



TOPGOLF

2140 BYBERRY ROAD
PHILADELPHIA, PA





TOPGOLF

Newmark Net Lease Capital Markets (the "Agent") has been engaged as the exclusive sales representative for the sale of 2140 Byberry Road, Philadelphia, Pennsylvania (the "Property") by 'Ownership' (the "Seller").

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation (August 2023) of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

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TOPGOLF





01

THE OPPORTUNITY

THE OPPORTUNITY

Newmark Net Lease Capital Markets, as exclusive advisor, is pleased to offer for sale the Fee Simple interest (Land & Building Ownership) in a state-of-the-art, single-tenant Topgolf entertainment venue located in Philadelphia, PA (the Property).

The Property is a quick 15 minutes from the heart of downtown Philadelphia, highly visible from Highway 1 (45,626 VPD) and just 1 mile North of Northeast Philadelphia Airport. Additionally, there is easy access along Comly Rd for four way traffic via North/South traffic along Hwy 1 (45,626 VPD) or East/West Hwy 63 (50,322 VPD) traffic that provides convenient access to the Property.

The Property opened in May 2022 under a brand-new, 20-year absolute NNN lease. This location was a flagship addition to the Topgolf portfolio of world-class golf and entertainment venues. The tenant's financial position has strengthened following their merger with Callaway Golf Co. which created a company with a combined market cap of \$2.91 billion as of May-2024. In addition to golf, Topgolf has positioned itself as a top venue for entertainment and large-scale events—further diversifying its attractiveness in the market.

The Property's brand-new construction, trophy location, premier experiential tenancy and long-term lease structure combine to create a truly unique investment opportunity.

TOPGOLF Philadelphia AT-A-GLANCE

PRICE / CAP RATE

PRICE (PSF)	\$56,036,000 (\$824)
CAP RATE	6.50%
ANNUAL RENT (PSF)	\$3,642,326.65 (\$53.56 PSF)

LEASE SUMMARY

ADDRESS	2140 Byberry Road, Philadelphia, PA
LEASE TERM	May 20, 2022 - May 31, 2042 20 Years (18.1 Years Remaining)
RENEWAL OPTIONS	Four (4), Five (5) Year
LEASE START	May 20, 2022
LEASE EXPIRATION	May 31, 2042
ANNUAL RENT (PSF)	\$3,642,326.65 (\$53.56 PSF)
RENTAL INCREASES	10% every 5 years
LEASE STRUCTURE	Absolute NNN
OWNERSHIP INTEREST	Fee Simple (Land & Building)

68,000 SF
PROPERTY SIZE

TOTAL: 16.40 AC
PARCEL SIZE

2022
YEAR BUILT

100+
HITTING BAYS

INVESTMENT HIGHLIGHTS

Brand New 2022 Construction in Incredibly High Barrier to Entry Location | Northeast Philadelphia Location - Halfway between Trenton and Philadelphia | Approximately 500 Employees at the Property

- Brand new 2022 Construction, 3 Floors, 100+ All-Weather Bays, 28-foot video wall and 200+ HDTVS, Bar & Restaurant and Private Event Spaces
- With incredibly high barriers to entry in Philadelphia, the Property was years in the making
- Topgolf will employ approximately 500 associates at the Property, further benefitting the community
- Northeast Philadelphia Location - 13.5 Miles North of downtown Philadelphia and 14.5 Miles South of Trenton, NJ

Long-Term Commitment | 20 Year Absolute NNN | Zero Landlord Responsibilities | 10% Rental Increases every 5 years | Four (4) Five (5) Year Renewal Options

- Absolute NNN 20-year lease; zero landlord responsibilities
- Topgolf has four (4), five (5) year renewal options
- 10% rental escalations every five (5) years throughout the primary term and option periods

State-of-the-Art Design and Construction | Topgolf Invested \$29,123,383 in Improvements | Signature Three-Level Venue & 100+ All-Weather Hitting Bays

- The newly constructed facility features superior construction and an innovative design. The Property contains 100+ climate-controlled hitting bays, a rooftop terrace with fire pits and a stage for live performances, 200+ HDTVs, a full-service restaurant, multiple bars, and a lower-level lounge
- Topgolf Invested \$29,123,383 in improvements at the subject property creating their new flagship Philadelphia, PA location

