPDATE

TravisMathew

- Own retail comp store sales up 67% vs. 2020[1]
- Ecommerce sales increased 30% vs. 2020
- Expanded product range to include women's apparel as part of the His & Her Cloud Collection launched in December, and more cold weather gear within the Outerwear Collection

Jack Wolfskin

- Sales were up in the quarter as compared to both 2020 and 2019
- Public re-launch of the brand's fresh new image was positively received by consumers and 2022 prebooks were strong
- Launched the "Nature ~~Dis~~Counts" campaign in place of Black Friday and Cyber Monday; donated 2 Euros from every purchase made during the week to Peter Wohlleben's Forest Academy, a forestry re-wilding and conservation organization

Callaway Apparel

- Japan held the #1 share in the wholesale channel during the quarter
- Direct-to-consumer efforts showing value with strong sales in owned retail stores

POSITIONED TO CONTRIBUTE SUBSTANTIALLY TOWARD ELY GROWTH IN 2022 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

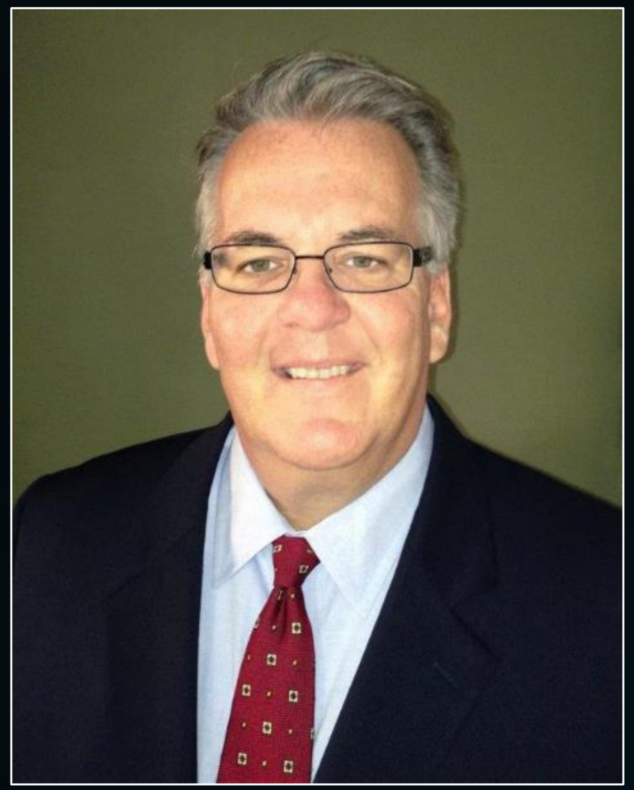
Unique portfolio of coveted golf and outdoor brands underpinned by strong momentum

Proven ability to drive profitability at Topgolf owned venues across various sizes, locations and maturities

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

Expect to achieve FY 2022 Adjusted EBITDA of $490-$515 million – and expect all businesses to grow in 2022

STRONG EMBEDDED GROWTH WITH UNIQUE PORTFOLIO OF BUSINESSES



Brian Lynch

EVP, CFO

Fourth Quarter & Full Year 2021 Financial Results

Q4 & FY 2021 FINANCIAL RESULTS

($ in millions, except EPS)

GAAP RESULTS

	Q4 2021	Q4 2020	Change	FY 2021	FY 2020	Change
Net Revenue	$712	$375	$337	$3,133	$1,589	$1,544
Income from Operations	$(55)	$(32)	$(23)	$205	$(106)	$311
Other Income/(Expense), net	$(41)	$(15)	$(26)	$146	$(22)	$168
Income (Loss) before Income Taxes	$(96)	$(48)	$(48)	$351	$(127)	$478
Net Income (Loss)	$(26)	$(41)	$15	$322	$(127)	$449
Earnings (Loss) Per Share – diluted	$(0.14)	$(0.43)	$0.29	$1.82	$(1.35)	$3.17

NON-GAAP RESULTS

	Q4 2021	Q4 2020	Change	FY 2021	FY 2020	Change
Net Revenue	$712	$375	$337	$3,133	$1,589	$1,544
Income from Operations	$(43)	$(22)	$(21)	$256	$95	$161
Other Income/(Expense), net	$(37)	$(13)	$(24)	$(91)	$(16)	$(75)
Income before Income Taxes	$(80)	$(35)	$(45)	$164	$79	$85
Net Income	$(35)	$(31)	$(4)	$138	$64	$74
Earnings Per Share - diluted	$(0.19)	$(0.33)	$0.14	$0.78	$0.67	$0.11
Adjusted EBITDA[1]	$14	$(13)	$27	$445	$165	$280

