



INVESTOR PRESENTATION

First Quarter 2018

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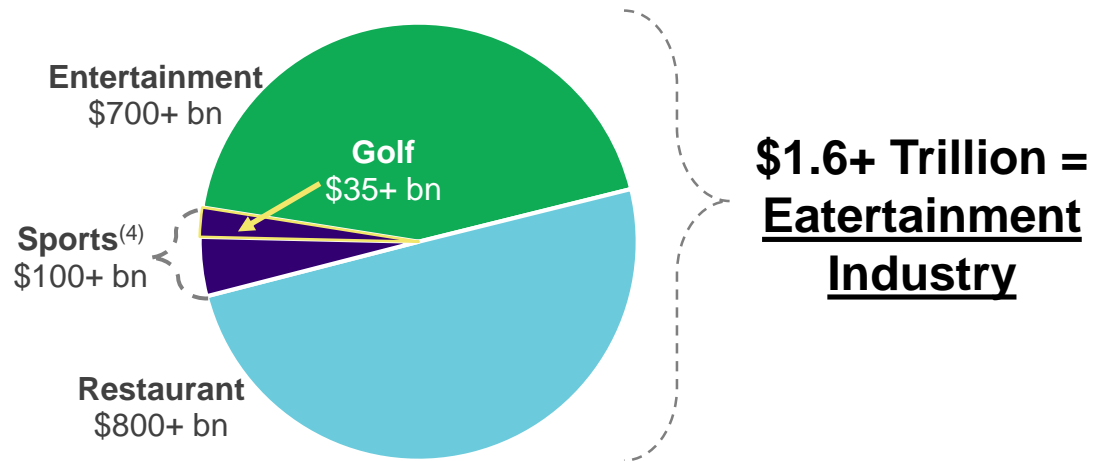
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Large Market for Food-Plus Entertainment (“Eatertainment”)

- People seeking social, engaging, and active experiences
- Result is the combo of 3 industries creating new segment, **F&B** + **Entertainment** + **Sports** = “Eatertainment”
- Millennials represent largest portion of this buying segment⁽¹⁾
 - 78% of millennials would choose to spend money on an experience versus buying something⁽²⁾

U.S. Revenue by Industry⁽³⁾



1) Source: Pew Research Center (April 2018); Forbes (June 2014).

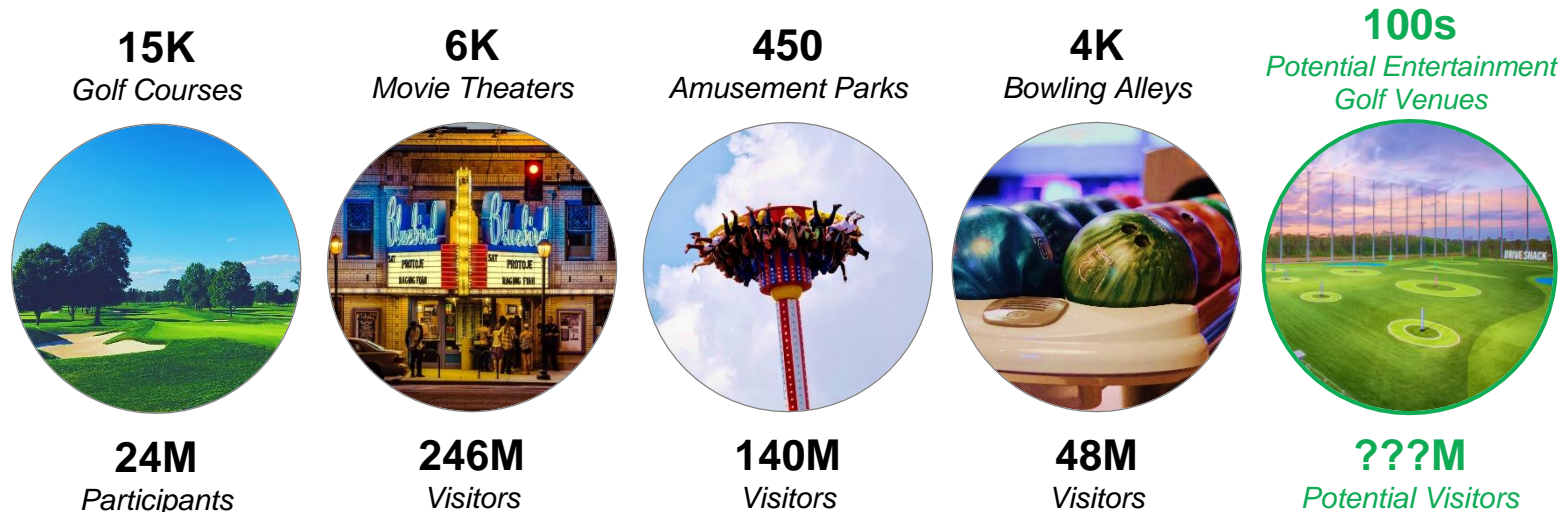
2) Source: USA Today (June 2017).

