INVESTOR PRESENTATION

First Quarter 2019

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IN GENERAL. This disclaimer applies to this document and the verbal or written comments of any person presenting it. This document, taken together with any such verbal or written comments, is referred to herein as the “Presentation.”

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The Company has not reconciled its EBITDA expectations set forth in this presentation to net income (loss), as items that impact such measures are out of the Company’s control and/or cannot be reasonably predicted. Accordingly, a reconciliation is not available without unreasonable effort.

NON-GAAP FINANCIAL INFORMATION. This Presentation may include information based on financial measures that are not recognized under generally accepted accounting principles (“GAAP”), including EBITDA margin. You should use non-GAAP information in addition to, and not as an alternative to, financial information prepared in accordance with GAAP, which is included in the Company’s filings with the SEC.

CAUTIONARY NOTE REGARDING ESTIMATED / TARGETED RETURNS AND GROWTH. Targeted returns and growth represent management’s view and are estimated based on current and projected future operating performance of our location in Orlando and other targeted locations, comparable companies in our industry and a variety of other assumptions, many of which are beyond our control, that could prove incorrect. As a result, actual results may vary materially with changes in our liquidity or ability to obtain financing, changes in market conditions and additional factors described in our reports filed with the SEC, which we encourage you to review. We undertake no obligation to update these estimates. See above for more information on forward-looking statements.

Drive Shack (NYSE: DS)

- **Drive Shack is a leisure company evolving from a traditional golf to an entertainment business**

BEFORE

Traditional Golf Focus

AFTER

Entertainment Focus

- ✓ *Higher growth trajectory*
- ✓ *Lower cyclicality*
- ✓ *Higher margins*
- ✓ *Higher capital efficiency*
- ✓ *Superior shareholder value creation*

Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

Recent News: Partnership with TrackMan

- **Signed a long term contract with new ball tracking partner, TrackMan**
  - Over 85 of the top 100 PGA Tour players own a TrackMan
  - TrackMan customers include premier broadcast companies, equipment manufacturers, coaches, club fitters, universities, and national teams

- **TrackMan's radar-based golf ball tracking system will be used at all DS Sites**
  - Radar-based tracking to significantly improve accuracy compared to previous camera-based hardware

The New York Times.

"Obviously, it's working," [TrackMan radar] Dustin Johnson said. "So I'm going to keep doing it."

Golf Digest

"In a nutshell, TrackMan is becoming a must-have piece of equipment in every elite player´s arsenal..."

Forbes

"The TrackMan displays the ball´s flight path in real-time 3-D images and spits out precise data, literally on the fly"

Why Invest in Drive Shack?

1. Differentiated Concept in Growing Industry
2. Platform for Significant Growth
3. Optimized Golf Course Portfolio
4. High Quality Locations in Pipeline
5. Attractive Unit and Overall Economics
6. Experienced Management Capabilities

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1 Differentiated Concept in Growing Industry – Drive Shack

- **Consumer trends point towards a rapidly changing, experience-focused shift in spending**
- **Millennials, the largest portion of this buying segment, are the driving force[(1)]**
  - *78% of millennials would choose to spend money on an experience versus buying something[(2)]*
- **Result is the mashup of 3 industries: <u>Food & Beverage</u> + <u>Entertainment</u> + <u>Sports</u> = <u>"Eatertainment"</u>**

U.S. "Eatertainment" Industry

$1.6+ Trillion in Revenue[(3)]