Unique and Industry-Leading Tenancy

- Topgolf has created a truly unique entertainment experience that appeals to all demographics, as evidenced by the fact that more than 50% of Topgolf visitors consider themselves to be “non-golfers.”
- Capitalizing on its attractive guest demographics, Topgolf has sponsorship contracts with Coca-Cola, Lyft, Audi, AT&T, and Red Bull, in addition to partnering with local charities in its individual markets and communities
- Topgolf operates 100+ existing venues in ten (10) countries (U.S., U.K., Australia, China, Colombia, Germany, Indonesia, Mexico, Thailand and the United Arab Emirates
- Topgolf caters extremely well to corporate gatherings—a large revenue generator for Topgolf considering the dense daytime population in the immediate area—and is within a 15-minute drive of downtown Philadelphia

Irreplaceable Hwy 1/Hwy 63 Intersection Location in Northeast Philadelphia | 1 Mile from Northeast Philadelphia Airport | Dynamic Trade Area

- Irreplaceable Hwy 1 (45,626 VPD) / Hwy 63 (50,322 VPD) intersection location in Northeast Philadelphia
- Located 1 mile Northeast of Northeast Philadelphia Airport
- Topgolf is located in the heart of a dynamic and growing trade area benefitting from significant in-migration

Affluent Demographics | Ideal Target Customer Base | Dense Daytime Working Population | Synergistic New Development

- \$89,729 Average Household Income within a 5-mile radius & \$76,884 Average Household Income within a 1-mile radius
- Over one-third of Topgolf’s revenue is derived from corporate events – Philadelphia, PA is a landmark northeastern urban center and there are 317,959 people within a 5-mile radius of this Topgolf location
- 86% of Topgolf’s customers are under the age of 45, the median age of the Philadelphia metro is 39.3
- 31.84% of residents within a 3-mile radius are between the ages of 20-44
- Topgolf is part of a new retail development featuring synergistic tenancies: ALDI, Wawa, and Chick-fil-A with two additional retail stores under construction





TOPGOLF

02

THE TENANT

THE TENANT

Topgolf is a global sports entertainment community with 100+ existing or coming soon global locations serving over 23 million guests annually. Operating at locations in ten (10) countries (U.S., U.K., Australia, China, Colombia, Germany, Indonesia, Mexico, Thailand and the United Arab Emirates), players hit golf balls containing RFID chips that track each shot's accuracy and distance while awarding points for hitting targets on the outfield. Each venue offers an upscale and engaging experience, featuring an impressive food and beverage menu, music, games, climate-controlled hitting bays and hundred of HDTVs. Topgolf also brings fun, interactive experiences to the community through its Topgolf Coach lesson, leagues, tournaments, KidZone parties and social and corporate events.

SUCCESS

Topgolf's rapid rise in popularity as a go-to entertainment venue has been a bright spot in the game of golf. The company's success has led to numerous high-profile partnerships with companies such as The PGA, Audi, Red bull and Dr. Pepper, among many others (see page 15).

Topgolf continues to invest in its brand across original content and brand marketing to further solidify its national presence. Topgolf has received recognition as being "Entrepreneur of the Year" in the Southeast by Ernst & Young and was listed as one of the "Fastest Growing Private Companies in America" by Inc. Magazine.

