INVESTOR PRESENTATION

Second Quarter 2018

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FORWARD-LOOKING STATEMENTS. Certain items in this Presentation may constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding Drive Shack Inc.'s (NYSE: DS; "DS Inc." or the "Company" and "we," "us" and "our," as applicable) (a) statements relating to returns on our investments, (b) anticipated future sales of selected owned golf courses, including without limitation statements relating to the timing and amount of anticipated proceeds, (c) our plans and expectations to optimize the operation of, and grow, our existing leased and managed golf courses, (d) redeployment of cash from our generated liquidity, (e) targeted multiples, yields and returns, (f) our ability to terminate or restructure leases and (g) the Company's current business plan and expectations relating to our Drive Shack sites, including (i) the number of venues that we may be able to develop, (ii) timing and frequency for opening venues, (iii) financial performance of these venues and capital expenditure costs, (iv) the growth of the golf, golf entertainment, and eatertainment industry and business, and (v) our ability to enhance technology. These statements are based on management's current expectations and beliefs and are subject to a number of risks, trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. We cannot give any assurances that management's current expectations will be attained. For a discussion of some of the risks and important factors that could cause actual results to differ materially from such forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's periodic reports filed with the Securities and Exchange Commission ("SEC"), which are available on the Company's website (www.http://ir.driveshack.com). In addition, new risks and uncertainties emerge from time to time, and it is not possible to predict or assess the impact of every factor that may cause actual results to differ from those contained in any forward-looking statements. Accordingly, you should not place undue reliance on any forward-looking statements contained in this Presentation. Forward-looking statements speak only as of the date of this Presentation. We expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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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 includes information based on financial measures that are not recognized under generally accepted accounting principles ("GAAP"). 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. See definitions, purpose and reconciliations to the most comparable GAAP measures at the end of this Presentation. These measures may not be identical or comparable to measures referred to by the same name presented by other companies.

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 spanning across traditional & entertainment golf

DRIVE SHACK

NYSE: DS
Publicly Traded Since 2002

- 74 golf courses across 12 states[(1)]
- 4 million rounds of golf played per year[(2)]

- 1 site under operation; opened April 2018
- 5 additional sites in development

1) Total number of properties reflects the total number of public and private properties that are owned, leased or managed by American Golf as of June 30, 2018.
2) Figure represents rounds played on owned or leased properties over the trailing twelve months period ended June 30, 2018.

Traditional Golf – Rightsizing the Portfolio

- **Ended 2Q 2018 with 74 golf courses across 12 states – 26 owned, 38 leased & 10 managed**
- **Actively pursuing the sale of all 26 owned courses and restructuring 12 lease agreements**
  - 1 owned property sold & 15 in contract or LOI[1,2]
  - All owned property sales and lease restructurings expected to be complete by early 2019
  - Resulting in $160M in net sales proceeds and run-rate American Golf company cash flow of ~$10M[3,4]
- **Intend to redeploy an expected $270M from sale proceeds + cash on hand into Drive Shack[5]**

Portfolio 2Q 2018:	**Owned Courses: 26**	**Leased & Managed Courses: 48**
2018 Plan:	***MONETIZE***	***RESTRUCTURE & TERMINATE***
Portfolio 2019:	**Owned Courses: 0**	**Leased & Managed Courses: 36[6]**

~$160M Net Sales Proceeds & ~$10M Annual Cash Flow[3,4]

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

1) On July 31, 2018, the Company closed on the sale of a private golf property in Georgia for total proceeds of $3.5 million. The property had carrying value of $3.0 million resulting in an approximate gain on sale of $0.5 million, net of closing costs.
2) 15 properties under contract or had letter of intent ("LOI") to purchase as of August 3, 2018 and currently in the non-binding due-diligence period. These transactions remain subject to the certain contractual requirements and customary closing conditions. There can be no assurance of if or when the Company will be able to close such transactions and results can materially differ.
3) Net sale proceeds of $160 million based on (a) midpoint of estimated course value of $225 to 300 million (from in-contract or LOI pricing and valuation provided by a national real estate brokerage company) *less* (b) ~$100 million of debt, before selling and other potential fees.
4) Run-rate American Golf company cash flow is pro forma for all owned courses sold & 12 leases restructured or terminated. ~$10 million of run-rate Company targeted cash flow is calculated as follows: (a) ~$30 million of targeted course EBITDA *less* (b) ~$20 million of targeted total maintenance capital expenditures, cart & equipment lease expenses, and targeted corporate overhead expenses.
5) Estimated $270 million of liquidity represents (a) Estimated net sale proceeds of ~$160 million and (b) $125 million of total cash *less* $18 million of working capital at American Golf, equaling ~$110 million as of June 30, 2018.
6) Assumes all 12 lease agreements targeted to be restructured are terminated.