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.

Huge Demand Across U.S. Entertainment/Leisure Space⁽¹⁾

- Massive size and demand of similar U.S. businesses highlights the opportunity for golf entertainment growth
- We believe the potential exists to support 100s of golf entertainment centers and tens of millions of visitors
 - Less than 50 golf entertainment centers exist today
 - Global growth exists beyond U.S. market



1) Sources: National Golf Foundation (2017), Motion Picture Association of America (2016), Global Attractions Attendance Report (2016), Time (2017), Statista (2017), IAAPA (2017), IBIS World (2018), Dun & Bradstreet (2018).

Introducing Drive Shack

- Your all-things-fun under one roof venue – experience that combines food + fun + drinks + games
 - Whether you've never swung a club or are a PGA pro, our creative games have something for everyone
 - Our hitting bays feature free golf clubs, comfy furniture, and multiple TVs for groups to gather & play our custom games
 - Guests can enjoy our delicious food & drinks menu in a bay, at the restaurant, on our rooftop terrace, or an event space



Drive Shack Site Overview

- Orlando opened in April 2018
- 5 additional sites in development – expect to open throughout 2019
 - Richmond, Raleigh, West Palm Beach, Marietta, and New Orleans
- Aim to generate ~\$5 million EBITDA per year, on average^(1,2)

Illustrative Economics⁽²⁾

(\$ in millions)

<i>Annual Visitors</i>	<i>325K</i>	<i>450K</i>
<i>Spend / Visitor</i>	<i>\$50</i>	<i>\$50</i>
Total Revenue	\$16	\$23
Operating Costs ⁽³⁾	\$13	\$17

Targeted Site EBITDA	\$3M	to	\$6M
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1) Represents midpoint of Target Site EBITDA.

2) There can be no assurance that we will achieve Target Site EBITDA and actual results may differ materially.

3) Operating Costs include but not limited to cost of goods sold, payroll costs of site employees, facility expenses, and rent expense, if applicable.

Drive Shack's Avenues for Growth

1

Build Out Drive Shacks

- ✓ Targeting 50+ markets across the U.S.
- ✓ Also pursuing international markets

2

Optimize Current Sites

- ✓ Maximize profitability as we roll-out sites
- ✓ Enhance & update games, made easy with our leading technology

3

Pursue Adjacencies

- ✓ Target upside revenue opportunities (i.e. sponsorship)



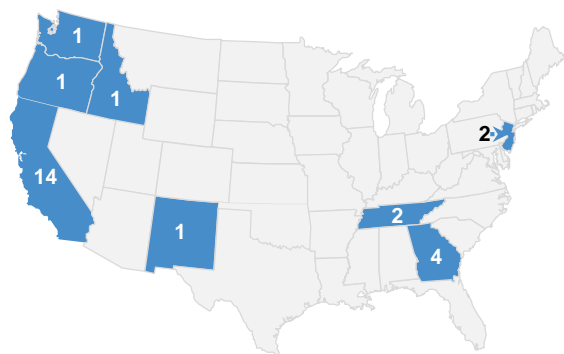
American Golf – Optimize and Monetize

- We have 74 properties across 12 states – 26 owned, 39 leased, 9 managed
- Predominantly high-volume properties in top-tier cities across U.S. – 80% in top 25 MSAs