4 PEOPLE

AVERAGE GROUP SIZE

45,000

AVERAGE VISITS PER DAY

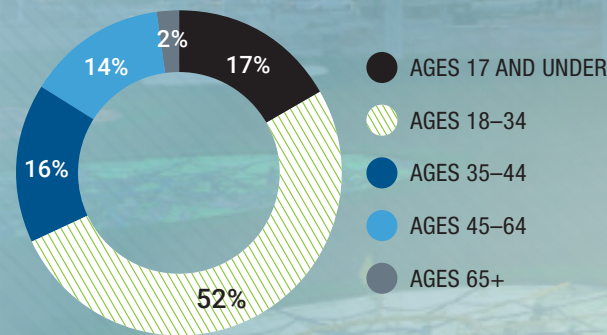
2 HOURS

AVERAGE VISIT LENGTH

73%

MALE VISITORS

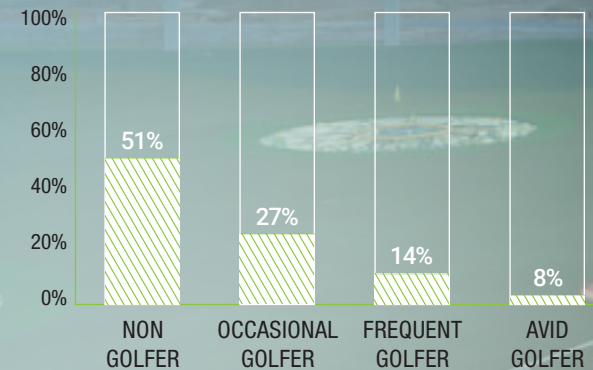
VISITOR PROFILE BY AGE RANGE



52%

VISITORS AGED 18-34

VISITOR PROFILE BY SKILL LEVEL



51%

VISITORS ARE NON-GOLFERS

October 2020, Callaway (NYSE: ELY) and TopGolf Entertainment Group announced they had entered into a definitive merger agreement. Under the terms of the agreement, Callaway and Topgolf will combine in an all-stock transaction creating a global golf and entertainment leader. Callaway issued 90 million shares of its common stock to the shareholders of Topgolf, excluding Callaway, which previously held approximately 14% of Topgolf's outstanding share's. The 90 million shares reflected an **implied equity value of approximately \$2 billion at the time of the merger**. Following the merger Callaway shareholders owned 51.3% and former Topgolf shareholders (excluding Callaway) owned approximately 48.7% of the outstanding shares of the combined company.

Articles:

- 1) Callaway Press Release - (<https://ir.callawaygolf.com/news-releases/news-release-details/callaway-and-topgolf-combine-creating-global-golf-and>)
- 2) Topgolf Press Release - (<https://press.topgolf.com/2021-03-08-Callaway-Golf-Company-Completes-Merger-with-Topgolf-Creating-an-Unrivaled-Global-Leader-in-the-Game-of-Golf>)



Merges with



TOPGOLF

Topgolf pioneered a technology to make golf more fun and inviting. It has since emerged as a global sports and entertainment community focused on connecting people in engaging and meaningful ways.

Today, Topgolf continues to blend technology and entertainment, golfers and non-golfers, children and adults—to create an experience that makes socializing a sport for everyone. No matter the occasion, Topgolf believes every great time starts with play, is fueled by food and beverage, moved by music and made possible through community. Every Topgolf venue features dozens of high-tech, climate-controlled hitting bays for year-round comfort, a chef-inspired menu for world-class deliciousness and hundreds of associates eager to help create the moments that matter.

Topgolf is truly everyone's game. With 100 worldwide venues entertaining more than 23 million guests annually, original content shows, next-gen simulator lounges through Topgolf Swing Suite, the global Topgolf Tour competition, pop-up social experiences like Topgolf Crush, Toptracer technology as seen on TV, and the world's largest digital golf audience, Topgolf is the future of active entertainment.

TOPGOLF

AT-A-GLANCE

100+

**LOCATIONS WORLDWIDE
(INCLUDES LOCATIONS COMING SOON)**

45,000

AVERAGE VISITS PER DAY

44 MILLION

GAMES PLAYED IN VENUE

73%

MALE VISITORS

52%

VISITORS AGED 18-34

51%

VISITORS ARE NON-GOLFERS

2 HOURS

AVERAGE VISIT LENGTH

4 PEOPLE

AVERAGE GROUP SIZE

80 MILLION

**CONSUMER TOUCH POINTS ACROSS
MEMBERSHIPS, EMAIL, APP DOWNLOADS**

GUEST SERVICES

Topgolf continues to blend technology and entertainment, golfers and non-golfers, children and adults — to create an experience that makes socializing a sport for everyone.





TOPGOLF





03

THE PROPERTY

History

The Jolliffe brothers and a licensee developed the first three Topgolf locations in the United Kingdom beginning in 2000. The U.S. licensee, with WestRiver Group as the lead investor, brought Topgolf to the U.S. in 2005 with the opening of Topgolf Alexandria. WestRiver Group was founded and is run by Erik Anderson, Executive Chairman of Topgolf International, Inc., dba Topgolf Entertainment Group (TEG).

As the company expanded, Callaway Golf Company (NYSE: MODG) became an investor in 2006 and Thomas Dundon in 2011. Also in 2008, the company was incorporated as Topgolf International, Inc.