DRIVE SHACK

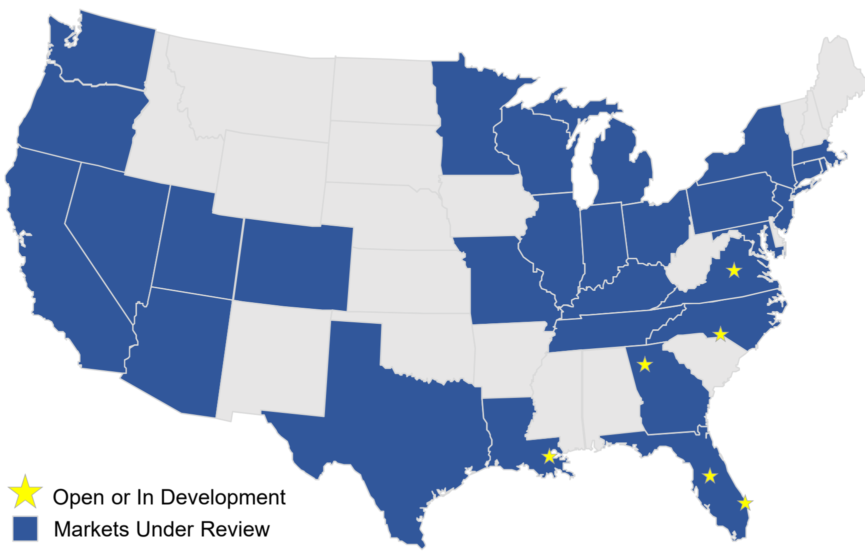
Drive Shack – Overview

Drive Shack is a unique entertainment destination
pairing the most advanced golf games and technology with unmatched food and drinks

Drive Shack – Development Plan

- **Intend to open 5 – 10 sites per year; each site on average costs ~$30 million to construct(1)**
  - Currently in development – 5 sites expected to open throughout 2019 and early 2020
  - Active pipeline – 30 sites identified, analyzing economics and negotiating initial terms
    - *Evaluating 50+ markets across the U.S. and globally*
- **We believe we can build ~15 sites by 2020 using $270M from course proceeds and cash(2)**

Sites In Development & Potential Future Markets



Development Plan

Year	New Sites
2018	1
2019	4 – 6
2020	5 – 10
	~15 sites total

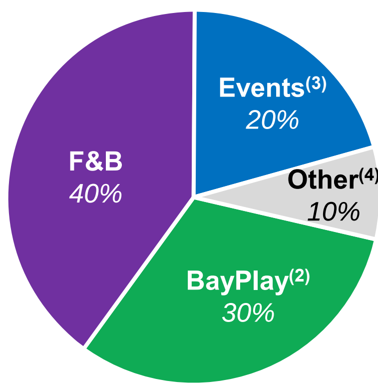
Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
1) $30 million targeted construction cost per site includes start-up expenses and cost of land, if applicable.
2) Estimated 15 total Drive Shack sites include 1 site in operation and 14 new sites. 14 new sites build assume we can obtain financing on all 15 sites (including 1 in operation) at 50% LTV on our average targeted cost to build of $30 million per site and complete our American Golf course sales at net proceeds of $160 million.

DRIVE SHACK

Drive Shack Orlando[1]

- **Drive Shack Orlando's soft open was on April 7th**
- **Revenue split to date has predominantly been driven by food & beverage and BayPlay[2]**
  - Visitor mix to date: 65% men vs. 35% women
- **Continue to ramp sales in the venue through various measures:**
  - Marketing – strengthening campaign calendar to expand outreach locally and increase visitors
  - Events – selling into larger, longer lead time events for 2018 and 2019
  - Sponsorship – hiring team to start engaging with local and national partners

Revenue Overview



Visitor Gender Split

65% Men	*35%* Women

Programming Examples

Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
1) As of 2Q 2018.
2) BayPlay represents non-event sales from hourly golf in the bays.
3) Food & beverage ("F&B") sales make up approximately half of total event sales.
4) Other includes sales from membership, instructions, and merchandise.