26 Owned Courses

MONETIZE

~\$200M to \$325M of potential gross proceeds⁽¹⁾

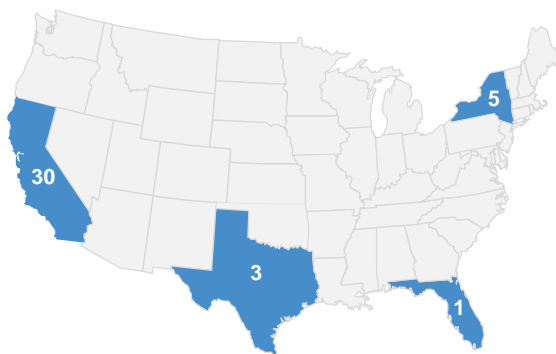


Public/Private	14 Private; 12 Public
2017 Revenue	~\$103M
2017 Course EBITDA⁽²⁾	~\$23M

39 Leased Courses⁽³⁾

RESTRUCTURE, TERMINATE & OPTIMIZE

Opportunity to achieve +\$1M cost savings

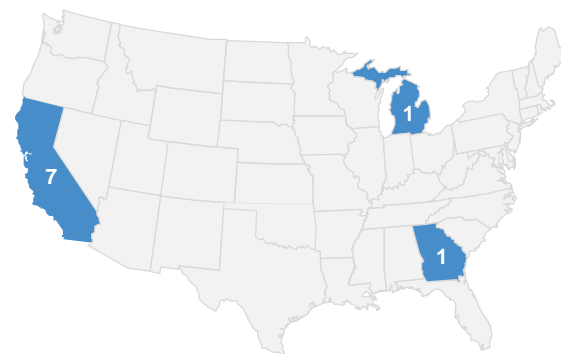


Private/Public	4 Private; 35 Public
2017 Revenue	~\$183M
2017 Course EBITDA⁽²⁾	~\$24M

9 Managed Courses

ENHANCE & ADD

Work with new parties to add contracts



Public/Private	2 Private; 7 Public
2017 Revenue	~\$2M
2017 Course EBITDA⁽²⁾	~\$2M

1) Estimated gross value on 22 properties are based on broker opinion valuation provided by national real estate brokerage companies and 4 east coast properties are based on appraised value as of June 2016 or as of the most recently available date.

2) Course EBITDA excludes cart and equipment lease costs and corporate expenses at American Golf and is a non-GAAP measure. See Endnote Regarding 2017 Course EBITDA and Adj. EBITDA.

3) American Golf began 2018 with 40 leased courses and terminated one lease on a property in Oklahoma in February 2018.

Our Plan

- Improve and grow American Golf business and use liquidity to build Drive Shack venues
- Further simplify company and generate liquidity for growth

1

Monetize Owned Courses

- *Actively pursuing sale of all 26 owned courses*
- *Estimated value of \$200M to \$325M (\$100M to \$225M net of debt)^(1,2)*

2

Optimize Leased & Grow Managed Courses

- *Restructure or terminate certain leases*
- *Add management agreements and organically grow remaining portfolio*

Aim to redeploy liquidity (including cash on hand) into Drive Shack

Build Out Drive Shack Sites

- *Opened Orlando, 5 other sites in development, aim to add 5 to 10 per year*
- *Targeting average cost to construct of ~\$25 million per site⁽³⁾*

1) Estimated gross value on 22 properties are based on broker opinion valuation provided by national real estate brokerage companies and 4 east coast properties are based on appraised value as of June 2016 or as of the most recently available date.
2) Net of debt paydown; excludes selling expenses and other potential fees.
3) Excludes cost of land, pre-opening costs and other start-up expenses.