1. See appendix for Adjusted EBITDA reconciliation

Q4 & FY 2021 SEGMENT RESULTS

($ in millions)

NET REVENUE BY SEGMENT

	Q4 2021	Q4 2020	$ Change	% Change	FY 2021	FY 2020	$ Change	% Change
Topgolf	$336	$—	$336	n/m	$1,088	$—	$1,088	n/m
Golf Equipment	$161	$214	$(52)	(24%)	$1,229	$983	$246	25%
Apparel, Gear & Other	$215	$161	$54	33%	$817	$607	$210	35%
Total Net Revenue	**$712**	**$375**	**$337**	**90%**	**$3,133**	**$1,589**	**$1,544**	**97%**

OPERATING INCOME BY SEGMENT

	Q4 2021	Q4 2020	Change	FY 2021	FY 2020	Change
Topgolf	$6	-	$6	$58	-	$58
% of segment revenue	*1.8%*	-	-	*5.3%*	-	-
Golf Equipment	($25)	$4	($29)	$204	$149	$55
% of segment revenue	*(15.5%)*	*1.9%*	*(1,740) bps*	*16.6%*	*15.2%*	*140 bps*
Apparel, Gear & Other	($2)	($10)	$7	$69	$1	$68
% of segment revenue	*0.9%*	*6.2%*	*(530) bps*	*8.4%*	*0.2%*	*820 bps*
Total Segment Operating Income	**($21)**	**($6)**	**($15)**	**$331**	**$149**	**$182**
% of total net revenue	***(3.0%)***	***(1.6%)***	***(140) Bps***	***10.6%***	***9.4%***	***120 Bps***

TOPGOLF DETAILED FINANCIAL DISCLOSURE

($ in millions)

	Q4 2021	FY Reported (10 months)	FY Pro Forma[1] (12 months)
Net Revenue	$336	$1,088	$1,231
Segment Income from Operations[2]	$6	$58	$40
Depreciation & Amortization	$29	$93	$111
Non-cash Rent	$6	$13	$13
Non-cash Compensation Expense	$4	$14	$16
Segment Adjusted EBITDA[3]	$46	$177	$179
Capital Expenditures[4]	$64	$173	$185
Venue Financing Liability[5]	$593		

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.*
5. *Venue Financing Liability combines Venue Finance Lease Obligations and Deemed Landlord Financing, which were $132 million and $461 million, respectively, as of December 31, 2021.*

STRONG BALANCE SHEET & CLEAR CAPITAL ALLOCATION STRATEGY

($ in millions)

	As of December 31, 2021	As of December 31, 2020	% Change
Available Liquidity[1]	$753	$632	+19%
Net Debt[2]	$1,378	$407	+239%
Leverage Ratio[3]	3.1x	2.5x	+60 basis points

	FY 2021	FY 2020	Change
Capital Expenditures[4]	$234	$39	+500%
Depreciation & Amortization[5]	$129	$34	+279%

Topgolf funding needed from Callaway now $200M better than original $325M estimate, with only $70M remaining to be funded

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**
   - Repurchased a total of 946,637 shares at an average price of $26.41 during fourth quarter 2021

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.*
4. *Capital Expenditures are net of proceeds from lease financing.*
5. *Depreciation & Amortization excludes purchase price amortization and any write-up of P,P&E related to any of the acquisitions or the Topgolf merger*

2022 OUTLOOK AND GUIDANCE

($ in millions)

FULL YEAR 2022

	2022 Estimate	2021 Results[1]
Net Revenue	$3,780 - $3,820	$3,133
Adjusted EBITDA	$490 - $515	$445

Full Year Net Revenue Guidance Assumptions
- Approximately $1.5 billion in net revenue from Topgolf for the full year
- Continued positive demand for our Golf Equipment and Soft Goods segments
- No significant supply chain or retail shutdowns due to COVID resurgence
- Negative foreign currency impact of approximately $54 million on revenue due to a strengthening U.S. dollar

Full Year 2022 Adjusted EBITDA Guidance Assumptions
- Topgolf segment to deliver between $210 - $220 million in Adjusted EBITDA for the 12 months beginning January 1, 2021
- Increased operating expenses at Topgolf as we build the team and infrastructure to support a larger business
- Continued cost pressure across all business segments amid increased freight costs and inflationary pressures being offset by selective pricing opportunities
- Negative foreign currency impact of approximately $38 million on pretax income due to a strengthening U.S. dollar