In 2016, Topgolf International, Inc. created three new divisions: TEG (a DBA for Topgolf International, Inc.), Topgolf (the venues in the U.S. and U.K.), Topgolf International (the division focused on Topgolf's international expansion) and Topgolf Media (the division focused on enhancing the Topgolf experience through advanced digital media, strategic partnerships and sponsorships). In 2016, Providence Equity Partners made a sizable minority investment in TEG.

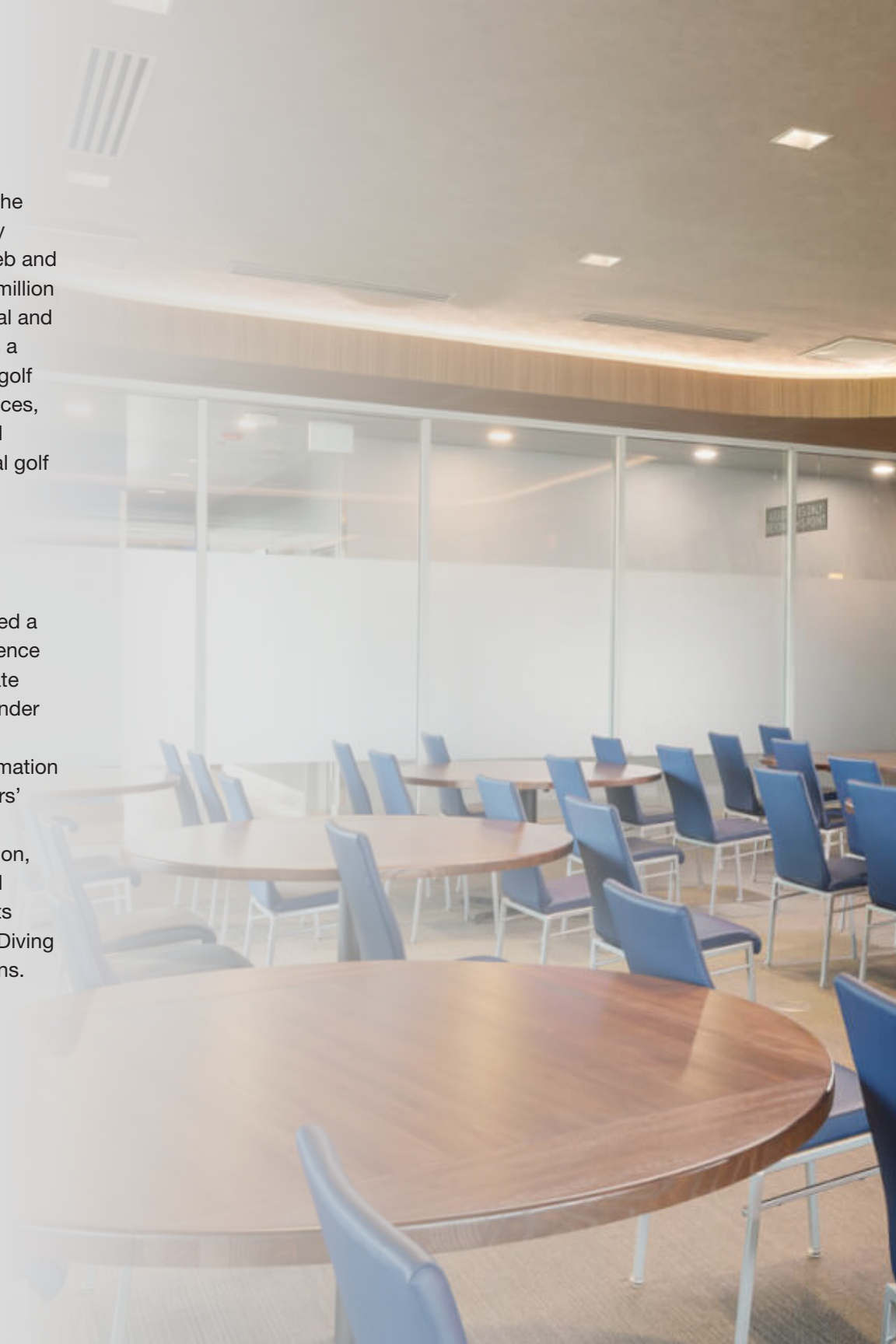
October 2020, Callaway and Topgolf merged. Callaway issued 90 million shares of its common stock at an implied valuation of approximately \$2 billion. Following the completed merger in August 2021 the company rebranded as Topgolf Callaway Brands Corp. (NYSE: MODG).