Appendix

First Quarter 2018 Financial Results⁽¹⁾

- GAAP Loss of \$18 million, or \$0.26/share vs. GAAP Loss of \$0.21/share in 1Q 2017
- Core Earnings of (\$5) million, or (\$0.08)/share vs. (\$0.01)/share in 1Q 2017
 - Decrease primarily due to lower net interest income on the repayment of resort-related loan & sale of agency securities

Financial Results

	1Q 2018		1Q 2017	
	(\$ in millions)	(basic share)	(\$ in millions)	(basic share)
GAAP Loss	(\$18)	(\$0.26)	(\$14)	(\$0.21)
Core Earnings	(\$5)	(\$0.08)	(\$0.4)	(\$0.01)

Note: Per share represents per weighted average basic share unless otherwise noted. All per share amounts are represented on a weighted average basis.

1) Core Earnings is a non-GAAP measure. See reconciliation to the most comparable GAAP measure at the end of this Presentation. See endnotes regarding GAAP Income and Core Earnings.

Consolidated Balance Sheet

(\$ in thousands)

Assets	As of 3/31/2018	As of 12/31/2017
Current Assets:		
Cash and cash equivalents	\$137,028	\$167,692
Restricted cash	3,162	5,178
Accounts receivable, net	9,046	8,780
Real estate assets, held-for-sale	164,040	2,000
Real estate securities, available-for-sale	2,362	2,294
Other current assets	25,815	21,568
Total Current Assets	\$341,453	\$207,512
Restricted cash, noncurrent	821	818
Property and equipment, net of accumulated depreciation	86,850	241,258
Intangibles, net of accumulated amortization	54,896	57,276
Other investments	21,514	21,135
Other assets	8,442	8,649
Total Assets	\$513,976	\$536,648
Liabilities		
Current Liabilities:		
Obligations under capital leases	\$4,892	\$4,652
Membership deposit liabilities	8,715	8,733
Accounts payable and accrued expenses	34,513	36,797
Deferred revenue	13,636	31,207
Real estate liabilities, held-for-sale	13,487	-
Other current liabilities	16,532	22,596
Total Current Liabilities	\$91,775	\$103,985
Credit facilities and obligations under capital leases	112,156	112,105
Junior subordinated notes payable	51,206	51,208
Membership deposit liabilities, noncurrent	88,247	86,523
Deferred revenue, noncurrent	7,332	6,930
Other liabilities	4,779	4,846
Total Liabilities	\$355,495	\$365,597
Stockholders' Equity		
Preferred Stock	\$61,583	\$61,583
Common Equity	96,898	109,468
Total Stockholders' Equity	\$158,481	\$171,051
Total Liabilities & Stockholders' Equity	\$513,976	\$536,648

Consolidated Statement of Operations

(\$ in thousands, except per share data)

Statement of Operations	Three months ended March 31, 2018	Three months ended March 31, 2017
<i>Revenues:</i>		
<i>Golf course operations</i>	\$53,554	\$46,296
<i>Sales of food and beverages</i>	13,106	12,845
Total revenues	\$66,660	\$59,141
<i>Operating costs:</i>		
<i>Operating expenses</i>	57,379	50,509
<i>Cost of sales – food and beverages</i>	4,040	4,032
<i>General and administrative expense</i>	9,192	7,487
<i>Management fee to affiliate</i>	--	2,677
<i>Depreciation and amortization</i>	5,548	5,793
<i>Pre-opening costs</i>	1,556	--
<i>Impairment</i>	1,473	--
<i>Realized and unrealized (gain) loss on investments</i>	(242)	3,389
Total operating costs	\$78,946	\$73,887
Operating loss	(\$12,286)	(\$14,746)
<i>Other income (expenses):</i>		
<i>Interest and investment income</i>	446	7,888
<i>Interest expense, net</i>	(4,049)	(5,434)
<i>Other loss, net</i>	(406)	(123)
Total other income (expenses)	(\$4,009)	\$2,331
Loss before income tax	(\$16,295)	(\$12,415)
<i>Income tax expense</i>	--	539
Net loss	(\$16,295)	(\$12,954)
<i>Preferred dividends</i>	(1,395)	(1,395)
Loss Applicable to Common Shareholders	(\$17,690)	(\$14,349)
<i>Per WA Basic Share</i>	<i>(\$0.26)</i>	<i>(\$0.21)</i>