Additional Full Year 2022 Guidance Assumptions
- Shares outstanding of approximately 204.2 million shares
- Non-GAAP Depreciation and Amortization expense of approximately $170 million
- Capital Expenditures of $310 million, net of REIT reimbursements (includes approximately $230 million from Topgolf)

FIRST QUARTER 2022

Q1 2022 Estimate	Q1 2021 Results[1]
$1,005 - $1,025	$652
$130 - $145	$128

First Quarter 2022 Net Revenue Guidance Assumptions
- COVID-19 Omicron variant impacting Topgolf domestic venues in January and February, with conditions stabilizing in March back to 2019 Same Venue Sales
- Negative foreign currency impact of approximately $21 million on revenue due to a strengthening U.S. dollar

First Quarter 2022 Adjusted EBITDA Guidance Assumptions
- Negative foreign currency impact of approximately $21 million on pretax income due to a strengthening U.S. dollar
  - Includes $8 million of hedge gains in 2021 that are not repeating

1. *Due to the timing of the Topgolf acquisition on March 8, 2021, Callaway's reported full year financial results for 2021 only include approximately ten months of Topgolf results and therefore do not include January and February results which were in the aggregate $142.9 million in revenue and $2.3 million in Adjusted EBITDA. Same venue sales represents sales for the comparable venue base, which*

2022 TOPGOLF KEY METRICS

($ in millions)

	2022 Guidance	FY 2021 Reported (10 months)	FY 2021 Pro Forma[1] (12 months)
Net Revenue	$1,500	$1,088	$1,231
Segment Adjusted EBITDA[2]	$210-220	$177	$179
Depreciation & Amortization	$120	$93	$111
Capital Expenditures[3]	~$230	$173	$185
Venue Financing Liability[4]	$989	$593	$593

Outlook Assumptions & Commentary

- Open least 10 new Topgolf domestic venues in 2022, with 5 expected to open in the fourth quarter 2022 (potential to open one additional venue in late Q4)
- Install 8,000+ Toptracer range bays
- Same venue sales expected to be down slightly in Q1 2022 and up low-single digits for full year 2022 compared to 2019
- Capital expenditures are higher than normal because REIT reimbursement for the several venues opened in 2022 are occurring in 2023

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 Adjusted EBITDA is segment income from operations plus depreciation & amortization, non-cash rent and non-cash compensation expense.*
3. *Capital expenditures are net of expected REIT reimbursement.*
4. *Venue Financing Liability combines Venue Finance Lease Obligations and Deemed Landlord Financing, which are expected to be $264 million and $725 million, respectively, at December 31, 2022. As of December 31, 2021, Venue Finance Lease Obligations and Deemed Landlord Financing were $132 million and $461 million, respectively.*

APPENDIX

REVENUE BY REGION

($ in millions, except EPS)

Q4 2021 NET REVENUES

	Q4 2021	Q4 2020	$ Change	% Change	% Change (Constant Currency)
United States	$483	$175	$308	+177%	+177%
Europe	$113	$91	$21	+24%	+26%
Japan	$47	$54	($7)	(13%)	(5%)
Rest of World	$69	$55	$14	+26%	+26%
Total Net Revenue	**$712**	**$375**	**$337**	**+90%**	**+92%**

FULL YEAR 2021 NET REVENUES

	FY 2021	FY 2020	$ Change	% Change	% Change (Constant Currency)
United States	$2,067	$779	$1,288	+166%	+166%
Europe	$500	$373	$127	+34%	+28%
Japan	$244	$212	$32	+15%	+18%
Rest of World	$323	$226	$97	+43%	+35%
Total Net Revenue	**$3,133**	**$1,589**	**$1,544**	**+97%**	**+95%**

CALLAWAY GOLF COMPANY

Supplemental Financial Information and Non-GAAP Reconciliation

(Unaudited)

(In thousands)

	Three Months Ended December 31,										
	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[1]	Non-Cash Amortization of Discount on Convertible Notes[2]	Other Non-Recurring Items[3]	Non-GAAP
Net revenues	$711,72	$ —	$ —	$ —	$ —	$ 711,724	$374,629	$ —	$ —	$ —	$374,629
Total costs and expenses	766,38	9,606	—	1,843	—	754,938	406,884	1,255	—	8,607	397,022
Loss from operations	(54,663)	(9,606)	—	(1,843)	—	(43,214)	(32,255)	(1,255)	—	(8,607)	(22,393)
Other expense, net	(41,028)	(940)	(2,728)	(306)	—	(37,054)	(15,445)	—	(2,474)	(44)	(12,927)
Income tax benefit	(69,465)	(2,531)	(655)	(516)	(20,977)	(44,786)	(7,124)	(288)	(569)	(1,990)	(4,277)
Net (loss) income	$ (26,226)	$ (8,015)	$ (2,073)	$ (1,633)	$ 20,977	$ (35,482)	$ (40,576)	$ (967)	$ (1,905)	$ (6,661)	$ (31,043)
Diluted (loss) earnings per share:	$ (0.14)	$ (0.04)	$ (0.01)	$ (0.01)	$ 0.11	$ (0.19)	$ (0.43)	$ (0.01)	$ (0.02)	$ (0.07)	$ (0.33)
Diluted weighted-average shares outstanding:	185,97	185,971	185,971	185,971	185,971	185,971	94,185	94,185	94,185	94,185	94,185