Entertainment
$700+ bn

Sports[(4)]
$100+ bn

Restaurant
$800+ bn

Drive Shack Entertainment

Golf meets games, entertainment, & dining

✓ ***Guests interact, play and socialize in a sophisticated, fun setting***

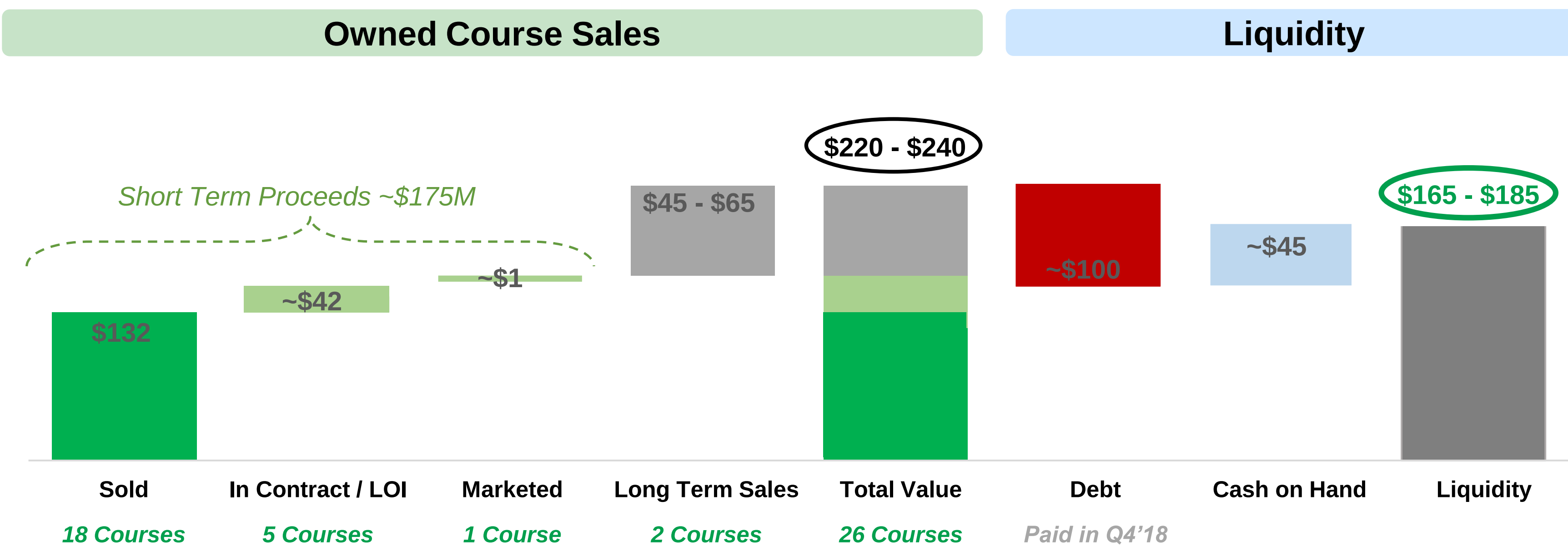
✓ ***Anchored on driving range featuring robust gaming platform***

✓ ***Elevated Food & Beverage with focus on "sharable" options***

1) Source: Pew Research Center (April 2018); Forbes (June 2014).
2) Source: USA Today (June 2017).
3) Sources: National Restaurant Association (2017), PwC (2017), Golf Digest (2018), Select USA (2017).
4) Sports revenue estimate includes media rights, gate revenues, sponsorship, merchandising, and golf facility revenue.

2 Platform for Significant Growth – American Golf Corporation (AGC)

- **Grow Drive Shack with $165 to $185M of liquidity from net course sales proceeds + cash on hand**
  - To date 18 courses sold for gross proceeds of **$132M**; expect additional **~$43M** from 6 courses by year end(1,2)
  - Additional long term course sales with estimated value of **~$45M to $65M**(3)
  - Combine sales proceeds, net of **$100M** course debt, with cash on hand of **$45M** to fund Drive Shack's growth(4)



Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
1) To date as of May 10, 2019.
2) Management estimates as informed by offers received by the Company and broker opinion valuations provided by a national real estate brokerage company.
3) Estimated proceeds of ~$45M to $65M represent (a) ~$45M to $50M of sale proceeds plus (b) additional potential redevelopment upside of up to ~$15M; long term sales are expected to close in 2H 2019 or later.
4) Cash on hand represents $50 million of total cash less ~$5 million of working capital at American Golf, equaling ~$45 million as of March 31, 2019.

DRIVE SHACK

③ Optimized Golf Course Portfolio – American Golf Corporation

Once optimized, expect annual revenue of ~$175M and course-level EBITDA margin of ~15-20% [(1)]

- **Successfully added 10 new management contracts to date for +$1M of annual cash flow**
  - Expect to have 5+ new contracts added in 2019, 2 of which have already been added
- **Opportunities to leverage capabilities across broader Drive Shack platform**
  - Grow AGC's leased & managed portfolio incorporating DS gaming platform
- **Only company to offer a truly integrated traditional and entertainment golf proposition**
  - Leverage AGC's operational and municipal experience to unlock DS sites
  - Combination of traditional + entertainment golf provides attractive ability to takeover existing ranges and courses