Conclusion

Monetize Owned Courses

- *Actively negotiating or pursuing sale of all 26 owned courses*
- *$160 million estimated proceeds net of debt(1)*

Optimize Leased & Grow Managed Courses

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

Aim to redeploy liquidity (including cash on hand) into Entertainment Golf

Optimize Current Site

- *Maximize profitability of existing site*
- *Enhance & update games, made easy with our leading technology*
- *Target revenue opportunities (i.e. sponsorship)*

Build Out & Aggressively Expand

- *Developing 5 other sites, aim to add 5 to 10 per year*
- *Average cost to construct of ~$30 million per site(2)*

See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
1) Net sale proceeds of $160 million based on (1) midpoint of estimated course value of $225 to 300 million (from in-contract or LOI pricing and valuation provided by a national real estate brokerage company) *less* (2) ~$100 million of debt, before selling and other potential fees.
2) $30 million targeted average cost to construct per site includes start-up expenses and cost of land, if applicable.

Appendix

Second Quarter 2018 Financial Results

- **GAAP Loss of $6 million, or $0.09/share vs. GAAP Loss of $0.09/share in 2Q 2017**

Financial Results

	2Q 2018		2Q 2017	
	($ in millions)	*(basic share)*	*($ in millions)*	*(basic share)*
GAAP Loss	*($6)*	*($0.09)*	*($6)*	*($0.09)*

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

Consolidated Balance Sheet

($ in thousands)

Assets	As of 6/30/2018	As of 12/31/2017
Current Assets:		
Cash and cash equivalents	$125,659	$167,692
Restricted cash	3,859	5,178
Accounts receivable, net	9,877	8,780
Real estate assets, held-for-sale	165,261	2,000
Real estate securities, available-for-sale	2,425	2,294
Other current assets	25,171	21,568
Total Current Assets	**332,252**	**207,512**
Restricted cash, noncurrent	777	818
Property and equipment, net of accumulated depreciation	93,592	241,258
Intangibles, net of accumulated amortization	53,716	57,276
Other investments	21,901	21,135
Other assets	9,041	8,649
Total Assets	**$511,279**	**$536,648**
Liabilities		
Current Liabilities:		
Obligations under capital leases	$5,158	$4,652
Membership deposit liabilities	8,972	8,733
Accounts payable and accrued expenses	44,506	36,797
Deferred revenue	10,614	31,207
Real estate liabilities, held-for-sale	9,651	—
Other current liabilities	15,145	22,596
Total Current Liabilities	**94,046**	**103,985**
Credit facilities and obligations under capital leases	112,268	112,105
Junior subordinated notes payable	51,204	51,208
Membership deposit liabilities, noncurrent	87,832	86,523
Deferred revenue, noncurrent	7,608	6,930
Other liabilities	5,480	4,846
Total Liabilities	**$358,438**	**$365,597**
Stockholders' Equity		
Preferred Stock	$61,583	$61,583
Common Equity	91,258	109,468
Total Stockholders' Equity	**$152,841**	**$171,051**
Total Liabilities & Stockholders' Equity	**$511,279**	**$536,648**

DRIVE SHACK

Consolidated Statement of Operations

($ in thousands, expect per share data)

Statement of Operations	3 months ended June 30, 2018	3 months ended June 30, 2017	6 months ended June 30, 2018	6 months ended June 30, 2017
Revenues:				
Golf operations	$69,150	$60,639	$122,704	$106,935
Sales of food and beverages	21,854	20,721	34,960	33,566
Total revenues	**$91,004**	**$81,360**	**$157,664**	**$140,501**
Operating costs:				
Operating expenses	67,042	62,028	124,421	112,537
Cost of sales – food and beverages	6,193	6,009	10,233	10,041
General and administrative expense	10,268	7,058	19,462	14,545
Management fee to affiliate	—	2,677	—	5,354
Depreciation and amortization	4,315	5,972	9,863	11,765
Pre-opening costs	247	50	1,803	50
Impairment	—	32	1,473	32
Realized and unrealized (gain) loss on investments	(89)	3,287	(331)	6,676
Total operating costs	**$87,976**	**$87,113**	**$166,924**	**$161,000**
Operating Income (loss)	**3,028**	**(5,753)**	**(9,260)**	**(20,499)**
Other income (expenses):				
Interest and investment income	469	6,395	915	14,283
Interest expense, net	(4,601)	(5,131)	(8,650)	(10,565)
Other (loss) income, net	(3,699)	293	(4,105)	170
Total other income (expenses)	**(7,831)**	**1,557**	**(11,840)**	**3,888**
Loss before income tax	**($4,803)**	**($4,196)**	**($21,100)**	**($16,611)**
Income tax expense	--	510	—	1,049
Net loss	**($4,803)**	**($4,706)**	**($21,100)**	**($17,660)**
Preferred dividends	(1,395)	(1,395)	(2,790)	(2,790)
Loss Applicable to Common Stockholders	**($6,198)**	**($6,101)**	**($23,890)**	**($20,450)**
Per WA Basic Share	*($0.09)*	*($0.09)*	*($0.36)*	*($0.31)*