GAAP Reconciliation – Core Earnings⁽¹⁾

- Management uses core earnings, which is a non-GAAP measure, as one measure of operating performance. Core earnings is income (loss) available for common stockholders excluding impairment, other income (loss), net of related provision for income taxes, realized and unrealized loss (gain) on investments, and depreciation and amortization charges including the accretion of membership deposit liability and the amortization of favorable or unfavorable leasehold intangibles, acquisition and spin-off related expenses and restructuring expenses.

(\$ in thousands, except per share data)		Three months ended, March 31, 2018	Three months ended, March 31, 2017
Reconciliation of Core Earnings			
Loss applicable to common stockholders		(\$17,690)	(\$14,349)
Add (Deduct):			
Impairment		1,473	--
Realized and unrealized loss (gain) on investments		(242)	3,389
Other loss (income) ^(A)		785	502
Depreciation and amortization ^(B)		8,259	8,407
Acquisition, transaction, restructuring and spin-off related expenses ^(C)		2,039	1,662
Core Earnings		(\$5,376)	(\$389)
Per WA Basic Share		(\$0.08)	(\$0.01)
Per WA Diluted Share		(\$0.08)	(\$0.01)

⁽¹⁾See next page for fully detailed footnotes.

GAAP Reconciliation – Core Earnings (Footnotes)

(1) Please refer to Endnote on Reconciliation of Non-GAAP Measures at the end of this Presentation.

(A) Other (Loss) Income Reconciliations:

(\$ in thousands)	Three months ended, March 31, 2018	Three months ended, March 31, 2017
Total other (loss) income	(\$4,009)	\$2,331
<i>Add (Deduct):</i>		
Equity in earnings from equity method investments	(379)	(379)
Interest and investment income	(446)	(7,888)
Interest expense, net	4,049	5,434
Other (loss) income	(\$785)	(\$502)

(B) Including accretion of membership deposit liabilities of \$1.7 million and \$1.6 million and amortization of favorable and unfavorable leasehold intangibles of \$1.0 million and \$1.0 million in the three months ended March 31, 2018 and 2017, respectively. The accretion of membership deposit liabilities was recorded to interest expense, net and the amortization of favorable and unfavorable leasehold intangibles was recorded to operating expenses.

(C) Including acquisition and transaction expenses of \$1.8 million and \$1.7 million and restructuring expenses of \$0.2 million and less than \$0.1 million during the three months ended March 31, 2018 and 2017, respectively. The acquisition and transaction costs were recorded to general and administrative expense and restructuring expenses were recorded to operating expenses.

GAAP Reconciliation – Adjusted EBITDA⁽¹⁾

(\$ in thousands)	Three months ended March 31,	
	2018	2017
Net Loss Applicable to Common Stockholders for Traditional Golf	(\$10,258)	(\$10,213)
Add:		
Interest Expense, net	3,504	3,778
Income Tax Expense	--	--
Depreciation and Amortization	5,513	5,793
Amortization of favorable/unfavorable leasehold intangibles	1,028	1,028
EBITDA	(\$213)	\$386
Other Loss	2,022	744
Other Tax Expense in Lieu of Income Taxes	--	8
Change in deferred revenue related to initiation deposit liabilities	472	431
Rental Expense for Cart and Equipment under Operating Leases	561	789
Adjusted EBITDA from terminated non-core courses	234	--
Acquisition, Transaction, and Restructuring Costs ⁽²⁾	831	314
ADJUSTED EBITDA	\$3,907	\$2,672

1) Please refer to Endnote on GAAP Reconciliation – Adj. EBITDA at the end of this Presentation.