American Golf Portfolio Mix by 2019

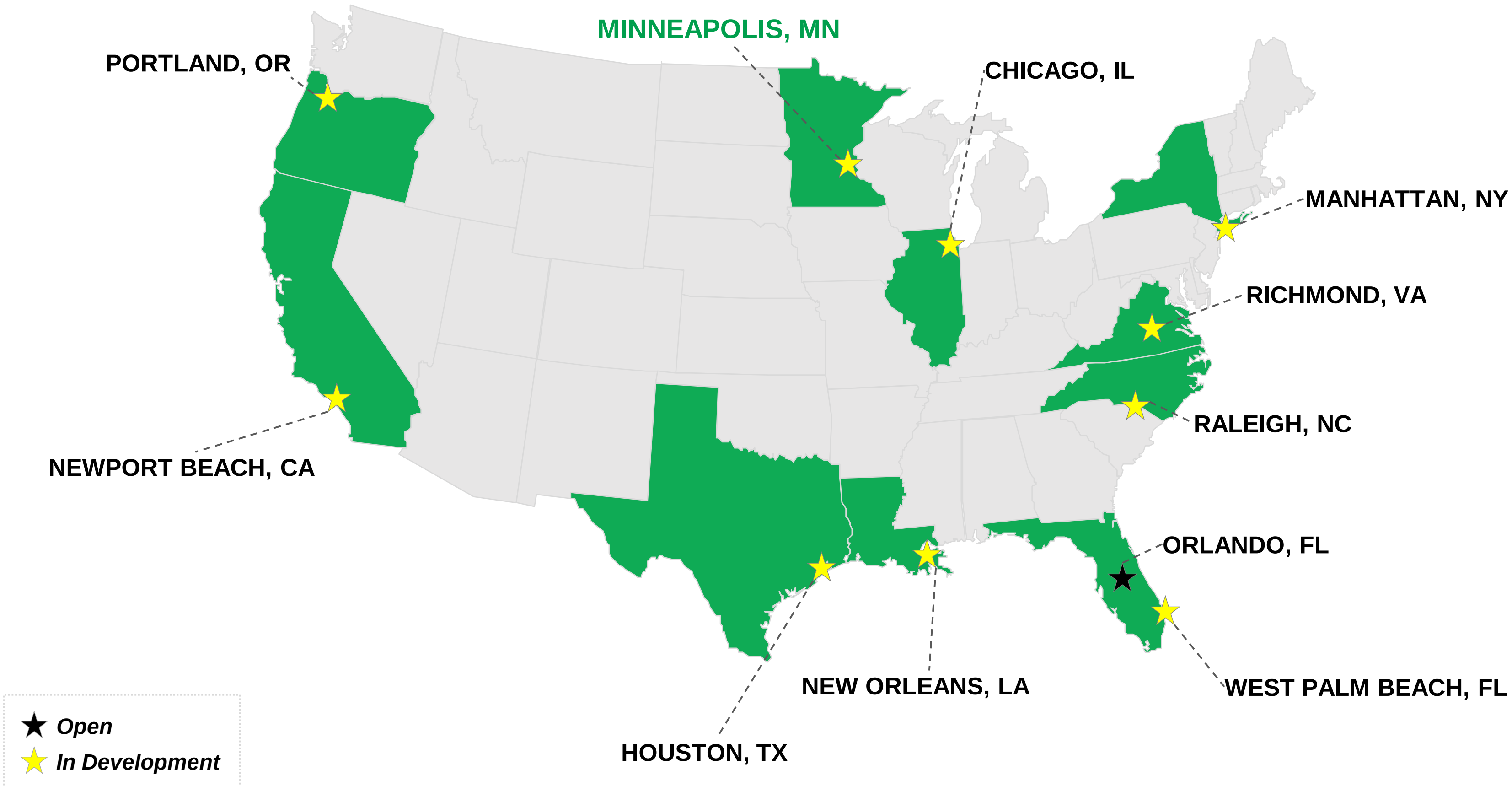
	YE 2018		Expected by YE 2019
	# of Properties		*# of Properties*
Owned	13	*Monetize*	2
Leased	36	*Maintain*	37
Managed	17	*Multiply*	22+
Total	**66**		**61+**

Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
1) Course-level EBITDA excludes corporate general and administrative expenses.

4 High Quality Locations in Pipeline

New Site Announcement – Minneapolis, MN

- **Currently in development – 3 sites planned for opening this year; 7 additional sites signed for future open**
  - Active pipeline of 30+ potential sites identified, currently analyzing economics or negotiating deal terms



DRIVE SHACK

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5 Attractive Unit and Overall Economics

Drive Shack Unit Economics

- Target site-level EBITDA margins of **~25-30%** with **20+** sites open by **2022**
- Average build cost of **~$25M** over time, as 72-bay format makes up highest portion of portfolio(1)
- Expect sites opening in 2019 to ramp for **~6 months** before reaching stabilized economics

Target Unit Economics

$ in millions	72 BAY	90+ BAY
Addressable US Markets	100+	50+
Avg. Cost to Build(1)	$20 - $25	$30 - $35
Total Revenue	$15 - $20	$20 - $25
EBITDA Margin(2)	~25%	~30%

Plus additional revenue upside from international expansion, sponsorships & other product extensions

Target Site Additions

	2019	2020	2021	2022
New Sites	3	3 – 5	5 – 10	5 – 10

20+ sites by 2022

Additional Company Economics

- Plus **$175M** of revenues with **15-20%** course-level EBITDA margin from American Golf business(3)
- Targeting total Company General & Administrative Expense at **5-10%** of revenue by 2022

Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
1) Average build cost target is inclusive of all construction costs, soft costs, start-up and expenses, if applicable.
2) There can be no assurance that we will achieve Target Site EBITDA margin and actual results may differ materially. EBITDA margin excludes costs associated with site-level financing.
3) Course-level EBITDA excludes corporate general and administrative expenses.