World Golf Tour Acquisition

In January 2016, Topgolf announced the acquisition of sports gaming company World Golf Tour (WGT), the leading web and mobile golf game, with more than 14 million players worldwide across online, social and mobile platforms. The deal represents a convergence of the offline and online golf experience through in-venue experiences, app enhancements, compelling digital content and the emergence of a global golf entertainment community.

Providence Equity and Fidelity Investments

In February of 2016, Topgolf announced a sizable minority investment by Providence Equity Partners, a leading global private equity firm with \$45 billion in assets under management and a focus on media, communications, education and information companies. Providence Equity Partners' previous and current sports-related investments consist of Ironman Triathlon, Major League Soccer Media, Learfield Sport, Yankees Entertainment & Sports Network, Professional Association of Diving Instructors and Chime Communications.





Protracer Acquisition

In May 2016, Topgolf acquired Swedish company Protracer to create Toptracer—software that is capable of tracking the flight of a golf ball in a camera feed and using graphics to make this visible on screen for viewers at home. Toptracer has forever changed the golf viewing experience.

In addition to detecting the path of a golf ball, Toptracer's custom-built sensor is able to provide real-time shot analytics, like ball speed, apex, curve, carry, and more. The 3D ball flight data can be integrated with virtual graphics to animate the trajectory in a side slab format, further enhancing the broadcast experience.

The versatility of the technology allows it to be used anywhere on the course, in addition to tee shots. From driving range warm-up to the shots on the 18th green, Toptracer transforms how golf is watched by adding another dimension for viewers.

Strategic Partnerships







THE PROPERTY

Experience

The Topgolf experience is unlike any other in the entertainment industry. With no collared shirts required, no requirement to have your own clubs and no requisite golf experience level, Topgolf has fostered a “come as you are” environment that appeals to all demographics and skill levels—as a result, roughly 51% of Topgolf guests were people who had never played traditional golf. Of these non-golfers, 75% said they were interested in playing traditional golf after visiting a Topgolf location.

The golfing component of the Topgolf experience is a revolutionary approach to the sport of golf. The typical Topgolf venue has a 215-yard outfield with ten dashboard-style targets of varying sizes and distances. Microchips inside each golf ball track the accuracy and distance of players shots. The results of the shots are displayed on a screen in the bay and are even compared to other players across the venue on a leaderboard. Topgolf currently offers nine variations of the game with varying difficulties and assigns each player their own unique ID, eliminating the need for tracking the score or even following a specific shot-order, allowing the game to be free-flowing and relaxed.

Paid by the hour, each bay accommodates up to six visitors to play as many games as they want, as well as order food and drinks from a server assigned to the bay. Topgolf’s best-in-class service, food and beverage, and entertainment create a highly unique and enjoyable experience. The venue caters to corporate and social gatherings of 12 to 1,200 people and serves as a large revenue driver for Topgolf.

Property Features



**CLIMATE-CONTROLLED
HITTING BAYS**



**MULTIPLE BARS
AND RESTAURANTS**



**ROOFTOP TERRACE
AND FIRE PITS**



**FREE WIFI
THROUGHOUT FACILITY**



**PRIVATE EVENT SPACES
AND MEETING ROOMS**



**POOL TABLES
AND VIDEO GAMES**





Entertainment

Each venue features multiple bars, hundreds of HDTVs, pool tables, video games, dining areas, outdoor terraces and live entertainment venues. The venues are designed to entertain from morning to night, seven days per week. In the evenings, Topgolf taps into the local nightlife scene by hosting parties, as exemplified by Topgolf nights.

Topgolf nights bring local DJs and musicians to Topgolf venues, complete with live music, games and contests from sponsors. Topgolf drives a significant amount of revenue from events, and offers tailored packages for special occasions, including New Year's Eve, Father's Day, major sporting events and children's birthday parties.

Food/Drink

Topgolf isn't just revolutionizing the way people play golf, but also setting the standard in entertainment dining. In addition to a world class entertainment experience, Topgolf features an accomplished, executive chef-driven menu, offering fresh twists on American classics, as well as local specialties. Topgolf's injectable donut holes have become a crowd favorite across the country.