(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. In 2020, non-recurring costs include costs associated with the Company's transition to its new North America Distribution Center, costs associated with the acquisition of Topgolf, 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.

GAAP RECONCILIATION (FULL YEAR 2021)

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

	Twelve Months Ended December 31,										
	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]	Acquisition & Other Non-Recurring Items[3]	Non-GAAP[5]
Net revenues	$ 3,133,447	$ —	$ —	$ —	$ —	$ 3,133,447	$ 1,589,460	$ —	$ —	$ —	$ 1,589,460
Total costs and expenses	2,928,73	27,226	—	23,929	—	2,877,577	1,694,975	179,116	—	21,133	1,494,726
Income (loss) from operations	204,715	(27,226)	—	(23,929)	—	255,870	(105,515)	(179,116)	—	(21,133)	94,734
Other income/(expense), net	145,927	(3,633)	(10,524)	251,514	—	(91,430)	(21,963)	—	(6,388)	(44)	(15,531)
Income tax provision (benefit)	28,654	(7,406)	(2,526)	(5,987)	18,006	26,567	(544)	(9,038)	(1,469)	(4,871)	14,834
Net income (loss)	$ 321,988	$ (23,453)	$ (7,998)	$ 233,572	$ (18,006)	$ 137,873	$ (126,934)	$ (170,078)	$ (4,919)	$ (16,306)	$ 64,369
Diluted earnings (loss) per share:	$ 1.82	$ (0.13)	$ (0.05)	$ 1.32	$ (0.10)	$ 0.78	$ (1.35)	$ (1.81)	$ (0.05)	$ (0.17)	$ 0.67
Diluted weighted-average shares outstanding:	176,925	176,925	176,925	176,925	176,925	176,925	94,201	94,201	94,201	94,201	96,289

(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. In addition, 2020 includes an impairment charge of $174.3 million related to the write-down of goodwill and intangible assets associated with 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. 2020 includes costs associated with the Company's transition to its new North America Distribution Center, costs associated with the acquisition of Topgolf, 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 twelve months ended December 31, 2020 and 2021 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
Supplemental Financial Information and Non-GAAP Reconciliation
(Unaudited)
(In thousands)

	2021 Trailing Twelve Month Adjusted EBITDA					2020 Trailing Twelve Month Adjusted EBITDA				
	Quarter Ended					Quarter Ended				
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	Total	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	Total
Net income (loss)	$ 272,461	$ 91,744	$ (15,991)	$ (26,226)	$321,988	$ 28,894	$ (167,684)	$ 52,432	$ (40,576)	$ (126,934)
Interest expense, net	17,457	28,876	28,730	40,502	115,565	9,115	12,163	12,727	12,927	46,932
Income tax provision (benefit)	47,743	(15,853)	66,229	(69,465)	28,654	9,151	(7,931)	5,360	(7,124)	(544)
Depreciation and amortization expense	20,272	43,270	44,377	47,903	155,822	8,997	9,360	10,311	10,840	39,508
JW goodwill and trade name impairment[1]	—	—	—	—	—	—	174,269	—	—	174,269
Non-cash stock compensation and stock warrant expense, net	4,609	11,039	10,832	11,964	38,444	1,861	2,942	3,263	2,861	10,927
Non-cash lease amortization expense	872	2,103	2,792	7,748	13,515	264	207	(99)	(76)	296
Acquisitions & other non-recurring costs, before taxes[2]	(235,594)	3,274	1,875	1,843	(228,602)	1,516	5,856	4,402	8,607	20,381
Adjusted EBITDA	$ 127,820	$ 164,453	$ 138,844	$ 14,269	$445,386	$ 59,798	$ 29,182	$ 88,396	$ (12,541)	$164,835

(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. In 2020, amounts include costs associated with the Company's transition to its new North America Distribution Center, costs associated with the acquisition of Topgolf, and the implementation of new IT systems for Jack Wolfskin, as well as severance related to the Company's cost reduction initiatives.