2) Includes \$0.3mm in 1Q 2018 for costs associated with hurricane damage on one property in South Florida impacted by Hurricane Irma. Adj. EBITDA would have been \$3.6mm exclusive of the hurricane related change. We are seeking insurance remuneration and will also include any such remuneration in Acquisition, Transaction, and Restructuring Costs for Adj. EBITDA purposes.

GAAP Reconciliation – Adjusted EBITDA⁽¹⁾

(\$ in thousands)	Twelve Months Ended December 31, 2017
Net Loss Applicable to Common Stockholders for Traditional Golf	(\$19,352)
Add:	
<i>Interest Expense, net</i>	15,118
<i>Income Tax Expense</i>	-
<i>Depreciation and Amortization</i>	24,259
<i>Amortization of favorable/unfavorable leasehold intangibles</i>	4,111
EBITDA	\$24,136
<i>Other Loss</i>	1,962
<i>Other Tax Expense in Lieu of Income Taxes</i>	176
<i>Change in deferred revenue related to initiation fee deposits</i>	1,622
<i>Rental Expense for Cart and Equipment under Operating Leases</i>	2,982
<i>Adjusted EBITDA from terminated non-core courses</i>	738
<i>Acquisition, Transaction, and Restructuring Costs⁽²⁾</i>	3,032
ADJUSTED EBITDA⁽³⁾	\$34,648

1) Please refer to Endnote on GAAP Reconciliation – EBITDA and Adj. EBITDA at the end of this Presentation.

2) Includes \$2.2 million in FY 2017 for costs associated with hurricane damage on one property in South Florida impacted by Hurricane Irma. Adj. EBITDA would have been \$32.4 million exclusive of the hurricane related change. We are seeking additional insurance remuneration and have included remuneration received to date in Acquisition, Transaction, and Restructuring Costs for Adj. EBITDA purposes.

3) 2017 Adjusted EBITDA consists of Leased Course EBITDA of \$24 million, Managed Course EBITDA of \$2 million, Owned Course EBITDA of \$23 million, \$1 million EBITDA loss of an exited course during 1Q 2018 and change in deferred revenue related to initiation fee deposits of \$2 million, offset by traditional golf corporate expenses of \$15 million.

GAAP Reconciliation – Income (Loss)

(\$ in thousands)	Three months ended March 31, 2018	Three months ended March 31, 2017
<i>Income (loss) applicable to common stockholders for Traditional Golf</i>	(\$10,258)	(\$10,213)
<i>Income (loss) applicable to common stockholders for Entertainment Golf</i>	(3,913)	(1,276)
<i>Income (loss) applicable to common stockholders for Debt Investments</i>	438	3,827
<i>Income (loss) applicable to common stockholders for Corporate</i>	(3,957)	(6,687)
<i>Income (Loss) applicable to common stockholders</i>	(\$17,690)	(\$14,349)