TOPGOLF





04

THE LOCATION

Philadelphia, PA

Philadelphia is the largest city in Pennsylvania and the sixth-most populous U.S. city, with a 2019 census estimated population of 1.579 million. Since 1854, the city has been coterminous with Philadelphia County, the most populous county in Pennsylvania and the urban core of the eighth-largest U.S. metropolitan statistical area. Philadelphia is also the economic and cultural anchor of the greater Delaware Valley, located along the lower Delaware and Schuylkill Rivers, within the Northeast megalopolis. The Delaware Valley's population of 7.1 million ranks it as the eighth-largest combined statistical area in the United States. Philadelphia is approximately two hours south of New York City, and two hours north of Baltimore, Maryland.



The city benefits from its strategic geographical location, relative affordability, cultural and recreational amenities, and its growing strength in key industries. As a hub for education and medicine, the city is home to several institutions of higher education, medical and research facilities, and hospitals. The city also has a strong business and personal services economy with strengths in insurance, law, finance, and leisure and hospitality. Tourism is driven by the city's attractive historic district and array of cultural assets, including museums, theaters and entertainment venues, a vast park system, and a dynamic restaurant scene.



Philadelphia Sports

Philadelphia is one of few U.S. cities with a professional franchise in six major league sports. Most of Philly's pro teams play within a few miles of Center City, in South Philadelphia's Lincoln Financial Field (Eagles football); Citizens Bank Park (Phillies baseball); Wells Fargo Center (76ers basketball, Flyers hockey and, beginning in December 2018, the National Lacrosse League Wings); and, a few miles south of the city line, Talen Energy Stadium (Union soccer). Philadelphia sports fans' pride and spirit is legendary.





Philadelphia Sports

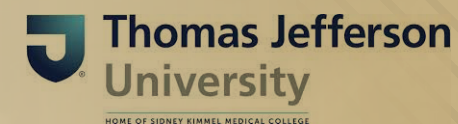
Philadelphia Education

The city's largest university by student population is Temple University, followed by Drexel University. The University of Pennsylvania, Temple University, Drexel University, and Thomas Jefferson University comprise the city's nationally ranked research universities. Philadelphia is also home to five schools of medicine: Drexel University College of Medicine, Perelman School of Medicine at the University of Pennsylvania, Philadelphia College of Osteopathic Medicine, Temple University School of Medicine, and Thomas Jefferson University's Sidney Kimmel Medical College.



Temple University





Philadelphia Demographics

POPULATION COUNTS

	1 mile	3 mile	5 mile
2010 Population	7,185	139,553	325,941
2023 Population	6,625	139,045	317,959
2028 Population Projection	6,447	138,322	316,639

HOUSEHOLD COUNTS

	1 mile	3 mile	5 mile
2010 Households	2,711	55,113	126,667
2023 Households	2,453	4,191	122,081
2028 Household Projection	2,373	53,729	121,181

INCOME COUNTS

	1 mile	3 mile	5 mile
Avg Household Income	\$76,884	\$84,413	\$89,729
Median Household Income	\$51,497	\$61,090	\$67,551