SEGMENT RECONCILIATION

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

	Operating Segment Information				
	Three Months Ended December 31,		Growth		Non-GAAP Constant Currency vs. 2020[1]
	2021	2020	Dollars	Percent	Percent
Net revenues:					
Topgolf	$ 335,798	$ —	$ 335,798	n/m	n/m
Golf Equipment	161,419	213,794	(52,375)	(24.5%)	(23.4%)
Apparel, Gear & Other	214,507	160,835	53,672	33.4%	35.8%
Total net revenues	$ 711,724	$ 374,629	$ 337,095	90.0%	91.6%
Segment operating income:					
Topgolf	$ 6,139	$ —	$ 6,139	n/m	
Golf Equipment	(24,979)	3,993	(28,972)	(725.6%)	
Apparel, Gear and Other	(2,281)	(9,720)	7,439	(76.5%)	
Total segment operating income	(21,121)	(5,727)	(15,394)	268.8%	
Corporate G&A and other[2]	(33,542)	(26,528)	(7,014)	26.4%	
Total operating income (loss)	(54,663)	(32,255)	(22,408)	69.5%	
Interest expense, net	(40,502)	(12,927)	(27,575)	213.3%	
Other expense, net	(526)	(2,518)	1,992	(79.1%)	
Total income (loss) before income taxes	$ (95,691)	$ (47,700)	$ (47,991)	100.6%	

[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) $8.5 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; (ii) $1.1 million of transaction, transition and other non-recurring costs associated with the merger with Topgolf completed on March 8, 2021; and (iii) $0.8 million of costs related to the implementation of new IT systems for Jack Wolfskin. The amount for the fourth quarter of 2020 includes (i) $8.0 million of professional fees, legal fees, employee costs and other fees associated with the acquisition of Topgolf; and (ii) $0.7 million of costs related to the implementation of new IT systems for Jack Wolfskin.

	Operating Segment Information				
	Twelve Months Ended December 31,		Growth		Non-GAAP Constant Currency vs. 2020[1]
	2021	2020	Dollars	Percent	Percent
Net revenues:					
Topgolf	$ 1,087,671	$ —	$ 1,087,671	n/m	n/m
Golf Equipment	1,229,175	982,675	246,500	25.1%	23.2%
Apparel, Gear & Other	816,601	606,785	209,816	34.6%	32.8%
Total net revenues	$ 3,133,447	$ 1,589,460	$ 1,543,987	97.1%	95.1%
Segment operating income:					
Topgolf	$ 58,225	$ —	$ 58,225	n/m	
Golf Equipment	203,846	148,578	55,268	37.2%	
Apparel, Gear and Other	68,511	679	67,832	9990.0%	
Total segment operating income	330,582	149,257	181,325	121.5%	
Corporate G&A and other[2]	(125,867)	(80,503)	(45,364)	56.4%	
Goodwill and tradename impairment[3]	—	(174,269)	174,269	(100.0%)	
Total operating income (loss)	204,715	(105,515)	310,230	294.0%	
Gain on Topgolf investment[4]	252,531	—	252,531	n/m	
Interest expense, net	(115,565)	(46,932)	(68,633)	146.2%	
Other income, net	8,961	24,969	(16,008)	(64.1%)	
Total income (loss) before income taxes	$ 350,642	$ (127,478)	$ 478,120	375.1%	

[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) $22.3 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, (ii)$21.2 million of transaction, transition and other non-recurring costs associated with the merger with Topgolf completed on March 8, 2021, and (iii) $2.8 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) $8.5 million in transaction, transition, and other non-recurring costs associated with the Topgolf Merger Agreement, (ii) $4.8 million of non-cash amortization of the debt discount on the convertible notes issued in May 2020, (iii) $3.7 million of costs associated with the Company's transition to its new North America Distribution Center; (iv) $3.8 million related to cost-reduction initiatives, including severance charges associated with workforce reductions due to the COVID-19 pandemic, and (v) $1.5 million related to the implementation of new IT systems for Jack Wolfskin.

TOPGOLF 2021 ADJUSTED EBITDA RECONCILIATION

CALLAWAY GOLF COMPANY
2021 Topgolf Non-GAAP Reconciliation and Supplemental Financial Information
(Unaudited)
(In thousands)

	Three Months Ended December 31, 2021
Segment operating income[(1)]:	$6.1
Depreciation and amortization expense	29.0
Non-cash stock compensation expense	4.4
Non-cash lease amortization expense	6.4
Adjusted segment EBITDA	$45.9

[(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.