Endnote on Reconciliation of Non-GAAP Measures: Core Earnings

Core Earnings

- The following primary variables impact our operating performance: (i) the current yield earned on our investments that are not included in non-recourse financing structures (i.e., unlevered investments, including investments in equity method investees and investments subject to recourse debt), (ii) the net yield we earn from our non-recourse financing structures, (iii) the interest expense and dividends incurred under our recourse debt and preferred stock, (iv) the net operating income on our real estate and golf investments, (v) our operating expenses and (vi) our realized and unrealized gains or losses, net of related provision for income taxes, including any impairment, on our investments, derivatives and debt obligations. Core earnings is a non-GAAP measure of our operating performance excluding the sixth variable listed above. Core earnings also excludes depreciation and amortization charges, including the accretion of membership deposit liabilities and the impact of the application of acquisition accounting, acquisition and spin-off related expenses and restructuring expenses. Core earnings is used by management to evaluate our performance without taking into account gains and losses, net of related provision for income taxes, which, although they represent a part of our recurring operations, are subject to significant variability and are only a potential indicator of future performance. These adjustments to our income applicable to common stockholders are not indicative of the performance of the assets that form the core of our activity. Management utilizes core earnings as a measure in its decision-making process relating to the underlying fundamental operations of our investments, as well as the allocation of resources between those investments, and management also relies on core earnings as an indicator of the results of such decisions. As such, core earnings is not intended to reflect all of our activity and should be considered as only one of the factors in assessing our performance, along with GAAP net income, which is inclusive of all of our activities. Management also believes that the exclusion from core earnings of the items specified above allows investors and analysts to readily identify and track the operating performance of the assets that form the core of our activity, assists in comparing the core operating results between periods, and enables investors to evaluate our current core performance using the same measure that management uses to operate the business.
- Core earnings does not represent an alternative to net income as an indicator of our operating performance or as an alternative to cash flows from operating activities as a measure of our liquidity, and is not indicative of cash available to fund cash needs. Our calculation of core earnings may be different from the calculation used by other companies and, therefore, comparability may be limited.

Endnote on GAAP Reconciliation – EBITDA and Adj. EBITDA

EBITDA

- EBITDA is a non-GAAP measure defined by the Company as net (loss) income applicable to common stockholders before net interest expense including the elimination of interest related to an inter-segment loan, income taxes, and depreciation and amortization including the amortization of favorable or unfavorable leasehold intangibles, which represents amortization of the fair market value of assumed leases at acquisition and is recorded within operating expenses.

Adj. EBITDA

- Adj. EBITDA is not a measure of financial performance under GAAP and should not be considered in isolation or as an alternative to income from operations, net (loss) income or any other measure of performance determined in accordance with GAAP. We believe that Adj. EBITDA will be helpful in identifying trends in the performance of our Traditional Golf business, because the excluded items have little or no significance on management decision-making in the course of our day-to-day operations. Adj. EBITDA measures our operating performance of revenue generating assets between periods on a consistent basis, and helps identify operational factors that American Golf management can impact in the short-term, namely cost structure and expenses. Adj. EBITDA takes into account expenses over which American Golf management has control in the short-term, and supports decision making that is targeted to facilitate current financial and operational goals. In addition, American Golf management expects to use this metric, amongst others, in the determination of annual incentive compensation of certain members of the American Golf team. Adj. EBITDA is a non-GAAP measure that the Company defines as EBITDA plus or minus the following items, as such items are incidental to, but not reflective of the day-to-day operating performance of the business that American Golf management can impact in the short term:
 - i. Other loss primarily related to non-cash losses from terminated course leases and sold property, or Property, Plant and Equipment (“PP&E”) write-offs at lease termination or sale closing.
 - ii. Other tax expense related to taxes levied in lieu of income taxes, including franchise taxes, if applicable.
 - iii. Changes in deferred revenue related to initiation fee deposits, which reflect the portion of deposits collected and not recognized as revenue, net of associated costs, including commissions deferred over the same period as deferred initiation fee deposits (i.e., 7-year average life of active memberships). This item measures American Golf management’s performance in driving new membership growth.
 - iv. Rental expense relating to carts and equipment under operating leases, which are targeted to be restructured as obligations under capital leases. The impact of the lease structure of cart and equipment leases is not indicative of American Golf management’s day-to-day operating performance. Such lease restructurings, however, are not guaranteed and are used for management’s measure of Adj. EBITDA only.
 - v. Adjusted EBITDA related to courses for which the lease was terminated or the property was sold and are no longer core courses within our on-going Traditional Golf business.
 - vi. Acquisition, transaction and restructuring costs as such items are unrelated to the day-to-day operating performance of the business that American Golf management can impact in the short term.