TOPGOLF

TOPGOLF





05

FINANCIAL ANALYSIS

LEASE ABSTRACT & PROPERTY DETAILS

PROPERTY OVERVIEW

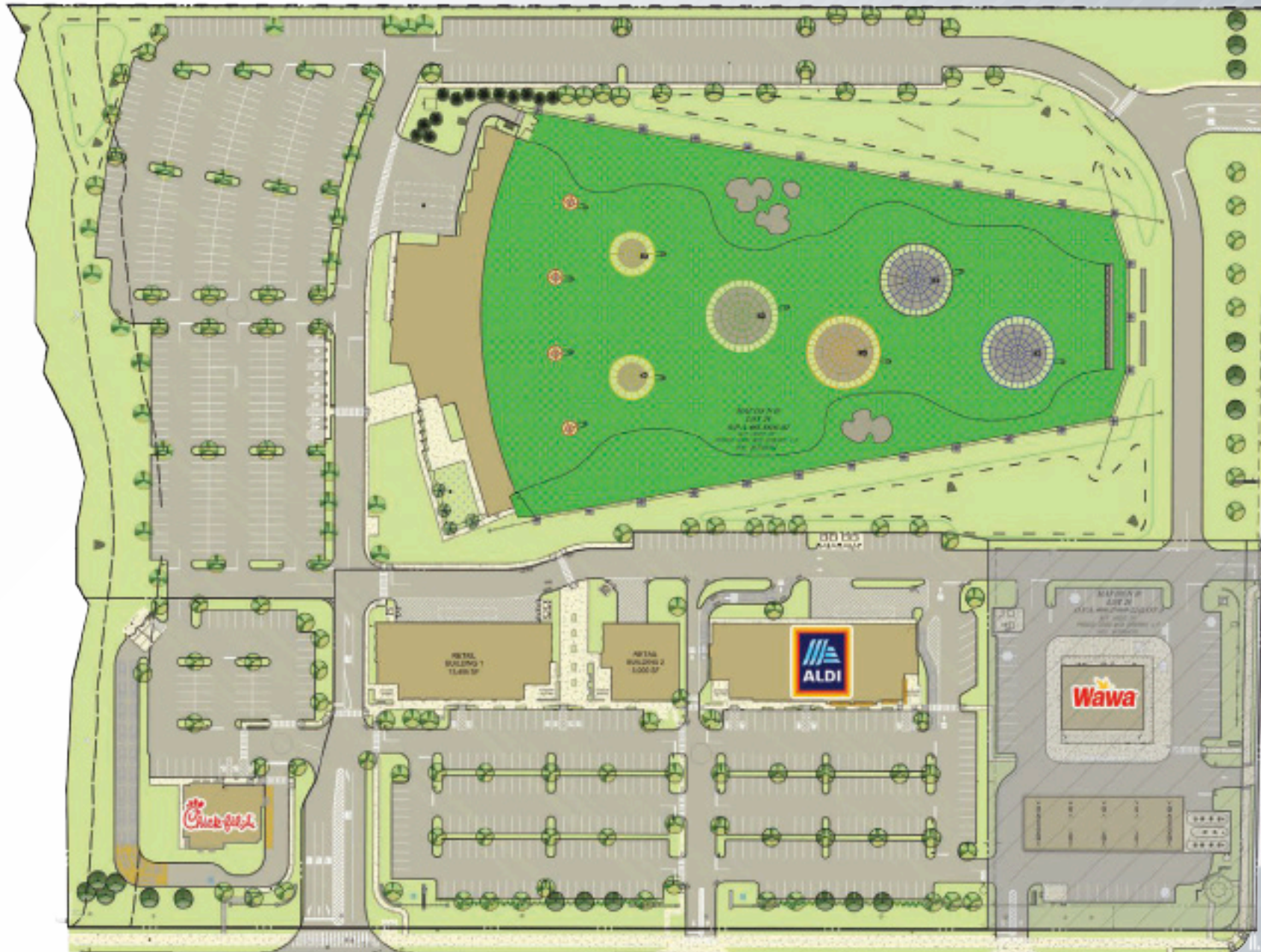
Rentable Building Area (SF)	68,000
Acreage	16.40
Year Built	2022
Parcel	88-2-9663-32

LEASE ABSTRACT

Address	2140 Byberry Road, Philadelphia, PA 19116
Tenant Trade Name	Topgolf
Guarantor(s)	Topgolf International, LLC
Rent Commencement	May 20, 2022
Lease Expiration	May 31, 2042
Lease Term Remaining	18.1 Years
Renewal Options	4 (5-Year)
Annual Rent (PSF)	\$3,642,326.65 (\$53.56 PSF)
Rent Increases	10% every 5 years
Lease Structure	NNN
Landlord Responsibilities	None
Utilities	Tenant Responsibility
HVAC	Tenant Responsibility
Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
CAM	Tenant Responsibility
Early Termination	None
ROFR	Yes, Thirty (30) Days



SITE PLAN



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TOPGOLF

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PHILADELPHIA, PA



Corporate License #01355491

The broker for a purchaser of the property shall be entitled to receive a real estate commission only in the event that broker and the property's owner execute a written commission agreement containing the manner of calculation of that commission and all conditions to its payment, and the satisfaction of those conditions. Absent a written agreement to the contrary between that broker and NKf that broker shall not look to NKf for payment of such a commission or any other compensation. Although all information furnished regarding property for sale, lease, or financing has been obtained from sources deemed to be reliable, that information has not been verified by NKf and no express representation is made nor is any to be implied as to the accuracy thereof. That information is subject to errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice and to any special conditions imposed by NKf's client.

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