DRIVE SHACK

6 Experienced Management Capabilities

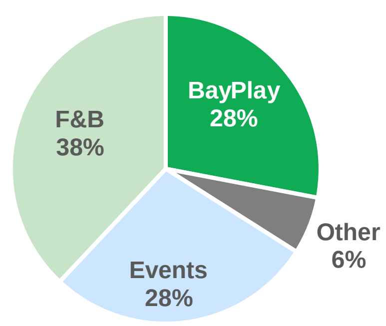
Operational Capabilities

- **Continue to Focus on Improving Guest Experience**
  - ✓ New menu ready to launch in summer 2019
  - ✓ Placed new bar on ground level for enhanced guest environment
  - ✓ Standardize training with new L&D Director
- **New brand strategy emphasizing entertainment**
  - ✓ Shift focus from golf to entertainment; emphasis on being the top social entertainment experience
  - ✓ Continue to put in place new strategies such as enhanced digital targeting and event-style programming
- **Experienced leaders in place across almost every function**
  - ✓ New VP of Design
  - ✓ New Head of IT
  - ✓ New VP of Store Openings
  - ✓ New VP of Operations
  - ✓ New VP of Event Sales
  - ✓ New Corporate Chef

Orlando Update

- **New senior leadership team & culture in place**
  - ✓ New General Manager
  - ✓ Tech. team on-site improving check-in/bay experiences, POS, and systems integration
  - ✓ Implemented operational processes to fix food & beverage execution
  - ✓ Implemented employee engagement surveys
- **Improvement visible in Orlando's Q1 results**
  - ✓ Revenue up **+11%** in Q1'19 compared to Q4'18
  - ✓ Total visitors up **+13%** in Q1'19 compared to Q4'18

Revenue to Date[1]



DRIVE SHACK

Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
1) Revenue from open to March 31, 2019. Sales from: 1) Events include food & beverage related to the event; 2) BayPlay represents non-event sales from hourly golf in the bays; 3) Other includes membership, instructions, and merchandise.

Drive Shack Investment Opportunity

1 — Differentiated Concept in Growing Industry

- ✓ *10%+ revenue growth across select "Eatertainment" industries over the past 5 yrs[(1)]*
- ✓ *Drive Shack combines golf/games, entertainment, and dining under 1 roof*

2 — Platform for Significant Growth

- ✓ *Use liquidity from monetizing 26 owned courses with est. value of **~$220M+**[(2)]*

3 — Optimized Golf Course Portfolio

- ✓ *By 2020, expect AGC revenue of ~**$175M** at **15-20%** course-level EBITDA margin[(3)]*

4 — High Quality Locations in Pipeline

- ✓ ***1** site open, **3** opening this year, **7** in development; target **20+** sites by 2022*

5 — Attractive Unit and Overall Economics

- ✓ *Unit Economics → Revenue: **~$20M**, Build cost: **$25** to **$30M**, Margin: ~**25%**[(4)]*
- ✓ *Targeting Total Company G&A of **5-10%** by 2022*

6 — Experienced Mgmt. Capabilities

- ✓ *Ken May, CEO, and David Hammarley, CFO began in November 2018*
- ✓ *New hires across Design, Operations, New Openings, Technology, and Event Sales*

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1) Based on third party estimates (unweighted).
2) Management estimates as informed by offers received by the Company and broker opinion valuations provided by a national real estate brokerage company.
3) Course-level EBITDA excludes general and administrative expenses.
4) There can be no assurance that we will achieve Target Site EBITDA margin and actual results may differ materially.

2019 Key Priorities

- **2019 is a key year in our evolution into an entertainment company as we execute our strategy to deliver sustainable, profitable growth over the long term**

Monetize Owned Courses

- *Close all short term course sales for ~$175M estimated gross proceeds(1)*
- *Finalize strategy to monetize long term courses & grow remaining portfolio*

Redeploy liquidity and cash on hand into Drive Shack

Build Out & Aggressively Expand

- *Open 3 new venues with strong toplines and bottom line performance*
- *Open 3-5 venues in 2020 and 5-10 in 2021 onwards for 20+ total venues by 2022*

Strengthen Operational Capabilities

- *Scale operational & strategic improvements made in Orlando across all new venues and continue platform-wide brand development*
- *Continue building team with key hires to support our aggressive growth*

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